

SECOND PARTY OPINION

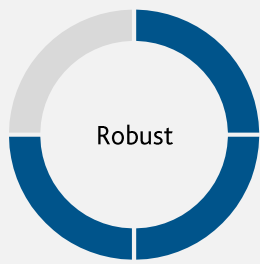
on the sustainability of Abundia Global Impact Group's Green Finance Framework

Moody's ESG Solutions considers that Abundia Global Impact Group's Green Finance Framework is aligned with the four core components of the ICMA's Green Bond Principles ("GBP") 2021

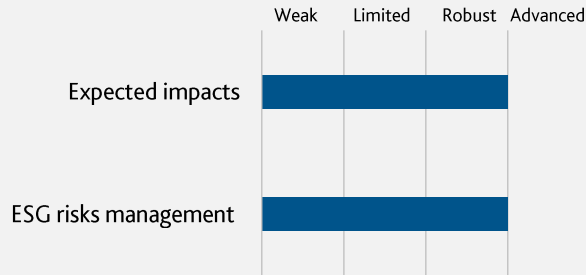


Framework

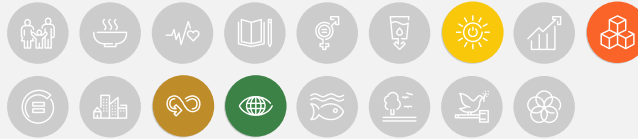
Contribution to Sustainability:



- Advanced
- Limited
- Robust
- Weak



SDG Mapping



Characteristics of the Framework

Green Project Category	⇒ Biomass Plants
Project Locations	Teesside, UK (North East England) and in the United States
Existence of Framework	Yes
Share of Refinancing	No refinancing
Look-back Period	N/A

Issuer

ESG Controversies

Number of Controversies	None
Frequency	N/A
Severity	N/A
Responsiveness	N/A

Controversial Activities

The Issuer appears to not be involved in any of the 17 controversial activities screened under our methodology:

- Alcohol
- Fossil fuels industry
- High interest rate lending
- Pornography
- Animal welfare
- Coal
- Human embryonic stem cells
- Reproductive medicine
- Cannabis
- Gambling
- Military
- Tobacco
- Chemicals of concern
- Genetic engineering
- Nuclear power
- Unconventional oil and gas
- Civilian firearms

Coherence

Coherent
Partially coherent
Not coherent

Moody's ESG Solutions considers that the contemplated Framework is coherent with Abundia Global Impact Group's strategic sustainability priorities and sector issues and that it contributes to achieving Abundia Global Impact Group's sustainability commitments.

Key findings

Moody's ESG Solutions considers that Abundia Global Impact Group's Green Finance Framework is aligned with the four core components of the GBP.

Use of Proceeds - aligned with the GBP and best practices identified by Moody's ESG Solutions

- The Eligible Project is clearly defined and detailed. The Issuer has communicated the nature of the expenditures, eligibility criteria and location of the Eligible Project.
- The Environmental Objective is clearly defined, relevant and set in coherence with sustainability objectives defined in international standards for the Eligible Project.
- The Expected Environmental Benefits are clear, precise, relevant and measurable. They will be quantified for the Eligible Project in the reporting.
- The Issuer has committed that Bonds will not be used to refinance historic projects.

Evaluation and Selection - aligned with the GBP

- The Process for the Project Evaluation and Selection has been clearly defined by the Issuer. The process is structured. The roles and responsibilities are clear and include relevant internal and external expertise. The process is publicly disclosed in this Second Party Opinion.
- Eligibility criteria for project selection have been clearly defined and detailed by the Issuer for the Eligible Project.
- The process applied to identify and manage potentially material ESG risks associated with the Eligible Project is publicly disclosed in this Second Party Opinion. The process is considered robust: it combines monitoring, identification and corrective measures for the Eligible Project (see detailed analysis on pages 12-14).

Management of Proceeds - aligned with the GBP

- The Process for the Management and Allocation of Proceeds is clearly defined and is publicly available in the Framework.
- The allocation period will be 24 months or less.
- The net proceeds of the Bonds will be placed in a general treasury account and tracked by the Issuer in an appropriate manner and attested to in a formal internal process.
- Information on the intended types of temporary placement for the balance of the unallocated net proceeds is publicly disclosed.
- For as long as the Bonds are outstanding, the Issuer has committed to periodically adjust the balance of tracked net proceeds to match allocations to the Eligible Project.
- The Issuer has provided information on the procedure that will be applied in case of project divestment or postponement and has committed to reallocate divested proceeds to projects that comply with the Framework within 24 months.

Reporting - aligned with the GBP

- The Issuer has committed to report on the Use of Proceeds on an annual basis, until full allocation and on a timely basis in case of material developments. The report will be publicly available on the Issuer's website.
- The Issuer has committed to include in the reports relevant information related to the allocation of Bond proceeds and the expected sustainable benefits of the Eligible Project. The Issuer has also committed to report on material developments and controversies related to the Eligible Project.
- The reporting methodology and assumptions used to report on the environmental benefits of the Eligible Project will be publicly disclosed.
- An external auditor will verify the tracking and allocation of funds to the Eligible Project until full allocation and in case of material changes. An external auditor will verify the reporting on the environmental and social benefits of the Eligible Project until full allocation and in case of material changes.

