



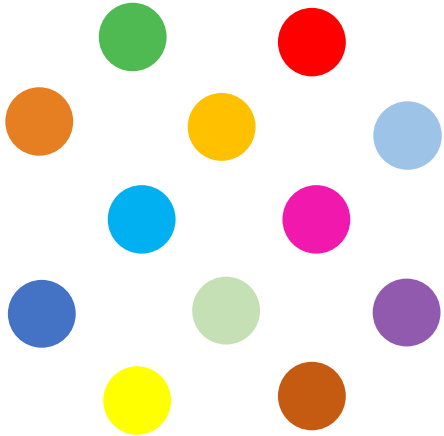
DE&I DATA 2022

DIVERSITY EQUALITY & INCLUSION IN HERA GROUP

Diversity (of gender, culture, origin), **equality** and **inclusion** are fundamental driving forces that enhance the workplace, promote innovation, and project us into the **future**, helping us to anticipate both the challenges of specific circumstances and the markets, while assuring fair treatment and equal opportunities for all.

In line with these principles, we adopt DEI strategies to **enhance talents and share their experiences**, skills and ideas to stimulate cooperative behaviors and **improve our performance**.

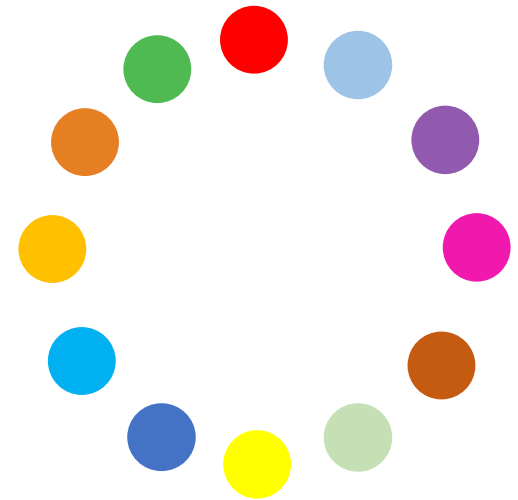
DIVERSITY



EQUALITY



INCLUSION



TALENT PIPELINE INDICATORS

KPI	DEFINITION	Data
Percentage of women total promotions	Of the 854 career advancements that took place in 2022, 235 involved female employees during fiscal year-end.	28.0%
	With the exclusion of blue-collar workers where the female population amounts to approximately 2.4% of the total, career advancements involving female workers accounted for 42.9% of the total.	42.9%
	43.9% of new Managers and Executives are women.	43.9%
Percentage of Women IT/Engineering	Percentage of women working in functional roles with IT (Information Technology) and/or Engineering (Research & Development; Programming/Coding) responsibilities at the company, of the total employees working in these roles.	38.9%
Percentage of new hires are women	In 2022, 160 female out of 648 workers (total number of new hires) were hired on permanent contracts.	24.7%
	As far as Executive, Manager and Clerical Staff categories, the percentage of new permanent women employees was 45% of a total of 341 permanent hires.	45.0%
Percentage of women attrition	Percentage of women employees that left the company, of the total employees that left the company.	4.0%

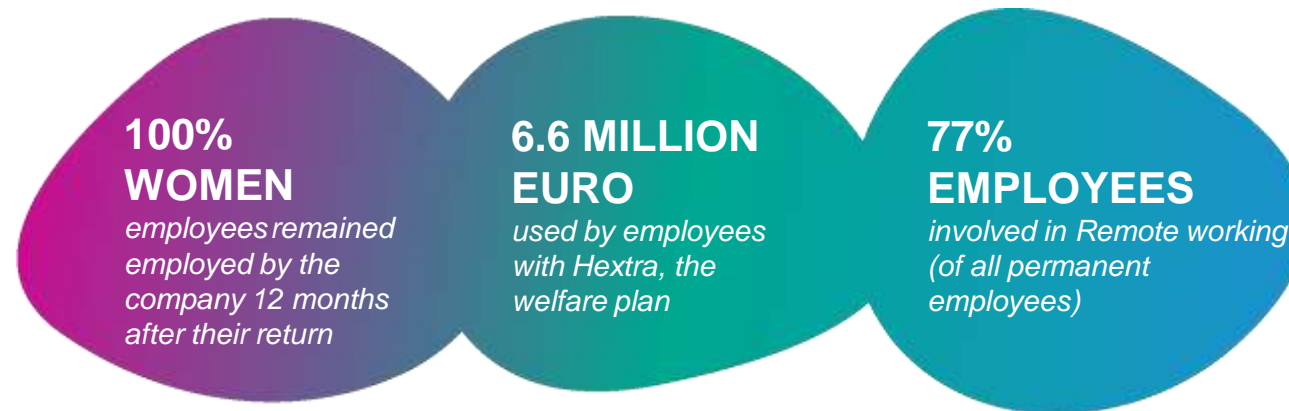
Time-bound action plan with targets to increase the representation of women both in leadership positions and in the company in general	<p>Hera shares a publicly quantitative, time-bound action plan with targets to increase the representation of women in leadership positions (slide 7) and among employees in general. In 2022 44% of new hires, excluding blue-collar workers, were women and career advancements involving female workers accounted for 42.9% of the total.</p> <p>Hera Group's commitment in the area of inclusion policies and protection of diversity started way back in 2009 with the signing of the Charter for Equal Opportunities and Equality at Work, through which the company committed itself, together with other public and private parties, in the fight against workplace discrimination and to promote women empowerment. Furthermore, the introduction in 2011 of the Diversity Manager was essential to further encouraging processes for developing inclusion and diversity enhancement policies. The Diversity Manager coordinates a working group composed of Group companies employees of different ages, roles, professions and training to deal with diversity and inclusion projects, activities and initiatives. Hera collaborates also with Valore D on research projects on the professional development of women with STEM backgrounds, making available the experience of female colleagues and helping to understand and bring positive examples that can stimulate the corporate world both internally and externally. Furthermore, Hera also signed the following declarations of commitment: Value D Manifesto for female employment; Utilitalia's Pact for corporate inclusion; Women's Empowerment Principles (WEPs) of UN Global Compact and UN Women.</p>
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PAY INDICATORS

