



press release

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Hera Group and Inalca (Cremonini Group) inaugurate biomethane production plant in Spilamberto

Thanks to a 28 million euro investment, the NewCo Biorg, born out of a partnership between Herambiente and Inalca, has created an outstanding example of the circular economy, converting an old biodigester into a state-of-the-art plant transforming organic and food processing waste into 100% renewable methane and compost. The 3.7 mcm of green gas and 18 thousand tonnes of compost produced per year represent a significant contribution to the green energy transition

The inauguration of the innovative biomethane production plant built by NewCo Biorg took place today in Spilamberto, in the province of Modena. This company is the result of a partnership between Herambiente (Hera Group), one of Italy's largest multi-utilities and the foremost operator nationwide in the waste management sector, and the company Inalca (Cremonini Group), an Italian leader in meat production and food distribution.

Thanks to an overall investment coming to approximately 28 million euro and the use of the best technologies currently available for treating sorted organic and food processing waste, when fully operational the plant produces 3.7 million cubic metres of biomethane, a 100% renewable fuel for automotive use, and roughly 18 thousand tonnes of compost every year.

The ribbon-cutting ceremony was attended by the vice-president of the Emilia-Romagna Region with a mandate for the Environment, Irene Priolo, the Mayor of Spilamberto, Umberto Costantini, the Chairman and CEO of Biorg, Giovanni Sorlini and Paolo Cecchin, respectively, the CEO of the Hera Group, Orazio Iacono, and the CEO of Inalca, Paolo Boni.

A state-of-the-art plant for the energy transition and the circular economy

100% renewable natural gas is produced at the Biorg plant in Spilamberto from both the anaerobic digestion of organic waste, coming from the sorted waste collection carried out mainly in Modena and the surrounding area, and waste from the processing carried out by the local agricultural industry and Inalca's meat production process. Once refined, it becomes biomethane and can be injected into the gas network.

Organic waste thus returns to the service of the community in the form of renewable fuel that, when injected into the network, fuels public and private city transport, thus helping a sector increasingly exposed to the issue of carbon dioxide emissions. The plant's annual production, coming to 3.7 mcm of biomethane, is enough for a methane-powered car to travel 52 million km. The plant is therefore an excellent example of the circular economy, because it allows not only energy to be recovered, but materials as well. The waste coming out of the anaerobic digestion process, technically referred to as solid digestate, instead of being disposed of, is in fact recovered after being transported to the Biorg composting plant in Nonantola (Modena province), to produce compost that can be used as a biofertilizer in agriculture.

This project is also an effective example of industrial synergy, with biomethane production and composting taking place in two perfectly complementary and integrated plants. Furthermore, it demonstrates that only innovation can generate competitive sustainability, not only reducing the



environmental impact but at the same time creating added value for the entire livestock supply chain.

Significant environmental benefits: approximately 7,000 tonnes of CO2 avoided every year

Thanks to the biomethane injected into the grid and its use by motor vehicles, significant environmental benefits are also expected. Each year, approximately 3 thousand tonnes of oil equivalent (TOE) of fossil fuel will be saved, and approximately 7 thousand tonnes of CO2 emissions will be avoided. To absorb this amount of CO2, an average of 280 thousand trees would be needed.

Moreover, constructing the Spilamberto plant did not involve any usage or consumption of new soil, since it is the result of the conversion of an old biodigester owned by the Municipality of Spilamberto and managed by Herambiente, thus making the most of a previously existing site. This amounts to zero square kilometres, but also “kilometre zero”, because the on-site production of compost creates added value for the entire livestock chain. Fertiliser deriving from recycled biodegradable waste and recovered food industry by-products, from the point of view of its production process and quality, guarantees equivalent or superior characteristics compared to fertiliser produced through other industrial processes, even when used in a pure form, and makes it possible to reduce dependence on foreign suppliers.

Hera Group: a commitment to decarbonisation

In order to formulate a concrete response and reduce climate-changing emissions, thus moving towards carbon neutrality, the Hera Group has included various development measures in its business plan to make an important contribution to the green transition and achieve its decarbonisation objectives. More specifically, the Group has reserved a key role for this sort of renewable fuel, and was in fact the first in Italy to build a state-of-the-art plant in Sant’Agata Bolognese, in 2018, for the production of biomethane from the organic portion of sorted waste collection. Approximately 20 thousand tonnes of compost and around 8 million cubic metres of biomethane are obtained annually, with a yearly saving coming to over 6 thousand tonnes of oil and a reduction in CO2 emissions amounting to roughly 14,600 tonnes.

When fully operational, the capacity of the Spilamberto plant will result in a 48% increase in the amount of biomethane produced by the Group compared to the final figure for 2022 (7.7 million cubic metres produced in Sant’Agata Bolognese alone). At Group level, the goal is to increase biomethane production to 30 mcm per year by 2030.

Inalca (Cremonini Group): integration and circular economy for sustainable business development

Inalca has always adopted a pragmatic approach to sustainability issues, considering them as a strategic business asset and part of the company’s economic value, and has been able to create a fully integrated beef chain that includes breeding, processing and distribution. Its business model aims to fully exploit this supply chain on the basis of circular economy principles. The new biomethane production plant represents a further step in this direction and is an example of the company’s full local integration, in addition to achieving a complete valorisation of the by-products deriving from meat production activities. Through its partnership with the Hera Group, Inalca will also be able to rely on a further portion of organic fertilisers to improve the fertility of farmland and support the increasingly widespread adoption of regenerative farming techniques.

