Project Summary Information

	Date of Document Preparation/Updated: 11/30/25
Project Name	Project HEFACo
Project Number	P001052
AIIB member	Brazil
Sector/Subsector	Renewable Energy
Alignment with AIIB's thematic priorities	Green infrastructure; Technology-enabled Infrastructure; Private Capital Mobilization
Status of Financing	Under Preparation
Objective	To contribute to the decarbonization of the aviation and transportation sectors by scaling up commercial production of cost competitive and lower GHG emissions Sustainable Aviation Fuel (SAF) and Renewable Diesel (RD) as fuel alternatives in Brazil.
Project Description	The Project involves the implementation of a biorefinery complex in Bahia, Brazil, featuring a hydro-processed esters and fatty acids (HEFA) plant designed to process 20,000 barrels per day (20kbpd) of feedstock into Sustainable Aviation Fuel and/or Renewable Diesel. The output from the Project is expected to be sold to the global market and help the aviation and transportation industries lower their GHG emissions.
Expected Results	Results will be monitored with the following indicators: annual volume of SAF and RD production (barrels), plant utilization level (%) and GHG emission reduction (tCO_2 equivalent).
Environmental and Social Category	A
Environmental and Social Information	**Applicable Policy and Categorization.** AIIB's Environmental and Social Framework (ESF), including the Environment and Social Standards (ESSs) and the Environmental and Social Exclusion List (ESEL), will apply to this Project. ESS 1 (Environmental and Social Assessment and Management) is applicable for assessment of environmental and social (ES) impacts of Project activities. ESS 2 (Involuntary Resettlement) may be triggered for access road works and the development

	of an associated high voltage distribution line (DL) that will be implemented prior to operations, but ESS 3 (Indigenous Peoples) is not expected to apply to this Project as neither the biorefinery nor pipelines are located in or near Indigenous Peoples' land. The Project has been determined as Category A in accordance with the ESF. This assignation has been made considering the sensitive social context with low income communities present in proximity to the biorefinery and pipeline route; construction on contaminated land and elevated health risks to workers during construction; elevated reputational risks around feedstock supply chain including for Soybean Oil (SBO) and Used Cooking Oil (UCO); and the nature and scale of the biorefinery process and associated emissions and health, safety and emergency risks, alone and in-combination with the existing refinery complex and pipelines. **Environmental and Social Instruments.** The Client has developed a suite of ES assessments and management plans for the biorefinery and pipelines under Brazilian legislation that are largely consistent with AIIB's ESF. The pipelines and minor works at the port facility are addressed through the Environmental Impact Analysis Report: Application for Alteration License (LA) - Expansion of operations at the Madre de Deus Terminal (Transpetro, April 2025). The biorefinery works are covered by the Environmental Impact Assessment (EIA): Renewable Fuels Production Plant, volumes 1-4 (Acelen, September 2025). A Stakeholder Engagement Plan (SEP) has also been prepared for conformity with ESS1 and other key instruments are available including a quantitative risk assessment and health impact assessment and management plan for works on contaminated land. Additional assessment and management instruments are committed by the Client or in development to address outstanding gaps against the ESF. These include finalization of a critical habitat assessment (CHA) and ES management instruments for the TL. The Client is developing an Integrated Management System (IMS) for construction and operation based on an existing fully developed IMS for the Mataripe Refinery. This is considered compliant with ESS1 in relation to Environmental and Social Management Systems (ESMS) and the Client has strong institutional capacity to develop, implement and monitor management system performance. **Environmental Aspects.** The HEFA facility will be implemented on brownfield land that will be decontaminated. The Client is identifying and managing risks in accordance with good international industry practice (GIIP). The HEFA plant will utilize contracted Soybean Oil (SBO), Used Cooking Oil (UCO) and is capable of processing other vegetable oils and tallow as feedstock. Soybean production has been linked to deforestation in Brazil. The importance of managing feedstock risks is recognized by the Client and reflected in a suite of mitigations. Biodiversity risks have been considered and impacts on critical habitat are not presently anticipated. The HEFA plant and pipelines are located within areas of natural (although heavily anthropized) habitat and will result in the loss of ~1,500 trees. The Client is committed to achieving no net loss in accordance with ESS1. Assessment of biodiversity risk associated with the high voltage distribution line is committed. During operation, the HEFA plant will emit pollutants including carbon oxides nitrogen (NOX and NO2) and sulfur oxides (SOX and

