



BIOENERGY
INFRASTRUCTURE GROUP

GREEN FINANCING FRAMEWORK

2022

MAKING BIG STEPS TOWARDS A CARBON NEGATIVE AND SUSTAINABLE FUTURE.

At Bioenergy Infrastructure Group (BIG) we are establishing one of the UK's largest portfolios of Waste Wood and Waste to Energy facilities, which will have the potential to divert over 1.5 million tonnes of waste each year from landfill. In addition, we will deliver vital additional electricity capacity to the national grid - helping to meet demand from industry and households across the UK.

Since our journey began in 2015, we have now established a strong platform of highly competent experts in the construction, ownership and operation of this asset class, complete with an in-house Operations & Maintenance business. The Group is positioned to capture value in the simplification and expansion of our assets, while growing our revenue streams.

BIG sits at the intersection of several key aspects of the journey towards net zero. This, combined with our unique total asset management capabilities, means the group is well positioned to grow our revenue streams through a range of opportunities.



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BIOENERGY
INFRASTRUCTURE GROUP

SUSTAINABILITY AT BIG

Sustainability is one of the four values that are integrated into the policies and standards which govern BIG



OPEN



SUSTAINABLE



COMMITTED



AGILE

The company's core values are:

- **Openness:** sharing knowledge and expertise, actively listening to and engaging with all stakeholders
- **Sustainability:** growing responsibly for the long-term, delivering stable returns with a positive impact
- **Commitment:** protecting our people is paramount as is always delivering on our promises
- **Agility:** adapting to market conditions and developments, and flexible and responsive to change

Our approach to ESG includes:

HAVING ROBUST MANAGEMENT SYSTEMS ACROSS ALL ASPECTS OF OUR BUSINESS

STRONG RISK MANAGEMENT AND PROJECT CONTROLS

STRIVING TO SERVE OUR CUSTOMERS TRANSPARENTLY

INVESTING IN OUR EMPLOYEES AND CREATING A DIVERSE, INCLUSIVE AND EQUITABLE WORK ENVIRONMENT

ADVANCING TRANSFORMATIVE LOW CARBON SOLUTIONS THAT ARE NECESSARY FOR THE UK TO DELIVER NET ZERO

OVERVIEW OF FACILITIES

INCE BIO POWER - CHESHIRE

A waste timber gasification project, located in Ince, Cheshire, that has the potential to supply renewable electricity equivalent to the annual needs of more than 60,000 homes.

PROJECT SUMMARY

SUMMARY	DETAILS
CAPACITY	22.6MWe (net)
FUEL	Waste Wood Fuel (172ktpa)
INCENTIVE	1.8 ROC's
COD	August 2018



ENERGY WORKS HULL

A refuse derived fuel (RDF) gasification project that will supply sufficient renewable electricity, equivalent to the annual needs of over 60,000 homes. An additional Materials recovery facility (MRF) for refining the fuel is located on adjacent to the facility and included as part of the project.

PROJECT SUMMARY

SUMMARY	DETAILS
CAPACITY	25MWe (net)
FUEL	RDF (240 ktpa)
INCENTIVE	£138.29/MWh CPI linked CFD



MERSEY BIO ENERGY - WIDNES

A waste timber combined heat and power (CHP) project that processes waste wood and supplies renewable electricity to the grid.

PROJECT SUMMARY

SUMMARY	DETAILS
CAPACITY	20.9 MWe (net)
FUEL	Waste wood fuel (146 ktpa)
INCENTIVE	1.4 ROCs
COD	February 2019



● Site location

EVERMORE ENERGY (LISAHALLY)

A waste timber combined heat and power (CHP) project which is the largest renewable energy project in Northern Ireland.

PROJECT SUMMARY

SUMMARY	DETAILS
CAPACITY	16.4 MWe (net)
FUEL	Waste wood fuel (110 ktpa)
INCENTIVE	2 ROCs
COD	December 2015



● Site location

LEVENSEAT RENEWABLE ENERGY

An RDF-fed gasification project with an adjacent materials recycling facility ("MRF") capable of processing 215ktpa of waste per annum.

PROJECT SUMMARY

SUMMARY	DETAILS
CAPACITY	9.3 MWe (net)
FUEL	Unprocessed waste, converted to RDF in MRF (215 ktpa)
INCENTIVE	1.8 ROCs



● Site location

THE ROLE OF ENERGY RECOVERY IN THE CIRCULAR ECONOMY:

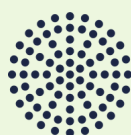
In the UK, landfill historically acted as the primary treatment solution for household and commercial waste and waste wood. When compared to energy recovery, Landfill generates few useful outputs and has significant negative environmental impacts due to the Carbon Dioxide (CO₂) and Methane (CH₄) emitted as waste material decomposes

Since the mid 1990's, the UK government and EU have passed regulation to change how waste is managed, promoting increased recycling and recovery of household and commercial waste (here-in known as residual waste) and waste wood waste via EfW energy recovery facilities. From an environmental and climate change perspective, the key priority for the UK government is to continue to reduce the amount of waste being sent to landfill, reduce exports of UK waste overseas and ensure there is sufficient capacity of clean, efficient energy recovery facilities to treat the UK's residual waste, producing energy as a useful by-product.

With over 25 million tonnes of residual waste produced in the UK every year, EfW provides an essential service as the lowest carbon option and the only proven large-scale alternative to landfill for residual waste that cannot be reduced, re-used or recycled.

In this way, energy recovery remains integral to the circular economy and supports the UK Government's net zero carbon emissions target by providing several environmental benefits:

- Energy recovery diverts waste from landfill, which reduces the amount of Greenhouse Gas ("GHG") emissions such as CO₂ and CH₄ released into the atmosphere
- Energy recovery also indirectly reduces CO₂ emissions as it displaces fossil energy sources from the grid.
- Energy generated from EfW is considered to be sustainable as ~50% of the CO₂ emitted is derived from biogenic (non fossil-derived) material. The production of partially renewable energy indirectly reduces CO₂ emissions as it displaces fossil energy sources from the grid
- Waste heat produced during the energy recovery process can be utilised in other end uses. Not only does this increase plant efficiency, but heat from energy recovery displaces fossil energy (usually gas) that would have otherwise been used by the heat customer.
- Materials produced by the energy recovery process, including Incinerator Bottom Ash ("IBA"), Air Pollution Control residues ("APCr") can be reused as aggregate for construction materials, reducing pressure on virgin materials
- If combined with Carbon Capture and Storage (CCS), energy recovery can create even more significant environmental benefits by creating negative emissions, by capturing and storing biogenic carbon in residual waste (~50%) and post-recycled waste wood (>95%).



