

**press release**

Bologna, 16 June 2021

## **Hera at the top of the 2021 Integrated Governance Index**

*The Hera Group leads the overall ranking in this index, which measures the extent to which sustainability is integrated within corporate strategies. Hera is also at the top of the finance category, for the fourth consecutive year, and second in the special ESG Identity survey*

Hera ranks first among Italian companies for its full and conscious integration of sustainability policies within its business strategies. This has been confirmed by the 2021 Integrated Governance Index, presented today at the ESG Business Conference, an authoritative model for analysing ESG factors, i.e. the social, environmental and governance aspects of business activities.

In addition to leading the overall ranking, Hera also stands out in two other dedicated rankings. For the fourth year in a row, the Group is at the top of the sustainable finance category, which analyses the links between a company and responsible investors. It also ranked second in the special 2021 ESG Identity survey, which focuses on a company's ability to enhance its sustainable identity, through means including stakeholder involvement, first and foremost customers and suppliers.

"This recognition", remarks Hera Group Executive Chairman Tomaso Tommasi di Vignano, "certifies once again the validity of the direction pursued since our establishment. Sustainability is in fact fully integrated within our activities, across the board, and represents a strategic asset in all respects. As is stated in our Articles of Association, Hera's growth is accompanied by the generation of shared value for the communities and local areas served, which in turn are priority elements for defining financial and investment policies."

### **Sustainability at the heart of the Group's strategies**

For the Hera Group, uninterrupted growth in operating results goes hand in hand with increasing attention to sustainability. In 2016, Hera introduced shared value reporting, referring to those business activities which, in addition to generating margins, respond to the drivers for sustainable growth defined by the UN 2030 Agenda and, more generally, various national and international policies. In 2020, shared value Ebitda rose to 420.0 million euro (+7.2%), equivalent to 37.4% of total Ebitda. This is in line with the path set out by the Business Plan, which projects this value at 50% of total Ebitda by 2024.

Hera gave further evidence of the central role played by creating shared value when it introduced the concept of Purpose in its Articles of Association, among the first companies in Italy to do so. Last April, the Shareholders Meeting approved a paragraph explaining the Group's corporate purpose, i.e. the objectives it aims to achieve in carrying out its business activities, thus reaffirming its commitment to sustainability. The Articles thus updated – in line with Borsa Italiana's new Corporate Governance Code and best practices at European level – allow the Group to further strengthen its commitment to the energy transition and the circular economy.

Lastly, as regards sustainable finance, in line with the growing interest shown by investors towards ESG factors, Hera has proven able to act swiftly, adopting innovative models that have led it to play a



pioneering role in the sector. It was in fact the first company in Italy to launch a green bond, in 2014, followed by a second issue in 2019. Three years ago, the first sustainable revolving credit line was launched, introducing bonuses linked to achieving specific environmental, social and governance (ESG) goals. These include, for example, additionally reducing the carbon footprint in energy production, reaching new energy efficiency targets and improving sorted waste collection.

### **The Integrated Governance Index**

The Integrated Governance Index is the only model for quantitatively analysing degree to which ESG factors are integrated into corporate strategies. Developed by ETicaNews, with the academic and legal support of specialised associations and advisors, it is now in its sixth edition. This index is increasingly used as an indicator of a company's ESG identity. This year, IGI invited Italy's top 100 listed companies, companies that publish a non-financial statement, and the top 50 non-listed companies to participate, thus reaching the highest number to date of companies analysed. The index now covers 60% of the companies listed on the FTSE Mib and 50% of Italy's top 100 listed companies.

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

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