

press release

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Hera introduces Italy's first sustainable revolving line of credit

After launching the first green bond in 2014, the Group now confirms its place at the nations' forefront in the use of new sustainable financial instruments. Signed with four financial institutions, the € 200 million credit line is linked to a system of bonuses subject to reaching specific goals in environmental sustainability

Today, the Hera Group formalised an agreement with four credit institutions to activate a new € 200 million sustainable revolving credit line, intended to contribute to and maintain its financial solidity while at the same time enhancing the mix of financial products and instruments adopted by the company. This agreement is the first of its kind in Italy.

The new credit line, named "ESG Linked RCF Facility", introduces elements of sustainability through a bonus mechanism tied to specific environmental, social and governance objectives (ESG). In the commitment signed with the banks, indeed, a number of ESG performance measures were defined, which will determine the Group's ability to benefit over time from more favourable rates.

The sustainability objectives concern, for example, further reductions in the carbon footprint from energy production, new targets in energy efficiency and improvements in sorted waste collection. Hera has been a leader in all these areas for some time, as is recorded in its latest sustainability report, which at 2017 showed a 16% fall in the carbon footprint, a 3.6% reduction in the Group's own energy consumption since 2013, with the goal of reaching a 5% decrease within 2020, and sorted waste at 57.7%, above the national average.

After launching Italy's first green bond in 2014, the Hera Group thus confirms its role as a pioneer in identifying innovative financial instruments linked to sustainability.

"Environmental, social and governance objectives have long been a significant part of our Group's strategic planning", comments Stefano Venier, Hera's CEO, "and contribute to charting our course, in line with the goals set out in the UN's 2030 Agenda. We therefore consider it to be natural, perhaps even inevitable, for our financial instruments as well to reflect this vision, in addition to respecting the market's increasing sensitivity towards ESG issues. Hera has proven able to keep in step with this renewal in basic terms, interpreting the changes currently underway and providing itself with innovative models that now allow it not only to be appealing for the market, but also to explore paths that have never been followed before".

In defining the agreement, the Hera Group collaborated with Vigeo Eiris, a leading European social and environmental rating agency. Vigeo Eiris formulated a second-party opinion concerning the importance of the measures defined and the degree of future improvements that can be expected as regards these same measures, which will determine the success of the operation.

Hera was sustained within the club deal by: BBVA acting as Sustainable Coordinator, BNP Paribas and UniCredit acting as Documentation Agents, Crédit Agricole CIB acting as Facility Agent. All financial institutions acted also as Mandated Lead Arrangers.



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