Contact

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SCOPE

Moody's ESG Solutions was commissioned to provide an independent Second Party Opinion ("SPO") on the sustainability credentials and management of the Green Bonds¹ (the "Bonds") to be issued by Abundia Global Impact Group (the "Issuer", "AGIG") in compliance with the Green Finance Framework (the "Framework") created to govern their issuance(s).

Our opinion is established according to Moody's ESG Solutions' Environmental, Social and Governance ("ESG") exclusive assessment methodology and to the latest version of the voluntary guidelines of ICMA's Green Bond Principles ("GBP") - edited in June 2021.

Our opinion is built on the review of the following components:

- Framework: we assessed the Framework, including the coherence between it and the Issuer's environmental commitments, the potential contribution to sustainability and its alignment with the four core components of the GBP 2021.
- Issuer²: we assessed the Issuer's management of potential stakeholder-related ESG controversies and its involvement in controversial activities³.

Our sources of information are multichannel, combining data (i) gathered from public sources, press content providers and stakeholders, (ii) from our exclusive ESG rating database and (iii) information provided from the Issuer through documents and interviews conducted with the Issuer's managers and stakeholders involved in the Bonds' issuance(s), held via a telecommunications system.

Our opinion and work has been carried out in good faith. Moody's ESG Solutions has not performed any audit, site visit, inspection nor other tests to establish the accuracy of the information provided by the Issuer. The Issuer is solely responsible for the correctness of the information it has provided and its compliance with, and implementation of, its commitments.

We carried out our due diligence assessment from May 4, 2022 to June 28, 2022. We consider that we were provided access to all documents and interviewees we solicited. For this purpose, we made reasonable efforts to verify the accuracy of all data used as part of the assessment.

Type of External Reviews supporting this Framework

<input checked="" type="checkbox"/>	Pre-issuance Second Party Opinion	<input checked="" type="checkbox"/>	Independent verification of impact reporting
<input checked="" type="checkbox"/>	Independent verification of funds allocation	<input type="checkbox"/>	Climate Bond Initiative Certification

¹ The "Green Bond" is to be considered as the bond to be potentially issued, subject to the discretion of the Issuer. The name "Green Bond" has been decided by the Issuer: it does not imply any opinion from Moody's ESG Solutions.

² The Issuer is not part of our ESG performance rating universe.

³ The 17 controversial activities screened by us are: Alcohol, Animal welfare, Cannabis, Chemicals of concern, Civilian firearms, Coal, Fossil Fuels industry, Unconventional oil and gas, Gambling, Genetic engineering, Human embryonic stem cells, High interest rate lending, Military, Nuclear Power, Pornography, Reproductive Medicine and Tobacco.

COHERENCE

Coherent
Partially coherent
Not coherent

We consider that the contemplated Framework is coherent with the Issuer's strategic sustainability priorities and sector issues and that it contributes to achieving the Issuer's sustainability commitments.

Sustainable biomass, such as certified sustainable non-food crop waste and waste wood, has the potential to play an important role in the transition towards a clean energy future. The International Energy Agency (IEA) has modeled global production of over 100 exajoules (EJ) of sustainable bioenergy by 2050 to meet its net-zero emissions scenario as compared to global primary demand of nearly 65 EJ in 2020.⁴ In the United Kingdom, It is estimated that greenhouse gas (GHG) emissions from fuel combustion for electricity generation were responsible for approximately 21% of the country's emissions in 2020, primarily from the combustion of fuels in electricity generation from power stations.⁵ As part of the country's Net Zero Strategy, the government's Biomass Policy Statement explicitly highlights biomass as a "vital resource" in the country's decarbonization efforts through the generation of low-carbon electricity, bioenergy, hydrogen and carbon capture.⁶

Bioenergy has a similar role to play in supporting the decarbonization of the transportation sector, which generates nearly a quarter of global energy-related carbon emissions and is the largest GHG-producing sector in the United Kingdom (27% of emissions in 2019).⁷ According to the International Council on Clean Transportation, the UK was the third-highest contributor to global aviation emissions in 2018, stemming largely from international travel.⁸ The International Air Transport Association has highlighted low-carbon sustainable aviation fuel (SAF) as one of many ways in which biomass can be leveraged for climate mitigation,⁹ while the UK's Climate Change Committee highlighted the need for increased SAF to support the country's climate ambitions.¹⁰ The UK is currently evaluating and implementing a SAF mandate as part of its Net Zero Strategy while promoting greater adoption of low-carbon fuel.¹¹

Abundia Global Impact Group (AGIG) was founded to contribute to the elimination of global pollution by utilizing low-carbon patented and modular technologies. The Issuer aims to transition the world into a decarbonized future by turning biomass into high-grade renewable fuels, energy and chemical commodities, including diesel, SAF, green hydrogen, bio-naphtha and solvents.

The Issuer's Sustainability Strategy is based on 3 core principles: (i) Leading the way as a responsible and sustainable business, (ii) Looking after their people, customers and the communities they work in, and (iii) Protecting the environment & driving circular economy through innovation. In addition, AGIG has set key corporate targets, including to achieve a 100% net zero supply chain by 2040, transition their operating sites to 50% self-sufficiency in water and renewable power by 2030 and eliminate landfilling and biodegradable waste by 2028 through the development of biological treatment projects.

