

# *Green Finance Framework*

Abundia's renewable energy focussed deployment plan with funding and financial strategy.

## **1. Introduction and Company Overview**

Abundia Global Impact Group (AGIG) is a technology solution company that operates in the environmental change, recycling, renewable energy, fuels, and chemicals sector. It is focused on using waste products to decarbonize the energy, fuels, and chemicals sector by providing renewable alternatives. AGIG uses a combination of proprietary, licensed, and commercialised technologies to provide a complete process that turns biomass into drop-in alternatives to fossil derived energy, fuels and chemicals. The company's holistic approach has brought together the complete commercial supply chain with feedstock, technology, a diverse management team, and world-class off-take partners for the growing suite of products in place.

## **2. Rationale for the Green Framework**

AGIG's Green Finance Framework outlines the company's future sustainable deployment plans linked with its financial strategy. We align with UNSDGs, 7, 9, 12 and 13 (See Table 1 below) and provide social, economic, and environmental impact. As part of our strategy, we target areas where petrochemical centres once thrived and deploy our sustainable and low carbon technologies transforming what was once a pollution centre into an environmentally friendly centre which brings sustainable jobs and positive economic impact to a community which has been impacted by the transition from fossil derived products and jobs.

## **3. Sustainability Overview**

AGIG has a comprehensive and sustainable solution to tackle the current environmental problems the world is facing. We can transform waste biomass into fuels, such as ultra-low sulfur diesel (ULSD), sustainable aviation fuel (SAF) and green hydrogen, thus replacing, and displacing the need for fossil fuels with renewable alternatives. One key aspect of our technology is that it is a drop-in solution that requires no upgrading to current infrastructure, enabling the sustainable use of existing infrastructure, distribution, and logistics.

Our vision is to be part of the world's decarbonisation mission, improving the environmental impact from our products. We aim to accelerate the energy transition by enabling mass adoption of sustainable fuels, power, and chemicals to replace fossil fuels.

*“Our vision is to accelerate the world's transition from fossil derived energy, fuels and chemicals, by deploying our suite of technologies as a scalable solution for low carbon alternatives from waste products, whilst bringing a positive economic and social impact to communities”* - **Ed Gillespie** President and CEO, Abundia Global Impact Group

Our biomass feedstock is ISCC+ certified which also complies with Renewable Energy Directive (RED) and the Fuel Quality Directive (FQD) of the European commission.

Compliance with ISCC+ certification is independently verified and audited across our supply chain, which indicates that we have a sustainable supply of raw wood materials. We are providing a market for this low value waste wood in our biofuel production, as well as utilising non- food crop waste, therefore posing no food security risk.

Preliminary life cycle analysis of AGIGs biomass-to-fuels platform indicates a net reduction of 2.63 tonnes of CO<sub>2</sub> emissions per ton of biodiesel displacing conventional diesel sourced from fossil fuel. This net reduction accounts for displacement of fossil fuels with biogenic fuels and our operational CO<sub>2</sub> emissions. The first phase of our roll-out aims to produce 7,500 tonnes of crude biodiesel annually which will correspond to mitigating 19,700 tonnes of CO<sub>2</sub> emissions per annum. At full scale we will produce 63,000 tonnes per annum (tpa) of biodiesel which corresponds to 165,690 tpa in mitigated CO<sub>2</sub> emissions. Combustion of our biodiesel vs conventional fossil fuels results in a 84% reduction in emissions.

Sustainability and transparency are key across our supply chains as well as offtake partners for us to ensure that we work with a multitude of companies that share our green and sustainable focus. We are developing our company strategy with a focus on sustainability across all our operations, to ensure we build a self-sufficient company with a low carbon footprint.

AGIG is values driven and cares about the development of our employees. Within our recruitment process a focus on diversity and inclusion as well as the ability to identify and nurture talent is key. Our investment in the UK will provide job opportunities in the region of 150-180 per plant. During our site selection process, one of our priorities was to locate in close proximity to a university, in order to harness the talent in the UK, as well as utilise petrochemical sites that recently ceased operation, providing much needed employment to those who were made redundant.

Health and Safety is important, and we have set up a Safety, Health & Environment (SHE) committee that ensures:

- Safety of employees
- Sustainability of all practices across all business areas
- Delivery on environmental benefits to consumers and partners
- Minimal environmental impact from our operations

## **4. Green Framework details**

### **a. Use of Proceeds**

AGIG will allocate an amount equal to the net proceeds from the issuance of any Green Finance Instruments to our biomass plants which are converting ISCC+ certified biomass to biodiesel and sustainable aviation fuel thus supporting the GBP environmental objective of climate change mitigation through renewable energy; and a significant reduction in GHG emissions in comparison with conventional methods of fuel production.

