



**FUELING OUR WORLD
WITH RENEWABLE ENERGY**

OUR SUSTAINABILITY JOURNEY 2023



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LETTER FROM THE CEO

It is my pleasure to share with you our sustainability journey. As we grow our company, we are building a foundation of practices consistent with our vision of producing e-Fuels to accelerate our partners' journey to net zero now.

e-Fuels are made using electrolyzers powered by renewable energy to separate hydrogen from oxygen in water. The green hydrogen is combined with recycled carbon dioxide to produce e-Fuels, which are chemically equivalent to fuels used today. They can replace carbon-intensive fossil fuels and create a recycling system for the carbon dioxide that is already in our atmosphere.

The concept of HIF was born in 2018, when we explored southern Chile's Magallanes Region deliberating on how to transform the world's strongest wind resources into useable energy. By 2022, we had produced our first liters of green hydrogen and e-Gasoline, showing the world that remote renewable energy resources can be transformed into liquid fuels to be easily transported to world demand centers and used with minimal or no changes to existing engines or infrastructure. The production of e-Fuels from renewable electricity, water and recycled carbon dioxide is a solution that brings the world one step closer to net zero now.

We have been safely operating the Haru Oni e-Fuels Facility in southern Chile for 16 months and are preparing to replicate our experience around the world as we develop a portfolio of e-Fuels projects where we find the best combination of low-cost renewable resources, dependable regulatory frameworks and favorable construction and operating conditions. Furthermore, all the sites for our facilities were carefully chosen to minimize environmental and social impacts, and to safeguard a sustainable and efficient use of resources.

Our multicultural team of more than 150 talented professionals with presence in five continents are driving forward the development of our projects in the United States, Chile, Uruguay and Australia. We are aligned under a common purpose – fueling the world with renewable energy – and we are building a working culture of strong values and best practices to operate a safe and sustainable business as we grow into a major player.

As a team we have a very clear goal: to recycle 25 million metric tons of CO₂ annually from the atmosphere – equivalent to decarbonizing 5 million cars – to produce 150,000 barrels per day of e-Fuels by 2035.

We embrace this challenge together with our neighbors in our project communities. We maintain an open dialogue with our surrounding communities to listen to their needs and considerations, while we also engage early and often to inform and educate about e-Fuels. We work with schools and universities to ensure local institutions are supporting education for the necessary skills to work in this new industry. We have formed and participate in trade associations that bring together other companies working to produce green hydrogen and its derivatives to have a single channel of information for communities and authorities.

Our partners are paramount to our success. Our equity partners are AME, Porsche, EIG, Baker Hughes, and Gemstone Investments*, while our technology partners are international market leaders such as Siemens Energy, Enel Green Power, Baker Hughes, Topsoe, Johnson Matthey and ExxonMobil, among others. Together

* Japanese energy company Idemitsu Kosan joined the premier group of HIF existing investors as of the closing date of this document.

“We are creating sustainable solutions that lead the way to net zero now. This is our contribution to the world.”

César Norton, President & Chief Executive Officer

with our partners, we are deploying proven technologies and envisioning new breakthroughs. For example, in 2023, we initiated development work on direct air capture (DAC) technologies with Baker Hughes and Porsche, and began preliminary engineering to produce synthetic sustainable aviation fuel (e-SAF) with Honeywell UOP, as well as production of the world's first synthetic liquefied gas (e-LG) with Empresas Gasco at the Haru Oni e-Fuels Facility. Looking ahead, we will continue to build a thriving ecosystem for this new industry and seek support from significant market movers who also share our vision.

The increasing rate of global CO₂ emissions is alarming and unsustainable. We know we must change. At HIF Global, we are creating sustainable solutions that lead the way to net zero now. This is our contribution to the world.

Sincerely,

César Norton
President & CEO
HIF Global



01

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ABOUT HIF GLOBAL

We are the world's leading e-Fuels company, led by a multicultural, multinational executive team with deep market knowledge, supported by highly experienced technical teams and backed by world-class shareholders.



WHO WE ARE

Fueling our world with renewable energy

The world is racing to decarbonize, but electrification alone is not enough to achieve the net-zero goal by 2050. To help reach that goal, the world's best quality renewable energy can be bottled as e-Fuels, transported to world demand centers and used in vehicles, airplanes and ships with no or minimal changes to existing engines and infrastructure.

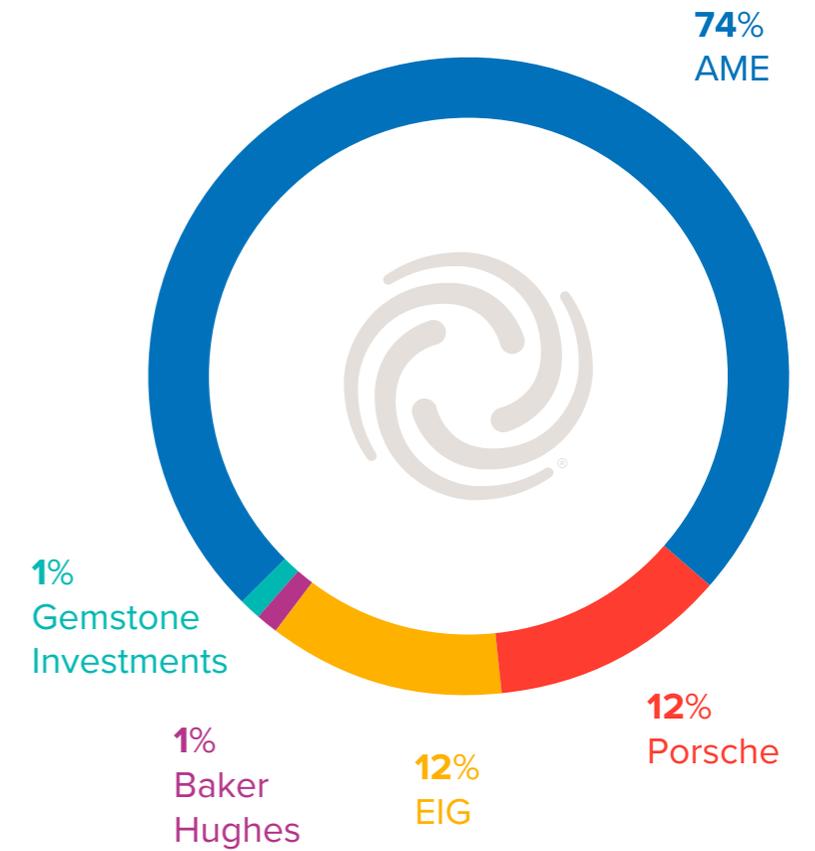
At HIF Global, we produce those e-Fuels with renewable energy, water and recycled carbon dioxide (CO₂). We are the world's leading e-Fuels company, led by a multicultural, multinational executive team with deep market knowledge, supported by highly experienced technical teams and backed by world-class shareholders. Those shareholders are renewable energy developer AME, high-performance sports car manufacturer Porsche, energy investment firm EIG, energy technology firm Baker Hughes and family office investment firm Gemstone Investments.

