

Stakeholder engagement Guidelines

Mission and Purpose

Hera's mission is to be the best multi-utility in Italy for its stakeholders. It aims to achieve this through further developing the original corporate model capable of innovation and of forging strong links with the areas in which it operates by respecting the local environment. As a confirmation of this, during the last shareholders' meeting on 28 April 2021 Hera modified its Statute defining its "Purpose" as *"the Company implements a business model with the aim of creating long-term value for its shareholders through the creation of shared value with its [stakeholders](#)"*.

Objective

To do that, Hera uses its range of actions to promote an active role for individuals, both inside and outside the Company. In fact, it is exactly by focusing on People and promoting their rights, dignity and prospects that the Hera Group can **strengthen a wide range of motivated stakeholders so that they may also play an active and conducive role in regenerating this new balance**.

Stakeholders' identification, prioritisation and risk & opportunities management

Hera Group's stakeholders map has been defined starting off from a survey of its stakeholders as a whole and in each local territory in which it operates. Each category of stakeholders identified presents particular interests and priority topics and is listened to through specific dialogue and involvement initiatives. Stakeholders are prioritised in order to pursue creation of shared value targets, that are updated every year with the presentation of the new business plan. Stakeholder engagement is embedded in the company strategy and operations, in order to both exploit growth opportunities, leveraging upon engagement of local and directly involved stakeholders to increase shared value creation, as well as to prevent and mitigate emerging risks that could emerge in projects made at local level.

Method used for engaging with stakeholders identified

The main engagement and dialogue activities carried out with the Company's stakeholders are:

- **Workforce:** annual meeting with the CEO and the Chairman; internal climate survey carried out every two years; participatory online platform for the development of new ideas
- **Customers:** annual customer satisfaction survey; Alternative dispute resolution (ADR) arbitrations
- **Shareholders and financial community:** financial roadshow in all reference territories served by top management itself; roadshow pre-Annual General Meeting

period with local shareholders and local financial institutions (bank foundations); Investor Relations assistance to all local individual shareholders

- **Suppliers:** meetings with the main trade associations, meetings held with representatives of social cooperatives
- **Local community and Associations:** HeraLAB; web portal for consumer associations; guided tours of waste treatment and recovery plants; environmental associations
- **Media:** management of local, regional and national news media; support to journalists needs and requests; relations with the press offices of public and private institutions, associations or third parties to promote joint activities
- **Local Governments & Authorities:** relations with partner Municipalities and with Local Authorities through its Area Managers. Local Governments elect board members and top management meets on a regular basis the representatives of the Consultation Agreement of Local Governments.

For further information, please refer to our latest [Sustainability report](#).

Responsibilities in Stakeholder engagement and results disclosure

Hera's significant commitment to involving stakeholders is by now part of the operational structure of the departments that deal with the relations with various stakeholders. In particular, the Personnel and Organisation Department is in charge of workforce engagement, the Market Department is in charge of customers engagement, the Investor Relations Department is in charge of shareholders and financial community engagement, the Corporate Services Department is in charge of suppliers engagement and the Strategy, Regulations and Local Authorities Department is in charge of local community and authorities engagement.

The Shared Value and Sustainability Department as well as the External Relations Department coordinate, collaborate and report on stakeholder engagement activities and on partnerships with local communities in Hera's annual Sustainability Report and in "Together, we build the future" annual thematic report, that are the documents in which every year the results of stakeholder engagement are reported.

For further information, please refer to our latest [Sustainability report](#), [Together, we build the future](#) and Hera's [Management structure](#).

Basic Principles

Hera's stakeholders accept and promote the Group's values, general aims and principles of operation described in the Code of Ethics.

Company ethical values:

- Integrity
- Transparency
- Personal responsibility
- Coherence

Company working principles:

- Sustainability and shared value
- Service quality and excellence
- Efficiency
- Innovation and ongoing improvement
- Engagement and optimisation

- Will to choose

General aims:

- Faith in and respect for the Code of Ethics
- Responsibility and decision-making power
- Integrity and conflicts of interest
- Accountability
- Commitment to dialogue
- Confidentiality of information
- Protection of physical and moral integrity
- Value of diversities
- The value of education and training
- The importance of communication
- Collaboration and cooperation
- Confidentiality of private data and respect for the private sphere
- The environment
- Mutual acceptance of the Code

Hera requires that all the stakeholders adjust their behaviours so to comply with all the previous values, general aims and principles of operation.

Three of Hera's general aims are specifically referred to the stakeholder engagement process:

- **Commitment to dialogue:** Hera establishes a dialogue with its stakeholders and their representatives in their mutual interests. Everyone is required to acknowledge the request for dialogue.
- **The importance of communication:** Hera recognises the value of communication as an indispensable factor for sharing and exchanging skills and increasing the sense of belonging to the company.
- **Collaboration and cooperation:** Hera recognises the fundamental value of collaboration and cooperation between workers and the various company structures. Collaboration and cooperation must be based on paying attention to the needs of the stakeholders and on the common interest of the Group. Hera recognises the importance of reciprocity in collaborating with all stakeholders.

Furthermore, Chapters II to VI of Hera's Code of Ethics describe the behaviour that each stakeholder (customers; employees and associates; shareholders and the financial market; suppliers; local area, the community and the institutions) must comply with.

This fifth edition of the Code was approved by the Hera S.p.A.'s Board of Directors on 18th December 2019.

For further information, please refer to Hera Group's [Code of Ethics](#).

Grievance mechanism

Stakeholders can directly contact the specific department responsible for their listening and engagement (See "Responsibilities in Stakeholder engagement" paragraph). Please see specific contacts in the [Hera Group website](#).

Moreover, stakeholders can deliver their issues related to the Hera Group basic principles violation to the [Ethics and Sustainability Committee](#).