BIG'S ROLE IN THE CIRCULAR ECONOMY AND THE TRANSITION TO NET ZERO

At present, our three operational (and locally sourced) waste wood biomass power plants (known as IBPL, MBE and EVE) are capable of producing **471,139MWh** of low carbon baseload electricity.

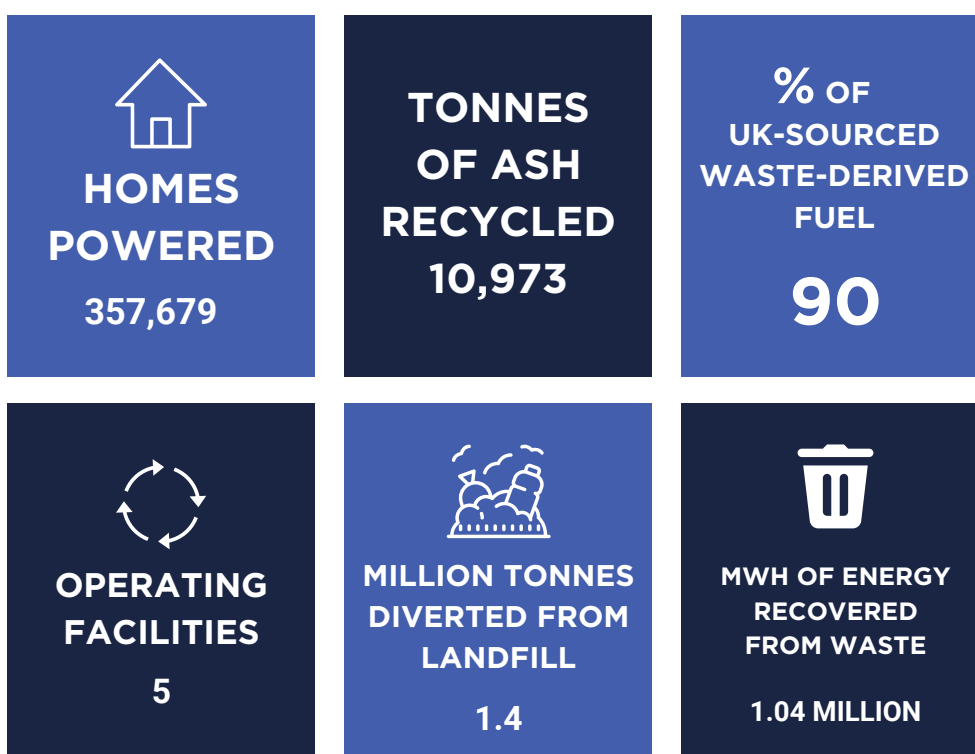
Meanwhile, our two operational energy from waste facilities that treat residual waste, (EWH and LREL) are capable of producing **267,898MWh** of low carbon baseload energy.

Together, these plants process **921,224 tonnes** of local and regional post-recycled waste each year that could have otherwise been sent to landfill or shipped abroad, providing sustainable baseload power to **357,679 homes**.

Together, BIG's operational facilities are capable of total savings of **658,570 tCO2 per annum**, by avoiding waste going to landfill and displacing fossil emissions from the UK's grid.

The assets further contribute to the circular economy by recycling 10,973 tonnes of ash into industrial aggregates (100% recycled by 2026 - 78,492 tonnes).

BIG has ambitions to install **Carbon Capture and Storage (CCS)** on its existing portfolio of assets which will deliver additional CO2 reductions. Our forerunning opportunities are at Ince, Widnes and Hull which are in close proximity to the industrial clusters being developed in the North East and North West (East Coast Cluster and Hynet respectively).



ASHES AND RECOVERY

The processing of ash streams from EfW assets is an evolving technology. New solutions, solution providers and processing facility locations are coming to market on a regular basis that enable a greater proportion of ash to be processed for further practical use (i.e. recovered under the waste hierarchy) rather than disposed.

BIG's strategy has been to take a dynamic approach to partnering so that its assets avoid 'technology lock in' and conversely can benefit from new developments. BIG's EfW assets already have Mechanical Pre-treatment equipment

that removes many recyclable elements such as metals from the refuse derived fuel as possible before gasification. Recovery rates vary depending on fuel composition (this being driven by household and municipal practices).

The table below reflects the current methods for processing of the different waste streams from its sites (2023 Volumes):

SITE	WASTE STREAM	VOLUME IN TONNES / P.A.	PROCESSING DETAILS
Hull	Bottom ash	5,879	1% recovered metals 99% construction aggregate
	Fly ash	3,233	Currently landfilled as a hazardous waste. Trials have commenced on 100% recovery method.
	APCR	17,637	Currently landfilled as a hazardous waste. Trials have commenced on 100% recovery method.
Ince	Bottom ash	1,271	Currently landfilled as hazardous waste – Veolia, Whitemoss
	Fly ash	941	Currently landfilled as hazardous waste.
	APCR	2,942	Currently landfilled as a hazardous waste. Trials have commenced on 100% recovery method.
Evermore	Bottom ash	4,549	Currently landfilled as a hazardous waste – Veolia, Whitemoss.
	Fly ash	N/A	Combined with APCR stream
	APCR	5,094	Processed by Castle Environmental at Ilkeston. Majority of residue recovered.
Widnes	Bottom ash	1,712	Currently landfilled as a hazardous waste – Veolia, Whitemoss.
	Fly ash	0	N/A - Combined with APCR
	APCR	647	Currently landfilled as a hazardous waste. Trials have commenced on 100% recovery method.
Levensat	Bottom ash	4,020	Screen onsite into hazardous and non-hazardous. Both streams landfilled.
	Fly ash	3,015	Treated and stabilised onsite before being landfilled as non-hazardous waste.
	APCR	6,632	Currently landfilled. Trial commencing with Enva, Paisley, to reprocess and use as cement replacement material.

