

## DE&amp;I INSIGHTS



## DIVERSITY, EQUALITY &amp; INCLUSION IN HERA GROUP

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

In line with these principles, we adopt DEI strategies to enhance talents and share their experiences, skills and ideas so to offer opportunities for self-fulfilment, stimulate cooperative behaviors and improve our performance.

**40% WOMEN**

on the Board of Directors

**34 YEARS OLD**

average age for new hires

**73/100 POINTS**

Customer satisfaction rate

**35% WOMEN**

with a management role

**57.7% EMPLOYEES**

under 50 years old

**70/100 POINTS**

Internal climate index

**27.5% WOMEN**

of the total workforce

**356 EMPLOYEES**

Belonging to protected categories

**80/100 POINTS**

Gender Equality Index score



## 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 departments choices in terms of internal actions and activities. But 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 and aimed at further encouraging processes for developing inclusion and diversity enhancement policies. A Diversity working group made by Group companies' employees of different ages, roles and skills was also set up in 2011 to create and

manage diversity and inclusion projects, activities and initiatives. [Read more](#)

Hera adheres to a number of national and international commitments such as the **Manifesto of Valore D**, for female employment, **Patto Utilitalia "Diversity makes the Difference"**

to promote inclusion in corporate activities, **Women's Empowerment Principles (WEPs)** of UN Global Compact and UN Women, **Business for People and Society**, promoted by UN Global Compact Network Italy.

### GENDER EQUALITY POLICY

It sets out the principles and guidelines that define the Company's commitment to issues related to gender equality and equal opportunities in the workplace. This commitment has been the hallmark of the Group's values and culture since its inception, and it represents the tool through which the Top Management

undertakes to manage people's development processes, while respecting gender equity principles, to promote working methods for a better work-life balance, people's well-being and personal fulfilment as well as to support a corporate culture based on mutual respect and personal dignity. Paying attention, including in marketing and external

communication activities, to avoid stereotypes and to promote the visibility of women's contribution to the professional world is also a main goal. [Read more](#)

***Our Diversity Management journey started way back in 2009 by signing the Italian "Charter for equal opportunities and equality on the workplace"***

### 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/or at events sponsored by the company.

In 2023, a document to assess the risk of

harassment at the workplace was 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 Ethic Code 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 recognize 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 2023 edition of the Code 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. The training sessions aim to share the principles of the Code of Ethics and make sure that Hera's people feel it, from day one, an integral part of the company.

In 2023, 590 people participated in the course for a total of about 1,700 hours of lessons, with an average satisfaction rating among the highest in the company: 4.7 on a scale of 1 to 5.

[Read the Code](#)

### HUMAN RIGHTS

Hera is committed to respecting internationally recognised Human rights wherever the Group operates, in line with the indications given by the United Nations. Human rights are inalienable rights owned by all people and they represent an essential part of a correct and responsible business. Hera considers human rights also inside its Code of Ethics, which sets the requirements for its own operations and its suppliers, service providers and partners. In line with the Mission's objectives, the policy for social

responsibility and the values contained in the Code of Ethics, the Group carries out its activities in compliance with national and international human rights standards and the principles contained in the UN Global Compact (of which the Group is a signatory), in the United Nations Universal Declaration of Human Rights, in the fundamental Conventions of the International Labor Organization (ILO) and in the OECD guidelines for multinational companies.

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 gender pay gap policy) 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 [Ceo Guide to human rights with italian companies' commitment](#) (in Italian only)



## HUMAN RESOURCES COMMITMENTS

### THE GOOD WORK PACT

**Security, procurement, sustainability, inclusion, and well-being** are the five pillars of the broad, innovative, and programmatic document that establishes a historic agreement with trade unions and represents an unprecedented tool for companies in the sector.

