

Corporate governance  
report 2024

# CG/24



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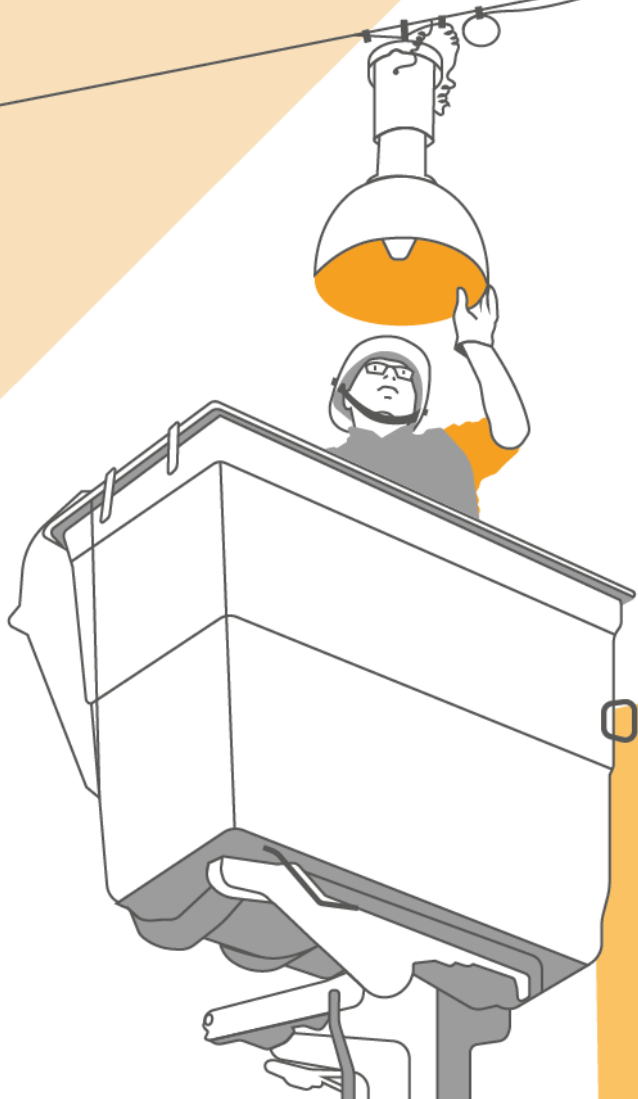


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# CORPORATE GOVERNANCE REPORT



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## 1.0 Issuer profile

The Hera Group was founded in 2002 as the integration of 11 Emilia-Romagna public service companies, and in the subsequent years continued its geographical growth in order to expand its core business, in particular through the subsequent merger of important companies (Agea Spa, Meta Spa, Sat Spa, Acegas Aps Spa and Amga Azienda Multiservizi Spa), and most recently through its partnership with Ascopiave Spa in the commercial energy sector.

Hera is one of the leading Italian multi-utilities in the environmental services, water, gas and electricity businesses, with more than 9,000 employees, counting both open-ended and fixed-term contracts. The Company, the majority of whose share capital is owned by the state, has been listed on the Mercato Telematico of Borsa Italiana Spa.A. since 26 June 2003 and operates mainly in the Emilia Romagna region in the territories of Bologna, Ravenna, Rimini, Forlì, Cesena, Ferrara, Modena, and Imola as well as the Veneto, Friuli-Venezia Giulia, Marche and Abruzzo Regions. Hera is an Issuer that uses the traditional governance system and its organisational structure is versatile and capable of adapting to an economic, business and regulatory, technological, environmental and human capital context that is increasingly volatile and affected by significant changes.

The Hera Group's entrepreneurial and organisational model, unique in this sector, makes it possible to combine strong territorial roots with the need to grow in size and value, in order to offer increasingly efficient services while remaining open to new partners. Since its inception, Hera has developed a trajectory of growth both organic and along external lines.

Its development strategy entails actions to support organic growth in the businesses already served, but also consolidation and acquisition operations to expand the current perimeter of operations, maintaining the Group's solid financial structure in the context of a shared industrial vision.

On the internal front, Hera addresses all possible opportunities for developing activities in its businesses, leveraging innovation, efficiency and excellence.

The strategy for external lines of growth is based on three cornerstones:

- merger and consolidation operations with other multi-utilities, an activity in which the Group has a long track record of success;
- the acquisition of assets in the individual supply chains served, with the aim of accelerating the growth of the customer base and the completion of the plant-industrial assets;
- participation in tenders for the award of concessions for the operation of regulated services.

Over the years, the Hera Group has, however, implemented a plan to rationalise its shareholdings, reducing their number significantly and more effectively merging the various companies by business area and geographical contiguity.

Hera is also committed to acting every day to enhance the experience and develop the skills of its employees, and to promote cooperation and the exchange of knowledge, so that work is a source of satisfaction and pride for everyone involved as well as an important factor for the success of the company.

Hera's goal is to become the best multi-utility in Italy for its customers, workforce and shareholders. It aims to achieve this through further development of an original corporate model capable of innovation and of forging strong links with the areas in which it operates, while respecting the local environment.

As early as 2003, Hera included Corporate Social Responsibility in its strategy, a concept which has since evolved into the broader perspective of shared value, understood as a tool for increasing competitiveness and a key factor for achieving sustainable success, in keeping with the guidelines identified by the United Nations.

During the shareholder's meeting of 28 April 2021, Hera amended Article 3 of the Articles of Association, integrating it with the corporate purpose that the Company aims to achieve in carrying out its business activities.

Therefore, by making this aim explicit, the Company has confirmed and outlined its commitment to developing a business model geared towards creating value for its shareholders by creating shared value together with its stakeholders.

In this regard, as more fully detailed in the sustainability reporting pursuant to Legislative Decree 125/2024, available on the website [www.gruppohera.it](http://www.gruppohera.it) in the "Investors Section", Hera organises and carries out its business activities also with the aim of fostering social equity and contributing to the achievement of carbon neutrality, the regeneration of resources and the resilience of the managed services system for the benefit of customers, the reference territorial ecosystem and future generations.

In compliance with Principle I of the Corporate Governance Code referred to below, therefore, Hera means to reaffirm its commitment to corporate social responsibility and sustainability, principles that have constituted a distinctive factor of the Company's relationship with all its stakeholders since its establishment, with the awareness that the points of intersection between business activities and the local ecosystem represent opportunities for the creation of shared value and, therefore, of lasting prosperity for the Group. In this respect, Hera was the first Italian multi-utility to be included in the Dow Jones Sustainability Index, a global stock market index for assessing social responsibility.

Hera has further strengthened its commitment to the energy transition and circular economy through innovation and digitalisation, as well as its engagement in promoting social equity. Hera believes that creating shared value in these

areas represents a guarantee for achieving its “Purpose” and for continuing to act as a company capable of “leaving a mark and not a footprint”, prioritising the three parameters of “Planet, People and Prosperity” at the top of its business model as the fundamental rationale behind its development.

The Mission and Values outline the guidelines for corporate behaviour already contained in the Code of Ethics and shape every action taken by and relationship maintained by the Group. Mission, values and shared conduct represent the strategic and cultural framework within which the business plan is formulated, results are reported transparently through its sustainability reporting, and economic planning is defined on an annual basis.

Hera pays special attention to dialoguing with its stakeholders and the local area in which it operates, consolidating positive results achieved in terms of creating value and demonstrating the Group’s ability to grow despite the current complex economic conditions.

The Board of Directors is guided in its activities by the pursuit of sustainable success and is supported in this by the Ethics and Sustainability Committee, which has the task, among others, of supervising the sustainability aspects of the company’s business.

It should be noted that, in 2024, the Board of Directors approved the Climate Transition Plan, with which Hera is committed to achieving Net Zero emissions by 2050. With such a process, the Hera Group will enrich its strategy towards sustainable development, aligning it with the new decarbonisation demands coming from the external context, allowing it not only to effectively respond to global environmental challenges, but also to boost its competitive position and create long-term value for all stakeholders.

Hera Spa falls, according to the Corporate Governance Code’s classifications, within the sphere of large companies with unconcentrated ownership, having recorded a capitalisation of more than 1 billion euro on the last trading day of the years 2022, 2023 and 2024.

Also note that, with regard to the organisational structure of the Company with indications of its top management, all information can be found on the website [www.gruppohera.it](http://www.gruppohera.it) under the section group/about us/organisational structure.

## 2.0 Information on the ownership structure (pursuant to Art. 123-bis para. 1 (a) of the Consolidated Finance Act (hereinafter TUF) at 26 March 2025

### (a) Share capital structure (pursuant to art. 123-bis (paragraph 1(a), TUF)

The share capital is EUR 1,489,538,745, fully subscribed and paid-up and is represented by 1,489,538,745 ordinary shares with a nominal value of EUR 1 each.

Share capital structure:

TYPE OF SHARES	NUMBER OF SHARES	NUMBER OF VOTING RIGHTS	LISTED	RIGHTS AND OBLIGATIONS
Ordinary shares	749,718,330	749,718,330	Mta (screen-based stock exchange) Italian Stock Exchange	Ordinary shares grant their holders the patrimonial and administrative rights provided for by law
Ordinary shares with enhanced voting rights	739,820,415	1,479,640,830	Mta (screen-based stock exchange) Italian Stock Exchange	Ordinary shares that have been registered for a continuous period of at least 24 months in the special list shall also entitle the holder to cast two votes for each share held in Shareholders meeting resolutions concerning: i) the amendment of Art. 6.4 and/or 8 of the company bylaws, ii) the appointment and/or dismissal of the Board of Directors or its members, iii) the appointment and/or dismissal of the Board of Statutory Auditors or its members.
<b>Total</b>	<b>1,489,538,745</b>	<b>2,229,359,160</b>		

### b) Restrictions on the transfer of securities (pursuant to Art. 123-bis, subsection 1, letter b), TUF)

Art. 7 of Hera’s Articles of Association provides that the majority of the voting rights of the Company are held by Municipalities, Provinces, Consortia established pursuant to art. 31 Legislative Decree 267/2000 or to other bodies or public authorities, or to Consortia or limited companies of which Municipalities, Provinces, Consortia constituted pursuant to art. 31 Legislative Decree 267/2000 or other public bodies or authorities also indirectly hold the majority of the share capital. Art. 8.5 of the Articles of Association provides, for each of the shareholders other than those indicated above, that the right to vote cannot be exercised for shareholdings exceeding 5% of the capital of the Company.

**c) Significant equity interests (pursuant to art. 123-bis, paragraph 1, letter c), TUF)**

The persons who participate, directly or indirectly, in an amount exceeding 3% of the share capital of the Company represented by shares with voting rights, are the following, based on the communications made pursuant to art. 120 TUF, as well as any additional data held by the Company:

DECLARER	DIRECT SHAREHOLDER	% OF THE SHARE CAPITAL	% OF VOTING SHARE CAPITAL
Municipality of Bologna	Municipality of Bologna	8.402%	8.402%
Municipality of Imola	Con.Ami	7.293%	7.293%
Municipality of Modena	Municipality of Modena	6.519%	6.519%
Lazard Asset Management LLC	Lazard Asset Management LLC	5.043%	5.043%
Municipality of Ravenna	Ravenna Holding Spa	4.916%	4.916%
Municipality of Trieste	Municipality of Trieste	3.731%	3.731%
Municipality of Padua	Municipality of Padua	3.097%	3.097%

**d) Shares conferring special rights (pursuant to art. 123-bis, subsection 1, letter d), TUF)**

The Shareholders Meeting of 28 April 2015 resolved to introduce art. 6 of the Articles of Association of the institution of increased voting, pursuant to which the subjects who are registered for a continuous period of at least 24 months in the special list established from 1 June 2015, will be entitled to two votes for each share held in the resolutions of the Shareholders meeting concerning: i) the amendment of articles. 6.4 and/or 8 of the Articles of Association, ii) the appointment and/or dismissal of the Board of Directors or its members, iii) the appointment and/or dismissal of the Board of Statutory Auditors or its members.

On 13 May 2015, Hera's Board of Directors, in order to regulate the criteria and procedures for keeping the special list, approved the regulation of the special list for entitlement to the benefit of the increased vote, in implementation of the provisions of applicable legislation and Hera's Articles of Association.

**e) Restrictions on voting rights (pursuant to art. 123-bis, paragraph 1, letter f), TUF)**

Art. 8.6 of the Articles of Association provides that the voting rights of persons, other than public entities, who hold a shareholding in the share capital of more than 5% shall be reduced to a maximum of 5%.

**f) Shareholders agreements (pursuant to article 123-bis, paragraph 1, letter g) of the TUF)**

In accordance with Article 122 of the TUF, the following Shareholders agreements are in existence:

- First-level Shareholders Agreement, between 111 public shareholders, concerning the procedures for exercising voting rights and the transfer of the shareholdings held in Hera by members, renewed on 23 May 2024, with a duration of three years, from 1 July 2024 to 30 June 2027, in continuation of the previous agreements, in particular the one entered into on 28 April 2021 effective from 1 July 2021 until 30 June 2024, of which the existing structures and balances expressed in that agreement are maintained unchanged;
- Second-level Shareholders agreement between 34 public shareholders of Hera, belonging to the Bologna area, concerning the regulation of the exercise of voting rights, the transfer of shareholdings held in Hera by the adherents, as well as the designation of members of the Board of Directors, entered into on 4 June 2024 and with a duration of three years, from 1 July 2024 to 30 June 2027, as a continuation of the previous agreements, in particular the one entered into on 10 February 2022 effective until 30 June 2024, of which the existing structures and balances expressed in that agreement are maintained unchanged;
- Second-level Shareholders agreement between 42 public shareholders of Hera, belonging to the Romagna area, concerning the procedures for consultation and joint decision-making by the parties in relation to their shareholding in Hera, as well as the procedures for the circulation of the shares bound by this agreement, entered into on 8 June 2024, with a duration of three years, from 1 July 2024 to 30 June 2027, as a continuation of the previous agreements, in particular the one entered into on 27 May 2021 and effective until 30 June 2024, of which the existing structures and balances expressed in that agreement are maintained unchanged;
- Second-level Shareholders agreement between 20 public shareholders of Hera, belonging to the Modena area, concerning the regulation of the exercise of voting rights, the transfer of shareholdings held in Hera by the adherents, as well as the designation of members of the Board of Directors, entered into on 21 June 2021 and with a duration of three years, from 1 July 2021 to 30 June 2024, as a continuation of the previous agreements, in particular the one entered into on 26 June 2018 effective from 1 July 2018 until 30 June 2021, of which the existing structures and balances expressed in that agreement are maintained unchanged
- Sub-agreement between the municipalities of Padua and Trieste, having as its object the constitution of a consultation and voting syndicate functional for the realization of some provisions regarding the corporate governance of Hera in implementation of the provisions of the first level Shareholders Agreement, stipulated on 5 June 2024 with a duration of three years from 1 July 2024 to 30 June 2027, in continuation of the previous



agreements, in particular the one entered into on 12 July 2021 of which the existing structures and balances expressed in that agreement are maintained unchanged.

The main identifying elements of the aforementioned Agreements can be found in the “Governance Section/ Shareholders Agreements Disclosures” section of the company's website at [www.gruppohera.it](http://www.gruppohera.it)

### 1) First-level Shareholders Agreement

The Agreement concerns 682,478,194 shares assigned to the Voting Trust, corresponding to 45.81809% of Hera share capital, 1,354,652,511 voting rights assigned to the Voting Trust, corresponding to 60.76421% of the total voting rights that make up the share capital and 571,257,152 blocked shares corresponding to 38.35128% of the share capital.

### Content and bodies of the Agreement

#### Voting Trust

In order to implement the decisions of the Voting Trust, the Parties established a voting trust deliberative body (the Voting Trust Committee) composed as follows: a member designated by the Municipality of Bologna, to whom seven votes are assigned, a member designated by the minor shareholders of the Bologna area, to whom two votes are assigned, a member designated by Holding Ferrara Servizi Srl, to whom one vote is assigned, a member designated by Ravenna Holding Spa, to whom five votes are assigned, a member designated by CON.AMI, to whom six votes are assigned, one member designated by Rimini Holding Spa, to whom one vote is assigned, one member designated by the Municipality of Cesena, to whom one vote is assigned, one member designated by the shareholders of Modena, to whom six votes are assigned, one member designated by the Municipality of Padua, to whom three votes are assigned, one member designated by the Municipality of Trieste, to whom three votes are assigned, and one member designated by the Municipality of Udine, to whom two votes are assigned.

For the duration of the Agreement, the number of votes assigned to each principal shareholder through its committee member is allocated on the basis of one vote for each 1% of blocked shares held, rounded down if the surplus was less than 0.50%, or up if the surplus was equal to or greater than 0.50%, of the blocked shares. The percentage of blocked shares is calculated as follows:

$$\% \text{ shares blocked} = \frac{\text{number of shares blocked by main shareholder}}{\text{Hera share capital}} \times 100$$

The number of votes cast by each of the main members was verified at the opening of the first meeting of the Committee and definitively ascertained by the Chairman of the Committee.

The Voting Trust Committee remains in office until the end of the Agreement.

Decisions will be made through a yes-vote by at least 65% of the total votes assigned to the members of the Voting Trust Committee present at that meeting, except for decisions for which the Agreement requires a different majority.

The Voting Trust Committee will meet at least one day prior to:

- (i) any meeting of the shareholders that includes any of the following items on its agenda:
  - 1) liquidation of the Company;
  - 2) merger or demerger of the Company;
  - 3) amendments made to Articles 6 (“Shares and Increased voting rights”), 7 (“Public majority shareholding”), 8 (“Limits on shareholdings”), 14 (“Validity of Shareholders Meetings and rights of veto”) 17 (“Appointment of the Board of Directors”), 21 (Validity of resolutions), and 23.4 (Exercise of powers - matters falling within the exclusive competence of the Board of Directors) of the Articles of Association.

The Parties undertake to ensure that their vote at the Shareholders Meeting conforms to the resolutions adopted by the Voting Trust Committee and indicated in this section (i). In the event that a vote in favour of the resolution to be adopted pursuant to this Paragraph (i) is not reached in the Voting Trust Committee, every Party to the Agreement shall express a vote in the Shareholders Meeting against the adoption of that resolution.

- (i) any meeting of the Board of Directors that includes any of the following items on its agenda:
  - 1) the establishment of the Hera Executive Committee, whose powers will be determined by the Board of Directors. The Executive Committee will be composed of the Chairman, the CEO, the Vice-Chairman and a Director appointed jointly by the Municipality of Padua and the Municipality of Trieste;
  - 2) within the limits of the law and the Articles of Association, the appointment (i) of the Chairman of the Board of Directors, who will be appointed on recommendation by the Shareholders of the Romagna Territorial Area; (ii) of the Chief Executive Officer, who will be appointed on recommendation by the Shareholders of Bologna. The Shareholders of the Romagna Territorial Area and the Shareholders of Bologna will consult each other before proceeding to appoint the Chairman and the Chief Executive Officer; (iii) the Vice Chairman of the

- Board of Directors will be appointed - within the limits of the law and the Articles of Association - from among the members indicated by the Municipality of Modena;
- (ii) the deadline for the submission of the List of Directors and the List of Statutory Auditors.

The Voting Trust Committee shall meet: (i) at least once a year, by the date of the Hera Shareholders Meeting convoked to approve the financial statements, in order to verify any plans for the sale of Hera Shares not subject to the voting trust blocking provided for by each Party; (ii) whenever one or more members of the same make a written request to the Chairman of the Voting Trust Committee.

In addition, the Voting Trust Committee shall be responsible for:

- a) the collation and formation of the List of Directors. The number of members to be included in the List of Directors indicated by each group of contracting parties is allocated on the basis of one member designated for each 3% of shares blocked by that group of contracting parties, and therefore, the list of Directors will be composed as follows: three members designated by the Shareholders of Bologna and Municipality of Ferrara, also in the interest of the Shareholders of Ferrara; four members designated by the Shareholders of the Romagna Territorial Area; two members designated by the Municipality of Modena, also in the interest of the Shareholders of Modena; one member designated by the Municipality of Padua; and one member designated by the Municipality of Trieste;
- b) the collation and formation of the List of Statutory Auditors. The List of Statutory Auditors shall indicate as many candidates as there are members of the Board of Statutory Auditors, to be elected by the majority, and shall be determined according to the following procedures: a) the Shareholders of Bologna and the Municipality of Ferrara, also in the interest of the Shareholders of Ferrara, shall have the right to designate the candidates to be included in the second and third places on the list (one Statutory Auditor and one Alternate Auditor); b) the Shareholders of Romagna Territorial Area shall have the right to designate the candidate to be included in the first place on the list (one Statutory Auditor);
- c) the resolution to request the penalty to be paid by the defaulting Party; the main shareholder accused of such a default shall not be allowed to participate in the discussion and shall not have the right to vote on the respective resolution;
- d) resolutions concerning the coordination and execution of plans to sell the shares as well as the related preparatory and consequent acts, with all the widest powers to implement them, also invested in the person of the Chairman individually or jointly with other members of the Voting Trust Committee, including, among other things, the power to carry out in the name and on behalf of the Selling Parties procedures for the selection of consultants, placement agents, trust companies and to identify, negotiate, sign and, if necessary, modify the relative contracts, commitments and mandates in the name and on behalf of the Selling Parties, as well as to implement them.

### **Stock Blocking Syndicate**

The Parties undertake and agree, for the entire duration of the Agreement, not to transfer the shares allocated to the Blocking Syndicate (the blocked shares). Under the terms of the Agreement, Transfer or To transfer refers to any legal transaction, even free of charge (including sale, donation, exchange, contribution to a company, forced sale, block sale, merger, demerger) that has the direct or indirect result of transferring to third parties ownership or bare ownership of the shares or investing third parties with real rights (pledge and usufruct) on the Shares in the event that the voting right belongs to the pledgee or usufructuary.

The Parties undertake to maintain on the list established by Hera in accordance with Article 6.4 of the Hera Articles of Association (the Special List) the number of blocked shares determined in each instance pursuant to the Agreement. The Parties may also register in the Special List a greater number of shares than the number of blocked shares. The Agreement identifies the number of shares blocked for the entire duration of the Agreement with respect to each Party.

The Parties have agreed that, in any event, the total number of blocked shares may not be less than 38% of the share capital of Hera until the expiration of the Agreement. If the total number of blocked shares does not comply with the above-mentioned indefectible condition, the Parties, for this purpose, grant the Chairman of the Committee a mandate to adjust, without delay and on the basis of a principle of proportionality, the number of blocked shares. If the above condition is not satisfied due to the non-performance of a Party, the provisions relating to non-performance and penalties shall apply.

The contracting Parties will be free to transfer blocked shares to public shareholders (Municipalities, Consortiums established in accordance with Article 31 of Legislative Decree 267/2000, or to other Public Authorities, or consortiums or joint-stock companies of which Municipalities or Consortiums established in accordance with Article 31 of Legislative Decree 267/2000 or other Public Bodies or Authorities hold, even indirectly, the majority of their share capital), including the other Parties, or to consortia formed between public bodies or to companies with share capital, also in consortium form, controlled by a Party to the Agreement, also jointly with other Parties to the Agreement, on the condition that the aforesaid company, at the time of the transfer made in its favour, has adhered to the Agreement. The Parties shall be free to transfer, even to third parties, the option rights to the blocked shares. Transfers of blocked shares will be permitted only on the condition that the transferring entity, by the date of the Transfer made to it, has entered into the Agreement by accepting it in writing and allocating the transferred shares to the Blocking Syndicate.

Each Party undertakes to inform the Chairman of the Syndicate Committee in writing, in a timely manner and in any case no later than the fifth day following the transfer, of any change in the blocked shares held by that Party.

The non-transferability constraint applies only to blocked shares. In any case, the Parties undertake to sell, in an orderly manner, the shares other than the blocked shares which they intend to transfer in order to allow a smooth negotiation, in particular: a) each Party that intends to make sales on the stock market (without prejudice to the prohibition on selling blocked shares), for a total amount greater than three million shares in each calendar year, undertakes to coordinate in advance with the Committee, and its Chairman on its behalf, during the annual meeting and, where appropriate, also to request further meetings, and to implement a method of sale completed through a single transaction; b) if at the annual meeting: (i) the total number of shares to be offered for sale, even individually, is greater than ten million shares, the sale will proceed in a coordinated way; (ii) the total number of shares to be offered for sale does not exceed ten million shares, each Party may proceed with the sale independently, without prejudice to the provisions outlined under point a) above.

The annual meeting will also be aimed at verifying whether the intentions of each Party to sell shares are lower than the number of shares held by that Party not subject to the Blocking Syndicate. In this case, extra shares not already subject to the Blocking Syndicate may be subjected to the Blocking Syndicate and the shares of other parties to the Agreement that need to be disposed of may be unblocked. Coordination will be carried out by the Committee on the basis of the principle of proportionality. Once shared, changes to the number of shares subjected to the Blocking Syndicate will be incorporated into the Agreement, it being understood that the total number of blocked shares may not be changed except as provided for in the preceding sections.

