

**2020**

## **SUSTAINABILITY REPORT**

Creating shared value and involving stakeholders: the story of a company that wishes to leave a mark. But not a footprint

INTRODUCTION

# SUSTAINABLE STRATEGY AND SHARED VALUE



**420.0**  
MILLION EURO

SHARED  
VALUE EBITDA  
37% of total Ebitda  
(+7% over 2019)



**297.4**  
MILLION EURO

SHARED VALUE  
INVESTMENTS  
55% of total  
investments



# NOT ONLY SUSTAINABILITY REPORT

OUR THEMATIC REPORTS

## VALUE TO ENERGY

IMPROVING ENERGY SAVINGS AND REDUCING GREENHOUSE GAS EMISSIONS TOGETHER



**870**  
PROJECTS  
TO SAVE ENERGY


 [www.gruppohera.it/report](http://www.gruppohera.it/report)

## TRACKING WASTE

FIND OUT WHERE YOUR SORTED WASTE GOES



**92%**  
OF SEPARATE WASTE  
COLLECTION RECOVERED

 [www.gruppohera.it/report](http://www.gruppohera.it/report)

## IN GOOD WATERS

DISCOVER THE QUALITY OF ZERO-KM WATER



**99.9%**  
OF ANALYSES COMPLY WITH  
NATIONAL LAW PARAMETERS

 [www.gruppohera.it/report](http://www.gruppohera.it/report)

## BUILDING THE FUTURE TOGETHER

CITIZENS AND HERA COLLABORATING TO CREATE VALUE



**16**  
INVOLVEMENT INITIATIVES TO  
CREATE THE FUTURE TOGETHER

 [www.gruppohera.it/report](http://www.gruppohera.it/report)

## TCFD RECOMMENDATIONS

increased reporting on risks and opportunities deriving from climate change



## CIRCULAR ECONOMY

Hera among the world's leading circular economy companies, part of the Ellen MacArthur Foundation program

HERA  
**BEST MULTI-UTILITY**  
IN THE DOW JONES SUSTAINABILITY INDEX



## HERA IN THE DIVERSITY & INCLUSION INDEX

Hera 2<sup>nd</sup> in Italy and 12<sup>th</sup> worldwide in the Refinitiv index, also included in the 2021 Bloomberg Gender Equality Index



# 2020 HIGHLIGHTS

SHARED VALUE

## PURSUING CARBON NEUTRALITY



**-5.4%** REDUCTION OF CO<sub>2</sub> EMISSIONS WITH SBTI CALCULATION METHOD COMPARED TO 2019  
scope 1+2+3 deriving from sold electricity and downstream gas

**7.8** BIOMETHANE generated from municipal solid organic waste, +20% compared to 2019 (million cubic meters)

**100%** RENEWABLE ENERGY for all residential customers, 32% of the total sold

SHARED VALUE

## REGENERATING RESOURCES TO COME FULL CIRCLE



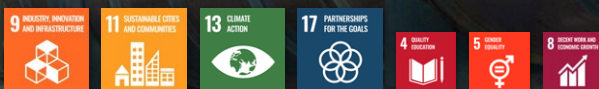
**56%** RECYCLING RATE of municipal waste

**4 CITIES** AMONG THE TOP 10 in Italy for sorted waste per capita managed by Hera Group (>100 thousand inhabitants)

**97.6%** OF URBAN AGGLOMERATIONS adequate to purification legislation (>2 thousand PE, % of population equivalent)

SHARED VALUE

## ENABLING RESILIENCE AND INNOVATING



**86** MILLION EURO investments in three areas: energy transition, circular economy and digital transformation

**864** PEOPLE FACING DISADVANTAGES included in jobs thanks to supplies from social cooperatives coming to approximately 67.1 million euro

**77%** SMART WORKING used by workers

# GOVERNANCE AND VALUE CREATION

**1,378**  
MILLION EURO

added value distributed to local stakeholders



**740**

MILLION EURO  
value of supplies from local suppliers



**2.118**



MILLION EURO  
economic value distributed to local territories

## CUSTOMER SERVICE QUALITY, COSTS AND SAFETY



**73**/100

CUSTOMER SATISFACTION



**-18%**

OF THE ITALIAN AVERAGE  
cost of municipal waste for families

**97.8%**



GAS SERVICE EMERGENCY CALLS

with arrival within 60 minutes (service obligation: 90%)

## PEOPLE

**29.9%**

WOMEN IN ROLES OF RESPONSIBILITY



**14.2**

WORKPLACE ACCIDENT FREQUENCY RATE

(as compared to 17.6 in 2019)