⁴ International Energy Agency (2021). *Net Zero by 2050: A Roadmap for the Global Energy Sector*. https://iea.blob.core.windows.net/assets/deebef5d-0c34-4539-9d0c-10b13d840027/NetZeroBy2050-ARoadmapfortheGlobalEnergySector_CORR.pdf

⁵ United Kingdom Department for Business, Energy & Industrial Strategy (2022). *2020 UK Greenhouse Gas Emissions, Final Figures*. https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1051408/2020-final-greenhouse-gas-emissions-statistical-release.pdf

⁶ United Kingdom Department for Business, Energy & Industrial Strategy (2021) *Biomass Policy Statement*. https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1031057/biomass-policy-statement.pdf

⁷ Intergovernmental Panel on Climate Change (2022). *Climate Change 2022: Mitigation of Climate Change*. https://report.ipcc.ch/ar6wg3/pdf/IPCC_AR6_WGIII_FinalDraft_FullReport.pdf; United Kingdom Department of Transportation (2021). *Decarbonising Transport: A Better, Greener Britain*. https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1009448/decarbonising-transport-a-better-greener-britain.pdf

⁸ International Council on Clean Transportation (2019). *CO2 emissions from commercial aviation, 2018*. https://theicct.org/sites/default/files/publications/ICCT_CO2-commercl-aviation-2018_20190918.pdf

⁹ International Air Transport Association (2022). *Net Zero 2050: Sustainable Aviation Fuels*. <https://www.iata.org/en/iata-repository/pressroom/fact-sheets/fact-sheet---alternative-fuels/>

¹⁰ UK Climate Change Committee (2020). *The Sixth Carbon Budget: Aviation*. <https://www.thecc.org.uk/wp-content/uploads/2020/12/Sector-summary-Aviation.pdf>

¹¹ United Kingdom Department of Transportation (2021). *Sustainable Aviation Fuels Mandate: A Consultation on Reducing the Greenhouse Gas Emissions of Aviation Fuels in the UK*. https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1005382/sustainable-aviation-fuels-mandate-consultation-on-reducing-the-greenhouse-gas-emissions-of-aviation-fuels-in-the-uk.pdf

FRAMEWORK

The Issuer has described the main characteristics of the Bonds within a formalized Framework that covers the four core components of the GBP 2021 (the last updated version was provided to Moody's ESG Solutions on June 27, 2022). The Issuer has committed to make this document publicly accessible on the Issuer's website, in line with good market practices.

Alignment with the Green Bond Principles

Use of Proceeds



The net proceeds of the Bonds will exclusively finance, in part or in full, one Eligible Green Project ("Eligible Project"), as indicated in Table 1.

- The Eligible Project is clearly defined and detailed. The Issuer has communicated the nature of the expenditures, eligibility criteria and location of the Eligible Project.
- The Environmental Objective is clearly defined, relevant and set in coherence with sustainability objectives defined in international standards for the Eligible Project.
- The Expected Environmental Benefits are clear, precise, relevant and measurable. They will be quantified for the Eligible Project in the reporting.
- The Issuer has committed that Bonds will not be used to refinance historic projects.

BEST PRACTICES

- ⇒ The definition and eligibility criteria (selection) are clear and in line with international standards for the category.
- ⇒ Relevant environmental benefits are identified and measurable for the Eligible Project.
- ⇒ The expected benefits have been estimated ex-ante with clear baselines for Eligible Project.
- ⇒ The Issuer has transparently communicated that there will be no refinancing.





Table 1. Our analysis of the Eligible Project, Sustainability Objectives and Expected Benefits as presented in the Issuer's Framework

- Nature of expenditures: CAPEX, OPEX and research and development for the construction, operation and development of biomass plants.
- Location of the Eligible Project: Teesside, UK (North East England) and in the United States.

ELIGIBLE PROJECT	DESCRIPTION	SUSTAINABILITY OBJECTIVES AND BENEFITS	MOODY'S ESG SOLUTIONS' ANALYSIS
Biomass Plants	<p>Expenditures related to the construction, operation and development of biomass to biocrude plants. The plants will be designed to:</p> <ul style="list-style-type: none"> • Convert ISCC+ certified non-food waste biomass feedstocks into biodiesel, low carbon liquified petroleum gas (LPG), naphtha and kerosene through a pyrolysis and catalytic upgrading process. The low-carbon kerosene can be upgraded into blendable SAF. • The certified biomass feedstock includes forestry residues and waste woods. The feedstock does not compete with food production. <p>The first module of the biomass plant is expected to come online by July 2023 and will be located in an existing petrochemical site.</p>	<p><u>Climate Change Mitigation</u> GHG emissions avoided from the displacement of fossil crude with biocrude</p>	<p>The Eligible Project is clearly defined and detailed. The Issuer has communicated the nature of the expenditures, eligibility criteria and location of the Eligible Project.</p> <ul style="list-style-type: none"> • The Eligible Project intends to meet international standards in terms of the mitigation criteria and technical thresholds for bio-energy. Based on third-party GHG lifecycle assessments, the Project's emission intensity (12.9g CO2e/MJ) measures below the CBI threshold (16g CO2e/MJ) for facilities producing liquid biofuel. This translates to an 84% reduction in emissions compared to combustion of conventional fossil fuels. • The feedstock is ISCC+ certified, indicating compliance with the EU's Renewable Energy Directive and Fuel Quality Directive. <p>The Environmental Objective is clearly defined, relevant and set in coherence with sustainability objectives defined in international standards for the Eligible Project.</p> <p>The expected Environmental Benefits are clear, precise, relevant and measurable. They will be quantified for the Eligible Project in the reporting.</p>