Each Party has the right to transfer, for any reason whatsoever, its shares to any joint-stock company, even in consortium form, controlled by itself or jointly with other Parties, provided that the aforesaid company, at the time of the transfer made in its favour, has adhered to the Agreement. In this case, all the rights and obligations of the Parties will be placed in the hands of the transferee company, without prejudice to the obligation of the Party to the Agreement that made the transfer to then repurchase a number of shares equal to those transferred, if the company (i) is no longer controlled by the transferor, or (ii) the controlled company is subject to bankruptcy proceedings of any kind, or (iii) in the event of a merger, demerger or any other form of transformation of the controlled company.

For the entire duration of the Contract, the Parties undertake not to set up, directly or indirectly, including through third parties or through subsidiaries and/or connected parties or with third parties acting in concert with them, as defined in article 109 of the TUF, acts and/or facts and/or transactions, including transfers, which involve or may involve the obligation to make a mandatory public offer for the purchase of Hera shares ("OPA"). The defaulting Party shall take all necessary and appropriate actions to remedy the occurrence of OPA and, where possible, benefit from the exemptions provided for by applicable legislation, for example it shall undertake to transfer the shares to unrelated parties, or reduce the excess voting rights within 12 months and not to exercise these rights pursuant to letter e) of Article 49, paragraph 1) of the Issuers' Regulations and/or it must waive the allocation of the increased voting rights pursuant to and within the terms of applicable legislation.

### **Bodies of the Agreement**

In addition to the Voting Trust Committee, the bodies of the Agreement are the Chairman and Secretary.

#### **Chairman**

The Voting Trust Committee is presided over by the Committee Chairman or, in his/her absence, the oldest individual among its members. The Chairman is assisted by the Secretary. In its first meeting, the Voting Trust Committee will appoint the Chairman, to be the person who, among the members of the Committee, has obtained the highest number of overall votes assigned to the members of the Committee present at that meeting. The Chairman performs the following tasks: a) convenes and chairs the Committee, preparing the agenda; b) carries out all the activities entrusted to him by the Committee and by the Agreement; and c) adjusts the Agreement and its Annexes by removing from the text the names of persons who may not have signed the Agreement, and making any further changes that follow from this.

#### **Secretary**

In its first meeting, the Voting Trust Committee shall appoint a Secretary, whether or not he/she is a member of the Voting Trust Committee who, unless the position is revoked or resigned, shall remain in office for the entire duration of the Agreement. The Secretary shall be responsible for the following tasks: a) preparing the minutes of the meetings of the Voting Trust Committee; b) keeping the minutes of the meetings of the Voting Trust Committee; c) performing all the operational and executive functions necessary for the proper functioning of the Agreement, in support of the activities of the Voting Trust Committee and the Chairman, assigned to him/her by the Chairman.

### **Nature of the Agreement and persons exercising control over the Company through the Agreement**

In view of the above, it is considered that the Agreement is material pursuant to article 122, paragraph 5, letters a) and b) of the TUF.

In view of the nature of the Agreement and by virtue of its provisions, no person is in a position to exercise control over Hera.

### Penalties

The Party that is in breach of certain provisions of the Agreement shall be liable to pay a penalty of (a) 5 million euro or (b) the lesser value to be calculated as follows: number of shares held by the Party that is in breach at the time of the breach, multiplied by three times the value of the share resulting from the arithmetic mean of the official stock exchange prices of the security during the 15 trading days prior to the date of the breach.

The amount referred to in this paragraph, point (b), may not be less than 3 million euro and, therefore, if application of the above calculation results in less than this amount, the penalty will be 3 million euro.

This is without prejudice to the right of each of the non-defaulting parties to bring a lawsuit for damages. The penalty shall be requested and collected, upon a resolution by the Voting Trust Committee made without the vote of the defaulting party, by the Chairman of the Voting Trust Committee in the name and on behalf of the non-defaulting parties and shall be paid to the non-defaulting parties in proportion to the shares held by each of them.

If, as a result of breaches of the provisions of the Agreement, one or more Parties, individually or jointly, become obliged to launch a takeover bid, the defaulting party(ies) shall indemnify and hold harmless the other Parties from all costs, expenses, charges, liabilities and damages related to or otherwise arising from such conduct, including those relating to the mandatory public tender offer for the Company's shares and related payment obligations. In addition, in such a case, the amount of the applicable penalty referred to in points (a) to (b) shall be applied in duplicate, except in the case of greater damages. This penalty shall be applied, for the entire duration of the Agreement, in the event of a breach of the prohibition on the transfer of blocked shares resulting in a reduction in the total number of blocked shares below 38% of Hera's share capital.

Any Party that does not default may automatically terminate the Agreement in relation to the defaulting Party in accordance with Article 1456 of the Italian Civil Code and with retroactive effect, and, where necessary, request that the Arbitration Board, in accordance with the procedure established therein, pronounce the Agreement terminated by right against the defaulting Party, without prejudice to the application of the rules on penalties for non-performance.

### Agreement validity and amendments

The Agreement shall take effect on 1 July 2024 and shall remain in force until 30 June 2027. In view of the expiry of the Agreement, the parties undertake, in accordance with the principles of good faith, to do everything in their power, and in compliance with current legislation, to renegotiate new Shareholders agreements in accordance with the spirit of the Agreement. From the effective date of this Agreement, any previous Shareholders Agreement between the same parties concerning the shares and signed by the same parties shall be null and void.

The Agreement may be amended with the written agreement of the Parties which together hold at least 65% of the shares subject to the Blocking Syndicate. Amendments to the Agreement shall be communicated to all Parties at least 30 days prior to the date such amendments come into effect. In this case, the dissenting Parties shall have the right to withdraw immediately by means of a notice sent no later than the fifteenth day prior to the date on which the amendments to the Agreement come into effect.

### 2) Second-level Shareholders Agreement, Bologna area

The Agreement relates to 164,880,856 Hera ordinary shares bound by the agreement, with a nominal value of Euro 1.00, equal to 11.06926% of Hera's current share capital, held by a total of 34 public shareholders, and 320,597,560 voting rights, equal to 14.38197% of the total voting rights making up the share capital.

### Content of the Agreement

#### Voting Trust

In order to take on the decisions made by the Voting Syndicate, the Parties have established a deliberative body of the Voting Syndicate (the Agreement Assembly) composed of the pro-tempore legal representatives of each Party or their delegates.

The Agreement Assembly meets:

- (i) at least three days before each meeting of the Voting Trust Committee, as per the Voting Trust Agreement;
- (ii) at least five days before each meeting of the Hera S.p.A. shareholders that includes any items on its agenda different from that covered by the Voting Trust Committee as outlined in point i) above;
- (iii) at least 30 days before each meeting of the Hera S.p.A. shareholders that includes on its agenda the nomination of components of the Board of Directors and/or Board of Statutory Auditors;
- (iv) Any time the Municipality of Bologna, or 14 Parties other than the Municipality of Bologna, make a written request to the Chairman of the Agreement Assembly.

The decisions of the Agreement Assembly are validly made by a majority of those present, provided that a yes vote has been expressed by the Municipality of Bologna and at least eight other Parties.

The Parties to the Agreement undertake to ensure that their vote at the Shareholders Meeting conforms to the resolutions adopted by the Agreement Assembly.

### Identification of the members of the Hera Spa Board of Directors

With reference to the process of drawing up the majority list for appointing the Board of Directors of Hera S.p.A., the Parties themselves undertake to define and approve, as follows, with due regard for the balance between genders, the list containing the names of directors:

- a maximum of two components - in accordance with the agreements that may be entered into with the Municipality of Ferrara, also in the interest of the shareholders of the Ferrara area - indicated by the Mayor of the Municipality of Bologna;
- one member indicated by the Parties, excluding the Municipality of Bologna, in the Agreement Assembly

Finally, the Parties undertake to ensure that the Directors appointed by them, at the first meeting of the Board of Directors of Hera S.p.A., proceed with appointing the office of Chief Executive Officer, it being understood that they will consult each other before the name of the candidate is formalised.

Before the name of the candidate for Chief Executive Officer of the Board of Directors of Hera S.p.A. is formalised, the Mayor of the Municipality of Bologna or a person appointed by him, in the interest of the Parties, will consult with the common representative of the shareholders of the Romagna Territorial area and will inform the Chairman of the Voting Trust Committee.

### Rules for transfers of blocked shares

For the duration of the Agreement, the parties to the Agreement undertake not to transfer the Hera S.p.A. shares subject to the Blocking Trust (blocked shares) referred to in the first-level Shareholders Agreement.

### Rules for non-blocked Hera shares

The Party that intends to sell Syndicated shares that are not blocked shares, and therefore not subject to the non-transferability restriction, for a total amount of less than three million shares during each calendar year, must pre-emptively offer the Shares to be sold in advance to all the other Parties, under the same conditions, in proportion to the shareholding held by each Party in Hera, without prejudice to the right of survivorship of each Party.

In the event of non-compliance with the above provision, the acts of disposal of the shares shall be null and void and shall be unenforceable in relation to the Parties and Hera Spa.

### Penalties

The Party in breach of the provisions of the Agreement will be required to pay a penalty, for each individual, confirmed violation, of 500 thousand euro, without prejudice to compensation for any potential additional damage.

### Agreement duration

The Agreement shall take effect on 1 July 2024 and shall remain in effect until 30 June 2027.

In view of the expiry of the Agreement and if the Voting Trust Agreement is in turn renewed, the parties undertake, in accordance with the principles of good faith, to do everything in their power, and in compliance with current legislation, to renegotiate new Shareholders agreements.

### Nature of the Agreement and persons exercising control over the Company through the Agreement

In view of the above, it is considered that the Agreement is material pursuant to article 122, paragraph 5, letters a) and b) of the TUF.

In view of the nature of the Agreement and by virtue of its provisions, no person is in a position to exercise control over Hera.

### 3) Second-level Shareholders Agreement, Romagna area

The Agreement concerns 227,269,275 Hera ordinary shares bound to the Agreement, with a par value of EUR 1.00, equal to 15.25769% of Hera's current share capital, held by a total of 42 public shareholders, and 453,878,412 voting rights, equal to 20.36093% of the total voting rights making up the share capital.

### Content of the Agreement

#### Voting Trust

In order to take on the decisions made by the Voting Syndicate, the Parties have established a deliberative body of the Voting Syndicate (the Agreement Assembly) composed of the pro-tempore legal representatives of each Party or their delegates.

The Agreement Assembly meets:

- (i) at least eight days prior to the date set for meetings of the Audit Committee concerning the matters identified in article 4.3 of the Voting Trust contract;
- (ii) at least eight days prior to any meeting of the Shareholders Meeting that brings to the agenda any of the matters other than those identified in article 4.3 of the Voting Trust contract;
- (iii) any time ten parties present a request to the Chairman for consultation purposes.



The decisions of the Agreement Assembly are validly taken if at least 2/3 of the Syndicated Shares are present and at least 2/3 of the Syndicated Shares present at the Agreement Assembly vote in favour.

The Parties to the Agreement undertake to conform their vote in the Voting Trust Committee for the relevant matters referred to in letters ii and iii) of article 4.3 of the Voting Trust Agreement and at the Shareholders Meeting with respect to matters other than those relevant to the resolutions adopted.

#### **Identification of the members of the Hera Board of Directors**

With reference to the process of drawing up the majority list for appointing the Board of Directors of Hera Spa, the Parties undertake to define and approve at the Agreement Assembly, with due regard for the balance between genders, the list containing the list of the Directors appointed by the Romagna Area Shareholders, which will be made up as follows:

- 1 member to be included in the first place of the Majority List, who will hold the position of Chairman of the Board of Directors, indicated by the Chairman of the Agreement Assembly, in the interests of the Romagna Area Shareholders;
- 1 member indicated by the Mayor of the Municipality of Imola, also in the interests of Con.Ami's Member Municipalities;
- 1 member indicated by the Mayor of the Municipality of Ravenna, also in the interests of the shareholders of Ravenna Holding and of the other Municipalities of the Province of Ravenna belonging to the Agreement which do not fall within the Con.Ami perimeter;
- 1 member indicated by the Mayors of the Municipalities of Cesena and Rimini, also in the interests of the Municipalities of the Provinces of Forlì-Cesena and Rimini adhering to the Agreement.

Finally, the Parties undertake to ensure that the Directors appointed by them, at the first feasible meeting of the Board of Directors proceed with appointing the office of Executive Chairman of Hera, it being understood that that the Romagna Area Shareholders and Bologna Shareholders will consult each other before nominating their candidate for the position of Executive Chairman.

#### **Rules for transfers of blocked shares**

For the duration of the Agreement, the parties to the Agreement undertake not to transfer the Hera Spa shares subject to the Blocking Syndicate (blocked shares) referred to in the first-level Shareholders Agreement.

#### **Penalties**

The Party that fails to comply with the provisions of the Agreement will be required to pay a penalty equal to 2% of the nominal value of the Shares held at the time of the breach. In any case of default, the amount of the penalty may not be less than € 5,000 or more than € 200,000.

#### **Agreement duration**

The Agreement shall take effect on 1 July 2024 and shall remain in effect until 30 June 2027.

In view of the expiry of the Agreement and if the Voting Trust Agreement is in turn renewed, the parties undertake, in accordance with the principles of good faith, to do everything in their power, and in compliance with current legislation, to renegotiate new Shareholders agreements.

#### **Nature of the Agreement and persons exercising control over the Company through the Agreement**

In view of the above, it is considered that the Agreement is material pursuant to article 122, paragraph 5, letters a) and b) of the TUF.

In view of the nature of the Agreement and by virtue of its provisions, no person is in a position to exercise control over Hera.

#### **4) Second-level Shareholders Agreement, Modena area**

The total number of voting rights assigned to the Voting Trust is 231,215,593 and the relative percentage of the total voting rights that make up the share capital of Hera is approximately 10.37139%.

#### **Content of the Agreement**

##### **Voting Trust**

In order to take on the decisions made by the Voting Syndicate, the Parties have established a deliberative body of the Voting Syndicate (the Shareholders meeting of the Voting Trust) composed of the pro-tempore legal representatives of each Party or their delegates.

The Shareholders meeting of the Voting Trust meets:

- (i) at least one day before each meeting of the Voting Trust Committee, in accordance with the Hera Pact, that includes on its agenda one of the resolutions and activities referred to in Article 4.3 of the Hera Pact;
- (ii) at least one day before each meeting of the Hera S.p.A. shareholders that includes any items on its agenda different from that covered by the Committee as outlined in point i) above;

With reference to the process of drawing up the majority list for appointing the Board of Directors of Hera S.p.A, if under the Hera Shareholders Agreement:

- (iii) only one member of the majority list for the Board of Directors elections is reserved for the parties to the Modena Agreement, the Shareholders meeting of the Voting Trust shall arrange for it;
- (iv) the parties to the Modena agreement are assigned the right to designate two members of the majority list for the Board of Directors election, the Municipality of Modena will be in charge of designating who will be proposed as vice chairman of the Board of Directors, while the second member will be designated by the Shareholders meeting of the Voting Trust;
- (v) more than two members of the majority list for the election of the Board of Directors are to be appointed by the Parties to the Modena agreement; the Municipality of Modena will be responsible for appointing two thirds of the members, rounded up to the nearest whole number, including the one who will be proposed as vice president, while the other members will be appointed by the Shareholders meeting of the Voting Trust.

The Shareholders Meeting of the Voting Trust shall resolve on the basis of the number of Hera shares blocked under the Hera Pact held by each Party, with reference to the total number of Hera shares blocked under the Hera Pact held by the Parties as a whole: for resolutions to be valid, there must be present a number of Parties holding at least 7/8 of the blocked shares and a yes vote by a number of Parties holding at least 7/8 of the blocked shares in relation to those held by the Parties present.

#### **Rules for blocked Hera shares**

The Modena Agreement does not provide for a specific Blocking Trust; rather, it refers to the Hera Shareholders Agreement for the regulation of the blocked shares covered by it.

#### **Rules for non-blocked Hera shares**

The Modena Agreement refers to the Hera Shareholders Agreement for the regulation of the transfer of non-blocked shares. It also states that the Parties undertake to define, in advance and jointly, at the Shareholders Meeting of the Voting Trust, the number of shares to be transferred.

#### **Agreement duration**

The Modena Agreement, in effect beginning 1 July 2024, shall remain in force until 30 June 2027. The parties have undertaken to renegotiate the Agreement in good faith, with due respect for the spirit of the Agreement and with a view to its expiry.

#### **Nature of the Agreement and persons exercising control over the Company through the Agreement**

In view of the above, it is considered that the Agreement is material pursuant to article 122, paragraph 5, letters a) and b) of the TUF.

In view of the nature of the Modena Agreement and by virtue of its provisions, no person is in a position to exercise control over Hera.

#### **Penalties**

The Party that is in breach of the provisions of the Agreement shall be liable to pay a penalty equal to 5% of the value of the Hera shares held at the time of the breach, calculated as the arithmetic mean of the official stock market prices of the Hera share during the 15 trading days prior to the date of the breach.

#### **5) Sub-agreement between the Municipalities of Padua and Trieste**

The Agreement concerns 101,696,159 ordinary Hera shares, equal to 6.82736% of the current share capital of Hera, held in total by the two participating municipalities, and 203,392,318 voting rights, equal to 9.12416% of the total voting rights that make up the share capital.

#### **Content of the Sub-Agreement**

The purpose of the Sub-agreement is to establish a consultation and voting syndicate that will be instrumental to ensuring the realization of certain provisions regarding Hera's corporate governance in implementation of the provisions of the Agreement.

Specifically, the Sub-agreement regulates the procedures for the joint appointment of a member of the Hera Executive Committee, providing that the Parties confirm their mutual commitment to consulting in good faith in order to identify and agree which of the two directors elected to the Company's Board of Directors, upon their appointment, should be the director to be appointed as member of the Hera Executive Committee.

The Parties also acknowledge that the Executive Committee of Hera, the duration of which is scheduled until the date of approval of the financial statements at 31 December 2025, currently includes, as a member, the director designated by the Municipality of Padua, who will remain in office until the natural termination of the body; the Parties also agree that, in the subsequent Executive Committee that will remain in office until the approval of the financial statements at 31 December 2025, it will be up to the Municipality of Trieste to designate the member.

#### **Sub-agreement Duration**

The Sub-Agreement has a validity period of three years, effective from 1 July 2024 until 30 June 2027.

It is specified that, in order to align the effectiveness of the Sub-Agreement with that of the Voting Trust Agreement, the Parties agreed that the renewal of the Sub-Agreement would be effective as of 1 July 2024, thus superseding the 21-24 Sub-Agreement which was scheduled to expire on 12 July 2024.

**Nature of the Agreement and persons exercising control over Hera Spa through the Sub-Agreement**

In view of the above, it is considered that the Agreement is material pursuant to article 122, paragraph 5, letter a) of the TUF.

In view of the nature of the Agreement and by virtue of its provisions, no person is in a position to exercise control over Hera.

**g) Mandates to increase share capital and authorisations to purchase treasury shares (pursuant to Article 123-bis, paragraph 1, letter m) of the TUF)**

The Shareholders Meeting of 30 April 2024 authorized, within the limits set forth in art. 2357 of the Italian Civil Code, the purchase, to be carried out within 18 months from the date of the resolution, in one or more solutions, up to a maximum rotating limit of 60 million Hera ordinary shares with a nominal value of 1 Euro per share, equal to approximately 4.03% of the ordinary shares that make up the share capital, under the following conditions:

- (i) minimum unit purchase price not lower than their nominal value and maximum not higher than 10% of the reference price recorded on the Stock Exchange day preceding each individual purchase;
- (ii) purchases and all acts of disposal relating to treasury shares may be made at a price that does not entail adverse economic effects for the Company, and must be made in compliance with the laws, regulations and requirements of the supervisory authorities and/or Borsa Italiana Spa, with a maximum investment amount of 240 million euros expected;
- (iii) use of treasury shares acquired as part of transactions, including those carried out by Group companies, in relation to which a consolidation of the shareholdings held is carried out and/or there is an economic and/or financial advantage for Hera also in order to improve the operations and competitive positioning of the Hera Group and investment opportunities materialise or other transactions involving the allocation or disposal of treasury shares.

It should be noted that the buy-back authorization concerns only the purchase of ordinary shares, thus excluding the possibility of purchasing derivative financial instruments, and that the number of treasury shares in the portfolio at the close of fiscal year 2024 stood at 48,042,438.



### 3.0 Compliance (pursuant to art. 123-bis, subsection 2, letter a), TUF)

Hera, by resolution of the Board of Directors of 11 November 2020, has implemented the requirements of the Corporate Governance Code (hereinafter the Code), which contains an articulated set of recommendations regarding the methods and rules for the management and control of listed companies, in order to increase clarity and concreteness of figures and roles, in particular of independent directors and internal committees of the Board of Directors.

Although the adoption of the Code's recommendations is voluntary, the Company has decided, in keeping with its previous adherence to the Corporate Governance Code, to adhere to the Code's recommendations, in order to reassure investors that it has a clear and well-defined organisational model in place, with adequate allocation of responsibilities and powers and a correct balance between management and control, as an effective tool at the disposal of the Board of Directors for the pursuit of sustainable success.

The full text of the current Code is publicly available on the Corporate Governance Committee website at:

<https://www.borsaitaliana.it/comitato-corporate-governance/codice/2020.pdf>

Finally, it should be noted that neither Hera Spa nor its subsidiaries of strategic importance are subject to non-Italian legal provisions that may affect Hera's corporate governance structure.

## 4.0 Board of Directors

Hera is endowed with a system of ordinary/traditional governance. The following paragraphs explain the role, composition and functioning of the Board of Directors.

### 4.1 Role of the Board of Directors

The Board of Directors is the collegiate body responsible for the administration of the Company. In accordance with the recommendations of the Code, the Board of Directors has the task of guiding the Company in pursuing its sustainable success (principle I), defining its strategies (principle II), including for the reference Group, in line with the pursuit of sustainable success and monitoring its implementation.

The administrative body also defines the system of corporate governance most functional to the conduct of business and the pursuit of its strategies (principle III) and promotes, in the most appropriate forms, dialogue with shareholders and other stakeholders relevant to the Company (principle IV).

The Articles of Association provide that the Board shall meet at least quarterly and whenever deemed necessary by the Chairman or when requested by at least 1/3 of its members or by the Board of Statutory Auditors. It is also provided that the Board of Directors is vested with the widest powers for the ordinary and extraordinary management of the Company without limitations, with the right to perform all acts deemed necessary or appropriate for the achievement of the corporate purposes, excluding only those that, strictly speaking, by law or by statute, are reserved to the competence of the Shareholders Meeting.

In particular, in accordance with the Articles of Association, in addition to the definition of the Group structure, the Board has the exclusive competence to decide on:

- I. appointment and/or dismissal of the Chairman and Vice Chairman;
- II. appointment and/or dismissal of the Chief Executive Officer and/or General Manager;
- III. establishment and composition of the Executive Board, appointment and/or dismissal of the members of the Executive Board;
- IV. determination of the powers delegated to the Chairman, the Chief Executive Officer and/or the General Manager and/or the Executive Board and their modifications;
- V. approval and amendments of any multiannual plans or business plans;
- VI. approval and amendments to the Group's regulations, if adopted;
- VII. recruitment and/or appointment, on the proposal of the CEO, of the managers responsible for each functional area;
- VIII. proposal to place on the agenda of the Extraordinary Shareholders Meeting the amendment of Articles. 6.4 (shares and increased vote), 7 (public majority shareholding), 8 (limits on share ownership), 14 (validity of meetings and right of veto) and 17 (appointment of the Board of Directors) of the Articles of Association;
- IX. assumption and disposal of shareholdings with a value exceeding 500 thousand euros;
- X. purchase and/or sale of real estate with a value of more than 500 thousand euros;
- XI. issuance of sureties, pledges and/or other collateral with a value exceeding 25 million euros;
- XII. purchase and/or sale of companies and/or business units;
- XIII. appointment of directors of subsidiaries and/or investee companies;

XIV. participation in public tenders and/or procedures involving the assumption of contractual obligations in excess of 25 million euros.

Specifically, the Board is tasked with:

- the examination and approval of the Issuer's and its Group's business plan, also on the basis of an analysis of the issues relevant for long-term value generation (Recommendation 1, a);
- periodic monitoring of the implementation of the business plan, as well as evaluation of the general management performance, periodically comparing the results achieved with those planned (Recommendation 1, b);
- the definition of the nature and level of risk compatible with the Issuer's strategic objectives, including in its assessments all elements that may be relevant to the Issuer's sustainable success (Recommendation 1, c) (for further details on this see "Section 9");
- the definition of the corporate governance system of the Issuer and the structure of the Group headed by it (Recommendation 1, d, first part);
- the assessment of the adequacy of the organisational, administrative and accounting structure of the Issuer and its strategically important subsidiaries, with particular reference to the internal control and risk management system (Recommendation 1, d, second part) (for further details see "Section 9");
- the decision on transactions of the Issuer and its subsidiaries that are of significant strategic, economic, capital or financial importance to the Issuer, establishing the general criteria for identifying transactions of significant importance (Recommendation 1, e);
- the adoption, on a proposal from the Chairman, in agreement with the Chief Executive Officer, of a procedure for the internal management and external communication of documents and information concerning the Issuer, with particular reference to inside information (Recommendation 1, f) (for further details on this see "Section 5").

