

Press Release

Bologna-Trieste, January 13, 2025

CircularYard launched, the NewCo of Fincantieri and Hera Group for waste management

- *The result of a partnership between the multi-utility and the leading global shipbuilding company, the new company aims to oversee and improve the entire waste management process at all Fincantieri shipyards in Italy and, in the future, abroad.*
- *Almost 13 million euros in investments planned for the design and construction of new facilities and the upgrading and optimization of infrastructure and equipment in support of a circular economy will bring a 15% reduction in undifferentiated waste in the first year.*

Fincantieri, one of the world's leading groups in high-complexity shipbuilding, and Hera Group, among Italy's largest multi-utility companies operating in the environment, energy, and water sectors, announce the establishment of **CircularYard S.r.l.**, the NewCo aimed at developing an innovative integrated waste management system in Fincantieri's eight Italian shipyards with an approach based on the circular economy. In the future the partners plan to further expand the NewCo's operations to other Fincantieri sites located abroad.

CircularYard, the new joint venture born out of the Memorandum of Understanding signed in July 2024, further consolidates Fincantieri's commitment to increasingly responsible industrial operations, making a significant contribution to achieving environmental sustainability goals by reducing undifferentiated waste for disposal by 15% and promoting a circular economy in production facilities. Thanks to the know-how and expertise made available by companies of Hera Group, CircularYard will introduce innovative, sustainable solutions in order to provide greater control over suppliers and promoting transparency, safety, and quality throughout the supply chain. When fully operational, the NewCo is expected to process 100,000 tons per year of industrial waste.

Details of the NewCo

The corporate structure of CircularYard is owned for 60% by Hera Group and for 40% by Fincantieri. Hera Group will be present with Herambiente Servizi Industriali (HASI) for 55% and A.C.R. di Reggiani Albertino S.p.A. (ACR) for the remaining 5%, both subsidiaries of Herambiente Group, one of the country's leading operators in the environmental sector and among the top seven in Europe.

The NewCo's strategic initiatives

Specifically, CircularYard will be responsible for overseeing the entire waste management process, with a specific focus on the operational management of facilities to better exploit disposable waste and recoverable residues. The company will employ staff with many years of experience, which will enable better integration and efficiency of all the resources involved. The project will have two phases of development, with the ultimate goal of managing nearly 100,000 tons of industrial waste produced each year in Fincantieri's shipyards and increasing the fractions that can be exploited – especially iron, wood, plastic, and paper – by 15% in the first year. In parallel, specific initiatives will be studied to enable the model to become fully operational through the construction of advanced facilities – such as those for water treatment and reuse or copper recovery – and optimized waste management.

Subsequently, the model will be brought to full capacity through the construction of treatment plants with state-of-the-art technologies in Europe and optimized waste management. All of this is done through a series of structural initiatives, again from a circular economy perspective, such as the

design and construction of chemical-physical plants for water treatment and reuse, the expansion and upgrading of temporary storage facilities with new sorting areas and new copper recovery facilities.

Pierroberto Folgiero, Chief Executive Officer and Managing Director of Fincantieri, commented: *"The launch of the joint venture with an absolutely valuable partner like Hera Group adds a piece in our further commitment to the adoption of virtuous circular economy procedures within our shipyards. In keeping with our industrial plan on operational excellence, CircularYard represents a project that combines complementary expertise and allows us to apply best practices and technological innovation in the management and valorization of waste and production scraps. The ultimate goal is to pursue at the same time our targets on environmental sustainability and process efficiency in the sign of responsible growth, both from the point of view of sustainability and cost-effectiveness, by confirming Fincantieri's role as a world-leading company also in the adoption of new operating models in shipbuilding."*

Orazio Iacono, CEO of Hera Group, added: *"We are proud to put our advanced expertise, plant engineering excellence, and many years of experience in the circular waste management process at the service of the first western shipbuilder to promote the regeneration of urban and industrial areas. We are accelerating a new process that will make Hera Group the engine of the circular economy in the Italian industrial fabric, accompanying large companies throughout their environmental transition as they reduce production waste and maximize recovery."*

Fincantieri

Fincantieri is one of the world's leading shipbuilding companies, the only one active in all areas of high-tech shipbuilding. It is a leader in the construction and transformation of cruise, military and offshore vessels in the oil & gas and wind power sectors, as well as in the production of systems and components, after-sales services and ship-furnishing solutions. Thanks to the skills it has developed in the management of complex challenges, the Group has completed a number of world-class infrastructure projects and is a leading player in digital technology, cybersecurity, electronics and advanced systems.

With over 230 years of history and more than 7,000 ships built, Fincantieri maintains its know-how and management centers in Italy, where it employs over 11,000 workers and creates around 90,000 jobs, doubling the employment figure worldwide thanks to a production network of 18 shipyards operating worldwide employing more than 22,000 direct workers.

www.fincantieri.com

Hera Group

Hera Group is one of Italy's largest multi-utilities, with operations in the environment, energy, and water sectors and more than 10,000 employees. More than 7.5 million people make use of at least one service provided by the Group. Listed in 2003, it is among the top 40 Italian companies by capitalization (part of the FTSE MIB index) and in 2020 was added to the Dow Jones Sustainability World and Europe Indices.

The subsidiary Herambiente, with around 100 certified plants, more than 1,600 specialized operators, and a dedicated sales structure, is Italy's leading waste treatment operator with facilities both in Italy and abroad. Within Herambiente Group, Herambiente Servizi Industriali (HASI) is Italy's largest organization dedicated to industrial waste management, while A.C.R. di Reggiani Albertino S.p.A., which entered the company's scope in 2023, is a leader in Italy in the remediation and decommissioning sector and in the operational management of waste treatment activities in the plants of large industrial clients.

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