

EUROPEAN GREEN BOND FACTSHEET



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January 2026

This document and its contents are not subject to any approval or endorsement from ESMA or any other competent authority.

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1. General Information

- Date of publication of the European Green Bond factsheet: Programme European Green Bond Factsheet dated January 5, 2026
- The legal name of the issuer: Hera S.p.A. ("Hera", the "Group" or "Issuer")
- The legal entity identifier (LEI) of the issuer: 8156009414FD99443B48
- Website address providing investors with information on how to contact the issuer: https://eng.gruppohera.it/group_eng/investor-relations/contacts
- Name of the bond(s) assigned by the issuer: "**European Green Bonds**" or "**EuGBs**", issued by Hera S.p.A. after the publication date of this Programme European Green Bond Factsheet.

This is a programmatic European Green Bond Factsheet, which relates to one or more European Green Bond issuances and has been externally reviewed by the External Reviewer, in accordance with the Regulation (EU) 2023/2631 of the European Parliament and of the Council (the "EuGB Regulation").

Information applicable to each European Green Bonds (including ISIN, name, designation) will be set out in the final term (the "Final Terms").

- The international securities identification numbers (ISIN) of the bond(s): ISINs of European Green Bonds issued as from the date of publication of this Programme European Green Bond Factsheet will be made available in the applicable Final Terms.
- Planned issuance date or period: European Green Bonds issued as from the date of publication of this Programme European Green Bond Factsheet. Accordingly, the issuance dates for each European Green Bond will be set out in the applicable Final Terms.
- The identity and contact details of the external reviewer: **S&P Global Ratings Europe (LtD) ("S&P")** is acting as an external reviewer (the "External Reviewer") for this Programme European Green Bond Factsheet and will issue a pre-issuance review (the "Pre-issuance Review").

Information on S&P can be accessed via its website and/or via contact details below: <https://www.spglobal.com/ratings/en/index>

Address: S&P Global Ratings Europe (LtD), 4th Floor, Styne House, Upper Hatch Street, Dublin 2, D02 DY27, Ireland.

- Competent authority that has approved the bond prospectus: Central Bank of Ireland ("CBI").

2. Important Information

Bonds issued under this factsheet use the designation “**European Green Bond**” or “**EuGB**” in accordance with Regulation (EU) 2023/2631 of the European Parliament and of the Council.

3. Environmental Strategy and Rationale

Hera intends to draw up and make public an impact report on the environmental impact of the use of the European Green Bond proceeds, annually until the full allocation of an amount equivalent to the proceeds of the European Green Bond, in alignment with Article 12(1) of Regulation (EU) 2023/2631.

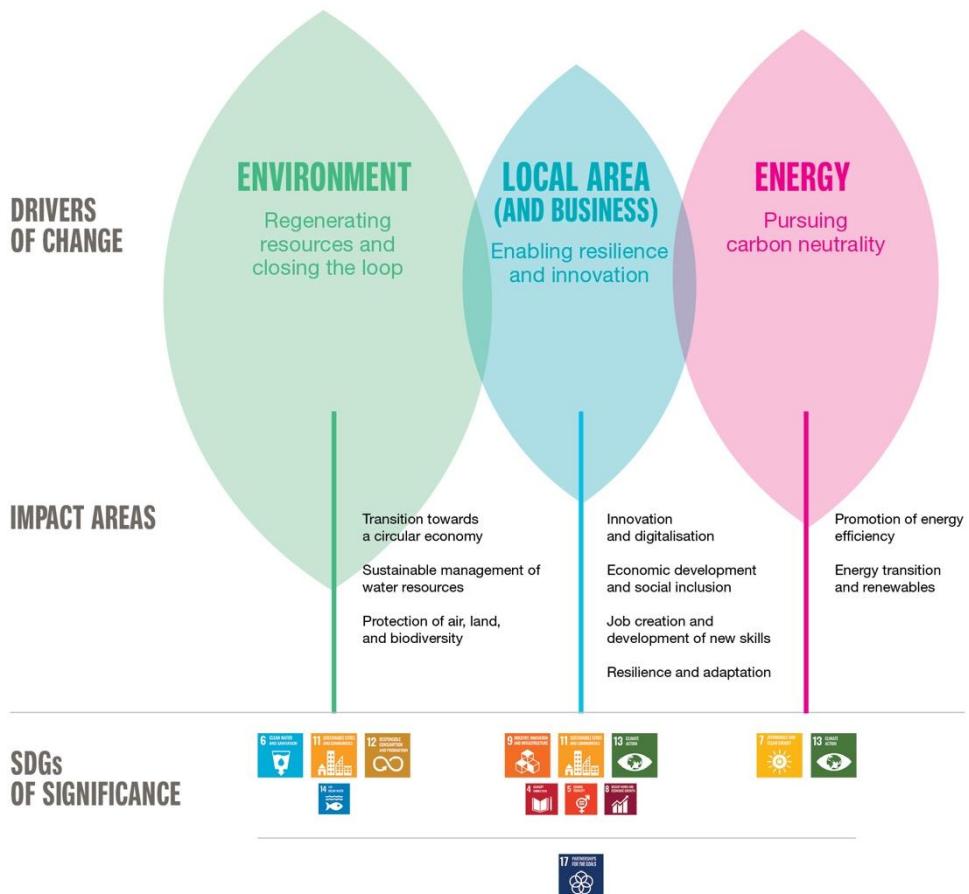
The Issuer intends to have such impact report(s) reviewed by an external reviewer, in accordance with Article 12(3) of Regulation (EU) 2023/2631.