Our name, HIF, represents our vision of producing Highly Innovative Fuels to accelerate our partners' journey to net zero now.

After a decade of e-Fuels development, we have a first-mover advantage. Our innovative approach using proven processes has led to a product portfolio of synthetic methanol (e-Methanol), liquified gas (e-LG) and gasoline (e-Gasoline). We have significant construction and technology partners supporting four projects in development at advantaged land positions in the United States, Chile, Australia and Uruguay, with existing e-Fuels operations in southern Chile and an office in Germany for the Europe, Middle East and Africa (EMEA) region.



HIF Global shareholders 2023 *



* Japanese energy company Idemitsu Kosan joined the premier group of existing HIF investors as of the closing date of this document.

OUR VALUES

The characteristics we seek in all HIF Global employees include integrity in everything that we do, innovation to pioneer in a new industry and seek new and better ways of doing things, and resilience in overcoming obstacles.

At HIF Global, respect is one of our most important values. We co-create collaborative and diverse work environments, inspire sustainable innovation and enable creative thinking.

We strive to ensure a safe physical and emotional environment to make this possible.

All of our employees are required to sign our Code of Conduct and Anti-Bribery and Corruption Policy, on which we will provide training during 2024.



Commitment



Innovation



Integrity



Long-term relationships



Respect



Resilience



Safety



Sustainability

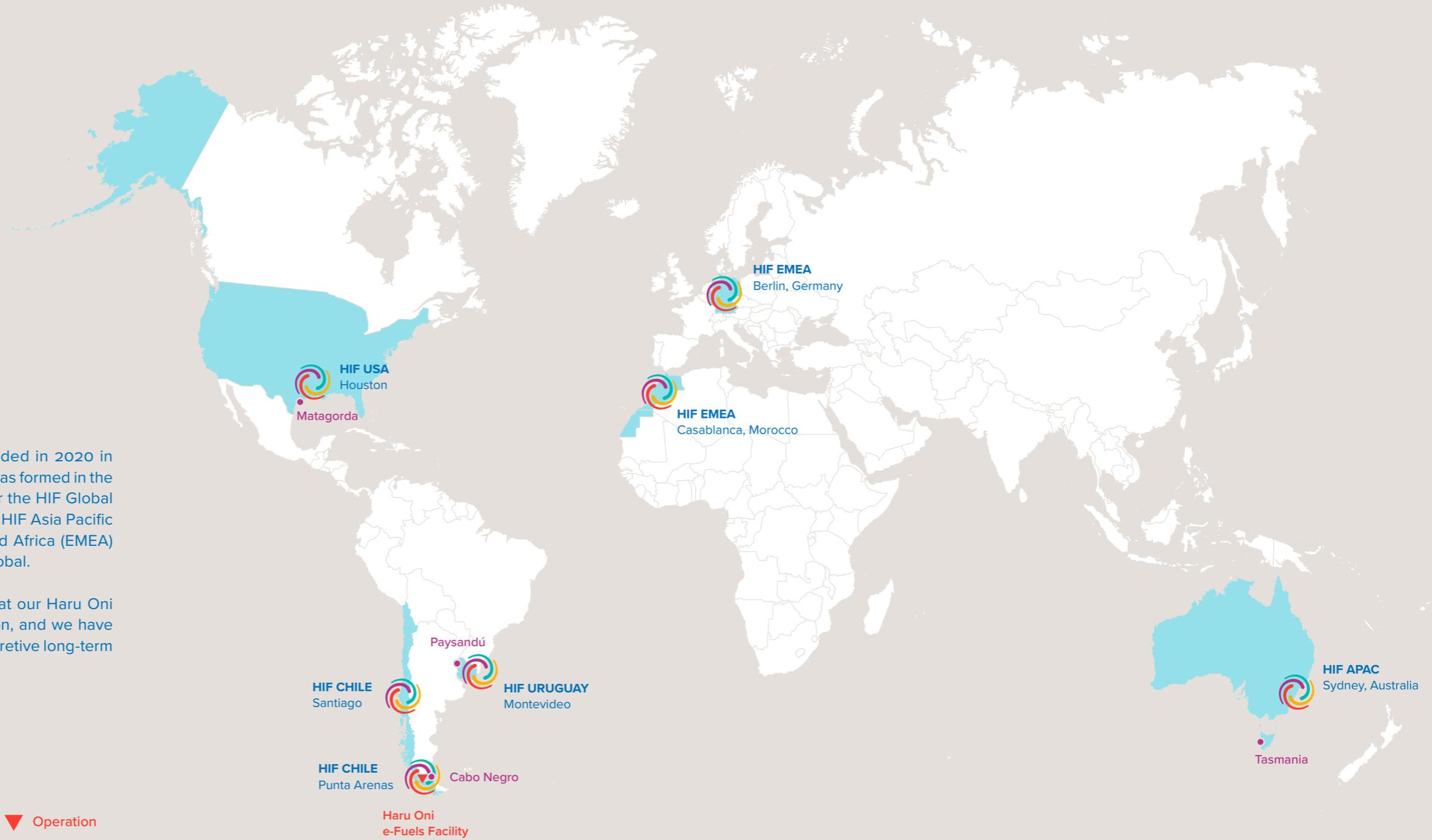


Transparency

A company with a global presence

Highly Innovative Fuels (HIF) was founded in 2020 in Santiago, Chile. In 2021, HIF Global LLC was formed in the United States as the parent company for the HIF Global group. HIF Chile, HIF Uruguay, HIF USA, HIF Asia Pacific (APAC) and HIF Europe, Middle East and Africa (EMEA) are wholly owned subsidiaries of HIF Global.

HIF Chile is already producing e-Fuels at our Haru Oni e-Fuels Facility in the Magallanes Region, and we have an additional project pipeline to drive accretive long-term growth.





TIMELINE

2016-2018

Our founding company, AME, conducts studies and works with local experts to identify areas of maximum wind resource and minimum environmental impact with a view to implementing Power-to-X technologies.



2019

AME selects power-to-methanol/gasoline technology and begins developing an engineering solution for the Haru Oni project in Magallanes Region, Chile.



2020

October

High Innovative Fuels (HIF) born in Santiago de Chile.

November

HIF Global submits the Environmental Impact Declaration to the Magallanes Environmental Assessment Service for construction of the Haru Oni facility.

December

German government announces financial support for Haru Oni through Siemens Energy.

2021

May

Magallanes Regional Environmental Commission approves Haru Oni's Environmental Impact Declaration.

August

HIF US opens an office in Houston, Texas.

September

HIF Global starts construction of the Haru Oni e-Fuels Facility.

October

HIF Chile opens a new office in Punta Arenas, Magallanes.

December

HIF Global LLC is formed in the United States.



2022

April

HIF Global secures \$260 million in equity investments to fund e-Fuels projects in the United States, Chile and Australia, including funds managed by Porsche, EIG, AME, Baker Hughes and Gemstone Investments.

