









7. PEOPLE

7.01 Objectives, performance and targets

What we said we would do	What we did	SDGs	Progress*
Management of skills and training			
Continue the initiative launched in 2020, which allows all workers to devote a working day (one full or two half days) to their professional development with remote learning courses. 25 hours per capita of training (30.8 in 2022).	In 2023, we renewed the initiative that provides the option of devoting one working day to professional development with remote learning courses. Provided 31.5 hours per capita of training in 2023 (see p.256).	4, 8, 9	
Professional development			
Continue covering at least 50% of requirements through internal mobility (41% in 2022).	Covered 41% of requirements through internal mobility.(see p.291)	8	
Welfare			
Continue developing a corporate culture aimed at further strengthening the concept of individual well-being (physical, psychological and financial) as an element worth investing in to enable all people to express their full potential across the board and consequently contribute to their professional growth, as well as that of the company. Expand the range of wellness services offered.	Pursued the commitment towards employee well-being, also with new projects such as “The sense of well-being”, a journey involving various stops through the Group’s various local areas to raise awareness and stimulate action on these issues (see p.263).	4	
Launch the fifth edition of HeraSolidale (2023-2025), involving employees in identifying non-profit organisations and supporting the implementation of solidarity projects.	Launched the fifth edition of HeraSolidale in September 2023: 58,000 euro donated in 2023 to the five partner organisations of the project’s fifth edition (see p.376).	17	
Health and safety			
Further reduce the accident frequency rate (10.5 by 2026 and <10 by 2030); (10.5 in 2022). Continue with training and awareness-raising initiatives on “Culture of Safety” and “Safety Leadership” for managers. Installation of the “Variable Message Panel” on 400 vehicles of the Central Network Department to improve safety on the road during the initial fault detection and settlement stages. Gradually extend the use of the “Man Down” app in business units with lone worker hazards.	The accident frequency rate obtained in 2023 was 10.2 (10.5 in 2022). Installed 50% of the 380 “Variable Message Panels” on the vehicles of the Central Network Department to improve the safety of road works. Completed planned health and safety awareness initiatives. Started testing the use of the “Man-down” app in the Central Market Department and kept refining it in the Central Network Department (see p. 264).	8	

*  Result achieved or in line with planning;  Result with slight variance compared to planning;  Result with significant variance compared to planning.

What we will do

SDGs

Management of skills and training

Pursue the ecoHERA change management process on how the network, energy and environmental sectors work and on the impact generated by the energy and environmental transition. Continue with the initiative, launched in 2020, that allows all workers to devote a working day (full or two half days) to their professional development with remote learning courses. At least 26 hours per capita of training in 2027. 4,8,9

Professional development

Continue covering at least 40% of requirements through internal mobility. 8

Welfare

Develop new welfare initiatives devoted to every aspect of personal well-being (psychological, financial, digital, and family-related matters). 4

Continue promoting the fifth edition of HeraSolidale (2023-2026) to achieve the goals of the five partner organisations with donations from employees and the company. 17

Health and safety

Further reduce the accident frequency rate (10.4 by 2027 and <10 by 2030). Continue with educational and awareness-raising initiatives on the “Culture of Safety” through the active involvement of the company’s workforce in training and coaching activities. Complete the installation of the variable message panel on the vehicles of the Central Network Department. 8

7.02 Strategic planning of desired and future skills and roles

The reference context poses new challenges and current trends are highly interconnected. This requires an integrated approach for our HR strategy that takes into account both macro-transitions and major emerging changes.

Said context, also referred to as a 'poly crisis', focuses on environmental issues, the search for meaning and community, and inclusion. There is a structural ageing of the workforce, rising unemployment rates and a growing NEET population, as well as an increasing focus on the gender gap and the protection of mental health and individual well-being. The ever-changing sociocultural ecosystem requires optimal management of generations (age management), diversity and multiculturalism to pursue greater perceived equity.

Energy, ecological and environmental transitions show an increasing impact in terms of investments and opportunities, resulting in increased efforts and skills required in STEM disciplines. The role of companies in implementing the necessary change management and reskilling programmes remains a priority, especially in view of the disruptive impact expected from generative AI. This is expected to produce great benefits and/or some risks, especially in administrative and creative domains.

Purpose both guides companies towards challenging goals and fosters corporate cohesion in view of a project that goes beyond customer satisfaction and shareholder remuneration. Now, more than ever, it is essential to ensure the purpose of the company and that of individuals go hand in hand. To have a competitive edge, a purpose needs to turn into meaning and tangible action to spur people's engagement and turn it into virtuous behaviour.

To stay competitive, companies need to be able to quickly respond to market changes by anticipating emerging trends and adapting their organisational models with a focus on the human capital of the entire reference ecosystem. Change concerns every aspect with a view of attracting talent and engaging, adopting new enabling practices for business agility. Regulatory and procedural agility also plays a crucial role in this domain. This is intended as the ability to adopt flexible and timely solutions with tools created for prescriptive purposes (e.g. employment contracts, corporate procedures, etc.).

In a context where the pace of innovation is slowly picking up, the working population's average age is gradually rising and there is a considerable need for professional retraining in a very short space of time, training is increasingly becoming a strategic asset, not least to offset the gap between sector needs and the education system.

Therefore, the Hera Group's employee value proposition in response to this context is to develop an agile organisation that fosters continuous learning where everyone is at the heart of growth and participates in the creation of shared value, as part of a purpose-driven strategy built into business development.

As a result, this is a strategy designed to recognise that people have a key role in personal and collective development. This is enabled and fostered by a strong cultural alignment and the creation of increasingly advanced, usable processes in line with expected objectives. The above context and the strategic direction defined with our employee value proposition have led to five priority actions:

- **evolution@work:** guide how our approach to work evolves by valuing development of every individual, fostering a culture inspired by trust, transparency, a sense of community and focused on widespread, authentic leadership;
- **people and transitions:** foster behaviour and strengthen skills that help people consciously and effectively face the opportunities and challenges related to energy, environmental and digital transitions;
- **human resource business accelerator:** develop the ability to rapidly redesign a strategy, business models, structure, processes, skills and technologies to support business;
- **inclusion and empowerment:** create a working environment that welcomes diversity and encourages everyone to be themselves and fully express their potential;
- **human resource technologies for people:** people's needs are placed at the centre of the evolution of HR process technologies to engage them, foster awareness and responsibility, helping them perform their role.

The Hera Group's workforce

[2-7]

At **31 December 2023**, the total number of workers with **open-ended contracts** in Group companies was 9,616, while there were 349 workers with **fixed-term contracts**.

STAFF FIGURES AT YEAR END

Number	2021	2022	2023
Managers	153	151	157
Middle managers	583	592	593
White-collar workers	5,074	5,129	5,396
Blue-collar workers	3,312	3,319	3,470
Open-ended contract employees	9,122	9,191	9,616
Fixed-term contract employees	162	172	292
Employment Agency Contracts	51	52	57
Total workers at year-end	9,335	9,415	9,965

Data at 31 December

The increase in six executive managers is due to 11 promotions from the role of middle manager to manager, the exit of nine managers in 2023, two external hires and two new entries owing to changes in the scope of operations. The number of middle managers increased by one, which is the result of seven new entries, 32 promotions from white-collar worker to middle manager, 13 new entries due to changes in the scope of operations and 51 exits (11 of which were promotions from middle manager to manager). The increase in white-collar workers is due to the entry of 574 new workers (204 of which due to changes in the scope of operations and 26 were promoted from blue-collar to white-collar worker) and 307 exits (32 of which were promotions from white-collar worker to middle manager). The number of blue-collar workers increased by 151 compared to 2022 owing to the entry of 305 blue-collar workers, 181 changes in the scope of the company's operations and the exit of 335 blue-collar workers (26 of which were promotions from blue-collar to white-collar worker). The entries also include workers from A.C.R., the company formerly known as Asco TLC and F.lli Franchini, which joined as part of the scope of consolidation, totalling 400 employees.

The 172 workers posted abroad refer to Aresgas, which distributes and sells natural gas in Bulgaria, and three Aliplast Group companies that run plastic selection and recycling plants in France, Poland and Spain (Aliplast France Recyclage, Aliplast Polska and Aliplast Iberia).

WORKFORCE BY WORKPLACE

Number	2021	2022	2023	2023 (%)
Emilia Romagna	5,774	5,798	6,261	63%
Triveneto	2,110	2,062	2,442	25%
Marche	604	612	645	6%
Other Italian regions	666	759	445	4%
Abroad	181	184	172	2%
Total	9,335	9,415	9,965	100%

Data at 31 December and total open-ended and fixed-term contract employees.

EMPLOYEES

	Number	2022	2023
Men		6,812	7,220
Women		2,603	2,745
Total		9,415	9,965
Open-ended – Men		6,654	6,967
Open-ended – Women		2,537	2,649
Open-ended – Total		9,191	9,616
Fixed-term and other – Men		158	253
Fixed-term and other – Women		66	96
Fixed-term and other – Total		224	349
Full time – Men		6,769	7,155
Full time – Women		2,256	2,395
Full time – Total		9,025	9,550
Part time – Men		43	65
Part time – Women		347	350
Part time – Total		390	415

Data at 31 December

The average age of our employees is 46.5 (lower than 2022 when the average age was 46.7). The average seniority is 15.1 years.

HOURS OF LEAVE AND HOURS WORKED PER CAPITA FOR EMPLOYEES WITH OPEN-ENDED CONTRACTS (BY TYPE)

	Hours	2021	2022	2023
Sick days		60.8	79.8	59.3
Maternity/paternity and parental leave		16.1	11.7	16.8
Work accident		3.7	3.5	3.3
Strikes		2.0	0.3	0.6
Labour union assembly		0.2	0.4	0.2
Labour union leave		4.6	5.1	5.0
Other		31.2	37.2	34.0
Total hours of leave		118.7	137.9	119.2
Ordinary working hours		1,581.3	1,534.4	1546.8
Overtime hours		29.9	31.3	34.1
Total hours worked		1,611.2	1,565.7	1,580.9

These figures do not include the following companies: Aresgas, Biorg, Etra Energia, F.lli Franchini, Macero Maceratese, Recycla, Vallortigara Servizi Ambientali, Wolmann. A total of 3% of the Group's employees work in these firms. The hours worked are calculated net of overtime hours for recovery.

The **hours of leave per capita** dropped by 13.6% compared to 2022, mainly due to a decrease in sick leave in 2023. The amount of **leave due to injury** is in line with previous years. In 2023 the floods in May severely affected some areas of the Emilia-Romagna region where the Group operates. This is

clearly shown by the increased **use of leave** during the most critical days and the **greater use of overtime** to restore essential services and waste disposal facilities in the hardest-hit areas.

