
Circularity and use of materials – KPI for CSRD

Survey | Guideline

December 2024

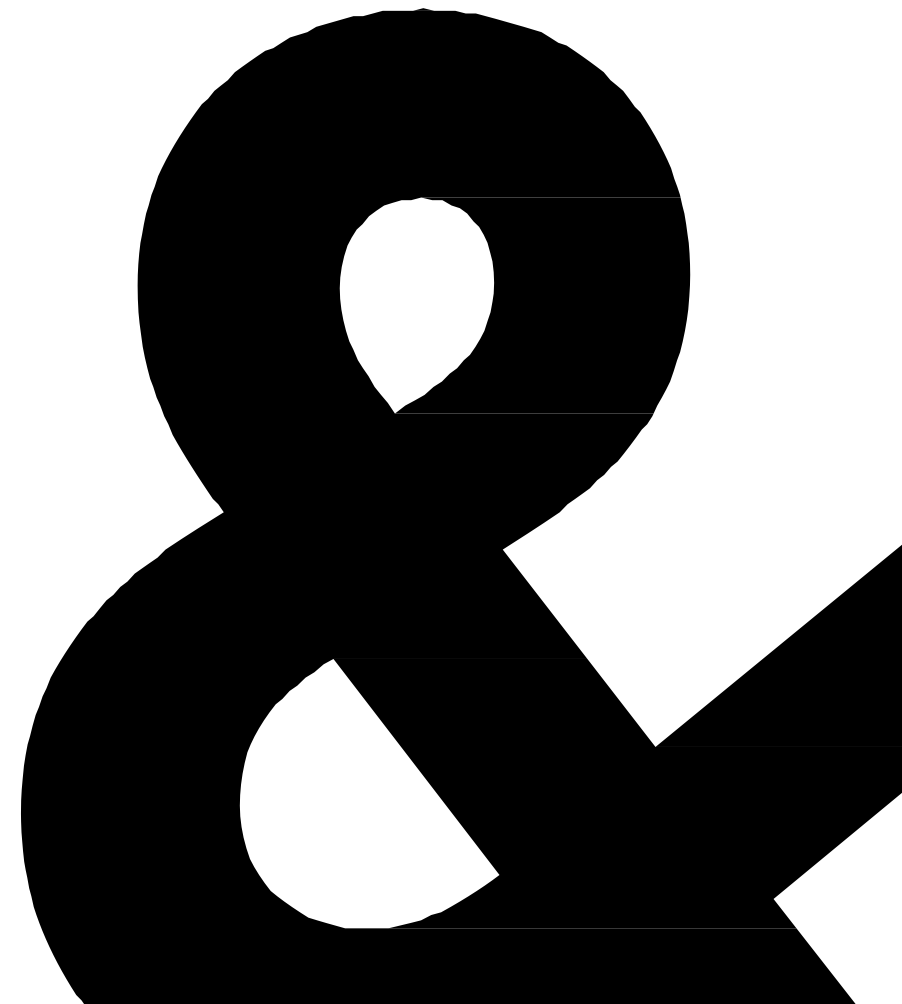
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Hera Group must estimate three KPIs on circularity and use of materials required by the standard “ESRS E5-4: resource inflows”

Definition of KPIs to be estimated

Three KPIs on circularity and use of materials



Overall weight of products and materials used
(sum of **technical** and **biological materials**)



Percentage of **biological materials** and **biofuels** used for non-energy purposes from a **sustainable supply chain** relative to total weight



Percentage of **recycled materials** and/or **reused components** relative to the total weight

For 2024, Hera Group will proceed with reporting of direct purchases of materials related to the goods category. Materials supplied within services and works categories will not be included in the reporting scope for 2024.

The survey includes a set of six questions focused on the product subject to supply...

Survey questions (1/2)

Question 1. Considering all the supplies that your Company has provided to the Hera Group companies throughout 2024, can you indicate the total weight (expressed in kg), excluding packaging?

Question 2. Considering the total weight of the supplies (expressed in kg, excluding packaging - indicated in the answer to Question 1), can you indicate the percentage of biological materials and biofuels (used for non-energy purposes) present in these supplies?

Question 3a. Considering the supplies containing biological materials to Hera Group companies indicated in the answer to Question 2, can you indicate the percentage of such materials coming from a sustainable supply chain, excluding packaging?

