HERA GROUP

DE&I

DE&I INSIGHTS

DIVERSITY, EQUALITY & INCLUSION IN HERA GROUP

Diversity (of gender, culture, origin), equality and inclusion are the fundamental driving forces that enhance the workplace, promote innovation, and project us into a better 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, Hera adopts DEI strategies to enhance talents and to help everyone to share their experiences, skills and ideas so to offer opportunities for self-fulfilment and stimulate cooperative behaviors while improving the business performance.

40% WOMEN
on the Board of Directors

34 YEARS OLD
average age for new hires

74/100 POINTS
Customer satisfaction rate

36% WOMEN
with a management role

58.3% EMPLOYEES
under 50 years old

70/100 POINTS
Internal climate index

28.3% WOMEN
of the total workforce

4% EMPLOYEES
Belonging to protected categories

80/100 POINTS
Gender Equality Index score

The data contained herein is not intended to be exhaustive and refers to the 2024 fiscal year

Message from the Executive Chairman and the CEO

Hera Group's mission is also to continue valorising the uniqueness of people in a working context highly exposed to change, constantly committing itself to promoting and creating fair and inclusive workplaces, thanks to the development of dedicated policies and projects.

Our DE&I path was set out some time ago: its most emblematic stages include the signing in 2009 of the Italian "Charter for equal opportunities and equality on the workplace" and the establishment in 2011 of both a Diversity management and a Diversity team, made up of a cross-skills team of colleagues.

It is 9 years now that Hera is among world's **Top 100 companies of the Diversity and Inclusion Index**, that rewards the most attentive companies to diversity and inclusion and is included in the **Bloomberg Gender-Equality Index** since 2020.

The "**Gender Equality certification UNI/ PDR 125:2022"** obtained in 2023 was another step that bears witness to the Group's commitment and achievements in removing all barriers, including cultural ones, to assure an off-limits access to professional growth within the company also in terms of gender.

This is significant for a company that wishes to provide a virtuous example, also in terms of social responsibility and fairness.

DIVERSITY **EQUALITY** **INCLUSION**

DE&I POLICIES AND COMMITMENTS

DIVERSITY AND OPPORTUNITY POLICY

It's been almost 15 years that Hera has defined its Founding Principles of Diversity and Inclusion and they continue to influence department's choices in terms of internal actions and activities. Hera Group's commitment to fight against workplace discrimination started in 2009 already with the signing of the **Charter for Equal Opportunities and Equality at Work**.

Furthermore, the introduction in 2011 of the **Diversity Manager** was essential to further encouraging processes for developing inclusion and diversity enhancement policies. A Diversity team composed of colleagues from different Group companies', with different ages, roles and skills was also set up in 2011 to create and manage projects, activities and initiatives on diversity and inclusion.
Read more

Hera adheres to a number of national and international commitments such as the **Value D Manifesto** for female employment, **Utilitalia's pact for inclusion** in the company, **Women's Empowerment Principles (WEPs)** of UN Global Compact and UN Women, as well as **Business for People and Society,** promoted by UN Global Compact Network Italy.
The Group is now also a **founding member of PARI Association** "Together Agains Gender Violence".

GENDER EQUALITY POLICY UNI/PDR 125:2022

It sets out the principles and guidelines that define the Company's commitment to issues relating to gender equality and equal opportunities in the workplace. It is a commitment that has been part of the Group's values and culture since its inception.

This allows the Top Management to manage people's development processes, while respecting gender equity principles so to promote working methods for a better work-life balance and people's well-being and personal fulfilment. It is also a main goal to support a corporate culture based on mutual respect and personal dignity while paying attention to avoid stereotypes and to promote the visibility of women's contribution to the professional world, even in marketing and external communication activities.

As part of the certification for gender equality practice (which involves 11 companies of the Group), a strategic plan was defined that contained a series of actions and objectives aimed at improving the indicators required by the certification.

In 2023, 16 objectives were identified and in 2024 all the objectives set out in the plan were achieved.

In 2025, the Group will also embark on a specific awareness and training path on gender-based violence intended for the whole company.
Read more

NON-DISCRIMINATION AND ANTI-HARASSMENT POLICY

It applies to all employees, applicants for employment, interns, whether paid or unpaid, contractors and persons conducting business with Hera Group. Discrimination or harassment in the workplace based on race, color, religion, sex, national origin, citizenship, age, sexual orientation, disability, marital status or any other basis prohibited by law are not tolerated. Hera Group prohibits inappropriate conduct based on any of the above characteristics at work, in the company's business perimeter and even at events sponsored by the company.
Since 2023, a document to assess the risk of harassment at the workplace is produced. It was designed to provide an additional tool to safeguard the well-being and dignity of all employees in a working environment.
Read more

As regards **HIV/AIDS discrimination,** the Group is committed to safeguarding physical and moral health and to avoid any form of discrimination towards employees affected by the virus, in compliance with regulations intended to prevent the illness from spreading and to protect the local community.
Read more

DE&I POLICIES AND COMMITMENTS

CODE OF ETHICS

The Code of Ethic is the corporate tool at the basis of the Group's social responsibility, designed to guide the behaviors and facilitate the choices that each of us makes daily at work and beyond. It is a sort of map that makes it possible to orient oneself to act consistently with the purpose and according to the principles and ethical values in which the company and its people recognise themselves.

First introduced in 2007, the Code is made in a participatory way: it is not an enactment of norms but a fiduciary pact between Hera, the recipients of the Code and all its stakeholders. It is updated every 3 years to make it more consistent with our needs and the changing world in which we operate.

The last edition of the Code, issued in 2023, incorporates our purpose and the commitment to a just social, ecological and digital transition, the attention to the most vulnerable customers, the promotion of work and personal well-being, the importance of dialogue and listening even in critical moments, the commitment to sustainability together with customers, suppliers and local communities and the integrity in relationships with institutions and authorities.

Since the Code is a guide to behavior, the Group must ensure that it is easy to use and understand, therefore, every year the AlfabEtico training course is provided for newly hired employees and colleagues coming from new company perimeters. Training sessions aim to share the principles of the Code of Ethics and make sure that Hera's people feel it, from day one, as an integral part of the company.

In 2024 at Group level, 2,872 resources were involved in anti-corruption and business conduct training content, amounting to a total of 1,859 training hours delivered.

Read the Code

HUMAN RIGHTS

Hera is committed to respecting human rights, consistent with the Group's Code of Ethics and the public commitment documents "Hera's commitment to respecting human rights" and "Human rights due diligence process within the Hera Group". Within the company, there are different processes aimed at identifying, evaluating and monitoring risks in this area: the Group ERM approach, risk assessment on product categories carried out along the supply chain, the health and safety assessment of Group employees, including the harassment risk assessment. Hera takes measures to stop, prevent and mitigate these risks through structured and time-bound procedures and processes across the different directions affected by the issue, and undertakes to suggest remedial actions where possible. Finally, the Company also communicates how these risks have been addressed through the Sustainability reporting.
This commitment is also expressed in obtaining the SA8000 certification, the international reference standard for the protection of human rights and the right to decent work, by Group subsidiaries, as well as in the inclusion of respect for human rights in the process of selecting providers.