The “other” category shown in the table includes leave requested to provide assistance to family members with disabilities or illnesses, personal leave for medical appointments and treatments, and study leave.

The selection and onboarding process

Recruiting, selecting and effectively **onboarding** the best talent out there is a challenge Hera tackles with a **data-driven strategy** that is fully **integrated with its business** and constantly designed to **improve the overall experience** of the people involved.

The analysis of market trends and of main process indicators is now common practice. Well-established for years in the **strategic workforce planning** process, it guides employer branding and process actions, including the choice of tools to support the process managed.

The complexity and uncertainty of labour market trends, socio-demographic changes, the expectations of people seeking a greater match between individual and organisational purpose, the widening gap between the number of vacancies and the professionals qualified to fill those roles, along with the challenges in the energy, environmental and digital transition are the main elements that once again emerged in the reference context in 2023.

Several actions have been introduced as a response to the above:

- **digitalisation to facilitate the selection process:** in addition to the digitisation of interviews and assessments, a tool was implemented to support screening activities. This tool allows for faster identification of candidates most in line with vacancies and give them even more accurate feedback, thus improving the effectiveness and efficiency of the process;
- **employer branding:** the Ambassador Project continued in 2023, involving a group of about 30 employees from different companies and departments of the Group to talk about the company and share brand-related content. Part of the goal of this project is to value our employees’ point of view and promote word-of-mouth, with benefits on the recruitment process as well.
- **partnerships to seek and select talent:** a project was launched in 2022 together with Manpower to acquire talent throughout the country, especially in relation to technical and operational profiles. The project came to an end in 2023 with the recruitment of eight engineers and 33 operational staff members, also thanks to the synergy with the Group’s Corporate University (HerAcademy) and advanced facilities, such as the training centre at our headquarters in Ferrara.

The **new onboarding process** was launched in 2023 with the support of digital means to guide new employees in the days before joining the company and in the first stages of their career. We kept on involving and engaging new recruits in different ways and with various initiatives, including seven events with a specific focus on certain companies and departments (three within AcegasApsAmga, three within the Central Network Department, one within the Central Personnel and Organisation Department).

The onboarding process also includes the “Alphabetical - the ABC of the Code of Ethics” training course for all new permanent employees of the Group. Its aim is to help them become familiar with its Code of Ethics and promote behaviour in line with it.

A total of **778 people joined the Group** in 2023. With regard to recruitment areas, Operations made up the biggest selection segment (49%), particularly in waste services, followed by the water sector. Needs in the AcegasApsAmga (23%) and Market (12%) area were also significant.

Selections contributed to a significant generational change in terms of corporate workforce (the average age for new hires was 34), an increase in the number of women (41% of new hires with a permanent contract were women), and the percentage of graduates (71%, excluding operational profiles).

Remote working

After the launch of the first pilot programme in 2017 – which involved involving 370 workers – **more and more people** have been given remote working capabilities, reaching over 1,500 people in 2019.

The experience we gained since the launch of this programme gave us the resilience to face the healthcare emergency caused by the pandemic, further strengthening the available tools to make sure that people would feel supported and connected.

Since mid-2020, around **4,000** employees have taken part in the project on a permanent basis, bringing the percentage of workers involved to **77% of all permanent employees**, excluding blue-collar workers. The number of remote working days were increased as of June 2020: from one day/week to **two days per week of potential remote working**. At the same time, employees were asked to plan their remote working days for the following week, by entering the request in the system by Thursday of the previous week. This allowed managers to have an overview and better manage employee activities. During the healthcare emergency, these two days were further extended in cases provided for by law (e.g. at-risk people, need for distancing within the company).

Remote working, according to the Hera Group model, means working on four different aspects: **company culture, time and performance, space** and **technologies**. In this sense, it completely reshaped new ways of working right from the outset.

Along with our traditional training platform, during the healthcare emergency we created a specific section in the **dedicated sharepoint**, with training clips and useful information to better support all employees, including new hires who were working remotely.

We strongly focused on **listening** to remote workers: during lockdown, relevant surveys were carried out to find out how workers perceived their forced remote-work experience and to better shape actions and efforts to support them. In recent years, the various opportunities to listen to what employees have to say confirmed complete satisfaction both in terms of improved productivity (for the workers involved and for their managers) and in terms of greater satisfaction, both from the workers who were already in the project and those who joined during the emergency period.

The **#Conciliamo** remote working project was launched in 2023. It was designed to foster productive collaboration with guidelines and good practices on how we work (remotely or in the office) and virtuous behaviour. These were meant to favour a better work-life balance, further valuing everyone's time. To attain these goals, the project involved various engagement activities and communication initiatives. It was an opportunity to reflect on everyone's habits by collecting the necessary information to understand behaviour, also by employing questionnaires for those directly involved. The collected data was analysed and shared to subsequently help spread good habits and new behaviour. **#Conciliamo** for remote working is part of the "AcceleHERAzioni: inclusion, remote working and welfare" project that led Hera to win the **#Conciliamo** competition (Department for Family Policies – Presidency of the Council of Ministers).

We will continue to invest in training on the key skills needed to make remote working even more effective and to streamline increasingly hybrid ways of working. Indeed, an extensive training programme in partnership with Milan's Polytechnic is due to be held and is one of the activities approved as part of the **#Conciliamo** funding competition.

The aim will be to continue measuring collective and individual benefits, promoting new opportunities and creating the conditions to jointly increase productivity and well-being. As part of this process, the company's management is required to further develop people management skills in a context where performance, and hence achieving goals, is becoming more important than when and where we work. The Hera Group leadership model plays a leading and decisive role in ensuring this is done effectively.

As part of the above remote working model, in 2023 a special focus was also placed on 'space'. In line with the activity-based approach to work, we analysed the main activities of a pilot area and held specific sessions to listen to what employees had to say. Based on this insight, **spaces were redesigned** to better meet the professional needs of the teams involved. In this case, the entrance hall and corridor were used to provide areas where people could concentrate and share ideas. The project will continue in 2024 and will be expanded by examining other organisational areas as well.

7.03 Management of skills and training

The **Group's value proposition relating to learning** involves a process that starts by understanding the relevant context and trends (global macro-trends, business plan, personnel management strategy) and is implemented by reviewing the main features resulting from the company management's listening activities and by subsequently achieving the strategic training goals for the current year.

Training initiatives

[403-5] During 2023, classroom and digital learning accounted for 34% and 31%, respectively, of the total training hours provided.
 [404-1]
 [404-2]

In 2023, we renewed the 2020 initiative that provides the option of devoting one working day to professional development with remote learning courses. This project will continue through 2024.

With reference to the various types of training initiatives provided in 2023, of particular note for the **institutional and managerial training axis** are the following: the training initiatives linked to the Leadership Model; the creation of the institutional middle-management programme to help the transition to the new role and the inclusion of 74 new middle managers within the Group; meetings with senior management in the various local areas of the Group (2023 Facciamo il Punto initiative); the 2023 Participation Groups project to launch corporate projects in the field of Diversity, Safety, Training and Sustainability based on participatory policies.

As part of the Her@futura programme, we launched the third edition of the **digital skills** assessment and implemented the two Digital Lab projects in the areas of engineering and innovation. We continued the Digital Workplace change management plan for effective use of Office 365 tools and provided the Mastering Community Management training course.

Furthermore, in 2023 we continued the ecoHERA programme to foster widespread knowledge and **skills** in business chains, **energy and environmental transition** by providing training content on energy and environmental transition.

With reference to **technical-professional training**, we continued the training and knowledge management initiatives implemented as part of the professional Academies.

Also worth mentioning are the following: we launched the meeting to illustrate the 2023-2026 Business Plan and the 2023 Budget to share the main features of the Group’s business plan and budget; we implemented the change management plan of the Source to Contract project and provided technical-operational training on the new Procurement system (Hera_Pro); we provided training initiatives on the main changes introduced by the new Public Contracts Code; we launched training initiatives related to the proceeds project for the use of the bank transfer management system.

We also launched the change management plan linked to the Hera Nuova Balanced scorecard project and continued the change management programmes associated with the organisational evolution of the Central Network Department. As for the environment, we launched the “Acting on change” programme. It is intended for those in a coordinating and technical roles in the areas around Bologna and aims at strengthening partnership logics in Temporary Business Groupings.

With regard to the **market and customer management** axis, we provided the Sales Evolution training programme to front-end colleagues to start turning their role into that of an energy consultant.

With reference to the **quality, safety and environment** axis, recurring training activities on occupational health and safety issues continued and the workshop for safety managers was held as part of the Change Safety Leadership plan.

As for the **ethical values and corporate culture** axis, it is worth noting that we continued the “AlfabEthical - the ABC of the Code of Ethics” training course for all new permanent employees and new employees who joined the Group following corporate acquisitions. The course is designed to help them become familiar with the Group’s Code of Ethics and promote behaviour in line with it.

[205-2]

In 2023, **5,058 people** across the Group (the figure also includes AcegasApsAmga and Marche Multiservizi) were involved in **training on anti-corruption content**, amounting to about 4,000 hours of training in total provided through the following initiatives: “AlfabEthical”, in which we included concepts on the domain of corruption, “Corporate Social Responsibility and Code of Ethics” with a focus on supplier monitoring, e-learning on anti-corruption (ISO 37001) and training initiatives based on model 231, including a dedicated e-learning course.

TOTAL HOURS OF TRAINING PER AREA OF INTERVENTION

Hours	2021	2022	2023
Sales and markets	9,924	17,559	11,758
Managerial	31,101	30,572	31,152
Quality, safety and the environment	96,206	80,457	76,386
Information systems	26,582	33,794	33,114
Technical-operational	103,709	108,657	120,856
Ethical values and corporate culture	5,753	6,885	19,085

Total	273,274	277,924	292,351
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The figures do not include A.C.R., F.lli Franchini and Aliplast's foreign companies (Aliplast France, Aliplast Iberia, Aliplast Polska) employing 5% of the Group's employees.

Once again, technical-operational training recording the highest figures. The Ethical values and corporate culture axis is the area showing the largest increase. The higher result achieved in terms of hours provided was due to some non-recurring training initiatives, including the resumption of meetings with top management (Facciamo il Punto), as well as the launch of change management plans linked to relevant project-based initiatives throughout the Group (e.g. the ecoHERA programme).

AVERAGE TRAINING HOURS PER CAPITA BY CATEGORY

Hours	2021	2022	2023
Managers	29.2	36.3	50.2
Middle managers	42.8	39.4	50.2
White-collar workers	26.7	27.8	28.8
Blue-collar workers	33.8	33.8	31.7
Average	30.3	30.8	31.5

The figures do not include A.C.R., F.lli Franchini and Aliplast's foreign companies (Aliplast France, Aliplast Iberia, Aliplast Polska) employing 5% of the Group's employees.