**96.6%**

WORKERS

with permanent contracts

## SUPPLIERS



**85.8%**

VALUE OF PUBLIC TENDERS

with the most economically advantageous bid method

**63.9%**

OF TOTAL TENDERS

with the most economically advantageous bid method



**41/100**

AVERAGE SCORE assigned to sustainability in supplier selection (total tenders)

# LETTER TO STAKEHOLDERS

Sustainability reporting, if understood as a true driver of change instead of simply respecting legal obligations, certainly cannot rest on its laurels. In particular, talking about the numbers that describe a world – our world – is no longer sufficient. What we must do, above all, is to give a world to these numbers, which is what this report intends to do by providing a wider and more meaningful context for Hera Group's results, commitments, goals and vision. We aim at offering our readers, in all their diversity, an increasingly clear and inclusive report, so that each of them can understand – with reference to their own area of competence – the current relevance and urgency of the challenges that orient our work as a company every day and that can inspire our individual behaviour. While it is true that we can only improve what we measure, it is equally true that no measurement reveals its very importance unless we recognise its deeper meaning.

We have always been convinced of this, but we have recently doubled our efforts, most of all by introducing a strategic approach aimed at creating shared value, which we quantify every year by measuring the amount of Ebitda deriving from business activities capable of reaching the goals of the Global Agenda and the policies introduced over time on a local and European scale. This indicator has increased compared to 2019, reaching 420.0 million euro in 2020, equivalent to 37.4% of overall Ebitda, bolstered by improvements in all target parameters in three key areas: Energy, Environment, and Local territory (and Business). This trend – confirmed by last three years of our work – reassures us as it provides a clear picture of our progress and how we have honed our ability, year after year, to read the external context and project paths that have now become essential. It is no accident that Hera is the first Italian multi-utility to become part of the Dow Jones Sustainability Index (DJSI). This achievement is even more significant when considering that we have been simultaneously included in both the World and European indices, and, above all, ranked as “Industry leader” among the 3,500 companies with the highest capitalisation in the world evaluated. This latest recognition takes now place alongside other international rankings, confirming the quality and the nature of the path we have taken.

The social and economic consequences of the current health emergency, moreover, have ultimately made an even more rewarding orientation towards resilience. This direction has been followed by the Group through increasingly effective enterprise risk management policies, accompanied – as for their effects – by a constant infrastructural consolidation and continuous improvement in our organisational assets. In particular, the reactive resilience with which Hera has proved to be able to absorb the short-term impacts coming from specific shocks is now flanked by an increasing emphasis on adaptive resilience. Owing to far-sighted planning, new technologies and stakeholder involvement, this latter form of resilience has put our Company at the centre of a system that is increasingly sensitive to and performing as for the environmental, economic and social trends of our time. After all, these are precisely the factors underlying the Group's ability to play a providential and perhaps even countercyclical stabilising role in 2020, contributing to the overall resilience of our local territory's ecosystem and distributing a gross added value coming to 1,670 million euro to our stakeholders. In such context, our initiatives aimed at supporting the most vulnerable groups clearly proved to be very timely.

The Group has furthermore reinforced its commitment concerning climate and environment, thus consolidating our process of alignment with the recommendations provided by the Task force on Climate-related Financial Disclosures (TCFD). Compared to 2019, in particular, Hera has reduced



**420**  
**MILLION EURO**  
Ebitda generated  
from Csv activities



**ENERGY,  
ENVIRONMENT,  
LOCAL TERRITORY  
(AND BUSINESS):**  
three drivers for  
shared value creation



**RESILIENCE  
ORIENTATION:**  
reactive, thanks  
to enterprise risk  
management policies;  
and adaptive, thanks  
to new technologies  
and stakeholder  
involvement

by 5,4% the CO<sub>2</sub> emitted directly or indirectly, and can thus be confident about the future path – both inside and outside the company – that will allow it to reduce total emissions by 37%\* within 2030. This latter goal, calculated according to the “Science-Based Target initiative” methods, is particularly challenging, above all considering that we are the only Italian multi-utility that has currently defined its own policies according to the “well below 2 degrees” scenario, making an effort to reduce the emissions involved in our own infrastructural activities as well as those related to the energy consumed by our customers.

After all, given that our business is essential for the lives of citizens and businesses, the context in which it develops – consisting in an indivisible combination of human, economic, social and natural resources – is no less fundamental. This is why, in pursuing the creation of a value shared by many, Hera intends to work on an underlying balance between three large areas, well represented today by an equal number of “Ps”, Planet, People and Prosperity, to be conceived and developed together.



