

Stakeholder Engagement Guidelines

Hera's mission is to be the best multi-utility in Italy for its stakeholders. It aims to achieve this through further developing the original corporate model capable of innovation and of forging strong links with the areas in which it operates by respecting the environment.

To do that, Hera uses its range of actions to promote an active role for individuals, both inside and outside the Company. In fact, it is exactly by focusing on People and promoting their rights, dignity and prospects that the Hera Group accompanies its stakeholders in their energy and environmental transition process, so that they can play an active and favourable role in achieving the Group's sustainability objectives and those of the territories in which it operates.

As a confirmation of this, during the 28 April 2021 shareholders' meeting, Hera modified its Statute defining its **Purpose**: *"The Company's business model aims at creating long-term value for its shareholders through the creation of a shared value with its stakeholders. For this purpose, the Company organises and carries out its business activities also in order to promote social equity and contribute to achieving carbon neutrality, the regeneration of resources and the resilience of the services system managed for the benefit of customers, the ecosystem of its territory and future generations. (Hera for the Planet, People and Prosperity)."*

Hera's stakeholders

Hera's significant commitment to stakeholder engagement is an integral part of its strategy and the Group's business management.

Each category of stakeholder identified has specific interests and priorities and is the recipient of targeted dialogue and engagement initiatives. These initiatives allow to consider any requests and suggestions, activating the appropriate tools for participation and information regarding company prospects, initiatives and decisions.

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

- **Workers**: annual meeting with the CEO and the Chairman, biennial employee satisfaction survey, performance dialogue between manager and employee as part of the development process, participation in the regular updating of the Code of Ethics;
- **Customers**: annual customer satisfaction survey, customer service, meetings with local and national consumer associations, Alternative Dispute Resolution (ADR) arbitrations, dialogue with vulnerable customers;

- **Shareholders and financial community:** financial roadshow with top management, roadshow pre-Annual General Meeting period, support to analysts and ESG analysts, participation to brokers' conferences;
- **Suppliers:** meetings with the main trade associations, meetings held with representatives of social cooperatives, Voice of Supplier survey, capacity building programme (Hera_Pro_Empower), participation in the drafting of the Supplier Code of Conduct, involvement in the collection of data useful for Sustainability Reporting (inflows, accidents), interviews with workers as part of supplier control audits;
- **Local community:** multi-stakeholder councils (HeraLAB), web portal for consumer associations, meetings with consumer associations, including vulnerable groups (national, regional, provincial and local associations), guided tours of waste treatment and recovery plants, Hera Group's communication on the local, regional and national news media;
- **Public administration:** relations with partner Municipalities and with Local Authorities through Hera's Area Managers.

For further information, please refer to Hera's latest [Consolidated Financial Statements](#) (including the Sustainability Statement).

Stakeholder engagement governance and responsibilities

Hera's significant commitment to involving stakeholders is by now part of the operational structure of the Departments that deal with the relations with various stakeholders. In particular:

- Personnel and Organisation Department is in charge of organisational policies and human resources development;
- Market Department is in charge of energy customer engagement and customer relationship management;
- the Networks Department and the Waste Services and Fleets Department are in charge of gas and electricity distribution, water and environmental services customers engagement;
- Herambiente is in charge of the engagement of customers of industrial waste treatment, recovery and remediation services;
- Investor Relations Department is in charge of shareholders and financial community engagement;
- Corporate Services Department is in charge of suppliers engagement;
- Relations with Local Authorities Department is in charge of local community and authorities engagement;
- Communication and External Relations is in charge of local, regional and national news media relations.

The Shared Value and Sustainability Department reports on stakeholder engagement activities in Hera's Sustainability Statement annual report.

For further information, please refer to our latest [Consolidated Financial Statements](#) (including the Sustainability Statement) and Hera's [Management structure](#).

Basic Principles

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

In particular, stakeholder dialogue and involvement is inspired by:

- the ethical value **Transparency**: *"Hera is committed to keeping all stakeholders clearly, fully and rapidly informed as to all actions at every corporate level. It shall provide this information fully, with all due clarity, in a timely manner. For Hera, being transparent means adopting management tools open to dialogue with its interlocutors with the aim of corresponding to the expectations concerning information and knowledge of the economic, social and environmental impacts of its corporate activities. (Sincere, clear messages to all stakeholders)."*;
- the principle of operation **Engagement and valorisation**: *"Hera is committed to making the most of everyone's experience and developing their skills, to promoting cooperation and the exchange of knowledge, so that work becomes a source of satisfaction and pride for people, as well as an important factor for the success of the company. Conduct in keeping with the mission and values will be rewarded. Hera plans to promote, through a culture of communication, the spread of information, along with the spirit of belonging to a single and integrated group. (Sharing knowledge for self-improvement and overall improvement)".*