KPI	DEFINITION	Data
Global mean (average) raw gender pay gap	The total wage differential between women and men is equal to 102.2% by virtue of the greater presence of men in the Manual Labourers category. This total wage differential between women and men does not fully reflect the actual gap due to the greater presence of men in the Manual Labourers category. For a more representative figure we should split data by qualification:	102.2%
Adjusted mean gender pay gap	if we consider Managers the ratio between the remuneration of women compared to that of men is equal to 96.5%.	96.5%
	if we consider Clerical Staff the ratio between the remuneration of women compared to that of men is equal to 92.5%.	92.5%
	if we consider Manual Labourers the ratio between the remuneration of women compared to that of men is equal to 100.4%. These figures are better than the European average (85.6%) and the Italian average (94.5%) according to Eurostat 2021 data	100.4%
Time-bound action plan to close the gender pay gap	<p>Meritocratic interventions, foreseen in the Group's meritocratic policies, are a further development action envisaged for workers while preserving equity and competitiveness. Gender equality, with a particular focus on the gender pay gap, is one of the cornerstones of these policies whose tools are centered on performance (performance and managerial skills) to guarantee a fair adjustment both to company and market salary levels. The application of these interventions is guided by a monetary matrix that relates the individual assessments resulting from the Development Process with the remuneration bands deviation of the worker. Closing of the gender pay gap is performed using a detailed comparison among professional families, level of job roles' complexity, professional seniority on the job role and individual performances. Each gender pay gap report is shared with all organizational areas as a starting point to raise awareness before the composition of the proposal for meritocratic interventions. Afterward, each organizational area is provided with a simulation of the effects of the improvement proposals on the gender pay gap in order to highlight eventual bias and, in case, modify the proposal. Therefore, incentive systems and targets of the action plan to reduce the gender pay gap are redefined every year and presented to Management Review Committee. A constant analytical monitoring of remuneration policies, in both the definition and application phases, is pursued in relation to gender equality indicators, in order to ensure greater awareness of the true extent of this phenomenon and make sure the measures for managing it within the company are effective. Any differences in pay not justified by objective factors are analysed.</p>	
Executive compensation linked to gender diversity or diversity, equity and inclusion (DEI)	<p>The Group's remuneration policies are defined to guarantee: increasing value for shareholders; achieving sustainable success in the short and medium-long terms; retaining employees who hold strategic positions; pursuing the company's purpose, mission and values, including sustainability, equity and social inclusion. In 2022, 37% of the variable compensation of Group's managers and middle managers was linked to sustainability target projects (improvement of quality, environmental impact, image, personnel and stakeholders involvement and professional development), with target projects aimed at creating shared value accounting for 24%. Professional development and diversity and inclusion parameters are included in the balanced scorecard system, the bonus system of the Hera Group, and therefore are taken into consideration in the performance evaluation of the Diversity Manager (Senior manager) and other middle managers and managers of the Hera Group. Since 2020 sustainability is part of the deferred incentive plan for management retention and a deferred variable remuneration linked to CSV framework was introduced for the Executive Chairman.</p>	