**-37%**  
reduction of total  
emissions by 2030

**TOMASO TOMMASI DI VIGNANO**  
Executive Chairman

**STEFANO VENIER**  
CEO

\* Target updated as of April 22, 2021 following SBTi validation.



SHARED VALUE

# PURSUING CARBON NEUTRALITY

## 100% RENEWABLE ELECTRICITY

for all residential customers. 32% of total electricity sold (excluding safeguard business)

**-6.2% INTERNAL ENERGY CONSUMPTION**

reduction compared to 2013. -7% including initiatives already planned



**4.4% NATURAL GAS SOLD**

with compensation for CO<sub>2</sub> emissions (% of total volumes sold, excluding volumes sold to wholesalers, default service and last resort supply businesses)



**RENEWABLE ELECTRICITY**

to power the activities managed.  
Goal: 100% within 2023



**20%**

contracts with  
**ENERGY EFFICIENCY SOLUTIONS**



**7.8 MILLION CUBIC METERS OF BIOMETHANE PRODUCED**

in the Sant'Agata Bolognese plant (+20% compared to 2019)

**2.5**

**MILLION TONS**

of greenhouse gas avoided



**-5.4%**

**REDUCTION OF CO<sub>2</sub> EMISSIONS WITH SBTi CALCULATION METHOD COMPARED TO 2019**

Scope 1+2+3 deriving from sold electricity and downstream gas





# OBJECTIVES

## WHAT WE SAID WE WOULD DO...

### Promoting energy efficiency

**6.5%** **ENERGY CONSUMPTION** reduction of energy consumption by 2023 compared to 2013  
 (E) (T) (M)

**22%** **ENERGY EFFICIENCY** customers with energy efficiency services by 2023 (excluding Ascopiave Group companies)



**40%** **OF LIGHT BULBS WITH LED LAMPS** by 2023. 648 Toe expected savings in 2020 from interventions in public lighting



### Energy transition and renewables

**2 NEW PRODUCTION PLANTS** for biomethane generation in Lugo (Ra) and Faenza (Ra). Begin the authorisation phase for their realisation in 2020  
 (E)



### Offsetting climate change

**26%** **CARBON INTENSITY INDEX** reduction in energy production by 2023 compared to 2013  
 (E) (T) (M)



# RESULTS

## WHAT WE DID...

**6.2%** **REDUCTION OF ENERGY CONSUMPTION** in 2020 thanks to the actions implemented



**27%** **ENERGY EFFICIENCY** customers with energy efficiency services in 2020 (excluding Ascopiave Group companies) (as against 20.1% in 2019)



**35%** **OF LIGHT BULBS WITH LED LAMPS** in 2020. 851 Toe saved thanks to interventions in public lighting carried out in 2020 (as against 27.5% in 2019).



**2 NEW PRODUCTION PLANTS** for biomethane generation. Beginning of the authorisation phases for two plants



**22%** **CARBON INTENSITY INDEX** reduction in energy production in 2020 compared to 2013



# FUTURE TARGETS

## WHAT WE WILL DO...

**7%** **REDUCTION OF ENERGY CONSUMPTION** at Group level by 2024 and 10% by 2030, compared to 2013

**42%** **ENERGY EFFICIENCY** customers with energy efficiency services or with Consumption log in 2024 and 45% by 2030



**>65%** **OF LIGHT BULBS WITH LED LAMPS** by 2024. Continuing energy efficiency interventions in public lighting (substituting light bulbs with LED lamps)



**>15 MILIONI DI MC** of biomethane generation by 2024 and >30 million by 2030, thanks to new anaerobic digesters for the organic portion of sorted waste. Begin development projects of hydrogen as energy carrier



**37%** **CO<sub>2</sub> EMISSIONS** reduction of Scope 1, Scope 2 and Scope 3 deriving from electricity and downstream gas sales emissions by 2030 with SBTi method, compared to 2019 emissions



\* Target updated as of April 22, 2021 following SBTi validation.