Our commitment to respect human rights in our business relationships takes into consideration a wide set of human rights: refuse any kind of human trafficking, forced labor and child labor (see Hera's HR commitment), the right of freedom of association and bargain freely, equal remuneration (see Closing gender pay gap) and the non-discrimination right (see Diversity & Opportunity policy), while offering Health & Safety conditions, fair working hours, preventing corruption and foreseeing disciplinary practices in case of violations.
Read the HR commitment

Read the Due diligence process on Human rights in Hera Group

Read the Ceo Guide to human rights with italian companies' commitment (in Italian only)

HUMAN RESOURCES COMMITMENTS

THE GOOD WORK DEAL

Signed in 2024, it is a concrete, innovative and policy positioning document resulting from a shared project between the Hera Group and the relevant trade union organisations. The current context is such that environmental and social challenges are caught up in a complex web of causes and effects, so the aim of the Deal is to trace a sustainable path, capable of jointly pursuing economic prosperity, collective well-being and the protection of our planet.

To overcome this crucial challenge, five key pillars have been defined, which guide the objectives and set out specific joint commitments to measure change: health and safety; integrated supply chains and procurement; equity and inclusion; well-being, professional development and productivity; sustainability and shared value.

The Board of Directors and the Central Personnel and Organisation Department are responsible for implementing this policy, ensuring that the rights of its own workforce are protected and that company practices are in line with regulations and third-party initiatives.

Sustainability objectives relating to the Group's own workforce are defined annually based on consolidated planning and control processes at Group level aimed at defining the five-year Business plan, the budget and the annual balanced scorecards. These integrated tools include sustainability objectives in conjunction, when possible, with quantitative targets.

Together with the "Good Work Deal", other **important agreements were signed**:
• 2025-2027 performance bonus and 2026-2028 flexible welfare package
• 2024 funded training
• Pam-cyber security application
• technical call centre organisational evolution of waste-to-energy plants in Emilia-Romagna.

There are **many changes** that will actually affect the working lives of Hera people, the main ones being:
• hours: more flexibility in terms of working hours
• remote working: transition from a weekly to a monthly system and introduction of specific new cases (fragile, parent and childcare, new parents, etc.) where remote working days may exceed the nine monthly days agreed
• parenting support: additional holiday days (10 days for the various needs of the first years of the child's life)

The Deal has also produced numerous commitments (e.g. new procurement protocol, contractual harmonisation, etc.) and discussions will continue in 2025.

Below are the **future main objectives relating to the own workforce**. These objectives are aimed at managing the own workforce and addressing relevant impacts, risks and opportunities.

Job creation and development of new skills
Implementation of the learning plan aimed at strengthening diversified skills: 27 hours average per capita of training in 2028.

Objectives for 2028 referring to the target company population:
- 80% will achieve the skills needed for the digital transition;
- 56% will achieve the skills needed for the environmental and energy transition;
- 62% will achieve the skills needed in the field of artificial intelligence (by 2025).

Hold four events on inclusive language aimed at the whole company in 2025.

Implementation of the strategic plan as part of the certification process on gender equality.

Skills management and training
Continuity in training new employees with AlfabEtico, including by involving workers as trainers. 900 workers will be trained between 2025 and the first months of 2026

People development
Continue covering at least 40% of requirements through internal mobility.

Welfare
Develop new welfare initiatives with a longer-term horizon to guide people's choices in a far-sighted way with respect to demographic changes; the main initiatives will concern individual well-being, financial education, prevention.

Health and safety
Containment of the accident frequency rate (≤10.0 by 2028).

Adopt further training and awareness initiatives on the Culture of Safety thanks to new forms of communication and training. Continue to plan and implement awareness events.

Complete the installation of the variable message panel on the vehicles of the Central Network Department.

Read more

HUMAN RESOURCES COMMITMENTS

LABOR PRACTICES COMMITMENT

Hera is committed to respecting and promoting the fundamental rights of workers, ensuring fair and transparent working conditions for all employees and collaborators to ensure that workers receive adequate compensation, have dignified working conditions, and are treated with respect and fairness. This commitment **applies to all company operations, including suppliers, partners, and contractors**.
Main key topics of the Group's commitment are:

Living Wage
We guarantee that all our employees receive compensation that meets or exceeds the minimum level set by National labor agreements with Unions that are updated every three years to consider living needs of workers and their families.

Working Hours
We respect legal or agreed limits on working hours to protect the health and well-being of employees. Any working hours that exceed these limits are considered overtime and are limited to extraordinary situations in which can be required to avoid the interruption of public services. The worker can decide to convert the overtime done during those situations into paid leave days or to receive an extra payment.

Equal Pay
We are committed to ensuring equal pay for workers who perform work of equal value, without discrimination based on gender.

Annual Leave
Employees are entitled to paid annual leave days, as defined by labor laws, without impact on their salaries or social protection benefits.

Minimum consultation periods
The company commits to respecting the minimum periods established by law to consult with all involved parties, workers and unions, in case of extraordinary corporate operations that involve them.

LABOR PRACTICES COMPLIANCE

Social Performance Teams (SPT), permanent bodies established in some Groups' subsidiaries and composed of representatives of company management, union representatives and workers, ensure that activities not only comply with international standards but also foster a culture of continuous improvement in social responsibility. Their work is integral to maintaining ethical practices, promoting employee well being, and ensuring organizational transparency and accountability.
Furthermore, under the "Good work deal", signed in 2024, a Bilateral Commission on Equal Opportunities is being currently established to closely monitor and promote equality and inclusion and combat gender-based violence.
To assure supplier chain compliance Hera conducts regular evaluation activities based on certifications like ISO 45001 and SA8000, as well as dedicated training programmes.

LABOR PRACTICES PROGRAMS

Hera Group has adopted a series of advanced programs in the labor sphere aimed at promoting fair, inclusive and sustainable working conditions. Many of these programs/activities are formalized in the Good Work Deal, the agreement signed with labor organizations that defines a future's business model (more info page 5)

Occupational Health and Safety
Regularly engage with workers' representatives on working conditions; Strengthening of the Safety Committee, established in 2020, to become a structural bilateral body for occupational safety; Planned more than 400,000 hours of training and 20 m€ of investment over the period 2024-2027, with a focus on safety;

Equity
Ensure adequate wages at or above cost of living estimates of the market sector benchmark; Monitor working hours, including overtime management within the working teams; Ensure employees are fairly paid for overtime work; monitor the gender pay gap through a monetary matrix to achieve equal remuneration for men and women

Inclusion
Expansion of smart working for frail people and caregivers; Extension of parental leave with additional days both in the first year of a child's life and until the age of three, plus one day for the first day of elementary school; Annual child bonuses cap increase.