AVERAGE HOURS OF TRAINING BY ROLE AND BY GENDER

Hours	2021	2022	2023
Men	32.3	32.2	32.4
Women	25.2	27.1	29.2
Average	30.3	30.8	31.5

The figures do not include A.C.R., F.lli Franchini and Aliplast's foreign companies (Aliplast France, Aliplast Iberia, Aliplast Polska) employing 5% of the Group's employees.

The total hours of training per capita for 2023 is the highest value in recent years and far above the 25-hour target. Training hours per capita amounted to 31.5 (32.4 for men and 29.2 for women). As of 2027, at least 26 hours per capita of training will continue to be provided.

The 2023 Sustainability Report prepared by the Utilitalis Foundation on behalf of **Utilitalia**, the Federation of water, environment and energy companies, discusses the sustainability performance of 89 utility companies. Considering training hours per capita in 2022, Hera's data was about 9 percentage points higher for executives, 8 for middle managers, 12 for white-collar workers and 19 for blue-collar workers, compared to the average value of companies examined. Overall, Hera's data was almost double the average of the firms evaluated, coming to 16.3 hours per capita.

Scuola dei mestieri and the knowledge management system

[404-2]

The **Scuola dei mestieri** is a well-established system that, for over ten years, has developed, strengthened and enhanced the technical and operational skills of the Hera Group, also with a view to knowledge management. Its purpose is to raise awareness about professional conduct and know-how transfer within the company.

Since its creation, the Hera Group has felt the need to arrange the distinctive skills of the various operational trades of the company (for example workers dealing with network services and workers dealing with remote control and management) in **trade handbooks**. Eighteen handbooks have been created to share and preserve the Group's distinctive know-how over time: in 2015, they became available in a digital format and are continually updated.

HerAcademy: the corporate university of the Hera Group

[404-2]

In 2023, we kept on strengthening **HerAcademy** as a **Stakeholder University**, capable of interacting with all partners in the national education system in order to set up public-private partnership projects and to create projects that support innovation within the ecosystem of reference.

Namely, on the 5th of December 2023, the HerAcademy **workshop** entitled “Intelligence in the future: new horizons to guide the relationship between human and artificial intelligence” took place in hybrid mode (in-person in Bologna and live streaming) with the aim of directing a multidisciplinary reflection on AI opportunities and the challenges organisations and individuals will have to face to fully grasp the potential of new technologies. Moreover, **university guidance** and **career guidance** events were held. These were specifically designed for the children of our employees to support them as they enrol at university and enter the job market.

Agreements with universities, business schools and research centres

Through its Corporate University (HerAcademy), the Hera Group has had **framework agreements with the main universities in the regions in which it operates** for several years, such as the University of Bologna, the University of Modena and Reggio Emilia, the University of Ferrara, the University of Padua, the University of Florence, the University of Milan Bicocca, the University of Pisa, the University of Trieste, the University of Udine and the Polytechnic University of Marche.

With particular reference to the **University of Bologna**, we continued the initiatives connected with the framework agreement renewed in 2019 continued during 2023. Said agreement further addresses the need to give continuity to a broad partnership aimed at promoting multidisciplinary activities and projects in the following areas: research, development and innovation; teaching, advanced and permanent training; career guidance and help entering the job market; internationalisation; technology transfer; development cooperation, sustainability and social innovation.

Scientific collaboration also continued with the **University of Milan Bicocca** and the **Inter-university research centre for public utility services** (Crisp), whose general objective is to support the development and implementation of activities envisaged within the HerAcademy.

In 2023, the Hera Group also continued its collaboration on the experimentation of the **Tred secondary school**, which, with the coordination of training non-profit organisation Elis offers a four-year training course focused on environmental and digital transition issues. Namely, during the first four months of the year, workshops on the circular economy were held for the students of the first Tred class, thanks to the speeches given by Hera’s expert staff. In summer, the Hera Group also co-designed and took part in an activity organised as part the Summer Camp of the Tred secondary school.

In 2023, a partnership was consolidated with Crif – through its training programme called “Boom” – for the joint planning and implementation of training courses for junior and middle managers in the energy sector.

The Group also actively collaborates with business schools and innovation centres, such as: Bologna Business School, Luiss Business School, the Mib School of Management Consortium of Trieste, the MIP Polytechnic of Milan, the Safe Study and Research Centre, Sda Bocconi, The European House Ambrosetti; the Group is also part of the scientific committee of Assoknowledge-Confindustria Innovative and Technological Services.

7.04 Professional development

The development process

People are the true asset to achieve differentiation and a competitive advantage. The quality and efficiency of both internal processes and results depend on people. Effective personnel management and human capital enhancement is therefore of strategic importance for the Group.

[404-3]

As part of this context, the development process pursues three main goals:

- assess performance and behaviour throughout the year in question, identifying the strengths and areas for improvement of each individual in relation to their position;
- make it clear what is expected of everyone in terms of results and behaviour;
- consider more targeted and effective actions for professional development.

Namely, the development process is based on an annual appraisal in two areas – performance and managerial skills – and it is consistently applied throughout the company: it currently involves over **5 thousand people**, including employees, management employees, middle managers and managers. The process that will assess 2024 will also include blue-collar workers to **cover the whole of the company**.

One distinguishing feature of the process is the **dialogue about performance**: a two-way exchange between manager and employee, where the duty to provide clarity and effectiveness by managers goes hand in hand with the commitment by each individual to use feedback as an ongoing learning tool.

Around **5 thousand workers** of the Group were assessed in 2023.

WORKERS WHO HAVE RECEIVED A PERIODIC PERFORMANCE APPRAISAL AND PROFESSIONAL GROWTH ASSESSMENT BY ROLE AND GENDER (2023)

Number	Men	Women	Total
Managers	121	33	154
Middle managers	359	184	543
Management employees	869	482	1,351
White-collar workers	1,854	1,554	3,408
Total	3,203	2,253	5,456

Data at 31 December and total open-ended and fixed-term contract employees.

Career progress

CAREER PROGRESS DURING THE YEAR (BREAKDOWN BY POSITION FOR WORKERS WITH AN OPEN-ENDED CONTRACT)

Number	2021	2022	2023
Managers	6	5	11
Middle managers	28	36	31
White-collar workers	335	505	468
Blue-collar workers	206	308	533
Total	575	854	1,043

A total of 1,043 people advanced in their career in 2023 (up by 22% compared to 2022). **Career progress involved 214 female staff members**, totalling 21% of all cases. Excluding blue-collar workers, where women are around 2.1%, career progress involving female personnel represented 40.8% of the total.

Internal mobility

The speed of change, accentuated by the digital transition, is significantly changing how we work. Many positions will change and it will become increasingly important for companies to encourage people to **update their skills** and, for workers, to step up their game and take their professional growth and employability into their hands.

Hera's multi-business nature is ideal to access a wide range of professional opportunities. Indeed, the broad spectrum of activities allows us to enhance our professional expertise in various domains and local areas.

This is why, 319 job changes took place in 2023 (up from 238 in 2022), covering **41% of the company's needs**, and 202 job announcements were published (up by 18% compared to 2022). Also for 2024, the goal is to continue to cover at least 40 % of needs through internal mobility.

The goal is to continue covering at least 40% of requirements through internal mobility.

Leadership model

The Group has had a **leadership model** since 2011: a beacon that shapes our behaviour and describes the skills we need to develop our corporate culture and values and achieve strategic results.

In 2016, through a shared and participatory process involving over **700 employees**, the model was reviewed and updated in order to address new challenges. The current model is based on two perspectives, a time-based one focusing on today/tomorrow and another line involving I/us. This led us to define four areas for our objectives, each containing two skills.

In 2023, the programme to spread and explore the content of the leadership model – which every year involves around 700 managers and middle managers – was conceived and designed in continuity with the previous year. It further discussed the topic of personal and professional development, the key role of individuals, their well-being and their energy activation.

Moreover, multimedia and interactive content on special e-learning platforms was made available to the entire workforce, **over 5 thousand employees, including white-collar workers, middle managers and managers.**

In 2023, as a response to the new competitive challenges, we worked on **developing the current leadership model** by involving the whole of the company. Said model was further updated by enhancing existing skills and identifying the new skills needed, also with the involvement of blue-collar works with the aim of covering the entire company.

Remuneration and bonuses

[2-20] The Hera Group defines and applies a **remuneration policy** aimed at attracting, **motivating and retaining people** with the professional traits required to achieve the Group's objectives.

The policy is designed to take into account the interest of various stakeholders and to achieve the priority objective of creating long-term value for its stakeholders by creating shared value and, in relation to its remuneration policy, by strengthening of link between pay and performance for both individuals and the Group.

[2-30] All Group employees are hired through **national collective labour agreements.**

[2-21] In 2023, the ratio within the Hera Group between the gross annual salary of the person with the highest salary (paid out in 2023) and the median value for workers was equal to 19:1.

For 2023, the performance bonus for middle management, white-collar and blue-collar employees is defined by the three-year supplementary Group contract signed on 20 September 2022. It is based on profitability, productivity and additional company-specific indicators, which may also include sustainability indicators such as occupational safety and energy efficiency.

Starting from 2018, as required by current legislation, employees have the opportunity, on a voluntary basis, to convert their performance bonus paid in cash into corporate benefits and services up to a maximum value of 50% of the yearly bonus, with significant tax advantages for workers.

Bonus system related to the short-term compensation variable

Since 2006, the bonus system of the Hera Group is linked to the balanced scorecard system. According to this system, the variable annual remuneration component of each manager and middle manager is calculated as a percentage value of gross annual salaries and is based on results relating to the objectives defined at the start of the year. The individual balanced scorecard features three parts:

- the first consists of specific **target projects** resulting from the operational outcome of the objectives in the Group's strategic map;
- the second contains the **economic objectives** outlined in the annual budget;
- the third involves an assessment of the **behaviour** set forth in the Group's **leadership model.**

The structure of the balanced individual scorecard – i.e. the significance assigned to the three areas – varies according to the seniority of the employee and the department they belong to.

The assignment of objectives to employees and the assessment of their achievement take place through a clearly defined process. This process is based on the decision of top management for the individual balanced scorecards of directors and managers, and the decision-making role of directors for the individual balanced scorecards of middle managers. The activity takes place under the coordination of the Balanced Scorecard System Management unit of the Shared Value and Sustainability Department.

In 2023, 50% of the variable remuneration for the Hera Group **managers** was linked to the completion of the target projects planned in the balanced scorecard system: 33% was linked to the achievement of the economic and financial budget objectives and the remaining 17% to compliance with the behaviour set forth in the leadership model. The balanced scorecard system involves 98.8% of the Group’s middle managers and managers.