Question 3b. [Question reserved for fuel suppliers] Considering the supplies containing biofuels (used for non-energy purposes) to Hera Group companies indicated in the answer to Question 2, can you indicate the percentage of such biofuels coming from a sustainable supply chain?

Question 4. In relation to Question 3a and Question 3b, which sustainable supply chain certifications were considered?

Question 5. Considering the total weight (expressed in kg, excluding packaging - indicated in the answer to Question 1) of the supplies that your company has provided to Hera Group companies throughout 2024, what percentage comes from recycled components or materials?

Question 6. Considering the total weight (expressed in kg, excluding packaging - indicated in the answer to Question 1) of the supplies that your company has provided to Hera Group companies throughout 2024, what is the percentage of material coming from reused components or materials?

... a set of six other questions for the packaging used, and three optional specific questions for the predominant material in the supply

Survey questions (2/2)

Question 7. Considering the supplies that your company has provided to Hera Group companies throughout 2024, can you indicate the total weight (expressed in kg) of the packaging used?

Question 8. In relation to the answer to the previous question, can you indicate the percentage of packaging of biological origin?

Question 9. Considering the supplies with packaging of biological origin indicated in the answer to Question 8, can you indicate the percentage of such materials coming from a sustainable supply chain?

Question 10. In relation to the previous question, which sustainable supply chain certifications were considered?

Question 11. Considering the supplies that your company has provided to Hera Group companies throughout 2024, can you indicate the percentage of packaging coming from recycled materials or components?

Question 12. Considering the supplies that your company has provided to Hera Group companies throughout 2024, can you indicate the percentage of packaging coming from reused materials or components?

Question 13a. [Optional] Considering the supplies that your company has provided to Hera Group companies throughout 2024, can you indicate the type of material that was predominant in the supply?

Question 13b. [Optional] Considering the answer to Question 13a, can you indicate the percentage of the prevailing material on the total supplies that your Company has provided to Hera Group companies throughout 2024?

Question 13c. [Optional] Considering the answer to Question 13a, can you indicate the percentage of recycled or reused material present in the predominant material of the supply?

