



Environmental and Social Data Sheet

Overview

Project Name:	IREN CLIMATE ACTION & CIRCULAR ECONOMY LOAN II
Project Number:	2025-0232
Country:	Italy
Project Description:	The operation supports the Promoter's 2024-2028 investment plan in circular economy and energy efficiency (the "Project"). The Project includes investments in municipal waste infrastructure, comprising containers, vehicles, recycling centres, and supporting elements for the implementation of pay-as-you-throw ("PAYT") schemes. The Project also includes targeted energy efficiency measures aimed at reducing building energy consumption.
E&S Risk categorisation	Low

Project included in Carbon Footprint Exercise¹: no

(Details for projects included are provided in section: "EIB Carbon Footprint Exercise".)

Environmental and Social Assessment

The Promoter IREN S.p.A ("IREN"), is a major Italian multi-utility company operating in electricity, gas, district heating, integrated water services and environmental services sectors. The Project is part of its 2024–2028 investment programme, focusing on waste management upgrades and energy efficiency improvements across several regions in Italy.

The waste management component will modernise municipal waste collection across IREN's existing concessions in Piacenza, Parma, Reggio Emilia (Emilia Romagna region), La Spezia (Liguria region), Vercelli, Turin (Piedmont region) and several municipalities in Tuscany region. This includes procurement of new containers and vehicles, upgrading of recycling civic centres, shifting from street-based collection to a door-to-door model and deployment of digital technologies to improve traceability and source segregation. A central goal is to advance the PAYT system, which links waste charges to actual waste generation, encouraging better waste separation and reduction.

The energy efficiency component involves renovating buildings operated by Non-Profit Social Utility Organisations (ONLUS), primarily elderly care homes and mental health facilities. These renovations qualify as major renovations under EU and national definitions and also include seismic improvement and removal of architectural barriers measures. The investments aim to significantly reduce primary energy demand and produce renewable energy through building integrated photovoltaic systems and solar thermal panels, therefore lowering operational energy costs for the operator as well as increasing comfort for the building users.

Environmental Assessment

The waste management component of the Project supports EU and national objectives for increasing material recycling and diverting waste from landfills and incineration. These

¹ Only projects that meet the scope of the "Carbon Footprint Exercise", as defined in the "EIB Carbon Footprint Methodologies", are included, provided estimated emissions exceed the methodology thresholds: 20,000 tonnes CO₂e/year absolute (gross) or 20,000 tonnes CO₂e/year relative (net) – both increases and savings.



investments contribute to the circular economy transition, in line with the "Waste Framework Directive" (EU) 2018/851 and the "Landfill Directive" (EU) 2018/850, and support climate change mitigation by helping to reduce direct greenhouse gas ("GHG") emissions from improper waste segregation and disposal.

The energy efficiency component aligns with the Bank's priority lending objectives for energy efficiency, contributing to both "Climate Action" and the EU's energy and climate goals. Through the renovation of existing buildings, the Project supports the objectives of EU "Energy Performance of Buildings Directive" ("EPBD") (EU/2010/31, as amended by EU/2024/1275). The operation aligns also to the core principles of "REPowerEU" in relation to EU's clean energy transition and to increase Europe's energy independence.

Preliminary estimates suggest an average annual reduction of approx. 6,800 MWh in primary energy consumption, corresponding to a decrease of 1,700 tonnes of CO₂ equivalent per year.

Environmental impacts

The Project comprises multiple investments, none of which are expected to fall under the scope of the EIA Directive 2014/52/EU, as amended. No works will be carried out in or near Natura 2000 or other protected areas, and no components are expected to impact sensitive zones under the "Habitats Directive" (92/43/EEC) or the "Birds Directive" (79/409/EEC).

Minor environmental impacts, such as noise and dust, may occur during construction phases of buildings and recycling centres renovation; but are expected to be temporary and mitigated through proper site management. According to the Promoter, no full environmental impact assessment ("EIA") studies are required at this stage. If any component later requires an EIA, Bank funds will not be allocated until the relevant assessments are completed and approved.

The Promoter's capacity to manage environmental and social risks has been appraised and deemed satisfactory, both in terms of compliance with Bank standards and national legislation. The long-term impact of the Project is expected to deliver significant environmental benefits, particularly through reductions in GHG emissions and air pollutants and energy savings.