SDG Contribution

The Eligible Category is likely to contribute to 4 of the United Nations' Sustainable Development Goals ("SDGs"), namely:

ELIGIBLE CATEGORY	SDG	SDG TARGETS
Biomass Plants	 7 Affordable and Clean Energy	7.2 By 2030, increase substantially the share of renewable energy in the global energy mix.
	 9 Industry, Innovation and Infrastructure	9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.
	 12 Responsible Production and Consumption	12.2 By 2030, achieve the sustainable management and efficient use of natural resources.
	 13 Climate Action	The Eligible Project is likely to contribute to SDG 13 which consists of adopting urgent measures to combat climate and its effects. Companies can contribute to this goal by investing in technologies enabling climate change mitigation.

Evaluation and Selection of Eligible Projects



- The Process for the Project Evaluation and Selection has been clearly defined by the Issuer. The process is structured. The roles and responsibilities are clear and include relevant internal and external expertise. The process is publicly disclosed in this Second Party Opinion.
- Eligibility criteria for project selection have been clearly defined and detailed by the Issuer for the Eligible Project.
- The process applied to identify and manage potentially material ESG risks associated with the Eligible Project is publicly disclosed in this Second Party Opinion. The process is considered robust: it combines monitoring, identification and corrective measures for the Eligible Project (see detailed analysis on pages 12-14).

Process for Project Evaluation and Selection

The Issuer's Executive Team has sole responsibility to evaluate and select the Eligible Project based on the Eligibility Criteria set under the Framework and in accordance with the business plan. The business plan, which includes the Eligible Project, was formalized and approved by the Executive Team incorporating input from external advisors and third-party assessments. The Framework was subsequently developed based on the approved business plan. The Eligible Project is the only investment that will be pursued under its current business plan which will be shared with investors. Any projects not currently in scope either in the business plan and the Framework will be assessed by the Executive Team and ESG Committee.

The traceability and verification of the selection and evaluation of the project are ensured throughout the process:

- The Issuer reports that the compliance of the Eligible Project with the eligibility criteria will be monitored annually by the Issuer's Executive Team, Finance Team, Head of Sustainability and ESG Committee. The group will also monitor the content of the Framework and provide regular updates in the event of relevant changes to its business strategy, technology and market development.
- The Issuer reports that a joint committee comprising of its Safety, Health & Environment (SHE) and Corporate Social Responsibility (CSR) committees will be responsible to identify, manage and monitor ESG risks and controversies on a quarterly basis. The joint committee will focus on risk identification across the Issuer's business and operations. The committee will review and assess the probability and occurrence of the identified risks. The assessment will then be formalized in reports to the Executive Team. Should an ESG controversy occur, the Issuer has stated that it will carry out corrective measures in alignment with best industry practices and ensure all stakeholders achieve a satisfactory resolution. The Issuer also commits to disclose ESG controversies to investors. The nature and materiality of the incidents will determine the level of details that will be reported externally to investors.
- The selection and evaluation process for the Eligible Project to the eligibility criteria have already been decided via the approved business plan. The Issuer has stated that future meetings going forward will be accompanied by meeting minutes to ensure continued traceability of the decision-making process.

Eligibility Criteria

The process relies on explicit eligibility criteria (selection), relevant to the environmental objectives defined for the Eligible Project.

- The selection criteria are based on the definitions for the Eligible Project defined in Table 1 in the Use of Proceeds section.

BEST PRACTICES

⇒ Eligibility criteria for project selection are clearly defined and detailed for the Eligible Project.

Management of Proceeds



- The Process for the Management and Allocation of Proceeds is clearly defined and is publicly available in the Framework.
- The allocation period will be 24 months or less.
- The net proceeds of the Bonds will be placed in a general treasury account and tracked by the Issuer in an appropriate manner and attested to in a formal internal process.
- Information on the intended types of temporary placement for the balance of the unallocated net proceeds is publicly disclosed.
- For as long as the Bonds are outstanding, the Issuer has committed to periodically adjust the balance of tracked net proceeds to match allocations to the Eligible Project.
- The Issuer has provided information on the procedure that will be applied in case of project divestment or postponement and has committed to reallocate divested proceeds to projects that comply with the Framework within 24 months.

Management Process

- AGIG's Finance team will be responsible for the Management and Allocation of Proceeds process, including tracking allocations and managing proceeds before allocation. Projects will be earmarked for deployment and a project account will be established to track and record spending from a general treasury account for each project.
- The net proceeds of the Bonds will be credited to the Issuer's treasury liquidity portfolio and will be managed in accordance with AGIG's existing liquidity practices, which may include general corporate purposes, investment in cash or other liquid securities, or repayment of outstanding indebtedness.
- In case the Eligible Project portfolio is smaller than the Bonds' net proceeds outstanding, AGIG has committed to fill the gap and load the Eligible Project Portfolio with new project production or existing unallocated projects periodically.
- The unallocated funds would be held on deposit with credit-worthy financial institutions and counterparties and managed in accordance with AGIG's investment strategy.
- In case of a project's postponement, cancelation or ineligibility, the Issuer has committed to replace the no longer Eligible Project with a new Eligible Project within 24 months.