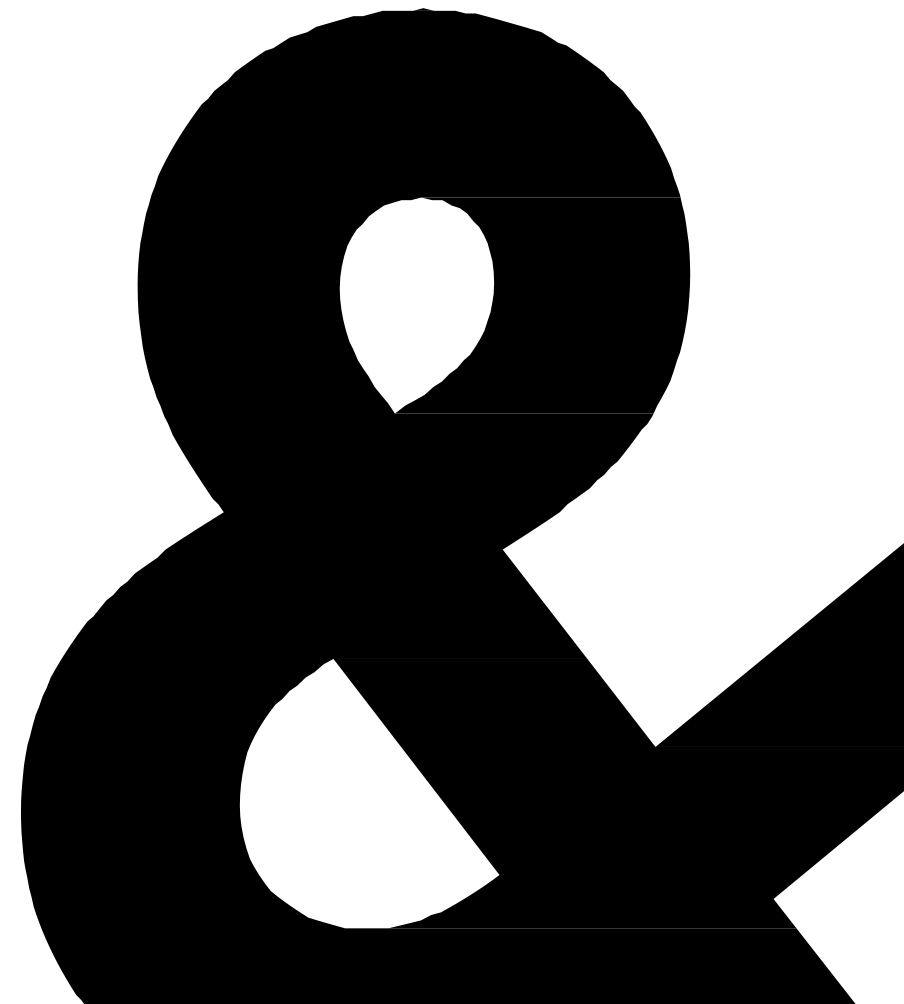
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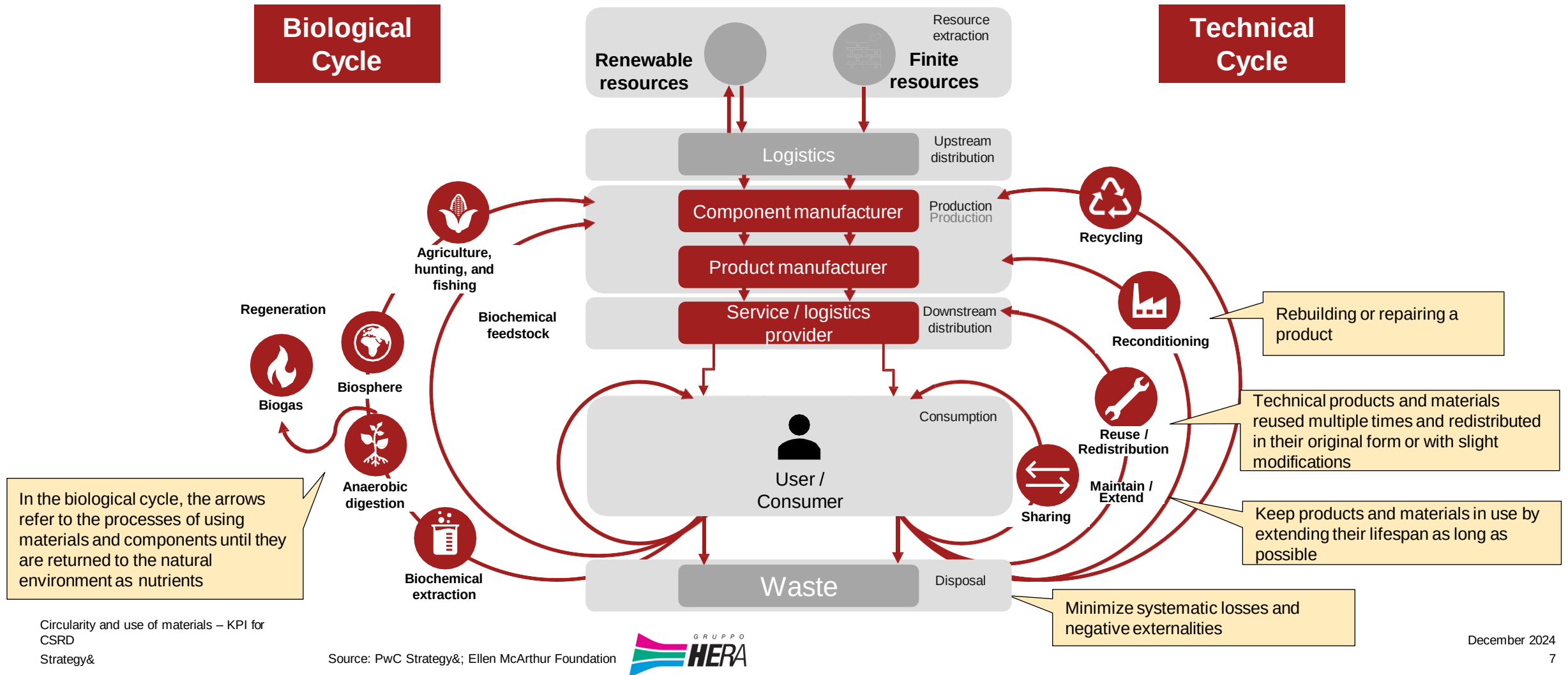
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The incoming materials are divided into biological and technical ones, depending on their positioning in the "butterfly" circularity diagram

Biological and technical materials



Biological materials can re-enter the natural environment, technical materials can be reused and transformed

Definitions

Biological material: material that can **safely re-enter** the natural **environment**, after going through one or more usage cycles, during which it biodegrades over time.