Specifically, the Board of Directors:

- following the adoption of the "Policy for the management of the Dialogue with the generality of Shareholders and Bondholders" (which took place during the 2021 financial year), in the financial year 2024 the Executive Chairman, as director in charge, reported on a half-yearly basis, on the development and relevant contents of the dialogue with shareholders and bondholders, as well as on the most significant requests received from other stakeholders (for further details on this see "Section 12");
- approved the business plan on 23 January 2025;
- approved the transactions concerning Hera and the Group companies in execution of the strategies contained in the business plan.

As regards further powers to the Board in the areas of composition, operation, appointment, self-assessment, remuneration policy, internal control and risk management, please refer to the following sections of this report.

For more information on the roles and responsibilities of the Board of Directors regarding sustainability, see the section "Governance" in the chapter "General information" of the sustainability reporting.

## 4.2 Appointment and Replacement (pursuant to art. 123-bis, paragraph 1, letter l), first part, TUF)

### List voting

For the appointment of the Board of Directors, the list voting mechanism is provided, in order to ensure the presence within it of directors designated by minority shareholders, in compliance with current legislation on gender balance.

More specifically, the articles. 16 and 17 of the Articles of Association govern the terms and conditions for filing and publishing the lists, as well as related documentation, in accordance with current regulations.

In this regard, it is recalled that the Shareholders Meeting of 28 April 2022 approved an amendment to the Articles of Association to adapt the number of independent directors to the indications introduced by the Code.

In view of the above, the current Articles of Association provide that the lists submitted by shareholders must include at least two candidates who meet the independence requirements established for auditors by art. 148 paragraph 3, of Legislative Decree no. 58/1998, as well as at least half of the candidates who meet the independence requirements provided for in the Code drawn up by the Committee for Corporate Governance, together with the candidates' resumes, the irrevocable acceptance of the office and the attestation of the non-existence of causes of ineligibility and/or forfeiture, good repute, as well as the possible declaration of being in possession of the independence requirements established for auditors by art. 148 paragraph 3 of the TUF and those provided for by the Code. In this regard, it should be noted that the Board of Directors currently in office consists of 11 out of 15 independent directors.

The lists must be filed, pursuant to art. 17.5 of the Articles of Association, at the registered office at least 25 days before the Shareholders Meeting, and made available to the public at the registered office and on the website [www.gruppohera.it](http://www.gruppohera.it) at least 21 days before the meeting.

The terms and procedures for filing the lists are indicated by the Company in the notice convening the Shareholders Meeting. Each shareholder may submit or participate in the submission and voting of only one list. Adhesions and votes cast in violation of this prohibition shall not be attributed to any list.

#### **Eligibility to submit lists and their composition**

The Articles of Association do not provide for the possibility of the outgoing Board of Directors presenting a list. Shareholders representing at least 1% of the share capital entitled to vote at the Ordinary Shareholders Meeting may submit lists for the appointment of the members of the Board of Directors, unless otherwise provided for by current legislation, to be indicated in the notice of convocation.

In this regard, it is specified that, on the occasion of the last renewal of the administrative body which took place with the Shareholders Meeting of 27 April 2023, the shareholding required for the presentation of the lists of candidates for the election of the current administrative body was identified by Consob (with determination no. 76 of 30 January 2023) in the amount of 1%, equal to the percentage provided for by art. 17.4 of the current statutes.

In order to prove ownership of the number of shares necessary for the presentation of the lists, shareholders must file with the registered office, within the deadline for publication of the lists by the Company, the appropriate certification proving ownership of the number of shares represented.

The provisions of art. 17 of the Articles of Association, as amended by the Extraordinary Shareholders Meeting of 29 April 2020, in implementation of the Law 160 of 27 December 2019, also ensure compliance with current legislation on gender balance in the administrative and control bodies of listed companies.

If the instrument of voting list does not ensure the minimum gender quota required by law, the candidate of the most represented gender placed last in the ranking of candidates elected from the most voted list will be replaced by the candidate of the less represented gender who was first among the non-elected of the same list and thus to follow up to the minimum number of directors belonging to the less represented gender. If, even if this criterion is applied, the minimum number of directors belonging to the less represented gender is still missing, the replacement criterion indicated will apply to minority lists, starting with the most voted one.

#### **Appointment mechanism**

The appointment of the members of the Board of Directors takes place in accordance with current legislation and in accordance with the provisions of articles. 16 and 17 of the Articles of Association, and therefore:

- the Company is administered by a Board of Directors composed of 15 members;
- the appointment of the members of the Board of Directors takes place on the basis of lists in which the candidates are marked with a sequence number and are in any case no more than the number of members to be elected;
- from the list that obtained the highest number of votes, 11 members of the Board of Directors are drawn according to the progressive order in which they were listed, of which at least four are of the less represented gender;
- for the appointment of the remaining four members, the votes obtained from each of the lists other than that of the majority, and which have not been submitted or voted by members connected in accordance with the pro-tempore rules in force with the shareholders who have submitted or voted on the same majority list, shall be divided successively by one, two, three and four. The quotients thus obtained shall be assigned progressively to the candidates of each list, in the order laid down in the list. The candidates are then placed in a single descending ranking, according to the quotients assigned to each candidate. Candidates will be elected who have reported the highest quotients up to the competition of the remaining members to be elected of which at least one of the less represented gender.

#### **Replacement of Directors**

Pursuant to art. 17.10 of the Articles of Association, if, during the course of the financial year, one or more directors appointed on the basis of list voting should cease to hold office, their place shall be co-opted, pursuant to Art. 2386 of the Italian Civil Code, the first non-elected candidates of the list to which the departing directors who had not yet joined the Board of Directors belonged, in compliance with the principles of gender balance provided for by law. If, for any reason, no names are available, the Board shall, in compliance with the principles of gender balance provided for by law, provide for the co-option of a director, as provided for by Art. 2386 of the Italian Civil Code. The directors, thus appointed, remain in office until the next Shareholders Meeting which will deliberate in the manner provided for the appointment.

For information on the role of the Board of Directors and the committees of the Board in the processes of self-assessment, appointment and succession of directors, refer to "Section 7".

#### **4.3 Composition (pursuant to art. 123-bis, paragraph 2, letters d) and d-bis), TUF)**

In line with the requirements of Principle V of the Code, the Board is composed of executive and non-executive directors, all with professionalism and skills appropriate to the tasks entrusted to them.

Principle VI of the Code is also respected, since 11 of the 13 non-executive directors are independent and the number and competences of the same are such as to ensure significant weight in the assumption of board resolutions and to ensure effective management monitoring.

The Shareholders Meeting of 27 April 2023 appointed for three financial years a Board of Directors, currently in office until the approval of the financial statements for the financial year 2025, composed of 15 members, of whom:

- 11 members taken from the list that obtained the most votes according to the order in which they were listed, of which four are of the less represented gender;
- four components taken from the lists other than the list having the highest number of votes and which were neither submitted nor voted on by members connected with the members who submitted or voted on the majority list, of which two were of the less represented gender.

This appointment thus took place through the list voting system, in order to ensure the minority list the right to appoint at least 1/5 of the directors in compliance with the provisions of art. 4 of Legislative Decree 332 of 31 May 1994 converted by the Law 474 of 30 July 1994.

On the occasion of the Shareholders Meeting of 27 April 2023 mentioned above, three lists of candidates were presented, outlined below with the proposing Shareholders indicated:

List N. 1, presented on 6 March 2023 by the Shareholders Municipality of Bologna, Municipality of Casalecchio di Reno, Municipality of Cesena, Municipality of Modena, Municipality of Padua, Municipality of Trieste, Municipality of Udine, Con.Ami, Ferrara Tua Spa, Ravenna Holding Spa and Rimini Holding Spa, adherents, together with 100 other public shareholders, of the Syndicate Agreement on voting and governing share transfers dated 28 April 2021, total holders of 610,623,147 Hera shares, corresponding to 40.99% of the shares entitled to vote in Hera Spa, a list that appears to have obtained the vote of 1,185,355,753 voting rights, corresponding to 67.833794% of the total voting rights, containing the indication, by serial number, of the following candidates:

1. Cristian Fabbri
2. Orazio Iacono
3. Gabriele Giacobazzi
4. Monica Mondardini
5. Fabio Bacchilega
6. Gianni Bessi
7. Lorenzo Minganti
8. Milvia Mingozi
9. Grace Ghermandi
10. Alessandro Melcarne
11. Marina Monassi

List N. 2, presented on 31 March 2023 by the shareholder Gruppo Società Gas Rimini Spa, holder of 30,771,269 Hera shares, corresponding to 2.065825% of the shares entitled to vote in Hera Spa, a list that appears to have obtained the vote of 139,557,833 voting rights, corresponding to 7.986410% of the total voting rights, containing the indication, by serial number, of the following candidates:

1. Bruno Tani
2. Micaela Dionigi
3. Mara Bernardini
4. Rodolfo Ortolani

List N. 3, filed on 31 March 2023 by Studio Trevisan & Associati on behalf of shareholders Amundi Asset Management SGR Spa, manager of Amundi Sviluppo Italia funds, Amundi Risparmio Italia, Amundi Dividend Italia, Amundi Luxembourg SA - Amundi Funds; European Equity Small Cap; Arca Fondi Sgr Spa fund manager Arca Azioni Italia; Etica Sgr Spa fund manager F.do Etica Rendita Bilanciata, F.do Etica Obbligazionario Mixed, F.do Etica Bilanciato, F.do Etica Azionario, F.do Etica Impact Clima, F.do Etica Obiettivo Sociale; Eurizon Capital SGR Spa manager of the following funds: Eurizon Progetto Italia 40, Eurizon Am Tr Megatrend, Eurizon Pir Italia Azioni, Eurizon Azioni Italia, Eurizon Progetto Italia 70; Eurizon Capital S.A. fund manager Eurizon Fund Sub-funds: EuF - Equity Italy Smart Volatility, EuF - Equity Europe LTE, EAM - Global Equity; Fideuram Asset Management Ireland fund manager Fonditalia Equity Italy; Fideuram Intesa Sanpaolo Private Banking Asset Management Sgr Spa manager of the following funds: Fideuram Italia, Piano Azioni Italia, Piano Bilanciato Italia 50; Interfund Sicav - Interfund Equity Italy; Kairos Partners Sgr Spa as Management Company of Kairos International Sicav – Comparti Italia e Made in Italy; Legal & General Assurance (Pensions Management) Limited; Mediolanum Gestione Fondi Sgr Spa manager of Mediolanum Flessibile Futuro Italia fund, total holders of 17,714,416 Hera shares, corresponding to 1.18926% of the shares entitled to vote in Hera Spa, a list that appears to have obtained the vote of 420,574,334 voting rights, corresponding to 24.068009% of the total voting rights, containing the indication, by serial number, of the following candidates

1. Francesco Perrini
2. Paola Gina Maria Schwizer
3. Alice Vatta
4. Erwin Paul Walter Rauhe
5. Cristina De Benetti

Following the vote at the Shareholders Meeting, as well as the subsequent meeting of the Board of Directors held on the same date for the appointment of Executive Chairman, Chief Executive Officer and Vice Chairman, the administrative body was composed as follows:

1. Cristian Fabbri (Executive Chairman)
2. Orazio Iacono (Chief Executive Officer)
3. Gabriele Giacobazzi (Vice Chairman)
4. Monica Mondardini
5. Fabio Bacchilega
6. Gianni Bessi
7. Lorenzo Minganti
8. Milvia Mingozi
9. Grace Ghermandi
10. Alessandro Melcarne
11. Marina Monassi
12. Francesco Perrini
13. Paola Gina Maria Schwizer
14. Alice Vatta
15. Bruno Tani

The current composition of the Board of Directors is indicated below, referring to Table 2 – Structure of the Board of Directors at the end of the financial year – attached to this report, for more detailed information on the composition of the Board of Directors and the length of office since the first appointment of its members, as well as to the specific section on the Company's website where the personal and professional characteristics of each director are available. It should be noted that, compared to the composition of the Board of Directors at the date of appointment, the following changes have occurred.

- following the resignation of Mr. Lorenzo Minganti from the position of non-executive and independent Director, effective June 19, 2023, the Board of Directors, on September 27, 2023, resolved to appoint by co-option, as a Director, Mr. Enrico Di Stasi, subsequently confirmed to the position by the Shareholders Meeting of 30 April 2024;
- the Shareholders Meeting of 30 April 2024 appointed Mr. Tommaso Rotella Attorney at Law to the position of non-executive and independent Director, replacing Vice Chairman Mr. Gabriele Giacobazzi, who resigned on 3 March 2024. Subsequently, at its meeting on 14 May 2024, the Board of Directors appointed Mr. Tommaso Rotella as Deputy Chairman of the Board of Directors of Hera, who will remain in office until the natural expiration of the administrative body.

NAME AND SURNAME	OFFICE	TITLE
Cristian Fabbri	Executive Chairman	Executive Director
Orazio Iacono	Chief Executive Officer	Executive Director
Tommaso Rotella *	Vice Chairman	Independent Non-Executive Director
Fabio Bacchilega	Director	Independent Non-Executive Director
Gianni Bessi	Director	Non-executive non-independent director
Enrico Di Stasi	Director	Non-executive non-independent director
Grace Ghermandi	Director	Independent Non-Executive Director
Alessandro Melcarne	Director	Independent Non-Executive Director
Milvia Mingozzi	Director	Independent Non-Executive Director
Marina Monassi	Director	Independent Non-Executive Director
Monica Mondardini	Director	Independent Non-Executive Director
Francesco Perrini	Director	Independent Non-Executive Director
Paola Gina Maria Schwizer	Director	Independent Non-Executive Director
Bruno Tani	Director	Independent Non-Executive Director
Alice Vatta	Director	Independent Non-Executive Director

\* appointed director by the Shareholders Meeting of 30 April 2024, and subsequently Vice Chairman by the Board of Directors of 14 May 2024.

For more information on the composition and competences of the Board of Directors regarding sustainability, see the “Governance” section in the chapter “General information” of the sustainability report.

#### Diversity criteria and policies in Board composition and corporate organisation

Hera has applied criteria of diversity, including gender, in the composition of the administrative body, whose members are in possession of adequate skills and professionalism.

In particular, the appointment of the Board of Directors took place during the Shareholders Meeting of 27 April 2023, following the presentation of three lists, one majority and two minority, which guaranteed, in accordance with the compliance with the current gender balance regulations, that at least 2/5 of the members of the Board of Directors were the less represented gender (six members of the less represented gender out of a total of 15 directors).

Of the current 15 directors in office, three are between the ages of 30 and 50, six are between the ages of 51 and 60 and six are over 60, for a total average age of about 59.

The directors have proven expertise in financial, economic, legal and sustainability, social and environmental issues.

Hera also maintains the priority objective of ensuring equal treatment and opportunities between genders, including within the entire company organization, on the basis that:

- diversity of gender, culture and origin is universally recognised as a value and must be better managed;
- when people feel equal and included, cooperative behaviours are generated at work and organisational coexistence is fostered, which is conducive to sharing corporate culture more effectively.

Already in 2011, in order to further promote the development and dissemination of a company policy on equal opportunities and equality at work, the Diversity Manager was established with the aim of promoting the implementation of this company policy on equal opportunities and enhancement of diversity.

Diversity management’s mission is expressed in some macro-points:

- disseminating the culture of inclusion between public, private and civil society, and sharing best practices with local institutions and companies to strengthen social networks;
- supporting the management and enhancement of plurality within the Company;
- strengthening the Hera Group’s role in developing a culture of appreciation for differences and work-life balance.

Disseminating a culture of diversity as well as introducing time-saving projects aimed at ensuring good work-life balance, health and well-being, and empowerment have been central themes in the trajectory pursued so far within the Company.

In particular, the commitment to raising awareness about and promoting the culture of diversity, both inside and outside the Group, continued in 2024, strengthening networking with stakeholders.

In continuity with the priorities of the Hera Group, particular attention is paid to STEM (Science, Technology, Engineering, Mathematics) issues and the gender gap often associated with them.

Lastly, on 19 June 2024, the representatives of the Hera Group and the Trade Union Organizations signed the “Good Work Pact – safety, procurement, inclusion, well-being and sustainability”, an agreement aimed at mapping out a sustainable path aimed at fostering not only economic prosperity but also at collective well-being and the protection of



the planet, and based on five fundamental pillars (health and safety; integrated supply chains and procurement; equity and inclusion; well-being, professional development and productivity; sustainability and shared value).

For further information on the diversity of the Board of Directors, see the section 'Governance' in the 'General Information' chapter of the sustainability reporting and for reference to the diversity policy, see the section 'Policies and Objectives' in the 'Own Workforce' chapter of the sustainability reporting.

#### **Maximum accumulation of positions held in other companies**

It should be noted that the Board of Directors, by resolution of 28 June 2023, aligned with the provisions of the Corporate Governance Code the orientation already expressed by the Board of Directors by resolution of 10 October 2006, providing for the limitation to one of the maximum number of director or statutory auditor positions in listed or large companies that can be considered compatible with the role of executive director and to two the maximum number of director or statutory auditor positions in listed or large companies that can be considered compatible with the role of non-executive director.

In this regard, the Board of Directors, at its meeting of 26 March 2025, considered compatible:

- the position of director held by Ms. Mondardini in Hera, although the same has stated that it holds positions in three listed companies and in a large company, considering that three of these belong to the same corporate group;
- the position of director held by Mr. Bruno Tani in Hera, although he has stated that he holds positions in five large companies, considering that four of them belong to the same corporate group.

#### **4.4 Functioning of the Board of Directors (pursuant to art. 123-bis, subsection 2, letter d), TUF)**

In compliance with the provisions of art. 3 - Recommendation 11 - of the Code, the Company has adopted a regulation on the functioning of the administrative body, approved by the Board of Directors on 11 November 2020, and last amended during the meeting of 26 February 2025, as well as regulations concerning the functioning of its internal committees.

The rules of the Board of Directors govern, in particular, the functioning of the body, the functions of the Executive Chairman and the Secretary, the pre-board disclosure and the duties of directors with specific reference to the diligence required to perform the task, as well as the protection of the confidentiality of data and information acquired.

With regard to the pre-Board disclosure, in order to ensure timeliness and completeness of the same, it is provided that the resolution proposals and/or supporting documentation for Board meetings are brought to the attention of each Director and Statutory Auditor with a dedicated information system, – accessible through confidential credentials for each member – at least three working days before the date of the Board of Directors, except in cases of urgency where the documentation is made available as soon as available and in any case, possibly, before the start of the Board meeting.

The Executive Chairman and the Chief Executive Officer shall ensure that the Board of Directors is also informed of the main legislative and regulatory changes affecting the Company and the corporate bodies.

After each meeting of the Board of Directors, a draft of the minutes shall be sent to all Directors and Statutory Auditors for any comments. The final text of the minutes is then drafted by the Secretary of the Board of Directors and, subject to the approval of the Chairman, shall be submitted for approval to the Board of Directors at the next meeting and, subsequently, transcribed on the appropriate company Minute Book. In case of urgency – in particular for resolutions adopted that require immediate document production and/or execution – the minutes, or part of them, may be approved immediately.

The Board of Directors, moreover, in accordance with the provisions of art. 23 of the Articles of Association and art. 150 of Legislative Decree no. 58/98, promptly reports to the Board of Statutory Auditors, at least quarterly and normally at the meeting of the Board of Directors or even directly with a written note sent to the Chairman of the Board of Statutory Auditors, on the activities carried out and on the transactions of major economic, financial and financial importance carried out by the Company or its subsidiaries, as well as on the transactions in which the directors have an interest, on their own behalf or on behalf of third parties, or which are influenced by the person exercising the activity of management and coordination. The director, pursuant to art. 2391 of the Italian Civil Code, gives notice to the other directors and the Board of Statutory Auditors of any interest that, on behalf of itself or third parties, has in a given transaction of the Company, specifying its nature, terms, origin and scope; if it is a Chief Executive Officer, it must refrain from carrying out the transaction by investing the same in the collegiate body.

The Board of Directors met 11 times in 2024: five meetings were attended by all the directors while the remaining six meetings were attended by almost all the directors; seven meetings were attended by all the regular auditors, while four sessions were attended by almost all the regular auditors. Meetings of the Board of Directors lasted on average about three hours and 15 minutes.

Also in the financial year 2024, as already noted since 2019, a high attendance of directors at meetings of the Board of Directors (equal to over 95%) is confirmed, slightly higher than the average level of attendance recorded in companies belonging to the Ftse Mib Index.

In accordance with principle XII of the Code, each director has accordingly ensured that adequate time is available for the diligent performance of the duties assigned to him.

The Central Legal and Corporate Affairs Director, in his quality as secretary of the Board of Directors, was present at all eleven meetings.

Meetings of the Board of Directors were attended, upon express request, by the executive managers responsible for the corporate functions to provide insights into the matters of competence placed on the agenda.

Below are the presences of the managers invited to attend the meetings of the Board of Directors:

- the Director of Central Administration, Finance and Control attended six meetings;
- the Director of Central Strategy, Regulation and Local Authorities attended two meetings;
- the Director of Central Innovation Director attended one meeting;
- the Central of Central Personnel and Organization attended two meetings;
- the Director of Central Corporate Services attended one meeting;
- the Director of Shared Value and Sustainability attended two meetings;
- the Central Director of Communication and External Relations attended one meeting;
- the Director of Internal Auditing attended one meeting;
- the Manager of the Consolidated and Tax Financial Statements of the Central Administration, Finance and Control Department attended one session;
- the CEO of Hera Comm Spa attended one meeting.

As regards the current financial year, three meetings of the Board of Directors have been held as at 26 March 2025: two meetings were attended by virtually all members and one meeting was attended by all members. At this date, eight meetings of the Board of Directors have already been scheduled for the remainder of the year.

#### 4.5 Role of the Chairman of the Board of Directors

In line with the provisions of Principle X of the Code, the Chairman receives requests and contributions from the Company's independent non-executive directors through the Lead independent director, who represents a point of reference and coordination.

The Chairman, moreover, pursuant to art. 2381 of the Italian Civil Code, convenes the Board of Directors, sets the agenda, coordinates its work and ensures that adequate information on the matters on the agenda is provided to all Directors, in the manner set out in art. 7.

More specifically, the Chairman, as provided for in the regulations on the functioning of the Board of Directors and in compliance with Recommendation 12 of the Code, with the help of the Secretary, ensures that:

- a) that the pre-board information and additional information provided during meetings are suitable to enable Directors to act in an informed manner in the performance of their role;
- b) that the activity of the committees of the Board with preliminary, proposal and advisory functions is coordinated with the activity of the board of directors;
- c) that the directors of the Company and those of the Group companies, who are responsible for the relevant corporate functions, may attend board meetings to discuss the points within their competence; these are in any case required to observe the confidentiality obligations provided for board meetings;
- d) that all members of the administrative and control bodies may participate, after the appointment and during the mandate, in induction sessions;
- e) the adequacy and transparency of the self-assessment process of the administrative body.

With regard to induction, the Chairman ensures that the members of the board of directors participate in initiatives aimed at deepening their knowledge of Hera's business sector, its business dynamics and their evolution, as well as the regulatory framework.

As has already happened in the past, in the last financial year too, in-depth moments were prepared in order to ensure that the directors acquire adequate knowledge of the main issues concerning the Company as soon as possible.

In particular, during 2024, the in-depth focus was on the following topics: human resources, information systems and cyber security platform, CSV strategy and procurement process.

Also in 2024, the focus was on analysis – during Board meetings – aimed at providing directors with adequate knowledge of the main characteristics of the company (governance and sustainability), the results achieved in recent years, the elements of the business plan and the CSV strategy, as well as human resources, financial management and risk management, with in-depth analysis of the activities that the Group carries out on the innovation front (in particular on projects concerning renewable energy and the pursuit of carbon neutrality).

On the subject of stakeholders, an overview of the activities of local advisory councils (HeraLAB) was also provided.

With reference to sustainability, the board of directors took part – together with the supervisory body – in a specific training activity to update the relevant skills with respect to the Corporate Sustainability Reporting Directive, with a focus on the role of governance in sustainability issues and related responsibilities.

With regard to the energy scenario, updates were provided, in particular, on the Safeguards market, the Gradual Protection Service and the performance of Hera Stock.



As for the climate scenario, the Net Zero commitments of the Hera Group to 2050 were shared and the Climate Transition Plan was approved; several updates were then provided on the actions implemented by the Hera Group in response to the flooding events.

With reference to the National Recovery and Resilience Plan, the Board was informed about the state of the art of Hera Group projects to be financed under the aforementioned Plan.

In addition, insights into risk assessment, reporting for monitoring and managing financial risks and investments were carried out.

The regular reports of the Risk Committee and the Control and Risk Committee were illustrated.

Then evaluations were made of the recommendations of the Chairman of the Corporate Governance Committee.

In 2024 as well, additional analysis was carried out during the strategy day, as a moment of collegial reflection on the future of the Company, with the support of management.