#### Health and safety

Safety is one of the founding principles of the Hera Group, since its inception, and the projects launched over the years, together with the positive results achieved (in 2023 the injury frequency rate dropped to 9.66, the best value since 2016), are the starting point for improvement initiatives, which will include, among others: the safety of people working on roads with vehicular traffic; the computerisation of the clothing and personal protective equipment management process; the exchange of experiences and simulations of all emergency situations, also in cooperation with institutions. Most of the actions contained in the “Good work pact” concern culture and training, areas in which the Group’s qualitative and quantitative standards are already particularly high. Hera therefore continues on the path already traced and is committed to providing over 400,000 hours of training in the

period 2024-2027 and to investing about 20 M€ in this area.

#### Integrated supply chains and procurement

Already in 2016, with the joint signing of the Procurement Protocol between the company and the trade unions, the Hera Group was at the forefront of this issue and now confirms its innovative spirit with the desire to review the Protocol by 2024, improving it through trade union dialogue and seizing the opportunity introduced by the recently approved new legislation. The commitment concerns the clearer definition of Social Clauses, starting with the publication on the Group’s website of the new Protocol. A company qualification and selection system that rewards quality, safety, and ESG performance will then be defined. New digital tools will be introduced for a more effective management of on-site controls and audit activities will be carried out through inspection visits to construction sites and supplier premises.

#### Equity and inclusion

The values of equity and inclusion are expressed in the “Good work pact” with concrete actions that confirm and improve, with innovative choices, the path already taken by the

Group since its inception. In addition to strengthening people’s involvement through moments of participation and listening, to reinforce their sense of belonging to the Group, the Pact contains innovations on flexibility (e.g., expanding the possibility of smart working for fragile people and caregivers); parenting (increased leave during the first year of the child’s age, recognition of additional leave for nursery placement and to be present on the first day of primary school); valorisation of different abilities; promotion of inclusive language; combating gender-based violence, with the establishment of the Bilateral Commission for Equal Opportunities as a further possibility for monitoring and comparison.

#### Well-being, professional development, and productivity

Investing in well-being, development, and motivation of Hera’s people is essential for sustainable productivity and to determine the long-term success of the Company. The “Good work pact” introduces an increase of up to 400 euros from 2025 of the flexible quota allocated to all workers and provides for investments to consolidate partnerships with the educational

system and the lifelong learning, for a total of 60 M€. In addition, Hera is committed to making it possible for all Group people to benefit from 150 hours of annual study leave, including for masters and higher education courses not recognised by Miur. Permits will also be granted for those taking professional training courses, e.g. to obtain special licences.

#### Sustainability and shared value

The absolute novelty in the calculation of the performance bonus also on the ability of the Hera Group to increase shared value (in addition to the progressive annual increase of the bonus itself of 225 euros per year over the three-year period 2025-2027), is accompanied by a series of people development actions in terms of evolution of working methods, acceleration of the digitalisation of processes, and enhancement with a view to sustainability and circularity. This includes the substantial recruitment plan for the period 2024-2027, which will involve 2,600 people, including the planned internalisations.

[Read more](#) (available in Italian only)



## DE&I TARGETS

Hera has set targets in line with the Group's strategic framework that go beyond the 2027 Business Plan's timeframe and reach

2030. The Shared value framework (CSV) is made up of 3 drivers of change and 9 impact areas, in turn linked to the 11 UN Agenda goals

to which the Group contributes, 7 of which are identified as priorities, and which include more than 50 "What we will

do" (objectives for the future) detailed in the Sustainability Report every year.

[Read more](#)

**Some of the Group's sustainable targets set out in the Sustainability Report 2023, are**

- ⇒ **33% WOMEN HOLDING ROLES OF RESPONSIBILITY**  
by 2027 and more than 33% in 2030
- ⇒ **75% EMPLOYEES WITH DIGITAL TRANSITION SKILLS**  
by 2027, 90% by 2030
- ⇒ **97% EMPLOYEES WITH PERMANENT CONTRACTS**  
by 2027
- ⇒ **26 HOURS OF TRAINING OR MORE**  
by 2027 (employees/per capita)
- ⇒ **INJURY FREQUENCY INDEX BELOW 10**  
by 2030 (number of injuries/hours worked x 1,000,000),  
*considering injuries with absence greater than or equal to three days*

*(for more targets see pages 15-17)*

**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" 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**  
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.