Note that the concept of **biological material** should not be **applied** to the components of the final product subject to supply, but to the **materials** used for the **realization** of such components. For example, if there were components made of bioplastic inside a meter, since bioplastic is considered a "biological material", then the weight portion of such components would fall into the "biological material" category.

Among the biological materials are, for example, **bioplastics, wood, paper, cardboard, natural rubber, masterbatch made of biodegradable polymers.**

Technical material: everything that does not fall into the "biological materials" category, instead falls into the "technical materials" category. These materials can eventually be **reused**, or **transformed physically** or **chemically** after the usage phase, but cannot be processed by a biological system and safely re-enter the natural environment.

Technical materials include **materials of mineral origin, metals** (e.g., cables or other copper materials, aluminum components, pipes or other steel materials, cast iron components), **inert materials** (e.g., sand, gravel, crushed stone, soil), **electronic components, ceramics, glass, plastic** (excluding bioplastics), **fuels** (excluding biofuels) and **synthetic chemicals.**

Biofuels are derived from renewable sources and represent an alternative to fossil fuels

Definition and examples of biofuels

Biofuels: fuels **produced** from **renewable sources**, such as plant crops and biomass.

Examples of biofuels:

- **biofuels from food and forage crops** (e.g., **biodiesel** derived from rapeseed oil, sunflower oil, palm oil, and soybean oil; **bioethanol** derived from corn, wheat, sugar beet, barley, and rye);
- **advanced biofuels derived from waste, residues, and by-products** (e.g., biofuels derived from algae, from biomass corresponding to urban waste, from straw, from lignocellulosic materials, etc.);
- **biofuels derived from waste, residues, and by-products;**
- **biofuels derived from cooking oils and animal fats not suitable for food and animal feed.**

Biofuels used for energy purposes, biofuels used for product transportation activities, materials, and biofuels used in the production process are excluded

For monitoring the origin of materials and products along the entire supply chain, various certifications can be used

Examples of sustainable supply chain certification – *non-exhaustive*

- **ISCC PLUS (International Sustainability & Carbon Certification)**: traceability and verification of the sustainability of raw materials, intermediate products, and final products in the production chains of food products, feed, technical/chemical products, bio-based products, biomass production chains for energy applications, products with a percentage of recycled content
- **FSC – Chain of Custody (Forest Stewardship Council)**: traceability of materials from well-managed forests, controlled sources, recovered materials, or a mix of these sources (e.g., responsible sourcing of wood or paper used for products)
- **OK biobased – TUV Austria**: certification for products made with renewable raw materials, used for products made with bioplastics and/or materials of natural origin
- **PEFC (Programme for the Endorsement of Forest Certification)**: certification attesting to the sustainable management of forests and traceability of forest products from sustainably managed forests to the final product (monitoring every stage of the supply chain through independent audits to exclude unsustainable sources)
- **Cradle to Cradle Certification**: traceability and verification of the safety and circularity of materials and products based on five sustainability performance categories (material safety; product circularity; positive environmental impact and renewable energy; water and soil management; respect for human rights)

The use of recycled and reused components and materials helps increase the circularity of supplies

Definitions

Recycled components or materials: components or materials that come from the **treatment** and/or a **transformation operation** of **waste**, whether they are of domestic, commercial, or industrial origin, **to be transformed** into a **final product** or a **component** to be incorporated into a product.

Waste and materials generated in a manufacturing process and capable of being reintroduced into the same process are not considered recycled components or materials, as such materials could still come from virgin raw materials and not be subjected to recycling treatment or operation. For example, in the case of steel waste and scraps recovered during the production process and reintroduced into the final product, they are not to be considered as recycled because there is no certainty that the sheet metal semi-finished product from which they were derived comes from recycled steel. Therefore, the only percentage to consider in such a case is that of recycled steel within the initial sheet metal semi-finished product.