BEST PRACTICES

- ⇒ The allocation period is 24 months or less.
- ⇒ The Issuer has provided information on the procedure that will be applied in case of project/asset divestment or postponement and it has committed to reallocate divested proceeds to projects that are compliant with the Framework within 24 months.

Reporting



- The Issuer has committed to report on the Use of Proceeds on an annual basis, until full allocation and on a timely basis in case of material developments. The report will be publicly available on the Issuer's website.
- The Issuer has committed to include in the reports relevant information related to the allocation of Bond proceeds and the expected sustainable benefits of the Eligible Project. The Issuer has also committed to report on material developments and controversies related to the Eligible Project.
- The reporting methodology and assumptions used to report on the environmental benefits of the Eligible Project will be publicly disclosed.
- An external auditor will verify the tracking and allocation of funds to the Eligible Project until full allocation and in case of material changes. An external auditor will verify the reporting on the environmental benefits of the Eligible Project until full allocation and in case of material changes.

Indicators

The Issuer has committed to transparently communicate at the Eligible Project level, on:

- Allocation of proceeds: The indicators selected by the Issuer to report on the allocation of proceeds are relevant and exhaustive.¹²

REPORTING INDICATORS
⇒ The list of the Eligible Project financed, including a brief description
⇒ The aggregated amount of (re)allocated net proceeds to the Eligible Project
⇒ Information on the types of temporary unallocated proceeds placements and the projects they will be allocated to

- Environmental benefits: The indicators selected by the Issuer to report on the environmental benefits are clear and relevant.

ELIGIBLE CATEGORY	ENVIRONMENTAL BENEFITS INDICATORS	
	OUTPUTS AND OUTCOMES	IMPACT INDICATORS
Biomass Plants	<ul style="list-style-type: none"> • Reduction in CO₂ emissions compared to conventional fossil fuels (%) 	<ul style="list-style-type: none"> • Estimated CO₂ tonnes of GHG emissions avoided

It should be noted that the Issuer intends to ultimately include an impact indicator measuring the environmental benefits from the utilization of SAF.

¹² The Issuer has confirmed there will be no co-financing of the Eligible Project.

BEST PRACTICES

- ⇒ The Issuer report will be publicly available.
- ⇒ The reporting will cover relevant information related to the allocation of Bond proceeds and the expected sustainable benefits of the Eligible Project. The Issuer has also committed to report on material development related to the projects, including ESG controversies.
- ⇒ The Issuer will report on the allocation of proceeds and environmental benefits at the project level.
- ⇒ The indicators selected by the Issuer are exhaustive with regards to allocation reporting.
- ⇒ The indicators selected by the Issuer are clear and relevant and cover all expected benefits associated with the Eligible Category.
- ⇒ The reporting methodology and assumptions used to report on the environmental benefits of the Eligible Project.
- ⇒ Environmental benefits and impacts will be externally verified, until full allocation and in case of material changes.

CONTRIBUTION TO SUSTAINABILITY

Expected Impacts

The potential positive impact of the Eligible Project on the environmental objectives is considered to be robust.

ELIGIBLE CATEGORY	EXPECTED IMPACT	ANALYSIS
Biomass Plants	ROBUST	<p>Sustainable bioenergy is highlighted by both the Intergovernmental Panel on Climate Change (IPCC) and the IEA as being a crucial asset in the energy transition, with the IPCC citing it as having significant GHG mitigation potential.¹³</p> <p>The Issuer intends to solely use sustainably sourced biomass with ISCC+ certification, consisting of low-value waste wood and non-food crop waste, minimizing the feedstock's negative impact on land-use conversion and forest management. With several outputs, the Eligible Project will support mitigation in the energy and transportation sectors through the production of renewable LPG, renewable naphtha, renewable kerosene and renewable diesel products. Regarding the production of SAF, the Issuer also reports that the produced low-carbon fuel will be compliant with leading industry standards.¹⁴</p> <p>A preliminary life-cycle analysis (LCA) of the Eligible Project conducted for the Issuer found the process to result in a net reduction of 2.63 ton CO₂/t of biocrude, with the combustion of the produced biocrude resulting in an 84% reduction in emissions as compared to conventional fossil fuels. The issuer reports that the process is estimated to have a carbon intensity of 12.93g CO₂e/MJ, below the standard industry thresholds of i) 16.0gCO₂e/MJ for facilities producing liquid biofuel and solid and gaseous biomass for heating and co-generation and ii) 18.8gCO₂e/MJ for facilities producing biofuel for transport.</p> <p>While the potential benefits are high, the LCA excludes emissions from biocrude downstream processing, which could soften the projected reduction potential. Additionally, biocrude has a lower impact compared to renewables and electric-powered sources to reduce GHG emissions in the energy and transportation sectors, respectively.</p> <p>Despite these shortcomings, the technology will help accelerate the transition to cleaner fuels and support the UK's net-zero by 2050 decarbonization trajectory. The project aims to use ISCC+ certified waste wood feedstocks that are sourced sustainably and do not compete with food production. Additionally, the ISCC+ certified feedstock is compliant with the EU's Renewable Energy Directive and Fuel Quality Directive.</p>
OVERALL ASSESSMENT	ROBUST	

ESG Risks Identification and Management Systems in Place at Project Level

The identification and management of the environmental, social and governance risks associated with the Eligible Project are considered robust.