Inalca, with the aim of decarbonising its activities, has for some time been self-producing approximately 90% of the energy it uses, about a quarter of which comes from renewable sources. This is possible thanks to 2 biomass cogeneration plants, 6 methane cogeneration plants, 2 biogas plants fuelled by industrial waste coming from its factories, 4 biogas plants from agricultural



waste, over 22,120 photovoltaic panels installed on 13 factories, 1 biomethane plant and 1 composting plant.

"In the 1990s the Municipality of Spilamberto started a plant that was necessary to dispose of sewage produced by intensive livestock farms which previously was spread across the land causing the poisoning of groundwater," - intervenes the **Mayor of Spilamberto, Umberto Costantini**. "Unfortunately, the plant never worked as imagined and this failure would therefore lead to a considerable waste of public money. However, thanks to Hera and the Cremonini Group, we have moved from a failure to a success story. Today Spilamberto is the best municipality in the province under Hera management in terms of quantity, quality and percentage of separate waste collection. The great effort in increasing separate waste collection made in recent years in Spilamberto and in many municipalities that have followed our example has led to a significant increase in the organic fraction of waste and the consequent need to treat it more virtuously than in the past. We are succeeding. The next challenges will be to focus on minimizing the odour impact resulting from these treatments for the benefit of those who live around it, but I am sure that Biorg will be as cooperative as it has been up to now in taking care of our plant and its surroundings. It's not enough to talk about circular economy, it has to be done, and here in Spilamberto I am happy to say that we are doing it."

"The inauguration of the Spilamberto plant, born out of this partnership between Herambiente and Inalca, is a concrete example of the circular economy and environmental sustainability", remarks the **Vice-President of the Emilia-Romagna Region, Irene Priolo**. "Biomethane provides an important opportunity to reduce the use of fossil fuels and alleviate the energy footprint of our region. The ecological conversion," she continues, "requires a new model for development centred around a recognition of the enormous value of raw materials, which must be saved, and the importance of recovering waste and putting it at the core of new production processes. This is a fundamental turning point in establishing increasingly strong and effective actions to mitigate and adapt to climate change".

"This new plant intended for biomethane production, with an outstanding partner such as Inalca, represents a significant achievement for the circular economy and an additional step forward for us in producing biomethane on an industrial scale", states **Hera Group CEO Orazio Iacono**. "The challenges of the future require utilities like ourselves to make an increasingly decisive commitment, which we intend to translate into concrete projects through investments that allow us to accompany citizens, businesses and public administrations along the green transition and, in this case, the environmental transition, with an increasingly well-distributed and inclusive model for the development of the social and industrial fabric. We must move forward without hesitation by transparently addressing the challenges posed by climate change and energy security, which are the crucial issues underlying our multi-business strategies. That is why we have also included in our business plan a range of solutions for promoting renewable energy sources, energy efficiency, circular economy and infrastructure innovation."

"The construction of this plant, in partnership with a company such as Hera, equipped with significant know-how and advanced technology, represents an important step towards consolidating and strengthening Inalca's integrated and sustainable production model", explains **Paolo Boni, the company's CEO**. "This new plant, in fact, makes it possible to fully valorise processing waste deriving from our production activities and is an additional step forward in the circular economy process. Furthermore, an effective industrial synergy being created with the production of biomethane and composting in two plants that perfectly complement each other, demonstrating that by efficiently combining innovation and integration processes, we can increase our level of sustainability and reduce environmental impacts, while at the same time ensuring



greater value for the livestock business. Lastly, this model for partnership is consistent with Inalca's investment strategy, aimed at building additional biomethane and photovoltaic plants on its farms, increasing its production of renewable energy and its commitment to combating climate change".

The **Hera Group** is one of Italy's largest multi-utilities and operates in the waste management, energy and water sectors, with more than 9,000 employees operating every day to meet the multiple needs of approximately 5 million citizens located mainly in Emilia-Romagna, Veneto, Friuli-Venezia Giulia, Marche, Tuscany and Abruzzo. Publicly listed since 2003, it is among the top 40 Italian companies in terms of capitalisation (and is part of the Ftse Mib index), and since 2020 has been included in the Dow Jones Sustainability Index, World and Europe. The Group subsidiary Herambiente is the leading company in the waste treatment sector, and with roughly one hundred certified, state-of-the-art plants, over 1,600 specialised employees and a dedicated commercial structure, it operates on the national and international market, acting as a European benchmark. For further information: https://eng.gruppohera.it/group_eng/ - <https://ha.gruppohera.it/eng>

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INALCA S.p.A. is a Cremonini Group company and a 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 "Made in Italy" food products (Inalca Food & Beverage). The company, with its 7,600 employees, controls the entire production chain, from breeding to distribution, and in 2022 it recorded revenues amounting to 2,849.8 million euro, 40% of which came from exports. Its industrial structure includes 28 production plants (20 of which in Italy and 8 worldwide) and 54 logistic distribution platforms (of which 31 belong to the subsidiary IF&B) in Poland, Kazakhstan, Angola, Algeria, Congo, Democratic Republic of Congo, Mozambique, Ivory Coast, Cape Verde, China, Thailand, Malaysia and Australia. The 8 farming companies control over 100 breeding farms, with a total capacity of approximately 180,000 animals bred each year. directly and under agistment. <https://www.inalca.it/>

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