Reused components or materials: components or materials that are **directly reused**, inserting them into a **final product** or in a **component** to be incorporated into a final product, **avoiding** their **transformation into waste** (e.g., reused glass bottle, recovered from the «returnable» system of a previously used bottle).

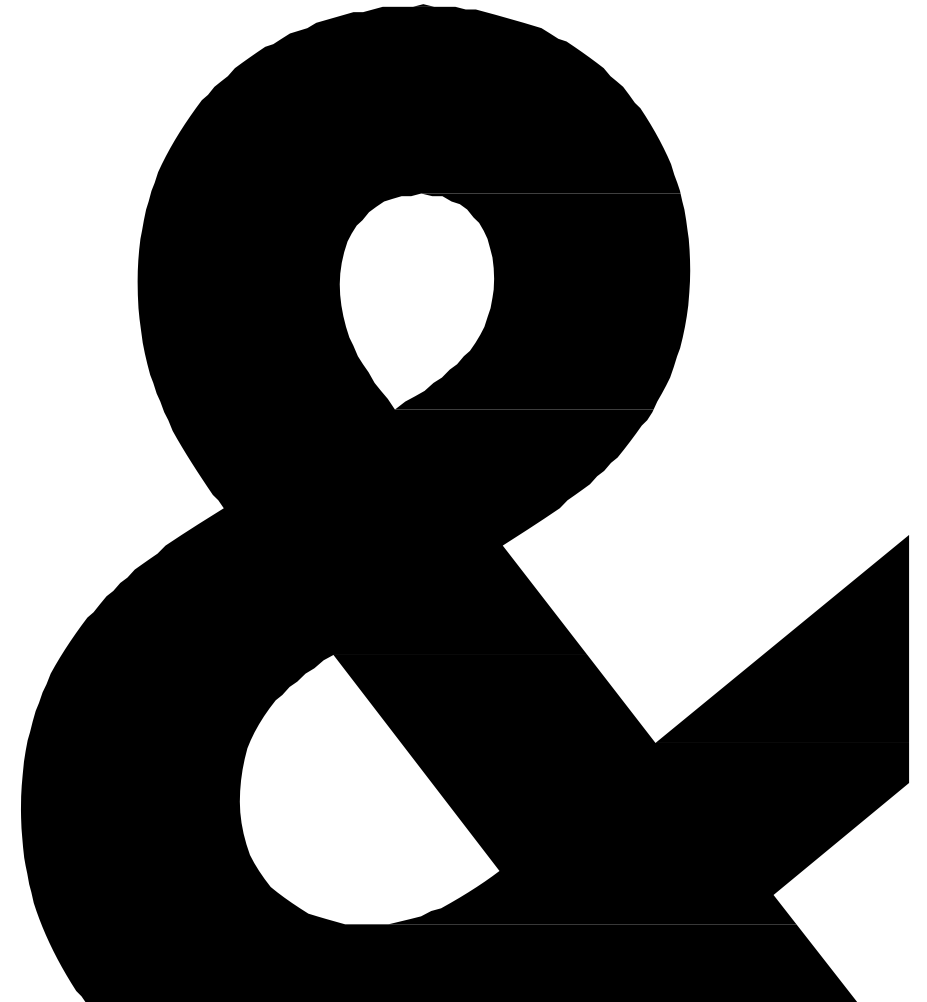
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The questionnaire includes a section for collecting data related to the company and the person responsible for filling it out

Personal data Section

English (United Kingdom) ...

Hera Group | CSRD | Circularity Questionnaire 2024

Dear Supplier, below you will find the questions of the questionnaire on circularity and use of materials. It will be possible to complete the questionnaire only once. In case of doubts or questions, you can use the email address accesso.portalefornitori@gruppohera.it. The answers to the questions received will be returned in aggregate form as FAQs, through the communication channels of Portale Hera. Thank you for your collaboration.

* Required

Personal data section

Disclaimer: The compiler assumes full responsibility for the truthfulness of the data and information provided in response to the questions in the questionnaire. The Hera Group reserves the right to carry out subsequent checks to validate the data and information provided and it is suggested to always have documentation/evidence to support what has been communicated. The data and information collected will be treated in a manner that guarantees their confidentiality. The Sustainability Report will only include data and information in aggregate and/or clustered form by macro-type.