In addition, various updates were provided on the state of the art of industrial relations in the Hera Group, most recently highlighting the signing by representatives of the Hera Group and the trade unions of the 'Patto del Buon Lavoro - sicurezza, appalti, inclusione, benessere e sostenibilità' (Good Work Pact - Safety, Tenders, Inclusion, Welfare and Sustainability).

In addition to this, visits to the Group's facilities were organized, in particular to the Recycla Spa (industrial waste recycling) and Aliplast Spa (plastic recycling) plants.

The in-depth work will continue throughout 2025.

The Chairman, with the support of the Secretary of the Board of Directors, reports to the Board of Directors on a half-yearly basis, or by the first useful meeting, when significant events occur, on the development and relevant contents of the dialogue with shareholders and bondholders, as well as any contacts with other stakeholders.

The Board of Directors was informed about the meetings held in 2024 with investors and financial analysts, the road shows held in the main European (Milan, Geneva, London, Zurich, Paris, Brussels, Luxembourg and Amsterdam), American (New York, Chicago) and Australian (Sydney) markets, as well as the most significant requests received from other stakeholders.

For more information on the composition and competences of the Board of Directors regarding sustainability, see the paragraph "Governance" in the chapter "General information" of the sustainability report.

#### **Secretary of the Board of Directors**

In compliance with the provisions of Recommendation 18 of the Code, the Board resolves, upon the Chairman's proposal, the appointment - also from outside the Board - and the dismissal of the Secretary of the administrative body, who must meet the requirement of professionalism as well as provide, with impartial judgement, assistance and advice to the administrative body on any aspect relevant to the proper functioning of the corporate governance system.

In the event of his/her absence or impediment, the duties of Secretary shall be temporarily entrusted by the Chairman to a person designated by him.

Also in compliance with the provisions of Recommendation 12, the Secretary has the following functions:

- a) coordination and collection of documentation to be submitted to the Board of Directors;
- b) assistance to the Chairman in conducting the meeting;
- c) drafting of the minutes of the meeting;
- d) preservation of the Minutes of the endorsed sessions and the documentation in the minutes of the meetings of the Board of Directors;
- e) communication to the reference structures of the relevant resolutions adopted by the Board of Directors.

#### **4.6 Executive Directors**

The Board of Directors of Hera includes two executive directors, the Chairman and the Chief Executive Officer.

Neither of the two executive directors may qualify as the chief executive officer of the company, since are they both responsible for various company sectors and have specific management powers attributed to the latter.

#### **Executive Chairman of the Board of Directors**

The Board of Directors, which met on 27 April 2023 in full session following the renewal of the corporate bodies on the same date, unanimously resolved to grant the Executive Chairman the powers indicated below in their version subsequently updated at the Board of Directors' meeting of 14 May 2024:

1. preside over and direct the Shareholders Meeting;
2. establish the agenda of the Board of Directors, also taking into account the proposals of the Chief Executive Officer;
3. oversee the execution of the resolutions of the Company's governing bodies, also on the basis of the periodic reports made by the Internal Auditing service;
4. represent the Company before third parties and in court with the power to appoint attorneys and lawyers;
5. as a matter of urgency, take jointly with the Chief Executive Officer take any decision falling within the competence of the Board of Directors, notifying the Board of Directors at the first subsequent meeting;

6. jointly with the Chief Executive Officer, propose to the Board of Directors the appointment of the Company's representatives in the administrative and control bodies of the affiliates and subsidiaries;
7. represent the Company in relations with public shareholding entities;
8. proposing to the Board of Directors the candidates as members of the Committees that the Board should decide to set up in compliance with the Stock Exchange regulations that the Company is obliged or intends to set up;
9. implement the decisions of the Shareholders Meeting and the Board of Directors as far as their competence is concerned;
10. supervise the performance of the Company for the achievement of the corporate objectives and make proposals concerning the management of the Company to be submitted to the Board of Directors;
11. being responsible for the organisation of the services and offices falling under his responsibility as well as for the staff employed by him;
12. sign the correspondence of the Company and the acts relating to the exercise of the powers conferred and the functions exercised;
13. monitor the management performance of the Company and, to the extent of his competence, of the assigned affiliates and subsidiaries, reporting monthly to the Board of Directors;
14. prepare multi-annual plans to be submitted to the Board of Directors; implement corporate and Group strategies, within the framework of directives established by the Board, and exercise delegated powers, and in particular those listed here, in accordance with these strategies and directives;
15. propose to the Board all initiatives he deems to be useful in the interest of the Company, and the Group, and make proposals in matters reserved to the competence of the Board itself;
16. represent the Company in the assemblies of companies, associations, bodies and organisations not constituting corporations, of which it is a member, with the power to issue proxies;
17. make payments to the Company's bank and postal current accounts, and endorse cheques and money orders for crediting to those accounts;
18. represent the Company actively and passively before public and private bodies and offices, Chambers of Commerce, Stock Exchanges, the National Commission for Companies and the Stock Exchange, the Ministry for Foreign Trade and the Italian Foreign Exchange Office as well as any other public administration or authority; by way of example:
  - a) sign communications, including those to Consob, and provide for the corporate obligations required by law and regulations;
  - b) lodge complaints, lodge applications and appeals, apply for licences and authorisations;
19. represent the Company in all active and passive lawsuits, at all levels of jurisdiction, before arbitration boards, with the broadest powers to
  - a) bring cognitive, conservative, precautionary and executive actions, apply for and oppose injunctions and seizures, join civil actions, file petitions and appeals, lodge actions and complaints
  - b) request and oppose any evidence, make the examination free or formal, elect domiciles, appoint lawyers, prosecutors and arbitrators and do whatever is necessary for the success of the cases in question;
20. enter into and sign contracts and deeds for the acquisition and disposal of shareholdings, establishment of companies, associations, consortia with a value not exceeding €500,000.00 (five hundred thousand euros) per individual transaction;
21. establish, in the interest of the Company, consulting relationships with external experts and professionals, setting times and methods of payment, all within the limits of € 300,000.00 (€ three hundred thousand) for each transaction;
22. to the extent of his competence, enter into, amend and terminate commercial agreements with companies and entities;
23. to the extent of his competence, to enter into, with all appropriate clauses, assign and terminate contracts and agreements in any way pertaining to the corporate purpose - including those pertaining to original works, trademarks, patents - also in consortium with other companies, up to an amount of € 2,000,000.00 (two million euros) for each individual act;
24. provide for all expenses of the Company for investments, call for tenders, enter into, amend and terminate the relevant contracts, in particular for
  - a) works, services and supplies necessary for the transformation and maintenance of buildings and plants up to an amount of € 20,000,000.00 (€ twenty million) for each single operation;
  - b) purchases and disposals of furniture, equipment, machinery and movable assets in general, also recorded in public registers, up to an amount of €10,000,000.00 (ten million euros) for each individual transaction, as well as financial leases and rentals of the assets themselves, with an expenditure limit referring to the annual rent;
  - c) purchases, including licenses for use with a spending limit referring to the annual fee, and orders relating to EDP programs;
  - d) commercial information;
25. intervene, to the extent of his competence, as representative of the Company, both as the parent company and as the lead company, in the constitution of joint ventures, ATIs (Temporary Associations of Enterprises), EEIGs (European Economic Interest Grouping), consortia and other bodies, giving and receiving the relevant mandates, in order to participate in tenders for the award of works, services and supplies;

26. to participate, to the extent of his competence, as representative of the Company, also in ATIs (temporary associations of undertakings), EEIGs (European Economic Interest Groupings), consortia and other bodies, in tenders or concessions, auctions, private tenders, private negotiations, tenders-competitions and other public national, Community and international tenders, even admitted to contribution or competition by the State, for the award of works, supplies of plants, even turnkey and/or goods and/or studies and/or research and/or services in general to any national, Community and international, public or private entity; submit requests to participate from the prequalification phase; submit bids up to an amount of € 25,000,000.00 (€ twenty-five million) for each individual transaction, in case of urgency, for amounts exceeding € 25,000,000.00 (€ twenty-five million) will be taken, together with the Chief Executive Officer, the relevant decision, giving notice to the Board of Directors at the first following meeting; in the event of an award, sign the relevant deeds, contracts and commitments, including the issue of guarantees and/or the lodging of security deposits, with every broadest power to negotiate, agree and/or perfect all the clauses it deems necessary and/or appropriate and/or useful;
27. stipulate, modify and terminate contracts for insurance policies with a spending limit referring to the annual premium, as well as arrange for the issuance of insurance surety policies up to the value of € 25,000,000.00 (€ twenty-five million) for each transaction (this limit will not operate for transactions related to participation in tenders);
28. conclude, stipulate and execute acts of sale, purchase, transfer of immovable property, establish, modify or extinguish the rights in rem relating to the same property, with the right to perform all related and consequential acts, including paying and/or receiving, even in a deferred manner, the consideration and liquidate any damages and waive legal mortgages, up to an amount of € 500,000.00 (€ five hundred thousand) for each transaction;
29. conclude, stipulate and execute acts of incorporation, modifications and extinguishment relating to active and passive servitude, voluntary or coercive, as well as activate the expropriation procedures of real estate, installations, equipment and facilities at the service of the networks, as well as any other and any act that may be necessary for the perfection of the servitude itself, with the right to perform all related and consequent acts, including paying and/or receiving, even in a deferred manner, the consideration and liquidating any damages and waiving legal mortgages, up to an amount of € 500,000.00 (€ five hundred thousand) for each operation;
30. assume and grant rental and sublease properties and enter into, amend and terminate the related contracts;
31. deliberate the cancellation, reduction, restriction of mortgages and liens registered in favour of the Company as well as subrogations in favour of third parties, when the aforesaid cancellations and waivers are requested following or subject to the full settlement of the receivable
32. constitute, register and renew mortgages and liens at the expense of third parties and for the Company's benefit; allow cancellation and restriction of mortgages at the expense of third parties and for the Company's benefit for restitution and reduction of obligations; waive mortgages and mortgage subrogations, including legal ones, and perform any other mortgage transactions, always at the expense of third parties and for the Company's benefit, and therefore active, holding the competent registrars of real estate registers harmless from any and all liability;
33. appoint lawyers and attorneys to litigation in any dispute for any degree of judgment; conclude settlements up to an amount of € 5,000,000.00 (€ five million) for each individual transaction, sign arbitration agreements and arbitration clauses, also appointing and appointing arbitrators;
34. define the functional structures of the Company and its subsidiaries, within the framework of the general organisational guidelines established by the Board; establish the criteria for hiring and managing personnel in compliance with the annual budget; propose to the Board of Directors the hiring of the managers in charge of each functional area, subject to the opinion of the Executive Committee; hire, appoint and dismiss personnel, in compliance with the forecasts contained in the annual budgets; promote disciplinary sanctions and any other measures against personnel;
35. represent the Company in all labour law cases including the right to:
  - a) reconcile individual labour disputes covering all categories of staff;
  - b) request and oppose any evidence, make the examination free or formal, elect domiciles, appoint lawyers, prosecutors and arbitrators and do whatever is necessary for the success of the cases in question;
36. represent the Company before the offices and institutions for social security and assistance in relation to matters relating to the Company's personnel, as well as before the Trade Unions in the negotiations for contracts, agreements and labour disputes, with the power to sign the related acts;
37. conferring and revoking powers of attorney under the aforementioned powers, for individual acts or categories of acts both to employees of the Company and to third parties also legal persons;
38. decide, within the scope of his competence, on the Company's membership in bodies, associations, organisations of a scientific, technical, study and research nature in fields of interest to the Company, whose contributions do not represent equity investments of the same entity, and whose participation entails a cost commitment not exceeding € 300,000.00 (three hundred thousand euro) for each operation;
39. the Executive Chairman is assigned the competences and responsibilities referred to in EU Regulation 2016/679 (General Data Protection Regulation - GDPR) and Legislative Decree no. 196 of 30 June 2003 on the processing of personal data and privacy, with the power of delegation;
40. the Executive Chairman, within the scope and limits of his respective delegated powers and the operational lines of reporting by the various corporate structures, is entrusted, to the extent of his competence with the establishment and maintenance of the internal control and risk management system. To this end, to the extent of his competence:

- a) ensures that the Risk Committee identifies the main corporate risks, taking into account the characteristics of the activities carried out by the Company and its subsidiaries, and periodically submits them to the Board of Directors for review;
- b) executes the guidelines defined by the Board of Directors ensuring that the competent corporate structures provide for the design, implementation and management of the internal control and risk management system, constantly verifying its adequacy and effectiveness;
- c) deals with the adaptation of this system to the dynamics of operating conditions and the legislative and regulatory landscape;
- d) may request the Internal Auditing department to carry out checks on specific operational areas and on compliance with internal rules and procedures in the execution of business operations;
- e) promptly reports to the Control and Risk Committee (or to the Board of Directors) on issues and critical issues that have arisen in the course of its activities or of which it has been informed, so that the Committee (or the Board) can take appropriate initiatives.

In relation to the powers listed above, and in compliance with the provisions of art. 2 - Recommendation 4 of the Code, it should be noted that the Board of Directors has delegated management powers to the Chairman owing to the organisational complexity of the Hera Group and for a more effective implementation of business and corporate strategies. In this regard, the organisational structure envisages that the Central Legal and Corporate Affairs Department, the Central Market Department, the Central Personnel and Organisation Department, the Central Communication and External Relations Department, the Central Strategy, Regulation and Local Authorities Department, the Central Corporate Services Department, the Investor Relations Department, as well as the businesses related to the activities of the companies Marche Multiservizi Spa and AcegasApsAmga Spa, report to the Chairman.

### Chief Executive Officer

The Board of Directors, which met on 27 April 2023 and quorate following the renewal of the corporate bodies on the same date, unanimously resolved to grant the Chief Executive Officer the powers set forth below in their version subsequently updated at the further meetings of the Board of Directors held on 24 May 2023, 28 June 2023, 29 November 2023, 24 January 2024, effective 1 February 2024, 26 March 2024 and from the latter on the date of 14 May 2024:

1. implement the decisions of the Shareholders Meeting and the Board of Directors as far as their competence is concerned;
2. as a matter of urgency, take jointly with the Chairman any decision falling within the remit of the Board of Directors, notifying the Board of Directors at the first subsequent meeting;
3. implement corporate and Group strategies, within the framework of directives established by the Board of Directors, and exercise delegated powers, and in particular those listed herein, in accordance with these strategies and directives;
4. propose to the Board of Directors all the initiatives it deems useful in the interests of the Company, and of the Group, and make proposals in matters reserved to the Board of Directors;
5. prepare the annual budget to be submitted to the Board of Directors;
6. being responsible for the organisation of the services and offices falling under his remit as well as for the staff employed by him;
7. report monthly to the Board of Directors, for matters falling under his remit on the assigned subsidiaries and affiliates;
8. sign the correspondence of the Company and the acts relating to the exercise of the powers conferred and the functions exercised;
9. stipulate, modify and terminate credit agreements, loans of any type and duration that involve a spending commitment of up to €1,000,000.00 (€ one million) for each individual operation;
10. opening and closing current accounts with banks and credit institutions, withdrawing sums from accounts held in the Company's name, issuing cheques or their equivalents for this purpose, and making transfers either from actual funds or from current account credit facilities;
11. make payments to the Company's bank and postal accounts, and turn over the same checks and money orders for crediting to current accounts; arrange for the management of activities relating to the collection of sums due and payments of the Company, including the issuing of quittance in full discharges;
12. draw a bill of exchange upon customers, endorse also for discount promissory notes, bills of exchange, drafts as well as cheques of any kind and perform other consequential transactions;
13. assign receivables and accept assignments of receivables claimed by suppliers (reverse factoring and/or indirect factoring contracts) of the Company without and/or with recourse up to a maximum amount of €250,000,000.00 (two hundred and fifty million euros) per individual transaction and operate with factoring companies and institutes by signing all the related deeds;
14. represent the Company in the pursuit and defence of actions before the Financial Administration and Commissions of every order and degree as well as before the Cassa Depositi Prestiti, Bank of Italy, customs, postal and telegraphic offices; by way of example:
  - a) sign the tax and VAT declarations as well as fulfil any other tax obligations;
  - b) lodge complaints, submit petitions and appeals, apply for licences and authorisations;

- c) issue formal releases upon payment in full, more specifically for payment mandates in relation to claims subject to factoring transactions;
- d) carry out any operation at the Cassa Depositi e Prestiti, Bank of Italy, Customs, Postal and Telegraphic Offices for shipments, storage, release and collection of goods, values, parcels, and folds, registered and insured letters, issuing receipts and receipts for discharge;
- 15. provide guarantees and grant loans as well as take out contracts relating to bank surety policies up to the value of € 25,000,000.00 (€ twenty-five million) for each transaction (this limit will not operate for transactions related to participation in tenders); issue, accept and endorse debt securities;
- 16. intervene, to the extent of his competence, in his quality of representative of the Company, both as the parent company as well as the lead company, in the constitution of joint ventures, ATIs (Temporary Associations of Enterprises), EEIGs (European Economic Interest Grouping), consortia and other bodies, giving and receiving the relevant mandates, in order to participate in tenders for the award of works, services and supplies;
- 17. to take part, to the extent of his competence, on behalf of the Company, also in ATIs (Temporary Associations of Companies), EEIGs (European Economic Interest Groupings), consortia and other organisations, in tenders or concessions, auctions, private bids, private negotiations, tender-contests and other national, EU and international public tenders, Community and international tenders, also admitted to State contribution or competition, for the award of works, supply of plants, also on a turnkey basis and/or goods and/or studies and/or research and/or services in general at any national, Community and international, public or private entity; submit requests to participate from the pre-qualification stage; submit bids up to an amount of € 25. 000,000.00 (twenty-five million euros) for each individual operation; in case of urgency, for amounts exceeding € 25,000. 000.00 (twenty-five million euros), the relative decision shall be made, jointly with the Executive Chairman, and communicated to the Board of Directors at the first subsequent meeting; in the event of awarding the contract, to sign the relative deeds, contracts and commitments, including the release of guarantees and/or the setting up of security deposits, with the broadest powers to negotiate, agree and/or finalise all the clauses that he deems necessary and/or opportune and/or useful;
- 18. to the extent of his competence, enter into, amend and terminate commercial agreements with companies and entities;
- 19. to the extent of his competence, to enter into, with all appropriate clauses, assign and terminate contracts and agreements in any case pertaining to the corporate purpose - including those pertaining to original works, trademarks, patents - also in consortium with other companies up to an amount of € 2,000,000.00 (two million euros) for each individual deed;
- 20. establish, in the interest of the Company, consulting relationships with external experts and professionals, setting times and methods of payment, all within the limits of € 300,000.00 (€ three hundred thousand) for each transaction;
- 21. conclude transactions up to an amount of € 5,000,000.00 (€ five million) for each individual transaction, sign arbitration agreements and arbitration clauses, also proceeding to the appointment and appointment of arbitrators;
- 22. conclude, stipulate and execute acts of incorporation, modifications and extinguishment relating to active and passive servitude, voluntary or coercive, as well as activate the expropriation procedures of real estate, installations, equipment and facilities at the service of the networks, as well as any other and any act that may be necessary for the perfection of the servitude itself, with the right to perform all related and consequent acts, including paying and/or receiving, even in a deferred manner, the consideration and liquidating any damages and waiving legal mortgages, up to an amount of €500,000.00 (€ five hundred thousand) for each operation;
- 23. conferring and revoking powers of attorney under the aforementioned powers, for individual acts or categories of acts both to employees of the Company and to third parties also legal persons;
- 24. decide, within the scope of his competence, on the Company's membership in bodies, associations, organisations of a scientific, technical, study and research nature in fields of interest to the Company, whose contributions do not represent equity investments of the same entity, and whose participation entails a cost commitment not exceeding € 300,000.00 (three hundred thousand euro) for each operation;
- 25. the CEO is conferred the role of employer pursuant to and for the purposes of art. 2 of Legislative Decree no. 9 April 2008, 81 and subsequent additions and amendments, with the tasks provided for therein, with the power to delegate, to the extent permitted by law, the performance of any useful and/or necessary activity aimed at ensuring compliance with the law, with the exception of the following Sectors/Structures for which the role of instigator/employer is held as indicated below:
  - a) Central Corporate Services Department (with the exclusion of the Purchasing and Procurement Department) Mr. Marcello Guerrini;
  - b) Purchasing and Procurement Department Mr. Marco Del Giaccio;
  - c) Central Networks Directorate (with the exception of the Water Department) Mr. Alessandro Baroncini;
  - d) Water Department Mr. Emidio Castelli;
  - e) Central Environmental Services and Fleets Department Mr. Giulio Renato;
  - f) Central Innovation Department Mr. Salvatore Molè;
  - g) Operations Development Function (within the Renewable Energies Business Unit) Mr. Salvatore Molè on an interim basis;
  - h) Central Market Department (excluding the Production, Trading and District Heating Department) Mr. Cristian Fabbri Cristian Fabbri on an interim basis;;



- 3) with regard to contracts and agreements related to the corporate purpose with a value of more than € 2 million per individual contract;
- 4) in the interest of the Company in relation to consulting relationships with external experts and professionals, fixing payment times and methods for a value exceeding 300 thousand euros and up to 1 million euros for each transaction;
- 5) with regard to the Company's membership in bodies, associations, bodies having a scientific, technical, study and research character in fields of interest of the Company whose contributions do not represent equity participation in the assets of the same entity, whose participation involves a commitment to spend more than 300 thousand euros and up to 1 million euros for each transaction;
- 6) to settle disputes and/or waive claims in excess of EUR 5 million;

- 7) in respect of the activation, amendment and termination of contracts for credit lines, loans of any type and duration involving an expenditure commitment of more than EUR 1 million and up to EUR 5 million for each transaction;
- 8) concerning the calling of tenders and/or the conclusion, amendment, termination of contracts for investments related to:
  - works, services and supplies necessary for the transformation and maintenance of buildings and installations exceeding EUR 20 million for each individual transaction;
  - purchases and disposals of furniture, equipment, machinery and movable property in general, including those entered in public registers of more than 10 million euros for each individual transaction.

The Committee is also responsible for:

- 9) reviewing the audit reports on a quarterly basis;
- 10) overseeing, in compliance with the system of delegated powers defined by the company, the activation of action plans resulting from audit reports;
- 11) reviewing quarterly reports for financial risk analysis and monitoring.

The Executive Committee, in the year 2024, met eight times, and six meetings were attended by all the members, while two meetings were attended by almost all the members. The meetings of the Executive Board, which were regularly recorded, lasted an average of about one hour and 10 minutes.

The following are the attendances of managers invited to attend Executive Board meetings, limited to matters falling within their remit:

- the Central Administration Finance and Control Director attended two meetings.

The Chairman reports to the Board of Directors every six months on the activities of the Executive Committee during the reporting period.

As regards the current financial year, two meetings of the Executive Committee have been held as at 26 March 2025, both of which were attended by all members. As of this date, an additional four Executive Committee meetings have already been scheduled for the remainder of the year.

#### **Disclosure to the Board by members / delegated bodies**

In accordance with the Code's recommendations, the delegated bodies report to the Board of Directors and the Board of Auditors, on at least a quarterly basis, on the activities performed in exercising the powers delegated to them.

#### **Other Executive Directors**

With the exception of the Executive Chairman and the Chief Executive Officer, there are no additional directors on Hera's Board of Directors who should be deemed to be executive.

As for the directors who, in addition to the Executive Chairman and the Chief Executive Officer, are members of the Company's Executive Committee, it is deemed that they should not be considered executive directors, in as much as they carry out their function in a collegial manner within the committee itself.

For additional information on the composition and competences of the Board of Directors with regard to sustainability, see the section 'Governance' in the 'General Information' chapter of the sustainability report.

### **4.7 Independent Directors and Lead Independent Director**

#### **Independent directors**

Currently, 11 independent non-executive directors are present on the Board of Directors, Fabio Bacchilega, Grazia Ghermandi, Alessandro Melcarne, Milvia Mingozzi, Marina Monassi, Monica Mondardini, Francesco Perrini, Tommaso Rotella, Paola Gina Maria Schwizer, Bruno Tani and Alice Vatta, in the sense that they meet the independence requirements provided for by the Code and by art. 148 paragraph 3 of the TUF.

More specifically, in compliance with Recommendation 7 of the Code, each of the directors indicated above stated:

- that he/she is not a significant shareholder of the Company;
- that he/she is not currently, and has not been, an executive director or employee in the previous three financial years:
  - of the Company, of a company controlled by it deemed to be of strategic importance or a company under common control;
  - of a significant shareholder of the Company;
- of not currently having, and has not had, a significant commercial, financial or professional relationship in the previous three financial years, either directly or indirectly:
  - with the Company or its subsidiaries, or its executive directors or top management;
  - with an entity that, also together with others through a Shareholders agreement, controls the Company; or, if the parent company is a company or entity, with the related executive directors or the top management;
- that he/she does not receive and has not received in the previous three financial years, by the Company, one of its subsidiaries or the parent company, a significant additional remuneration to the fixed remuneration for the office;

- that he has not been a director of the Company for more than nine financial years, including non-consecutive financial years, in the last 12 financial years;
- he/she does not hold the office of executive director in another company in which an executive director of the Company holds any office as director;
- he/she is not a member or director of a company or entity belonging to the network of the company entrusted with the statutory audit of the Company;
- he/she is not to be a close family member of a person who is in any of the situations referred to in the preceding points.