## DE&I TIME-BOUND ACTION PLANS

### TALENT PIPELINE

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

In a business that is traditionally male by nature, Hera has always wanted 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 16) and among employees in general. Excluding blue-collar workers, in 2023, 41% of new hires were women and career advancements involving female workers accounted for 40.8% 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 Manifesto Valore D to promote female employment, Patto 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.

Gender Equality Policy is just the last step taken in the company's path to equality which

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. A Steering Committee ensures the effective adoption of the Policy.

The added value from this certification effort is the increased awareness on what the company have to do to maintain the good levels already achieved and to close the gaps that still exist.

### TALENT PIPELINE INDICATORS

KPI	DESCRIPTION	2023
<b>Female on Board of Directors</b>	In the Board of Directors in office female members are 6 out of 15 members	40.0%
<b>Executive Members Gender Diversity</b>	Hera female managers with strategic responsibilities	22.2%
	Of the 1,043 career advancements that took place in 2023, 214 involved female employees	20.5%
<b>Percentage of women total promotions</b>	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 40.8% of the total	40.8%
	45.2% of new Managers and Executives are women	45.2%
<b>Percentage of Women IT/ Engineering</b>	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	31.7%
	In 2023, 148 female out of 1,058 workers (total number of new hires) were hired on permanent contracts	14.0%
<b>Percentage of women new hires</b>	As far as Executive, Manager and Clerical Staff categories, the percentage of new permanent employees was 41%, of a total of 353 permanent hires	41.0%
<b>Percentage of women attrition</b>	Percentage of women employees that left the company, of the total employees that left the company	4.1%

**Today we have a female population incidence of 27.5%: this is 11% higher than the average for Italian utilities. Even in terms of female presence in positions of responsibility we have reached a level of 33%, which puts us in a pioneering position in the reference scenario**



## DE&I TIME-BOUND ACTION PLANS

### CLOSING GENDER PAY GAP

Meritocratic interventions, foreseen in the Group's meritocratic policies, are a further development action envisaged for workers while preserving equity and competitiveness. Gender equality, with a particular focus on the gender pay gap, is one of the cornerstones of these policies, whose tools are centered on performance and managerial skills to guarantee a fair adjustment both to company and market salary levels. The application of these interventions is guided by

a monetary matrix that relates the individual assessments resulting from the Development Process with the remuneration bands deviation of the worker. Closing of the gender pay gap is performed using a detailed comparison among professional families, level of job roles' complexity, professional seniority on the job role and individual performances. Each gender pay gap report is shared with all organizational areas as a starting point to raise awareness before the

composition of the proposal for meritocratic interventions. Afterward, each organizational area is provided with a simulation of the effects of the improvement proposals on the gender pay gap in order to highlight eventual bias and, in case, modify the proposal. Therefore, incentive systems and targets of the action plan to reduce the gender pay gap are redefined every year and presented to Management Review Committee. A constant analytical monitoring of remuneration policies, in

both the definition and application phases, is pursued in relation to gender equality indicators, in order to ensure greater awareness of the true extent of this phenomenon and make sure the measures for managing it within the company are effective. Furthermore, the equal pay assessment is annually third party verified. Any differences in pay not justified by objective factors are analysed.

### PAY INDICATORS

KPI	DESCRIPTION	2023
<b>Global mean (average) raw gender pay gap</b>	The total wage differential between women and men is equal to 103.4% by virtue of the greater presence of men in the Manual Labourers category. This total wage differential between women and men does not fully reflect the actual gap due to the greater presence of men in the Manual Labourers category. For a more representative figure we should split data by qualification: if we consider Managers the ratio between the remuneration of women compared to that of men is equal to 96.5%	<b>103.4%</b> <b>96.5%</b>
<b>Adjusted mean gender pay gap</b>	if we consider Clerical Staff the ratio between the remuneration of women compared to that of men is equal to 93% if we consider Manual Labourers the ratio between the remuneration of women compared to that of men is equal to 100%	<b>93.0%</b> <b>100%</b>
<b>Controversies on wages, promotions, discrimination</b>	Hera has never registered controversies linked to workforce diversity and opportunity since its establishment neither it has in the last fiscal year	<b>0</b>