Applicable local area of improvement measures: (E) Emilia-Romagna (T) Triveneto (M) Marche Multiservizi

✓ Result achieved or in line with plans - Other objectives, results and future targets at [bs.gruppohera.it](https://bs.gruppohera.it)



SHARED VALUE



6 CLEAN WATER AND SANITATION



11 SUSTAINABLE CITIES AND COMMUNITIES



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



17 PARTNERSHIPS FOR THE GOALS



14 LIFE BELOW WATER

# REGENERATING RESOURCES TO COME FULL CIRCLE

municipal waste collected and disposed in landfills



3.4%

UE'S 2035 TARGET ALREADY REACHED  
(23% Italian average in 2019)

97.6%

OF URBAN TERRITORIES ALIGNED WITH PURIFICATION REGULATIONS (>2 thousand PE)



13%

citizens with MANAGEMENT PLAN for drinking water safety (target: 77% by 2024)



4 CITIES AMONG THE TOP 10 in Italy for sorted waste per capita served by Hera Group (>100 thousand inhabitants)

65.3%

SORTED WASTE in an area with 3.2 million inhabitants



-86%

COMPARED TO LEGAL LIMITS emissions from waste-to-energy plants. -99% of PM<sub>10</sub> limits in the Imola plant



56%

RECYCLING RATE OF MUNICIPAL WASTE EU's 2025 target already reached

9%

value of tenders WITH CIRCULARITY CRITERIA



68.8

THOUSAND TONS OF RECYCLED PLASTIC sold by Aliplast (+16% compared to 2017)

# OBJECTIVES

# RESULTS

# FUTURE TARGETS

## WHAT WE SAID WE WOULD DO...

## WHAT WE DID...


## WHAT WE WILL DO...

### Transition towards a circular economy

**74.9%** **SORTED WASTE** by 2023, also thanks to extension of unit pricing in Emilia-Romagna  
 (E T M)



**65.3%** **SORTED WASTE** in 2020 (as against 64.6% in 2019) (66.2% Hera, 55.8% AcegasApsAmga, 71.1% Marche Multiservizi)




**75%** **SORTED WASTE** by 2024, also thanks to strong investments focused on citizens and businesses engagement



**>70%** **OF PACKAGING RECYCLED** and 62% of municipal waste recycled in 2023  
 (E T M)



**72%** **OF PACKAGING RECYCLED** in 2019 (steady compared to 2018). Overall recycling rate amount to 56% in 2019 (53% in 2018)



**>75%** **OF PACKAGING RECYCLED** by 2024 and 67% overall municipal waste recycling rate by 2030 (higher than the EU's 2035 goals)



### Sustainable management of water resource

**9%** **OF REUSABLE WASTEWATER** out of total wastewater by 2023  
 (E)

**5%** **OF REUSABLE WASTEWATER** out of total wastewater in 2020 (as against 3% in 2019)




**9%** **OF REUSABLE WASTEWATER** out of total wastewater by 2024 and 15% by 2030


**15%** **REDUCTION IN INTERNAL WATER CONSUMPTION** by 2023, compared to 2017 consumption  
 (E)



**12%** **REDUCTION IN INTERNAL WATER CONSUMPTION** in 2020 compared to 2017 consumption, due to specific water savings activities




**17%** **REDUCTION IN INTERNAL WATER CONSUMPTION** by 2024 and 25% by 2030, compared to 2017 consumption




### Air, soil and biodiversity protection


**450** **THOUSAND SQUARE METERS OF SOIL REUSED** between 2020 and 2023 in planning, creating and enhancing infrastructures (73% of total soil involved)  
 (E)



**278** **THOUSAND SQUARE METERS OF SOIL REUSED** in 2020 in planning, creating and enhancing infrastructures (87% of the overall soil used in 2020)



**256** **THOUSAND SQUARE METERS OF SOIL REUSED** between 2021 and 2024 in planning, creating and enhancing infrastructures (66% of total soil involved by 2024)



**>270** **PUBLIC INFRASTRUCTURES** installed for electric mobility in cities by 2023  
 (E T M)

**104** **PUBLIC INFRASTRUCTURES** installed for electric mobility in cities in 2020 (as against 43 at year-end 2019).



**>300** **PUBLIC INFRASTRUCTURES** installed for electric mobility in cities by 2024

Applicable local area of improvement measures: (E) Emilia-Romagna (T) Triveneto (M) Marche Multiservizi  
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SHARED VALUE

# ENABLING RESILIENCE AND INNOVATING



**65%** VALUE OF SUPPLIES FROM LOCAL SUPPLIERS  
(740 milioni di euro nel 2020)

CUSTOMERS MAKING USE OF ONLINE SERVICES



**28.7%**

**8,842** WORKERS

effect on employment generated by Hera Group activities in 2020

**44%** EMPLOYEES

with digital proficiency (% of the total employees)