For **middle managers**, 70% of variable compensation was linked to the completion of the target projects planned in the balanced scorecard system and/or achievement of the economic and financial budget objectives, while the remaining 30% was linked to compliance with the behaviour set forth in the leadership model.

The **bonus policy for the Hera Group sales staff** was applied in 2023 as well to enhance the effectiveness the offer for customers. The purpose of these dedicated tools is to ensure competitive sales bonuses and to direct sales staff towards goal-oriented work.

Incentives also depend on sustainability

[2-19] The bonus system is connected to the balanced scorecard and, ever since 2006, it involves associating part of the incentive to the achievement of sustainability targets as well.

In 2023, 40% of the variable compensation of Group managers and middle managers was linked to sustainability target projects (improvement of quality, environmental impact, image, personnel involvement, professional development and involvement of stakeholders), with target projects aimed at creating shared value accounting for 24%.

2022 BALANCED SCORECARD: BREAKDOWN OF VARIABLE REMUNERATION IN THE AREAS OF SUSTAINABILITY AND CREATION OF SHARED VALUE (CSV)

Area	% variable remuneration	No. of target projects	No. of managers/middle managers involved
Pursuing carbon neutrality	5%	16	100
Regenerating resources and closing the circle	7%	56	171
Enabling resilience and innovating	12%	37	306
Total CSV areas	24%	109	441
Other sustainability areas	16%	51	442
Total CSV and sustainability	40%	159	568

As the table shows, the managers and middle managers involved in CSV and sustainability target projects in 2023 amounted to 568, that is, 78% of the total. Restricting our analysis to CSV areas only, there were 441 managers and middle managers involved in target projects aimed at creating shared value, making up 60% of the total. This confirms the Group’s widespread CSV approach in its strategy and short-term bonus system (balanced scorecard), which involved 710 workers in 2023, including managers and middle managers.

For the first **three top material topics** that emerged from the Hera Group’s materiality analysis – energy transition, resilience and adaptation (especially with reference to climate change) and circular economy – the amount of variable remuneration share accounted for 5%, 5% and 2%, respectively.

The final payment of the bonus for all managers and middle managers depends on the achievement of the objectives stated in the individual balanced scorecards. However, it is also weighed against the results achieved for certain Group parameters: the company’s economic-financial results (Ebitda, net profit and net debt), the customer satisfaction rate for residential customers and, since 2021, the **Shared-value Ebitda** as determined by the Management Compensation Committee in its meeting on 27 January 2021, thereby confirming the increasing relevance of the UN 2030 Agenda objectives in the Group’s strategy.

Sustainability has also become part of the deferred **incentive plan** for management retention. The plan is reserved to a small number of managers selected according to the relevance of their position within the company, the evaluation of the results achieved in the development process and the ‘market risk’. Shared-value Ebitda was indeed one of the three indicators used to quantify the bonus to be paid in 2022. The target to achieve is set out in the 2018-22 business plan for 2021. Shared-value Ebitda was

also confirmed for the 2022-24 three-year period as established by the Board of Directors in its meeting on 24 January 2022, again based on the proposal presented by the Compensation Committee. The target to reach is set out in the 2021-25 business plan.

Pension funds

The number of employees contributing to pension funds at December 2023 is 5,687, that is to say 57% of all Group employees. The main contractual pension funds are: Pegaso for employees under the gas-water and electricity national collective labour agreements; Previambiente for employees under the Federambiente national collective labour agreement; and Previndai for managers.

YIELD OF MAIN PENSION FUNDS (BALANCED SUB-FUND)

	%	2021	2022	2023
Pegaso		11.1%	-18.1%	13.9
Previambiente		16.0%	-29.6%	20.7
Previndai		12.9%	-22.6%	12.1

7.05 Welfare

In 2023 we continued Hextra, the Hera Group welfare system created to accelerate the organisation's growth by investing in well-being and productivity.

As in previous years, in 2023 a **flexible welfare amount equal to 395 euro** was assigned to all workers to be spent on the whole of Hextra's range. They also had the option of converting part of **their 2022 performance bonus** paid out in 2023 into an additional welfare amount, with consequent tax and purchasing power advantages.

In 2023, Hextra recorded more than **9 thousand members** with more than **6 million euro** used by employees. This result was made possible by clear information and well-presented services regarded as useful. It is also the result of the positive impact on their work-life balance, as well as of the swift implementation of the regulatory changes resulting from recent amendments in the regulatory framework on fringe benefits and fuel vouchers to respond to current economic and social difficulties. Higher purchasing power, customisation and a quick, simple service are the features of the welfare system that also allows employees to have a fully digital experience and minimise the environmental impact.

In 2023, we launched "**The Sense of Well-Being**" project: a journey involving various stops in the Group's various local areas from September 2023 to June 2024. The journey focuses on positivity, well-being and promoting healthy choices whilst taking into account emotional, mental and physical aspects. We held events on specific issues and workshops led by various celebrities from the world of entertainment, music, art and sports endorsing them. Therefore, this is a project focusing on awareness and action as part of **Hextra for well-being**, the set of initiatives linked to the concept of individual mental, physical and financial well-being. These include: sessions with nutritionists, online yoga and Pilates classes, a platform to work out at home with a wellness professional or discounts for gym sessions with a dedicated trainer, free sessions with psychologists (4 for each applicant) and a podcast dedicated to emergency psychology to actively respond to the dramatic flood that hit the areas in Emilia-Romagna where the Group operates.

The commitment to health and prevention continued with the "**autumn of prevention**" project. In partnership with LILT (Lega Italiana Lotta Tumori), two free melanoma and head-neck screening tests were carried out, with more than 4,000 bookings, showcasing our constant focus on protecting our health.

Hextra's distinctive and traditional initiatives continued, including: the seventh edition of university **scholarships**, offering 51 scholarships worth 750 euro each; the seventh edition of language courses **abroad with Intercultura**, with eight scholarships worth 3,000 euro each for summer programmes; two scholarships worth 5,000 euro each for one term, and three scholarships worth 10,000 euro each for the entire academic year abroad. The continuation of the **summer programme** involved the following: an additional contribution of 175 euro per child to be used for the reimbursement of summer daycare/camps or, alternatively, for the reimbursement of babysitters or homework tutoring services with over 1,5 thousand requests.

Furthermore, in continuity with previous years, confirmation went to the allocation of an education sum for employees who have school-age children came to a total investment of over **1.1 million euro**. Namely, 3,2 thousand applications were received as part of all the projects set up to support the education of our employees' children. Of these, in 265 cases amounts were used by employees for **crèche** services. Fifteen applications to attend crèches with which the Group has agreements (in Bologna, Cesena and Imola) must be added, totalling 280 children.

As part of the activities managed by mobility management, it was once again possible this year to include the reimbursement of expenses incurred individually or by family members for **regional or interregional public transport services** as part of Hextra. Moreover, the supplementary mobility sum was confirmed with the aim of further promoting and supporting sustainable transportation related to home-work journeys for all Group employees using public transport, with 229 applications for a contribution of about 47,000 euro.

Once again in 2023, with "**At Hera, energy is worth more**", users had access to offers for free-market **gas and electricity, boilers and air conditioning and solar panels** to benefit directly from the value that all employees help create for increasingly shared and used welfare. We also continued the **An extraordinary connection** offer for internet access and calls in partnership with Acantho.

Lastly, a call to action for all employees to use available **voucher-based** services, and recommend services in the field of sports, wellness, shows, concerts, travel, holidays, water and theme parks.

Also for 2024, the goal is to develop new welfare initiatives dedicated to all-round individual well-being (psychological, financial, digital, and family).

[403-6]

In addition to the Hextra corporate welfare plan, the Hera Group offers several forms of supplementary healthcare for workers in compliance with the applicable collective bargaining agreement. In particular:

- employees to whom the gas/water national collective labour agreement applies: with effect from 1 January 2012, supplementary healthcare is provided by the FASIE fund;
- employees to whom the electricity national collective labour agreement applies: with effect from 9 July 1996, supplementary healthcare is provided by funds managed by corporate CRAEMs;
- employees to whom the waste management services national collective labour agreement applies: with effect from 1 October 2014, supplementary healthcare is provided by the FASDA fund;
- employees to whom the chemical industry national collective labour agreement applies: in line with the national agreement dated 29 July 2003, between FEDERCHIMICA and the sector trade unions, supplementary healthcare is provided by FASCHIM;
- employees to whom the national collective labour agreement for managers of public utility service providers applies: supplementary healthcare is provided through registration with FASI and Poste Assicura. The FASI Fund and FASI Supplementary Policy may be extended to the family members of managers.

In 2017, upon renewal of the national collective labour agreements, insurance policies were also set up in case of premature death (electricity national collective labour agreement) and of premature death and permanent disability (gas/water national collective labour agreement).

7.06 Health and safety

Ever since its establishment, prevention and safety at work have been among Hera's founding principles. Improving behaviour and enhancing corporate awareness about health and safety across the board is an ongoing target for the Group, as also stated in its Code of Ethics. **Preventing and minimising health and safety risks** is one of the commitments of the Hera Group's Quality and sustainability policy, which is inspired by the values for sustainable development expressed in the UN 2030 Agenda.

Working to make workplaces safer and healthier is essential to **improve quality and working conditions**, but also to promote the Group's sustainability and competitiveness.

Investing in health and safety contributes to the well-being of workers and is cost-effective. According to recent estimates, this type of investment can generate returns that are on average 2.2 times the value invested (source: International Social Security Association – ISSA, 2011).

Various occupational health and safety projects have been launched in recent years, especially with regard to the promotion of a culture of safety and risk awareness across the company. These initiatives – together with ongoing of staff training and coaching, specific actions to improve vehicles, plants, machines and equipment, and a timely analysis and investigation of injuries and near misses – have allowed us to achieve important results in terms of preventing accidents and occupational diseases.

The specific indicators reported and illustrated here below are a tangible sign of the improvements attained in this crucial area.

[403-2]

The process for identifying hazards and assessing health and safety risks is carried out in accordance with the requirements of articles 17 (non-delegable obligations of the employer), 18 (employers and managers' obligations), 28 (risk assessment purpose) and 29 (procedures for carrying out risk assessment) of Italian Legislative Decree no. 81/2008 **Consolidated Law on Occupational Safety**. More specifically, according to art. 17 of Italian Legislative Decree no. 81/2008, the employer has the non-delegable obligation to assess all occupational health and safety risks. To carry out this process, the employers of various companies or organisational units rely on the help of the **prevention and protection service** and the **company physician**, providing them with all necessary information about the kind of risks, how work is organised and a description of the production processes.

The prevention and protection service is used by the employer to develop the process for identifying hazards, assessing risks and identifying prevention and protection measures to mitigate risks and improve health and safety conditions at the workplace over time.