In compliance with Recommendation 5, the number and competencies of independent directors are deemed appropriate to the needs of the company and the functioning of the Board, as well as the constitution of the relevant committees.

At its meeting of 23 February 2022, the Board of Directors defined the quantitative and qualitative criteria for assessing the significance of the circumstances relevant under the Code for the purpose of assessing the independence of directors, and confirmed their appropriateness at its meeting of 10 May 2023.

In particular, the Board of Directors has determined that:

- the commercial, financial and professional relationships, within the meaning of Recommendation 7, first paragraph, point (c) of the Code, are to be regarded as significant and therefore capable of compromising the Director's independence if from the commercial, financial or professional relationship, the Director has derived, for any reason whatsoever, an amount the total annual value of which is equal to or greater than:
  - (i) 5% of the annual turnover of the legal person, organisation or professional firm, of which the Director has control or participation, or of which he is an executive director;
  - (ii) or 10% of the total annual costs borne by the Hera Group for services that are attributable to the same type of contractual relationship as in the commercial, financial or professional relationship under consideration.
- The additional remuneration, pursuant to Recommendation 7, paragraph 1, letter d) of the Code, is that which the Director receives or has received, from Hera Spa and/or its subsidiary, compared to the fixed remuneration for the office and is to be considered significant if:
  - (i) it concerns professional positions or consultancy and is
  - (ii) equal to the fixed remuneration received in Hera Spa in the reference year for the performance of the office of Director.

In line with the provisions of Recommendations 6 and 10 of the Code, the independence of the aforementioned directors was assessed, based on the information available, already at the time of their appointment, by the Board of Directors, which publicly disclosed the outcome by means of a press release to the market.

The following circumstances do not affect the requirement of the independence of the director: the appointment of the director by the shareholder or group of shareholders that controls the Company, the office of director of companies controlled by the Company and the related remuneration, the office of member of one of the advisory committees constituted referred to below.

At the meeting of 26 March 2025, in light of the statements made by each non-executive director and taking into account that the Board of Directors is not aware of the existence of reports by the current non-executive directors such as to compromise or affect their independence of judgment, except as specified below, the Board of Directors confirmed the independence assessment of its non-executive members, with the exception of the directors Gianni Bessi and Enrico Di Stasi.

With regard to independent non-executive directors, it is specified that:

- with regard to the Director Tommaso Rotella, Vice Chairman and member of the Executive Committee, and the Director Marina Monassi, member of the Executive Committee, they are deemed to have met the independence requirements in as much as they, taking into account, among other things, the functions delegated to that body, are not involved in the operational management of the Company;
- with regard to the director Fabio Bacchilega, despite being a prominent member of the shareholder Con.Ami (Chairman of Con.Ami), he is considered to meet the independence requirements since the shareholder Con.Ami cannot be configured as a parent of Hera Spa, nor is he able to exercise any significant influence over it;
- with regard to the director Monica Mondardini, who declared that she has a fourth-degree relationship with an employee of Hera Spa, it is considered that the same cannot influence, or be influenced by, in relations with Hera and its Group, and therefore maintains the independence requirements.

With regard to non-independent non-executive directors, it is specified that:

- the director Gianni Bessi stated that he is an employee of Hera Spa currently on leave and therefore does not meet the independence requirements established by the Code (Recommendation 7 letter b), as well as those referred to in art. 148 paragraph 3 of Legislative Decree no. 58/98;



- the director Enrico Di Stasi declared that he did not meet the independence requirements established by the Code (Recommendation 7 letter b), nor those set out in current legislation. To confirm this, he pointed out his commitment as delegate of the Mayor of the Municipality of Bologna in the relations - currently characterized by continuity - with Atersir (Emilia-Romagna Territorial Agency for Water and Waste Services).

The Board of Statutory Auditors, as part of the tasks assigned to it by law, verified the correct application of the criteria and assessment procedures adopted by the Board of Directors to assess the independence of its non-executive members.

During the financial year 2024, the independent directors, in compliance with the provisions of the last paragraph of Recommendation 5 of the Code, met separately and independently on the date of 22 November 2024.

This meeting, presided over and coordinated by the Lead independent director, covered the following topics: (i) the degree of satisfaction with the in-depth interventions and new proposals for topics, (ii) the evaluation of the activities of independent directors in the second year of the Board of Directors' term of office, (iii) observations and evaluations on the board review process conducted with the support of the external consultant (iv) the degree of satisfaction of independent directors with respect to both the activities carried out by the Board Committees and the disclosure of the items on the agenda of the Board of Directors' meetings, (v) observations regarding the relationship between the Board of Directors and the Internal Auditing Management, and (vi) the evaluation of the effectiveness and usefulness of the off-site meeting.

#### **Lead independent director**

Recommendation 13 of art. 3 of the Code provides that, upon the fulfilment of certain conditions, at the request of the majority of independent directors, the board of directors appoints, as provided for in Article 1.1 of the Hera Spa Lead Independent Director Regulations, adopted by the Board of Directors at its meeting of 22 September 2021, an independent director as Lead Independent Director, so that the same can be a point of reference and coordination of the instances and contributions of non-executive directors and, in particular, of independent directors, coordinating their meetings and carrying out any further tasks that, from time to time, should be assigned to him by the Board of Directors and the Executive Chairman.

The Board of Directors held on June 28, 2023, on a proposal from the Vice Chairman and in accordance with what was agreed following the meeting of the independent Directors of the same date, appointed, as Lead Independent Director of the Company, the independent director Dr. Paola Gina Maria Schwizer, who will serve in this role until the natural expiry of the administrative body, namely until the date of approval, by the Shareholders Meeting of Hera, of the financial statements as at December 31, 2025.

The Lead independent director, as of 2021, is provided with specific regulations approved by the Board of Directors, as mentioned above.

## **5.0 Management of corporate information**

With a view to regulating the disclosure to the sector authorities and the public of news, data and privileged information concerning the management and activities carried out, the disclosure of which may affect the valuation processes of the share and, consequently, the level of demand and supply of the same, the Board of Directors issued the specific Group Procedure, implementing the legislative changes introduced by the European Market Abuse Regulation (MAR) (EU Regulation 596/2014), as well as the Consob Guidelines on the subject.

This procedure aims to:

- identify and ascertain specific confidential and material information, i.e. information relating to data, events, projects or circumstances that may take have a privileged nature and, consequently, influence the performance of Hera's share price;
- define the authorisation and management procedures within the Group;
- regulate the methods of communication outside, in terms of documentation, press releases issued, interviews and statements issued, meetings carried out.

The aforementioned Procedure is aimed at identifying the corporate functions supporting top management in the identification and consequent mapping of relevant information, as well as the persons who have access to such information and the time at which it may become inside information, on the basis of the assessments made by top management itself.

In compliance with the provisions of the Consob Guidelines, the so-called Relevant information list (RIL), in which the names of the persons with access to the relevant information are inserted. The RIL is added to the already existing list of persons with access to inside information, the management and maintenance of which have already been updated in accordance with the provisions introduced by the MAR, which has, in particular, broadened the concept of inside information, establishing that it is information of a precise nature, which has not been made public, relating, directly or indirectly, to one or more issuers or one or more financial instruments and which, if it were made public, would be likely to have a significant effect on the prices of those financial instruments or on the prices of related derivative financial instruments..

In addition, in application of the Procedure on Inside Dealing, the members of the Board of Directors, Statutory Auditors, General Managers, as well as persons closely related to them, are identified as relevant persons, who are obliged to notify Consob of any transactions carried out by them on Hera Spa financial instruments. This Procedure governs the timing and methods of communicating the transactions performed by the relevant parties. Hera Spa has

identified the Central Legal and Corporate Department as the entity responsible for receiving, managing and disseminating information on the subject to the market.

The person in charge will make use of the Central External Relations Department for the dissemination of information to the market.

## 6.0 Internal committees of the Board of Directors (pursuant to art. 123-bis, subsection 2, letter d), TUF)

The internal committees, constituted in compliance with Principle XI and Recommendation 16 of the Code, represent an internal structure of the Board of Directors with preliminary, proposal and advisory functions.

The relative composition, available on the website [www.gruppohera.it](http://www.gruppohera.it), evaluated during the appointment by the Board, has privileged, in line with the provisions of Recommendation 17, the competence and experience of the members, avoiding an excessive concentration of positions.

The Board of Directors of Hera, following its renewal on 27 April 2023, redefined the composition of these committees at its meeting of 10 May 2023 and subsequently at its meeting of 14 May 2024.

With regard to the committees provided for by the legislation, reference is made expressly to the specific paragraph of "Section 4.6" with reference to the Executive Committee, and to the subsequent "Section 10" with reference to the Related Parties Committee.

In addition, in order to provide the individual committees with specific internal regulations, aimed at defining the rules of operation, minutes and management of the disclosure to the Board of Directors, the latter has approved the contents. It was decided to retain the functions of the Nomination Committee under the coordination of the Chairman.

### Additional committees (other than those required by law or recommended by the Code)

#### Ethics and Sustainability Committee

The Board of Directors of Hera Spa, at its meeting of 12 September 2007, defined the text of the mission and the Group's values and operating principles, and consequently approved the updated version of the Code of Ethics, which constitutes an instrument of the Corporate Social Responsibility for the implementation of principles of ethics inspired by good conduct and directed towards the pursuit of the corporate mission.

Therefore, in implementation of the aforementioned Code, the Board of Directors, at its meeting of 8 October 2007, established a special Committee composed of three members, including at least one director of the Company, and two experts on social responsibility and the topics covered by Legislative Decree no. 231/01, also highlighting that at least one component must be external.

Subsequently, at the meeting of 8 November 2018, the Hera Board of Directors, in compliance with the provisions of art. 4 (Establishment and functioning of internal committees of the Board of Directors) of the then-current Corporate Governance Code for Listed Companies of Borsa Italiana Spa, deemed it appropriate to assign the Ethics Committee the functions of supervising sustainability issues connected to the Company's business and its dynamics of interaction with all stakeholders, also deciding to change its name to Ethics and Sustainability Committee and to expand its composition, increasing its members from three to four, two of whom are directors of Hera Spa.

The Committee, therefore, last renewed on 10 May 2023, is composed of two independent directors of Hera Spa in the persons of Alice Vatta, Chairperson, and Francesco Perrini, as well as Nicoletta Tranquillo and an experienced executive in matters of social responsibility.

The Committee has specific regulations approved by the Board of Directors and last revised in 2023.

The Board of Directors of Hera Spa, at its meeting of 8 February 2023, approved a new update of the Code, adopting its sixth edition, following a process of sharing that involved Hera management, Group employees through various corporate communication systems, including Millennials, as well as social partners.

In particular, the update process was based on:

- international guidelines in terms of human and workers' rights and sustainability, also according to the requests of the ESG (Environmental, Social and Governance) questionnaires and for compliance with the European Union Taxonomy;
- Just Transition and Corporate digital responsibility with reference to the ecological transition and digital transformation;
- notifications received in the last three years for the purpose of identifying possible areas to be addressed within the Code of Ethics.

The Code, in its sixth edition, can be defined as "purpose-driven" as the purpose is recalled in all the Chapters of the Code.

The Ethics and Sustainability Committee is responsible for monitoring the dissemination and implementation of the Code of Ethics, exercising oversight functions of sustainability aspects related to the Company's business operations, as well as, in compliance with Recommendation 1 of the Code, supporting the Board in analysing issues relevant to long-term value generation. In particular, it receives reports of violations of the Code and evaluates the possible

opening or not of proceedings, monitors the implementation of sustainability policies, formulates, at the request of the Board of Directors, an opinion on specific sustainability issues, examines corporate procedures in social and environmental matters, and examines, as a preventive measure, the sustainability report to be submitted to the Board of Directors.

Since 2008, when the Code of Ethics came into force, a confidential and direct channel has been activated with the Committee in favour of all stakeholders interested in providing reporting of any conduct that contravenes the code and values promoted by the Group.

The Ethics and Sustainability Committee met six times in the year 2024 and all meetings were attended by all the members. The Ethics Committee meetings lasted an average of approximately one hour and 45 minutes.

Here are the presences of the managers invited to attend the meetings of the Ethics and Sustainability Committee:

- the Director of Central Personnel and Organisation, the CEO of Hera Comm Spa and the Head of Customer Value Management and Back Office attended one meeting and the Director of Internal Auditing, together with the Head of Internal Auditing, attended another meeting.

During the meetings held during the year, the Committee examined the reports received and the subsequent investigations carried out, the drafting of the reports for the second half of 2023 and the first half of 2024 to the Hera Board of Directors, the preview of the 2023 sustainability report, the definition of the 2023 final and 2024 plan relating to training activities on the Code of Ethics, the proposal for the Committee's work plan for 2025, the meeting with the Supervisory Body, the evaluation of the thematic sustainability reports, the progress of the Corporate Sustainability Reporting Directive and "Net Zero" projects, a focus on the Dow Jones Sustainability Index, as well as in-depth discussions with Hera Comm Spa on communication to customers and relations with agencies.

As regards the current financial year, two meetings of the Ethics and Sustainability Committee have been held as at 26 March 2025, attended by all members. Five further Committee meetings have been scheduled as at that date.

## 7.0 Director self-assessment and succession – Appointments Committee

### 7.1 Directors' self-assessment and succession

In application of the provisions of Principle XIV of the Code, the Board of Directors periodically evaluates the effectiveness of its activities and the contribution made by its individual members through formalized procedures whose implementation it oversees.

More specifically, in line with Recommendation 22 of the Code, the Board of Directors annually carries out, with the support of an independent external advisor expert in governance and advisory services to the boards of directors, a self-assessment on the size, composition and functioning of the Board itself and its Committees, also considering the role it has played in defining strategies and monitoring the performance of the management and adequacy of the internal control and risk management system, as required by Recommendation 21 of the Code.

This evaluation was carried out in 2025 with the support of Management Search Srl, a consulting company appointed for this purpose; most recently, it was presented and discussed at the Board of Directors meeting on 26 March 2025.

The methodology used for the evaluation process was as follows:

- 1) completion - by the Directors and the Chairman of the Board of Statutory Auditors - of an on-line interview questionnaire, with subsequent conduct of an individual interview to deepen the topics reported in the questionnaire.
- 2) The questionnaire examined the following topics: (i) the structure and composition of the Board of Directors; (ii) the functioning of the Board; (iii) the adequacy of the time devoted to the discussion of issues relevant to the Company; (iv) the functioning of the Committees; (v) relations with top management and knowledge of the same by the Directors; (vi) the opinion expressed by the Directors on the work they themselves carried out within the Board of Directors and on their contribution to the Board debate and decision-making process; (vii) sensitivity to ESG and sustainability issues and principles, as well as the dissemination/integration of these issues into the corporate organization and business. Each question in the questionnaire could be answered through different levels of consensus;
- 3) sample examination of the company documentation (i.e. the minutes of the 2024 meetings of the Board of Directors and Committees). The examination revealed that the overall functioning of the Board of Directors and the Committees adhered to the indications and requirements contained: (i) in the regulatory provisions applicable to issuers; (ii) in the Corporate Governance Code; (iii) in the internal regulatory framework adopted by the Company (Bylaws, Code of Ethics, regulations and internal procedures);
- 4) benchmarking, comparing Hera Spa data with those of ten listed Italian companies operating in the energy sector.

The results revealed a positive picture of the functioning and composition of the Company's Board of Directors and Committees.

This was confirmed by the high level of consensus (around 90%) expressed by the directors on several macro-areas of interest (size, composition and diversity of the administrative body, organization and decision-making processes, flow of information and training, climate and team spirit, commitment and strategic support to top management, operation of the Committees) and the absence of topics with low levels of consensus.

In particular, as part of the self-assessment activity:

- on the composition of the Board of Directors
  - the current number of directors was considered appropriate overall and the ratio of executive/non-executive/independent directors was well balanced and appropriate. The professional skills mix in the Board is considered to represent a good professional heterogeneity and is appropriate;
  - the division of powers (between Executive Chairman and Chief Executive Officer) and the balance of powers (Board supervision and management of delegated entities) were considered adequate;
- on the functioning of the Board of Directors
  - the attendance rate at Council meetings was high (95.2% average attendance);
  - the time devoted by the Board to issues relevant to the Company was considered adequate and all the directors acknowledged the high quality of the discussions on the issues addressed;
  - it was recognized that the Secretary of the Board of Directors and the Corporate Secretariat have provided valuable support to the work of the Board, receiving the unanimous appreciation of the Directors (both for the specialist skills demonstrated and for the effectiveness in managing organizational aspects);
  - the information and documentation provided by the Company Secretariat was deemed complete and of high quality; the minutes of the meetings clearly and punctually reported the progress of the debate, and the pre-meeting documentation and minutes of the meetings were received in a timely manner, ensuring adequate preparation for the meetings;
  - the in-depth sessions on business issues were unanimously appreciated by the Directors; the Board of Directors received complete and timely information on the areas of greatest strategic importance for the Company and the pre-board documentation was deemed by all Directors to be complete, clear and well structured;
  - the atmosphere that characterised the work of the Board was deemed quite favourable in terms of collaboration and interaction between the directors;
  - the Executive Chairman, thanks to his in-depth knowledge of the Company and the sector, plays a central role within the Board and exercises a decisive function of driving its operation;
  - the interaction between the Board of Statutory Auditors, the Board and the other bodies was considered constructive and well balanced;
- on strategy and objectives
  - it was considered that the Council had adequately examined in depth and discussed the main issues of strategic importance;
  - the majority of Directors considered that the strategic issues submitted to the Board of Directors were normally presented in a clear and complete manner;
  - the majority of the Directors were satisfied with the work carried out by the Board of Directors as a whole, as regards the contribution to the definition of the main strategic guidelines of the Company;
- on risks and related controls
  - it has been recognised that risk control and management are issues of primary importance to the Group and that the internal control and risk management system is deemed to be efficient and effective;
- relationships with management
  - the relationship of the Executive Chairman and the CEO with the Board of Directors was considered very open and constructive;
  - the Board members' interaction with management is continuous and presentations to the Board by top management are clear and useful;
- functioning of the Committees
  - the evaluation of the composition and functioning of the committees was positive, and the organisation of the Committees was also found to be appropriate;
  - the members of each Committee believed that the respective meetings were of an adequate frequency and duration in relation to the tasks and topics dealt with;
- on ESG and sustainability issues
  - the great importance of ESG and sustainability issues was recognised by the entire Board of Directors, and the topics that will be a priority for the Group were underscored (care for the environment and the territory, reduction of greenhouse gas emissions, carbon neutrality, further disclosure of the sustainability goals achieved, sustainability as an integral part of the Company's value chain);
- on Dialogue with Shareholders and Bondholders
  - the Dialogue with most Shareholders and Bondholders is deemed to take place in an appropriate manner.

The following area for improvement emerged from the Board's assessments: for some Directors, the level of participation and active contribution to the debate by all could be improved, in order to better enhance the mix of skills contained within the Board of Directors.

To this end, the actions suggested by some Directors are, in particular: (i) to encourage maximum participation of Directors in in-depth sessions; (ii) to increase the involvement of all Directors on very relevant issues, such as the Guidelines of the Business Plan, providing when possible for a dedicated meeting before the Board of Directors; and (iii) to increase disclosure regarding the benchmark with competitors, market information and economic and financial data.

## **7.2 Appointments Committee**

It should be noted, as already mentioned in "Section 6", that it has been decided, as early as 2020, to maintain the functions of the Appoint Committee under the coordination of the Chairman, also in view of the fact that the appointments of the members of the Board of Directors are made by shareholders through the vote list at the Shareholders Meeting.

At meetings of the Board of Directors, adequate space is dedicated to the performance of the typical functions of this Committee, subject to a positive verification of the presence of a number of independent directors at least equal to half of the members of the administrative body.

It should also be noted that, in the event of the early termination of the office of executive directors, the procedure is in accordance with the provisions of the Articles of Association and the Shareholders Agreement: the functions of the Chairman, as legal representative, are immediately taken over by the Deputy Chairman; the Board of Directors has the power to co-opt new directors to replace the departing ones and resolves on the allocation of proxies. The first useful Shareholders Meeting shall provide for the subsequent integration of the Board of Directors. With regard to the management of the first level of dependence on the top, the Chairman, in agreement with the Chief Executive Officer, submits to the Board of Directors a reasoned proposal for appointment/replacement.

## 8.0 Directors' remuneration - Remuneration Committee

### 8.1 Directors' remuneration

Note that for all information relating to the remuneration policy, the remuneration of executive directors and top management, the remuneration of non-executive directors, the accrual and payment of remuneration and the compensation of directors in the event of resignation, dismissal or termination of employment following a takeover bid, reference is made expressly to the report on the remuneration policy and the remuneration paid.

For more information on the remuneration of the Board of Directors in relation to sustainability, see the paragraph "Sustainability-related incentive schemes" in the chapter "General information" of the sustainability report.

### 8.2 Remuneration Committee

#### **Composition and functioning of the Remuneration Committee (pursuant to art. 123-bis, paragraph 2, letter d)**

The Remuneration Committee was established for the first time at the meeting of the Board of Directors on 4 November 2002, renewed on 10 May 2023 and updated in its composition at the meeting of the Board of Directors on 14 May 2024.

Following the departure, on March 3, 2024, of Mr. Gabriele Giacobazzi as Chairman of the Remuneration Committee, the Board of Directors has appointed, in his place, Mr. Tommaso Rotella Attorney at Law; the Remuneration Committee, therefore, is currently composed of 4 members, in the persons of Tommaso Rotella, Chairman, Monica Mondardini, Fabio Bacchilega and Alice Vatta.

The Remuneration Committee also keeps the Board of Directors informed of its activities and met three times in the year 2024: all meetings were attended by all members of the Committee. The meetings of the Committee, regularly recorded, lasted on average about one hour and 10 minutes.

The attendance of managers invited to attend the meetings of the Remuneration Committee is as follows:

- the Central Director of Personnel and Organization attended three meetings;
- the Director of Shared Value and Sustainability attended two meetings.

As regards the current financial year, a meeting of the Remuneration Committee was held on 26 March 2025, which was attended by all the members. Two further meetings of the Remuneration Committee have been scheduled for the remainder of 2025.

During the various meetings of the Committee in 2024, topics related to the Budget 2024 Bsc system and social incentive plan, the in-depth examination of the contractual conditions of top management with specific focus on the possible termination agreement (severance), the 2023 corporate performance reporting with reference to the results related to short-term variable compensation and the results related to the welfare plan were discussed, as were the 2023 corporate performance reporting related to the short-term variable remuneration forms of top management, the 2024 year remuneration guidelines and policies for directors and executives with specific focus on the 2024 remuneration positioning, the 2024 remuneration policy guidelines and application of the remuneration policy to the Head of Internal Auditing and the Executive in Charge of Financial Reporting, as well as the benchmark positioning and remuneration of top management. Finally, it should be noted that, on the proposal of the Committee, already with the renewal of the Board of Directors in 2017, the claw-back clause was introduced, which provides for ex-post correction mechanisms for the system of remuneration of executive directors, as well as the clause that provides, in the event of resignation, dismissal or termination of the office of the latter, a compensation in the amount of 18 monthly indemnities.

Moreover, in compliance with the provisions of Recommendation 26, the Remuneration Committee, entirely composed of nonexecutive directors, envisages the presence among its members of at least one member with adequate knowledge and experience in financial matters or remuneration policies, as assessed by the board of directors at the time of appointment.

At the express invitation of the Committee Chairman, the Chairman of the Board of Directors, the Chief Executive Officer and representatives of any corporate functions involved may participate in the work of the Committee.

For further information, please refer to the report on the remuneration policy and remuneration paid pursuant to art. 123-ter TUF.

#### **Functions of the Remuneration Committee**

Pursuant to Recommendation 25 of the Code and also on the basis of the provisions of the relevant regulation, approved by the Board of Directors on 23 February 2022, the Remuneration Committee is responsible for assisting the administrative body with preliminary, advisory and proposal functions.

In particular, the Committee's task is to:

- assist the Board of Directors in the elaboration of the remuneration policy, defined taking into account the remuneration practices widespread in the relevant sectors and for companies of similar size, as well as the pursuit of the sustainable success of the Company;
- submit proposals to the Board of Directors or expresses opinions:

- on the remuneration of Executive Directors and, after consulting the Board of Statutory Auditors pursuant to art. 2389 of the Italian Civil Code, of the other Directors who hold particular offices;
- On the setting of performance targets related to the variable component of the remuneration of Directors with delegated powers;
- monitor the actual implementation of the remuneration policy and decisions made by the Board of Directors regarding remuneration and verify, in particular, the actual achievement of performance targets;
- periodically evaluate the adequacy and overall coherence of the policy for the remuneration of directors and top management, making use in the latter regard of the information provided by the Chairman or the director with delegated authority over management personnel, reporting periodically to the Board of Directors.

in carrying out its functions, the Committee has access to the information and business functions necessary for the performance of its duties.