**93** THOUSAND STUDENTS

involved in environmental education activities



**864** PEOPLE FACING DISADVANTAGES

included in jobs thanks to supplies from social cooperatives, totalling 67.1 million



**CORPORATE DIGITAL RESPONSIBILITY**

a new way of reporting on digitalisation projects introduced

**86**



MILLION EURO

**INVESTMENTS**

in three areas of innovation: energy transition, circular economy and digital transformation



**77%**

**EMPLOYEES**

involved in remote working at year-end 2020 (excluding manual labourers)

# OBJECTIVES

# RESULTS

# FUTURE TARGETS

## WHAT WE SAID WE WOULD DO...

### Diffusion of innovation and digitalisation

45%

**OF CUSTOMERS WITH E-BILLING** and 34% of customers making use of online services by 2023

Ⓔ Ⓓ Ⓜ



### INNOVATION FOR CIRCULAR ECONOMY AND ENERGY TRANSITION

continue experimental production of bioplastics and creating a power-to-gas plant prototype

Ⓔ

### Developing employment and new skills

#### CONTINUE TO USE THE SOCIAL CLAUSE

to guarantee employment in contracts for emergency services on networks and for those related to customer management

Ⓔ Ⓓ Ⓜ

#### CONTINUE RAISING AWARENESS ABOUT VALORISING DIVERSITY AND INCLUSION

with educational events and initiatives

Ⓔ Ⓓ

### Resilience and adaptation

#### RESILIENCE PLAN FOR ELECTRICITY GRIDS

continue implementing 8 further interventions in Modena in 2020, in addition to the 2 carried out in 2019 (out of a total of 54 interventions)

Ⓔ



## WHAT WE DID...

34.3%

**OF CUSTOMERS WITH E-BILLING** and 28.7% of customers making use of online services



### BIOPOLYMER RECOVERY AND PURIFICATION PROCESS HAS BEEN DEVELOPED

and pilot plants will start up in 2021. Final layout of a power-to-gas plant designed in order to evaluate impacts concerning authorization requests



#### SOCIAL CLAUSE PROVIDED

to guarantee employment in 13 of the most important tenders



#### ORGANIZED INTERNAL AND EXTERNAL ONLINE MEETINGS

dedicated to the topics of gender stereotypes, inclusion and "respect"



#### RESILIENCE PLAN FOR ELECTRICITY GRIDS

continued the implementation of 7 interventions carried out in Modena in 2020, for a total of 9 interventions completed out of the 54 planned



## WHAT WE WILL DO...

49%

**OF CUSTOMERS WITH E-BILLING** and 44% online services by 2024. Promote a new reforestation campaign for digitalisation



### CONTINUE THE IMPLEMENTATION OF DATA ANALYTICS AND ARTIFICIAL INTELLIGENCE PROJECTS

Continue developing an integrated system for reporting on digital transformation projects (Corporate Digital Responsibility perspective)

#### CONTINUE PROVIDING THE SOCIAL CLAUSE

to guarantee employment in contracts for emergency services on networks and for those linked to customer management (excluding cases of internalization)

#### CONTINUE AWARENESS-RAISING ACTIVITIES ON VALORISING DIVERSITY AND INCLUSION

with events and initiatives (inclusive language and STEM topics)

#### ELECTRICITY SERVICE RESILIENCE

- carry out 13 further interventions in 2021, reaching 22 km of adequate network equal to 33% of the overall Electricity Resilience Plan;
- realization of the East Modena Primary Cabin in 2021

#### AQUEDUCT SERVICE RESILIENCE

- innovative water network leakage detection initiatives;
- interventions to optimize tapping, interconnect networks and upgrade sources;
- develop a monitoring and forecasting system for water availability and state of emergency

Applicable local area of improvement measures: Ⓔ Emilia-Romagna Ⓓ Triveneto Ⓜ Marche Multiservizi

✓ Result achieved or in line with plans - Other objectives, results and future targets at [bs.gruppohera.it](https://www.bs.gruppohera.it)

THE BASES AND THE ORGANISATIONAL LEVERS

GOVERNANCE

AND VALUE CREATION



**1,378**

MILLION EURO

added value distributed to local stakeholders



**740**

MILLION EURO

value of supplies from local suppliers



**2,118**

MILLION EURO

economic value distributed to local territories (75% of the total economic value)



**506.4**

MILLION EURO

OF OPERATING INVESTMENTS

**+253%**

TOTAL SHAREHOLDERS' RETURN compared to original listing in 2003



**CODE OF ETHICS**

all newly hired staff trained on principles and values through the AlfabEtico initiative