Overview

As one of the major multi-utility companies in Italy, the issuance of European Green Bonds contributes to Hera’s sustainability strategy and purpose of creating shared value for all its stakeholders. In particular, the Issuer is committed to direct financial flows towards the financing of the energy transition, sustainable water and wastewater infrastructures and the transition to circular economy, to achieve the objectives of the 2030 UN Global Agenda and the Paris Agreement.

Hera integrates sustainability with competitiveness, stakeholder engagement, and long-term growth led by its Creating Shared Value (CSV) approach. The CSV framework is built around three drivers: Energy (pursuing carbon neutrality), Environment (regenerating resources and closing the loop), Local Area and Business (enabling resilience and innovation). Progress is tracked through transparent indicators tied to 11 SDGs, ensuring both economic value creation and positive social and environmental impact.

The areas for creation of shared value for Hera: the drivers of change, the impact areas and the un global agenda 2030 goals of interest to Hera



An amount equal to the proceeds of the Issuer's European Green Bonds is intended to fund Hera's eligible green projects with the aim of achieving the EU Environmental Objective of Climate change mitigation and Transition to a circular economy, as referred to in Article 9 of Regulation (EU 2020/852).

Link with the assets, turnover, CapEx, and OpEx key performance indicators

An amount equivalent to the proceeds raised by European Green Bonds will be used to finance and/or refinance EU Taxonomy aligned activities, contributing to the development of Hera's key performance indicators for Taxonomy-aligned turnover, capital and operating expenditures (CapEx and OpEx, respectively). In FY2024, the percentage of EU Taxonomy-aligned CapEx and OpEx accounted for 55.4% and 40.2%, respectively. As part of Hera's Business Plan 2024-2028, Hera aims at maintaining at least 57% of gross operating investments in eligible aligned activities.

Link to the transition plans

As a multi-utility, Hera is committed to play a fundamental role in addressing climate change, in line with the Group's corporate purpose to create shared value. In 2024, Hera established a Climate Transition plan, adopting a long-term vision and committing itself to achieving Net Zero emissions by 2050. This commitment entails a gradual reduction of greenhouse gases (GHG) emissions, along a pathway aligned with IPCC scenarios, consistent with limiting global warming to 1.5 °C above preindustrial levels. The reduction of GHG emissions is supported by long-term actions targeting the reduction of Scope 1, 2 and 3 emissions, focusing on Hera's operations, its customers and the territory. Intermediate and long-term targets, alongside the decarbonisation levers, are outlined in the FY2024 Consolidated Statements and in the Climate Transition Plan.