Climate change mitigation and adaptation

The Project is expected to positively contribute towards climate change mitigation. Waste components are dedicated to increasing the share of source-segregated recyclable waste, while the energy efficiency schemes are expected to lead to a decrease in energy consumption of the buildings, resulting in reduced CO₂ emissions.

The Project has been assessed for Paris alignment and is considered to be aligned both against low carbon and resilience goals against the policies set out in the EIB "Climate Bank Roadmap".

The greenhouse gas emissions savings achieved by implementing the Project have been estimated to be 1,700 tonnes of CO₂ equivalents per year considering the impact of the energy efficiency components². Emissions are estimated on the basis of the building consumption before and after intervention, based on the information of energy performance certificates available at this stage.

For the annual accounting purposes of the EIB "Carbon Footprint", the Project emissions will be prorated according to the EIB lending amount signed in that year, as a proportion of Project cost.

EIB Paris Alignment for Counterparties (PATH) Framework

IREN falls within the scope of the EIB "Paris Alignment for Counterparties ("PATH") Framework" and has been screened in as a high-emitting corporate. However, it is not engaged in any activities deemed incompatible under the PATH framework.

² The replacement of waste collection vehicles with mainly Euro 6 diesel units of similar mass, usage and routes, does not impact CO₂ emissions. Euro standards regulate air pollutants (NO_x, PM, HC, CO) rather than CO₂. As urban stop-start duty cycles keep fuel use per kilometre broadly unchanged, such Project's component does not produce a material reduction in CO₂ per kilometre.



The company's decarbonisation plan has been reviewed by the EIB, and its Scope 1 and 2 emissions targets exceed the minimum annual reduction threshold of 4.2%, as required by the framework. These targets are also endorsed by the "Science Based Targets initiative" ("SBTi").

Given that the plan is publicly available³ and externally verified, no further development of an alignment strategy is required at this stage. IREN's existing plans are considered sufficient to meet the requirements of the PATH framework.

Social Assessment, where applicable

The investments are expected to deliver significant social benefits, particularly by improving public health and environmental quality in the targeted areas. This will be achieved through reduced emissions and improved air quality, increased recycling rates and greater public awareness of sustainable waste management practices.

In addition, the Project will help stimulate economic growth and job creation, as typically requires skilled labour for installation, maintenance, and operation, supporting local employment and strengthening regional economies.

Any negative social impacts are expected to be temporary and limited to the construction phase. These will be addressed by the Promoter through appropriate planning and mitigation measures for each scheme.

Public Consultation and Stakeholder Engagement

Where relevant, the Promoter will be required to ensure compliance with national and European environmental legislation, notably to facilitate public access to environmental information and guarantee public consultation during the environmental decision process.

Other Environmental and Social Aspects

The Promoter is deemed capable to implement the investments based on its internal technical expertise, know-how and governance.

During the Project's due diligence, the Promoter has demonstrated sound practice with respect to environmental, health and safety management. In addition to procedures to meet regulatory requirements, the Promoter has a comprehensive environmental management system for ensuring proper implementation of projects and monitoring of ongoing operations.

The Promoter and its various subsidiaries have the following certifications: ISO 9001 (Quality Certification), ISO 14001 (Environmental Certification), and ISO 45001 (Occupational Health and Safety Management System).

Conclusions and Recommendations

The Project is expected to deliver environmental benefits, including reductions in greenhouse gas emissions through the replacement of fossil fuels and improved waste management practices, and social benefits, notably through job creation, improved public health, and enhanced environmental quality. Any potential adverse effects are anticipated to be minor and temporary, primarily limited to the construction phase due to the nature and scale of the investments.

In line with the Bank's environmental requirements, the Promoter shall ensure that EIB funds are not committed to any scheme requiring an EIA under EU or national legislation unless the full EIA report has been approved by the competent authority, and the report has been submitted to the Bank for publication on its website, or a link to the relevant authority's website has been provided.

³ <https://www.gruppipoiren.it/content/dam/iren/documents/en/investors/integrated-annual-report-2024/Integrated%20annual%20report%202024.pdf?view=yes/> and [Objectives and results 2024_V1.pdf](#)



Furthermore, the Promoter shall ensure that EIB funds are not allocated to any component that may affect nature conservation sites without prior consent from the competent authority under the "Habitats Directive" (92/43/EEC) and the "Birds Directive" (79/409/EEC). The Bank must be informed once such consent has been obtained.

Based on the information available and with appropriate conditions and monitoring, the Project is acceptable for EIB financing in environmental and social terms.