**76%**

ENERGY CONSUMED



in companies WITH ISO 50001 CERTIFICATION

**100%**

**WASTE DISPOSED**

in plants with Iso 140001 environmental certification



# OBJECTIVES

## WHAT WE SAID WE WOULD DO...

### Economic value for stakeholders

**1,747** MILLION EURO ADDED VALUE for stakeholders by 2023 (+9.3% compared to 2019)



**2.3** BILLION EURO OF INVESTMENTS made between 2020 and 2023



### Sustainability and risk management

### Communication with stakeholders

**2** NEW HERALABS LAUNCHED IN TWO LOCAL TERRITORIES in 2020 for communication with local communities. Implement by 2020 the remaining four local initiatives co-designed in 2018 with the Ferrara and Ravenna LABs and implement the additional initiatives co-planned with the Bologna and Rimini LABs, launched in 2019



Ⓔ

# RESULTS

## WHAT WE DID...

**1,670** MILLION EURO ADDED VALUE for stakeholders in 2020



**506** BILLION EURO OF INVESTMENTS made in 2020 (-5% compared to 2019)



**WORK STARTED ON THE NEW HERA LABS** of Modena and Forli-Cesena. Three initiatives in Ferrara and Ravenna have been implemented. Co-planning meetings for the Bologna and Rimini LABs have been rescheduled due to the health emergency (they have been concluded in the early months of 2021). The co-planned initiatives will completely be implemented by 2022



# FUTURE TARGETS

## WHAT WE WILL DO...

**ABOUT 1,900** MILLION EURO ADDED VALUE for stakeholders by 2024 (+14% compared to 2020)



**3.2** BILLION EURO OF INVESTMENTS made between 2020 and 2024



**CONTINUE WITH THE INCREASING FOCUS ON ANTICIPATING, MITIGATING AND HEDGING RISKS** arising from climate change, in order to ensure service continuity



**UPDATING THE HERALAB MODEL** to give continuity in listening to and involving local stakeholders. Implement five local HeraLAB initiatives in the Rimini area and three initiatives in the Bologna area by 2022. Continue stakeholders involvement meetings in Modena and Forli-Cesena



THE BASES AND THE ORGANISATIONAL LEVERS

# CUSTOMER



## SERVICE QUALITY, COSTS AND SAFETY

**73/100**

CUSTOMER  
SATISFACTION



**-27%**

LOWER THAN THE ITALIAN AVERAGE  
cost of urban cleaning service  
for non-domestic customers



**33**  
SECONDS

AVERAGE RESPONSE TIME

for calls from residential  
customers at the Group's  
call centres



**-18%**

LOWER THAN  
THE ITALIAN AVERAGE

cost of municipal waste for families



**48%**

OF BILLS COST  
ATTRIBUTABLE TO HERA

the remaining is composed by raw materials  
(22%) and taxes and system charges (30%)



**20**

THOUSAND NEXMETER  
METERS INSTALLED

in Ferrara, Modena and  
Udine. Higher safety and less  
dispersion of natural gas

**97.8%**

GAS SERVICE  
EMERGENCY CALLS

with arrival within 60 minutes  
(service obligation: 90%)



**99.6%**

COMPLIANCE WITH  
THE QUALITY STANDARDS

set by the Authority  
for four services



# OBJECTIVES


# RESULTS

# FUTURE TARGETS

## WHAT WE SAID WE WOULD DO...

### Service quality


**82%** OF ELECTRONIC GAS METERS installed by the end of 2023  
 (E T M)




**GAS SERVICE PROMPT INTERVENTION** in the gas, electricity, water and district heating services, in line with 2019  
 (E T M)

### Service safety and continuity

**GAS SERVICE PROMPT INTERVENTION** maintain the percentage of calls with arrival within 60 minutes significantly above Arera's obligation  
 (E T M)



OVER **40** THOUSAND NEXMETER METERS INSTALLED at year-end 2020  
 (E T M)





### Customer relations


**10** MINUTES, AVERAGE WAITING TIME AT HELP DESKS and 30 seconds, average waiting time at call centres (2020 target)  
 (E T M)



## WHAT WE DID...

**64.7%** ELECTRONIC GAS METRES installed at year-end 2020 (as against 43.1% at year-end 2019)  



**99.6%** ARRIVALS TO THE LOCATION OF THE CALL in 2020, in line with 2019  


**97.8%** ARRIVALS TO THE LOCATION OF THE CALL within 60 minutes (service obligation: 90%)  



ABOUT **20** THOUSAND NEXMETER METERS installed in Ferrara, Modena and Udine at year-end 2020