In the Hera Group, specific occupational health and safety management system procedures have been adopted to define the roles and responsibilities of the hazard identification and risk assessment process. The risk assessment objectives are as follows:

- **identify all sources of hazards** and **assess the potential impact on workers** in order to remove said sources or at least reduce them as much as possible;
- if the hazard cannot be removed, adopt suitable **prevention and protection measures**, prioritising, whenever possible, collective measures over individual ones;
- **plan and implement** the necessary risk information and training courses.

For an effective risk assessment process, it is necessary to estimate the **likelihood** an event may occur and the **severity** of its consequences. We have identified the criteria to estimate the likelihood and severity rates to limit any uncertainties when assigning the values and arranged them in the form of a table.

Prevention measures aim at reducing the **likelihood of an unfavourable event**, while **protection measures** reduce the severity of the consequences of the event.

The Hera Group is deeply committed to reinforcing workers' **awareness of the risks** associated with their workplace duties. This is why it has identified an increasingly larger amount of **training courses** that encourage people to develop **greater self-awareness** by changing their behaviour in relation to how they perceive risk and by setting a good example for their colleagues. One of the first projects carried out by the Hera Group, 'Safety in the Field', was aimed at achieving this objective. It was also useful to provide training on how to correctly applied the management procedure for accidents, near-misses and occupational diseases, which states that "any employee who becomes aware of a near-miss in the case of serious and immediate danger and who cannot contact the relevant line manager, must take measures to avoid the consequences of such danger". Everyone in the company, regardless of their position, is responsible for promoting and enforcing this rule.

Accidents and **near-misses** are recorded in the digital database via a user ID and a personal password. The **IT system** used by the main companies of the Hera Group is designed to manage relations with INAIL in a timely, fair and complete manner. After an accident, the prevention and protection service is quickly provided with the information included in the first medical certificate and an exhaustive description of the event, which is can be obtained with an automatic alert from the IT system. An initial analysis of the event is carried out just as quickly to identify the cause of the event. If necessary, a more detailed analysis is carried out to establish the necessary corrective actions. The system ensures that information is fully shared, tracks the entire process and stores its history. To gradually promote the active reporting of hazardous factors, Hera is seeking to develop a **reporting culture**: an integral part of a full-fledged system that excludes, due to its intrinsic value, the liability to punishment of whoever may have made a mistake and whoever has reported errors committed by third parties. The system instead makes sure that replies are given, adopts effective prevention and protection measures, provides information, and enhances the process.

The **people to whom staff members report** accidents are responsible for recording accidents. A manual on the use of the system is available on the company's intranet for all those involved. System updates are followed by revisions of the manual and training meetings. In order to ensure better tracking of safety issues, since 2023 it is possible to enter simple 'security notifications' as well. Moreover, accidents due to a 'behavioural factor' will be further analysed with an approach that considers the additional reasons for incorrect conduct (e.g. being in a hurry, overestimation or underestimation of one's capabilities, underestimated risks) to then be able to identify more effective improvement actions.

In 2023, **a document to assess the risk of harassment** at the workplace was produced. It was designed to provide an additional tool to safeguard the well-being and dignity of all employees in a working environment. The Hera Group believes this protection is essential to promote a healthy,

productive and respectful atmosphere at work. The workplace harassment risk assessment is a proactive and strategic process to identify, assess and mitigate the potential risks of harassing behaviour, discrimination and other forms of abuse within the company. This document aims to:

- identify potential sources of harassment at the workplace, including sexual harassment, bullying, discrimination and other harmful behaviour; assess the likelihood and impact of such risks on the well-being of employees and the health of the company;
- define preventive and corrective measures to effectively manage identified risks, thereby protecting employees and the company;
- promote a corporate culture that fosters mutual respect, inclusion and awareness of applicable regulations.

It is possible to identify work sectors and activities where the exposure to this risk is greater: contact with third parties (customers, suppliers, users) or activities involving frequent contact with users (trade fairs, conferences, call centres, etc.). It is also possible to identify a greater risk of being harassed for female workers, disabled workers or workers who work alone or in isolated or culturally backward settings. Harassment may occur between colleagues, between superiors and subordinate workers or may be carried out by third parties (e.g. users, suppliers, customers, etc.).

The risk can be significantly reduced by adopting a number of organisational and procedural prevention and protection measures. Effective measures to prevent harassment and violence at the workplace can result from the effective adoption of company codes, the use of an organisational model that employs appropriate tools to detect, monitor and manage adverse events, and the implementation of information and training programmes for workers.

A **criminal risk assessment** was carried out in 2023 in accordance with Italian Legislative Decree no. 81/2008. A 'criminal risk' refers to the world of 'man-made security risks' inherent to the broader working environment and not arising directly from the manufacturing process, nor strictly speaking from the company's business, but deriving from a third source.

These risks are classified according to the following macro-categories:

- terrorist attacks and/or acts of vandalism and sabotage (arson, explosions, attacks with heavy vehicles, etc.)
- predatory criminal attacks (theft, robbery, mugging, extortion);
- non-predatory assault on staff (threats and physical assault at the workplace by third parties and likely to endanger the health or safety of staff).

The outcomes of the assessment did not point to any particularly serious risks, but showed the need to consolidate countermeasures already in place and prepare some specific actions to limit consequences in the event of a criminal event occurring on our premises. In relation to the specific criminal threats examined, here below are the suitable prevention and protection measures to keep the risk under control and further reduce it. The guidance applies to all the site clusters where the assets of the companies/business units of Hera Spa and its subsidiary companies have been classified:

- set up and implement security at a corporate level (procedural/organisational measure);
- implement the actions envisaged in the Group Security Plan (centralised access control, intrusion detection and video surveillance systems in the Physical security control room, with 24/7 service coverage and trained personnel);
- implement organisational measures to control vehicles on site or those accessing it (e.g. digital notice board to manage the keys of heavy vehicles on site);
- set up the monitoring and investigation of physical security accidents by the security department;
- set up periodic internal security audits for the whole Group.

A **memorandum of understanding was signed in 2023 between the regional fire brigade headquarters and the Hera Group**. Both parties are aware that the following can have a positive impact on public safety and the safety of operators during emergency technical rescue operations and in all emergency situations: greater shared knowledge of the activity areas and tasks assigned to the regional fire brigade headquarters and of the providers of essential public services (gas distribution, integrated water cycle), an exchange of knowledge between operators of the respective operational rooms, a development of mutual training activities and joint simulations for various scenarios and the definition of shared operational procedures. This is intended to improve operating procedures in order to ensure not only greater protection for users, but also greater safety for its operators and to develop complex technical management standards.

Namely, the following have been identified as the main areas for discussion and collaboration:

- models to manage emergencies in the local area and accidents resulting from breakdowns or leaks on the gas distribution network, fires, floods, etc., with the aim of developing coordination methods between the bodies involved, also in terms of operational rooms;

- emergency management models for work in confined spaces or potentially polluting areas with the aim of sharing intervention approaches, as well as management and coordination procedures, namely to manage dangerous situations for people and the need for their rescue and recovery;
- emergency scenario simulations: evacuation drills following emergencies at Hera premises and plants in the local area with the aim of developing emergency drill models and to carry out integrated exercises.

An initial emergency drill will be carried out in 2024 with the involvement of the Italian Civil Protection Agency and the fire brigade. The drill will be held at one of the Hera Group's most important purification plants in the province of Bologna where there are hazardous substances (e.g. peracetic acid, liquid oxygen, biogas).

[403-9] **ACCIDENT RATES (ALL ACCIDENTS)**

	2021	2022	2023
Occupational accident rate (frequency rate)	12.3	12.8	12.6
Number of accidents at work	185	189	189
Severity rate	0.3	1.3	0.3
Rate of occupational accidents with severe consequences (absence for more than six months)	0	0.07	0.07
Number of occupational accidents with severe consequences (absence for more than six months)	0	1	1
Rate of deaths as a result of occupational accidents	0	0.14	0
Number of deaths as a result of occupational accidents	0	2	0
Hours of work	15,085,277	14,749,649	15,015,103

The frequency rate (including commuting accidents and accidents with an absence of less than 3 days) is equal to the number of accidents divided by million hours worked. The severity rate (including commuting accidents and accidents with an absence of less than 3 days) is equal to the number of days of absence due to injury divided by thousand hours worked. The death rate is the number of deaths per million hours worked. For the supplier data, see the section on "[Monitoring accidents at suppliers' workplaces](#)".

After a steady improvement in recent years and particularly in 2021, the Group's accident frequency rate is substantial stable. After 2021, the severity rate with the lowest ever result for the Hera Group also showed substantial stability, as did the number of days of absence.

INJURY RATES (ONLY INJURIES WITH AN ABSENCE EXCEEDING OR EQUAL TO THREE DAYS)

	2021	2022	2023
Occupational accident rate (frequency rate)	10.3	10.5	10.2
<i>of which commuting accidents</i>	2.2	2.9	3.1
Number of accidents at work	155	155	153
<i>of which commuting accidents</i>	33	43	46
Severity rate	0.2	1.3	0.3
<i>of which commuting accidents</i>	0.1	1.1	0.1
Hours of work	15,085,277	14,749,649	15,015,103

The frequency rate is the number of accidents per million hours worked. The severity rate is the number of days of absence due to injury divided by the thousands of hours worked.

An analysis of only major accidents (a period of absence of more than three days) also confirms the above considerations, with a further reduction in the number of accidents and their frequency rate.

The behavioural factor was once again the leading reason for injuries and accounts for over 60% of the days spent on leave.

The healthcare emergency and resulting lockdown led to the introduction of significant organisational changes (extension of remote working and departure from home for operational staff), which had a positive impact on commuter road accidents. At a Group level, commuter road accidents dropped from 42 in 2019 to 23 in 2020 (a year with long lockdown periods) and these values subsequently went up again: 33 in 2021, 43 in 2022 and 46 in 2023. There were 12 road accidents during working hours in 2023, down from 15 in 2022 and far fewer than the 45 in 2019 and 31 in 2020.

In 2022, the Hera Group launched a partnership with the Rubes Triva Foundation, INAIL and the University of Siena to design a digital educational lab using augmented reality technology dedicated to road safety with the aim of reducing these accidents.

A major technological road safety project was launched In 2023, with a focus on operator activity on the road with vehicle traffic. This project involved the installation of illuminated panels with a variable text message on about 380 operating vehicles. In 2023, the panels were installed on about 50% of our fleet and the workers involved completed their training. In 2024, the installation of the panel on all vehicles of the Central Network Department will be completed.

The main goal remains avoiding increases in the occupational accident frequency rate (10.4 is the goal for 2027 and less than 10 by 2030).