INCLUSIVE CULTURE INDICATORS

KPI	DEFINITION	Data
Number of weeks of fully paid primary parental leave offered	21.7 weeks (= 5 months) of fully paid primary parental leave for employees, globally, which have some flexibility to choose when benefit it.	21.7 weeks
Number of weeks of fully paid secondary parental leave offered	Number of weeks of fully paid secondary parental leave for employees, globally.	2 weeks
Parental leave retention rate	The percentage of female workers returning from maternity leave is 100%, as is the percentage of female workers who are still employees 12 months after their return.	100%
Back-up family care services assist or subsidies through the company	HEXTRA, the company's welfare system, includes a high number of benefits related with eldercare (reimbursement and/or vouchers for nursing homes and home care services) as well as allocation of instruction quotas for employees who have school-age children, sponsored crèche services, reimbursement of summer camps, of babysitting or homework help services as well as listening and care services to support parenting.	
Flexible working policy	In Hera flexible hours are distinguished by being voluntary, reversible and compatible with both the company's technical, organisational and productive requirements and its employees' requests. Priority in granting the latter goes to family related needs such as providing health assistance or care for the disabled and for those suffering from a serious illness, once duly verified. In addition to this opportunity, thanks to a massive development of Group's working tools and alternative communication channels, excluding blue collar workers, around 77% of all permanent employees are able to working remotely if they wish, ensuring service continuity and allowing an easier management of private life. Furthermore, Hera allows each worker to transfer their holiday and leave hours to colleagues to assist minor children and / or partner in need of continuous healthcare, because of disability and / or serious illness.	



INCLUSIVE CULTURE INDICATORS

KPI	DEFINITION
Employee resource groups for women	Since 2011 Hera Group has a Diversity team, a networking group for diversity and inclusion, transversal to corporate functions. It overcomes sectoral constraints and stimulates corporate best practices, sharing and exchange while promoting a shared path of cultural growth for the company and support women employees. All activities developed by the "Diversity team" are focused on a wide range of topics such as wellbeing, work life balance, overcome stereotypes, female professional development, women empowerment, etc.
Unconscious bias training	In 2022 Hera provided 6,885 training hours on "Ethical values and corporate culture" (slide 8) to prevent discriminatory behaviors and to promote Group's commitments and ethical responsibilities, to be implemented by the managers, the workforce and collaborators of the Group. All the new recruits and new employees are involved in AlfabEtico training sessions which are specifically dedicated to the Group's Code of Ethics to promote behaviors in line with it. Furthermore, since 2013 Hera has undertaken an intense program for raising awareness on the Code of Ethics, addressing 25-30 managers (management white-collars, middle managers and managers) by means of the Corporate Social Responsibility and Code of Ethics in current operations seminars: in 2022 these CSR seminars were dedicated to the management of relations with suppliers in the event of anomalies and a number of articles of the Code of Ethics were part of the teaching materials. A training course on Corporate Social Responsibility and the Code of Ethics in Day-to-day Management was also planned and launched.
Annual anti-sexual harassment training	Like as for bias prevention, anti-harassment is part of the subjects addressed in the training sessions of both AlfabEtico, organised every year for new employees, and annual CSR seminars involving white-collars, middle managers and managers. Hera Group Non-Discrimination and Anti-Harassment Policy applies to all employees, applicants for employment, interns, whether paid or unpaid, contractors and persons conducting business with Hera Group and it applies to all behavior related in any way to work, including off-site meetings, training and business trips.



KEY PERFORMANCE INDICATORS

WOMEN STAFF (breakdown by position)

%	2020	2021	2022	2026	2030
Executives	21.7%	22.1%	21.6%	>24%	>26%
Managers	32.2%	32.8%	33.6%	>34%	>35%
<i>Total Executives and Managers</i>	29.9%	30.5%	31.1%	>31%	>33%
Managerial Employees	34.0%	35.7%	36.2%	>36%	>37%
<i>Total Executives and Managers and Managerial Employees</i>	32.6%	34.0%	34.5%	>34%	>35%
Non-managerial Employees	45.4%	45.9%	46.4%	>47%	>48%
<i>Total Employees</i>	42.2%	43.0%	43.6%	>44%	>45%
Manual Labourers	2.6%	2.5%	2.4%	>3%	>5%
Management positions in revenue-generating function	25.7%	25.7%	25.7%	> 27%	>29%
STEM-related positions	22.3%	22.3%	38.9%	> 23%	>25%
Total Female Employees	26.7%	27.3%	27.6%	> 29%	>30%

Data as at 31 December 2022

GLOBAL VOLUNTARY TURNOVER RATE

%	2019	2020	2021	2022
Voluntary turnover rate	1.6%	1.1%	1.5%	2.2%

Data as at 31 December 2022

KEY PERFORMANCE INDICATORS

TOTAL TRAINING HOURS PER AREA OF INTERVENTION

<i>(hours)</i>	2022
Sales and markets	17,559
Managerial	30,572
Quality, safety and the environment	80,457
<i>of which</i>	
Health and safety	68,320
Quality and environment	12,137
Information systems	33,794
Technical-operational	108,657
Ethical values and corporate culture	6,885
Total	277,924

The figures do not include Aresgas, a company where 3% of the Group's employees work

TRAINING COSTS

<i>(average, per capita)</i>	2019	2020	2021	2022
Total training costs ('000 €)	1,751	1,760	2,057	1,866
Workforce attending at least one training course (n.)	9,005	8,732	8,704	8,718
Total average cost per capita (€)	194	202	228	207