As of the date of the assessment, the Issuer has not started operations on the Eligible Project. Therefore, the ESG risks management has been assessed considering the commitments of the Issuer to address the material ESG risks identified for the Eligible Project by Moody's ESG Solutions.

¹³ Intergovernmental Panel on Climate Change (2011). *Renewable Energy Sources and Climate Change Mitigation*. https://www.ipcc.ch/site/assets/uploads/2018/03/SRREN_Full_Report-1.pdf; Intergovernmental Panel on Climate Change (2022). *Climate Change 2022: Mitigation of Climate Change*. https://report.ipcc.ch/ar6wg3/pdf/IPCC_AR6_WGIII_FinalDraft_FullReport.pdf

¹⁴ Includes ASTM D4054 (Standard Practice for Evaluation of New Aviation Turbine Fuels & Fuel Additives) and ASTM D7566 (The Standard Specification for Aviation Turbine Fuel Containing Synthesized Hydrocarbons)

Environmental Pollution

Though the Issuer does not currently have operational Eligible Project, the Issuer has committed to developing and putting into action an environmental impact plan to ensure the Eligible Project is subject to an eco-design approach and have measures in place to limit and mitigate potential negative environmental impacts. The Issuer is developing policies and procedures to prevent and mitigate environmental and industrial accidents in line with local and national standards and has policies in place to ensure that its suppliers similarly meet statutory requirements. Once operational, such regulated standards and policies will include those set by the UK's Environment Agency and Natural Resources Wales, including the Clean Air Act 1993, Integrated Pollution Prevention and Control (IPPC) and Local Air Pollution Prevention and Control (LAPPC). The Issuer will have a monitoring and compliance team to ensure policies are in place and being adhered to.

Natural Resources Management

To minimize the potential environmental risks that can arise through the production of bioenergy, including promoting harmful land-use conversion and unsustainable forest management, the Issuer has clarified that biomass for the Eligible Project will solely be sourced using biomass feedstock that is ISCC+ certified. The Issuer uses select suppliers that align with the Issuer's principles and sustainability ambitions, noting that compliance with ISCC+ certification is independently verified and audited across the Issuer's supply chain.

The Issuer has also reported that air, wastewater and solids pollution mitigation measures are being developed during the Front End Engineering Design (FEED) process of the Eligible Project and will be incorporating Best Available Technology to ensure all releases into the environment are maintained within regulatory consent limits.

Energy Use and Energy Efficiency Risk

The Issuer has committed to incorporating energy efficiency as a core principle within the design and operation of the Eligible Project. As the Eligible Project is operational and producing real-time data on energy usage and efficiency metrics, the Issuer will have a dedicated working group focused on periodically reviewing system-wide operations to maximize efficiency and improvements. This working group, reporting to the Issuer's lead Operations Manager, will be tasked with improving efficiencies in areas such as operational improvements and optimizing energy recovery mechanisms.

Respect for Fundamental Human and Labor Rights

The Issuer's Code of Business Conduct ("Code") ensures the respect and promotion of human and labor rights. The Code applies to all employees and specifies its conduct with customers, investors, suppliers and business partners. It covers compliance with laws and regulations on topics such as collective bargaining, child labor, forced labor, non-discrimination, non-harassment, health and safety. The Issuer's internal Diversity Policy underscores its commitment to the fair and equal treatment of employees with a focus on fostering diversity and inclusion. Actions that are in breach of the Code and the Diversity Policy may result in disciplinary proceedings up to and including dismissal.

Health and Safety

The Issuer will comply with all UK health and safety regulations, specifically the Health and Safety at Work etc. Act 1974 (HSWA) and relevant industry-specific health and safety legislation. The Issuer intends to develop internal policies and procedures to ensure the health and safety of employees through all phases of the project. The policy will cover the management, monitoring and mitigation of occupational risk hazards and will provide work safety training to all workers. Additionally, the policy will ensure that all workplace accidents, illnesses and near-misses are recorded. The Issuer commits to reporting the incidents as necessary to the Health and Safety Executive (HSE) government agency to comply with the Reporting of Injuries, Diseases and Dangerous Occurrence Regulations (RIDDOR). Additionally, the Issuer plans to engage with an external health and safety management company to advise and support the drafting of its policy that will be ISO compliant or equivalent. Services rendered by the external advisor would include on-site audits, annual reviews, risk assessment support, as well as ensuring fire and asbestos safety through all phases of the project.

Integration of Social and Environmental Factors in Procurement

Responsible sourcing is paramount to the Issuer's procurement strategy. One of the key responsibilities of the SHE committee is to ensure sustainability across all business areas by minimizing the environmental impact of operations and ensuring environmental benefits across stakeholders. In support of this mandate, the Issuer selects suppliers and off-takers that share similar values in their approach to sustainability and ensures that its stakeholders maintain an adequate level of ESG risk transparency and mitigation strategy. The Issuer has entered into a ten-year agreement with its biomass feedstock supplier, Enviva, which has a Responsible Sourcing Policy that outlines its commitment to meeting the highest standards of sustainable forestry and respect for Human Rights.