For further information, please refer to the report on the remuneration policy and remuneration paid pursuant to art. 123-ter TUF.



## 9.0 Internal control and risk management system - Control and Risk Committee

The internal control and risk management system is integrated into the more general organisational and corporate governance structures adopted by Hera and takes into appropriate consideration the recommendations of the Corporate Governance Code, the reference models and best practices existing at national and international level.

For more information regarding the internal control system and the sustainability risk management system, see the section “Risk management and internal controls over sustainability reporting” in the “General Information” chapter of sustainability reporting.

### Corporate risk management at Hera

In compliance with principle XVIII of the Code, Hera has adopted an organizational structure to appropriately manage the risk exposure arising from its business, defining an integrated approach aimed at preserving the effectiveness and profitability of its management throughout the entire value chain.

In application of Principle XIX and Recommendation 33, the Corporate Governance System for Risk Management (Enterprise Risk Management) defines the organizational rules, structures and procedures aimed at the effective and effective identification, measurement, management and monitoring of the main risks, in order to contribute to the sustainable success of Hera, in line with its business strategies.

For a more detailed description, please refer to the annual report.

### The Risk Committee

The Risk Committee, established for the first time in 2011, is composed of the Executive Chairman, the Vice Chairman and the Chief Executive Officer of Hera Spa, the Central Administration, Finance and Control Director, the Central Market Director and the Enterprise Risk Manager. Furthermore, in relation to specific issues of competence, the participation of the Central Legal and Corporate Director, the Central Corporate Services Director, the Central Innovation Director, the Chief Executive Officer of Hera Trading Srl and the Chief Executive Officer of Hera Comm Spa is envisaged.

The material risks dealt with within the Risk Committee relate to the following areas: strategic, economic, financial, regulatory, competitive, technological, environmental and human capital.

In 2024, the Risk Committee met five times and provided information on risk management to the Board of Directors at its meetings of 21 February 2024 and 31 July 2024.

### The Group's risk management structure

In the overall design of the risk management process, Hera has adopted an articulated approach, aligned with industry best practices, through the introduction of Enterprise Risk Management (ERM). This orientation is aimed at establishing a systematic and consistent approach to their control and management, creating an effective model of direction, monitoring and representation, appointments to the appropriateness of management processes and their coherence with top management objectives.

For a more detailed description of the key elements of the risk management framework, see the management report. On January 20, 2016, the first ERM report with the mapping of Group risks was presented to the Board of Directors, accompanied by the appropriate assessment measures for individual risk and consolidated risk (impact, likelihood, severity, control levels), and at that meeting the Board of Directors approved the Hera Group risk management policy Guideline and risk limits for the year 2016.

On February 15, 2017, the second ERM report was presented to the Board of Directors. with expansion of the scope of reference, of the universe of risks under control and the types, and at the same meeting, the limits for 2017 and the update of the Hera Group risk management policy Guideline were approved.

On the date of September 27, 2017, a report was presented to the Board of Directors regarding risk supervision activities within the Group.

In particular, the following issues were explored in depth pertaining to:

- risk defence lines and governance structure;
- compliance with Law 262/2005 as well as compliance with Legislative Decree 231/2001, clarifying the role of the Designated Officer and the Supervisory Board in their respective reports to the Board of Directors;
- the governance of risk management, clarifying the role of the Risk Committee, particularly in the communication of information flows to the Board of Directors, the Board of Statutory Auditors, the Control and Risk Committee and Internal Auditing, and the governance system implemented through the adoption of the ERM with the assignment of the strategic guiding role to the Board of Directors, which is responsible for deciding about the Group's risk profile and approving the Hera Group's risk management policy Guideline.



The ERM report was also presented to the Board in subsequent years.

On January 10, 2020 the fifth ERM report was presented to the Board of Directors with an expansion of the scope of reference as well as of the universe of risks under control and the backtesting of the risks related to the previous ERM analysis. The risk limits for 2020 were also approved, as well as the update of the Hera Group's Risk Management Policy Guidelines. On 25 March 2020, the group model of crisis management, the activities carried out and the envisaged development plan were presented to the Board of Directors.

On 13 January 2021, the sixth ERM report was presented to the Board of Directors, which, in addition to the previous edition, introduced the risk analysis related to the Covid-19 pandemic and carried out a comparative analysis of the Group's risks with respect to the proposed reference model of the Global Risk Report 2020 of the World Economic Forum, highlighting similarities and specificities.

On January 26, 2022, the seventh ERM report was presented to the Board of Directors, which, in addition to the previous edition, introduced additional dimensions of a temporal nature for the representation of risks and their mapping onto the strategic dimensions of the business plan.

On February 8, 2023, the eighth ERM report was presented to the Board of Directors, which sees an adjustment of risk mapping to the altered structure of the strategic dimensions of the business plan.

On February 21, 2024, the ninth ERM report was presented to the Board of Directors, at the same location the limits for 2024 and the update of the Hera Group's risk management policy Guideline were approved.

### **The risk management and internal control system in relation to the financial reporting process**

The system of internal control and risk management related to financial reporting (SCIIF), is designed to ensure the reliability, accuracy, trustworthiness and timeliness of corporate financial reporting and the ability of relevant business processes to produce such reporting in accordance with the Group's accounting standards.

The financial disclosure consists of the set of data and information of a financial nature contained in the periodic accounting documents required by law, as well as in any other act or communication to the outside world having accounting content, which are the subject of the attestations provided for in Art. 154-bis of the TUF

The SCIIF model adopted by the Hera Group has been defined in keeping with the provisions of art. 154-bis TUF and is methodologically based on the Coso Framework (Internal Control Integrated Framework) issued by the Committee of Sponsoring Organizations of the Treadway Commission, an international reference model for the establishment, updating, analysis and evaluation of the internal control system.

For more information regarding the internal control system and the sustainability risk management system, see the section "Risk management and internal controls over sustainability reporting" in the "General Information" chapter of sustainability reporting.

### **Description of the main features of the risk management and internal control system in relation to the financial reporting process**

Within the scope of SCIIF, the Designated Officer has established a model of accounting and administrative control - regulation of the Designated Officer for the preparation of corporate accounting documents (hereinafter also the model) approved by the Board of Directors of Hera Spa, which describes the methodology adopted and the related roles and responsibilities within the framework of the definition, implementation, monitoring and updating over time of the system of administrative-accounting procedures and the assessment of its adequacy and effectiveness.

The design, establishment and maintenance of the SCIIF are ensured through the following activities:

#### **Definition of "Scoping"**

This represents the process of identifying and/or updating risks related to corporate disclosure (risks of unintentional error or fraud) that could have effects on the financial statements and is carried out under the responsibility of the Designated Official on at least an annual basis.

This process identifies all the objectives that the system intends to achieve in order to ensure a true and correct representation of this information. The risk assessment, conducted according to a top-down approach, focuses on those areas of the financial statements where potential impacts on corporate reporting have been identified with respect to failure to achieve these control objectives. Assessments are performed using both quantitative and qualitative parameters.

The following activities are carried out as part of the risk assessment process, with the aim of identifying the Hera Group's companies, their accounts, the processes associated with them, and any other information in the financial statements:

- identification and/or updating of the Group's companies deemed to be relevant under the system of internal control over the corporate disclosures;
- identification and/or updating of the list of business processes identified as relevant for the proper functioning of the Group's accounting and administrative control system;
- verification of the overall adequacy of the accounting and administrative control model in place.

### Risk assessment and definition of the controls

The identification of the controls necessary to mitigate the risks identified in the previous step shall be made by considering the control objectives associated with financial reporting.

On the basis of the aforementioned, Hera Spa has defined an internal control system for which the heads of corporate functions, on a periodic basis, verify, each for the areas under their responsibility, the design and effective operation of control activities.

The results of periodic updating of procedures and related controls are shared by the heads of business functions with the Designated Officer. The heads of business functions shall update/amend the administrative-accounting procedures for the areas under their responsibility on a periodic basis.

### Monitoring

The identified controls are subject to periodic assessment of adequacy and effective operation through specific monitoring activities (testing) in accordance with existing best practices in this area.

In carrying out the above activities, the Designated Officer considers the involvement of the heads of the corporate functions he deems necessary from time to time and the contact persons of the subsidiaries.

On a half-yearly basis, the Designated Executive shall receive internal attestations from relevant subsidiaries and affiliates with reference to the completeness and reliability of information flows for the purpose of preparing corporate reporting.

The Designated Officer shall define a report in which he summarizes the results of the assessments of controls against the previously identified risks based on the findings of the monitoring activities carried out on a half-yearly basis.

The management summary that has been prepared, once it has been shared with the CEO, shall be shared with the Board of Statutory Auditors of Hera Spa, the Audit and Risk Committee, and the Board of Directors.

### Roles and Functions Involved

The SCIIF is governed by the Designated Officer who is charged with drawing up the accounting and corporate documents and who in consultation with the CEO is responsible for designing, implementing, monitoring and updating the administrative-accounting control model over time.

In carrying out its activities, the Designated Officer :

- is supported by a specific function entitled Compliance 262 and Financial Risk Control, by staff of the Central Director of Administration Finance and Control, established by Service Order 49 dated October 30, 2013 and effective as of November 1, 2013;
- is supported by the heads of the corporate functions involved, who, with regard to their area of responsibility, ensure the completeness and reliability of information flows to the Designated Officer for the purpose of preparing accounting information;
- coordinates the activities carried out by the administrative managers of the relevant subsidiaries, who are in charge of the implementation, within their Company, together with the delegated bodies, of an adequate accounting control system to oversee the administrative-accounting processes;
- establishes a mutual exchange of information with the Audit and Risk Committee and the Board of Directors, reporting on its activities and the adequacy of the accounting and administrative control system.

Finally, the Board of Statutory Auditors and the Supervisory Body are informed about the adequacy and reliability of the administrative-accounting system.

### Internal control and fiscal risk management system

The "Fiscal Strategy of Hera Spa" approved by the Hera Board of Directors on 27 July 2022, as part of the implementation of procedures and controls for the management and control of tax risk (so-called "Fiscal Strategy"). Tax Control Framework (TCF)), defines the policies that Hera intends to promote in order to achieve and maintain the following objectives:

- sustainable growth of the company's assets and protection of the Hera Group's reputation and the interests of its shareholders;
- correct and timely determination and settlement of taxes due by law and performance of related obligations;
- containment of tax risk, understood as the risk of incurring the violation of tax rules or abuse of the principles and aims of the tax system.

The adoption of a clear and documented tax strategy is, among other things, one of the requirements for access to the collaborative tax compliance regime (cooperative compliance) established by Legislative Decree no. 5 August 2015, no. 128 which promotes forms of communication and cooperation between the Tax Administration and taxpayers. This scheme is dedicated to taxpayers who meet the access requirements of the regulations and are equipped with a system for the detection, measurement, management and control of tax risk (TCF), understood as the risk of operating in violation of tax norms or in violation of the principles or purposes of the tax system.

The main benefits guaranteed by law, in view of the implementation of this system which aims to establish a relationship of trust between the Administration and the taxpayer that aims at increasing the level of certainty on relevant tax issues, are the following:

- single interlocutor and certainty on tax positions; the preventive and constant dialogue with the Agenzia delle Entrate (Tax Administration Agency) ensures the opportunity to manage situations of uncertainty and lends itself to resolving tax disputes in advance;
- reputational advantages in as much as the admission to the collaborative compliance scheme involves inclusion in the list of virtuous companies, published on the website of the Tax Administration Agency;
- reduction of penalties in the event of any dispute.

The objective is pursued through constant and preventive dialogue between the taxpayer and the Tax Administration on the most significant transactions, characterized by tax risks, through the sharing of the positions that are intended to be taken.

The companies admitted to the collaborative compliance scheme are Hera, admitted to the collaborative compliance scheme in December 2023, as well as Hera Comm Spa, Hera Trading Srl, Inrete Distribuzione Energia Spa and Herambiente Spa, which were admitted to the collaborative compliance scheme in December 2024. This process is a fundamental step in the accountability process, representing Hera and the Group as an entity that maintains a collaborative and transparent relationship with the Tax Administration authority, in perfect line with the values expressed in the Group Code of Ethics.

The Central Administration, Finance and Control Director is responsible for establishing the Tax Control Framework and its annual evaluation. The results of this assessment and the main issues that characterized the effective application of the Tax Strategy are reported in the annual report sent to the Control and Risk Committee which reports the results to the Board of Directors and the Board of Statutory Auditors. The Tax department works closely with business lines to ensure that possible tax risks are identified and adequately managed. The tax impacts of extraordinary transactions are analysed and approved by appropriate organizational positions.

The instrument of the Tax Control Framework, the architrave of collaborative compliance, has also been extended to the company AcegasApsAmga Spa, for which, in December 2024, a request for admission was sent to the Agenzia delle Entrate and will be progressively extended to other Group companies that meet the required size requirements and are considered relevant from a risk-based perspective.

### 9.1 Director in charge of the internal control and risk management system

The Board of Directors of Hera Spa, most recently by a resolution of April 27, 2023, has established that the Executive Chairman and the Chief Executive Officer, within the scope and limits of their respective delegated powers and lines of reporting by the various corporate structures, are responsible for establishing and maintaining the internal control and risk management system, to the extent of their competence.

Pursuant to Recommendation 34 of the Code, the Executive Chairman and the Chief Executive Officer, always with regard to the extent of their competence:

- ensure that the Risk Committee identifies the main corporate risks, taking into account the characteristics of the activities carried out by the Company and its subsidiaries, and periodically submits them to the Board of Directors for review;
- implement the guidelines defined by the Board of Directors, ensuring that the competent corporate structures provide for the design, implementation and management of the internal control and risk management system, constantly verifying its adequacy and effectiveness.

Management may ask the Internal Auditing Department to carry out checks related to the assessment of risks on specific operating areas and compliance with internal rules and procedures in the execution of business operations.

### 9.2 Control and Risk Committee

#### Composition and functioning of the Control and Risk Committee (pursuant to art. 123-bis, subsection 2, letter d), TUF)

In accordance with the provisions of the Code, the Board of Directors of the Company, at its meeting of 4 November 2002, resolved to establish the Internal Control Committee. Subsequently, during the meeting of the Company's Board of Directors on 17 December 2012, pursuant to the updates to the Corporate Governance Code, the Internal Control Committee also assumed the function of the Risk Management Committee, in order to manage corporate risks and to support the administrative body in its related assessments and decisions.

This Committee, renewed on 10 May 2023, was subsequently updated in its composition with the appointment, on 27 September 2023, of Mr. Enrico Di Stasi to replace the retiring Lorenzo Minganti, and with the appointment, on May 14, 2024, of Mr. Tommaso Rotella Attorney at Law following the termination of his office of Chairman, on March 3, 2024, of Mr. Gabriele Giacobazzi.

Currently, the Committee is composed of members Tommaso Rotella, with functions of Chairman, Alessandro Melcarne, Paola Gina Maria Schwizer and Enrico Di Stasi.

It should be noted that the Board of Directors, at the time of the last renewal of the Committee, acknowledged that the provisions of Article 6 Recommendation 35 of the Code were complied with, since this Committee is chaired by an

independent director and composed predominantly of independent non-executive directors, of whom at least one possesses adequate knowledge and experience in accounting and financial matters or risk management.

The Control and Risk Committee met nine times in 2024: seven sessions were attended by all the members, while two sessions were attended by almost all the members. The meetings of the Internal Control Committee, which were regularly recorded, lasted an average of approximately one hour and 10 minutes.

It should be noted that the Internal Auditing Director attended five meetings of the Control and Risk Committee.

As regards the current financial year, two meetings of the Control and Risk Committee have been held as at 26 March 2025, which were attended by all the members. Two further Committee meetings have already been scheduled for the remainder of the year.

#### **Functions assigned to the Control and Risk Committee**

In accordance with Recommendations 33 and 35 of the Code, the Control and Risk Committee has the task of supporting the Board of Directors' decisions and assessments concerning the internal control and risk management system with adequate preliminary activities.

The Committee, therefore, in carrying out its supporting role to the Board of Directors, expresses its opinion with reference to:

- a) the definition of guidelines for the internal control and risk management system, so that the main risks relating to Hera and its subsidiaries are correctly identified, and adequately measured, managed and monitored, and the criteria for compatibility of these risks with sound and proper business management are determined;
- b) the adequacy, at least every six months, of the internal control and risk management system with respect to the characteristics of the undertaking and the risk profile assumed, and its effectiveness;
- c) the work plan prepared by the head of the Internal Auditing structure, at least annually, after consulting the Board of Statutory Auditors and the directors in charge of the internal control and risk management system.

The Committee also, in particular, in assisting the Board of Directors:

- a) assesses, after consulting the Manager in charge of preparing the company's accounting documents, the statutory auditor and the Board of Statutory Auditors, the correct use of accounting standards and their homogeneity for the purposes of preparing the consolidated financial statements;
- b) examines the content of periodic financial and non-financial information and assesses its suitability to correctly represent Hera's business model, strategies, the impact of its business and the performance it pursues;
- c) expresses opinions on specific aspects relating to the identification of major business risks and supports the Board's assessments and decisions regarding the management of risks arising from harmful facts of which the Board has become aware;
- d) examines the periodic reports on the evaluation of the internal control and risk management system and those prepared, at least every six months, by the head of the Internal Auditing structure;
- e) expresses its prior opinion on the proposals made by the directors in charge of the internal control and risk management system to the Board of Directors regarding the appointment and dismissal of the head of the Internal Auditing structure, the allocation of adequate resources to him to carry out his responsibilities, as well as the determination of the related remuneration in accordance with company policies;
- f) monitors the autonomy, adequacy, effectiveness and efficiency of the Internal Auditing structure;
- g) evaluates the findings that emerge from the audit reports of the head of the Internal Auditing structure, from the communications of the Board of Statutory Auditors and the individual members of the Board of Statutory Auditors, from the reports and any management letters from the auditing companies and from the investigations and examinations carried out by the other committees of the Company and by third parties;
- h) may request the Internal Auditing structure to carry out audits on specific operating areas, giving simultaneous notice to the Chairman of the Board of Statutory Auditors;
- i) reports to the Board of Directors, at least when the annual and half-yearly financial report is approved, on the activities carried out and on the adequacy of the internal control and risk management system.

During the meetings, held in the financial year 2024, and regularly recorded, the following were carried out:

- updating on the activities of the Internal Auditing Department and on ongoing audits;
- the examination of the half-yearly reports on the activities of the Internal Auditing Department (second half of 2023 and first half of 2024) and subsequent approval of the related reports to the Board of Directors on the activities of the Committee;
- the appointment of the Secretary of the Control and Risk Committee;
- updating on the various audits completed;
- the amendment of the calendar of meetings for the year 2024;
- the approval of the 2025 budgets of the Vice Chairmanship and the Internal Auditing Department;
- the update on follow-up activities related to high and medium-high audit recommendations carried out in the financial year 2024;
- the approval of the 2025 audit plan;

- the approval of the schedule of meetings of the Control and Risk Committee for the financial year 2025;
- the approval of the risk assessment and audit plan for the three-year period 2025 – 2027;
- presentation of the monitoring activities of the KPIs of the Internal Auditing Department.

The Chairman of the Board of Statutory Auditors or other statutory auditor designated by the Chairman of the Board, as well as, at the express invitation of the Chairman of the Committee, the Chairman of the Board of Directors and the Chief Executive Officer, shall participate in the work of the Committee.

In carrying out its duties, the Control and Risk Committee had access to the information and business functions necessary for the performance of its tasks.

With reference to the financial year 2024, the Board of Directors, following the half-yearly reports of the Control and Risk Committee, positively assessed the adequacy and effectiveness of the internal control and risk management system, also in view of the pursuit of sustainable success, with respect to the characteristics of the Company and the risk profile assumed with reference also to subsidiaries of strategic importance.

### 9.3 Internal auditing department manager

In compliance with Recommendation 33, the Board of Directors on 20 December 2017, effective 1 January 2018, appointed the Internal Auditing Director.

In compliance with Recommendation 36 of the Code, the Head of Internal Auditing is hierarchically independent of the heads of operational areas, can have direct access to all information useful for the performance of his office and reports to the Vice Chairman.

The Internal Auditing function reports on its work, whenever it considers it necessary, to the Chief Executive Officer, the Chairman of the Board of Directors, the Control and Risk Committee and the Board of Statutory Auditors through the preparation of an adequate risk assessment and the three-year audit plan:

- provides a summary and comparative assessment of the main risk areas and the related control system, making updates through the comparison with management;
- identifies, depending on the different degree of riskiness of business processes, the priorities for intervention of the Internal Auditing function.

### 9.4 Internal auditing department manager Organisational model pursuant to Legislative Decree No. 231/2001

The Legislative Decree 231/2001 introduced into Italian law the administrative liability (rectius criminal) of legal persons, companies and associations. In particular, it introduced the criminal liability of institutions for certain crimes committed in the interest of or for the benefit of the same by persons holding representative, administrative or management functions of the institution or of its organizational unit with financial and functional autonomy, as well as by persons exercising, even in fact, the management and control of the same and, finally, by persons subject to the direction or supervision of one of the aforementioned subjects. The relevant offences are offences against the Public Administration and corporate offences committed in the interests of companies.

However, Articles. 6 and 7 of Legislative Decree no. 231/2001 provide for a form of exemption from liability if (i) the institution demonstrates that it has adopted and effectively implemented, before the commission of the act, models of organization, management and control suitable to prevent the implementation of the crimes taken into account by the decree itself; (ii) the task of supervising the operation and observance of the models, as well as ensuring their updating, is entrusted to an institution body with autonomous powers of initiative and control.

To this end, on 16 February 2004 the Board of Directors of Hera Spa approved, and subsequently updated on 15 December 2021, the model of organization, management and control pursuant to Legislative Decree no. 231/2001 with the aim of creating a structured and organic system of procedures and preventive control activities aimed at preventing the offences referred to in the aforementioned decree, through the identification of activities exposed to the risk of offences and their consequent proceduralisation.

The contents updated, in line with regulatory and case law developments, have concerned in particular:

- the list of 231 offences including the last introduced, aligned with the number of the Legislative Decree 231/2001;
- the strengthening of references to the Hera Group Code of Ethics, now in its sixth edition, approved by the Board of Directors on 8 March 2023, which is a fundamental pillar of the model for the purposes of preventing the same offences;
- the inclusion of references to the model for the prevention of corruption and fraud, as well as to the regulation of the procedures for reporting offences (so-called whistleblowing), already the subject of a specific Protocol.

The activity of updating the contents of the General Part of the organisation, management and control model, aimed at incorporating regulatory updates in continuity with the previous revision of the document, is therefore aimed at confirming and further strengthening the effectiveness of the model in the prevention of crimes and in the function exempt from liability to the Company.

The Group is sensitive to the need to ensure conditions of fairness and transparency in the conduct of business and business activities, to ensure the satisfaction of the needs of the community and to protect its position and image, the expectations of its shareholders and the work of its employees. The Group is also aware of the importance of an internal control system suitable to prevent the commission of unlawful conduct by its Directors, Employees, external collaborators and business partners in general.



The model has been adopted in the conviction that – beyond the requirements of Decree 231, which identify it as an optional and non-compulsory tool – it can constitute a valid tool for raising awareness of all those who work in the name of and on behalf of Group companies, so that they adhere to correct and linear behaviour in the performance of their activities, such as to prevent the risk of carrying out the crimes provided for by the Decree itself.

To date, the model of organization, management and control pursuant to Legislative Decree no. 231/2001, the general part of which is available on the website [www.gruppohera.it](http://www.gruppohera.it) at the “Governance/Internal-Auditing Section”, includes 29 Group protocols, implemented over time and relating to individual sensitive areas, which aim to ensure transparency and a sense of responsibility in internal relations and with the outside world.

For each risk process, the protocols identify principles, roles and responsibilities to be followed in the management of activities and define periodic information flows of control.

Each protocol, supported by appropriate audit activities, ensures the constant monitoring of risky activities by the Supervisory Body.

The procedures adopted adopt the principles of the Code of Ethics with the aim of guiding the management of the Group in accordance with the values and operating principles defined in the Charter of Values.

Risk factors and critical issues were identified and weighed through risk assessment of the Group’s business areas and infrastructure processes. The specific risks inherent in the 231 issues are defined by the Supervisory Body in an annual audit plan that takes into account risk assessments, the coverage of new processes, regulatory developments and the scope of activities of the Group’s companies.

The model provides for a permanent activity of verification of legal compliance, the drafting of Audit Reports on the effective implementation of the protocols in the Group companies within the scope 231, the provision of assistance in relation to the drafting of return plans in response to the recommendations expressed in the reports, a specific follow-up activity aimed at verifying the implementation of return plans and the effective overcoming of the highlighted critical issues.

The model provides for an information and training activity that targets those involved in sensitive processes in order to raise awareness of prohibited and mandatory behaviours, create awareness of related ethical behaviours as well as to promote a Group culture in the management of corporate risks.

