



press release

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2020 Integrated Governance Index: Hera once again ranked at the top of sustainable finance

For the third consecutive year, the Group ranked first in the inquiry on integrating ESG factors within corporate finance. After pioneering this field by issuing Italy's first green bond and the first sustainable revolving line of credit, Hera has continued to place sustainability at the root of its strategies

Turning sustainability into a lever for financial and business strategy works. It does for the Hera Group, which for the third consecutive year came in first in the sustainable finance category of the 2020 Integrated Governance Index, a leading analysis of the degree to which ESG (Environmental, Social, Governance) factors are integrated within a company's strategy. These factors, alongside the traditional business goals pursued, bring social, environmental and governance aspects into the equation.

This result rewards, once again, the Group's abilities and its attention towards sustainability, understood as an element that contributes to creating shared value, not only for the company but above all for the communities and local areas served. The latter are both at the centre of the Group's strategy for growth, and are given full priority in defining its financial activities and investments.

Sustainability, the centre of the Group's strategy

Financial communities and investors, above and beyond considering a company's results, are increasingly looking into why and how these results are reached. This means that today, all businesses are required to integrate ESG factors into their strategic planning. This fundamental aspect has always set the Hera Group apart: sustainability is indeed a cornerstone of its financial and business strategies, with reference going above all to the UN's 2030 Agenda. The Group's financial tools as well, therefore, are in line with this vision. Hera made this a priority quite soon, interpreting the changes underway and providing itself with innovative models that have allowed it to take on a pioneering role in this sector and be attractive and competitive on the market.

The Group was in fact the first company in Italy to issue a green bond, as early as 2014, with a similar bond issued in 2019. Two years ago, furthermore, Hera launched its first sustainable revolving line of credit, introducing a bonus mechanism for reaching specific environmental, social and governance (ESG) goals. The latter include, for example, further

LINK UTILI

[Hera Group](#)

[The Sustainability Report](#)

[Hera Group green bond emissions](#)

[Hera sustainable revolving line of credit](#)

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reducing the carbon footprint for energy production, reaching new targets in energy efficiency and improving sorted waste. Moreover, the Hera Group provides public utility services for 4.4 million citizens: creating shared value and positive side-effects for the communities served is a duty and a priority. This is one of the reasons why, for some years now, the Group has decided to measure and publicly release, in its annual sustainability report, the portion of its Ebitda that derives from activities that meet the sustainability goals set out in the UN's 2030 Agenda. This "shared value" Ebitda rose to 422.5 million in 2019, coming to 39% of total Ebitda, with a new target set at 42% for 2023, as defined in the Business plan.

The Integrated Governance Index

The Integrated Governance Index (IGI) is the only project that quantitatively measures the degree to which ESG factors are integrated into a company's management model (integrated governance). Developed by ETicaNews, with the scientific and legal support of associations and specialised advisors, this year marks the Index's fifth edition. In 2020, the businesses invited by IGI to participate included the top 100 listed companies in Italy, businesses that publish a non-financial statement and the country's top 50 non-listed companies, setting a record for the number of companies analysed.