Welfare, Professional Development and Productivity
Ensure employees are taking their paid annual leave entitlements; Expand social protection coverage for workers beyond public programs; Provide training or reskilling to mitigate the negative effects of industrial or climate transition changes; Investment of 60 m€ in training over the period 2024-2027; Introduction

LABOR PRACTICES COMMITMENT

of a performance bonus linked to the Group's ability to generate shared value; Ability to take advantage of an annual study leave for training courses, masters and professional qualifications.

Responsible Supply Chain Management and Procurement

Revision of the Procurement Protocol to strengthen social clauses and improve supplier selection, rewarding quality, safety and ESG performance; Introduction of digital tools for more effective management of site controls and audit activities through inspection visits. Inclusion of ESG criteria in the supplier qualification and evaluation procedures; Contracts with termination clauses in the event of failure to comply with the company Code of Ethics.

LISTENING TO ENABLE THE CREATION OF INCLUSIVE SPACES

Listening to its people and involving them in the creation of inclusive environments that value everyone's contribution is a fundamental priority for Hera Group. Since its founding in 2005, the Group has conducted a **biennial employee satisfaction survey**, which has become a central tool for understanding employee perspectives. More recently, this has been complemented by **pulse surveys**—short, targeted assessments designed to explore employees' **interests** (such as passions and skills), **needs** (related to workspaces, technologies, and working methods), and **habits** (e.g., commuting patterns).

These regular listening initiatives are key to **designing experiences and processes that reflect the evolving needs of employees**, helping to shape workplaces that are increasingly **participatory, respectful, and welcoming**.

As a direct outcome of these listening practices, Hera launched the **DEI (Diversity, Equity & Inclusion) community**—a space that empowers people to share ideas, exchange perspectives, and **spontaneously organize awareness-raising and engagement initiatives.**

DE&I TARGETS

Hera has set targets in line with the Group's strategic framework that go beyond the 2028 Business Plan's timeframe and reach 2030. The Shared value framework (CSV) is made up of 3 drivers of change and 9 impact areas, linked to the 11 UN Agenda goals that seen the Group contribution, 7 of which are identified as priorities, covered by more that 50 "What we will do" (objectives for the future) detailed in the Consolidated Sustainability Statement every year. As required by CSRD directive, sustainability reporting is an integral part of the Group's management report. Thus, currently, the company publishes a single report.

Read more

SOME OF THE GROUP'S SUSTAINABLE TARGETS SET OUT IN THE SUSTAINABILITY STATEMENT

- ⇒ **34% WOMEN HOLDING ROLES OF RESPONSIBILITY**
  by 2028
- ⇒ **80% EMPLOYEES WITH DIGITAL TRANSITION SKILLS**
  by 2028
- ⇒ **96.4% EMPLOYEES WITH PERMANENT CONTRACTS**
  by 2028
- ⇒ **27 HOURS OF TRAINING OR MORE**
  by 2028 (employees/per capita)
- ⇒ **INJURY FREQUENCY INDEX BELOW 10**
  by 2028 (number of injuries/hours worked x 1,000,000),
  considering injuries with absence greater than or equal to 3 days

(for more targets see pages 18-19)

The Group will also continue to:

- ⇒ **Apply the SOCIAL CLAUSE**
  to protect employment in the contracts for emergency services on networks and services relating to customer management;
- ⇒ **Raise AWARENESS ON THE ENHANCEMENT OF DIVERSITY AND INCLUSION**
  through events and initiatives such as "Inclusive language" (hold four events on inclusive language aimed at the whole company in 2025) and STEM topics;
- ⇒ **Implement MyAcademy, the online training platform**
  that allows all workers to customise their learning experience and continuously update their skills;
- ⇒ **Promote the WELFARE PLAN**
  Develop new welfare initiatives with a longer-term horizon to further improve the opportunities provided to workers and create a happier and healthier workplace;
- ⇒ **Develop a corporate culture of INDIVIDUAL WELL-BEING**
  (physical, psychological and financial) as an element to invest in and an opportunity for everyone to express their full potential and contribute to their professional growth and to the company growth;
- ⇒ **Boost HeraSolidale**
  to promote solidarity and the support for social projects. From September 2023 to December 2024, approximately 225,000 euro have been donated to the five partner organisations of the fifth edition.

DE&I TIME-BOUND ACTION PLANS

TALENT PIPELINE

Actions to increase the representation of women both in leadership positions and in the company in general.

In a business (multiutility) that is traditionally male by nature, Hera acts to protect and support women, ensuring fairness in the recruitment process, in career advancement and compensation, and over time introducing welfare tools that promote a better work-life balance.

Hera shares a publicly quantitative, time-bound action plan with targets to increase the representation of women in leadership positions (see page 19) and among employees in general. Excluding blue-collar workers, in 2024, 50% of new hires were women and career advancements involving female workers accounted for 42.3% of the total.

The Group is in the forefront for empowering women, in line with commitments that have been signed by the Top management over the years, such as the Value D Manifesto to promote female employment, Utilitalia "Diversity makes the Difference", a program of principles and tangible commitments to promote inclusion in corporate activities and Women's Empowerment Principles (WEPs) of UN Global Compact and UN Women.

After Gender Equality Policy—certifies the company's model and demonstrate that the implementation of a serious programme to create gender equality makes a strong contribution to the success of the organisational model—signed in 2023, the company have made a further step in the path to equality by becoming a founding member of PARI Association.

In 2024, **female personnel among managers and middle managers stood at 33.8%**, up compared with 2023.
The percentage of women in contractual categories that include a managerial role is 35.6% in 2024.
40% of new managers are women.

TALENT PIPELINE INDICATORS

KPI	DESCRIPTION	2024
Female on Board of Directors	In the Board of Directors in office female members are 6 out of 15 members	40.0%
Executive Members Gender Diversity	Hera female managers with stategic responsabilities	23.1%
	Of the 1,128 career advancements that took place in 2024, 291 involved female employees	26.0%
Percentage of women total promotions	With the exclusion of blue-collar workers where the female population amounts to approximately 2.1% of the total, career advancements involving female workers accounted for 42.3% of the total	42.3%
	New Managers and Executives are women	40.0%
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	35.2%
Percentage of women new hires	In 2024, 219 female out of 1,380 workers (total number of new hires) were hired on permanent contracts	15.8%
	As far as Executive, Manager and Clerical Staff categories, the percentage of new permanent employees was 50.3%, of a total of 427 permanent hires	50.3%
Percentage of women attrition	Percentage of women employees that left the company, of the total employees that left the company	11.6%

As at 2024 we have a female population incidence of 28.3% which puts us in a pioneering position in the reference scenario This is 7.2% higher than the average for Italian energy and utilities sector and 3.5% higher than the average of the 27 countries of the European Union. (Source: Quotidiano Energia 04.03.2025)

DE&I TIME-BOUND ACTION PLANS

CLOSING GENDER PAY GAP

Meritocratic interventions, foreseen in the Group's 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 meritocratic policies, whose tools are centered on 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 through a comparative analysis that allows the calculation of the pay gap with equal characteristics, such as complexity of the position held, professional family, seniority in the role and individual performance. Gender pay gap reports are shared with all organizational areas to raise awareness before meritocratic interventions proposals are set. An impact simulation of those improvement proposals on the gender pay gap is provided to highlight eventual bias. Incentive systems and action plan targets to reduce the gender pay gap are redefined every year and presented to Management Review Committee.