## DE&I TIME-BOUND ACTION PLANS

### EXECUTIVE COMPENSATION LINKED TO DE&I KPI

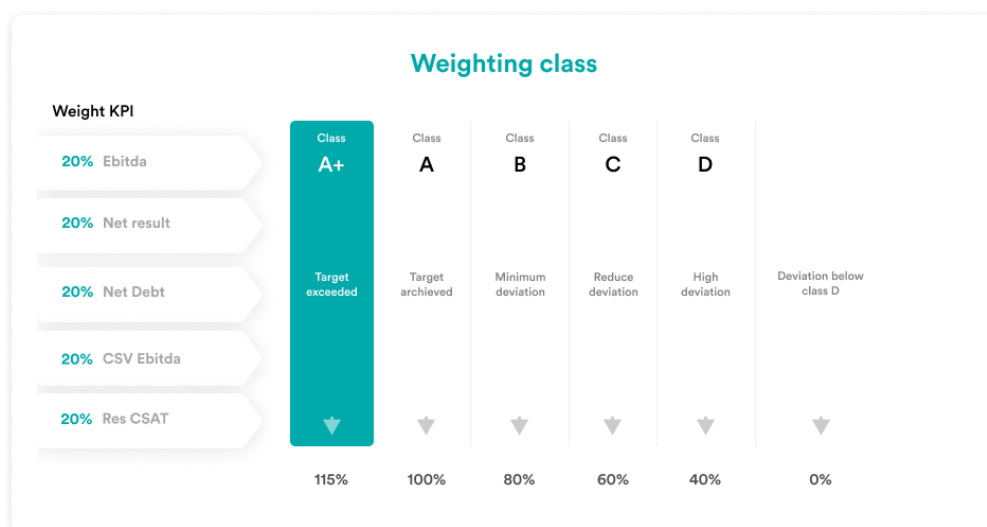
The [Group's remuneration policies](#) are defined to guarantee: increasing value for shareholders; achieving sustainable success in the short and medium-long terms; retaining employees who hold strategic positions; pursuing the company's purpose, mission and values, including sustainability, equity 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 2023, 40% of the variable compensation of Group's managers and middle managers

was linked to sustainability target projects (improvement of quality, environmental impact, image, personnel and stakeholders involvement) with target projects aimed at creating shared value accounting for 24% (78% of managers and middle managers were involved, see page 17).

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

People are the true asset to achieve differentiation and competitive advantage as the quality and efficiency of both internal processes and results depend on people. Effective personnel management and human capital enhancement is therefore of strategic importance for the Group. In Hera the people development process is based on the evaluation of performance and managerial skills and 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. This experience has led to a growing ability to assess oneself and others, while also showing the desire for reciprocal listening and the request for feedback for individual and professional growth. It is applied consistently throughout the company: in 2023 it involved over 5 thousand people including employees, management employees, middle managers and managers and starting from 2024 it will also include blue-collar workers to roll out across the entire corporate population.

The leadership model plays a leading and decisive role in ensuring to continue measuring collective and individual benefits, promoting new opportunities and creating the conditions to jointly increase productivity and well-being. In line with the evolving context, in early 2024 Hera has identified a new purpose-driven leadership model born from listening to the 10,000 employees. Said model was further updated by enhancing existing skills and identifying the new skills needed and is enriched by the use of a Generative Artificial Intelligence app, which evaluates behaviours in everyday life, helps

managers to evaluate behaviours and allows practising those same behaviours by improving them according to feedback from reality.

At the heart of the new leadership model is the belief that the more people find an alignment between the purpose of what they do and the purpose of the Company, the more confident Hera will be in the successful execution of its strategy. In 2023 a total of 1,043 people advanced in their career, equal to 11% of the company's universe.

