



Policy for gender equality

ERG Group

Approved by the Board of Directors of ERG on 23 February 2024

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1. Introduction

In line with the Code of Ethics, ERG has decided to confirm its commitment to Gender Equality by issuing a specific Policy which represents an executive document of the Diversity & Inclusion policy. The Policy inspires the Guidelines reflected in the processes and practices that have an impact on the enhancement and protection of diversity and equal opportunities and applies to all Group companies. In particular, ERG wants to promote gender equality both from the point of view of presence in the workforce and in terms of access to opportunities for development and professional growth for women in the organisation. Through the ESG plan defined in 2021 and its revisions, ERG has set out progressive objectives and targets to transform its commitment into lines of action and achieve the defined objectives. ERG has also decided to undertake the process of obtaining certification on gender equality (UNI PDR 125/22) and therefore bases this policy on the KPIs required by the certification guidelines.

The ESG Committee assumes the role of Steering Committee pursuant to UNI PdR 125/22.

ERG recognises the value of the impact of companies on the territories and more generally on society and, with reference to objective 5¹ of the UN 2030 Agenda for sustainable development and the Women Empowerment Principles, wants to promote employment and the employability of women, support female empowerment and entrepreneurship, promote a culture of zero tolerance towards violence, harassment, bullying and spread the adoption of inclusive language. In this path, it believes the involvement of its stakeholders in awareness-raising initiatives, training and the development of common projects is fundamental.

The Policy defines the guidelines to promote the achievement and support of gender equality in ERG, highlighting the fundamental points of each process to overcome the constraints dictated by stereotypes and prejudices. Uniformity in the application of processes, which guarantees homogeneity, standardisation and transparency is provided by the adoption of a specific digital platform, accessible to all people at every stage of their professional life.

This policy describes the implementation and operation of equality policies for:

- Promoting understanding among all staff who are actively involved;
- Making interested parties understand how the organisation responds, responsibly and comprehensively, to their expressed or unexpressed needs;
- Developing staff awareness through training activities;
- Subsequently adopting the UNI PDR 125/22 strategic plan, which will be an integral part of the ESG Plan.

¹ "Ensuring that women and girls have equal access to education, medical care, decent work, as well as representation in decision-making, political and economic processes, will promote sustainable economies, which in turn will benefit societies and all of humanity."

2. ERG's commitment to Gender Equality: Purpose of processes and practices

a. Diversity & Inclusion Working Group

Made up of the Chief ESG, IR & Communication Officer, Chief Human Capital & ICT Officer, Head of D&I, Learning & People Engagement, Head of Human Resources, Head of ESG, Head of Organisation, and the Head of Compensation & Benefit, it is responsible for defining gender equality targets and objectives, which will be an integral part of the ESG plan and the Group strategic plan.

Monitors the continuous and effective application of the Policy, the implementation of the defined actions, the trend of the indicators of the strategic plan and the identification of the related improvement actions.

b. People Acquisition

ERG bases its recruiting processes on the identification of experiences, skills and abilities as pillars for the recognition of merit.

For ERG, every possibility of bringing a new person into the company is an opportunity to enrich the Group's expertise and skills and at the same time promote diversity and inclusion at the different organisational levels.

ERG is committed to:

1. Involving Recruiters and People Managers in training and internal communication initiatives on gender equality and biases that can impact recruiting processes.
2. When publishing job advertisements on the various channels, using neutral and inclusive language in the job descriptions and job requirements.
3. Explaining in the texts of job advertisements ERG's commitment to not implementing discriminatory measures of any nature (gender, age, ethnicity, culture, ability, religion and nationality, experiences, thinking style, sexual orientation and identity, political opinions and any other subjective characteristic), and that consequently questions on family status and care burdens will not be asked in the interviews, and it will not be necessary to discuss these topics.
4. Asking those participating in the selection for their desired salary and not the one they are currently receiving, so as not to perpetuate any inequities from previous employers and ensure pay equity regardless of the person's gender. Defining the economic offers on the basis of the salary ranges assigned to the job positions and based on the level of experience.
5. Activating recruiter panels where both genders are represented.
6. Putting a group of candidates that is generally balanced by gender in the short lists.

c. Performance Management

In ERG, the explicit assignment of individual annual objectives helps to ensure the achievement of the company results defined by the strategic plan, the operational alignment of people and their full involvement in company life.

The Performance Management system strengthens the constant dialogue between the person and the People Manager, providing the possibility to explain mutual expectations and feedback on results and operating methods. The Human Capital Committee monitors participation in the annual Performance Management programs, verifying that there is no gender discrimination in the assignment of objectives and the evaluation of results.

d. Rewarding and Pay Equity

ERG has adopted the Global Rewarding Policy, which is based on the principle of guaranteeing equal opportunities for access to development paths and economic recognition for all people, each according to their respective characteristics and professional abilities. The policies and procedures envisaged are aimed at preventing any discriminatory behaviour by focusing the remuneration policy and growth paths on the recognition of merit and further development potential.

With the Global Rewarding Policy, ERG has defined the criteria on which salary reviews and short and long-term incentive systems are anchored, such as: recognition of the responsibilities assigned, the results achieved and the quality of the professional contribution made, and the analysis of the context and market/sector benchmarks for similar level roles in terms of responsibility and complexity.