The Group periodically reviews its reward system to identify any improvements aimed at ensuring the real application of gender equality in people development systems. As proof of this effective action, in 2024 Hera Spa confirmed its maintenance of the certification for Gender Equality in application of the UNI/PDR 125:2022 scheme.

The equal pay assessment is annually third party verified and any pay differences not justified by objective factors are analysed and improvement initiatives are directed accordingly.

PAY INDICATORS

KPI	DESCRIPTION	2024
Global mean (average) raw gender pay gap	The overall pay gap of the Group when comparing the average hourly wages of all men and women stands at -3.4% in favour of women, due to the high numbers of men in the category of blue-collar worker . For a more representative figure we should split data by qualification:	**103.4%**
Adjusted mean gender pay gap	the adjusted gender pay gap among managers	**99.5%**
	adjusted gap by category, for managers, middle managers and blue-collar workers, we can see an almost-zero positioning	**98.7%**
Controversies on wages, promotions, discrimination	Hera has never registered controversies linked to workforce diversity and opportunity since its establishment neither it has in the last fiscal year	**0**

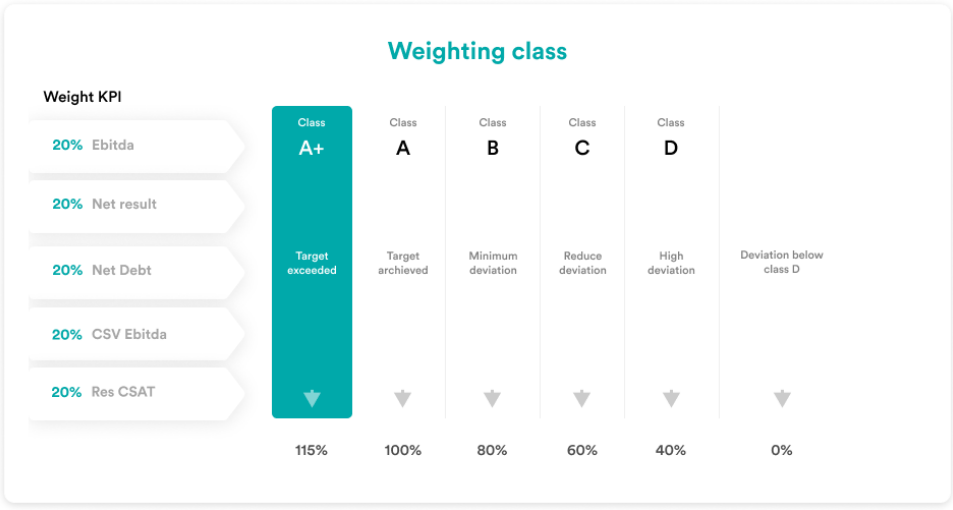
DE&I TIME-BOUND ACTION PLANS

EXECUTIVE COMPENSATION LINKED TO DE&I KPI

The Group's remuneration policies are defined to guarantee: increasing value for shareholders; achieving sustainable success in the short and medium-long terms; attracting, engaging and motivating people who hold positions with strategic responsibilities for governance and business; pursuing the company's purpose, mission and values, including sustainability, equity and social inclusion. 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 all employees. Sustainability has also become part of the deferred incentive plan for management retention and Shared-value Ebitda is one of the indicators used to quantify the bonus to be paid.
In 2024, 37% of the variable compensation of Group managers and middle managers was linked to sustainability target projects (improvement of quality, environmental impact, image, personnel involvement, professional development and involvement of stakeholders), with target projects aimed at creating shared value accounting for 22%

The balanced scorecard system involves 98.8% of the Group's middle managers and managers.

For middle managers, 70% of variable compensation was linked to the completion of the target projects planned in the balanced scorecard system and/or achievement of the economic and financial budget objectives, while the remaining 30% was linked to compliance with the behaviour set forth in the leadership model.



In Hera Executive compensation is also linked to diversity, equity and inclusion (DE&I) KPI's

PEOPLE DEVELOPMENT

LEADERSHIP MODEL & CAREER DEVELOPMENT

The **Leadership model** describes the skills needed to bring the culture and values to life and achieve strategic results and which is annually promoted and disseminated through targeted training.

Since 2010, the Hera Group has applied a specific leadership model to its business and people management processes on a daily basis. This model is constantly evolving with a particular focus on widespread participation, evolution of skills, purpose and daily application in the company's operating processes. The new leadership model, presented in 2024, has **Purpose-driven leadership** at its core, and is composed of two strands, one temporal today-tomorrow, and one relating to people-me; four goal areas are then defined, each containing two competencies.

In 2024, for the first time, it was fully applied to the development processes that involve all 10 thousand people in the Group. **The training and dissemination programme for the leadership model in 2024 saw 700 managers and middle managers** in the classroom so they could deepen and internalise the model. It also saw **3,500 workers in the classroom so they could learn the principles of the model** and the related processes and all colleagues were educated, through multimedia and interactive content on e-learning.

As for the development process, until 2024 it involved more than 5 thousand people including white-collar workers, management employees, middle managers and managers. From the 2025 evaluation campaign, people with a blue-collar qualification will also be included, covering the entire company.
One distinguishing feature of the process is the dialogue about performance: a two-way exchange between manager and employee, where the duty to provide clarity and effectiveness by managers goes hand in hand with the commitment by each individual to use feedback as an ongoing learning tool.

In 2024, the Leadership app was introduced for evaluators: during the year, each manager can record observations, connect them to the skills of the leadership model and assign annual evaluations. This could be helpful when the development process starts and all approximately 10 thousand people in the Group need to be evaluated.

The personnel development process aims to evaluate performance and behaviour, clarify expectations on results and behaviour and evaluate professional development actions.

3 MAIN GOALS OF OUR DEVELOPMENT PROCESS:

⇒ Assess the performance and behaviors that occurred during the reporting year, identifying each person's strengths and areas for improvement with respect to their role;

⇒ make it clear what is expected of everyone in terms of results and behaviour;

⇒ evaluate the most targeted and effective actions for professional development

Namely, the development process is based on an annual appraisal of both the performance and the managerial skills and it is consistently applied throughout the company.