## B

### 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 reference context, also referred to as a 'poly crisis', presents a structural ageing of the workforce, rising unemployment rates and a growing NEET population, as well as an increasing focus on the gender gap and the protection of mental health and individual well-being. The ever-changing sociocultural ecosystem requires optimal management of generations (age management), diversity and multiculturalism to pursue greater perceived equity. The role of Hera in implementing the necessary change management and reskilling programmes remains a priority, especially in view of the disruptive impact expected from generative AI. The Hera Group's employee value proposition in response to this context is to implement the necessary change management and reskilling programmes and develop an agile organisation that fosters continuous learning where everyone is at the heart of growth and participates in the creation of shared value, as part of a purpose-driven strategy built into business development.

Every year, the "map" of our skills is updated by analysing the context evolution (new skills and those in transformation and declining). Within the 2023 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).

## 5

### PRIORITY ACTIONS OF OUR EMPLOYEE VALUE PROPOSITION:

- ⇒ **EVOLUTION@WORK:** guide how our approach to work evolves by valuing development of every individual, fostering a culture inspired by trust, transparency, a sense of community and focused on widespread, authentic leadership;
- ⇒ **PEOPLE AND TRANSITIONS:** foster behaviour and strengthen skills that help people consciously and effectively face the opportunities and challenges related to energy, environmental and digital transitions;
- ⇒ **HUMAN RESOURCE BUSINESS ACCELERATOR:** develop the ability to rapidly redesign a strategy, business models, structure, processes, skills and technologies to support business;
- ⇒ **INCLUSION AND EMPOWERMENT:** create a working environment that welcomes diversity and encourages everyone to be themselves and fully express their potential;
- ⇒ **HUMAN RESOURCE TECHNOLOGIES FOR PEOPLE:** people's needs are placed at the centre of the evolution of HR process technologies to engage them, foster awareness and responsibility, helping them perform their role.



## FLEXIBLE WORK

Hera believes in meeting the needs of its employees by granting them flexibility in their working hours. **Flexible hours** are distinguished by being voluntary, reversible and compatible with both the company's technical, organisational and productive requirements and its employees' requests. Priority in granting the latter goes to family related needs such as providing health assistance or care for the

disabled and for those suffering from a serious illness, once duly verified. In addition to this opportunity, thanks to a massive development of Group's working tools and alternative communication channels, thousands of employees are able to continue working remotely, ensuring service continuity and allowing an easier management of private life. Since 2021, almost 4.2 thousand employees have been

permanently involved in the **Remote Working project**: the percentage is stable and equal to 77% of total permanent employees, excluding blue collar workers. Furthermore, the #Conciliamo remote working project launched in 2023, was designed to foster productive collaboration with guidelines and good practices on how we work (remotely or in the office) and virtuous behaviour. These were meant to

favour a better work-life balance, further valuing everyone's time.

For additional flexibility and to improve everyone's working conditions and business 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. That is the reason why 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**. Now Hera offer 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.

319 job changes took place in 2023, covering 41% of the company's needs, and 202 job announcements were published.

Also for 2024, 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 by

the "Diversity team" are focused on a wide range of topics such as wellbeing, work life balance, overcome stereotypes, female professional development, women empowerment, etc.





## HEALTH AND SAFETY CULTURE

Preventing and minimising health and safety risks is one of the commitments of the Hera Group's [Quality and Sustainability Policy](#).

Hera Group adopted also an **OHS Management System** that establishes all the necessary requirements within the organisation to improve corporate processes and to 1) increase the end customer satisfaction who is the end beneficiary of the services provided by Hera; 2) improve the company's environmental and

energy performances; 3) improve workplace health and safety and its social performance. Throughout the years, several occupational health and safety 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 training and coaching of staff, 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 the many actions taken by the Group in recent years are proving to be effective in terms of health and safety.

