



press release

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The 2020 Integrated Governance Index: Hera once again on the podium for sustainable finance

For the third consecutive year, the multiutility took the number one spot in the survey area on the integration of ESG factors into the company's finance. A pioneer in this field with the launch of the first Italian green bond and the first sustainable revolving credit line, Hera has always considered sustainability to be at the heart of its business strategies

Turning sustainability into a lever for financial and business strategy is rewarding. It is indeed rewarding for the Hera Group, which for the third year running claimed the top step of the podium in the sustainable finance category of the 2020 Integrated Governance Index, an authoritative model for analysing the degree to which ESG (Environmental, Social, Governance) factors are integrated within a company's strategy. These factors, alongside the traditional business objectives the company pursues, address social and environmental and governance aspects.

Once again, this award attests to the multiutility's competence and focus on sustainability as a factor that contributes to creating shared value not only for the company but above all for the communities and local areas it serves. The latter are both at the heart of the company's growth strategy and are priorities in defining its financial and investment actions.

Sustainability at the heart of the multiutility's strategy

Financial communities and investors are increasingly looking not only at the bottom line of companies but also at why and how they are achieving them. This means that today, all businesses must include ESG factors in their strategic planning. This fundamental aspect has always set the Hera Group apart: sustainability is actually a cornerstone of the multiutility's financial and business strategies, particularly in view of the objectives of the UN's 2030 Agenda. The Group's financial tools as well, therefore, are in line with this perspective. Hera addressed this approach at an early stage, interpreting the changes underway and setting up innovative models that have enabled it to take on a pioneering role in its sector and be attractive and competitive on the market.

The multiutility was, in fact, the first company in Italy to issue a green bond, as early as 2014, followed by a second similar bond in 2019. Two years

USEFUL LINKS

[The Hera Group](#)

[The Sustainability Report](#)

[Hera Group's green bonds](#)

[The sustainable revolving credit line](#)



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ago, furthermore, Hera launched its first sustainable revolving line of credit, introducing a bonus mechanism for reaching specific environmental, social, and governance (ESG) goals. These include, for example, further reducing the carbon footprint for energy production, attaining new energy efficiency targets, and improving separate waste collection. Moreover, the Hera Group provides public utility services to 4.4 million citizens: creating shared value and positive side-effects for the communities it serves is a duty and a priority. This is one of the reasons why, for some years now, the Group has decided to measure and publicly release, in its annual sustainability report, the portion of its EBITDA generated by businesses that meet the sustainability goals set out in the UN's 2030 Agenda. This "shared value" EBITDA rose to Euro 422.5 million in 2019, coming to 39% of its total EBITDA, and its new target is set at 42% for 2023, as defined in the Business Plan.

The Integrated Governance Index

The Integrated Governance Index (IGI) is the only project that quantitatively measures the degree to which ESG factors are integrated into a company's management model (integrated governance). Developed by ETicaNews, with the scientific and legal support of associations and specialised advisors, this year marks the Index's fifth edition. This year the businesses invited by IGI to participate included the top 100 listed companies in Italy, businesses that publish a non-financial statement, and the country's top 50 non-listed companies, setting a record for the number of companies analysed.