PEOPLE DEVELOPMENT

LEARNING PLAN & SKILLS MANAGEMENT

The ever-changing sociocultural ecosystem requires optimal management of generations, diversity and multiculturalism for equity to be better perceived. The role of Hera in implementing the due change management and reskilling programmes remains a priority, especially considering the disruptive impact expected from generative AI.
Every year, the "map" of our skills is updated by analysing the context evolution (new skills and those in transformation and declining).

Within the 2024 Learning plan the Group has developed various training projects and initiatives for its employees to support their needed development of new skills (ecoHERA programme; technical-professional training; Sales Evolution; Change Safety Leadership plan) and to embrace the digital transformation (HER@futura).

Also in **2024**, the Group developed various **projects and training initiatives to address the evolution** towards new skills linked to ongoing transitions (cultural and managerial; digital; energy; environmental), using the evidence that emerged from the Strategic workforce planning process which defines the expected evolution of roles and skills within the various company areas, based on the relevant context and business development objectives.

The main initiatives already launched (or planned for 2025) include:

- training interventions aimed at updating managerial skills (leadership and team manager scheme)

- training interventions aimed at further developing and strengthening the widespread culture regarding health and safety issues in the workplace

- continuation of training initiatives in the Her@futura area for the development of digital skills within the company

- continuation of training initiatives in the ecoHERA area for the development of skills related to knowledge of the business chains of networks, energy, environment and energy and environmental transitions

- change management programme in the network sector and experimentation of virtual training in the gas supply chain.

5 main lines for development in valorising the Hera Group's people emerge from the context and the strategic direction defined:

⇒ cultivate a working environment based on a deep sense of belonging, consistency and transparency, where trust and empowerment of each person are pillars for shared evolution and growth;

⇒ consolidate behaviour and promote the evolution and application of skills to address the energy, digital and environmental transition in a programmatic way;

⇒ understand and anticipate changes in the context, to reshape strategy, operational and organisational models, processes and technologies to support business;

⇒ create a working environment that is oriented towards well-being, that embraces the uniqueness of individuals and encourages each person to give full expression to his or her potential;

⇒ develop HR processes to offer customised solutions, making people participative, aware of and responsible for their own activities.

FLEXIBLE WORK

Hera believes in meeting the needs of its employees by granting them flexibility in their working hours. **Flexible hours** are voluntary, reversible and compatible with both the company's 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, thousands of employees are able to continue working remotely, ensuring service continuity and allowing an easier management of private life. Since mid-2020, over 4,000 employees have been permanently involved in the **Remote Working project.** In line with the provisions of the Good Work Deal, since 2024, employees have **more flexibility in terms of working hours and remote working has evolved** from a weekly to a monthly system, giving people more flexibility when planning their days. This extension has also been envisaged for specific cases and situations.

Furthermore, the #Conciliamo project, launched in 2023, designed to foster productive collaboration and virtuous behaviours continued, to favour a better work-life balance.

Finally, for additional flexibility and to improve everyone's working conditions and internal climate, Hera allows each worker to **transfer their holiday and leave hours to colleagues**, to facilitate the care of minor children or spouses who, due to disability or serious illness, certified and documented, require constant care.
Read more

INTERNAL MOBILITY

Hera believes in making its employees grow and its multi-business nature is ideal to access a wide range of professional opportunities thus internal promotions are fully supported and encouraged through many initiatives and programs which began in 2019 through a listening project to collect employees' opinions about the internal mobility process and the areas of interest for possible **job rotation**. Hera offers a Job Rotation platform where to check the status of one's applications and new open positions as well as a Listening channel where employees can upload their motivational factors, areas of interest, as well as news about one's professional profile such as skills or certifications acquired, language proficiency and degrees achieved.
These tools allow everyone to present itself and highlight one's skills, so that everyone becomes a protagonist of their own career path in the company.
Through the listening channel, it is possible to access new opportunities, expressing preference areas, motivations and willingness to undertake professional paths within the Group, regardless of the open positions posted.
In 2024, 288 people moved into another role, covering 40% of the company's needs, and 242 internal job posting announcements were published.

Also for 2025, the goal is to continue to cover at least 40% of needs through internal mobility.

RESOURCE GROUPS

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 are focused on a wide range of topics such as wellbeing, work life balance, overcome stereotypes, female professional development, women empowerment, etc. Since 2024 a **Diversity Hub** is also available in the company's intranet.

HEALTH AND SAFETY CULTURE

Preventing and minimising health and safety risks is one of the commitments of the Group's **Quality and Sustainability Policy**. Hera adopted also an **OHS Management System** that define all the necessary requirements within the organisation to improve corporate processes and to 1) increase end-customer satisfaction who is the end beneficiary of the services provided; 2) improve the company's environmental and energy performances; 3) improve health and safety in the workplace and its social performance.
Throughout the years, several occupational H&S projects have been implemented, especially with regard to the development of the culture of safety and to risk awareness at all levels of the organisation. These initiatives - together with risk identification and prioritization, frequent audits, ongoing staff training and coaching, specific actions for the improvement of equipment, and timely analysis and investigation of lost time injuries and near misses - have allowed to achieve important results and show that all actions taken in recent years proved to be effective.
To increasingly encourage a corporate culture of safety, also in 2024, specific Safety Culture events for safety managers were held. In addition, as investment in training always has a positive return, there are ongoing projects aimed at improving training activities on safety, with the inclusion of comparison and gamification activities and, soon, the use of virtual reality for increased involvement and effectiveness of training with an impact on daily activities.
The **Safety Leadership Development project** for managers also continued to further develop awareness about the role of safety managers, including aspects relating to supervision of the behaviour of the people the supervisor is responsible for.

Read Hera's guidelines on Occupational H&S Management System

WELFARE

In 2024, the **Hera Group's welfare system, Hextra,** continued to promote the combination of well-being and productivity. The flexible welfare quota of 395 euro for employees was confirmed, with the possibility of converting the 2023 performance bonus into additional benefits. Hextra now has over 9 thousand members, with 7 million euro used.

The commitment in the health and prevention field continued with the Autumn Prevention project in collaboration with Lilt to promote well-being and active longevity. Among welfare benefits, it worth to mention: the allocation of an extra education sum for employees who have school-age children, the university scholarships for summer scholarships and for language training programmes abroad, for summer camps or babysitting services or homework tutoring services, the reimbursement of expenses incurred individually or by family members for public transport services and a supplementary mobility sum to further promote and support sustainable transportation. Other benefits include promotions on electricity, gas, boilers, photovoltaics and internet connection; voucher-based services and recommend services in the field of sports, wellness, shows, concerts, travel, holidays, water and theme parks.
In addition to initiatives dedicated to 360° individual well-being (psychological, financial, digital and family wellbeing) that will continue in 2025, 4 workshops dedicated to financial education will be held, accessible to all Group personnel.
Furthermore, an investment of over 1 million euro was confirmed for the education of employees' children dedicated to nursery services. In the health and prevention sector, a new project will start in 2025 to offer specific tools to address chronic diseases through an innovative approach that combines and integrates welfare, prevention and improvement of lifestyles and the promotion of well-being and active longevity.