**5.4** MINUTES, AVERAGE WAITING TIME AT HELP DESKS and 33 seconds, average waiting time at call centres in 2020  


## WHAT WE WILL DO...

**88%** NEXT-GENERATION ELECTRICITY METERS installed by year-end 2024  


**GUARANTEE COMPLIANCE WITH COMMERCIAL QUALITY STANDARDS** in the gas, electricity, water and district heating services, in line with 2020

**GAS SERVICE PROMPT INTERVENTION** maintain the percentage of calls with arrival within 60 minutes significantly above Arera's obligation  


OVER **300** THOUSAND NEXMETER METERS installed by year-end 2024  


**10** MINUTES, AVERAGE WAITING TIME AT HELP DESKS and 30 seconds, average waiting time at call centres  


Applicable local area of improvement measures: (E) Emilia-Romagna (T) Triveneto (M) Marche Multiservizi  
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THE BASES AND THE ORGANISATIONAL LEVERS

# PEOPLE



14.2



**WORKPLACE ACCIDENT  
FREQUENCY RATE**  
(as compared to 17.6 in 2019)



26.0 HOURS

**OF TRAINING PER CAPITA**  
(as compared to 28.6  
in 2019)

96.6%

**EMPLOYEES  
WITH PERMANENT  
CONTRACTS**



1,584

**PEOPLE HIRED**  
with permanent contracts  
over the years 2018-2020



**29.9% WOMEN IN ROLES OF RESPONSIBILITY**

**42.6% IN CAREER ADVANCEMENT**  
(excluding blue-collar workers)

35%

**OF VARIABLE RETRIBUTION**  
for middle and senior  
management is linked  
to sustainability goals,  
23% to shared value creation

4.5

**MILLION EURO**

used by employees with Hextra, the company's  
welfare program, with 99.2% of employees adhering

**HERA  
TOP  
EMPLOYERS**

twelfth year of  
certification among  
the best working  
environments



# OBJECTIVES

# RESULTS

# FUTURE TARGETS

## WHAT WE SAID WE WOULD DO...

## WHAT WE DID...

## WHAT WE WILL DO...

### Workers

#### HERASOLIDALE

launch the fourth edition in 2020 to support reaching the goals of the non-profit partner organisations through donations made by employees and customers

Ⓔ Ⓓ Ⓜ

#### HERASOLIDALE

launched in July 2020: 83 thousand euro donated in 2020 to the 7 non-profit partner organisations of the fourth edition of HeraSolidale 2020-22



#### HERASOLIDALE

continue promoting the fourth edition of HeraSolidale in 2021 to reach the objectives of the 7 partner organisations through donations made by employees, customers and the company

### Managing skills and training

24.7

**HOURS OF TRAINING PER CAPITA**  
in 2020

Ⓔ Ⓓ Ⓜ



26

**HOURS OF TRAINING PER CAPITA**  
provided in 2020



22,5

**HOURS OF TRAINING PER CAPITA**

in 2021. Implement MyAcademy, the new online training platform that will allow all employees to personalise their own learning experience



### Welfare

#### CONTINUE DEVELOPING HEXTRA

valorising opportunities; integrating education and family support services; additionally reinforcing offers concerning health and wellbeing

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#### HEXTRA

has been further developed to offer initiatives, free services and on-demand agreements, to increase a sense of closeness during the health emergency and act positively as for the psychological, physical, and financial well-being of workers



#### HEXTRA

promote the new welfare portal further adapted to each worker's interests and uses in order to further improve the opportunities provided, also thanks to the creation of a specially dedicated Hextra app. Include a new psychological, physical and financial wellbeing plan in Hextra

### Health and safety

-4%

**REDUCTION IN THE WORKPLACE ACCIDENT FREQUENCY RATE**

with effect over 3 days in 2020 (16.3) compared to the average seen from 2015 to 2019, and launch the project "Culture of safety" to promote it across the company

Ⓔ Ⓓ Ⓜ



12.6

**WORKPLACE ACCIDENT FREQUENCY RATE**

with effect over 3 days in 2020 (-26% compared to the average seen from 2015 to 2019). The "Culture of safety" training program has been launched



10.6

**WORKPLACE ACCIDENT FREQUENCY RATE**

further reduction of the workplace accident frequency index (10.6 to 2024). Continue with training and awareness-raising initiatives on the "Culture of safety". Gradually extend the use of the "Man down" app in BUs that have the risk of working alone