HIF USA selects Matagorda County, Texas as the location for its first commercial facility.

May

HIF EMEA launched in Berlin, Germany to manage our business in Europe, the Middle East and Africa.



June

HIF Global selects Société Générale, US branch, as financial advisor for the development and financing of its e-Fuels facilities in Chile and the United States.

HIF Chile, Magallanes University (UMAG) and Empresas Gasco sign an agreement to build and operate an e-Fuels laboratory for quality control of Haru Oni's e-Fuels production and conduct R&D.

July

HIF Global begins developing Australia's first large-scale e-Fuels facility near the town of Burnie in Tasmania.

December

HIF Chile produces first liters of synthetic gasoline at Haru Oni, launching a new era for the transport sector in which synthetic fuel made with renewable power, water and recycled carbon dioxide can displace conventional fossil fuels.

HIF USA engages Bechtel Energy, Siemens Energy and Topsoe to conduct front-end engineering and design of the Matagorda e-Fuels Facility in Texas.



2023

March

HIF Global and energy technology company Baker Hughes agree to cooperate on the development of direct air capture (DAC) technology to obtain carbon dioxide directly from the atmosphere.

HIF Global reaches agreement with Siemens Energy for the latter to supply the HIF Matagorda e-Fuels Facility with 1.8 GW capacity of electrolyzers.



April

HIF Global and Japanese energy company Idemitsu Kosan announce strategic cooperation agreement for Idemitsu to purchase HIF e-Fuels, co-invest in HIF e-Fuels facilities and new facilities in Japan, and supply recycled carbon dioxide from Japan for use in the e-Fuels production process.

HIF Global receives the Texas Commission on Environmental Quality Air Quality Permit authorizing the construction and operation of the HIF Matagorda e-Fuels Facility.

May

HIF Global reaches agreements with Johnson Matthey and Honeywell to conduct preliminary engineering for HIF's first synthetic sustainable aviation fuel (e-SAF) facility at Matagorda.

Haru Oni e-Fuels Facility obtains International Sustainability and Carbon Plus Certification ("ISCC Plus"), a voluntary scheme that verifies the proposed methodology to trace and measure the facility's carbon dioxide (CO₂) footprint from the origin of the raw materials through to the distribution to end consumers.



June

HIF Global announces expansion to Uruguay, with the development of an approximately \$4 billion e-Fuels project in Paysandú Department.

August

HIF Global engages Technip Energies to assess technology options and initiate facility design for its first e-Fuels production facility in Australia.



September

HIF Global announces plans with Porsche and Volkswagen Group Innovation to develop and install a DAC unit at Haru Oni in 2024.

October

HIF Global and Japanese petroleum refiner ENEOS announce a cooperation agreement to encourage the sale of e-Fuels in Japan.



HIF Global and Empresas Gasco announce first production of synthetic liquefied gas ("e-LG") at Haru Oni e-Fuels Facility.



HIF Global submits the EIS for the \$830 million HIF Cabo Negro e-Fuels Facility to the Magallanes Environmental Assessment Service for approval.

November

HIF Global begins commercial exports of synthetic e-Fuels to Europe, shipping 24,600 liters of synthetic gasoline from Haru Onu to the United Kingdom.

HIF Global signs a MoU with Forico, Tasmania's largest private forestry manager, to support development of Australia's first e-Fuels production facility.