DAY CARE AND BACK-UP FAMILY CARE

Hextra, the company's welfare system, includes a high number of **benefits related with both elderly and child care**.
To support employees in eldercare, **reimbursement and/or vouchers for nursing homes and home care services are available**.
Employees who have school-age children can apply for extra quotas to be allocated for **student instruction, nursery services** and reimbursement of **summer daycare or summer camps** as well as reimbursement of babysitting, **homework tutoring services and listening and care services** to support parenting.

SUPPORTING PARENTHOOD AND PARENTAL LEAVE

In Hera Group parental leave is available both for mums and dads: **primary parental can benefit of a fully paid parental leave equal to 21.7 weeks** and they have some flexibility to choose when benefit it. **To secondary parental leave 2 fully paid weeks are offered**.

The company offers other facilities and benefits to new parents and the parental leave retention rate shows how the group's good practices are appreciated by workers: 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.

To support parenthood, in 2023, a new edition of "Mum & Dad at work. Opportunities and rights for a balance between work and childcare times" was published (in Italian only). Among the actions aimed at promoting work-life balance, the booklet is aimed at improving information among workers on maternity, paternity and parental leave. It is available at the HR structures and is given to each new hire as part of the welcome kit. It summarises the most important regulatory changes regarding maternity leave, compulsory and optional leave, salary, daily rest periods, adoption and foster care as well as rights relating to parental leave in the presence of disabled children.

"The good returning policies" (in italian only) is also available to help colleagues reconciling private life and work both in the leaving and returning moments. The project also includes training activities to raise colleagues' awareness of reconciliation issues.

Finally, upon renewal of the last Supplementary Contract signed by the Group, since 2024 an additional coverage was included in terms of parental leave. In particular, an additional seven days within the first year of life of the child; an additional 2 days within the third year of life to facilitate the transition into nursery school and an additional day of paid leave to accompany the son or daughter on the first day of primary school.

SUPPORTING PEOPLE WITH SPECIAL NEEDS

Hera supports the inclusion of people with special needs, beyond compliance with national legislation.
The Group promotes not only the employment of disadvantaged people but also the integration in the workplace and labour world of certain categories of people (disabled people, orphans, etc.) offering them solutions that are mutually agreed upon among the company, territorial employment centre and the worker himself.

People belonging to the categories protected by Law 68/1999 working in Group companies represent around 4% of the total employees. The Diversity team has long been involved in the organization of activities to **raise awareness and create an inclusive culture with respect to cognitive and physical differences**.
Indeed, in 2019, a dedicated booklet was published. “Disability at work... And beyond” (in italian only) is dedicated to workers with disabilities and those who are engaged in care and assistance tasks for their disabled relatives.

The brochure aims to give complete and concise information on possible benefits, such as leave and permits, and is part of the actions carried out by the Group to promote awareness of work-life balance tools.

TRAINING

In the current context where the pace of innovation is picking up fast, average age is gradually rising and professional retraining needs to be done in a very short time, training is an absolute strategic asset to offset the gap between business needs and the education system.

Step change concerns every aspect, from **attracting talent and engaging**, adopting new enabling practices for business agility, as well as **reskilling**. The Group considers training and professional development of its employees to be fundamental and demonstrates this through the high average per capita training hours for its employees, the numerous training activities organised at **HerAcademy**, as well as **the leadership model and the development process,** which assesses over 5 thousand employees each year.

292,329 hours of training were provided in 2024. With regard to the different types of training initiatives offered during 2024, the Group's training plan was developed in six areas of intervention (see page 18), each one with a scheduled training programme based on employee's needs and competencies. In addition, the Group allows to workers to dedicate a working day to their professional development with remote learning courses.

Multimedia and interactive content through specific **e-learning platforms** is also available every day to over 5 thousand employees, including white-collar workers, middle managers and managers.

During 2024, classroom and digital learning accounted for 39% and 38%, respectively, of the total training hours provided.
In 2024, 63.3% of the company population achieved the skills for the digital transition (56% in 2023). In 2024, 46.4% and 46.8% of the company population achieved the skills for the energy and environmental transition, respectively (32% and 36% in 2023, respectively).
By making available on-demand these e-learning courses, the Group wants to contribute also to a better life-working balance of all workers.

UNCONSCIOUS BIAS TRAINING

In 2024 Hera provided **20,656 training hours on "Ethical values and corporate culture"** to prevent discriminatory behaviours and to promote the 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 disseminate and enhance its principles.

Hera_Pro_Empower capacity building programme was launched which provides tools to promote the improvement of **suppliers' "ESG maturity"** as well as for raising their awareness of good ESG practices.

An event aimed at the entire company population was held in 2024 to raise awareness of **inclusive language**, followed by the dissemination of a document to ensure practical application and understanding.

ANTI-SEXUAL HARASSMENT TRAINING

The **workplace harassment risk assessment** is a proactive and strategic process to prevent possible violations so since 2023, a document to assess the risk of harassment at the workplace is produced. Effective harassment and violence prevention measures at the workplace result from the adoption of company codes, the presence of an organisational model that provides adequate tools for detecting, monitoring and managing adverse events and the implementation of information and training programmes aimed at workers. Anti-harassment is part of the subjects addressed in the training sessions of both **AlfabEtico**, offered every year to new employees, and **CSR seminars** involving white-collars, middle managers and managers.
This approach is rewarding as **no incidents of discrimination and harassment have been recorded** in more than 20 years of activity (Hera's establishment was in 2002).