To increasingly encourage a corporate culture of safety, the Group set up the **Culture of Safety Project** that offers innovative training module for safety officers

(intermediate-level managers) in the operations area, and the **Safety Leadership Development Project**, designed specifically for managers, 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 Health & Safety Management System](#)

## WELFARE

**Hextra**, the Group welfare system created to accelerate the organisation's growth by investing in well-being and productivity, is further strengthening with the new "The Sense of Well-Being" project that focuses on positivity, wellbeing and promoting healthy choices whilst taking into account emotional, mental and physical aspects. Other ongoing project is the "autumn of prevention" project, dedicated to health and prevention. 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 courses abroad, the reimbursement of summer daycare/camps or, alternatively, for the reimbursement of babysitters or homework tutoring services, the reimbursement of expenses incurred individually or by family members for regional or interregional public transport services, the access to offers for free-

market gas and electricity and boilers, air conditioning and solar panels installations and the voucher-based services and recommend services in the field of sports, wellness, shows, concerts, travel, holidays, water and theme parks.

The success of Hextra was made possible by clear information and well-presented services, the recognized usefulness of the offered services and their positive impact generated on work-life balance thanks also to the responsiveness with

which it was possible to incorporate all the regulatory changes resulting from recent amendments in the regulatory framework on fringe benefits and fuel vouchers to respond to current economic and social difficulties.

Higher purchasing power, customisation and a quick, simple service are the features of the welfare system that also allows employees to have a fully digital experience and minimise the environmental impact.





## 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, sponsored crèche 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 December 2023, the new edition of "[Mum & Dad at work. Opportunities and rights for a balance between work and childcare times](#)" was published (available in Italian only). Among the actions aimed at promoting work-life balance, the booklet, created for the first time in 2010, is aimed at improving information among workers on maternity, paternity and parental leave. It is

available at the Personnel and Organization structures and is given to each new hire as part of the welcome kit. The booklet summarizes 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 Diversity team has also produced "[The good returning policies](#)" (available in Italian only) to facilitate colleagues, who must use a period of

parental leave, both in the leaving and returning to work phases. The booklet is aimed in particular at new parents and those who need to reconcile private life and work, to promote an attitude that sees people who work in Hera as having different and complex needs through a common maternity/paternity management system and extended absences due to care needs that also includes training activities to raise awareness of reconciliation issues among colleagues.

## 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](#)" (available 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 a context where the pace of innovation is slowly picking up, the working population's average age is gradually rising and there is a considerable need for professional retraining in a very short space of time, **training** is increasingly becoming a strategic asset, not least to offset the gap between sector needs and the education system. To stay competitive, Hera needs to quickly respond to market changes by anticipating emerging trends and adapting its organisational models with a focus on the

human capital of the entire reference ecosystem. Change concerns every aspect, with a view of attracting talent and engaging, adopting new enabling practices for business agility. **Reskilling** is also a central issue for Hera as many professions involved in its various businesses are and will be subject to an evolution that must be anticipated and governed, also by seizing and exploiting the opportunities arising from the presence of old and new generations in the company. This said, Hera Group considers

the 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.

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. 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 2023 Hera provided **19,085 training hours on "Ethical values and corporate culture"** to prevent discriminatory behaviors and to promote Group's commitments and ethical responsibilities, to be implemented by the managers, the workforce and collaborators of the Group. All the new recruits and new employees are involved in **AlfabEtico** training sessions which are specifically dedicated to the Group's Code of Ethics to disseminate and enhance its principles.

Furthermore, since 2013 Hera has undertaken an intense program for raising awareness on the Code of Ethics, addressing 25-30 managers (management white-collars, middle managers and managers) by means of the **CSR seminars**. Some of these seminars are dedicated to the management of relations with suppliers in the event of anomalies and a number of articles of the Code of Ethics are part of the teaching materials.