December

HIF USA and Idemitsu Kosan sign a Lol to negotiate a sale and purchase agreement for e-Methanol from the HIF Matagorda e-Fuels Facility, and to study the joint development of the e-Methanol business.

HIF Global submits the EIS for the \$500 million Faro del Sur Wind Park, which will provide renewable energy for the HIF Cabo Negro e-Fuels Facility, to the Magallanes Environmental Assessment Service.

HIF Global appoints Société Générale, Sydney Branch as financial advisor for the HIF Tasmania e-Fuels Facility.

The HIF Tasmania e-Fuels Facility is shortlisted for 2 billion Australian dollars in government funding.





2023 SUSTAINABILITY HIGHLIGHTS

157

Highly talented global employees, representing 14 different nationalities

In May, Haru Oni obtained the International Sustainability and Carbon Plus Certification ISCC+

1st

Molecule of synthetic liquefied gas (e-LG) at Haru Oni in November

The Matagorda e-Fuels Facility received its air permit in April

We invested in the development of direct air capture (DAC) technology which we plan to install at Haru Oni in 2024

627

Hours of safety training at during the year

0

Lost time injuries at Haru Oni, our sole operating facility

+1000

Visitors at Haru Oni from over 40 countries

We launched our Code of Conduct and Anti-Bribery and Corruption Policy



02



OUR BUSINESS

At its core, our business can accelerate decarbonization and contribute towards a more sustainable world. As we grow our company, we are putting the building blocks in place to ensure our business practices are coherent with our product and meet high environmental, social and governance standards.



OUR APPROACH

Contributing to a more sustainable world



At HIF Global, our Purpose is fueling our world with renewable energy. We seek to generate renewable energy where it is abundant and may not otherwise be deployed, transform into synthetic low fuels (e-Fuels) and use it in markets where renewables are scarce to decarbonize the transport sector, hard to abate industries and other applications.

Our production of e-Methanol, e-LG and e-Gasoline offers an existing and viable solution to the global challenge of climate change that can be implemented now. At its core, our business can accelerate decarbonization and contribute towards a more sustainable world.

As we grow our company, we are building a foundation of practices consistent with our vision of producing Highly Innovative Fuels to accelerate our partners' journey to net zero now.

We have brought together heavyweight management and technical teams to pool decades of experience in the energy sector into the emerging e-Fuels industry, manage risk and execute projects. Our leadership is made up of key industry players who broke into the global liquified natural gas (LNG) market with shale gas in the United States, developed and implemented global methanol projects and tested and applied new and disruptive technologies. We have extensive experience in

developing, raising capital for and operating large-scale infrastructure and energy projects, as well as in government engagement and leading transformational organizational change.

On the technical side, our core engineering and construction team boasts 29 years of experience on average per person of building energy infrastructure, supported by decades of expertise in refining, engineering and construction.

We have carefully chosen the site locations for our industrial-scale projects based on the ample availability or easy supply of the three main inputs for the e-Fuels production process: renewable energy, water and industrial or biogenic carbon dioxide. These essential characteristics significantly improve the efficiencies of our proposed facilities, reduce supply risk and minimize environmental and social impacts.

Our medium-term aim is to replace industrial or biogenic carbon dioxide with direct air capture (DAC) technology to enable further efficiencies and low-cost CO₂ capture. In 2024, we expect to install the DAC technology we are developing with Porsche and Volkswagen Group Innovation at our Haru Oni e-Fuels Facility in Chile. In parallel, we are working with Baker Hughes to test their Mosaic DAC pilot units to accelerate the technology's deployment at commercial scale.

At HIF Global, we are pioneering a new industry and are committed to innovation. However, we are not experimenting with the unknown. We are using tried and tested technologies in new ways to produce innovative products. Above all, we seek to ensure that our technology is reliable and bankable.

Similarly, our derisking approach aims to achieve predictable cash flows by establishing clear revenue streams and expenses. We are negotiating long-term offtake agreements with customers to sell them e-Fuels at a set price. Likewise, our contracts for key inputs will stabilize prices over the long term.

We are developing our commercial-scale e-Fuels facilities and practices and policies following the rigorous international standards of the Equator Principles and other sustainability standards to meet the requirements of international banks and funding institutions.

As a young, agile company, we can respond to market demand and adjust our facilities' final e-Fuels products to meet changing requirements. The emerging e-Fuels market is on the cusp of an explosion and we are well positioned to take advantage of forecast supply shortages in 2030 of 5 million metric tons per annum.*

* Source: e-Fuel market study. McKinsey & Company, 2023.

We seek to generate renewable energy where it is abundant and may not otherwise be deployed, transform it into e-Fuels and use it in markets where renewables are scarce to decarbonize transport sector, hard to abate industries and other applications.

POLICY FRAMEWORK

As we approach final investment decisions for our commercial operations, we are preparing robust policies and standards to guide and govern the conduct of our growing workforce.

We launched a Code of Conduct and an Anti-Bribery and Corruption Policy that all employees are required to read, acknowledge and sign, and which will also be extended to contractors.

Our Anti-Bribery and Corruption Policy reinforces and ensures compliance with laws prohibiting bribery and other types of improper payments in all countries where we have business activities. The Code of Conduct contains our Values and our Principles to guide our actions, define our commitment and align both our behavior and that of our stakeholders. For further information, see page 43 "Governance" section.

During 2023 we also worked in our recently launched Health, Safety, Security, Environment and Community (HSSEC) Policy. All HIF Global's operations must meet the most stringent terms of this document and local regulations. For further information on the policy, see the box HSSEC Principles as well as the Health and Safety, Community and Environment sections of this document.



In 2024, we will roll out training on these documents and continue to prepare policies, position statements and procedures to guide our business practices. Annual refresher training will be given on our Code of Conduct.