The Nominations and Remuneration Committee and the Human Capital Committee, in verifying the consistency and effectiveness of the rewarding system, guarantee fairness and opportunities for access to remuneration for all employees, regardless of gender, through the monitoring of specific KPIs.

ERG wants to promote pay equity in the different job segments and therefore monitors any Gender Pay Gap every six months through the Diversity & Inclusion Working Group and defines the short- and medium-long term actions to overcome it.

The evidence is shared in the Nominations and Remuneration Committee.

e. Career Paths, Individual Development Plan, Succession Planning

The Global Rewarding Policy explains the meritocratic criteria (position weight, performance history, skills assessment, leadership style, development potential, linguistic knowledge) that guide the promotion paths for Managers and Senior Managers, and also the role of the Human Capital Committee as guarantor of equal opportunities.

With the aim of promoting the achievement of gender equality in leadership positions, ERG is committed to:

- annually defining Diversity and Inclusion targets over a short and medium time frame which can also be included in Management incentive systems;
- involving people in their growth paths through the establishment of Individual Development Plans that include experiences to support the development of skills and competences, training courses (possibly integrated with experiences), structured feedback systems, and reflections on growth expectations and motivations;
- verifying that both genders are evaluated in the Succession Plans.

The findings are shared by the Human Capital Committee and presented to the Appointments and Remuneration Committee.

f. Academy and Events

ERG believes that training is a fundamental tool for:

- the cultural evolution of the Group;
- the development of skills and capacities useful for achieving the targets of the strategic plan in the short- and medium-long period;
- the conscious management of one's personal-professional growth path while also managing consistency with one's values and with the personal mission statement.

For this reason, ERG is committed to:

- activating training and communication initiatives that include each person on the key topics determined annually, using tools and methods accessible from a sensorial and temporal use point of view (remote/in-person meetings, asynchronous activities...).
- activating training sessions and/or communication campaigns on D&I, empowerment, psychological safety, the fight against harassment, violence and bullying in the workplace, also highlighting the impact of these issues on the business.
- raising people managers' awareness of issues related to unconscious bias and the ability to communicate in an inclusive manner.
- involving each person in at least one training course per year.
- organising events, conferences and round tables in which all genders are represented.
- also to pursuing gender balance among the teachers.
- using inclusive language in its internal and external communications.

ERG is also aware of the role that companies can play in spreading a culture capable of developing talents, enhancing the uniqueness of people and promoting inclusion within the community. Through the ERG Academy initiatives dedicated in particular to the Next Generation, ERG is also committed to making content, experiences and mentorship paths available to enhance gender equality.

g. Management aspects related to work organisation (work-life balance, parenting/care-giver support)

ERG is committed to:

- improving work-life balance in all phases of personal and professional life through the adoption of a flexible working method (e.g. remote working, flexible working hours) that is not penalising, and with schedules that are compatible with the objectives assigned.
- supporting employees during and after periods of long absence from work, allowing them to remain in contact with the company, encouraging reintegration at the end and avoiding any form of discrimination during and after the leave.
- promoting access to parental leave and care options for children and relatives who require special care for employees of both sexes.
- supporting the well-being of the people who work at ERG through programs aimed at health and preventive healthcare, and the organisation of sporting events for non-competitive purposes.
- promoting a sustainable lifestyle through the promotion of sustainable mobility.

h. Conclusion of the employment relationship

ERG conducts "exit interviews" to explore the reasons that lead people to leave the company and uses the findings as feedback to identify processes or other aspects to improve.

A particular focus is given to people who leave the company in periods of their personal life which often constitute a gender obstacle in the continuation of professional experience (not returning from maternity leave, irreconcilability between family commitments and professional life, etc.).

i. Combating episodes of violence, harassment and bullying

ERG has adopted a specific policy on combating episodes of violence, harassment and bullying in the workplace, adopting a zero tolerance approach and implementing all the indications of the International Labour Organisation, and has also equipped itself with a whistleblowing system for reports.

j. KPI measurement

ERG also undertakes to adopt a structured plan as required by Uni PDR 125/22 which creates a management system for the plan, do, check and act with reference to the KPIs required by the certification.

ERG believes that a monitoring system is fundamental to ensuring that gender equality is managed in accordance with the indications of this policy, and where it is not, that the phenomenon is subject to a timely evaluation.

ERG is committed to implementing a dashboard dedicated to monitoring indicators and sharing evidence.

3. Approval and updating

The Board of Directors of ERG, upon the proposal of the ESG Committee, following the favourable opinion of the Control, Risk and Sustainability Committee and the Appointments and Remuneration Committee, approves the Policy and any subsequent amendments and additions that may become necessary.

The CEO of ERG, upon the proposal of the ESG Committee, having consulted the Control, Risk and Sustainability Committee and the Nominations and Remuneration Committee, is also authorised to make any modification to the Policy of a purely formal nature which does not substantially alter the content of the Policy itself, subsequently informing the ERG Board of Directors at the first available meeting of this body.

4. Diffusion

The ERG Group undertakes to communicate this Policy to the entire organisation and to disseminate it in all Group languages via the intranet. The Policy is also published at www.erg.eu.

www.erg.eu

