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press release

Bologna, 4 February 2021

Sustainable agriculture: Hera with Yara Italia and Sapio for green hydrogen

Aimed at contributing to decarbonising the agriculture sector, Hera has signed a memorandum intended to study the feasibility of a project for generating and using green hydrogen, linked to a concrete goal: fuelling the fertiliser produced by Yara Italia, the leader in this industry. Sapio is also involved, for the technological aspects and hydrogen management

In times of climate change, a transition in the agricultural transition is a challenge as urgent as it is complex, because it requires not only reducing high water consumption but also limiting the emissions involved in the many processes concerned by agriculture, both directly and indirectly.

The fertiliser sector is unquestionably among these processes, and is the subject of the memorandum signed by the Hera Group – one of Italy's largest multi-utilities – with Yara Italia, a leader in nitric and complex fertiliser production, and by Sapio, a leading figure in the field of technical and medical gases. The memorandum is intended to explore the possibility of increasing sustainability in the agriculture sector, by using green hydrogen.

A plant able to produce up to 500 tons/year of green hydrogen

Based on this agreement, Hera, Yara and Sapio will begin a coordinated series of analyses that, within the year's end, will assess the technological, economic and regulatory feasibility of a concrete project for using renewable energy and developing the green hydrogen industry. The project covers green hydrogen generation, transportation and use to fuel fertiliser production.

In particular, the experimental plant intended for generating hydrogen would use the renewable energy produced by Hera's Ferrara WTE plant, to produce hydrogen from water and thus fuel Yara Italia's nearby industrial facility, dedicated to fertiliser production. Scouting the plant technologies will be done by Sapio, who will also be responsible for further evaluations concerning the technical solutions through which Yara's facility will be supplied. An annual green hydrogen production capacity coming to 500 tons is expected.

Commitment to green energy at the centre of Hera's strategies

By signing this memorandum, the Hera Group has given new impetus, only a few weeks after the approval of its Business Plan to 2024, to its commitment towards innovation, renewable energy and carbon neutrality. In line with European strategies and the goals on the UN's 2030 Agenda, the environmental content of the Plan calls for not only promoting a circular economy and intervening to increase infrastructure resilience, but also all actions for energy transition and the fight against climate change, which increasingly involve biomethane, hydrogen and green syngas. The Group's investments in technological innovation are fundamental in this sense, essential in searching for sustainable solutions in the area of so-called "clean energies".

Hera has been working towards sustainability in the agriculture sector for some time, for example through a circular and resilient management of water that also involves various projects in regenerating water resources and reusing waste water.

"Developing clean energy", remarks Stefano Venier, Hera Group CEO, "necessarily involves periods of research that, following the spirit underlying this memorandum, consolidate the expectations of our most



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advanced projects. Furthermore, it is equally important to set out these projects in a concrete and sustainable way, to meet the needs of sectors such as agriculture, which still have a significant environmental impact in terms of resource consumption, from water to energy. A commitment to sustainability, in any case, has always been in our DNA, as is further proven by Hera's recent inclusion in the Dow Jones Sustainability Index, and our decision to voluntarily apply the recommendations of the "Task Force on Climate-related Financial Disclosures" (TCFD) in our reporting as of the 2020 financial year. Our goal, reaffirmed in the Business Plan to 2024 as well, is to keep raising the bar, and forward-looking projects such as the one launched with Yara Italia and Sapio go precisely in this direction, exploring possibilities that, in a modular way, can be replicated elsewhere as well."

Yara Italia, the Italian branch of the Norwegian multinational Yara International ASA, a world leader in the fertiliser sector, has been successfully working for years to shape change as regards sustainability. Reducing CO2 emissions and water consumption, improving the environmental and energy sustainability of production processes and implementing regenerative solutions for soil that increase the effectiveness of fertiliser and thus reduce overuse, are at the top of the Group's list of strategic priorities. Participating in this project is for Yara an additional, significant step in this direction.

Sapio has maintained its vision of sustainability for almost a century, and is strongly committed to remaining at the forefront in developing and promoting the hydrogen sector, to allow Italy, which boasts an advantageous geographical position and important distribution networks, to become a European leader. Sapio, an active member of H2IT (the Italian Hydrogen and Fuel Cell Association) and the European Clean Hydrogen Alliance, covers all modalities of hydrogen production and distribution, through to its final applications, guaranteeing a high-quality offer with significant technological value.

"Hydrogen is the future. And the future is now", remarks the Chairman of the Sapio Group and the Associazione H2IT, Alberto Dossi. "We are witnessing an important historical moment, and it is equally important to collaborate with companies such as Hera and Yara. This example proves that this sector, in our country, is prepared to lead Italy to play a central role in the energy transition. We have both an industrial and a scientific mission, thanks to our relations with leading universities and research centres. To rise to the challenge of decarbonisation, the time has come to formulate a national strategy for hydrogen, that will allow us to reach the ambitious goals set out by the Ministry of Economic Development, which call for a usage of hydrogen coming to 20% within 2050."

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