HSSEC Principles

We believe the consistent application of sound practices can substantially reduce the occurrence of Health, Safety, Security, Environment and Community (HSSEC) incidents or near misses that could result in harm.

This is why we pledge to:

- Provide a safe and healthy work environment in all physical, psychological and emotional aspects that enables our employees to achieve their full potential.
- Not compromise the health, safety or security of our employees, contractors and communities or harm the environment in favor of production.
- Respect the human rights of all individuals, both within the company and in the wider communities where we operate.
- Comply with all applicable laws, regulations and industry standards, and apply HIF's global HSSEC standards in situations where laws and regulations either do not exist or are of an inferior standard.
- Maintain a rigorous risk analysis program and implement controls to identify, prevent, avoid and reduce HSSEC risks to acceptable levels using a precautionary approach in all stages of our operations lifecycle.
- Promptly report and investigate all HSSEC incidents and near misses. As appropriate, corrective actions will be taken, and lessons shared to prevent the recurrence of incidents.
- Provide our employees and contractors with the appropriate training, resources and support to uphold our HSSEC Policy and to learn from our and others' mistakes. Good habits and a safe organizational culture are essential to our success.
- Encourage and value our people's involvement and leadership in HSSEC management.
- Maintain open, respectful and transparent communication with all relevant internal and external stakeholders. This is key to generate networks and partnerships to foster joint actions in the areas where our business is located.
- Maintain an appropriate governance structure to regularly report, monitor and audit to verify our adherence to these principles, update them as deemed appropriate and facilitate continuous improvement.

PRIORITY AREAS

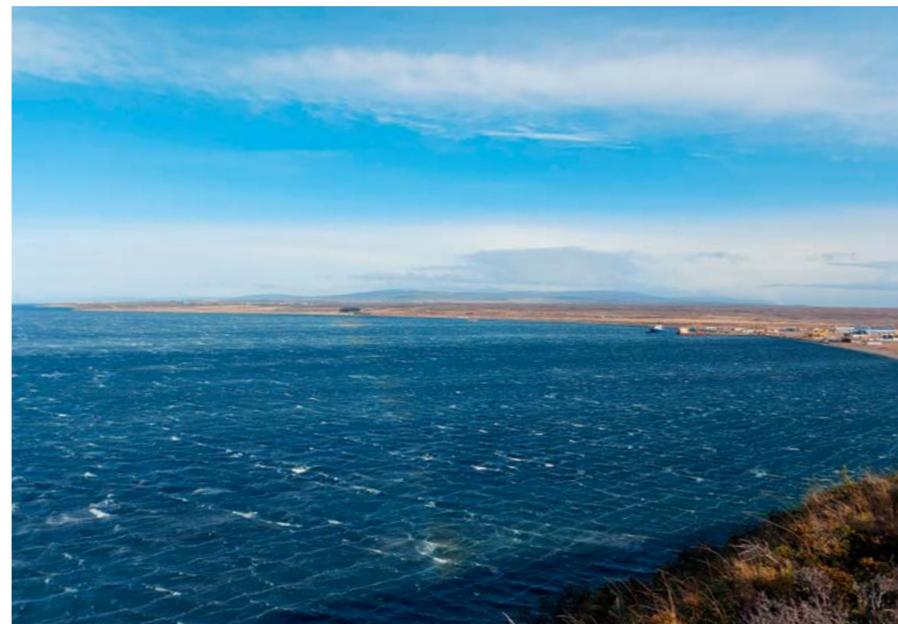
At HIF Global, each project faces different challenges, but we have identified the following overall priority issues to guide site selection, facility design and policy development.

Health and safety

Safety comes first: beyond a priority, it is an absolute. We consider potential natural and social safety and health risks when choosing our site locations. Different internationally recognized risk analyses to control risks are conducted at the concept engineering, construction, commissioning and operational stages of our facilities. At our Haru Oni e-Fuels Facility, we have identified the hazards associated with the operation and implemented appropriate controls that have been reviewed and approved by the authorities. Risk analysis is conducted prior to tasks. The lessons learned on this smaller scale will be invaluable when we launch our commercial operations.

Water

Climate change has brought to the fore considerations about water security. We ruled out water-stressed areas when selecting project sites. The facility designs prioritize the reduction of our water footprint and maximize water reuse. Water treatment plants at all our industrial facilities will enable



We have carefully chosen the site locations for our industrial-scale projects to significantly improve efficiencies, reduce supply risk and minimize environmental and social impacts.

us to recycle process water and wastewater. Discharges are minimized with some facilities committing to zero liquid discharges.

Carbon dioxide

Our business displaces new CO₂ emissions. We initially seek to capture CO₂ from existing industrial and biogenic sources, which would otherwise naturally decompose and emit greenhouse gases into the atmosphere, or obtain it from operations that have received international sustainable carbon certification. In the case of industrial sources, we favor industries that have hard-to-abate CO₂ emissions and avoid those such as fossil fuels that interrupt the energy transition.

In the medium term, our aim is to source CO₂ with direct air capture (DAC).

Clean power

The abundant availability of renewable energy resources is a priority to produce low-cost green hydrogen.

All our locations meet this criterion, with winds in Chile's Magallanes Region offering an outstanding plant capacity factor. Texas produces the most wind power in the United States and is among the best in the world, while the Tasmania and Uruguay grids already offer renewable energy generation of over 95%. We will directly generate wind power in Chile and purchase additional renewable energy through power purchase agreements (PPAs) at our other locations in order not to compete with the existing electricity supply to local grids. Battery energy storage systems (BESS) and steam turbines fed by biomass boilers will provide renewable grid stability services to facilities.

Community benefits

An important challenge is to ensure that local communities benefit from our presence. Our focus is on education, training and skills development which in turn will promote local businesses and jobs. The e-Fuels laboratory installed at Magallanes University for the Haru

Oni e-Fuels Facility is a clear example of how our business can foster local research and development (R&D). We aim to develop decarbonization and R&D hubs at all our locations in alliance with local universities, training centers and schools.