Funds from any Green Finance issuances will be allocated towards the capital expenditure on construction of Biomass plants in the first instance, including any additional Research and Development work that may be required to refine or improve production processes. Funds will also be used to support the operational expenditure and working capital of these plants during their start-up phase and until such time as they are financially self- sufficient.

The eligible projects will be located in areas with existing industrial infrastructure to minimise the need for further investment and environmental impacts. This means that the locations are likely to be in areas that previously supported heavy industry and have experienced high levels of unemployment as these industries have moved away from the area. These investments will be focused on the UK and the United States in the near term.

AGIG intends to allocate net proceeds from any Green Financing towards Eligible Projects up to 24 months after any such issuance.

Table 1: Abundia Global Impact Group’s alignment with UNSDGs

UNSDG	Overview	Eligibility
7 (7.2)	By 2030, increase substantially the share of renewable energy in the global energy mix	Expenditure to include construction of a plant designed to convert solid biomass to drop-in liquid fuels
9 (9.4)	Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	Expenditure to include construction of a plant to convert drop in-in liquid fuel to sustainable aviation fuel
12 (12.2)	Ensure sustainable consumption and production patterns	Biomass feedstock to be sourced from ISCC certified suppliers
13 (13.1)	Take urgent action to combat climate change and its impacts	Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries

### **b. Process for evaluation and selection**

AGIG is a newly created organisation whose core purpose is using waste products to decarbonize the energy, fuels, and chemicals sector by providing renewable alternatives. There are no other proposed projects or investments in the AGIG business plan that will fall outside of the criteria set for Eligible Projects as identified in the Green Framework thereby no further criteria for evaluation and selection will be required.

The Finance team and Head of Sustainability, with the support of the ESG committee and wider Executive team will undertake an annual review to determine whether other projects

should be identified as Eligible Projects that are aligned with AGIG's Green Finance Framework and its broader sustainability commitments. This group will also undertake an annual review of the Green Finance Framework including, but not limited to:

- Evaluating the compliance of proposed assets with the eligibility criteria Ensuring that the portfolio of Eligible Assets is aligned with the categories and criteria as specified in the "Use of Proceeds" section
- Confirming the content of the Framework, and reflecting/updating the relevant changes in AGIG's business strategy, technology and market developments

### **c. Management of proceeds**

AGIG's Finance team will allocate and manage the proceeds from any Green Finance Instrument to Eligible Projects. The Finance team will also monitor an amount equal to the net proceeds from the issuance based on the Framework to applicable Eligible Projects and periodically adjusted to match allocations to eligible projects/categories. Any pending allocation will be managed in accordance with AGIG's existing liquidity practices, which may include general corporate purposes, investment in cash deposits, or repayment of outstanding indebtedness.

In case a project is cancelled or postponed, proceeds will be reallocated to projects that are compliant with the Framework. Proceeds will be allocated within 24 months.

The projects identified as Eligible under this Green Framework are the only proposed investments that the organisation intends to make with proceeds from any bond offering under this framework and will be tracked through the standard management accounting and reporting processes

### **d. Reporting**

Information will be published annually, until full allocation of the net proceeds and on a timely basis in case of material developments, on our website, with senior management's assertion of impact covering qualitative and quantitative outcomes and data in specific relation to our commitments to UNSDGs.

The green finance report will include information covering key areas of interest such as;

1. Amounts allocated to eligible green projects.
2. Amount of net proceeds yet unallocated.
3. How unallocated proceeds have been utilised pending allocation.
4. Impact report to cover both environmental and social impacts of the project.

Impact reporting will be primarily focused on quantification of net CO<sub>2</sub> emissions avoided through fossil fuel displacement with an expected 84% reduction in CO<sub>2</sub>e compared to combustion of fossil fuels. We will also monitor process carbon intensity to ensure we remain below standard industry thresholds of 16.0gCO<sub>2</sub>e/MJ for heating and cogeneration fuels and 18.8gCO<sub>2</sub>e/MJ for transport fuels.

The quantification of the savings will be verified by a trusted third party to which we will provide all relevant data. The figures and calculations will be validated by AGIGs Head of Sustainability and ESG committee.

#### **e. External Review**

**SPO** - AGIG has retained Moody's ESG Solutions to provide a Second Party Opinion (SPO) on the environmental and social benefits of AGIG's Green Finance Framework as well as alignment to the GBP. The SPO is available on our website.

**Verification** - Upon full allocation of an amount equal to the net proceeds of each Green Financing, AGIG will obtain an assurance report reviewing and confirming the allocation of the instruments to eligible expenditures from a qualified independent external reviewer.