



**POLICY FOR MANAGING THE DIALOGUE
WITH SHAREHOLDERS
AND BONDHOLDERS IN GENERAL**

Approved by the Board of Directors of HERA S.p.A. on 1 December 2021.

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Art. 1 - Purpose and scope

- 1.1 HERA S.p.A. (“HERA” or the “Company”) has always valued discussion and promoted, in the most appropriate forms, an open and active dialogue with Shareholders and Bondholders in general. In accordance with its Articles of Association, the purpose of the Company is to implement a business model which aims at creating long-term value for its Shareholders through the creation of a shared value with its Stakeholders (the “Purpose”) and increase the level of understanding of the activities carried out by the Company and the HERA Group.
- 1.2 In compliance with the recommendations in this regard of the Corporate Governance Code to which the Company adheres, at the meeting of 1 December 2021, the Board of Directors of HERA (the “Board of Directors”) adopted, on the proposal of the Chairman, formulated in agreement with the Chief Executive Officer, this “Policy to manage the Dialogue with Shareholders and Bondholders in general” (the “Policy”) to ensure that the dialogue that the Company and the HERA Group have with Shareholders and Bondholders (the “Dialogue”) is inspired by the principles detailed in the Policy itself and can take place in compliance with community and national regulations on market abuse, as well as in line with international best practices.

Art. 2 – General principles

- 2.1 The Board of Directors ensures that the Company pays particular attention to managing the Dialogue in compliance with the following principles:
 - **Transparency and Fairness**: the information provided as part of the Dialogue with the Company must be clear, complete, correct and truthful and not misleading or confusing, allowing Shareholders and Bondholders to develop an informed assessment of the HERA Group;
 - **Timeliness**: the Company endeavours to ensure that the information made available on the

Company Website and/or the responses to requests for clarifications and insights submitted by Shareholders and Bondholders are provided in a timely manner and take into account current legislation for listed companies and company operations;

- **Equal treatment**: the Company ensures that the Dialogue takes place in full respect of the equal treatment of Shareholders and Bondholders, who will therefore be subject to identical conditions;
- **Promotion of the Mission and Business Purpose**: the Company guarantees that the information provided during the Dialogue is effective and representative of the Mission and Business Purpose;
- **Compliance**: the Company complies at all times with the provisions of the Law and regulations in force from time to time as well as the internal rules of governance and regarding the management of corporate information; moreover, it ensures in any case the application of the principles of collaboration and transparency with the Authorities, Regulators and competent Public Bodies/Administrations, guaranteeing its commitment to the confidentiality of information.

Art. 3 – Topics of the Dialogue

3.1 In accordance with the procedures set out in this Policy, HERA provides Shareholders and Bondholders with information on its activities, strategies and performance, also proposing an in-depth analysis of the Group's shares.

In view of this, the topics of discussion covered by the Dialogue concern, as a rule, the following subjects:

- economic-financial/operational performance relating to quarterly and annual closures (financial and non-financial results);
- competitive and regulatory context and business strategy: Business Plan, actions and objectives related to financial and non-financial performance;
- environmental, social and governance issues (so-called “ESG issues”);
- performance of the stock and other financial instruments issued by the Company, buy-back programs, capital structure, dividend policy;
- enterprise risk management;

- internal control and risk management system;
- corporate governance system;
- structure, composition and term of office of the Board and the Internal Board Committees;
- self-assessment of the Board of Directors;
- remuneration policy;
- transactions of significant strategic, economic, equity or financial importance;
- extraordinary and/or particularly significant events that have occurred and that may have a significant impact on the Group's prospects and/or reputation.

Art. 4 – Tools used to facilitate Dialogue

4.1 HERA communicates and interacts with Shareholders and Bondholders in general on an ongoing basis in various ways, as better illustrated below.

– **The Company Website**

The Website (*www.gruppohera.it*) is the main channel for communicating information to Shareholders and Bondholders, so that they are updated in real time and can deepen their knowledge about the HERA Group.

Documents and news deemed of greatest interest are made available on the Website, which can be consulted both in Italian and English.

Specifically, information can be found on: HERA's Mission, Values, Purpose and Code of Ethics, economic and financial data (such as financial statements, half-yearly and quarterly financial information, presentations relating to the Business Plan and Sustainability Report, stock performance), other information on the activities of the Company and the HERA Group, such as thematic reports that give an account of the activity carried out, as well as the Corruption Prevention Model.

– **Publication of press releases and documents**

In order to keep Shareholders and Bondholders as well as the Market in general up to date on major events, HERA prepares and timely publishes press releases and documents on its Website.

Such documents, including those containing price sensitive content, are disclosed in the manner provided for by the regulations dictated by Consob regarding disclosure to the public

of regulated information, in compliance with the current law on relevant communications and market abuse.

– **Shareholders' Meeting**

Although there is a wide diversification of tools and opportunities for dialogue, the Shareholders' meeting is a fundamental event as it represents an institutional moment for a privileged meeting between the Company's top management and the Shareholders.