In the longer term, we expect to create industrial-scale facilities to produce cost-effective e-Fuels, allowing greater penetration and accessibility in local markets to use e-Gasoline in vehicles and local transport businesses. In Chile, we have signed a Memorandum of Understanding (MoU) with national oil company ENAP to distribute 22.5 to 37.5 million liters of e-Gasoline a year to the domestic market.

Regulatory framework

We are creating an entirely new industry and are in the midst of market formation. While this represents a significant opportunity, it also carries regulatory risks as we need to ensure the industry is governed by clear, stringent policies and rules. As such, we are paying significant attention to regulatory developments to ensure we are building our operations to abide by the most exacting regulations. We are also building a completely new market for renewable fuels which substantially differs from the market for fossil fuels. Specifically, the need for long-term offtake contracts requires a stable and foreseeable regulatory framework for final investment decisions (FID).

The European Union (EU) is at the forefront of setting a stringent regulatory framework for meeting carbon-neutrality. This is regulated in the European Green Deal (also known as the “Fit for 55” package). This agreement aligns the EU’s policies with its commitment to reduce its net greenhouse gas (GHG) emissions by at least 55% by 2030, compared to 1990 levels, and to achieve climate neutrality by 2050. Other countries are following this example but have not yet prepared a framework as stringent as the EU.

Renewable Energy Directive III (RED III), adopted in November 2023, is part of Fit for 55 package and is the most important legal act setting the EU regulatory framework in the area of renewable energy. It aims to significantly increase the share of renewable energy in the EU's overall energy consumption with more ambitious targets and comprehensive measures to support the transition to a sustainable energy system. It emphasizes greater use of renewable energy across various sectors, simplifies regulatory processes, and aligns with broader EU climate goals to achieve a more resilient and independent energy landscape.

RED III sets a binding target of at least 42.5% renewable energy consumption across all sectors (industry, transport, building) by 2030, with an aspiration to reach 45%. It focuses on increasing renewable energy use in the

transportation sector, specifically it introduces a new combined minimum target of 5.5% in the transport sector by 2030 for advanced biofuels and renewable fuels of non-biological origin (RFNBOs), which include e-Fuels. RED III's inclusion of e-Fuels represents a significant step forward for the decarbonization of the transport sector in the EU. It provides a potential alternative for sectors like aviation and maritime.

Other relevant regulations from the Fit for 55 package include the FuelEU Maritime Regulation, which sets a gradual target to reduce the carbon intensity of fuels used by ships by 2% in 2025, 6% in 2030, 13% in 2035, 26% in 2040, 59% in 2045, and 75% in 2050 compared to 2020 levels. Also, the REFUEU Aviation Regulation that requires aviation fuel suppliers to blend increasing amounts of SAF with traditional jet fuel. Starting at a minimum of 2% in 2025, the mandate will rise to 6% by 2030, 20% by 2035, and 70% by 2050.

The Fit for 55 package made the EU emissions trading system (ETS) more ambitious, extending the system to include emissions from maritime transport while also implementing the global carbon offsetting and reduction scheme for international aviation (CORSA). Further, in July 2023, the United Nations’ International Maritime Organization (IMO) adopted the 2023 IMO Strategy on Reduction of GHG Emissions from Ships, calling

for netzero GHG emissions from international shipping by or around 2050, with a commitment to ensure uptake of alternative zero and near-zero GHG fuels by 2030. Is expected these strategies will drive demand for e-Methanol in shipping and for e-SAF.

In March 2023, EU countries approved a landmark law to end sales of new CO₂-emitting cars in 2035, with an exception made for cars running on e-Fuels, which must be 100% carbon-neutral if they are to be sold after 2035. Is expected this will drive demand for our e-Gasoline.

Many of the countries in which we operate have established roadmaps in which they seek to take advantage of the ample availability of their natural resources to propel green development.

In the United States, the 2022 Inflation Reduction Act (IRA) earmarked the single largest investment in climate and energy in the country’s history to tackle the climate crisis, with the goal of achieving a net-zero economy by 2050. The IRA’s incentives to accelerate the transition to a clean energy economy may benefit operations at our Matagorda e-Fuels project in Texas (see pages 30-32).

Chile launched a green hydrogen strategy in 2020 in which it set the goal of becoming one of the world’s largest exporters of green hydrogen and its derivatives by 2030. The country



enjoys cross-party support to reach carbon-neutrality by 2050, framed in its 2022 climate change law.

Japan's "Green Growth Strategy Through Achieving Carbon Neutrality in 2050" was launched in December 2020 by the Ministry of Economy, Trade and Industry. It supports the acceleration of e-Fuel development and market integration. This includes setting up the necessary infrastructure and regulatory frameworks to facilitate the production, import, and use of

e-fuels such as budget allocations, tax incentives, regulatory reforms, and international cooperation to drive the necessary changes and support corporate innovation efforts.

In February 2023 Australia’s Energy and Climate Change Ministerial Council began to update the 2019 national hydrogen strategy that looks to position Australia as a global hydrogen leader by 2030 in both exports and in decarbonizing the country’s industries. Also, in November 2023, Uruguay

published its green hydrogen roadmap for 2040.

At HIF Global, we are active members of the e-Fuel Alliance, an interest group that promotes the political and social acceptance of e-Fuels and which seeks to secure their regulatory approval in recognition of the significant contribution e-Fuels can make in the drive for sustainability and climate protection.

INNOVATION, PROCESS AND TECHNOLOGY

Bringing reliable technology together to produce novel e-Fuels

- Our innovation lies in employing existing technology in different ways to obtain new solutions to drive a more sustainable world.
- We are technology agnostic, constantly evaluating which solutions best respond to our unique needs.