ACCIDENT FREQUENCY RATE FOR BLUE-COLLAR WORKERS

	2021	2022	2023
Total	22.9	21.8	23.7
<i>of which network services</i>	18.9	12.0	16.6
<i>of which waste services</i>	25.9	30.5	35.9

The 2021 data refers to Hera Spa, AcegasApsAmga and Marche Multiservizi. Accidents resulting in injuries that caused a period of absence from work of more than three days were taken into account.

Lost time injury rates are higher for blue-collar workers, since they are more at risk of lost time injuries given the nature of the activities they perform. All worker frequency rated increase compared to 2022. In the blue-collar categories, environmental services have the highest frequency rate compared to the other services (35.9), as they feature a larger amount of operations.

For 2024, also with a view of reducing accidents, we are planning to enhance operational coaching for the Prevention and protection service for employees by operational staff and training increasingly focused on workers' participation. This will be done by using out training centre in Ferrara for shared training/coaching with business units on the most serious risks.

The 2023 Sustainability Report prepared by the Utilitatis Foundation on behalf of **Utilitalia**, the Federation of water, environment and energy companies, discusses the sustainability performance of the 164 business units of the 450 associated utility companies. Considering the frequency rate of accidents lasting more than one day, Hera's value (12.8) is 39% lower than the average of the companies analysed (20.4). Ad for the accident frequency rate of the environmental sector, Hera's value (30.5) is 95% lower than the average of the companies examined (59.5).

With regard to accidents in some of the companies within the Hera Group, compared to 2022 significant improvements in the frequency rate were recorded for Gruppo Marche Multiservizi (from 16.8 to 11.9), Uniflotte (from 16.1 to 11.8) and Herambiente (from 12.9 to 10.9). AcegasApsAmga's frequency rate increased slightly (from 9.4 to 10.0), while the frequency rate of the Hera Comm Group remained essentially stable (from 4.2 to 4.3).

All the events that occurred (injuries and near misses) were examined by corporate structures together with the Prevention and Protection Service. The most complex cases were analysed using the in-depth Systematic Cause Analysis Technique.

In the Group's core companies, 187 corrective actions were identified in 2023, compared to 1,179 investigations into accidents and near misses.

The 2023 results confirm the long-term positive trend in relation to accident statistics at the Hera Group and show that the many actions taken by the Group in recent years are proving to be effective in terms of health and safety. The interventions described above were chosen and implemented with a long-term vision, in order to further reduce the recurrence of accidents, injuries and near misses.

With regard to the accident that occurred in Padua on 14 October 2020, involving two AcegasApsAmga employees (one of whom died) while they were working on a water pipeline, the Padua Public Prosecutor's Office served a notice of investigation regarding three senior managers and three

employees of the company (as well as in relation to external parties). After carrying out the non-repeatable technical examinations, the proceedings are currently at the investigation stage.

As for the accident that occurred in Bologna on 24 July 2020 involving two Hera Spa employees (one of whom died) on board a bulky waste collection vehicle that collided with an underpass, note that the Bologna Public Prosecutor's Office served a notice of investigation relative to four company employees. In November 2022, all four were notified of the conclusion of the preliminary investigation. The Court of Bologna ordered the committal to trial for the defendants. The proceedings are currently in the hearing stage.

With regard to the fatal accident in 2009 that occurred at the waste-to-energy plant of Forlì, following the committal to trial of three Hera Spa employees and one Herambiente employee, the preliminary hearing was held on 3 April 2014. The witnesses and experts were examined at the hearings on 13 May and 30 May 2016. On 31 March 2017, the judge ordered the conviction of the defendants granting suspension of the sentence. On 28 June 2017, the convicted employees filed an appeal against the first instance ruling. In its ruling on 24 October 2023, the Court of Appeal of Bologna declared that the defendants will not be prosecuted.

[403-3] The **occupational health service** is provided within the Hera Group in accordance with the requirements of Section 5 (Health monitoring) of Italian Legislative Decree no. 81/2008. Namely, several **company physicians** working in the various geographical areas have been selected and appointed. They have drawn up a health protocol based on the information set out in the health and safety risk assessment document. This document establishes, for each organisational role, which health checks are necessary for monitoring workers' health status and for expressing an opinion on their fitness to carry out the specific task assigned to them.

Medical check-ups for the entire workforce are carried out periodically during working hours. The employer is responsible for planning and for bearing the costs of the check-ups and for any clinical examinations and biological tests considered necessary by the company physician. When provided for by applicable legislation, medical exams are also conducted to make sure that there is no alcohol dependence and that psychotropic substances and narcotic drugs are not used.

The Group's **health monitoring service**, with the exception of the company physician in a coordinating role (selected through fiduciary assignment), is entrusted to a provider by public tender. The selection is made using the criterion of the most economically advantageous offer, i.e. a technical-economic assessment of the proposals submitted in which the technical aspect accounts for at least 70%.

The Hera Group periodically assesses the quality of the service provided by the supplier via specific checklists and periodically organises special technical coordination meetings with the company physicians and with the coordinating physician specifically selected for this purpose. In 2023, all employees for whom a medical check-up had been scheduled were subject to regular health monitoring in accordance with the Group's health protocol.

The **development of electronic health records** for employees was completed in 2021. This makes it easier to manage the health surveillance process and discontinue paper-based document management, thereby streamlining the work of both employees and physicians. The new IT system went live in 2022 and old hard-copy paper health records for the current workforce were digitised.

During the 2020 healthcare emergency, the Group's prevention and protection service, together with the company physicians, coordinated the selection and implementation of the measures for preventing infections and for supporting at-risk workers. A Group protocol to prevent infection was thus developed and drafted, and then shared with the workers' representatives. The prevention protocol is based on an Enterprise Risk Management approach and was constantly updated as the healthcare emergency developed.

The "**Hera cardioprotetta**" project, which provides for the installation of semi-automatic defibrillators (AEDs), continues with the management of 35 semi-automatic defibrillators in place at the Group's main offices. All the AEDs installed have a remote control system to monitor correct operation and the need for preventive maintenance. Our Group has decided to have its employees trained by training centres under the IRC (Italian Resuscitation Council – Italian Group for Cardiopulmonary Resuscitation) and are accredited by the Ministry of Health. Defibrillator operators are all volunteers and once they obtain the certificate they become part of the IRC database. The certificate issued by IRC is valid throughout Europe.

We also kept developing "**Man on the ground**" app, a project launched in 2020 with the aim of developing an IT tool (a mobile app that can be installed on employees' mobile phones) to alert the remote control centre in Forlì, in the event that employees working alone find themselves in an emergency situation and/or they suddenly become ill and fall to the ground. After an initial trial at AcegasApsAmga to test the features of the app and set the parameters of the mobile phone's gyroscope,

in 2022 the app was developed for staff at Heratech laboratories. In 2023 the trial began in the Central Market Department and was further refined in the Central Network Department.

Another important IT project of the Group developed to help improve health and safety conditions for workers is the **EHS PPE solution**. Introduced in May 2020 for Hera and Herambiente, the app with the EHS PPE information system aims to digitise and make the management of personal protective equipment (PPE) and work clothing in the company more transparent. It is available on PCs, tablets, smartphones or free-standing panels at fixed points on the company’s premises. So far, more than 1.19 million items of clothing and PPEs have been distributed thanks to the app and more than 17,000 checklists have been completed. Nearly 4,000 colleagues were also involved in training and awareness-raising events. In 2022, the app was also extended to AcegasApsAmga, with an additional 1.2 users having received specific training. It is expected to be rolled out to Marche Multiservizi in the coming years.

[403-4]

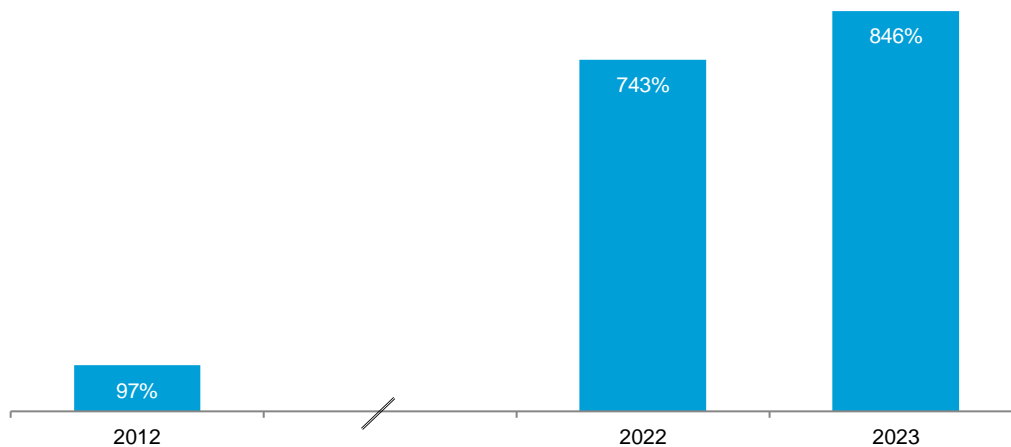
A safety management system is effective when it can count on the **support** and **commitment** of all participants in the company’s activities. Employees know their job inside out and know how to make it safer. Worker health and safety representatives get staff involved, so that employees can constructively contribute to the implementation of effective safety management policies and to their continuous improvement, by providing suggestions and feedback. Indeed, consultation is regarded by the Hera Group as an opportunity for managers and supervisors to get feedback from workers and their safety representatives on occupational health and safety.

Workers in the Hera Group are involved in the hazard identification and risk assessment process **after consulting** their representatives (worker health and safety representatives) beforehand. The representatives are convened periodically when occupational health and safety information is shared (e.g. issues such as injury trends, safety improvement projects and health monitoring).

A key topic for the purpose of preventing injuries and improving workplace health and safety conditions is the ability to report, collect and analyse not only injuries but also **near-misses and safety reports**. Near misses are accidental events that could have potentially generated a lost time injury. Their correct analysis and examination prevent the occurrence of lost time injuries. The Hera Group places great emphasis on correctly reporting, analysing and examining near misses.

The trend of near misses is monitored on a monthly basis to check compliance with the specific objectives assigned to the various departments and business units.

CHANGES TO THE NEAR MISS-INJURY RATIO



In 2023, the ratio between near misses reported and lost time injuries that occurred for Hera Group’s scope of reporting was 846%. The indicator presents a steadily growing trend, which shows that prevention is an increasingly topical matter at the workplace. Of note in the Group’s overall result are the results achieved by Hera Spa (584%), AcegasApsAmga (571%) and by the companies of the Herambiente Group (1,703%). The level of lost time injuries reported in Marche Multiservizi reached 467%.

In 2023, almost 10 near misses were reported for every accident that occurred (1,294 near misses reported in 2023, 1,152 in 2022).

The main kind of near miss analysed by the prevention and protection service concerned behavioural factors (such as distraction), defects in vehicles or equipment and the workplace.