An integral part of the model is the Supervisory Body’s six-monthly review of information flows regarding risk assets. Every three years, a risk analysis document is drawn up for the entire Group, together with an audit plan, the latest of which, was drawn up in 2024 and approved at the Board of Directors’ meeting of 18 December 2024, covers the 2025-2027 timeframe.

The model of organization, management and control pursuant to Legislative Decree no. 231/2001 was also adopted by subsidiaries of strategic importance.

The Board of Directors also established the Supervisory Body, approving the relevant regulations.

This body, renewed on 10 May 2023 and whose composition was updated by the Board of Directors on 13 November 2024, with effect from 1 December 2024, is today composed, in line with the provisions of Recommendation 33 letter e), of an external member with the role of Chairman, the Central Legal and Corporate Director of Hera Spa, and the Internal Auditing Director of Hera Spa, has in particular the task of reporting periodically to the Parent Company’s corporate bodies on the implementation of the organizational model pursuant to Legislative Decree no. 231/2001 and will remain in office until the date of the Shareholders Meeting to approve the financial statements at 31 December 2025.

The Supervisory Board met in 2024 seven times; all meetings were attended by all the members. The meetings of the Supervisory Board lasted an average of one hour.

During the meetings, held in the financial year 2024, and regularly recorded, the following were carried out:

- the approval and updating of the 231 protocols that constitute the organizational model;
- the update on the reports received;
- presentation and approval of the results of the audits carried out;
- modification of the website in relation to the methods of reporting offences;
- the analysis of the information flows for the second half of 2023 and the first half of 2024, and the approval of the half-yearly reports of the Supervisory Board;
- updating of the 231 offences;
- the analysis of the results of the certification visit for ISO 37001 purposes;
- to the illustration of the training initiatives carried out in 2024 or planned for the year 2025 related to Legislative Decree no. 231/2001, anti-fraud, anti-corruption, and ISO 37001;
- taking note of the “General Report on the Tax Control Framework – compliance year 2023”;
- the approval of Risk Assessment 231 for the three-year 2025 – 2027 period and the 2025 audit plan;
- the appropriation for the Supervisory Body;
- the analysis of the results of follow-up activities of previous audits;
- the calendar of meetings of the Supervisory Board for the year 2025.



The Supervisory Board avails itself of the constant operational support of the Internal Auditing Department of Hera Spa.

To carry out the verification and control activities, a plan of interventions has been prepared by the Supervisory Body to verify compliance with the adopted protocols.

As regards the current financial year, a meeting of the Supervisory Board was held on 26 March 2025, attended by all the members. At that date, six further meetings of the Body have already been scheduled for the remainder of the year.

For more information on the company's strategy and approach, processes and procedures, as well as its conduct performance, see the "Governance Information" chapter of the sustainability reporting.

#### **Anti-bribery and corruption model**

During 2019, Hera Spa obtained ISO 37001 certification for the prevention of corruption, the validity of which was confirmed by the Certification Body following the maintenance audit carried out in July 2022. The Hera Group has consequently adopted a management system for the prevention of corruption integrated into the organization, management and control model pursuant to Legislative Decree no. 231/01, whose foundation lies in the principles and values expressed in the Code of Ethics and in the policy of quality and sustainability.

In this regard, a model for the prevention of corruption has been prepared, which provides, to oversee the management system for the prevention of corruption, the establishment of the Compliance Function for the prevention of corruption, coinciding with the Supervisory Body.

The main responsibilities/functions of the Compliance Function for the prevention of corruption are:

- a) to oversee the design and implementation of the management system for the prevention of corruption;
- b) to provide advice and guidance to staff (meaning employees at all levels and those entrusted with collaborative assignments, including internships and traineeships) on the management system for corruption prevention and corruption issues;
- c) to ensure that the management system for the prevention of corruption complies with the requirements of UNI ISO 37001;
- d) to report on the functioning of the management system for the prevention of corruption to the Board of Directors and to the top management in the appropriate manner.

The top management of the Hera Group is personally committed to respecting the model for the prevention of corruption, including through the carrying out of awareness-raising and dissemination of the principles of the rules aimed at preventing corrupt acts at its facilities.

The corruption prevention model covers all of the people who work for the Hera Group. During 2023, the model was also integrated with fraud prevention issues.

The Hera Group, with the approval, in December 2021, of the revision of the management and control organization model for the purposes of Legislative Decree no. 231/2001, renewed its commitment to fight corruption and any crime relevant to 231 and to prevent situations of risk of committing crimes.

A system of reporting the crime, illicit or alleged violation of Model 231 or the Model for the prevention of corruption, so-called whistleblowing, is operational through a portal ([segnalazioni.gruppohera.it](https://segnalazioni.gruppohera.it)) or paper, or verbal, reporting that allows anonymous reporting, in compliance with the provisions of privacy legislation and current legislation. Also during 2023, in compliance with Legislative Decree no. 24/2023, the protocol on whistleblowing was updated, introducing all the adjustments provided for by the decree.

#### **9.5 Auditor**

The Shareholders Meeting of 28 April 2022, resolved to confer on KPMG Spa, for the financial years 2024-2032, the task of statutory audit of the accounts, as well as attestation on the compliance of sustainability reporting.

#### **9.6 Executive in charge and other corporate roles and functions**

##### **Executive in charge of drafting corporate accounting documents**

In accordance with the provisions of the Consolidated Law on Finance and the Company's Articles of Association, the Board of Directors, after consulting the Board of Statutory Auditors, with a resolution of 27 July 2022 and effective from 1 September 2022, appointed Mr. Massimo Vai as Designated Officer for the preparation of corporate accounting documents.

The Designated Officer's task is to prepare adequate administrative and accounting procedures for the preparation of the financial statements and consolidated financial statements, as well as any other financial communication. To this end, the Designated Officer uses a dedicated budget approved by the Board of Directors and an appropriate organizational structure (by number and level of resources) dedicated to the preparation/updating of administrative-accounting procedures and periodic verification activities regarding the adequacy and effective application of administrative-accounting rules and procedures. If internal resources are not sufficient to adequately manage these activities, the Designated Officer may exercise the spending powers conferred on him.

The Board of Directors verifies that the Designated Officer has adequate powers and means to perform the tasks assigned to him by art. 154-bis of the TUF, also ensuring effective compliance with administrative and accounting procedures.

The Designated Officer dialogues and exchanges information with all the administrative and control bodies of the Company and the companies belonging to the Group, including, but not limited to:

- the Board of Directors;
- the Control and Risk Committee;
- directors in charge of the internal control and risk management system;
- the Board of Statutory Auditors;
- the audit firm;
- the Supervisory Body pursuant to Legislative Decree no. 231/01;
- the Director of Internal Auditing;
- the Director of Investor Relations.

#### **Executive in charge of certifying sustainability reporting**

The Board of Directors, pursuant to the transitional provisions referred to in art. 18, paragraph 10, of Legislative Decree no. 125/2024, pending the statutory adjustment to be proposed at the Extraordinary Shareholders Meeting on 30 April 2025, deemed it appropriate to designate Mr. Filippo Maria Bocchi as the Designated Officer in charge of the certification of compliance of sustainability reporting with reference to the financial year 2024, owing to his experience and specific skills in the sustainability sector.

For the performance of this task Mr. Bocchi shall have the availability of adequate means and powers to carry out his functions and issue the attestation required by applicable legislation, and in particular by art. 154-bis, subsection 5-ter of the TUF

#### **9.7 Coordination among the parties involved in the internal control and risk management system**

The Issuer has provided for the following methods of systematic coordination among the various parties involved in the internal control and risk management system:

- regular coordination meetings, focusing in particular on the financial reporting process and the assessment, monitoring and containment of risks (economic-financial, operational and compliance);
- information flows among the same subjects involved in the control and risk management system;
- periodic reports to the Board of Directors;
- establishment of a Risk Committee, with the aim of defining guidelines, monitoring and reporting on risk management strategies.

More specifically, the following types of coordination meetings should be mentioned:

- Board of Statutory Auditors with Control and Risk Committee, Auditing Firm, Manager in charge of preparing corporate accounting documents and Internal Auditing Director;
- Board of Statutory Auditors with Supervisory Body pursuant to Legislative Decree no. 231;
- directors responsible for the internal control and risk management system with Chairman of the Control and Risk Committee.

## 10.0 Interests of the Directors and transactions with related parties

The Board of Directors of Hera Spa, at its meeting of 10 October 2006, approved, in compliance with the provisions of the then-current Corporate Governance Code, the Guidelines on significant transactions, transactions with related parties and transactions in which a director bears an interest (Guidelines) in order to ensure that they are carried out in a transparent manner and in compliance with the criteria of substantive and procedural fairness.

Subsequently, the Board of Directors of Hera Spa approved the new Procedure on transactions with related parties in compliance with the provisions of the Consob Regulations adopted by Resolution 17221 of 12 March 2010 and subsequent amendments and additions (Consob Regulations), subsequently updated on 21 December 2015.

This new Procedure was intended to repeal and replace in its entirety the rules governing transactions with related parties contained in the Guidelines, while the provisions of the Guidelines concerning significant transactions and transactions in which a director bears an interest remained in force.

In the Procedure, the Board of Directors fully incorporated the definitions of related party, related party transaction, as well as all the definitions functional to the same, contained in the Consob Regulations and its annexes.

The Procedure was updated on 30 June 2021 (in order to adapt it to the amendments – introduced by Consob Resolution 21624 of 10 December 2020 – to the Consob Regulations on transactions with related parties adopted by Resolution 17221 of 12 March 2010 and subsequent amendments and additions), and most recently on 26 June 2024 with effect from the same date (in order to better detail the paragraphs relating to the validity of meetings and the composition of the Committee for transactions with related parties).

In particular, the Procedure identifies:

1) the types of related party transactions provided for in the Procedure:

- transactions of greater importance, i.e. transactions with at least one of the materiality indexes determined by the Consob Regulations above the 5% threshold;
- minor transactions, i.e. transactions with related parties that are neither of major importance nor of small amount;
- framework resolutions, or that series of transactions between related parties;
- ordinary transactions, i.e. transactions that (a) are part of the ordinary course of the Company's operating or related financial activity; and (b) are concluded on terms: (i) similar to those usually applied to unrelated parties for transactions of a corresponding nature, magnitude and risk, (ii) based on rates regularly applied or on imposed prices, or (iii) corresponding to those applied to persons with whom the Company is required by law to contract for a certain consideration;
- transactions of a small amount, or transactions the maximum foreseeable amount of consideration or value of which does not exceed, for each transaction:
  - the sum of EUR 1 million in the case of transactions in which the related party is a legal person;
  - the sum of € 300 thousand in the case of transactions whose related party is a natural person;
- transactions with related parties carried out by subsidiaries;

2) the approval process for transactions of major and minor importance depending on whether they are:

- transactions of minor importance falling within the competence of the Board of Directors, which are approved by the Board of Directors after obtaining the reasoned but non-binding opinion of the Related Party Transactions Committee (hereinafter referred to as the Committee) on the interest, convenience and material fairness of the transaction;
- transactions of greater importance falling within the competence of the Board of Directors, in which the Committee must be involved in the negotiations and in the investigation phase and the transaction can be approved only after a reasoned favourable opinion of the same on the interest, convenience, material fairness of the transaction or with the favourable vote of the majority of unrelated independent directors;
- transactions of minor and major importance falling within the competence of the Shareholders Meeting, whose resolution proposals follow the same procedural procedure as those provided for transactions falling within the competence of the Board of Directors, described in the previous two points, but must in any case obtain the favourable opinion of the Committee.

The Procedure provides that the Committee entrusted with the task of ensuring, through the issue of a specific opinion, the substantial correctness of the operation with related parties, coincides in its composition with the Control and Risk Committee.

The Procedure also identified cases of exclusion from the application of the Procedure itself, as well as regulated the methods of communicating to the public the transactions carried out.

Starting from May 2014, a specific operating instruction applies to Hera and its subsidiaries, subsequently updated on 31 March 2016, and most recently on 6 May 2022 prepared in order to detail the provisions of the Procedure and describe the rules, roles and responsibilities, as well as the operating activities implemented by the Company.

## 11.0 Board of Statutory Auditors

### 11.1 Appointment and substitution

#### List voting

Statutory auditors are appointed by the Shareholders Meeting on the basis of the list voting mechanism provided for in art. 26 of the Articles of Association, as amended by the Extraordinary Shareholders Meeting of 29 April 2020, implementing Law 160 of 27 December 2019 and subsequent Consob Communication 1 of 30 January 2020, in order to ensure the appointment of a regular auditor, with the function of Chairman, and an alternate auditor to the minority, in compliance with the applicable laws on gender balance. Pursuant to art. 25 of the Articles of Association, the office of statutory auditor is incompatible with the offices of director or assessor in local public bodies, as well as that of statutory auditor in more than three listed companies with the exclusion of companies controlled by the Company pursuant to art. 2359 of the Civil Code and 93 of Legislative Decree no. 58/98. In the latter case, the statutory auditor who subsequently exceeds this limit will automatically forfeit the office of statutory auditor of the Company.

Art. 26 of the Articles of Association regulates the terms and conditions for filing and publishing lists, as well as related documentation, in accordance with current regulations.

The lists must be filed at the Company's registered office at least 25 days prior to the date set for the Shareholders Meeting, together with the curriculums of the candidates and the declaration of the individual candidates concerning their acceptance of the office and certifying the non-existence of causes of ineligibility, incompatibility and disqualification provided for by law, as well as the existence of the requirements of honourableness and professionalism prescribed by law for the members of the Board of Statutory Auditors.

Art. 25 of the Articles of Association states that, for the purposes of the provisions of current legislation on the professional requirements of members of the Board of Statutory Auditors of listed companies for matters and sectors of activity strictly related to those of the company exercised by the Company, the matters and sectors of activity related to or inherent to the activity exercised by the Company and referred to in art. 4 of the Articles of Association

Together with the lists, a declaration must also be submitted attesting to the absence of pacts or connections of any kind with other shareholders who have submitted other lists, as well as the list of the administrative and control positions they hold with other companies. These lists shall be made available to the public at the registered office and on the website [www.gruppohera.it](http://www.gruppohera.it), at least 21 days before the Shareholders Meeting.

The terms and procedures for filing the lists are indicated by the Company in the notice convening the Shareholders Meeting. No shareholder may submit, or contribute to the submission of, more than one list. In case of violation of this rule, the vote of the shareholder with respect to any of the submitted lists shall not be taken into account. Every shareholder entitled to vote may vote on only one list.

#### Eligibility to submit lists and their composition

Shareholders who alone or together with other shareholders represent at least 1% of the share capital entitled to vote at the Ordinary Shareholders Meeting or the different percentage provided for by current legislation and indicated in the notice of call may submit lists.

It should be noted, in this regard, that at the time of the last renewal of the Board of Statutory Auditors, which took place with the Shareholders Meeting of 27 April 2023, the shareholding required for the submission of lists of candidates for the election of the Board of Statutory Auditors in office was identified by Consob (with determination no. 76 of 30 January 2023) in the amount of 1%, as equal to the percentage provided for by art. 26.2 of the current statutes. More specifically, (i) the Municipalities, Provinces, Consortia established pursuant to art. 31 of Legislative Decree no. 267/2000 or other public bodies or authorities, as well as Consortia or limited companies controlled, directly or indirectly, by them, are entitled to a single list and (ii) shareholders other than those indicated under (i) may submit lists provided that they represent at least 1% of the share capital at the General Shareholders Meeting, or the different percentage provided for by current legislation and indicated in the notice convening the meeting.

In order to prove ownership of the number of shares necessary for the presentation of the lists, shareholders must file with the registered office, within the deadline set by the Company for publication of the lists, the appropriate certification proving ownership of the number of shares represented.

The lists shall contain a number of candidates not exceeding the number of members to be elected, identified by a sequential number. Each candidate may only appear on one list, under penalty of ineligibility. Each list must contain a number of candidates belonging to the less represented gender that ensures compliance with the gender balance at least to the minimum extent required by the law, including the regulations, currently in force.

#### Appointment mechanism

The appointment of the members of the supervisory body is made in accordance with the provisions of art. 26 of the Articles of Association:

- the Board of Statutory Auditors is composed of three regular auditors and two substitute auditors;

- from the list obtaining the highest number of votes cast by the Shareholders, two Regular Statutory Auditors and one Substitute Statutory Auditor shall be drawn, in the sequential order in which they are listed, including at least one Regular Statutory Auditor of the less represented gender;
- the third regular auditor and the other substitute shall be drawn from the other lists, electing respectively the first and second candidate from the list who will have the second highest quotient, of whom at least one substitute auditor of the less represented gender. In the event of a tie between two or more lists, the eldest candidate shall be elected auditor, in compliance with the gender balance provided for by law, including regulations, currently in force;
- in the event that the minimum number of regular and substitute auditors belonging to the less represented gender is not elected, the candidate of the most represented gender placed last in the ranking of the candidates elected from the most voted list shall be replaced by the candidate of the less represented gender placed first among the non-elected candidates of the same list and so on until the minimum number of auditors belonging to the less represented gender is reached. Should the minimum number of auditors belonging to the less represented gender still not be reached even if this criterion is applied, the replacement criterion indicated shall be applied to the minority lists, starting with the one with the most votes;
- the chairmanship of the Board of Statutory Auditors is the first candidate on the list who will have obtained the second highest quotient. In the event of a tie between two or more lists, the eldest candidate will be appointed Chairman, in compliance with the gender balance provided for by the law, including regulations, currently in force;
- For the appointment of auditors who, for whatever reason, are not appointed by the list voting procedure, the Shareholders Meeting shall decide by legal majority, in compliance with the gender balance provided for by the laws, including regulations, currently in force.

#### **Replacement of the members of the Board of Statutory Auditors**

In the event of the replacement of a regular auditor, the substitute auditor belonging to the same list as the auditor to be replaced takes over, in compliance with the principle of necessary representation of minorities and gender balance. The Appointment of Statutory Auditors for the Integration of the Board of Statutory Auditors, pursuant to art. 2401 of the Italian Civil Code, shall be carried out by the Shareholders Meeting with the majorities provided for by law, from among the names indicated by the same shareholders presenting the list to which the outgoing auditor belonged, in compliance with the principle of necessary representation of minorities and gender balance; where this is not possible, the Shareholders Meeting shall replace the auditor with the majorities provided for by law, in compliance with the gender balance provided for by the laws and regulations in force.

#### **11.2 Composition and functioning (pursuant to art. 123-bis, paragraph 2, letters d) and d-bis), TUF)**

The Shareholders Meeting of 27 April 2023 appointed a Board of Statutory Auditors consisting of three regular members and two substitute members, in office until the approval of the financial statements for the financial year 2025, whose composition complies with current legislation on gender balance.

This appointment was made by means of the list voting mechanism, so as to ensure that minority lists had the right to appoint one statutory auditor, acting as Chairman, and one substitute auditor.

On the occasion of the Shareholders Meeting of 27 April 2023 mentioned above, three lists of candidates were presented, listed below with the indication of the proposing Shareholders:

List N. 1, presented on 6 March 2023 by the Shareholders of the Municipality of Bologna, Municipality of Casalecchio di Reno, Municipality of Cesena, Municipality of Modena, Municipality of Padua, Municipality of Trieste, Municipality of Udine, Con.Ami, Ferrara Tua Spa, Ravenna Holding Spa and Rimini Holding Spa, which are members, together with 100 other public shareholders, of the Voting Syndicate Agreement and to the share transfer regulation of 28 April 2021, collectively holders of 610,623,147 Hera shares, corresponding to 40.99% of the shares with voting rights of Hera Spa, a list with 1,131,425,720 voting rights, corresponding to 66.836958% of the total voting rights present, containing the indication, by means of a sequential number, of the following candidates

#### **Standing Auditors**

- 1) Marianna Girolomini
- 2) Antonio Gaiani

#### **Alternate Auditors**

- 1) Susanna Giuriatti

List N. 2, submitted on 31 March 2023 by the shareholder Gruppo Società Gas Rimini Spa, holder of 30,771,269 Hera shares, corresponding to 2.065825% of the shares with voting rights of Hera Spa, a list that appears to have obtained 139,557,833 voting rights, corresponding to 8.244130% of the total voting rights present, containing the indication, by means of a sequential number, of the following candidates

#### **Standing Auditors**

- 1) Alberto Spada



### Alternate auditors

- 1) Elisa Agostini

List N. 3, filed on 31 March 2023 by Studio Trevisan & Associati on behalf of Amundi Asset Management SGR Spa Shareholders, manager of the following funds: Amundi Sviluppo Italia, Amundi Risparmio Italia, Amundi Dividend Italia, Amundi Luxembourg SA - Amundi Funds European Equity Small Cap; Arca Fondi Sgr Spa fund manager Arca Azioni Italia; Etica Sgr Spa manage of the following funds : Fondo Ethics Balanced Annuity, F.do Mixed Bond Ethics, F.do Ethics Balanced, Fondo Ethics Equity, Fondo Ethics Climate Impact, Fond Ethics Social Objective; Eurizon Capital SGR Spa manager of the following funds: Eurizon Progetto Italia 40, Eurizon Am Tr Megatrend, Eurizon Pir Italia Azioni, Eurizon Azioni Italia, Eurizon Progetto Italia 70; Eurizon Capital S.A. fund manager Eurizon Fund Sub-funds: EuF - Equity Italy Smart Volatility, EuF - Equity Europe LTE, EAM - Global Equity; Fideuram Asset Management Ireland fund manager Fonditalia Equity Italy; Fideuram Intesa Sanpaolo Private Banking Asset Management Sgr Spa manager of the following funds: Fideuram Italia, Piano Azioni Italia, Piano Bilanciato Italia 50; Interfund Sicav - Interfund Equity Italy; Kairos Partners Sgr Spa as Management Company of Kairos International Sicav – Comparti Italia e Made in Italy; Legal & General Assurance (Pensions Management) Limited; Mediolanum Gestione Fondi Sgr Spa manager of Mediolanum Flessibile Futuro Italia fund, total holders of 17,714,416 Hera shares, corresponding to 1.18926% of the shares entitled to vote in Hera Spa, a list that appears to have obtained the vote of 419,647,955 voting rights, corresponding to 24.789955% of the total voting rights present, containing the indication, by serial number, of the following candidates:

### Standing Auditors

- 1) Myriam Amato

### Alternate auditors

- 1) Stefano Gnocchi

Following the vote at the Shareholders Meeting, the supervisory body was composed as follows:

- |                        |                     |
|------------------------|---------------------|
| 1) Myriam Amato        | – Chairman          |
| 2) Marianna Girolomini | – standing auditor  |
| 3) Antonio Gaiani      | – standing auditor  |
| 4) Susanna Giuriatti   | – alternate auditor |
| 5) Stefano Gnocchi     | – alternate auditor |

From the date of appointment to the date of this report, there have been no changes in the composition of the Body. As for the composition of the Board of Statutory Auditors at the end of the financial year 2024, please refer to Table 4 below, specifying that the personal and professional profiles of each auditor are available on the website [www.gruppohera.it](http://www.gruppohera.it).

The Board of Statutory Auditors met 18 times in 2024: 15 meetings were attended by all the statutory auditors, while three meetings were attended by almost all the statutory auditors. The average duration of the meetings of the Board of Statutory Auditors was approximately one hour and 36 minutes.

As regards the current financial year, 6 meetings of the Board of Statutory Auditors have been held as at 26 March 2025, while a further 10 meetings have already been scheduled for the remainder of the year.

### Diversity Criteria and Policies

The appointment of the Board of Statutory Auditors took place during the Shareholders Meeting of 27 April 2023, following the presentation of three lists, one majority and two minority, which also guaranteed a composition of the body in accordance with the regulatory provisions on gender balance (three members belonging to the less represented gender out of a total of five members).

The members of the Board of Statutory Auditors have an average age of about 54 years: one member is between 40 and 50 years old and two members are between 50 and 60 years old.

The Board of Statutory Auditors, as part of its self-assessment activities, has expressed itself positively with reference, in particular, to its effective functioning, its composition and the characteristics of its members relating to the requirements of independence, good repute, professionalism, competence and experience established by current legislation and company bylaws, also depending on the matters and sectors of activity related to or inherent to the activities of the Companies, thereby ensuring the independence and professionalism of its function in accordance with principle VIII of the Code.

### Independence

In compliance with Recommendations 9 and 10 of the Code, following the renewal of the control body, on 10 May 2023 the independence of the relative components was made known to the market with a specific press release and, subsequently, most recently, on 5 March 2025, the Board of Statutory Auditors carried out its self-assessment, based on the analysis of the subjective suitability of each of the components, with reference to the requirements of

professionalism, competence, good repute and gender, required by current legislation, as well as the proper functioning of the body.

For the purposes of the above self-assessment, the College has carried out preliminary and evaluation activities, by requesting information and data from its members concerning qualitative, quantitative and operational profiles.

In particular, it has:

- ascertained, for its members, the presence of the requirements of independence, good repute, professionalism, competence and experience;
- assessed the appropriate availability of time and resources for the performance of the task, as well as compliance with the limit on the accumulation of posts, as well as the adequacy of its composition with regard to gender balance and the age of the members.