1. Company name *

Enter your answer

2. VAT number *

Note: Please enter only numeric characters without spaces

The value must be a number

3. Compiler name and surname *

Note: Hera Group reserves the right to contact the compiler again in case of questions

Enter your answer

4. Compiler contact email address *

Note: Hera Group reserves the right to contact the compiler again in case of questions

Enter your answer

By clicking on the **dropdown** menu, you can select the **survey language** (Italian/English). Please select the preferred option and proceed to complete the survey only once

Disclaimer: The compiler assumes full responsibility for the truthfulness of the data and information provided in response to the questions in the questionnaire. The Hera Group reserves the right to carry out subsequent checks to validate the data and information provided and it is suggested to always have documentation/evidence to support what has been communicated. The data and information collected will be treated in a manner that guarantees their confidentiality. The Sustainability Report will only include data and information in aggregate and/or clustered form by macro-type.

Please enter the **company name** of Hera Group supplier that has completed the qualification process on the Hera portal.

Please enter the **VAT number** corresponding to the company name indicated in the previous field.
Please enter only numeric characters and do not include spaces

Please provide the **contact information of the compiler** (Name, Surname, Email Address, and Contact Phone Number) for potential contact by Hera Group for questions or clarifications about the data entered in the survey

There are both closed and open-ended questions. For closed-ended questions, it is recommended to verify the unit of measure

Question Section

Question 1. Considering all the supplies that your company has provided to Hera Group companies throughout 2024, can you indicate the total weight (expressed in kg), excluding packaging? *

Note: Please enter the total weight in kilograms (kg) using only whole numbers, without including decimals or commas

The value must be a number

Question 2. Considering the total weight of the supplies (expressed in kg, excluding packaging - indicated in the answer to Question 1), can you indicate the percentage of biological materials and biofuels (used for non-energy purposes) present in these supplies? *

Note: It is necessary to indicate the whole numeric value corresponding to the percentage (e.g. write "10" to indicate 10%). If not applicable, please enter "0". Please refer to the Compilation Guide for definitions and related examples of Technical and Biological Materials and biofuels used for non-energy purposes; the sum of the weight of the technical materials and biological materials corresponds to the sum of the total weight of the products that your Company has supplied to the companies of Hera Group. Biofuels used for the transport of the products, materials and biofuels used in the production process are excluded. Only the products supplied to Hera Group are to be considered

The value must be a number

Question 4. In relation to Question 3a and Question 3b, which sustainable supply chain certifications were considered? *

Note: Please indicate one or more answers if one or more sustainable supply chain certifications are present; insert the certification considered in the "Other" space if the certification is not included in the list provided; or indicate "Not applicable" if there is no certification.

☐ ISCC

☐ FSC

☐ OK biobased

☐ PEFC

☐ Cradle to Cradle

☐ Not applicable

☐ Other

Notes

Please use this space for any notes regarding: 1) Details of goods supplied to the Hera Group (for example, material composition of individual products); 2) Calculation methodology applied (for example, any approximations made to calculate the percentage of biological material); 3) Certification system supporting the data provided; 4) Any other notes to be reported

Enter your answer

Please enter the **total weight** of supplies **in kilograms (kg)** using only **whole numbers, without including decimals or commas**

Please indicate the **whole numerical value corresponding to the percentage** (e.g., write **"10"** to indicate 10%). If the **request is not applicable**, please enter **"0"**.

Please indicate **one or more responses** in the case of the presence of one or more sustainable supply chain certifications; **enter the certification** considered in the **"Other" space** if the certification is not listed; or indicate **"Not applicable"** in the absence of **certification**.