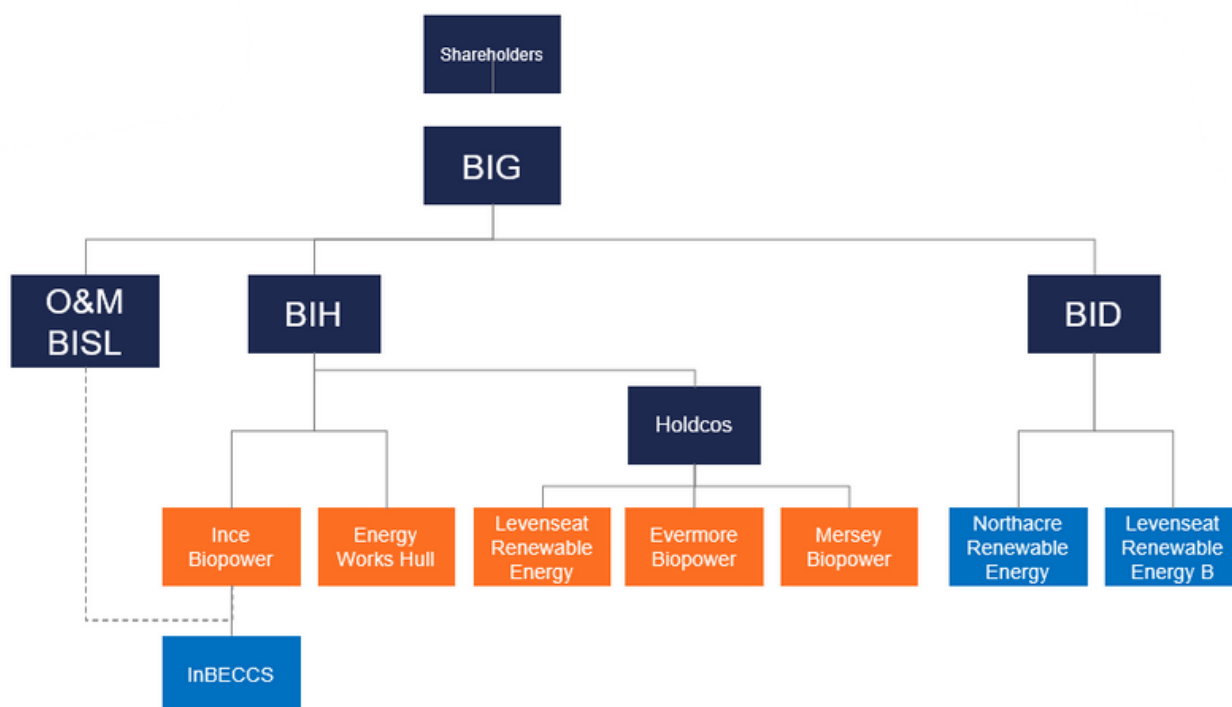
OVERVIEW OF BIG FINANCING

BIG was formed in 2015 for the purpose of investing in energy recovery infrastructure assets using residual waste or waste wood biomass. Over time BIG has developed its own assets, acquired others and acquired and sold anaerobic digestion assets. BIG's largest acquisition to date was for a wide selection of minority shares in a number of assets from GIG (Green Investment Group).

BIG currently has an equity position in two EfW assets and three waste wood biomass assets. There is no debt at the platform level and limited senior debt on two of the assets. BIG has a good relationship with partner equity in the projects. However, long-term goals are not always aligned. BIG strives for all partners/co-shareholders to have the same or similar ESG goals. BIG would like to acquire those minority shareholders where appropriate.

BIG will use the source of funds to repay debt at the asset level, acquire other shareholders, CCUS trial at Ince, Ash reduction/ recycling, enhanced recyclet recovery. The proposed day one financing structure will initially incorporate operational assets but will facilitate the incorporation of new projects and assets in the perimeter over time, based on a pre-established "permitted acquisition" framework.

Financing of the debt raised in the recent acquisition process through a financing platform at the BIG level, illustrated by the structure chart below:



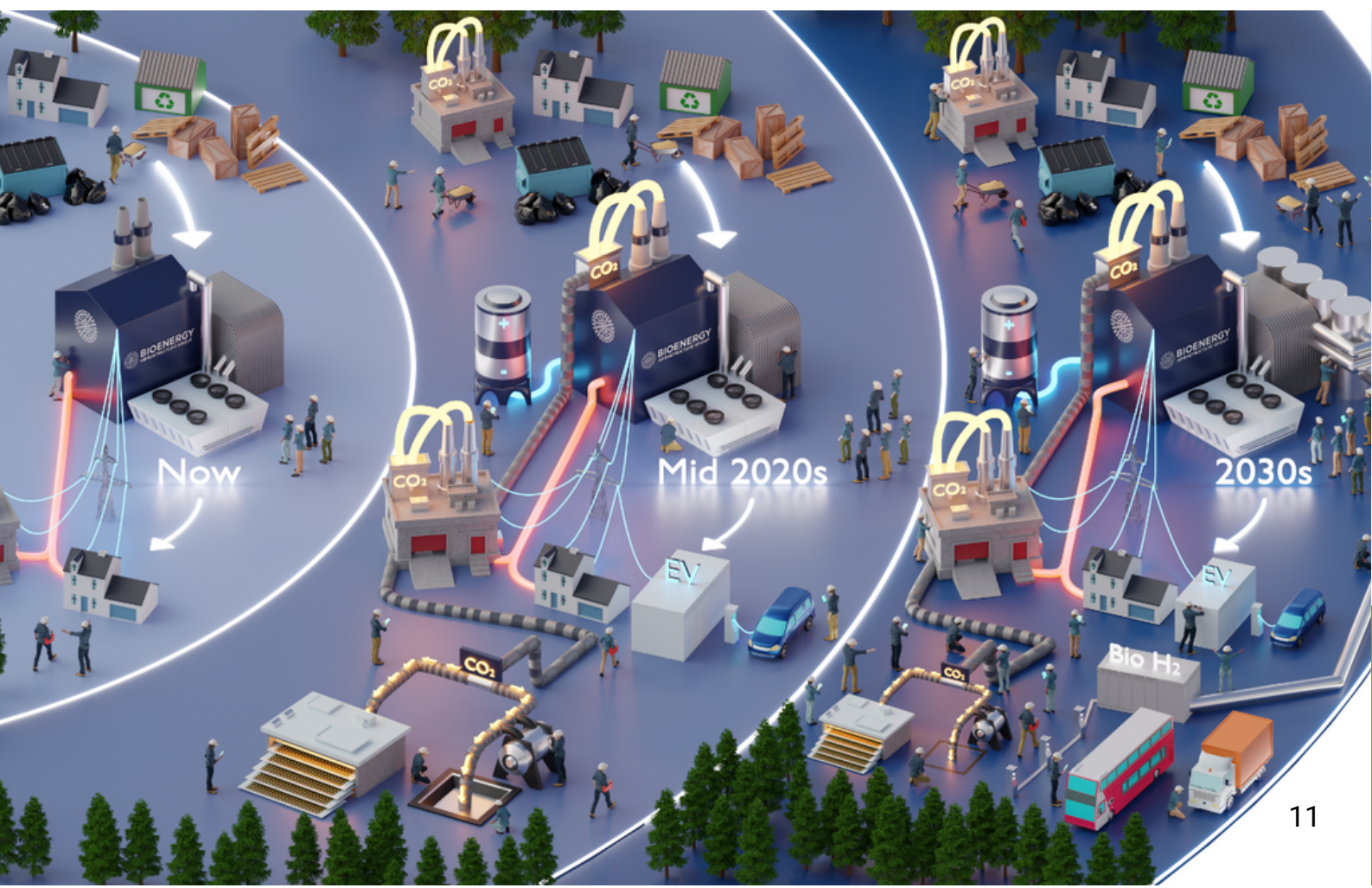
BIOENERGY CARBON CAPTURE AND STORAGE

Widnes and Ince are fuelled by waste wood biomass with a biogenic fraction of 95% which will be able to generate negative emissions when CCS is installed – this is known as Bioenergy Carbon Capture and Storage (BECCS). These technologies are important for the UK's overall progress towards net zero, as some sectors are unlikely to be able to fully decarbonise (such as agriculture and aviation). The shortfall of some sectors will need to be delivered through removing CO₂ using negative emissions technologies such as BECCS.

BEIS have a target of deploying 5Mtpa of negative emissions projects by 2030 and 23 mtpa by 2035. BIG is well positioned to contribute to delivering this ambition, and is aligning its development activities to BEIS' overall cluster sequencing programme.

EfW with CCS

EWH and LREL are fuelled by residual waste with a biogenic fraction of around 50%, which will also be able to generate negative emissions on the biogenic portion of CO₂ when CCS is installed.



BIG'S RATIONALE FOR GREEN FINANCING



BIG'S RATIONALE FOR GREEN FINANCING

BIG believes that Green Finance Instruments are a useful way of raising funds for assets and projects that have, and will continue to have, a positive environmental impact and contribute to a more sustainable future.

Decarbonization of the waste industry and the economy, in general, is fundamental to BIG.

By issuing Green Finance Instruments, we aim to align our funding strategy with our four environmental objectives outlined in the table below.

ENVIRONMENTAL OBJECTIVES	GOAL
CLIMATE CHANGE MITIGATION	Work towards lower greenhouse gas and CO2 emissions to help meet global net zero ambitions In the medium term BIG to achieve net negative emissions
ENVIRONMENTAL PROTECTION & ENHANCEMENT	Protect biodiversity, local ecology, and ecosystem services
POLLUTION PREVENTION	Effective and compliant monitoring and abatement of air emissions (SOx, NOx and other air emissions) as well as remediation of any other emissions to the environment
SUSTAINABLE RESOURCES	Manage waste, water and land resources effectively, re-using and recycling resources where feasible

ALIGNMENT WITH GREEN BOND/LOAN PRINCIPLES

BIG has established this Green Financing Framework (hereafter to be referred to as “BIG’s Green Financing Framework”, “The Framework” or “Green Financing Framework”) under which the Company intends to issue Green Finance Instruments, which may include; Loans, Bonds including Private Placements, Notes, Commercial Paper, Term Facilities, and any other Green Finance Instrument to finance and/or refinance Eligible Green Projects (henceforth to be known as a “Green Finance Instrument”).

The Green Finance Instruments under the BIG financing will consist of Green Term Facilities This Green Financing Framework is based on and seeks to align with the Loan Markets Association (“LMA”) Green Loan Principles (“GLP”) and the International Capital Markets Association (“ICMA”) Green Bond Principles (“GBP”). The GBP and GLP comprise voluntary recommended standards and guidelines and have been created with the aim of promoting transparency, disclosure and reporting in the green loan and bond market to facilitate and support environmentally sustainable economic activity. Any future changes to the GLP and/or the GBP may be applied to future versions of this Green Financing Framework.

BIG’s Green Financing Framework has four key components:

-  **use of proceeds**
-  **Process for project evaluation and selection**
-  **Management of proceeds**
-  **Reporting**

For each Green Finance Instrument issued, BIG will implement and work according to these adopt these four components. Moreover, BIG has followed the recommendations of the GBP and GLP regarding external review by seeking a Second Party Opinion (“SPO”) from an accredited provider, DNV Business Assurance Services U.K. Limited (known hereafter as “DNV” or “SPO provider”). The Framework will govern any Green Finance Instrument issued by BIG at the day one Green Refinancing and subsequent Green Financing(s) and/or Refinancing(s), and will be valid so long as any Green Finance Instrument remains outstanding.

DEEP-DIVE:



HOW DO BIG'S FACILITIES PROVIDE ENVIRONMENTAL BENEFITS?

HOW DOES ENERGY RECOVERY CREATE ENVIRONMENTAL BENEFITS?

WTE UNDER VARIOUS TAXONOMIES AND PRINCIPLES

The UK is in the process of assessing which activities are aligned to its Green Taxonomy, which is a system for classifying whether investments deliver on climate, social, green or sustainable objectives using identified thresholds and/or targets as a reference.

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BIG's view is that efficient energy recovery has an important role to play in treating non-recyclable wastes (whether waste wood biomass, municipal or commercial and industrial waste) that would have otherwise gone to landfill or offshored to other countries. This waste management option is complementary to the other approaches further up the waste hierarchy, that seek to reduce residual waste arisings.

In addition, the gasification technology BIG uses at several of its sites produces lower air emissions than next viable technologies, meaning that the plants are able to perform even farther under the strict air emission limits defined in their environmental permits.

Through its involvement in trade associations, BIG is participating in shaping the UK's Green Taxonomy in a way that is consistent with the best environmental outcomes.

EfW facilities are considered eligible for green financing under the Green Bond Principles (GBP), Green loan Principles (GLP) and Climate Bonds Initiative (CBI), subject to meeting certain criteria set out by these institutions. BIG's Green Financing Framework has/is in the process of being verified as compliant with the GBP and GLP principles and has aligned its performance criteria to that of the CBI waste taxonomy.