HERA strives to facilitate, as far as possible, the participation and voting of the Shareholders at the Shareholders' Meeting, paying particular attention to its organisation. In addition to making all the information required by current legislation for listed companies (such as, for example, the information relating to the call and the items on the agenda) available on the Company Website, respecting the terms indicated by the legislator, the Company provides the contacts the Shareholders can get in touch with to receive the useful information for their participation and to obtain any necessary clarification.

In order to ensure the proper functioning of the shareholders' meetings, the Company has also adopted specific Shareholders' Meeting Regulations that indicate the procedures to be followed.

– **Social Channels**

In order to provide Shareholders and Bondholders with constant updates on the HERA Group, several social channels are active: Twitter, YouTube, Instagram, Slideshare, Flickr, Pinterest, iTunes, LinkedIn and Wikipedia.

– **Other recurring opportunities for interaction**

There are also some recurring opportunities for interaction, the methods and timing of which are differentiated according to the topics covered. Any meeting takes place in compliance with the general principles defined by this Policy, the relevant national and international legislation, as well as market practices.

Specifically, the organisation of the following is envisaged:

- conference calls with Institutional Investors and Financial Analysts, during which the Company illustrates the periodic economic and financial results communicated to the Market, or with specific Investors, when issuing financing instruments (bonds).

Special conference calls can also be organised when making announcements to the Market about extraordinary transactions of particular strategic importance for the HERA Group or can be held at the specific request of Investors or financial intermediaries, always for

updating and discussion purposes.

There is also participation in Investor Days organised by financial intermediaries.

In addition to the Chairman and the Chief Executive Officer, meetings are attended by the Investor Relations Director and, if necessary, other Directors based on the issues discussed;

- roadshows, where the Chairman, the Chief Executive Officer and the Investor Relations Director of the Company meet with Institutional Investors and Financial Analysts, to illustrate, in particular, the Group's Strategic Plan, the most recent economic and financial data and any extraordinary transactions in progress. This event is also an opportunity for discussion, allowing the top management of the Company to listen to the requests coming from the Market;
- conferences, conventions and fairs, during which the Company illustrates the activities of the Group.

Art. 5 – Point of Contact

5.1 HERA supports an open and transparent process aimed at guaranteeing Shareholders and Bondholders the possibility of contacting the Company not only at the Shareholders' Meeting, but also during the year, with regard to specific issues not included within the scope of the activities, as represented above, of potential interest to the Board of Directors.

To this end, the Company has identified the following Corporate Structures that act as the first point of contact for all requests for dialogue (“Point of Contact”):

- the Investor Relations Department;
- the Legal and Corporate Head Office Department, which interacts in particular with the Shareholders, providing them with any useful clarification on issues of relative interest, mainly concerning the conduct of the Shareholders' Meeting and the related accreditation methods.

5.2 The Chairman is responsible for reporting the Dialogue held with Shareholders and Bondholders to the Board of Directors.

Art. 6 – Director in Charge

- 6.1 The Board of Directors - which has a role in directing, supervising and monitoring the application of this Policy - entrusts the management of the Dialogue with Shareholders and Bondholders to the “Director in Charge”, identified in the Chairman of HERA.

Art. 7 – Subjects involved in the Dialogue

- 7.1 The Point of Contact is assigned the task of receiving requests from Shareholders and Bondholders that fall within the Policy, even if addressed to the entire Board of Directors (or individual members of the same) and/or specific Internal Board Committees.

In the latter cases, the Board of Directors (or the individual Director) or an Internal Board Committee (with the exception of the Ethics and Sustainability Committee, for which reference is made to article 9) that receives a request from Shareholders and Bondholders, shall forward it to the Point of Contact.

- 7.2 The Point of Contact shall promptly inform the Director in Charge of the requests received for their attention.

- 7.3 The Director in Charge, with the support of the Point of Contact:

- (i) decides whether and how to respond to requests from Shareholders and Bondholders based on the provisions of this Policy,
- (ii) identifies the times/form/procedure for conducting the Dialogue, as indicated below in article 8,
- (iii) involves in the Dialogue - when appropriate and also due to the role and/or matters to be discussed - individual Directors, including independent Directors, or the entire Board of Directors,
- (iv) and with the support of the Secretary of the Board of Directors, reports, every six months or within the first useful meeting in case of significant events, to the Board of Directors:
 - ✓ on the development and the relevant contents of the Dialogue with the Shareholders and Bondholders, as indicated below in article 8;
 - ✓ on any contacts with other Stakeholders, as indicated in article 9.

Art. 8 – The methods of conducting the Dialogue

8.1 Activation methods

The Dialogue between Shareholders or Bondholders and the Company can be initiated:

- a) at the written request of a Shareholder or Bondholder to the Point of Contact. The request must specify at least the following:
 - the topic or topics proposed for discussion in the Dialogue;
 - the reasons for establishing the Dialogue with the Director in Charge;
 - the representatives of the Shareholder or Bondholder who intend to participate in the Dialogue, specifying the roles held by them within the organisation of the Shareholder or Bondholder and the related contacts;
 - the timing proposed by the Shareholder or the Bondholder to have a response to their issues;
- b) on the initiative of the Company (Point of Contact and/or Director in Charge), by organising meetings with one or more Shareholders or Bondholders, in which other competent Corporate Structures may participate if necessary on the issues that are the subject of discussion.