Community Involvement

The Issuer reports that the UK biomass plant will be located in a decommissioned petrochemical site in an area zoned for heavy industrial activities. The risks to the local communities are low, as the potentially affected residential population is about 12 miles from the plant. The project is expected to benefit the local economy through increased job opportunities. The plant will likely support about 350 jobs and the Issuer plans to tap into a pool of experienced workers, many of whom may have been employed at the site under its previous operation. Over the long term, the Issuer plans to engage with local universities to attract and develop talent and skillsets that are complementary to its operations. Additionally, the Issuer commits to continually engage with the community and local government agencies during all phases of the project. With regards to site permits, the Issuer states that it will obtain relevant permits with the Environmental Agency before operation, which is slated to begin in July 2023.

Business Ethics

The Issuer, through its Code of Business Conduct, manages expectations and standards for ethical business conduct and compliance with laws and regulations. All AGIG board members and employees in all positions, countries and subsidiaries are bound to the principles outlined in the Code and have the personal responsibility to act ethically and comply with the AGIG Code. Board members and managers are expected to lead by example. The Code provides guidance on topics such as ethical behavior, compliance with laws, rules and regulations, protection of AGIG's interests, employment and social responsibility. The Code also provides terms for enforcement, where additional responsibilities for supervisors are outlined. Terms for reporting violations/allegations of misconduct are also delineated.

ISSUER

Management of ESG Controversies

As of June 2022, the review conducted by Moody's ESG Solutions did not reveal any ESG controversy against the Issuer over the last four years.

Involvement in Controversial Activities

The Issuer appears to be not involved in any of the 17 controversial activities screened under our methodology, namely: Alcohol, Animal welfare, Cannabis, Chemicals of Concern, Civilian firearms, Coal, Fossil Fuels industry, Unconventional oil and gas, Gambling, Genetic engineering, Human embryonic stem cells, High-interest rate lending, Military, Nuclear Power, Pornography, Reproductive Medicine and Tobacco.

The controversial activities research provides screening of companies to identify involvement in business activities that are subject to philosophical or moral beliefs. The information does not suggest any approval or disapproval on their content from Moody's ESG Solutions.

METHODOLOGY

In our view, Environmental, Social and Governance (ESG) factors are intertwined and complementary. As such they cannot be separated in the assessment of ESG management in any organisation, activity or transaction. In this sense, we provide an opinion on the Issuer's ESG performance as an organisation, and on the processes and commitments applicable to the intended issuance.

Our Second Party Opinions (SPOs) are subject to internal quality control at three levels (Analyst, Project Manager and Quality Reviewer). If necessary, this process is complemented by a final review and validation by the Expertise Committee and Supervisor. A right of complaint and recourse is guaranteed to all companies under our review.

COHERENCE

Scale of assessment: not coherent, partially coherent, coherent

This section analyses whether the activity to be financed through the selected instrument is coherent with the Issuer's sustainability priorities and strategy, and whether it responds to the main sustainability issues of the sector where the Issuer operates.

ISSUANCE

Alignment with the Green and/or Social Bond Principles

Scale of assessment: Not aligned, Partially aligned, Aligned, Best Practices

The Framework has been evaluated by Moody's ESG Solutions according to the ICMA's Green Bond Principles - June 2021 ("GBP") and on our methodology based on international standards and sector guidelines applicable in terms of ESG management and assessment.

Use of proceeds

The definition of the Eligible Projects and their sustainable objectives and benefits are a core element of Green/Social/Sustainable Bonds and Loans standards. Moody's ESG Solutions evaluates the clarity of the definition of the Eligible Categories, as well as the definition and the relevance of the primary sustainability objectives. We evaluate the descriptions of the expected benefits in terms of relevance, measurability and quantification. In addition, we map the potential contribution of Eligible Projects to the United Nations Sustainable Development Goals' targets.

Process for evaluation and selection

The evaluation and selection process is assessed by Moody's ESG Solutions on its transparency, governance and relevance. The eligibility criteria are assessed on their clarity, relevance and coverage vs. the intended objectives of the Eligible Projects.

Management of proceeds

The process and rules for the management and the allocation of proceeds are assessed by Moody's ESG Solutions on their transparency, traceability and verification.

Reporting

The monitoring and reporting process and commitments defined by the Issuer are assessed by Moody's ESG Solutions on their transparency, exhaustiveness and relevance, covering the reporting of both proceeds' allocation and sustainable benefits (output, impact indicators).

Contribution to sustainability

Scale of assessment: Weak, Limited, Robust, Advanced

Our assessment of activities' contribution to sustainability encompasses both the evaluation of their expected positive impacts on environmental/social objectives, as well the management of the associated potential negative impacts and externalities.