[403-5]

A structured process within the Hera Group ensures that all workers receive adequate **health and safety training and coaching**. Namely, safety training focuses on:

- general risk, damage and prevention concepts;
- rights and duties of various corporate parties and supervisory bodies;
- specific risks related to the various tasks and to potential damage;
- the resulting prevention and protection measures to be adopted.

Training is specifically provided to newly-hired staff, after changes in job duties or following technical and organisational changes. It is also periodically repeated when the risks in place change or when there are organisational changes that impact safety requirements.

Training content and duration for workers, safety officers and managers are based on the timescales and methods set out in the State-Regions agreement of 21 December 2011. Training is planned and provided with the cooperation of the company's Personnel Department and the Prevention and Protection Service, as well as with the help of experienced contractors. The Prevention and Protection Service has developed a new format for safety courses for all workers.

The workers who receive periodic and repeated training are:

- Workers in charge of fire prevention and fighting, first aid and emergency management;
- worker safety representatives;
- workers, supervisors and managers.

The injury analysis clearly shows that 60% of accidents are caused by behavioural factors. After working extensively on the technological aspects of safety and on organisation, the human aspect is now key in preventing accidents and **The Culture of Safety** project at the Hera Group is based on this belief.

The project was launched in 2016 with the creation of an innovative training module for safety officers (intermediate-level managers) in the operations area. During this development process – where the focus was on individuals – participants were provided with elements to deal with behaviour, based on real working experience. This allowed all participants to learn more about how to deal with various situations and to understand the importance of being an example to others.

To increasingly encourage a corporate culture of safety, **the Group designed a training course** that involved more than 3,000 workers in the period from 2019 to 2022. This training method has been designed to stimulate the active participation of individuals and to create emotional involvement and interaction among participants also through the use of videos (one of them was made in-house in the Group). The aim is to develop **risk awareness and real leadership in health and safety** throughout the company. Over the next few years, the project will evolve again with the development of new training formats in accordance with the regulatory updates foreseen in the forthcoming Government-Regions agreement. Namely, a format was developed in the second half of 2023 for use from mid-2024. It envisages the use of the gamification approach to improve worker and supervisor involvement. New health and safety training material was also developed for use in e-learning on the MyAcademy corporate platform. Over the course of 2024, in partnership with the operational business units, we are planning to develop in-person training events at our training centre in Ferrara on high severity risks at the workplace: working at heights, working in confined spaces and working in vehicle traffic.

In 2022, we made the most of the regulatory discontinuity brought about by Italian Law 215/2021 (update of the Safety Consolidation Act relating to the role of the supervisor) and carried out an additional project to acknowledge and raise awareness about the role played by the person in charge (team leader, coordinator, shift leader). Indeed, supervisors were identified and targeted training courses were launched to strengthen their awareness of their role and responsibilities.

With these new tools, we intend to **foster change in the company culture** and to question deeply-held beliefs and habits in order to attain a new way approach to health and safety.

Another important building block in the creation of a culture of safety within the Group is the **safety leadership development project designed specifically for managers** launched in 2021 and continued in 2022-2023. The aim of this initiative is to further develop awareness about the role of safety managers, including aspects relating to supervision of the behaviour of the people the supervisor is responsible for.

The activities programmed as part of this project can be grouped into three lines of action:

- **quick individual surveys** on the factors that enable safe behaviours, with the aim of sparking employee interest, holding initial conversations and creating openness to dialogue;
- **interactive webinars** with all company management and focusing on the current state of safety culture within the company; managers were made more aware of the fact they are safety leaders with new habits;

- **safety mentoring stage** for a selected group of managers, including individual meetings with the prevention and protection service.

The project evolved further in 2022 and 2023, with a series of webinars attended by Group managers, followed by the publication of a Yammer channel to share materials and experiences. Throughout the year, as well as assessing the progress of the mentoring already carried out, new safety mentoring meetings were launched to adopt increasingly safer practices, starting with the people organising the work of the Group's people. Of particular note was the cultural event for all safety managers held in July 2023 with the presence of astronaut Maurizio Cheli, who addressed the issues of training and briefing and debriefing.

For 2024, the goal is to continue with educational and awareness-raising initiatives on "The Culture of Safety" through the active involvement of the corporate population in education-training activities. An awareness-raising event on the topic will also be held.

The Hera Group has taken its physical assets into consideration since its establishment, though the growing awareness acquired by considering the increase in malicious actions against wealth assets, the increased sensitivity of national and international institutions, as well as a potential negative impact on its image have led to the decision to implement and enforce a **physical security risk assessment model**. This is designed to ensure the proper identification, measurement, management and monitoring of risks including all measures necessary to prevent and mitigate threats and consequences caused by fires of various nature. This is also the result of an increasingly articulated and complex legal framework (e.g. legislation on strategic plants), as well as the growing activity of technical and regulatory standardisation bodies, which lead to a greater attention and professional approach in this regard.

The purpose of risk management is to preserve the effectiveness and profitability of the Group's businesses along the entire value chain, particularly with regard to occupational safety and environmental effects and risks related to the continuity and security of services and related information. As a result of the above and the results of the risk monitoring performed, an overall technical-management project was drawn up, including an investment plan shared with the business units/companies and approved by the Risk Committee that:

- guarantees a standard minimum level of protection throughout the Group through the application of uniform countermeasures;
 - applies advanced technological solutions in compliance with regulations, standards and good practices;
 - centrally manages contracts (infrastructure, maintenance and services), thereby guaranteeing proper standardisation and cost optimisation for interventions;
- makes the most of synergies, skills and resources within the Hera Group.

The project aims to mitigate the risks threatening Hera Group's assets with a central directorate that: ensures a uniform minimum level of protection through the application of uniform, technologically advanced countermeasures in compliance with regulations and standards; coordinates the activation of contracts (systems, infrastructure, maintenance and services) in order to standardise and optimise procurement costs.

Furthermore, the project harnesses synergies, skills and resources within the Hera Group such as:

- centralisation of the alarm reception point at Heratech-Telecontrol, creating a control room with a view of all alarms/alerts concerning assets to better manage events, as well as fiduciary services;
- the identification of Acantho, a Group company, as the provider of networks and systems and the global contractor for plant installation/maintenance and the activation of surveillance services.

In terms of innovation and digital transformation, the physical security project has identified important synergies with the Group's digital identity project, especially for access control process. This includes the creation of a central software platform to control access to all Group sites through the development of high-security virtual log-in details and the implementation of innovative mechatronic systems to ensure high security standards for access to premises and industrial plants.

7.07 Industrial relations

Numerous trade union meetings on the **organisational changes** initiated in various corporate areas of the Group were held in 2023. Moreover, several processes envisaged by the Group's integrative contract signed in 2022 (e.g. trade union digital notice board, part-time arrangement for parents with children under the age of six, etc.) were launched. Cooperation with employer associations was also very intense in the technical meetings for the **renewal of personnel classifications in the three main national collective labour agreements** of the Group, all of which expire in December 2024:

- national collective labour agreement of the environmental services sector;
- national collective labour agreement of the electrical sector;
- national collective labour agreement of the gas-water sector:

The **company protocol** regulating measures **to counter and limit the spread of the COVID-19 virus** at the workplace established on 15 May 2020 was updated three times throughout 2023, leading to three revisions of the technical document attached to the protocol. These changes became necessary as a result of the ever-evolving legislative framework on the matter. In 2023, the three local committees (Emilia-Romagna, Marche and Veneto-Friuli-Venezia Giulia) met nine times with the goal of implementing and verifying the rules of the protocol.

On 30 January 2023, the joint examination procedure concerning the **transfer from Heratech to Hera Spa of the business unit** responsible for quotes and the execution of large-scale works was concluded with the signing of the relevant minutes.

The minutes were signed on 14 February 2023 to implement the **change of working hours in the billing area**, which became necessary due to the significant increase in volumes to be handled.

On 10 March 2023, the **telephone on-call** service was launched in the **Warehouse Management** facility of the Purchasing and Procurement Department, and minutes to this effect were signed on 10 March.

In March 2023, three separate meetings were held, one for each area of the Group (Hera Spa, AcegasApsAmga and Marche Multiservizi), to illustrate the **2023 Learning Plan**, as envisaged in the Industrial Relations Protocol of the Group.. The agreements for the **2023 Financed training plan** were signed on 4 April 2023 and the agreement for the Hera Group personnel on the calculation of the performance bonus indicators for the year 2023 was signed on the same day.

On 30 June 2023, the objectives of the **2023 performance bonus** were defined and a special agreement was signed for the Hera Group to this end.

As of December 2023, in order to **prevent and mitigate computer intrusions and attacks**, a special remote availability service was set up within the Central Innovation Department and the relevant minutes were signed on 22 November 2023.

In December 2023, the **unified trade union representatives** (including safety and environmental workers' representatives) of the gas-water and electricity sectors of the following Group companies were renewed: Hera Spa, Heratech, Inrete Distribuzione Energia, Hera Comm, Hera Comm Marche, Hera Trading, Estenergy, AcegasApsAmga and Marche Multiservizi.

In the course of 2023, nine agreements were signed for changes to nine **plants** or **new installations of video surveillance systems** across the Group's various sites (Ferrara, Via Caruso and Via Razzaboni a Modena, Pozzilli, Bellaria, Via del Frullo in Bologna, Loria, Forli, Sassuolo).

Some **important agreements** were signed in the **environmental sector** in 2023:

- on 19 June, an agreement was signed for the transfer of a business unit from Hasi to Acr, with the transfer of 29 employees to the new company and the maintenance of the national collective labour agreement and second-level agreements;
- on 7 July, two important agreements were signed at Biorg, one concerning the gradual recognition of the 14th month's salary to staff with a national collective labour agreement for the chemical industry, and one to establish for the first time the performance bonus in this sector and start moving towards the Group's policies;
- on 12 July, an agreement was signed to pay, for the first time at Recycla, the welfare sum as it is designed for the whole Group;
- on 20 October and 13 November, agreements were signed to define all the working hours in Aliplast's two main plants (Treviso and Novara);
- on 31 October, the agreement on the revision of the reimbursement for driving licence renewal costs for staff with the environmental national collective labour agreement was signed;
- several meetings were held with regional trade unions on the subject of the temporary business group formed by Hera Spa, Consorzio Stabile Ecobi and Brodolini, as provided for by the national collective labour agreement and the protocols signed.

As for **AcegasApsAmga**, on 30 January 2023, with a view of further integrating processes and operating methods, an agreement was signed to start the single shift of the technical call centres of AcegasApsAmga and Inrete Distribuzione Energia. On 15 February 2023, an agreement was also signed with the trade unions of the environment sector concerning the use of the DST waste system on dedicated corporate waste collection vehicles in Padua and Trieste. On 13 April 2023, in order to complete the process of standardising the processing of meal vouchers with the other companies of the Hera Group, an agreement was signed to supplement the previous minutes on the agreement of 5 November 2020.