Please use the **"Notes" box** for any notes regarding:

- 1) Details of goods supplied to the Hera Group (for example, material composition of individual products);
- 2) Applied calculation methodology (for example, any approximations made to calculate the percentage of biological material);
- 3) Certification system supporting the provided data;
- 4) Any other notes to report

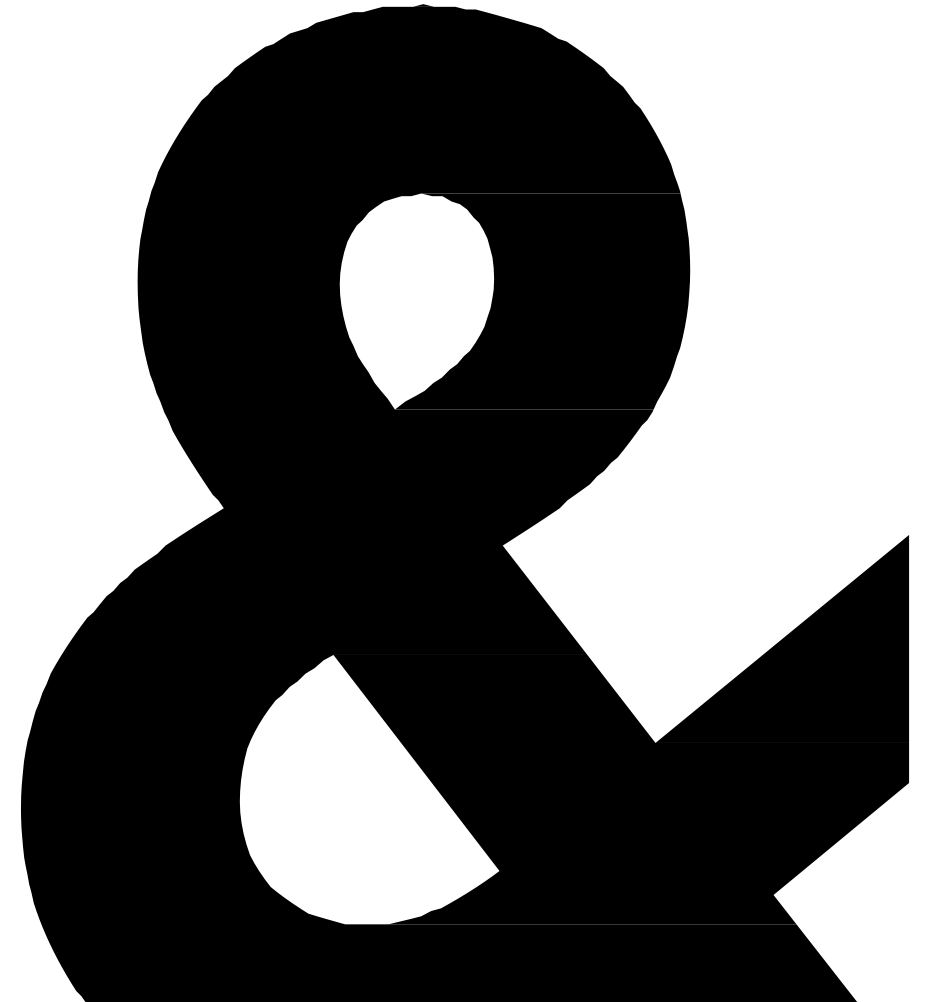
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During the webinars with suppliers, some questions and requests for clarification were collected, grouped in the form of FAQs

FAQ (1/4)

1. Should the use of biofuel for product transportation be considered for KPI estimation?

No, biofuels used for product transportation activities, materials, and biofuels used in the production process are excluded. Only products supplied to the Hera Group should be considered.

2. Is it necessary to estimate the weight of individual materials supplied?

No, it is required to indicate the total weight of all supplies; optionally, the "Notes" boxes can be used to provide further details. In questions 13a, 13b, and 13c, it is possible to specify the predominant material of the supply.

3. What should be considered in the packaging category?

For packaging, it is necessary to check whether they are "returnable" and therefore collected by suppliers (in this case they are not to be considered); otherwise, if they fall under incoming materials, they must be considered.

4. Are instruction manuals provided with the products considered as part of the packaging?

Yes, instruction manuals must be considered as part of the packaging and analysed in terms of weight and material composition.

5. What certifications can be considered?

The regulation does not provide a reference list of certifications but only requires the supplier to specify which certification has been considered. As a reference, the Guideline provides some examples of common certifications (e.g., FSC for paper and wood, OK biobased for bioplastics, PEFC for rubber, etc.).