Expected positive impact of the activities on environmental/social objectives

The expected positive impact of activities on environmental/social objectives to be financed by the Issuer or Borrower is assessed on the basis of:

- i) the relevance of the activity to respond to an important environmental/social objective for the sector of the activity;¹⁵
- ii) the scope of the impact: the extent to which the expected impacts are reaching relevant stakeholders (i.e. the Issuer, its value chain, local and global stakeholders);
- iii) the magnitude and durability of the potential impact of the proposed activity on the environmental/social objectives (capacity to not just reduce, but to prevent/avoid negative impact; or to provide a structural/long-term improvement);
- iv) for environmental objectives only: the extent to which the activity is adopting the best available option.

ESG risk management for eligible activities

The identification and management of the potential ESG risks associated with the eligible projects/activities are analysed on the basis of Moody's ESG Solutions' ESG assessment methodology, international standards and sector guidelines applicable in terms of ESG management and assessment.

ISSUER

Management of Stakeholder Related ESG Controversies

Moody's ESG Solutions defines a controversy as public information or contradictory opinions from reliable sources that incriminate or make allegations against an Issuer regarding how it handles ESG issues as defined in Moody's ESG Solutions' ESG framework. Each controversy may relate to several facts or events, to their conflicting interpretations, legal procedures or non-proven claims.

We reviewed information provided by the Issuer, press content providers and stakeholders (partnership with Factiva Dow Jones: access to the content of 28,500 publications worldwide from reference financial newspapers to sector-focused magazines, local publications or Non Government Organizations). Information gathered from these sources is considered as long as it is public, documented and traceable.

We provide an opinion on companies' controversies risks mitigation based on the analysis of 3 factors:

- Frequency: reflects for each ESG challenge the number of controversies that the Issuer has faced. At corporate level, this factor reflects on the overall number of controversies that the Issuer has faced and the scope of ESG issues impacted (scale: Isolated, Occasional, Frequent, Persistent).
- Severity: the more a controversy is related to stakeholders' fundamental interests, proves actual corporate responsibility in its occurrence, and have caused adverse impacts for stakeholders and the company, the higher its severity is. Severity assigned at the corporate level will reflect the highest severity of all cases faced by the company (scale: Minor, Significant, High, Critical).
- Responsiveness: ability demonstrated by an Issuer to dialogue with its stakeholders in a risk management perspective and based on explanatory, preventative, remediating or corrective measures. At corporate level, this factor will reflect the overall responsiveness of the company for all cases faced (scale: Proactive, Remediate, Reactive, Non- Communicative).

The impact of a controversy on a company's reputation reduces with time, depending on the severity of the event and the company's responsiveness to this event. Conventionally, our controversy database covers any controversy with Minor or Significant severity during 24 months after the last event registered and during 48 months for High and Critical controversies.

Involvement in Controversial Activities

17 controversial activities have been analysed following 30 parameters to screen the company's involvement in any of them. The company's level of involvement (Major, Minor, No) in a controversial activity is based on:

- An estimation of the revenues derived from controversial products or services.
- The specific nature of the controversial products or services provided by the company.

¹⁵ The importance of a specific social need at country level is assessed on the basis of the country performance on the priority SDG that the project is targeting using data from Sachs, J., Schmidt-Traub, G., Kroll, C., Lafortune, G., Fuller, G., Woelm, F. 2020. The Sustainable Development Goals and COVID-19. Sustainable Development Report 2020. Cambridge: Cambridge University Press.

OUR ASSESSMENT SCALES

Scale of assessment of Issuer's ESG performance or strategy and financial instrument's Contribution to sustainability		Scale of assessment of financial instrument's alignment with Green and/or Social Bond and Loan Principles	
Advanced	Advanced commitment; strong evidence of command over the issues dedicated to achieving the sustainability objective. An advanced expected impact combined with an advanced to robust level of ESG risk management & using innovative methods to anticipate new risks.	Best Practices	The Instrument's practices go beyond the core practices of the ICMA's Green and/or Social Bond Principles and/or of the LMA/APLMA/LSTA's Green and/or Social Loan Principles by adopting recommended and best practices.
Robust	Convincing commitment; significant and consistent evidence of command over the issues. A robust expected impact combined with an advance to robust level of assurance of ESG risk management or an advanced expected impact combined with a limited level of assurance of ESG risk management.	Aligned	The Instrument has adopted all the core practices of the ICMA's Green and/or Social Bond Principles and/or of the LMA/APLMA/LSTA's Green and/or Social Loan Principles.
Limited	Commitment to the objective of sustainability has been initiated or partially achieved; fragmentary evidence of command over the issues. A limited expected impact combined with an advanced to limited level of assurance of ESG risk management; or a robust expected impact combined with a limited to weak level of assurance of ESG risk management; or an advance expected impact combined with a weak level of assurance of ESG risk management.	Partially Aligned	The Instrument has adopted a majority of the core practices of the ICMA's Green and/or Social Bond Principles and/or of the LMA/APLMA/LSTA's Green and/or Social Loan Principles, but not all of them.
Weak	Commitment to social/environmental responsibility is non-tangible; no evidence of command over the issues. A weak expected impact combined with an advanced to weak level of assurance of ESG risk management or a limited expected impact with a weak level of assurance of ESG risk management.	Not Aligned	The Instrument has adopted only a minority of the core practices of the ICMA's Green and/or Social Bond Principles and/or of the LMA/APLMA/LSTA's Green and/or Social Loan Principles.

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