With reference to **Hera Servizi Energia**, following the merger by incorporation of Hera Servizi Energia Srl into AcegasApsAmga Servizi Energetici, a single agreement was signed on 24 July 2023 to define profitability and productivity indicators for 2023. At the same time, a process was undertaken to standardise various institutions and operating methods in order to achieve greater efficiency and productivity in the local areas and domain in which Hera Servizi Energia operates, as well as to improve consistency at an organisational level.

As for **Marche Multiservizi**, the following agreements were signed in 2023:

- 9 January, agreement to change the working hours of operational staff in the networks department;
- 15 March, agreement on company shutdowns in 2023.

With regard to **Acantho**, an agreement was signed on 14 April 2023 for the finalisation of the performance bonus indicators for 2022, and, in line with the agreements reached at a Group level, a supplementary company agreement was signed on 19 July 2023 to define the new productivity criteria for the 2023 performance bonus. On 4 September 2023, the joint examination procedure concerning the merger by incorporation of Asco TLC into Acantho was completed with the signing of the relevant minutes.

Networking activities between the industrial relations facility, third-party companies, associations and professional firms were strengthened throughout 2023, thereby ensuring continuous updates also with reference to developments outside the Group. As usual, internal awareness-raising and training on issues of common interest to the human resources professional family also continued, as well as consultancy and cooperation activities with other management offices on labour law issues.

On 28 November 2023, in advance in relation to the expiry of the Utilitalia national collective labour agreements applied within the Group and the expiry of the corporate supplementary agreement, national trade unions requested a negotiating table on various topics such as contractual limits and the industrial relations protocol, the procurement protocol, staff, professional development, remote working, vehicles at home with destination on the worksite, working hours, and health and safety. The company and trade unions subsequently scheduled a series of in-depth meetings starting in December 2023.

OPEN-ENDED CONTRACT WORKERS WHO ARE TRADE UNION MEMBERS (BREAKDOWN BY POSITION)

Number	2021	2022	2023
CGIL	2,008	1,895	1,836
CISL	665	648	691
UIL	547	555	582
FIADEL	158	144	152
CISAL Federenergia	27	30	26
FISI	0	13	3
ADL	8	11	10
USB	12	11	4
UGL	8	9	6
FEDERMANAGER	8	7	6
Base union	7	4	3
Base confederation	4	3	4
SNALV	3	3	1
CONFIAL	1	2	1
Total	3,456	3,335	3,325
Percentage of workers at 31/12	38%	36%	35%

The figures do not include Aresgas, a company where 1% of the Group's employees work.

A total of 35% of the Group's workers with an open-ended contract are members of a union: the percentage is around 1% less compared to 2022.

OPEN-ENDED CONTRACT WORKERS THAT ARE MEMBERS OF UNIONS (BREAKDOWN BY POSITION)

%	2021	2022	2023
Middle managers	14%	14%	14%
White-collar workers	34%	32%	31%
Blue-collar workers	49%	48%	46%
Total	38%	36%	35%

The figures do not include Aresgas, a company where 1% of the Group's employees work.

With reference to the position held, the trade union membership rate decreased for white- and blue-collar workers. The percentage remains unvaried for middle managers.

HOURS OF STRIKE

Hours	2021	2022	2023
Total strike hours	16,356	2221	5501
Strike hours, per capita	2.0	0.3	0.6

These figures do not include the following companies: Aresgas, Biorg, Etra Energia, F.lli Franchini, Macero Maceratese, Recycla, Vallortigara Servizi Ambientali, Wolmann. A total of 3% of the Group's employees works in these firms.

Below is a summary of the main strike initiatives for 2023:

- national general strike called by USB, CUB and COBAS for all public and private categories, excluding the energy sector, for the whole day on Wednesday, 8 March 2023. The strike in question was proclaimed to protest against femicide and violence against women, against job insecurity and other grievances;
- a national strike declared by CUB, COBAS and FISI for the whole day on 26 May 2023 for all sectors except for transport. The strike was later called off by CUB and COBAS but maintained by FISI against vaccines and the government's Covid-19 policies;
- a national strike for all public and private sectors, called by SGB, SICOBAS and CUB, for the entire day on 20 October 2023 to defend public health, against war and the financing of war, against the abolition of the citizenship income, against job insecurity and for the minimum wage, and the high cost of rent;
- a national general strike in the environmental hygiene sector called by trade unions CGIL and UIL for 17 November 2023. The strike in question was called to protest against the government's economic policies also by trade unions CGIL and UIL of the Marche region for all sectors;
- a general strike for the whole of northern Italy called by CGIL and UIL for 24 November 2023 for all private and public sectors, excluding environmental services. The strike in question was held to protest against the government's economic policies. For the same day, a national strike in the environmental hygiene sector was called by COBAS and CUB because of organisational changes in environmental services within the national collective labour agreement.

[2-27]

LITIGATION WITH WORKERS

Number	2021	2022	2023
Litigation cases at the close of the year	18	22	18

There were 18 **cases pending** against workers in the Group at 31 December 2023, down by four cases compared to 2022.

The **disciplinary measures** taken against Group employees amounted to 243 in 2023, in compliance with applicable national labour agreements: they involved **oral** or **written reprimands** (68 cases), **salary deductions** and **temporary suspensions from work** (163 cases, 96 of which were disciplinary measures for fines without a penalty for more than four hours' work compensation) and 12 **dismissals**, one of which with notice and 11 without prior notice.

People

Circularity, resilience and sustainability also at Hera Group premises

2023 began with the launch of the new integrated maintenance contract which also involved the implementation of the first efficiency projects required as a technical offer of the contract itself:

- construction of new air conditioning systems in various locations;
- introduction of electricity and fluid consumption meters for all main offices;
- projects to convert lighting fixtures from fluorescent to LED.

Work also continued on the modernisation and reuse/conversion of internal spaces for the Gaggio Montano (Bo) offices, where, after renovations were completed in April and all the staff had been transferred from the Porretta Terme offices (Bo) and Vergato (Bo), work began on setting up the new company car park.

At the Viale Berti Pichat office in Bologna, recovery work continued on an old warehouse of the former agricultural consortium for the construction of the new company training centre. During the course of the works, archaeological discoveries were made (around 60 tombs of various shapes) dating back to the Roman period as well as a section of a road also dating back to the Roman period. This intervention contributes to containing new buildings on virgin soil while keeping the waterproofed surface of the Group's properties unchanged.

Another significant event in terms of the environment was also the final commissioning of the surface water regulation works and the sewage system of the Molino Rosso office in Imola (activity completed at the end of 2022) which meant the unusual situation could be addressed without any damage from rainfall which, in May, caused floods and devastation in many locations in Romagna, thus preserving the physical location of the Acantho data centre and guaranteeing its full functionality.

In 2023, the new project for reorganising office spaces was also launched, given that with the introduction of remote working there was a clear decline in occupancy of company premises with average attendance rates of around 65% and with minimum occupancy of up to 35% on certain days of the week. This situation led to the need to review the ways company areas are used, to avoid unjustified waste in terms of land occupation and energy resources. During the year, many meetings were held and many comparisons were made with other companies (since the phenomenon is common to other companies) and, most importantly, internal tests were carried out with visits to some departments to evaluate the degree of operational functionality and employee satisfaction. The results were encouraging, as also demonstrated by the level reached in the opinions revealed by the climate survey carried out in 2023 with scores relating to work spaces exceeding 73/100.

In 2024 these methodologies will form the basis for the design of the new office spaces at the offices in Bologna at Viale Berti Pichat and the refitting of the offices in Forlì at Via Balzella.

The projects mentioned here contribute to the achievement of targets 6.4 and 7.3 of the UN 2030 Agenda.

58,000 euro raised by the fifth edition of HeraSolidale

HeraSolidale aims to promote solidarity and **support for social projects** with the **involvement of Hera Group employees and the company** itself.

The fifth edition of the project began in September 2023 and will end in March 2026. This latest edition saw the Group's employees choose by voting four of the ten Organisations selected by the company according to the following criteria: **popularity and transparency of the activities, contribution to one or more targets of the UN Agenda for 2030** and areas of intervention relating to Hera services (ancillary criterion). The four organisations chosen by the employees were **Fondazione Ant Italia Onlus, Ageop Ricerca, Fondazione Airc** and **Medici Senza Frontiere**. **Unhcr** was then added for continuing to collect in support of the Ukrainian people, given the continuing conflict.

The **projects** supported by each of the five organisations are summarised below:

- **Fondazione Ant Italia Onlus** - project "**Supporta il calendario dell'assistenza domiciliare di Fondazione Ant**" (**Support the Ant Foundation's home care services**): offers free assistance to cancer patients by providing them with suitable care at home and social-health care that is as comprehensive as possible, both for the patient and for their family. Collections will be channelled into the Emilia-Romagna, Marche and Triveneto regions.
- **Ageop Ricerca** - "**Oltre la malattia**" (after illness) project: provides, through activities supported by Ageop operators and psychologists, help and psychosocial rehabilitation to children and their families, after cancer, through activities and workshops aimed at rediscovering their potential, regaining self-esteem and relational skills.
- **Fondazione Airc** – "**In campo contro i big killer**" (fighting big killers) project: concentrates research efforts on the three types of tumours which claim the most victims: pancreatic, lung

and brain cancer. The objective of the project is to set up a multi-year scholarship to support young researchers.

- **Medici Senza Frontiere – “Donne al centro della nostra azione”** (women at the centre of what we do) project: supports projects dedicated to women’s health globally, focusing on three areas: obstetric care, assistance to victims of sexual violence and prevention and treatment of cervical cancer.

Each project is characterised by **clear and scalable economic objectives** that correspond to **concrete and measurable actions**.

Group **employees** can join either by making a monthly contribution deducted directly from their pay slip or through Hextra - the integrated company welfare system. New to this edition of HeraSolidale is the option of donating by occasional deductions from pay slips.

In addition, the **Hera Group makes an important contribution** acting through the companies Hera Comm, Hera Comm Marche and EstEnergy which donate one euro for every three new customers throughout the three years of the project.

To support the HeraSolidale project, in 2023 the Group also decided to involve employees in donating a symbolic fee when individual employees decide to redeem company mobile phones and tablets for personal use.

In just three months of the project, starting from September 2023, **around 58 thousand euro** were collected: around 23 thousand euro were donated by employees through payroll deductions and Hextra, and over 35 thousand euro were donated by Hera Comm, Hera Comm Marche and EstEnergy .

The projects mentioned here, through partnerships with interested organisations and public administrations, contribute to achieving **UN 2030 Agenda goal 17.17**.