The invitation will indicate the following:

- the topic or topics proposed for discussion in the Dialogue;
- the reasons why the Company intends to establish the Dialogue;
- the timing and methods proposed for conducting the Dialogue.

8.2 Evaluation criteria

In order to decide whether to accept or reject a received request for Dialogue, or whether to initiate a Dialogue, as well as to establish the related procedures, the Director in Charge shall carry out an assessment on a case-by-case basis, according to the best interests of the Company and taking into account – by way of non-exhaustive example – the following factors:

- a. compliance with any relevant statutory and/or regulatory limits;
- b. the relevance of the topics with the matters indicated in article 3, the degree of seriousness of the request and the significance of the topics;
- c. the potential interest of the topic to be discussed for a large number of Shareholders and/or Bondholders and/or for the Market;
- d. the actual relevance of the request for Dialogue and its foreseeable usefulness, also in the

perspective of creating long-term value, as well as taking into account previous Dialogue experiences;

- e. the behaviour of the Shareholder or the Bondholder requesting the Dialogue in previous interactions with the Company, including previous shareholders' meetings, opportunities for Dialogue and/or other corporate events;
- f. the size and characteristics of the Shareholder or Bondholder requesting or receiving the Dialogue and, in the case of an Institutional Investor, also the nature and strategy of its investment.

In the event of rejecting a Dialogue request, the Director in Charge ensures – with the support of the Point of Contact – that the Shareholder or the Bondholder is promptly notified.

8.3 **Conducting the Dialogue and subsequent tasks**

In the event of accepting the request or starting a Dialogue, the Director in Charge shall establish the timing and methods to conduct the Dialogue, informing the Shareholder or the Bondholder thereof.

The information provided in the context of the Dialogue shall follow the rules set out in article 8.4 below.

Once the Dialogue has been held, the Point of Contact involved prepares a written summary, to be sent to the Director in Charge who will inform the Board of Directors with the frequency established in article 7 above.

8.4 **Information provided in the context of the Dialogue**

The Director in Charge shall take the most appropriate measures to guarantee the confidentiality of the Sensitive Information (for example, by requiring the Shareholder or the Bondholder to make confidentiality commitments before establishing the Dialogue) as well as to comply with the principles established and the limits set by Law.

The Shareholders and the Bondholders shall remain liable for any use of the information received from the Company that constitutes a breach of a legal obligation or that is detrimental to the interests of the HERA Group and/or third parties.

The information provided by the Company must in any case be proportionate and adequate with respect to the request made, as well as strictly related to the issues for which the Shareholder or the Bondholder has requested to establish the Dialogue, also taking into account the interests of the Group and the provisions of this Policy.

The documentation made available and the information provided by the Company during the

Dialogue may be published on the Company Website.

Art. 9 – Contact methods with other Stakeholders

9.1 The Company also promotes active and constructive communication with other Stakeholders, including, by way of example: Local Communities, Public Administration, Customers, Suppliers and Employees (in general “other Stakeholders”).

Specifically, the contact methods are as follows:

- “Hera LABs”: these are multi-stakeholder local councils (Local Communities, Public Administration, Environment and Future Generations, Customers, Suppliers and Shareholders) that HERA makes available to the territories where it provides its services to activate a structured channel of listening and dialogue with Local Communities;
- the annual Residential Customer Satisfaction Survey and the biennial Employee Internal Climate Survey;
- the annual meeting with Employees;
- the Website in general and specifically the “Sustainability” area where all the reports of interest of the different Stakeholders are presented;
- a special area on the Company Website reserved for Consumer associations where they can receive information and updates on HERA services and send reports;
- conferences, events, exhibitions and initiatives organised or supported by HERA.

9.2 The Company has also established the Ethics and Sustainability Committee which (i) monitors the dissemination and implementation of the principles of HERA’s Code of Ethics and supervises the sustainability aspects connected to running the business activity, (ii) carries out investigations if reports of infringement are received and (iii) discloses the Regulation and methods of operation of the Committee.

The Ethics and Sustainability Committee reports directly to the Board of Directors.

9.3 The relevant Corporate Structures that interact with the other Stakeholders directly process the requests received, bringing the most significant ones to the attention of the Director in Charge.

Article 10 – Disclosure, monitoring and updating of the Policy

10.1 This Policy will be published and made available to Shareholders, Bondholders and the public on the Company's Website.

A description of this Policy will also be included in the “Report on Corporate Governance and Ownership Structure” drawn up annually by the Company pursuant to article 123-bis of Italian Legislative Decree no. 58 of 24 February 1998.

10.2 The Director in Charge, supported by the Investor Relations Department and the Legal and Corporate Department, is responsible for the correct application of this Policy.

10.3 This Policy may be updated or modified by the Board of Directors upon the proposal of the Chairman, in agreement with the Chief Executive Officer.