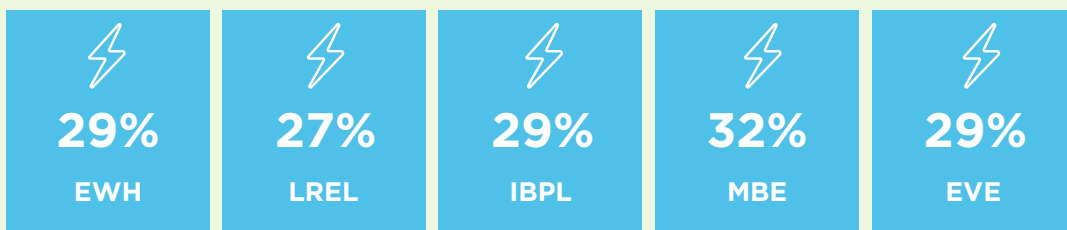
The EU is slightly farther ahead of the UK on implementing an equivalent system, and currently waste incineration is not included as a taxonomy aligned activity.

The waste management sector is uncomfortable with the position adopted by the EU, given its inconsistencies with the environmental benefits and emissions reductions that have been delivered by EfW.

PLANT EFFICIENCIES AND R1 STATUS

BIG is working towards securing “R1” status for its two EfW plants. The EPC contract for both plants guaranteed “The Plant shall qualify as a Recovery facility with an R1 number of 0.65 or greater, in accordance with the Waste Framework Directive, when operating at MCR.”

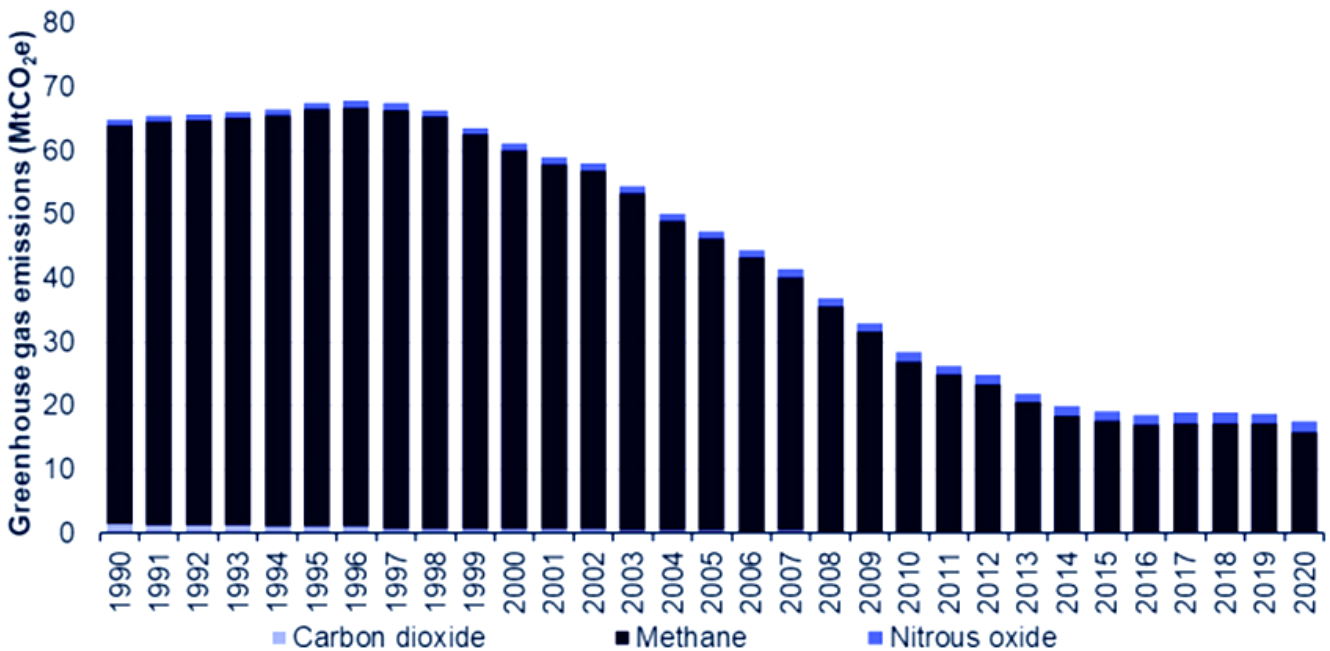
It seeks to operate its waste wood sites efficiently and where possible in CHP mode with a heat offtake to neighbouring industrial facilities.



CARBON

It has been published in recent years that emissions from energy from waste are significantly lower than landfill and displace emissions that would otherwise be created by alternative forms of electricity generation. Disposal to landfill saw GHG emissions peak in the mid-1990s but have since seen a significant decline since the introduction of the Landfill Tax. Alongside this there has been a steady increase in the number of energy from waste plants being constructed in the UK and the sector has achieved emissions reductions of ~70% since. Within the waste management sector, GHG emissions has remained steady for the past 5 years <20 Mt CO₂e with the majority ~90% resulting from methane generated on landfill sites.

Figure 14: Greenhouse gas emissions from waste management, UK 1990-2020 (MtCO₂e)



Source: Tables 1.2 to 1.6, Final UK greenhouse gas emissions national statistics 1990-2020 Excel data tables

This data indicates that the greatest decarbonisation opportunity in the waste sector remains diverting residual waste away from landfill. EfW remains a sustainable solution for achieving this aim.

BIG'S IMPACT

Analysis using the Entreprises pour l'Environnement (EpE) Tool, designed for the waste sector, shows the direct CO2 produced from BIG's operational energy recovery activities, and the benefits of diverting material away from landfill and displacing CO2 emissions from the grid. This demonstrates the overall net environmental benefits of energy recovery.

	FACILITY	DIRECT BURDEN (tCO2)*	LANDFILL BENEFIT	ENERGY BENEFIT	OVERALL BENEFIT	CARBON BENEFIT PER TONNE MATERIAL PROCESSED (KG/TONNE)
RESIDUAL WASTE	EWH	105,006	143,385	55,332	93,711	368
	LREL	88,579	120,954	20,502	52,877	246
	NRE	37,968	51,845	57,244	71,121	772
	LREL 2	100,116	136,708	29,201	65,793	271
	IBPL	10,304	153,032	49,899	192,627	1,008
WASTE WOOD	MBE	7,754	115,161	46,643	154,050	1,071
	EVE	6,271	93,138	36,823	123,690	1,063
	TOTAL	355,997	814,222	295,644	753,870	4,799

WASTE COMPOSITION (CARBON CONTENT % AND BIOGENIC CONTENT %)

BIG regularly tests the biogenic content of the residual waste material it receives at its sites. Our EfW's process post-recycled residual waste has a biogenic content generally between 49-59%. Our waste wood biomass power plants process material with a biogenic content in excess of 95%.