APPENDIX

TRAINING

TOTAL TRAINING HOURS PER AREA OF INTERVENTION *hours*	2022	2023	2024
Sales and markets	17,559	11,758	20,056
Institutional and Managerial	30,572	31,152	32,164
Quality, safety and the environment	80,457	76,386	80,869
of which			
Health and safety	68,320	74,858	79,412
Quality and environment	12,137	1,528	1,457
Information systems	33,794	33,114	26,132
Technical-professional	108,657	120,856	112,452
Ethical values and corporate culture	6,885	19,085	20,656
Total	**277,924**	**292,351**	**292,329**

TRAINING HOURS BY MANAGEMENT LEVEL average hours	2022	2023	2024
Average per capita	30.8	31.5	30.1
Managers	36.3	50.2	41.4
Junior and Middle managers	39.4	50.2	43.1
Non managerial employees	27.8	28.8	28.4
Blue-collar workers	33.8	31.7	30.0

TOTAL TRAINING HOURS BY GENDER average, *per capita*	2022	2023	2024
Women	27.1	29.2	29.6
Men	32.2	32.4	30.2
Average	**30.8**	**31.5**	**30.1**

TRAINING HOURS BY AGE *average, per capita*	2022	2023	2024
<30	49	55.0	47.6
30-50	38	36.4	35.6
<50	22	21.9	23.4
Total	**30.8**	**31.5**	**30.1**

TOTAL TRAINING COSTS *average, per capita*	2022	2023	2024
Total training costs ('000 €)	1,866	1,949	2,151
Workforce attending at least one training course (n.)	8,718	9,136	9,100
Total average cost per capita (€)	207	210	230

APPENDIX

WOMAN STAFF

WOMEN STAFF *breakdown by position, %*	2022	2023	2024	2028	2030
Executives	21.6%	22.2%	23.1%	>24%	>26%
Managers	33.6%	35.4%	36.5%	>37%	>37%
Total Executives and Managers	***31.1%***	***32.6%***	***33.8%***	***>34%***	***>34%***
Managerial Employees	36.2%	36.1%	36.5%	>37%	>37%
Total Executives and Managers and Managerial Employees	***34.5%***	***34.9%***	***35.6%***	***>36%***	***>36%***
Non-managerial Employees	46.4%	45.9%	47.2%	>48%	>48%
Total Employees	***43.6%***	***43.2%***	***44.4%***	***>45%***	***>45%***
Manual Labourers	2.4%	2.1%	2.0%	>3%	>5%
Management positions in revenue-generating function	26.6%	26.2%	28.2%	> 29%	>29%
STEM-related positions	32.1%	31.7%	35.2%	> 36%	>36%
Total Female Employees	***27.6%***	***27.5%***	***28.3%***	***> 29%***	***>30%***

SUSTAINABILITY KPI IN VARIABLE REMUNERATION

BREAKDOWN BY AREA	% VARIABLE REMUNERATION
Creation of shared value (CSV) areas	**22%**
Other sustainability areas	**15%**
Total CSV and sustainability	**37%**

APPENDIX

HIRING

ENTRIES IN THE YEAR BY QUALIFICATION *number*	2021	2022	2023	2024
Managers	1	1	4	0
Middle managers	15	6	20	8
White-collar workers	321	343	548	457
Blue-collar workers	324	334	486	416
Permanent employees	**661**	**684**	**1,058**	**881**
of which for company acquisitions	*185*	*52*	*400*	*68*
Temporary Employees	301	342	591	505
Contract-based Employment Agreements (temporary)	109	93	109	64
Seasonal Employees and Apprentices	0	0	0	0
Non permanent employees	**410**	**435**	**700**	**569**

WOMEN HIRED WITH PERMANENT CONTRACTS DURING THE YEAR BY QUALIFICATION *number*	2021	2022	2023	2024
Managers	0	0	0	0
Middle managers	3	2	3	0
White-collar workers	144	153	142	215
Blue-collar workers	2	5	3	4
Total	**149**	**160**	**148**	**219**

ENTRIES DURING THE YEAR BY AGE GROUP AND GENDER *number*	2021			2022			2023			2024		
	F	M	TOTAL	F	M	TOTAL	F	M	TOTAL	F	M	TOTAL
Younger than 30 years of age	117	257	374	138	291	429	174	342	516	175	323	**498**
Between 30 and 50 years of age	129	488	617	138	471	609	193	803	996	159	643	**802**
Older than 50 years of age	10	70	80	8	73	81	22	224	246	4	76	**80**
Total	**256**	**815**	**1071**	**284**	**835**	**1,119**	**389**	**1,369**	**1,758**	**338**	**1,042**	**1,380**

NEW EMPLOYEE HIRES % OF INTERNAL HIRES	2022	2023	2024
Total number of new employee hires	684	1,058	1,380
Percentage of open positions filled by internal candidates (%)	41%	41%	40.4%
Average hiring cost/FTE (€)	372.0	400.0	420.0

APPENDIX

EMPLOYEES BY NATIONALITY, %	2021	2022	2023	2024
Italian	94.0%	98.0%	98.3%	98.3%
Bulgarian	1.6%	1.6%	1.3%	1.3%
French	0.3%	0.2%	0.2%	0.2%
Spanish	0.1%	0.1%	0.1%	0.1%
Polish	0.1%	0.1%	0.1%	0.1%

MANAGEMENT BY NATIONALITY, %	2021	2022	2023	2024
Italian	98.0%	98.6%	98.7%	98.9%
Bulgarian	0.0%	0.9%	0.8%	0.8%
French	0.1%	0.3%	0.3%	0.1%
Spanish	0.0%	0.1%	0.1%	0.1%
Polish	0.0%	0.1%	0.1%	0.1%

EMPLOYEE TURNOVER RATE BY AGE, %	2021	2022	2023	2024
Younger than 30 years of age	3,7%	7,1%	6,2%	6.6%
Between 30 and 50 years of age	2,7%	3,3%	4,3%	4.0%
Older than 50 years of age	9,5%	10,1%	8,6%	8.2%
Permanent employees	**6,0%**	**6,7%**	**6,6%**	**6.0%**

EMPLOYEE TURNOVER RATE BY GENDER, %	2021	2022	2023	2024
Men	6,8%	7,7%	7,5%	7.0%
Women	3,8%	4,0%	4,1%	3.4%
Total	**6,0%**	**6,7%**	**6,6%**	**6.0%**

EMPLOYEE TURNOVER RATE BY QUALIFICATION, %	2021	2022	2023	2024
Managers	5.9%	5.3%	5.7%	5.7%
Middle managers	4.3%	3.4%	6.6%	4.0%
White-collar workers	5.4%	5.8%	5.1%	5.2%
Blue-collar workers	7.3%	8.7%	8.9%	7.6%
Permanent employees	**6.0%**	**6.7%**	**6.6%**	**6.0%**

GLOBAL VOLUNTARY TURNOVER RATE, %	2021	2022	2023	2024
Voluntary turnover rate	**1.5%**	**2.2%**	**2.4%**	**2.9%**

AVERAGE ANNUAL SALARY/PAY BY GENDER BY QUALIFICATION	WOMEN	MEN
Executive level (base salary only)	161,600	226,862
Executive level (base salary + other cash incentives)	207,888	298,756
Management level (base salary only)	74,185	78,480
Management level (base salary + other cash incentives)	86,163	91,475
Non-management level (base salary only)	38,726	37,154

APPENDIX

2024 ACTIVITIES CARRIED OUT BY DIVERSITY TEAM

"WITH THE RIGHT WORDS. LANGUAGE, EQUITY, INCLUSION"

Hera organized an event to explore how to fight stereotypes and discrimination, encouraging company employees to reflect on the importance of language and the role of institutions in promoting a culture of equity. Throughout 2024, Hera also ran a column titled "With the Right Words" in its internal publication, using comics, informative snippets and a video series to delve into inclusive language. Topics were drawn from the document "**Words That Unite**", and included issues such as sexism, disability, neurodivergence, mental health conditions, and simplification as the first rule of inclusion.

