



press release
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Hera Group: over 2.2 billion euro distributed to local areas in 2021

Hera continues to create shared value by focusing on the principles underlying a “fair transition” and is able to support the communities it serves in achieving sustainable development. For the first time, the Sustainability Report also provides information on activities consistent with the EU taxonomy

Setting challenging goals, growing and innovating by creating value for stakeholders and reporting the results achieved in a clear and transparent way: all of this has always guided Hera’s actions. It also includes protecting the environment and promoting sustainable development, and the Group has summarised it in its 2021 Sustainability Report, now available online (<http://bs.gruppohera.it>).

Industrial growth and sustainable development, therefore, go hand in hand, nourishing one another. In full harmony with Brussels and the main international policies, Hera continues to take determined steps towards bringing about a “fair transition”. This model puts people at its centre and translates into a gradual process, planned so as not to leave anyone behind. On the contrary, it is designed to accompany the local areas served towards a more environmentally sustainable future, and also one that can concretely be achieved from an economic and social point of view.

One of the most important new features of the 2021 Sustainability Report is the information provided for the first time concerning activities consistent with the European Union’s taxonomy, with particular reference to the objectives of mitigating and adapting to climate change, thus anticipating regulatory obligations that will only come into force in 2023.

Creating value together with the communities served: more than 2.2 billion euro distributed to local areas

The Group’s sustainable growth also involves the surrounding economic and social fabric, as is proven by the over 2.2 billion euro distributed in 2021 to the areas served. Hera guarantees them continuity and efficiency in its services, with significant investments made in innovating the infrastructure assets that will be decisive in facing the climate-related challenges of the coming years.

Moreover, the total economic value for stakeholders rose to over 2.9 billion euro, including workers (592.8 million), shareholders (217.9 million), public administrations (115.1 million), and approximately 1.2 billion relating to suppliers.

Shared value Ebitda rises to 570.6 million

One of the most important results reported is shared value Ebitda, referring to business activities that also respond to the drivers of sustainable growth. This figure rose to 570.6 million, a significant increase over 2020 (+25.4%), corresponding to 46.6% of total Ebitda. This is a sign that the positive economic results achieved are accompanied by Hera’s increasing focus on sustainability, a result in line with the trajectory marked out by the Business Plan, which projects this value at 55.6% of total Ebitda by 2025, rising to 70% in 2030. Three main drivers guide this commitment: pursuing carbon neutrality, regenerating resources and closing the loop, and enabling resilience and innovation.

Pursuing carbon neutrality

For Hera, working on energy means first and foremost pursuing carbon neutrality. Overall, the actions taken by the Group move towards the energy transition and promote energy efficiency. Given that the concentration of greenhouse gases, largely caused by fossil fuels, continues to have a negative impact on the increase in the planet’s temperature, in the field of energy transition and renewable energy the Hera Group continues its commitment to producing increasingly sustainable energy sources. One particularly successful initiative is the S. Agata Bolognese plant, which in 2021 produced 8 million cubic metres of biomethane by transforming the organic waste derived from sorted waste collection coming from citizens, 22% more than in 2019. The goal, to be reached by developing new projects including one in the Modena area thanks to a partnership with the Cremonini Group, is to double the production of biomethane, reaching 16.8 million cubic metres per year in 2025.

The relevance of the second area, energy efficiency, must also be considered in relation to the complex

international scenarios for the supply and cost of energy, and the role that renewables will play in the sustainable future. The policy to increase the energy efficiency of Hera's activities will continue, as is borne out by the ISO 50001 certification on energy management obtained for 11 Group companies, where 96% of the entire company's energy consumption takes place. The Hera Group also supplies renewable electricity to all residential customers on the free market, and when considering all types of customers (residential and non-residential) the total renewable electricity sold on the free market rises from 33% to 40%. Finally, the Group is committed to improving the energy efficiency of condominiums, companies and public administrations, reaching important results, with savings of up to 20-40% of consumption.

Regenerating resources and closing the loop

No less challenging is the issue of the environment, a front on which Hera is working to regenerate natural resources and closing the loop to promote a more effective use of them. In concrete terms, this means going beyond a linear model to achieve the circular economy. This is the case with municipal waste management: in the areas served by the Group, the EU objective of a 55% waste recycling rate by 2025 has already been achieved, as has the 73% recycling rate for packaging (higher than the EU objective for 2030). This result is due to another important fact: the average sorted waste collection rate comes to 65.3%, higher than the national average for the sector. Moreover, among the 10 most virtuous Italian cities with more than 100,000 inhabitants, as regards sorted waste collection per capita, 4 are managed by Hera, with Ferrara leading the national ranking in terms of percentage of sorted waste collection.

And waste is not the only factor involved. Closing the loop is a rationale that is applied across the board, such as in the sustainable management of water resources. Here, we're talking about 414 million cubic metres supplied down to the last cubic metre, of the highest quality. To make this possible, one must have an excellent set of plants. One example is the Val di Setta drinking water plant, in Bologna area, which has obtained AWS (Alliance for Water Stewardship) certification, an acknowledgement received by Hera as the world's leading multi-utility.

But attention and protection occur first and foremost from within the Group, which in 2021, for example, achieved a reduction of approximately 17% in its internal water consumption, compared to 2017.

Enabling resilience and innovation

Hera operates locally to enable resilience and innovate, following a rationale of adaptation aimed at guaranteeing, among other things, continuity in services and the availability of resources, by extending infrastructures in the areas served through smart plants and networks. In this context, in line with international policies, digitisation and innovation in activities plays a key role, supported by an investment of 82 million euros in 2021 alone, with projects that involve not only the Group but also the local communities, helping them move towards the digital transition.

Making communities more resilient also means working to promote social inclusion. For this reason, in 2021, almost 200,000 bills were paid in instalments, for a total value of 126.8 million euro. In February 2022, in order to consider the situation ensuing from the increase in commodity prices, Hera signed an agreement with consumer associations, in addition to national regulations, to go even further in helping customers in difficulty.

<https://eng.gruppohera.it/>

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