

press release

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Sustainability, a Hera conference in Bologna to rethink development

At the European Week for Sustainable Development, the multi-utility relaunches the debate on the challenges facing companies, countries and the international community, and illustrates the excellent results contained in its sustainability report, with almost 2 billion euro distributed by Hera in 2017 alone to local stakeholders and suppliers. Among the guests there was also Prof Jeffrey Sachs, one of the proponents of the UN's sustainability objectives, to which Hera contributed around 330 million euro of shared-value EBITDA last year alone.

The part, never more than now, is for the whole. That is not the definition of a rhetorical figure, but the meaning that public and private stakeholders must give to their work, to write it on the future of our Planet, whose balance depends on the action of all of us. The circular economy itself is no longer conceivable purely in terms of waste management but rather must embrace an integrated complex of issues, which includes ecological product design, preservation of the resources in use and the regeneration of natural capital. These are some of the main topics that arose at the conference called "**The ecosystem and its unity: a challenge for a sustainable future**", held today at the Hera Group's Bologna headquarters. The event was organised for the European Week for Sustainable Development, and attended by the President of the Emilia-Romagna Regional Administration Stefano Bonaccini, who brought the testimony of a region that has extensive sustainability-related experience. Many other leading international representatives from institutions, business and universities also contributed their experience. An important event, in short, during which the multi-utility also presented the key aspects of its completely renewed **sustainability report**, whose economic, social and environmental indicators are once again constantly improving and allow us to approach the future with confidence.

Among the conference guests there was Prof Jeffrey Sachs, of Columbia University, who played an important role in drawing up the Sustainable Developments Goals identified by the UN Agenda for 2030, which the Hera Group has chosen as a guideline for its commitment to sustainability. In its sustainability report, in fact, the multi-utility reports the shared value, i.e. the portion of EBITDA that comes from activities that generate operating margins for the company and also meet 10 of the 17 sustainability objectives set out in the Global Agenda. This share, up 10% compared to 2016, amounted to 329 million euro in 2017 (1/3 of total EBITDA) and the objective is to increase it to 40% of the EBITDA by 2021, thus contributing more and more to the needs of the area it serves and to the challenges for change. The investments already made were quite significant, and in 2017 alone contributed to generating the shared value of 200 million euro, i.e. 41% of the total. Among the main measures, there was the construction in Sant'Agata Bolognese of an important plant to produce biomethane from organic waste. In addition, the development of waste recycling through the Aliplast and Waste Recycling companies is also essential in order to fully implement the circular economy. The upgrade of the wastewater treatment service, the digitalisation of services from a Utility 4.0 perspective and, lastly, investments in innovation to make networks increasingly smart, complete the picture.

Moreover, in the new edition of the Sustainability Report, which from this year also offers useful food for thought on the national and international scenario, shared value has become the true hub around which Hera has organised the document's entire content, so as to highlight the contribution that the various activities make to its generation. The information contained in the report is divided into three main areas: smart use of energy, efficient use of resources, innovation and contribution to local development.

USEFUL LINKS

[Hera Group's 2017 Sustainability Report](#)

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Smart use of energy: Group consumption down 3.6%

In terms of energy efficiency, the Group has fulfilled its commitment and in 2017, thanks to the measures it has taken, has reduced its consumption by 3.6% compared to 2013, exceeding its target, saving about 8,300 tonnes of oil equivalent and approaching the 5% target set for 2020. Overall, Hera has also managed to reduce the carbon footprint of its energy production by 16%, compared to 2015. Moreover, since 2017, Hera has been using only electricity from renewable sources for all its business in Emilia-Romagna, a standard that this year it has extended to the entire Group. Energy efficiency improvement initiatives have also been carried out within companies, to which Hera makes its know-how available to set up cutting-edge systems, to optimise consumption and to obtain white certificates. It makes the same commitment to domestic customers, by offering tools to monitor and reduce consumption.