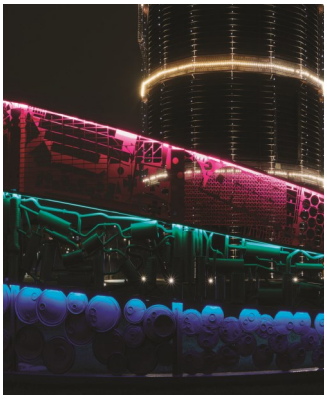
In the **Diversity Hub community**—a space for discussion and sharing on inclusion topics, which already involves nearly 500 employees—these themes were further debated and explored.

"unicaMENTE, PEOPLE—A COLLECTIVE REFLECTION ON NEURODIVERGENCES AND NEURODIVERSITY"

What is neurodiversity? What are neurodivergences? Because they are much more common than most people think, it's important to understand them and to ask ourselves what we can do to create even more inclusive environments. On November Hera organized an event aimed at fostering reflection on neurodiversity and neurodivergence, particularly the invisible forms which, if not recognized and understood, can lead to discrimination and discomfort—in the workplace, within families, and among friends. The event featured individuals with lived experiences, experts, neurologists, and corporate case studies (these included presentations of initiatives undertaken on neurodivergence, such as the inclusion of individuals with Down syndrome in sales assistant roles). The discussion also covered other forms of neurodiversity, such as dyslexia and autism.

2025: NEXT STEPS

The Diversity Team's activity program for 2025 will focus on inclusive language, neurodiversity, parenting, longevity and gender-based violence. Indeed, in February 2025, Hera became a founding member of the PARI Association, a collective initiative against gender-based violence. This move reaffirms Hera's commitment to reducing inequalities, valuing diversity, and fostering individual development to build a company culture that is inclusive and attentive to each person. Among the initiatives promoted by the PARI Association are training sessions, events, editorial content, and the creation of a permanent observatory aimed at encouraging internal policies within organizations and collecting best practices to drive change from the workplace into society at large, while also stimulating public debate on these crucial issues.



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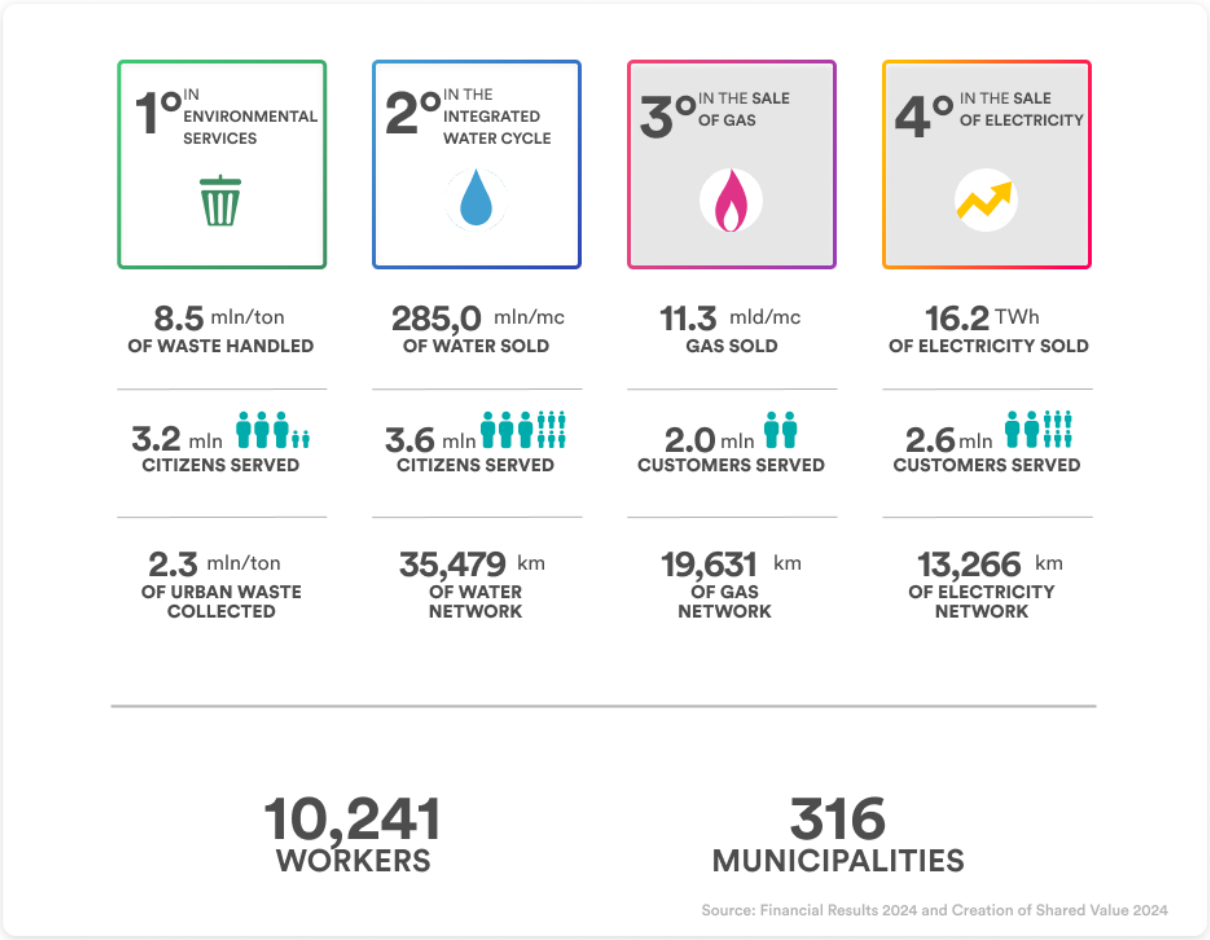

The Hera Group is one of Italy's largest multi-utilities and operates in the waste management, energy and water sectors.

Founded in **2002** and **listed on the Italian stock exchange in 2003**, Hera has made its direct relationship with the **territory** a real asset that has improved its resilience and ability to drive change: **ecological transition, circular economy and innovation**.

Publicly listed since 2003, it is among Italy's top 40 companies in terms of capitalisation (and is part of the FTSE MIB index) and since 2020 has been included in the Dow Jones Sustainability Index, World and Europe.

More than **10,000 employees** work to offer tailor-made services for customers and businesses. Over 7.5 million citizens have at least one service provided by the Group **in 316 municipalities** located in **Emilia-Romagna, Veneto, Friuli-Venezia Giulia, Marche and Tuscany** regions.

GRUPPO HERA

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