



**HERA S.p.A.**  
**Holding Energia Risorse Ambiente**  
Viale Carlo Bertè Pichat 2/4 40127 Bologna  
tel. 051.287.111 fax 051.287.525  
[www.gruppohera.it](http://www.gruppohera.it)

## **DUE DILIGENCE PROCESS ON HUMAN RIGHTS IN HERA GROUP**

Hera has set up an organization and procedures in order to determine actions and behaviours compliant to the law framework and coherent with of the Code of Ethic and Group's values.

Within the Group ERM approach, all risks exposure assessment of **Group companies** is carried out systematically every year, including exposure to breaches on Human rights. This year assessment has, once again, highlighted a negligible exposure to these risks in all Group activities. All Group operations concentrated in Italy (and a small activity in gas supply and distribution in Bulgaria) are monitored on compliance on Human rights (also through a centralized management system of Human Resources and CSV departments) evidenced in 2019 to be compliant to the respect of Human Rights principles.

Human Resources and CSV departments are, as a consequence, mainly focused on knowledge development, training programs and in activities aiming at increasing satisfaction and retention of its employees, expanding the Diversity management actions within the Group.

Internal audit department and Human Resources department are engaged every year to verify that actual actions within the Group are coherent with the respect of Human rights (child labour, forced labour, Health and safety, Freedom of association, discrimination) and compliant to law provisions in this regard. These verification processes are carried out also to verify the compliance to the standards requested to the different certifications obtained every year (i.e. SA8000). This year activity highlighted no issues nor any gap with Group policies and commitment nor any behaviour were not complying to Group expectations and values. Furthermore, the verification has confirmed the correct execution of improvements expected of the issues regarding Human Resources development and on the enhancing of employee's working conditions).

In 2019 Hera carried out a due diligence on all Group employees in order to assess they satisfaction and that Human Rights were respected guaranteeing anonymous questionnaires. That assessment highlighted that no issues regarding behaviour nor actions harming Human rights were raised.

The Purchasing department has continued to apply the **supplier** selection methods that include transparent procedures of tendering, evaluating Economic and Social aspects, addressing explicitly Human rights issues as reported on Annual Sustainability report. A risk analysis was carried out to find most critical suppliers (in terms of contractual amount and of practice/activities) in order to extensively (above 80% of total contractual amount) pursue a due diligence process for the verification of the respect of Human rights on tier one suppliers . Out of 90 pre-audit questionnaires sent in 2019 to supplier( more than 400 in last 5 years), 20 Audits were carried out on "critical" suppliers in 2019 (more than 40 in last 5 years) to assess the full implementation of expected practices and verify data provided in the questionnaires on Human rights (worked out on SA8000 standards). Only a few issues emerged (around 10%) and remediation actions were asked to be set in place (implementation was also verified). During 2019 training courses were held to employees dealing with suppliers on the issue to provided them the necessary expertise to carry out the audits and the accountability on Human rights compliance of suppliers.

To further strengthen the control, a whistle blowing channel is available to **all stakeholders** as a formal mechanism to respond to enquiries and grievances related to Human Rights. In addition, the Company has other channels of communication with its stakeholders, where they can communicate and express their concerns regarding any infringement, including those on Human Rights.