Based on the reporting required by the European Taxonomy for Sustainable Investments (Regulation 852/2020), the eligible investments aligned with the development of the levers and actions described in the Climate transition plan and envisaged in the 2024-2028 Business Plan amount to approximately EUR 1,117.0 million.

The proceeds of the EuGBs are intended to finance and/or refinance Hera's Climate Transition Plan as well as projects contributing to the priority areas identified in the CSV framework, focusing in particular on the maintenance and resilience of the electricity network, gas and aqueduct distribution networks, management of the integrated water service, dissemination of innovative technologies linked to the energy transition, and projects for the transition towards a circular economy.

Hera's Consolidated Statements FY2024:

https://eng.gruppohera.it/documents/d/gruppohera-eng/Financial_report_as_at_31_December_2024

Hera's Report on Creating Shared Value 2024:

https://eng.gruppohera.it/group_eng/sustainability/sustainability-report/csv

Hera's Climate Transition Plan is available at:

https://eng.gruppohera.it/group_eng/who-we-are/hera-group-strategy/net-zero-target

Securitisation

European Green Bonds issued under this Programme European Green Bond Factsheet will not be securitisation bonds.

4. Intended Allocation of Bond Proceeds

Intended allocation to taxonomy-aligned economic activities

Hera will allocate an amount equivalent to the proceeds from European Green Bonds to fixed assets, capital and operating expenditures in accordance with the gradual approach as referred to in Article 4(1) of Regulation (EU) 2023/2631. European Green Bonds issued under this factsheet are not securitisation bonds.

Hera commits to allocate 100% of an amount equivalent to the relevant European Green Bond proceeds to activities that are environmentally sustainable under Article 3 of Regulation (EU) 2020/852, according to the methodology set out in the allocation report, which will be published annually until the full allocation of the bond proceeds and subject to external verification by an independent reviewer, in accordance with Article 11 of Regulation (EU) 2023/2631.

Further information regarding the allocation of each European Green Bond, including the percentage of proceeds that will be used for financing and refinancing, will be disclosed in the post-issuance allocation report, which will be externally reviewed.

The operating expenditures will include those incurred within a maximum of 24 months prior to any European Green Bond issuance date.

The European Green Bonds will contribute to the environmental objectives of Climate change mitigation and Transition to a circular economy, as referred to in Article 9 of Regulation (EU) 2020/852.

An amount equivalent to the proceeds raised via European Green Bonds is intended to be allocated to one or more of the following economic activities:

EU Objective	Economic activity	NACE code	Enabling (E)/ Transition (T)	Hera's Green Financing Framework
Climate change mitigation	5.1 - Construction, extension and operation of water collection, treatment and supply systems	E36.00 and F42.99	-	Sustainable water and wastewater management
	5.3 - Construction, extension and operation of waste water collection and treatment	E37.00 and F42.99	-	
	3.17 - Manufacture of plastics in primary form	C20.16	T	Circular Economy & Pollution prevention and control
	4.13 - Manufacture of biogas and biofuels for use in transport and of bioliquids	D35.21	-	
	5.5 - Collection and transport of non-hazardous waste in source segregated fractions	E38.11	-	
	5.7 - Anaerobic digestion of bio-waste	E38.21 and F42.99	-	
	5.8 - Composting of bio-waste	E38.21 and F42.99	-	
	4.1 - Electricity generation using solar photovoltaic technology	D35.11 and F42.22	-	
	4.9 - Transmission and Distribution of Electricity	D35.12 and D35.13	E	Energy Efficiency and Energy Infrastructure
	4.14 - Transmission and distribution networks for renewable and low-carbon gases	D35.22, F42.21 and H49.50	-	
Transition to a circular economy	4.15 - District Heating/Cooling distribution	D35.30	-	
	4.22 - Production of heat/cool from geothermal energy	D35.30	-	
	7.3 - Installation, maintenance and repair of energy efficiency equipment	F42, F43, M71, C16, C17, C22, C23, C25, C27, C28, S95.21, S95.22, C33.12	E	
	7.5 - Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	F42, F43, M71, and C16, C17, C22, C23, C25, C27, C28,	E	
	7.6 - Installation, maintenance and repair of renewable energy technologies	F42, F43, M71, C16, C17, C22, C23, C25, C27 or C28	E	
	1.1 - Manufacture of plastic packaging goods	C22.22	-	Circular Economy & Pollution prevention and control