With respect to the functioning as a whole, the Board of Statutory Auditors assessed the following as adequate:

- the manner in which meetings are held, the frequency and time devoted to meetings and the preparation of meetings;
- the method of convening and defining the agenda, the participation of third parties in meetings, the availability of documentation and the manner, timing and accuracy in the minutes and keeping of the minutes of the Board of Statutory Auditors;
- the activity carried out by the Chairman, which is necessary to ensure the informed participation of the individual members in the meetings through the efficient and timely sharing of documentation, as well as the coordination between the Board of Statutory Auditors and the Committees within the Board or the various corporate structures involved;
- the exchange of relevant corporate information (with auditors, the Supervisory Board, the Internal Auditing function, Internal Board committees, Corporate Management);
- participation in the meetings of the Board of Directors and the Internal Board Committees;
- participation in the Shareholders Meeting.

The Board of Statutory Auditors has assessed the correct application of the criteria and assessment procedures adopted to assess the independence of its members also pursuant to art. 144-novies of the Issuers Regulations, giving subsequent notice to the Board of Directors.

#### **Remuneration**

The remuneration of the members of the Board of Statutory Auditors is appropriate to the skills, professionalism and commitment required by the relevance of the role held and the size and sector characteristics of Hera.

#### **11.3 Role**

As regards the role and the main activities carried out by the Board of Statutory Auditors during the financial year 2024, as well as for more details regarding what has already been reported above, please refer expressly to the contents of the report prepared by the Board pursuant to art. 153 del TUF.

For more information on the Sustainability Board of Statutory Auditors, see the paragraph "Governance" in the "General Information" chapter of the Sustainability Report.

## **12.0 Relations with shareholders and other significant stakeholders**

#### **Access to Information**

In order to promote a deeper knowledge of the Company by shareholders, the Company has set up a special department dedicated to investor relations, whose responsibility is entrusted to Mr. Jens Klint Hansen.

The investor relator can be contacted at the telephone number 051 287737 or email address [ir@gruppohera.it](mailto:ir@gruppohera.it) and the 'Investor Section' on the website [www.gruppohera.it](http://www.gruppohera.it) is dedicated to the activities attributable to him and the information made available to shareholders.

#### **Dialogue with shareholders and other significant stakeholders**

On 1 December 2021, the Board of Directors resolved to adopt, on a proposal from the Executive Chairman, in agreement with the Chief Executive Officer, the "Policy for the Management of Dialogue with the Generality of Shareholders and Bondholders" ("Policy"), available on the website [www.gruppohera.it](http://www.gruppohera.it) under the "Governance Section/Governance System".

The aforementioned Policy is aimed at ensuring that the dialogue that the Company and the Hera Group maintain with shareholders and bondholders (the 'Dialogue') is inspired by the principles set out in detail in the Policy itself and can take place in compliance with EU and national regulations on market abuse, as well as in line with international best practices.

The Policy describes the purposes, scope of application, the general principles to be complied with, the topics covered by the Dialogue and the tools used to serve the Dialogue itself; in particular, it identifies the Investor Relations Department and the Central Legal and Corporate Affairs Department as the 'Points of Contact' for shareholders and bondholders and the Chairman as the 'Director in Charge' for managing the Dialogue, without prejudice to the Board of Directors' role in directing, supervising and monitoring the application of the Policy itself.

In particular, the Policy specifically addresses (i) the themes of the Dialogue, (ii) the instruments used to serve the Dialogue and (iii) the procedures for conducting the Dialogue (evaluation criteria for accepting/rejecting a request for a Dialogue, timing, guarantees of confidentiality), ensuring that the same can also be initiated upon written request by a Shareholder or Bondholder at the "Contact Points".

The Company also promotes active and constructive communication with other stakeholders, including, but not limited to: local communities, public administration, customers, suppliers and employees.

More specifically, the methods of contact are as follows:

- the HeraLABs: these are local multi-stakeholder councils (local communities, public administration, environment and future generations, customers, suppliers and shareholders) that Hera makes available in the areas where it provides its services to activate a structured channel for listening and dialogue with local communities;
- the annual residential customer satisfaction survey and the biennial Internal Climate Survey for employees;
- the annual meeting with employees;
- the website in general and specifically the "Sustainability Section" where all the reports of interest of the different stakeholders are presented;
- a special area on the company website reserved for consumer associations where they can receive information and updates on Hera's services and submit complaints;
- conferences, events, events and initiatives organised or supported by Hera.

The Designated Officer shall report to the Board of Directors every six months, or by the first meeting to be held on the occasion of significant events:

the development and relevant contents of the dialogue with shareholders and bondholders;

on the most significant requests received from other stakeholders.

To be more specific, as emerged in the half-yearly reports made by the Director in charge to the Board of Directors during the 2024 financial year, the dialogue took the form of the following activities:

### Shareholders

The public shareholders of Hera, in particular, requested and obtained information or clarifications regarding mainly: the half-year financial report as at 30 June 2024, data on corporate bodies and related compensation, the location/number/percentage of shares held, the financial statements as at 31 December 2024, the participation in the Hera's Shareholders Meeting on 30 April 2024.

In addition, requests were made to identify the deposit account of Hera shares held for the purpose of subsequent transfer, and sales of Hera shares were also reported for the purpose of updating the Shareholders Register.

All enquiries were answered.

### Investors and Financial Analysts

Investors and Financial Analysts participated in numerous conference calls, meetings and company visits.

In particular, the detailed analyses requested concerned, by way of example: expectations on the regulatory update and the economic implications for the Networks business (WACC); the results of the tender for the 'Maggior Tutela' (higher protection); the performance of the activities since the beginning of the year and the strategic aspects implemented, the investments and targets envisaged in the Industrial Plan; the economic-financial results and organic growth drivers; and the performance of the stock.

### Other Stakeholders

HeraLABs were held in the Modena, Forlì-Cesena and Ravenna areas for projects concerning the reference areas.

The annual residential customer satisfaction survey for the services provided by the Hera Group was carried out.

Following the results of the internal satisfaction survey completed in 2023, improvement actions were implemented.

Finally, among the events held, the following are particularly worth mentioning: initiatives with local municipalities (Ferrara, Imola, Modena, Ravenna, Rimini and Forlì); an event dedicated to suppliers, an exhibition of Scart works of art; the inauguration of a pilot plant, meetings with Consumer Associations and with the main trade associations.

For more information on stakeholder engagement activities, see the "Stakeholder engagement activities" section in the "General information" chapter of the sustainability reporting

## 13.0 Shareholders Meeting

Ordinary and extraordinary general meetings are convened in the cases and in the manner prescribed by law; they are held at the registered office or even outside it, provided that they are held in Italy.

The full text of the resolution proposals, together with the explanatory reports, and the documents submitted to the Shareholders Meeting are made available to the public at the Company's registered office and on the Company's website [www.gruppohera.it](http://www.gruppohera.it), as well as on the authorized storage site [1Info www.1Info.it](http://www.1Info.it) within the legal deadline provided for each of the matters under discussion.

Those who are entitled to participate in the Shareholders Meeting are those who hold the right to vote, pursuant to the law, at the end of the accounting day coinciding with the record date and for those for whom the Company has received the relevant communication from the authorised intermediary by the end of the third trading day prior to the date set for the Shareholders Meeting. However, the entitlement to attend and vote shall remain unaffected if communications have been received after this deadline, provided that they are received by the start of the Shareholders Meeting. Those who result as being the owners of the shares only afterwards shall not have the right to participate and vote in the Shareholders Meeting..

Each person entitled to attend may be represented at the Shareholders Meeting in accordance with the law, and may use the proxy form available on the Company's website for this purpose, where the methods that interested parties may use to notify the Company of proxies, including electronically, are also available.

At each Shareholders Meeting, the Company identifies a person to whom holders of voting rights may grant a proxy with voting instructions on all or some of the proposals on the agenda. The proxy to the aforementioned representative must be granted, by the end of the second open trading day preceding the date of the Shareholders Meeting, in the manner and using the specific proxy form available through the Company's website.

The proxy to the designated representative shall not have effect with respect to proposals for which no voting instructions have been given.

Shareholders may ask questions about the items on the agenda even before the Shareholders Meeting, as indicated on the Company's website.

Shareholders who, even jointly, represent one fortieth of the share capital may request, within ten days of the publication of the notice convening the general meeting, the addition of the items to be discussed, indicating in the request the additional items proposed, or submit proposals for resolutions on the items already on the agenda. Requests must be made in writing in the manner indicated on the Company's website.

Pursuant to art. 13 of the Articles of Association, the Shareholders Meeting is chaired by the Chairman of the Board of Directors or, failing this, by a person elected by the Shareholders Meeting, with the vote of a majority of those present. The Chairman of the Meeting, shall appoint a secretary, verify the regularity of the constitution, ascertain the identity and legitimacy of those present and regulate the conduct of the Meeting, in compliance with the rules of the Assembly, ascertaining the results of votes.

Pursuant to art. 14 of the articles of association, ordinary and extraordinary meetings and related resolutions are valid if taken with the presences and majorities established by law.

The resolutions of the Extraordinary Shareholders Meeting concerning the amendments to articles. 6.4 (shares and increased vote), 7 (public majority shareholding), 8 (limits on share ownership), 14 (validity of Shareholders Meetings and right of veto) and 17 (appointment of the Board of Directors) of the Articles of Association will be validly assumed with the affirmative vote of at least 3/4 of the voting rights present at the Shareholders Meeting, rounded down if necessary.

The Shareholders Meeting of 29 April 2003 approved the text of the Shareholders Meeting regulations, the updated version of which is published in the "Governance/Shareholders Meeting Section" of the Company's website [www.gruppohera.it](http://www.gruppohera.it), which indicates the procedures to be followed in order to allow the orderly and functional conduct of the Shareholders Meetings, without prejudice to the right of each shareholder to express his or her opinion on the issues under discussion.

During the 2024 financial year, a single extraordinary and ordinary Shareholders Meeting was held on 30 April, attended by 9 members of the Board of Directors and all members of the Board of Statutory Auditors.

## 14.0 Considerations regarding the letter from the Chairman of the Corporate Governance Committee

The Board of Directors, at its meeting of 26 February 2025, examined the recommendations made in the letter of the Chairman of the Corporate Governance Committee dated 17 December 2024, addressed to the chairmen of the administrative bodies of Italian listed companies. In particular, the main topics for recommendation for 2025 concern:

- an invitation to companies to provide all relevant information on how to apply Recommendation 11 of the Code (completeness and timeliness of pre-board disclosures);
- an invitation to companies to provide all relevant information on how to implement Recommendation 27 of the Code (transparency and effectiveness of the remuneration policy);
- an invitation to companies to provide all relevant information on how to implement Recommendation 4 of the Code (executive role of the Chairman of the administrative body).

During the aforementioned meeting, the Board of Directors took note of these recommendations and shared the status of their application/transposition by the Company.

### Completeness and timeliness of pre-meeting information

Hera is broadly in line with the application of Recommendation 11 on the completeness and timeliness of pre-board disclosures.

- Determination of the Deadlines for the Prior Sending of the Information to the Board and the Committees.

The Company has adopted a specific regulation on the functioning of the Board of Directors that provides for a specific deadline for pre-board disclosure.

As for the internal Committees (Executive Committee, Remuneration Committee and Control and Risk Committee), the Company, also in this case, has already adopted specific regulations concerning the functioning of its Committees, which provide for a deadline for the prior sending of the information to the relevant Committee.

As far as the Ethics and Sustainability Committee is concerned, it performs its functions on the basis of a work plan approved by the Committee itself, which ensures an informed planning of activities by its members.

It should be noted that the Rules of the Ethics and Sustainability Committee and the Procedure for Related Party Transactions of the Related Party Transactions Committee do not specify a deadline for the submission of the disclosure, for which, however, the timing provided for the other Committees is usually applied. With respect to the above-mentioned issue, it is intended to assess the express alignment with Recommendation 11 of the Code.

- Information on the effective compliance with the deadlines for the prior sending of the information to the Board and the Committees.

As far as the administrative body is concerned, during 2024, the deadline for sending resolution proposals and/or supporting documentation for board meetings, provided for by the Regulations, was substantially respected, with rare exceptions related to the need to submit to the Board:

- accounting documents updated as of the date closest to the date of examination and approval by the Board;
- supporting documentation relating to transactions the negotiation of which lasted until the approach of the Board meeting;
- proposals for resolutions made by an internal Committee for which documentary finalisation was necessary.

In any case (i) the documentation was made available - wherever possible and present - as soon as available and in any case before the start of the meeting and (ii) during the meetings the necessary details were provided in order to allow the Directors to deliberate in an informed and informed manner.

As for the Internal Committees, during 2024, the deadline for sending resolution proposals and/or supporting documentation for Committee meetings, provided for in the Regulations, was:

- substantially respected, as far as the Executive Committee is concerned, with rare exceptions related to the need to submit planning and accounting documents, updated at the earliest date of examination;
- respected, as regards the Remuneration Committee;
- substantially respected, as far as the Risk Control Committee is concerned, with rare exceptions related to the need to submit updated documents at the earliest date of examination and approval.

In any event, (i) documentation was made available-where possible and present-as soon as it was available and in any case before the meeting began, and (ii) during the meetings, appropriate insights were provided in order to enable the members to approve the topics in an informed and knowledgeable manner.

- Derogation from the Timeliness of Disclosure to the Board and Committees for Reasons of Confidentiality

The Regulations of the administrative body and of the internal Committees (in particular: the Regulations of the Executive Committee, the Regulations of the Remuneration Committee and the Regulations of the Control and Risk Committee) do not provide for generic exceptions to the timeliness of pre-board disclosure for reasons of confidentiality.

**Transparency and effectiveness of the Remuneration Policy**

Hera is substantially in line with the application of Recommendation 27 (relating to the remuneration policy for executive directors and top management) of the Corporate Governance Code.

Please refer for completeness to the Report on Remuneration Policy 2025 and compensation paid in 2024.

**Executive role of the Chairman of the administrative body**

Hera is in line with Recommendation 4 of the Corporate Governance Code, the application of which is highlighted in Section 4.6 of this report



**Table 1: Structure of the Board of Directors at year end**

OFFICE	MEMBERS	YEAR OF BIRTH	DATE OF FIRST APPOINTMENT (*)	IN OFFICE SINCE	IN OFFICE UNTIL	LIST (PRESENTERS) (**)	LIST (M/m) (***)	EXEC.	NON EXEC.	INDEP. CODE	INDEP. TUF	N. OTHER OFFICES (****)	PARTICIPATION (*****)
Chairman	Cristian Fabbri	1970	27-Apr.-23	27-Apr.-23	Appr. FS 2025	Shareholders	M	X				-	11/11
C.E.O.	Orazio Iacono	1967	11-May-22	27-Apr.-23	Appr. FS 2025	Shareholders	M	X				-	11/11
Vice Chairman	Tommaso Rotella (#)	1972	30-Apr.-24	30-Apr.-24	Appr. FS 2025	Shareholders	M		X	X	X	-	8/8
Director	Fabio Bacchilega	1963	29-Apr.-20	27-Apr.-23	Appr. FS 2025	Shareholders	M		X	X	X	-	9/11
Director	Gianni Bessi	1967	27-Apr.-23	27-Apr.-23	Appr. FS 2025	Shareholders	M		X			-	11/11
Director	Enrico Di Stasi	1978	27-Sept.-23	27-Sept.-23	Appr. FS 2025	Shareholders	M		X			-	10/11
Director	Grace Ghermandi	1954	27-Apr.-23	27-Apr.-23	Appr. FS 2025	Shareholders	M		X	X	X	-	11/11
Director	Alessandro Melcarne	1984	08-Nov.-17	27-Apr.-23	Appr. FS 2025	Shareholders	M		X	X	X	-	10/11
Director	Milvia Mingozi	1955	27-Apr.-23	27-Apr.-23	Appr. FS 2025	Shareholders	M		X	X	X	-	10/11
Director	Marina Monassi	1954	27-Apr.-23	27-Apr.-23	Appr. FS 2025	Shareholders	M		X	X	X	-	11/11
Director	Monica Mondardini	1960	29-Apr.-20	27-Apr.-23	Appr. FS 2025	Shareholders	M		X	X	X	4	10/11
Director	Francesco Perrini	1965	27-Apr.-23	27-Apr.-23	Appr. FS 2025	Shareholders	m		X	X	X	-	11/11
Director o	Paola Gina Maria Schwizer	1965	29-Apr.-20	27-Apr.-23	Appr. FS 2025	Shareholders	m		X	X	X	1	11/11
Director	Bruno Tani	1949	27-Apr.-06	27-Apr.-23	Appr. FS 2025	Shareholders	m		X	X	X	5	11/11
Director	Alice Vatta	1975	29-Apr.-20	27-Apr.-23	Appr. FS 2025	Shareholders	m		X	X	X	1	11/11
Vice Chairman	Gabriele Giacobazzi (#)	1949	29-Apr.-20	27-Apr.-23	03-Mar.-24	Shareholders	M		X	X	X	-	0/2

Number of meetings held during the year in question: 11

QUORUM REQUIRED FOR THE SUBMISSION OF LISTS BY MINORITIES FOR THE ELECTION OF ONE OR MORE MEMBERS (PURSUANT TO ARTICLE 147-TER OF THE TUF): AT LEAST 1% OF THE SHARES WITH VOTING RIGHTS AT THE ORDINARY SHAREHOLDERS MEETING (ARTICLE 17.5 OF THE ARTICLES OF ASSOCIATION)

The following symbols must be entered in the "Office" column:

• This symbol indicates the administrator in charge of the internal control and risk management system.

o This symbol indicates the Lead independent director (LID).

(\*) The date of first appointment of each director is the date on which the director was appointed for the first time (ever) to the Board of Directors of the Issuer.

(\*\*) This column indicates whether the list from which each director was drawn was submitted by shareholders (indicating "Shareholders") or by the Board of Directors (indicating "BoD").

(\*\*\*) This column indicates whether the list from which each director has been drawn is "majority" (indicating "M"), or "minority" (indicating "m").

(\*\*\*\*) This column shows the number of director or statutory auditor positions held by the interested party in other listed or large companies. In the corporate governance report, the offices are given in full.

(\*\*\*\*\*) This column shows the participation of directors in meetings of the Board of Directors (indicate the number of meetings attended in relation to the total number of meetings in which he could have attended; e.g. 6/8; 8/8 etc.).

(#) The Vice Chairman, Mr. Giacobazzi deceased on 3 March 2024. Subsequently, the Shareholders' Meeting of Hera, on April 30, 2024, appointed in his place Tommaso Rotella Attorney at Law, who was appointed Vice Chairman at the meeting of the Board of Directors on 14 May 2024

**Table 2: Structure of the Board Committees at year end**

BOARD OF DIRECTORS		EXECUTIVE COMMITTEE		CONTROL AND RISK COMMITTEE / TRANSACTIONS WITH RELATED PARTIES		COMPENSATION COMMITTEE		APPOINTMENTS COMMITTEE		ETHICS AND SUSTAINABILITY COMMITTEE	
OFFICE	MEMBERS	(*)	(**)	(*)	(**)	(*)	(**)	(*)	(**)	(*)	(**)
Chairman of the Board of Directors executive - not independent	Cristian Fabbri	8/8	P								
Chief Executive Officer executive - not independent	Orazio Iacono	8/8	M								
Vice Chairman non-executive - independent of TUF and Code	Tommaso Rotella (***)	6/6	M	6/6	P	1/1	P				
Director non-executive - independent of TUF and Code	Fabio Bacchilega					3/3	M				
Director non-executive - not independent of TUF and Code	Enrico Di Stasi			8/9	M			Not present			
Director non-executive - independent of TUF and Code	Alessandro Melcarne			9/9	M						
Director non-executive - independent of TUF and Code	Monica Mondardini					3/3	M				
Director non-executive - independent of TUF and Code	Marina Monassi	7/8	M								
Director non-executive - independent of TUF and Code	Paola Gina Maria Schwizer			9/9	M						
Director non-executive - independent of TUF and Code	Francesco Perrini									6/6	P
Director non-executive - independent of TUF and Code	Alice Vatta					3/3	M			6/6	M
-----DIRECTORS WHOSE TERMS ENDED DURING THE FINANCIAL YEAR OF 2024-----											
Vice Chairman non-executive - independent of TUF and Code	Gabriele Giacobazzi (until 03-March-24)	0/1	M	0/1	P	1/1	P	Not present			
----- MEMBERS WHO ARE NOT DIRECTORS -----											
External professional	Nicoletta Tranquillo							Not present		6/6	M
Director of Shared Value and Sustainability at Hera Spa	Filippo Maria Bocchi									6/6	M
Number of meetings held during the year		8 meetings		9 meetings		3 meetings				6 meetings	

## NOTES:

(\*) This column shows the participation of the directors in board committee meetings.

(\*\*) This column indicates the qualification of the director within the committee: "P": Chairman; "M": Member.

(\*\*\*) Appointed director by the Shareholders' Meeting of April 30, 2024, and subsequently Vice Chairman at the Board meeting of May 14, 2024.

**Table 3: Structure of the Board of Statutory Auditors at year end****BOARD OF  
STATUTORY  
AUDITORS**

OFFICE	MEMBERS	YEAR OF BIRTH	DATE OF FIRST APPOINTMENT (*)	IN OFFICE SINCE	IN OFFICE UNTIL	LIST (M/m) (**)	INDEP. CODE	ATTENDANCE AT MEETINGS OF THE BOARD MEMBER (***)	N° OTHER OFFICES HELD (****)
Chairman	Myriam Amato	1974	27-Apr.-17	27-Apr.-23	Appr. FS 2025	m	X	17/18	2
Statutory auditor	Girolomini Marianna	1970	23-Apr.-14	27-Apr.-23	Appr. FS 2025	M	X	17/18	-
Statutory auditor	Gaiani Antonio	1965	23-Apr.-14	27-Apr.-23	Appr. FS 2025	M	X	17/18	-
Alternate Auditor	Gnocchi Stefano	1974	27-Apr.-17	27-Apr.-23	Appr. FS 2025	m	X	-	3
Alternate Auditor	Susanna Giuriatti	1956	27-Apr.-23	27-Apr.-23	Appr. FS 2025	M	X	-	-

N° of meetings held during the reporting period: 18

**Quorum required for the submission of lists by minorities for the election of one or more members (pursuant to art. 148 TUF):**  
**at least 1% of the shares having voting rights in the general Shareholders meeting (Art. 26.2 Articles of Association).**

**NOTES:**

(\*) The date of first appointment of each statutory auditor is the date on which the statutory auditor was appointed for the first time (ever) to the Board of Statutory Auditors of the Issuer.

(\*\*) This column indicates whether the list from which each auditor was drawn is of the "majority" (indicated by "M"), or of the "minority" (indicated by "m")

(\*\*\*) This column shows the participation of statutory auditors in meetings of the Board of Statutory Auditors (indicate the number of meetings attended in relation to the total number of meetings in which they could have attended; e.g. 6/8; 8/8 etc.)

(\*\*\*\*) This column indicates the number of positions held as a director or statutory auditor positions held by the interested party pursuant to art. 148-bis TUF and the related implementing provisions contained in the Consob Issuers Regulations.

The complete list of positions is published by Consob on its website pursuant to art. 144-quinquiesdecies of the Consob Issuers Regulations.

**Table 4: Offices held by board members in other companies**

NAME AND SURNAME	OFFICE	OTHER OFFICES
Cristian Fabbri	Executive Chairman	
Orazio Iacono	Chief Executive Officer	
Tommaso Rotella **	Vice Chairman	
Fabio Bacchilega	Director	
Gianni Bessi	Director	
Enrico Di Stasi	Director	
Grace Ghermandi	Director	
Alessandro Melcarne	Director	
Milvia Mingozzi	Director	
Marina Monassi	Director	
Monica Mondardini	Director	Chief Executive Officer of CIR Spa Chairman of SOGEFI Spa (CIR Group) Director of Edenred SA Member of KOS Spa (CIR Group)
Francesco Perrini	Director	
Paola Gina Maria Schwizer	Director	Deputy Chairman of the Supervisory Board of Deutsche Bank Spa
Bruno Tani	Director	Vice President and Chief Executive Officer Gruppo Società Gas Rimini Spa Director Gas Rimini Holding Spa Chief Executive Officer City Gas Bulgaria Ead Chief Executive Officer Technoterm Ead Bulgaria (Sofia) Chairman Board of Statutory Auditors D.G. Holding Spa
Alice Vatta	Director	Independent Director of Fincantieri Spa
-----DIRECTORS WHOSE TERMS EXPIRED DURING THE 2024 FINANCIAL YEAR-----		
Gabriele Giacobazzi *	Vice Chairman	

\*: terminated on 3 March 2024

\*\*: the Shareholders Meeting of Hera, on 30 April 2024, appointed, in place of Mr. Giacobazzi, Rotella Attorney at Law, who was appointed Vice Chairman by the Board of Directors on 14 May 2024.

Document approved by Hera Spa's Board of Directors on 26 March 2025.

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**Hera Spa**

Registered office: Viale C. Berti Pichat 2/4 - 40127  
Bologna tel.: +39.051.28.71.11 fax: +39.051.28.75.25

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

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