Applicable local area of improvement measures: Ⓔ Emilia-Romagna Ⓓ Triveneto Ⓜ Marche Multiservizi

✔ Result achieved or in line with plans - Other objectives, results and future targets at [bs.gruppohera.it](https://bs.gruppohera.it)

THE BASES AND THE ORGANISATIONAL LEVERS

# SUPPLIERS



SUPPLIES FROM CERTIFIED COMPANIES

**39%**  
Sa 8000

**57%**  
Iso 45001

**66%**  
Iso 14001/Emas

**85.8%**

VALUE OF PUBLIC TENDERS with the most economically advantageous bid method



## WORKPLACE CONDITION MONITORING:

20 suppliers audited, of which 4 in their headquarters and 16 in Hera work sites

**63.9%**

## OF TOTAL TENDERS

with the most economically advantageous bid method

**41/100**

## AVERAGE SCORE

assigned to sustainability in tender awards (total tenders)



**21**

## SUPPLIERS

invited on average to participate in negotiated tendering procedures: open and transparent competition

## RESPONSIBLE SUBCONTRACTING

employment protection clauses in 13 tenders (confirmation of clauses limiting the percentage of reductions and authorizing the use of agency-provided work)

**79%**

## OF SUPPLIES

with workplace accident rate monitoring (frequency rate: 22.3; severity rate: 0.52)

# OBJECTIVES

# RESULTS

# FUTURE TARGETS

## WHAT WE SAID WE WOULD DO...

## WHAT WE DID...

## WHAT WE WILL DO...

### Suppliers

#### SUPPLY COMPANIES' SOCIAL RESPONSIBILITY MONITORING

towards their employees: collect 40 further evaluation questionnaires and carry out 20 supplier audits (headquarters and work sites) in 2020

Ⓔ Ⓓ Ⓜ



#### SUPPLY COMPANIES' SOCIAL RESPONSIBILITY MONITORING

towards their employees: over 50 evaluation questionnaires collected and 20 supplier audits carried out (headquarters and work sites) in 2020



#### SUPPLY COMPANIES' SOCIAL RESPONSIBILITY MONITORING

towards their employees: carry out at least 30 supplier audits (headquarters and work sites) in 2021



### Suppliers qualification, selection and evaluation

#### CONTINUE TO ASSIGN A SIGNIFICANT SCORE FOR ASPECTS OF ENVIRONMENTAL AND SOCIAL SUSTAINABILITY

in tenders using the economically most advantageous bid criterion

Ⓔ Ⓓ Ⓜ



**41/100** AVERAGE SCORE

reserved to aspects of sustainability in tenders carried out in 2020 using the economically most advantageous bid criterion



#### CONTINUE TO ASSIGN A SIGNIFICANT SCORE FOR ASPECTS OF ENVIRONMENTAL AND SOCIAL SUSTAINABILITY

in tenders using the economically most advantageous bid criterion



#### CONTINUE TO VALORISE QUALITY, SAFETY, ENVIRONMENTAL AND SOCIAL RESPONSIBILITY MANAGEMENT SYSTEMS

in choosing suppliers

Ⓔ Ⓓ Ⓜ



#### CONTINUE TO VALORISE CERTIFIED MANAGEMENT SYSTEMS IN 2020:

87.6% of the value of supplies from suppliers with Iso 9001, 65.7% Emas/Iso 14001, 56.8% Iso 45001, 39.4% Sa 8000



#### CONTINUE TO VALORISE QUALITY, SAFETY, ENVIRONMENTAL AND SOCIAL RESPONSIBILITY MANAGEMENT SYSTEMS

in choosing suppliers



### Contracts management

**75%**

THE AMOUNT OF SERVICE AND LABOUR SUPPLIES with workplace accidents monitoring in 2020

Ⓔ Ⓓ Ⓜ



**79%**

THE AMOUNT OF SERVICE AND LABOUR SUPPLIES with workplace accidents monitoring in 2020



**75%**

THE AMOUNT OF SERVICE AND LABOUR SUPPLIES with workplace accidents monitoring in 2021



Applicable local area of improvement measures: Ⓔ Emilia-Romagna Ⓓ Triveneto Ⓜ Marche Multiservizi  
 ✓ Result achieved or in line with plans - Other objectives, results and future targets at [bs.gruppohera.it](https://bs.gruppohera.it)

## **Hera Spa**

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