Efficient use of resources: European targets for 2030 already exceeded

In the area of resource efficiency, the activities Hera reports mainly concern the circular economy and the sustainable management of water resources. On the circular economy front, the results achieved by Hera are decades ahead of the objectives set by the European Union. An example is the use of landfills for urban waste, which has further decreased and stands at 7%, against a European target of 10% for 2035 and an Italian average in 2016 (latest available data) of 28%, ranking the area served by Hera at the levels of the best performing European countries. But not only. Hera has already exceeded the 65% target set for 2025 also for packaging recycling, reaching 68%. Separate waste collection continues to increase and in 2017 stood at 57.7%, well above the national average. In 2017, Alplast's plants produced about 103 thousand tonnes of recycled plastic. Good news also comes from Legambiente's Ecosistema Urbano 2017 report: in terms of separate waste collection per capita, among the ten provincial capitals with over 100,000 inhabitants with the most responsible citizens, five are managed by Hera (Forlì, Rimini, Ravenna, Modena and Ferrara), while Bologna is the second Italian city among those with more than 300,000 inhabitants. The main investments in the sustainable management of water resources were for the Rimini Seawater Protection Plan and the upgrade of the Servola treatment plant in Trieste. In addition, the plan to upgrade the water treatment system continued: at the end of 2017, 91% of urban areas had been updated, reaching 100% in Emilia-Romagna.

Innovation and sustainable local development: almost 2 billion euro distributed to stakeholders

In 2017, the Group again contributed to the economic and employment growth of the area it serves, protecting air and soil and focusing on innovative processes and digitalisation. The share of services ordered from local suppliers reached 66% of the total, and amounted to 592 million euro, up 6% compared to the previous year. The Group's employment also benefited, adding 6,500 more people in satellite businesses to its almost 9,000 employees. If we consider not only suppliers but also workers, shareholders, lenders, banks, public administration and local communities, we obtain an overall number of stakeholders to whom in 2017 alone a total economic value of almost 2 billion euro was distributed, up 6.5% compared to 2016. It is also important to point out that by sourcing supplies from social cooperatives, over 800 people facing hardship were able to find work. As regards the protection of air and soil, the most significant results include the confirmation of the positive performance of the waste-to-energy plants we operate, with very low levels of atmospheric emissions, on average 86% lower than the regulatory limits, and a reuse of 75% of the total soil in designing works on networks and plants. As far as innovation and digitalisation are concerned, investments focused mainly on smart city projects (installation of electronic gas meters, monitoring of environmental quality, video surveillance, information and mobility services) and on the development of digital channels for customer relations, such as the launch of the new My Hera app and an increase in the number of customers registered for online services, which rose to 19%.

"The thoughts put forward at today's conference - says **Tomaso Tommasi di Vignano, Executive Chairman of the Hera Group** - confirm that sustainability issues are becoming a mainstay of the economic and financial world, and this can only reassure parties such as Hera, who have always bet on them well in advance, contributing to giving these issues the substance that over the years has set an example for others, as well. Speaking today about the ecosystem - continues Tommasi - we intend to reaffirm the need to continue to work as a team with the local community and with its many stakeholders, combining environmental, economic and social issues. This is the development model that Hera has identified with since its inception and which guides its investment and innovation policies, deploying economic and design resources as a shared equity for all the communities it serves, also and above all in the interest of the new generations".

"The current climate changes - says **Stefano Venier, CEO of the Hera Group** - set us before a challenge that we can no longer postpone, which particularly confronts multi-utilities and their ability to work across the board to encourage and trigger virtuous processes, for which important opportunities for discussion such as that of today are more than welcome. Also, the need for radical change must be accompanied by a gradual transition that does not jeopardise the essential conditions of social well-being. For Hera - continues Venier - this means many things: on the one hand, it means working not only for the communities but even more to validate a model that envisages their active involvement, with an approach that brings into play individual citizens, companies and public administration.



On the other hand, it also means overcoming the issue of the mere environmental impact of our business, looking rather at an overall change in business models. This is precisely - concludes Venier - the scale at which Hera wants to play its game, continuing to work to consolidate the circular economy and thus fulfilling a commitment that has already earned us a place in several international networks, such as the CE100 programme of the Ellen MacArthur Foundation".