Intended allocation to specific taxonomy-aligned economic activities

Amongst the economic activities outlined above, Hera intends to allocate proceeds of European Green Bonds to economic activities that are considered 'enabling' and 'transitional':

- Enabling
 - 4.9 - Transmission and Distribution of Electricity
 - 7.3 - Installation, maintenance and repair of energy efficiency equipment
 - 7.5 - Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings
 - 7.6 - Installation, maintenance and repair of renewable energy technologies
- Transitional
 - 3.17 - Manufacture of plastics in primary form

Information on the allocation, at least at economic activity level, will be provided within the post-issuance allocation report.

Hera does not intend to allocate to activities related to nuclear energy and fossil gas.

Intended allocation to economic activities not aligned with the technical screening criteria

The proceeds will not be allocated in accordance with Article 5 of Regulation (EU) 2023/2631 to activities not fully aligned to the EU Taxonomy. The proceeds will be allocated in accordance with the EU taxonomy alignment requirements.

Process and timeline for allocation

Hera will endeavour to fully allocate an amount equal to the proceeds within 24 months following each EuGB issuance.

Pending the allocation of the proceeds to eligible projects, Hera will invest the balance of the proceeds, at its own discretion, in cash or other liquid marketable instruments in its liquidity portfolio.

Hera has identified and put in place the processes it considers necessary to ensure that projects are aligned with the requirements of the EU Taxonomy Delegated Acts on Climate Change Mitigation (Commission Delegated Regulation (EU) 2021/2139) and Transition to a Circular Economy (Commission Delegated Regulation (EU) 2023/2486).

Process for Project Evaluation and Selection

Hera's evaluation of each project determines the alignment with relevant criteria of the EU Taxonomy, including:

- Eligibility of the activity pursuant to EU Taxonomy Delegated Acts
- Alignment with Substantial Contribution criteria ('SC') for the relevant sustainable objectives
- Compliance with the Do No Significant Harm criteria ('DNSH') of any of the other environmental objectives
- Compliance the Minimum Safeguards ('MS')

Hera has an internal procedure for the management of European Green Bonds and the related eligible projects. Each year, until the full allocation of the European Green Bonds proceeds, the Group CFO, the Finance Department, in collaboration with the Shared value and Sustainability Director, review and validate the pool of eligible projects, to ensure these:

- a) comply with the requirements set in the Use of Proceeds section of the Framework, and especially with the Technical Screening Criteria set in the EU Taxonomy Regulation including SC, DNSH and MS criteria;
- b) adhere to Hera's internal policies, procedures and external standards.

The Group CFO, the Finance Department, in collaboration with the Shared value and Sustainability Director are responsible for:

- reviewing the content of Hera's Green Financing Framework and updating it to reflect material changes in corporate strategy, market, or regulatory developments on a best effort basis;
- updating external documents such as the Second Party Opinion (SPO); and
- Obtaining the external verification of the Green Bond Report.

Hera's procedure entails also the involvement of the Ethics and Sustainability Committee. The Ethics and Sustainability Committee is composed of four members:

- two independent, non-executive directors;
- the Shared value and Sustainability Director; and
- an external member with expertise in social responsibility and sustainability.

More in detail, the Ethics and Sustainability Committee each year, until the full allocation of the Green Financing Instruments proceeds, will examine the pool of the Eligible Green Projects, the allocation report and the impact report (all together "Green Bond Report").

ESG Risk Management

Hera has adopted the Enterprise Risk Management (ERM) methodology to manage risks while balancing effectiveness, profitability, and sustainability across its value chain. Risk appetite is governed by clear policies, measurement methods, and monitoring processes, with oversight from top management, the Risk Committee,

and the Control and Risk Committee. The Group maintains a prudent, low-risk profile, with annual reviews of its risk model and regular reporting to the Board of Directors. In 2025, Hera further strengthened this framework by integrating ESG factors into its ERM, to facilitate the identification of environmental, social and governance (ESG) risks, which is also used as an input to the double materiality analysis.