## ANTI-SEXUAL HARASSMENT TRAINING

The **workplace harassment risk assessment** is a proactive and strategic process to prevent possible violations so in 2023, a document to assess the risk of harassment at the workplace was produced. Effective measures to prevent harassment and violence at the workplace can result from the effective adoption of company codes, the use of an organisational model that employs appropriate tools to detect, monitor and manage adverse events, and the implementation

of information and training programmes for 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 <i>hours</i>	2021	2022	2023
Sales and markets	9,924	17,559	11,758
Managerial	31,101	30,572	31,152
Quality, safety and the environment	96,206	80,457	76,386
<i>of which</i>			
Health and safety	<i>n.d.</i>	68,320	74,858
Quality and environment	<i>n.d.</i>	12,137	1,528
Information systems	26,582	33,794	33,114
Technical-operational	103,709	108,657	120,856
Ethical values and corporate culture	5,753	6,885	19,085
<b>Total</b>	<b>273,274</b>	<b>277,924</b>	<b>292,351</b>

TRAINING HOURS BY MANAGEMENT LEVEL <i>average hours</i>	2021	2022	2023
Average per capita	30.3	30.8	31.5
Managers	29.2	36.3	50.2
Junior and Middle managers	42.8	39.4	50.2
Non managerial employees	26.7	27.8	28.8
Blue-collar workers	33.8	33.8	31.7

TOTAL TRAINING HOURS BY GENDER <i>average, per capita</i>	2021	2022	2023
Women	25.2	27.1	29.2
Men	32.3	32.2	32.4
<b>Average</b>	<b>30.3</b>	<b>30.8</b>	<b>31.5</b>

TRAINING HOURS BY AGE	2021	2022	2023
<30	51	49	55.0
30-50	36	38	36.4
>50	21	22	21.9
<b>Total</b>	<b>30.3</b>	<b>30.8</b>	<b>31.5</b>

TOTAL TRAINING COSTS <i>average, per capita</i>	2021	2022	2023
Total training costs ('000 €)	2,057	1,866	1,949
Workforce attending at least one training course (n.)	8,704	8,718	9,136
<b>Total average cost per capita (€)</b>	<b>228</b>	<b>207</b>	<b>210</b>



## APPENDIX

### WOMAN STAFF

WOMEN STAFF breakdown by position, %	2021	2022	2023	2027	2030
Executives	22.1%	21.6%	22.2%	>24%	>26%
Managers	32.8%	33.6%	35.4%	>35%	>35%
<b>Total Executives and Managers</b>	<b>30.5%</b>	<b>31.1%</b>	<b>32.6%</b>	<b>33%</b>	<b>&gt;33%</b>
Managerial Employees	35.7%	36.2%	36.1%	>36%	>37%
<b>Total Executives and Managers and Managerial Employees</b>	<b>34.0%</b>	<b>34.5%</b>	<b>34.9%</b>	<b>&gt;35%</b>	<b>&gt;35%</b>
Non-managerial Employees	45.9%	46.4%	45.9%	>47%	>48%
<b>Total Employees</b>	<b>43.0%</b>	<b>43.6%</b>	<b>43.2%</b>	<b>&gt;44%</b>	<b>&gt;45%</b>
Manual Labourers	2.5%	2.4%	2.1%	>3%	>5%
Management positions in revenue-generating function	25.7%	26.6%	26.2%	> 27%	>29%
STEM-related positions	22.3%	32.1%	31.7%	> 32%	>35%
<b>Total Female Employees</b>	<b>27.3%</b>	<b>27.6%</b>	<b>27.5%</b>	<b>&gt; 29%</b>	<b>&gt;30%</b>

### SUSTAINABILITY KPI IN VARIABLE REMUNERATION

BREAKDOWN BY AREA	% VARIABLE REMUNERATION	NO. OF TARGET PROJECTS	NO. OF MANAGERS/MIDDLE MANAGERS INVOLVED
Creation of shared value (CSV) areas	24.0%	109	441
Other sustainability areas	16.0%	51	442
Total CSV and sustainability	40.0%	159	568





## APPENDIX

### GENDER PAY INDICATORS: SALARY BY GENDER

AVERAGE ANNUAL SALARY BY GENDER <i>Employee level/ year</i>	WOMEN	MEN
Executive level (base salary only)	213.919	211.958
Executive level (base salary + other cash incentives)	275.994	273.750
Management level (base salary only)	74.395	79.299
Management level (base salary + other cash incentives)	83.739	90.010
Non-management level (base salary only)	38.915	37.451