At HIF Global, we have implemented a groundbreaking, innovative process to produce e-Fuels to substitute carbon-intensive fossil fuels. This solution can be employed today in existing engines and infrastructure in the automotive, shipping, aviation and petrochemical industries, with few or no modifications required.

reduce technical risk and drive reliable innovation, using that technology in a different way to produce e-Fuels. We innovate with greenfield solutions when there are no answers to our exceptional requirements, and we remain technology agnostic when it comes to solutions and providers.

We are pioneers in an emerging industry with huge growth potential and we constantly evaluate which solutions best respond to our unique needs. We employ and combine tested technologies where possible to

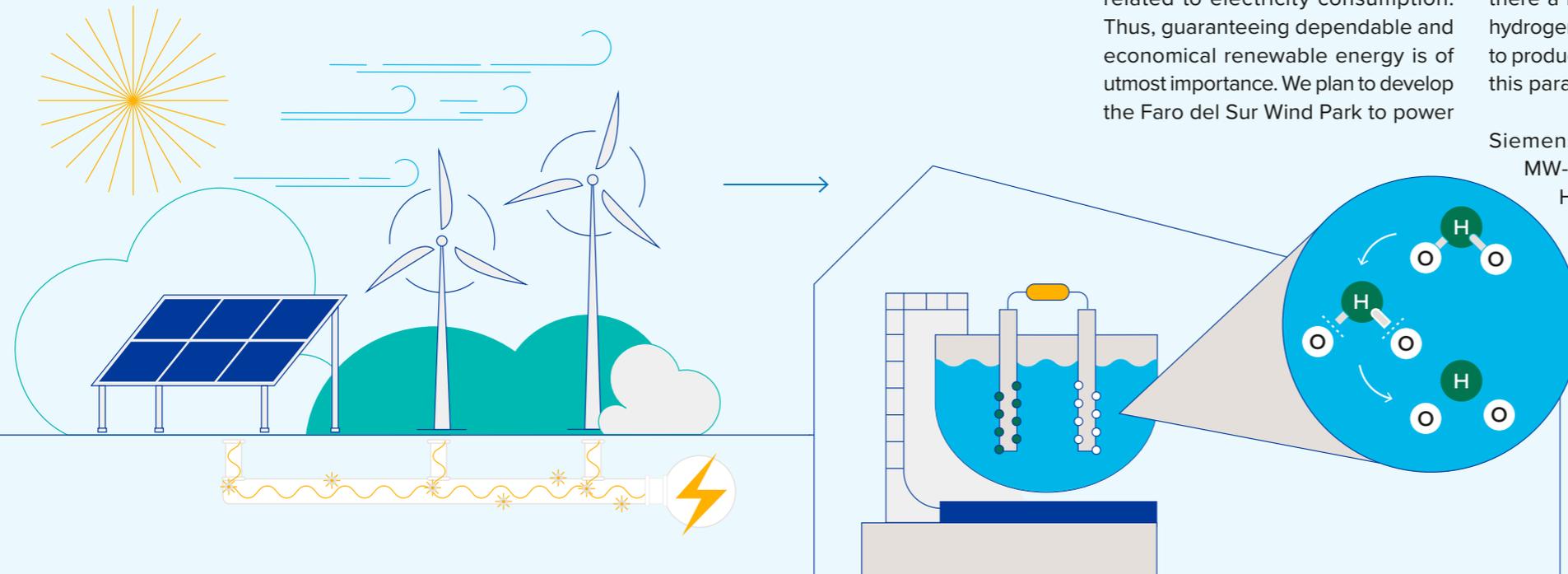


THE PROCESS

Our unique process brings a number of proven engineering techniques together to turn renewable energy, carbon dioxide (CO₂) and water into sustainable, transportable e-Fuels.

1 GREEN HYDROGEN PRODUCTION

With renewable power, such as wind or solar, we produce green hydrogen through a process called electrolysis which separates the water molecule (H₂O) to obtain oxygen and hydrogen.



Green hydrogen

Renewable energy – such as that obtained by strong winds driving a wind turbine at our Haru Oni e-Fuels Facility – is used to power an electrolyzer, which applies electricity to water to divide the H₂O molecule into hydrogen and oxygen. The hydrogen is then captured and oxygen released into the atmosphere.

That hydrogen is considered “green” because the electrolysis process is powered by renewables, meaning no CO₂ is emitted in the generation process. Depending on renewable power costs and the amount of annual operating hours, up to 70% of green hydrogen’s production costs are related to electricity consumption. Thus, guaranteeing dependable and economical renewable energy is of utmost importance. We plan to develop the Faro del Sur Wind Park to power

our the Cabo Negro project, and we are negotiating power purchase agreements (PPAs) with different renewable energy developers to supply us with power at our other projects.

Based on the low cost of renewable electrical power at Faro del Sur and the high number of operating hours, we can significantly reduce the energy costs for green hydrogen in comparison to alternative locations.

Electrolysis has been used for several decades, but never on such a large scale to produce the volumes of green hydrogen required to meet e-Fuels market demand; neither is there a history of connecting green hydrogen production to other systems to produce e-Fuels. We have changed this paradigm.

Siemens Energy supplied the 1.2 MW-capacity electrolyzer at our Haru Oni facility, and in March 2023, we announced that we had also selected them to supply 1.8 GW of electrolyzer capacity for our Matagorda e-Fuels Facility. The agreement allowed Siemens Energy to expand its electrolyzer manufacturing capacity beyond its previously announced plans, resulting in the inauguration of a

gigafactory in Berlin, Germany in November 2023. The stacks reserved under the reservation agreement will be set up at Matagorda to produce green hydrogen. The scale of the agreement corresponds to almost 20% of Germany’s current development target of 10 GW yearly production capacity by 2030 as part of its national hydrogen strategy.