	BIOGENIC CONTENT	
RESIDUAL WASTE	EWB	49%
	LREL	59%
	NRE	n/a
	LREL 2	n/a
WASTE WOOD	IBPL	95%
	MBE	95%
	EVE	95%
	Portfolio weighted average	56.13%

CAPACITY GAP AND LOCK-IN RISK

A capacity gap exists in the areas where BIG plants are located. Our facilities actively support the circular economy and have no detriment to the circular economy.

The development phase for new BIG projects includes detailed due diligence of fuel availability in the relevant market and catchment area to ensure that there is a viable capacity gap to support the long-term need for the project, and to confirm that EfW is a suitable waste treatment option for the region in question.

These assessments are based on a combination of BIG's own market intelligence and information provided by independent market analysts and fuel suppliers; supported by publicly available metrics on residual waste arisings.

BIG regularly monitors the fuel markets at both a local and macro level, including European markets and the impact on the capacity gap dynamics of BIG's national and local catchment areas.

For BIG's waste wood biomass portfolio; independent experts have forecast the UK market being at capacity in 2023, but the capacity gap growing from 2024 onwards with no new facilities currently planned for.

Both of BIG's operational EfW plants were commissioned and are now operating in catchment areas with a significant residual waste capacity gap. Whilst new UK facilities will slowly close the capacity gap in this market over time, experts forecast that the UK capacity gap to 2035 will be ten times BIG's residual waste fuel requirement. On a local level, the capacity gap forecast to 2035 from the Central and Northern England catchment area envisions a gap of 400% of the Energy Works Hull fuel requirement; and from the Scottish catchment area, a gap of between 100%-300% of the Levenseat fuel requirement.

As UK residual waste exports decline to match any new UK EfW demand, new opportunities will develop for fuels to be transported north from the south of England, where a capacity gap of over two million tonnes per annum is forecast to remain through to 2035. Road and rail transport optimisation, along with short sea shipping options are expected to be developed as the market evolves.



RESIDUAL WASTES AND BIG EFW'S

Unlike the majority EfW facilities in the UK that use residual waste as a primary fuel, BIG's assets employ Advanced Thermal Treatment technology (gasification) to more cleanly and efficiently convert residual waste into energy. To produce a fuel that can be efficiently gasified, BIG facilities mechanically treat the residual waste further than conventional EfW operators. Both sites have extensive mechanical pre-treatment plants, using magnets, screening and optical scanning to remove as much recyclable and non-combustible material as practical, leaving a higher biogenic fuel predominantly made up of unrecyclable wastes.

The commercial models for BIG's facilities are designed to encourage recycling to be maximised. Lower CV fuels require low plastic and fossil compositions in order to maximise tonnage and gate fee revenue. As a result, BIG actively seek fuel that has had as much recyclable fossil-based materials removed.

BIG's Material Recycling Facility (MRF) at its Levensat facility in Scotland, is capable of processing up to 200,000 tonnes per annum of residual waste, diverting up to 98% from landfill. Residual waste has already been segregated from recyclables, taking this material and providing additional recyclable processing and converting the balance to energy, is at the core of what BIG does to increase recycling targets and support the circular economy.



WASTE WOOD RECYCLING AND OUR BIOMASS FACILITIES

BIG's 3 biomass facilities consume almost 10% of the UK's waste wood. Less than 50% of this waste wood is recyclable and without the option to convert this waste to energy in the UK; it would either be exported or sent to landfill. Unlike residual waste fuels, BIG pays for waste wood biomass fuel and it is therefore incentivised to consume the lowest cost material, which are predominantly the lower grades that cannot be recycled. Our pre-treatment plants are designed to be able to process this lower grade unrecyclable material with dust extraction, metal separation and screening equipment.

COMMERCIAL INCENTIVES TO RECYCLE: CALORIFIC VALUE AND BIOGENIC FUEL

BIG's residual waste fuel EfW's have three primary sources of revenue; gate fees, CFD subsidies and electricity generation. The facilities are largely restricted mechanically by how much electrical generation they can produce. To maximise the revenue from the other 2 streams, the facilities seek residual waste with the lowest calorific value (CV), with the highest percentage of energy as possible coming from biogenic material.

A lower CV fuel, means the facility can consume more waste to produce the same amount of energy supplied to the grid, providing a higher gate fee income to the facility. The facility also receives a CFD payment per unit of energy produced from the non-fossil energy content of the residual waste fuel. This dynamic incentivises BIG to work closely with its suppliers to encourage a fuel that has had as much fossil derived plastics removed as is practicable, as these fossil derived fractions are significantly higher in CV and provide no CFD income. To ensure this, fuel supply agreements (FSA's) have mechanisms to adjust the price for both CV and Biogenic fraction from energy. If a supplier provides a fuel that is higher in CV than the contracted target, the suppliers cost of disposal to BIG increases. If they produce a fuel lower than the contracted target, their cost of disposal decreases. The opposite applies to biogenic fraction to further encourage recycling; fuel supplied below 50% biogenic fraction incurs a cost increase, fuel with a biogenic fraction above 50% receives a disposal cost reduction.

FUEL SAMPLING AND TESTING

BIG have extensive inspection, sampling and testing of fuel regimes across all its facilities. In a typical year, BIG will carry out over 2,000 tests on its fuels in UKAS accredited labs. The table above illustrates how an individual supplier's fuel is measured. This allows BIG to determine; how much energy has been supplied per tonne; how much of the energy is derived from fossil or biogenic fractions; how much of the fuel is inert and will require recycling of ashes; what recyclable metals remain in the fuel that require removal by BIG.

As well as commercial incentive mechanisms to drive recycling targets, BIG also have contractual limits that can be used to prevent the fuel being delivered if it comprises of material that has failed to meet minimum requirements.



USE OF PROCEEDS

Drawing on the knowledge of current market conditions, the current and prospective policy landscape, and where our expertise and organisational strengths lie, BIG has identified and is developing a pipeline of opportunities to deliver growth.

An amount equal to the net proceeds of any Finance Instrument issued by BIG will be used to finance and/or refinance, in part or in full, existing and/or new “Eligible Green Projects”. Eligible Green Projects refer to those which fall into the categories outlined in this section.

The use of proceeds will be vastly allocated to future Eligible Green Projects. BIG will target a 12-month use of funds, with a 18month long stop. BIG will use a maximum of a six month look back period when considering and evaluating Project that may be included in the use of proceeds.