### NEW EMPLOYEE HIRES / PERCENTAGE OF INTERNAL HIRES

NEW HIRES / INTERNAL HIRES	2020	2021	2022	2023
Total number of new employee hires	584	661	684	1058
Percentage of open positions filled by internal candidates (%)	41	50	41	41
Average hiring cost/FTE (€)	372	379	372	400

### EMPLOYEES BY NATIONALITY

EMPLOYEES BY NATIONALITY	2021	2022	2023
Italian	94.0%	98.0%	98.3%
Bulgarian	1.6%	1.6%	1.3%
French	0.3%	0.2%	0.2%
Spanish	0.1%	0.1%	0.1%
Polish	0.1%	0.1%	0.1%
Albanian	0.4%	0.0%	0.0%

### MANAGEMENT BY NATIONALITY

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

### TURNOVER

GLOBAL VOLUNTARY TURNOVER RATE %	2021	2022	2023
Voluntary turnover rate	1.5%	2.2%	2.4%



## APPENDIX

### MOST RECENT ACTIVITIES CARRIED OUT BY HERA'S DIVERSITY TEAM

#### WORDS BRING UNION: QUESTIONS AND INSIGHTS ON INCLUSIVE LANGUAGE

Language can reinforce stereotypes or defeat them, it can discriminate or support us in making a significant leap towards equity, even in the workplace.

For this reason, Hera's DE&I team has been working on inclusive language to promote a

culture of equity and inclusion, starting with words. The goal is to address the many questions about the use of the "right words" and highlight their importance in laying a common foundation that supports a culture in which anyone can recognize themselves.

Through the analysis of internal communication tools, focus groups, and interviews, the document "[Words bring union: Questions and Insights on Inclusive Language](#)" has been produced (available in Italian only).



#### "WITH THE RIGHT WORDS: LANGUAGE, EQUITY, INCLUSION"

Early this year, in Bologna, the Diversity team organized this event to reflect on the importance of words and the role of institutions in promoting a culture of equity.

Experts, public institutions, companies, and a publishing house came together to discuss "the right words"—words

that promote equity and inclusion—and the role of institutions in supporting them.

On this occasion, the new **Diversity Hub community**, open to the entire company population, was also presented: a participatory space to share ideas, insights, and reflections on diversity, equity, and

inclusion within Hera and beyond. This community is an opportunity for dialogue and sharing. Colleagues are encouraged to actively participate in conversations with their own ideas, thoughts on proposed company projects, or by reporting external initiatives that might be of interest.



#### CALENDAR 2024, REMINDING US OF THE IMPORTANCE OF WORDS AND DIVERSITY

Twelve comics to counter stereotypes and prejudice and break down discrimination. Many verbal expressions can unintentionally hide prejudices or cause discomfort. Words reflect our culture and influence our thinking and relationships. That is why

they are so important.

Hera's **2024 calendar**, created from a Diversity Management project, helps us reflect on language and diversity, with the aim of strengthening the values of inclusion that have always distinguished Hera. Age, gender,

sexual orientation, ethnicity and social status are the themes addressed in 12 ironic comics illustrated by Cristina Portolano, depicting slices of everyday life in which all of us, at least once, have certainly stumbled.



## Greetings from the Executive Chairman and the CEO



Hera Group's desire to keep 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.

Our inclusion for several years in both the Top100 of Diversity & Inclusion Index and the Bloomberg GEI enhance the visibility of the good quality of our strategic choices.



The "Gender Equality certification" obtained in 2023 is one further 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 our 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.

## HERA GROUP

The first Italian coalescence of municipally owned companies that — adopting a **multi-business approach** oriented to the **creation of shared value** for all stakeholders— manages the supply of **energy, water and environmental services**, as well as **public lighting** and **telecommunications** to citizens and businesses.

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**.

Within the national context, the prime position of our Group can be detected from its statistics: more than **9,500 employees** work to offer tailor-made services for customers and businesses, and to meet the needs of **over 4 million citizens in 311 municipalities** located in **Emilia-Romagna, Veneto, Friuli-Venezia Giulia, Marche and Tuscany** regions.



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