	SO2) from across three stacks. Pollution abatement technologies are included in the design, and the Client is committed to achieving GIIP for emissions to air as per the World Bank Group EHS Guidelines for Oleochemical Manufacturing. The change in local air quality as a result of biorefinery emissions in combination with emissions from the existing refinery are small and not significant for human health. Additional potential environmental risks from HEFA plant construction and operations include water consumption and water discharge, energy consumption, waste management, noise emissions, hazardous materials management and risks of pollution incidents. The Client has developed outline management plans aligned with GIIP for managing these risks that will be further elaborated as the project approaches construction and then operations. **Social and Gender Aspects.** The Project is expected to deliver substantial social benefits, including employment generation, local economic development, contributions to Brazil's energy transition, and the enhancement of technical expertise in the production of SAF and RD. There is no need for land acquisition and no legacy issues related to land acquisition or resettlement for the biorefinery or the associated pipeline, which will be constructed within an existing RoW. It is possible that small areas of land may be required for access roads and the DL but this is not yet confirmed. A Land Acquisition and Resettlement Framework (LARF) consistent with ESS 2 is committed in case this issue is realized. The Project will not be implemented on Indigenous Peoples' lands. Other relevant social risks include community health and safety impacts from construction activities, potential tensions related to security personnel, risks of sexual harassment and exploitation (SH&E), and the influx of non-local workers. Safeguards to mitigate these risks in relation to labor rights, gender-based violence, and worker protection are included for in Brazilian law or otherwise committed by the Client. In addition, the Project presents opportunities to advance gender equality in line with Brazil's National Policy for Women and Bahia State's policies on gender inclusion and equity. Gender-related risks include heightened risks of GBV, sexual harassment, and exploitation, particularly linked to the potential influx of non-local workers. The Client is committed to further assessing GBV risks and adopting GIIP for managing all gender issues. **Occupational Health and Safety (OHS), Labor and Employment Conditions**. The Project will involve typical construction-related OHS risks for workers, including collisions with moving machinery and vehicles, hazards associated with non-iodizing radiation, hazardous chemicals, electric shocks, working at height, confined spaces, hot works, mechanical and load-handling risks, and exposure to noise, dust, heat and vapors etc. These risks will be addressed through a comprehensive Occupational Health and Safety (OHS) Program included in the Client's Integrated Management System. In addition, Brazil has federal and state labor legislation, including requirements under the "*Consolidação das Leis do Trabalho*" (CLT) and "*Normas Regulamentadoras*" (NRs), which establish mandatory protections for workers health, safety, and fair labor

	conditions. In Bahia, these requirements are reinforced through the "*Agenda Bahia do Trabalho Decente*", which promotes compliance with labor rights, gender equality, and safe working environments. **Stakeholder Engagement and Information Disclosure**. An SEP has been prepared and meaningful consultations on the Project were carried out in eight directly impacted communities as part of the national permitting process. In line with the SEP, stakeholder engagement will continue throughout the Project cycle to ensure transparent communication and responsiveness to community concerns. In accordance with Brazilian law, the environmental assessment and management documentation prepared to obtain the permits for the biorefinery and pipelines were published on the website of the Environment and Water Resources Institute ("*Instituto do Meio Ambiente e Recursos Hídricos*" -INEMA) as part of the consultation process. The pipeline LA, biorefinery EIA and a non-technical summary (in English and Portuguese), and the Project SEP were subsequently disclosed on the Acelen Renewables' website on 29 November 2025 at: https://www.acelenrenovaveis.com.br/biorrefinaria-adicionais/. These documents were also disclosed by AIIB on 30 November 2025. **Project Grievance Redress Mechanism (GRM) and Monitoring Arrangement.** Brazilian legislation requires the establishment and disclosure of grievance and complaint mechanisms, which is consistent with the Bank's ESF. A multi-tier GRM has been proposed covering both communities and workers that is aligned with AIIB's ESF. More details of the established GRM will be disclosed timely in an appropriate manner. It is expected that a Lenders Environmental and Social Advisor (LESA) will be responsible for compliance monitoring, and this arrangement and frequency of monitoring will be finalized prior to start of construction.
Cost and Financing Plan	Total Project cost is expected to be approximately USD1.5 billion with an expected debt-to-equity split of 55/45 under base and not exceeding 65/35 in any case. Several MDBs and DFIs are evaluating this Project. AIIB is contemplating a USD100 million commitment alongside the term loan lenders.
Borrower/Investee Company/Counterparty/Guaranteed entity	Acelen Industrial S.A.
Sponsor	Mubadala Capital
Estimated date of last disbursement (NSBF)	January 2029

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Date of Concept Decision	November 3, 2025	
Estimated Date of Appraisal Decision	December 2025	
Estimated Date of Financing Approval	January 2025	

Independent Accountability Mechanism	The Project-affected People's Mechanism (PPM) has been established by the AIIB to provide an opportunity for an independent and impartial review of submissions from Project-affected people who believe they have been or are likely to be adversely affected by AIIB's failure to implement its ESF in situations when their concerns cannot be addressed satisfactorily through Project-level GRM or AIIB Management's processes. For information on how to make submissions to the PPM, please visit: https://www.aiib.org/en/about-aiib/who-we-are/project-affected-peoples-mechanism/how-we-assist-you/index.html.