Hera has a comprehensive set of corporate policies, frameworks and commitments, referencing international standards and applicable laws, that ensure a stringent management of any potential ESG negative risks that could arise.

Management of Proceeds

The proceeds from each European Green Bonds will be deposited in Hera's general account and an amount equal to such proceeds will be earmarked for allocation to the eligible projects.

Allocation of an amount equal to the proceeds to eligible projects will be monitored and accounted for in Hera's internal tracking system, to ensure that each expense is not funded by more than one European Green Bond or Green Financing Instrument and avoid double counting.

The funds raised directly by Hera will be conveyed, if necessary, to bank accounts of the subsidiaries through dedicated intercompany loans or through the management of the centralized treasury of the Hera Group.

At the end of each calendar year and so long as the European Green Bond is outstanding, the balance of the proceeds of the issuance not already allocated to (re)finance eligible projects will be reduced by amounts matching disbursements made during the calendar year to eligible projects.

Hera will ensure on a best-efforts basis that the amount of eligible projects always exceeds or is at least equal to the sum of the proceeds of outstanding European Green Bonds.

Hera will use its best efforts to substitute any eligible projects in the case of divestment or if no longer eligible or in the case of major controversy, as soon as practical once an appropriate substitution option has been identified, and within a 12-month period.

A full assessment of the alignment with the EU Taxonomy is included in the External Review provided by S&P, and available on Hera's website.

Issuance costs

Hera will fully allocate an amount equivalent to the gross proceeds of the European Green Bonds; thus, no issuance costs related to the underwriting and placement will be deducted from the issue price of each European Green Bonds.

5. Environmental Impact of Bond Proceeds

As this factsheet can be utilised to issue multiple European Green Bonds and the allocation of the proceeds of each European Green Bond will be defined at a future date upon the issuance of such European Green Bond, it is difficult to estimate ex-ante any environmental impacts generated. Hera prefers to report on actual impacts instead of ex-ante estimates, aiming at transparently communicating the effective environmental results achieved and applying a robust methodology. The information on the environmental impacts of the bond proceeds will be provided annually until the full allocation of the proceeds of each European Green Bond in the post-issuance impact report, in alignment with Article 12(1) of Regulation (EU) 2023/2631 and Hera's Green Financing Framework.

Methodologies and assumptions behind the impact indicators will be detailed in the post-issuance impact report, which will be subject to external verification. An indicative list of impact indicators is available in Hera's Green Financing Framework.

6. Information on Reporting

Link to issuer's website: <https://eng.gruppohera.it>

Link to issuer's website with required disclosure:

https://eng.gruppohera.it/group_eng/investor-relations/debt-and-rating/green-financing-framework-e-opinion

Link to relevant reports:

https://eng.gruppohera.it/group_eng/sustainability

https://eng.gruppohera.it/group_eng/sustainability/sustainability-report

As set out in Article 11(1) of Regulation (EU) 2023/2631, the date on which the first reporting period starts is the last date of the financial year of issuance.

Allocation reporting will be presented on an aggregated basis at least at economic activity level, due to commercial confidentiality reasons. Impact reporting will be presented on an aggregated basis due to commercial confidentiality reasons; however, where feasible and subject to commercial confidentiality, the impact reporting might include project-by-project information on the environmental impacts.

7. CapEx Plan

In accordance with Article 7 of Regulation (EU) 2023/2631, no CapEx plan is provided as Hera will allocate the proceeds only to activities that are already fully aligned with the EU Taxonomy.

8. Other Relevant Information

European Green Bonds issued by the Hera will also be aligned to the Green Bonds Principles administered by the International Capital Market Association (ICMA), as outlined in Hera Group's Green Financing Framework, which has been externally reviewed via a Second Party Opinion (SPO) released by S&P.

The Green Financing Framework and the corresponding SPO can be found at:
https://eng.gruppohera.it/group_eng/investor-relations/debt-and-rating/green-financing-framework-e-opinion

Hera Spa

Sede legale: Viale C. Berti Pichat 2/4 - 40127 Bologna
tel.: +39.051.28.71.11 fax: +39.051.28.75.25

www.gruppohera.it

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