Furthermore, two of Hera's general aims described in the Code of Ethics are specifically referred to the stakeholder engagement process:

- **Commitment to dialogue**: *"Hera establishes a constructive dialogue with its stakeholders and their representatives, respecting their mutual interests. All those involved are required to respond to requests for dialogue"*;
- **Collaboration and cooperation**: *"Hera recognises the value of collaboration and cooperation between employees, the company's various structures and between Hera and its related parties, all of which is considered fundamental in creating shared value and fully implementing this Code."*

Finally, in every chapter of the Code of Ethics referring to stakeholders (customers; employees and associates; shareholders and the financial market; suppliers; local area, the community and the institutions) there are articles that address stakeholder engagement:

- **Consideration for customer needs** (art. 19): *"Hera is committed to satisfying actual and potential customers, and bases its relationship with them on skills, willingness to help, respect, courtesy and sensitivity towards diversity. It promotes and adopts policies aimed at communications and dialogue, and tools that ensure rapid and high-quality information and communication, in*

order to increase the level of mutual cooperation and the quality of services. Hera gives consideration to its most vulnerable customers and introduces initiatives dedicated to them, seeking cooperation with other organisations.”;

- **Listening, dialogue and involvement** (art. 32): “Hera promotes a working environment based on communications, listening and involvement. In particular, it:
 - provides tools suitable for collaboration and cooperation and promotes their use,
 - reports regularly on results and objectives,
 - clearly defines roles,
 - encourages everyone’s contribution to innovation and problem solving,
 - activates periodic surveys on the corporate climate and strives to improve it,
 - promotes the adoption of exemplary behaviour and positive attitudes,
 - informs, involves and listens even at critical moments.”;
- **Dialogue with investors and the financial market** (art. 42): “Hera is aware of the importance of establishing a relationship based on trust with investors, market operators and the sector media, through behaviour inspired by transparency and continuous, timely and clear communications. To this end, Hera creates an ongoing dialogue with investors and the entire financial community, especially through specific parts of its website and publications, periodically presenting its results and its business plan. Hera furthermore encourages direct meetings through the figure of the Investor Relations Manager, who coordinates and manages all communications pursuant to the previous article. The Chairman of the Board of Directors oversees the correctness of this information.”;
- **Relations with suppliers and social responsibility in tenders** (art. 48): “Hera’s board members and employees behave towards actual and potential suppliers with integrity. Hera’s conduct in the procurement of goods, services and works is focused on the recognition of equal opportunities for each supplier and a search for cost containment, quality and sustainability in the performance. Hera is committed to developing cooperative relations with suppliers, based on a mutual exchange of skills and information, accompanying them in the creation of shared value. Situations of subordination, either for Hera or the supplier, are to be avoided. Hera is committed to implementing and promoting specific social responsibility initiatives in its tenders.”;
- **Integrity and collaboration in relations with institutions** (art. 59): “Hera develops relations based on collaboration and communication with local institutions, which concern exclusively:
 - the situation and changes of regulations,
 - Hera’s activities.Hera’s administrators and employees interact with institutions showing integrity and refuse any undue form of pressure which might procure advantages for the company. Hera adopts a specific organisational model for preventing crimes against the public administration. Hera is also committed to

collaborating with institutions in working towards regulations which, aimed at the wellbeing of the local area, guarantee the sustainability of the services managed.”;

- **Commitment to sustainability along with communities** (art. 61): *“Hera intends to contribute to the ecological transition and is committed to giving due regard to the life of the communities in which it operates, listening to their suggestions. To this end, it sets up:*
 - *informational, listening, consultation and participatory initiatives, adopting specific tools, with particular regard to those communities which are located in the vicinity of its present and future plants,*
 - *collaborations that can generate environmental, social and cultural benefits.*

Hera seeks the cooperation of residents and supports their positive behaviour.

This sixth edition of the Code was approved by the Hera S.p.A.’s Board of Directors on 8th February 2021.

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

Scope of application

These Guidelines are applicable to all Hera Group companies and subsidiaries, encompassing all recipients and following the terms and conditions outlined in Hera’s Code of Ethics.

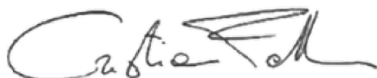
Suppliers are encouraged to adhere to the principles of these Guidelines, including through the recent Code of Conduct for Suppliers (“Sustainability Pact”) built with suppliers, which provides duties, requirements and good practices to grow and generate value with sustainability and become even more competitive.

The approval and oversight of these Guidelines is a responsibility of the Board of Directors.

Grievance mechanism

Stakeholders can directly contact the specific Department responsible for their listening and engagement (See “Stakeholder engagement governance and responsibilities” paragraph). Please see specific contacts in the [Hera Group website](#).

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



Cristian Fabbri

Executive Chairman



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