RECOVERED COMMODITIES

Eligible Green Projects under this investment category may include the development, construction, acquisition, installation, operation, repair, maintenance, and optimisation of:

- Energy recovery facilities using residual waste or waste wood (using either gasification or standard combustion technology)
- Materials Recovery Facilities (MRFs)
- Waste processing and/or recycling equipment Residues recycling facilities
- Private wire offtakes at BIG owned sites
- Heat offtakes at BIG owned sites
- Stand-alone or co-located energy storage facilities

Existing and future BIG EfW's will be required to comply with the CBI eligibility criteria, outlined in the table below.

Energy from Waste

Table 9: Criteria for Energy from Waste

Assets covered	Eligibility Criteria
<p>Facilities which produce power and/ or heat/ cooling by the thermal processing of residual waste, including rejects from recycling/ composting/ AD</p>	<p>For EfW facilities outside the EU only:</p> <ul style="list-style-type: none"> • Plant efficiency $\geq 25\%$; AND • Bottom ash recovery; AND • $\geq 90\%$ recovery of metal from ash; AND • Average carbon intensity of electricity and/ or heat over the life of the plant \leq waste management allowance (see Box 1 for how to determine this); AND • The capacity of the plant does not exceed the calculated residual waste at any time in the plant's life. <p><i>N.B. EfW facilities within the EU are not eligible for certification.</i></p>



CARBON SOLUTIONS

Eligible Green Projects under this investment category may include development, construction, and operation of:

- Demonstrator scale Carbon Capture plants (to act as a stepping stone to commercial-scale deployment) at BIG owned sites
- Commercial scale Carbon Capture Utilisation and Storage (CCUS) plants at BIG owned sites
- CCUS as a service, delivered on other CO2 emitting activities

FUTURE FUELS

Eligible Green Projects under this investment category may include the development, construction, acquisition, operation, and optimisation of the following project types that convert waste feedstock to fuels (rather than electricity):

- Sustainable Aviation Fuel (SAF)
- Bio-Hydrogen projects (known as H2BECCS)
- Other waste feedstock to molecule conversion project types e.g. Methanol and/or Ammonia

The matrix below shows how BIG’s strategy aligned with Green Projects categories in the GBP[4] and GLP[5].

		BIG STRATEGY		
		Recovered Commodities	Carbon Solutions	Future Fuels
GREEN PROJECTS CATEGORIES IN GBP AND GLP RELEVANT TO BIG’S STRATEGY	Renewable Energy	X		X
	Energy Efficiency	X		
	Pollution Prevention and Control	X	X	X
	Clean transportation			X

ESG COMMITTEE AND THE PROCESS FOR PROJECT SELECTION AND EVALUATION

By allocating proceeds to any Eligible Green Asset, BIG aims to further de-carbonize the waste industry, supporting the circular economy and the U.K. government's net-zero targets.

Assets financed and/or refinanced through the issuance of any Green Finance Instrument will be evaluated and selected based on compliance with the Green Eligibility Criteria through the creation of an ESG committee.

BIG's ESG committee will have representatives from external to the organisation, executive committee, and wide representation from across the organization (Health & Safety, HR, finance, procurement, regulatory affairs, and development)

The Committee will meet at least four times a year and is responsible for:

- Developing, approving and overseeing the BIG ESG and Sustainability Strategy and monitoring progress against the Group's ESG objectives and sustainability targets
- Maintaining appropriate KPIs and objectives to track progress against the Group's ESG and sustainability targets and ensure continuous improvement
- Monitoring compliance with the Green Financing Framework and the allocation of proceeds of the financing to Eligible Green Projects on the basis set out in the Framework
- Managing the annual reporting process to lenders, investors and other stakeholders.

BIG will use PICC (Project Investment & Commitment Committee), an existing committee which meets weekly, to implement the strategy set by the ESG committee. PICC is attended by Exco, and chaired by either the CEO or CFO. Major investments require approval by both the CEO & CFO.

Major investments will be stage gated through the appropriate ESG representatives. Once the Green Assets have been selected, they will be added to the list of Eligible Assets and may receive proceeds from the issuance of any Green Finance Instrument.

MANAGEMENT OF PROCEEDS

The allocation of funds toward the Eligible Green Projects will be documented and monitored by BIG's ESG committee.

In the case of a Green Financing Instrument issued by BIG , an amount equivalent to the net proceeds of each instrument will be earmarked for allocation to the portfolio of at least one of their subsidiaries. We will ensure that there is no double counting by earmarking for allocation the CAPEX and/or selected OPEX and/or an Eligible Green Project only once. Eligible Green Projects may include capital and selected operating expenditures of new projects, projects under construction or development or projects that have been completed.

The balance of the tracked proceeds should be periodically adjusted, in order to match allocations to Eligible Green Projects (re)financed during this period. BIG commits to maintaining a level of allocation for the Eligible Green Projects that matches or exceeds the net proceeds of our outstanding Green Financing Instruments within an agreed timeframe after issuance. To this end, we will substitute any projects that are no longer eligible as soon as practical once an appropriate substitution option has been identified, on a best effort basis.

The payment of principal and interest on any bond issued under the framework will be made from our general funds and will not be linked to the performance of any Eligible Green Projects.

Where proceeds cannot be immediately allocated or reallocated, we will invest the balance of the net proceeds at our own discretion as per our liquidity management policy, including in cash or cash equivalents, or in other liquid marketable instruments.

REPORTING

- BIG is a transparent partner. We will produce an annual ESG report with respect to the Eligible Green Projects once per year.
- The report will be made available publicly and published on our website.
- Our impact and allocation figures in our annual reporting will be verified by third party external verifier.

ALLOCATION AND REPORTING

In an Annual ESG Report, BIG will include:

- Details of the Eligible Green Projects financed or refinanced in the preceding twelve months
- Portion of net proceeds used for financing or refinancing
- Portion and amount of net proceeds allocated to each Eligible Green Asset within each Eligible Green Category
- Unallocated proceeds balance invested in cash (or equivalents) and marketable instruments
- The contribution of the business to the de-carbonisation of the waste management and energy generation sectors and the overall progress towards net zero carbon.

