

**Press release**

Bologna, 07 July 2021

## **Hera and INALCA (Cremonini Group) together to produce biomethane**

*The two companies have partnered to form a NewCo for transforming organic waste and agro-food wastewater into 100% renewable methane and compost, using a plant equipped with the most efficient technologies and in line with circular economy principles. A 28 million Euro investment has been allocated.*

Hera Group's subsidiary Herambiente, the national leader in the waste management sector, and the company INALCA (Cremonini Group), leader in meat production and food distribution, signed a partnership agreement to set up the NewCo BIORG for the production of biomethane, a 100% renewable fuel, and compost from the sorted-waste collection of organic and food waste.

Through an investment of approximately 28 million Euro, a site owned by Herambiente in Spilamberto, in the Modena area, will be renovated using the best available technologies. The biomethane production plant will be operational by 2022.

After the pioneering experience in Sant'Agata Bolognese (BO) launched in 2018, the Hera Group is thus continuing to develop its biomethane supply chain, with the aim of producing more than 15.5 million cubic metres per year by 2024, more than doubling the current volume.

### **The partnership will generate significant environmental benefits, including for the local area**

In particular, in line with the Group's emphasis on all aspects of environmental sustainability, the Spilamberto plant will not require using new land. The natural gas will be generated by the anaerobic digestion of organic waste from the Hera Group's sorted waste collection and waste from the processing of the agro-food industry, including the meat production cycle of INALCA, a company controlled by the Cremonini Group. When fully operational, production is expected to be 3.7 million cubic metres of biomethane per year, which will be injected into the gas network and returned to the local area for automotive use.

The resulting environmental benefits are significant: each year approximately 3,000 TOE (tons of oil equivalent) of fossil fuel will be saved and approximately 7,000 tons of atmospheric CO<sub>2</sub> emissions will be avoided.

The operation will also enable the recovery of materials as well as energy. Instead of being disposed of, the waste resulting from the anaerobic digestion process, technically called solid digestate, will be further recovered, transferring it to the composting plant in Nonantola (MO) – currently owned by the Cremonini Group and to be transferred to BIORG – to produce approximately 18,000 tons of compost per year, which may be used as a biofertiliser in agriculture.

Thanks to this NewCo, therefore, the Group will be able to make tangible contributions to the local-area circular economy in keeping with the guidelines of the recent PNRR (National Recovery and Resilience Plan) which promotes and supports the construction of new facilities for the production of biofuels.

“The Hera Group has always been at the forefront in promoting environmental sustainability and the circular economy: all our projects go in this direction, while at the same time fostering innovation and the growth both of the company and the areas in which we operate” – states **Andrea Ramonda, CEO of Herambiente**. “Regarding the development of the biomethane chain in particular, our agreement with a first-class partner such as INALCA represents a further step forward for us after having established the first plant ever built in Italy by a multi-utility to produce biomethane on an industrial scale, the one in Sant’Agata Bolognese. Thanks to the know-how gained through this facility, we are always aiming at new initiatives for a circular economy transition, in line with our Strategic Plan up to 2024”.

“This agreement consolidates and strengthens INALCA’s integrated and sustainable production model,” the **company’s CEO Luigi Scordamaglia explained**. “In fact, the new plant allows the processing waste from our production activities to be fully exploited, confirming INALCA’s ‘zero waste’ commitment. In addition, an effective industrial synergy is achieved, with the production of biomethane and composting in two perfectly complementary plants. For this reason, this agreement with a company with know-how and state-of-the-art technologies such as Hera proves that only true innovation can generate the competitive sustainability that reduces impact on the environment while at the same time generating higher added value for the entire livestock sector”.

*The **Hera Group** is one of the largest Italian multi-utilities and operates in the waste-management, energy and water sectors, with over 9,000 employees who are committed every day to meeting the multiple needs of approximately 5 million citizens located mainly in Emilia-Romagna, Veneto, Friuli-Venezia Giulia, Marche, Tuscany and Abruzzo. Listed since 2003, it joined the FTSE MIB on 18 March 2019 and the Dow Jones Sustainability Index, World and Europe, on 23 November 2020. Its subsidiary Herambiente is the leading national operator in the waste management sector, with approximately 90 state-of-the-art plants that treat all types of waste. For additional information: <https://eng.gruppohera.it>; <http://ha.gruppohera.it/?lang=2>*

***INALCA S.p.A.** is a Cremonini Group's company, European leader in the production of beef and processed meat products, cured meats, bacon and snacks (with the brands Inalca, Montana, Manzotin, Italia Alimentari, Fiorani and Ibis), and in the international distribution of top-quality food products (Inalca Food & Beverage). The company, which controls the entire production chain from breeding to distribution and is jointly controlled by the Italian state through Cdp Equity (Cassa Depositati & Prestiti Group), recorded revenues of EUR 2,121.5 million € in 2020, 30% of which from exports. Its industrial structure consists of 21 production plants (16 of which are in Italy and 5 abroad) and 26 logistical distribution platforms. It includes 9 farms (7 of which are in Italy and 2 abroad) and more than 100 breeding farms, for a total of 180,000 animals raised annually.*

<https://eng.gruppohera.it/group/>