During the webinars with suppliers, some questions and requests for clarification were collected, grouped in the form of FAQs

FAQ (2/4)

6. Are service and work providers required to complete the questionnaire?

For 2024 data, suppliers providing only services or work to Hera Group companies are not required to complete the questionnaire. However, if such suppliers have delivered materials under contracts for the supply of goods, then they are required to complete the questionnaire only in relation to those contracts. In case of doubts about the classification of the supply provided to the Hera Group, it is suggested to send an email to accesso.portalefornitori@gruppohera.it indicating the number and subject of the relevant contract(s).

7. In the case of supplying different products or materials, is it necessary to complete a questionnaire for each product/material?

No, it is necessary to complete a single questionnaire for all supplies. It is possible to provide additional details in the "Notes" boxes and answer questions 13a, 13b, and 13c for specifics on the predominant material of the supply.

8. In the case of supplies to different companies of the Hera Group, how many questionnaires need to be completed?

The questionnaire is the same for the following companies of the Hera Group: Hera Spa, AcegasApsAmga Spa, AcegasApsAmga Servizi Energetici Spa, Hera Luce Srl, Herambiente Spa, Frullo Energia Ambiente Srl, Herambiente Servizi Industriali Srl, Hestambiente Srl, Hera Comm Spa, Estenergy Spa, Inrete Distribuzione Energia Spa, HeraTech Srl, Marche Multiservizi Spa, Uniflotte Srl, Acantho Spa.

Additionally, there are individual questionnaires for the following companies: Aliplast, ACR Reggiani, Wolmann, F.Ili Franchini

9. In the case of supplies ordered in the year 2023 and delivered in the year 2024, is it necessary to complete the questionnaire?

Yes, all supplies delivered within the year 2024 are subject to reporting for KPI estimation. It is necessary to consider the moment when the supply transited through the Hera Group.

During the webinars with suppliers, some questions and requests for clarification were collected, grouped in the form of FAQs

FAQ (3/4)

10. In the case of software supply, how should the questionnaire be completed?

In the case of exclusive software supply, since there is no physical movement of goods, the questionnaire should be completed by entering "0" as the answer to the questions and specifying the nature of the supply in the "Notes" boxes.

11. Are micro-enterprises or companies that supply small quantities of goods also required to complete the questionnaire?

Yes, the suppliers involved in completing the questionnaire were selected as suppliers of materials for the Hera Group in the current year, regardless of the value of the supply.

12. In the case of suppliers who act as resellers of various products and types of materials, is it necessary to involve their respective suppliers to gather the required information?

Yes, for suppliers who provide products and materials to the Hera Group as resellers, it is suggested to involve their respective suppliers to gather information and technical details about the supplies provided.

13. In the case of suppliers with contracts as consortium members of the contractor, is it necessary to complete the questionnaire?

The completion of the questionnaire is required by the company holding the contract for the supply of goods in the year 2024 to one or more companies of the Hera Group.

During the webinars with suppliers, some questions and requests for clarification were collected, grouped in the form of FAQs

FAQs (4/4)

14. Is the questionnaire on circularity and use of materials a replacement for other questionnaires or requests for technical specifications already submitted by the Hera Group in other circumstances, for example during the tendering phase?

No, the questionnaire on circularity and use of materials is additional to other requests.

15. In the case of partial information and/or non-precise measurements, how can the questionnaire be completed?

It is suggested to proceed with data collection by making the most of the available information or that which will be obtainable by January 15. It is required to formalize the assumptions and any limitations in data collection within the "Notes" boxes.

16. Who is responsible for the accuracy of the data declared in the questionnaire?

*Reference is made to what is stated in the **Disclaimer**: “The compiler assumes full responsibility for the truthfulness of the data and information provided in response to the questions in the questionnaire. The Hera Group reserves the right to carry out subsequent checks to validate the data and information provided and it is suggested to always have documentation/evidence to support what has been communicated. The data and information collected will be treated in a manner that guarantees their confidentiality. The Sustainability Report will only include data and information in aggregate and/or clustered form by macro-type”.*

17. Will the questionnaire be used as a collection tool for next year as well?

Circularity KPIs will be reported in the coming years; the data collection model may undergo changes or alignments.

During the survey completion period, suppliers can ask further questions or request information from Hera Group

Support mailbox

For any questions, clarification requests, or additional information



accesso.portalefornitori@gruppohera.it

The answers to the received questions will be returned in an aggregated form as FAQs, using the communication channels of Portale Hera

Strategy, made real