The Annual ESG Report may provide Key Performance Indicators (“KPIs”) such as (but not limited to):

CATEGORY	IMPACT MEASUREMENT METRICS
Pollution prevention and control	<ul style="list-style-type: none"> ·Total GHG (tCO2 equiv.) avoided annually ·Annual amount of waste diverted from landfills (in tonnes) ·Amount (in tonnes) of IBA treated annually ·Amount (in tonnes) of metals recycled annually from the EfW facility ·Amount of energy (in MWh) generated from the EfW facility ·% of biogenic content in waste processed ·R1 value ·Calorific Value of waste
Energy efficiency	<ul style="list-style-type: none"> Total GHG (tCO2 equiv.) reduced annually Electricity used per tonne of waste processed (kWh per tonne)
Renewable efficiency	<ul style="list-style-type: none"> Amount of renewable electricity (MWh) produced annually

This report will be produced until 100% of net proceeds have been allocated to the Eligible Green Projects.

The report will be updated to reflect subsequent Green Financings or Refinancing.

Reporting will be shared directly with BIG’s Green Finance Instrument financiers.

ALIGNMENT WITH UNITED NATIONS (UN) SUSTAINABLE DEVELOPMENT GOALS (SDGS)



BIG has mapped its activities against the UN's SDG's as described below. As stated by the United Nations, the UN Sustainable Development Goals (SDGs) "provide a shared blueprint for peace and prosperity for people and the planet, now and into the future". As such the SDGs encompass the global challenges that society is expecting businesses to contribute to. The SDGs by their nature are set at a global level and so the goals and targets are challenging to translate to individual businesses or investors.

Nevertheless, BIG is looking at the tools to translate the SDGs into measurable indicators for our business.

Infrastructure and Impact Infrastructure is a relatively new and specialized asset class for investors with particular characteristics that make it attractive within an investment portfolio. As well as being an investment asset class, infrastructure assets provide the fundamental facilities and systems and associated services necessary for society and economies to function. This aspect of infrastructure gives it a particular role in society that is not common with other investments. Arguably this means that most, if not all infrastructure investments have real impacts on society and the expectations from society in regard to their management and operation are much higher than for other investment asset classes. BIG's, recycling facilities, production energy from waste, and future investment in carbon capture is no exception.

BIG understanding from clarification at the 2020 UNPRI conference in Paris, is that the intention is not for a company to select all 17 of the SDG's but to select 2 or 3 and focus on their delivery. To that end BIG has selected 3 to focus on 7, 11, & 12. BIG's shareholders are members of the UN PRI, and subscribe to achieving the Sustainable Development Goals.

BIG has identified three SDGs to focus on: 7, 11, and 12.

SDG 7: Ensure access to affordable, reliable, sustainable and modern energy for all



The climate crisis coupled with global growing populations demands access to affordable energy that mitigates the impact of climate change as well as the adverse effects to human health caused by airborne pollutants released by the burning of coal and oil.

This presents an opportunity to invest in new technologies that support existing systems and our investments in renewables and energy transition businesses actively support this goal.

7.2 - By 2030, increase substantially the share of renewable energy in the global energy mix

Indicator 7.2.1 - Renewable energy share in the total final energy consumption

In the UK there are two measures of renewable energy consumption, an Environmental Accounts figure produced by the Office for National Statistics (ONS) and a Digest of UK Energy Statistics (DUKES) figure produced by the Department for Business, Energy and Industrial Strategy (BEIS).

The data presented below are based on the Environmental Accounts figures. For more information about the two sources, please see the Other Information section of the National Metadata at the bottom of this page.

SDG 11: Make cities and human settlements inclusive, safe, resilient and sustainable



SDG 11 and SDG 12 have similar characteristics when it comes to improvement and reporting from a BIG perspective.

Investment will play a key role in making economic growth both sustainable and inclusive. Our investments in safe, accessible and sustainable transport systems and our efforts to invest in businesses that seek to reduce the adverse environmental impact of cities (waste management / fibre connections etc) directly address such goal.

11.6 By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management

11.6.1 Proportion of municipal solid waste collected and managed in controlled facilities out of total municipal waste generated, by cities

Recovering energy from waste offsets the GHG emissions, delivering essential energy to the grid, enough electricity for c.250,000 homes in the UK.

SDG 12 - Ensure sustainable consumption and production patterns



12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse

Indicator 12.5.1 National recycling rate, tons of material recycled

Education and reuse of waste reduces pressure on the planet's natural resources. Targeting one million tonnes of waste diverted from landfill per year

Applying Do No Significant Harm criteria

BIG has environmental safeguards and mitigants in place that are reviewed with our enterprise risk reviews against the criteria. In addition to assess alignment, we evaluate that all our eligible projects meet the do no significant harm criteria on the remaining EU Taxonomy environmental objectives in accordance with the technical screening criteria:

• **Climate change adaptation:**

Chronic and extreme climate hazards and their future development are integrated parts of project development to ensure our assets are resilient during their lifetime.

• **Sustainable use and protection of water and marine resources:**

As part of any project, we always conduct an environmental impact assessment (EIA) to ensure that potential impacts on water and marine resources are avoided, mitigated, and addressed appropriately.

• **Transition to a circular economy:**

Our 'Resource management policy' sets out our commitment to sustainable consumption and production, and we work strategically with circular initiatives to recycle materials at the end of life and optimise our resource use. One example is our ban on the landfilling of wind turbine blades.

• **Pollution prevention and control:**

We are regulated by following governmental agencies, the SEPA and UK EA (England), SEPA (Scotland), and DEARA (Northern Ireland). We strive to exceed all regulatory requirements.

• **Protection and restoration of biodiversity and ecosystems:**

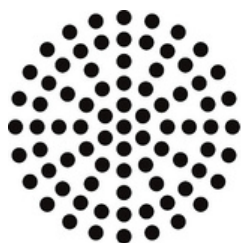
We always perform an environmental impact assessment (EIA) and take the necessary steps to avoid, mitigate, or address potential impacts on biodiversity and ecosystems for all projects. From 2030 at the latest, all new renewable energy projects commissioned must deliver a net-positive biodiversity impact.

REMOVING
RECYCLED
RESIDUAL
WASTE WE
RECEIVE

NURTURING
INNOVATIVE
TECHNOLOGY
INCLUDING
GASSIFICATION
AND CARBON
CAPTURE

DEVELOPING,
OWNING AND
OPERATING
LOW CARBON
BASELOAD
ENERGY
RECOVERY

DIVERTING
RESIDUAL
WASTE FROM
LANDFILL



BIOENERGY
INFRASTRUCTURE GROUP

www.bioenergyinfrastructure.co.uk

1650 Arlington Business Park, Theale, Reading RG7 4SA