“We are not waiting for solutions to come to us; we are creating them and leading the way. We have proven e-Fuels are a real solution to help decarbonize transportation. Now we are accelerating direct air capture technology that enables efficient and low-cost CO₂ capture – the future of CO₂ recycling.”

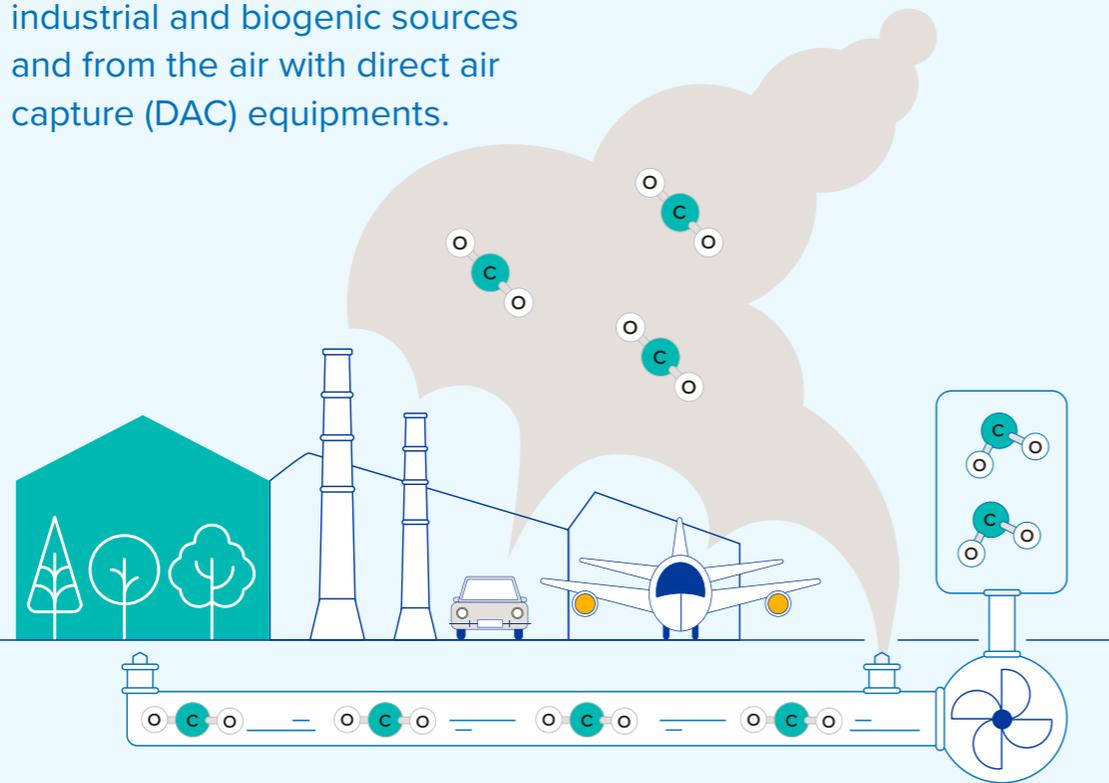
César Norton, President and CEO



2

CO₂ CAPTURE

CO₂ can be captured from industrial and biogenic sources and from the air with direct air capture (DAC) equipments.



The second part of our process is to obtain CO₂, which we acquire from industrial or biogenic sources supplied by third-party providers.

Multinational chemical company Linde supplies the biogenic CO₂ for our operations at the Haru Oni e-Fuels Facility, and we are advancing our negotiations with other third parties to supply our CO₂ needs at our developing projects in Texas, Chile, Uruguay and Australia.

Our goal, however, is to capture CO₂ directly from the atmosphere in a process called direct air capture (DAC). While we prefer to employ tried and tested technology and adapt this technology to our specific requirements, to date there is no reliable DAC solution to meet our needs and we are taking steps to define the future of CO₂ recycling.

In September 2023, together with Porsche and Volkswagen Group Innovation, we announced plans to develop and install a DAC unit at Haru Oni in 2024. The unit is expected to capture up to 600 metric tons per annum of carbon dioxide directly from the air. Once this unit is tested and the technology proven, we expect to be in a solid position to scale up the DAC technology to industrial scale.

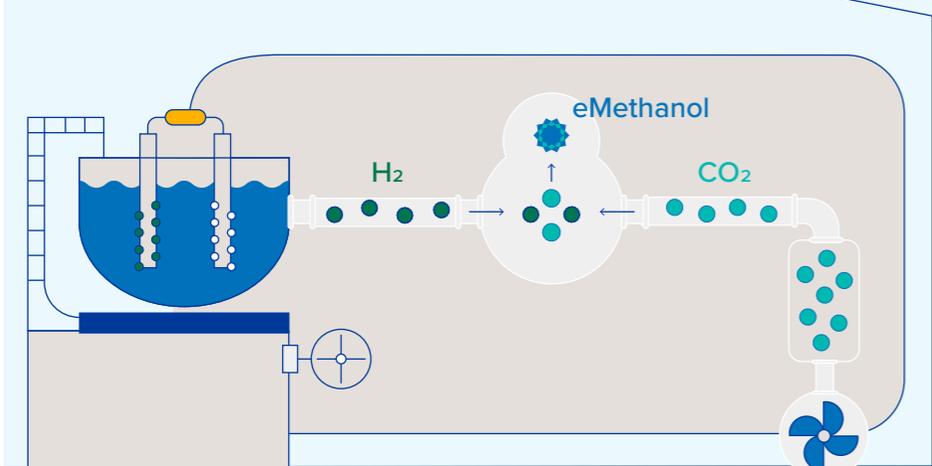
In March 2023, we announced a complementary agreement with Baker Hughes to test their Mosaic DAC technology pilot units to accelerate DAC deployment at commercial scale.



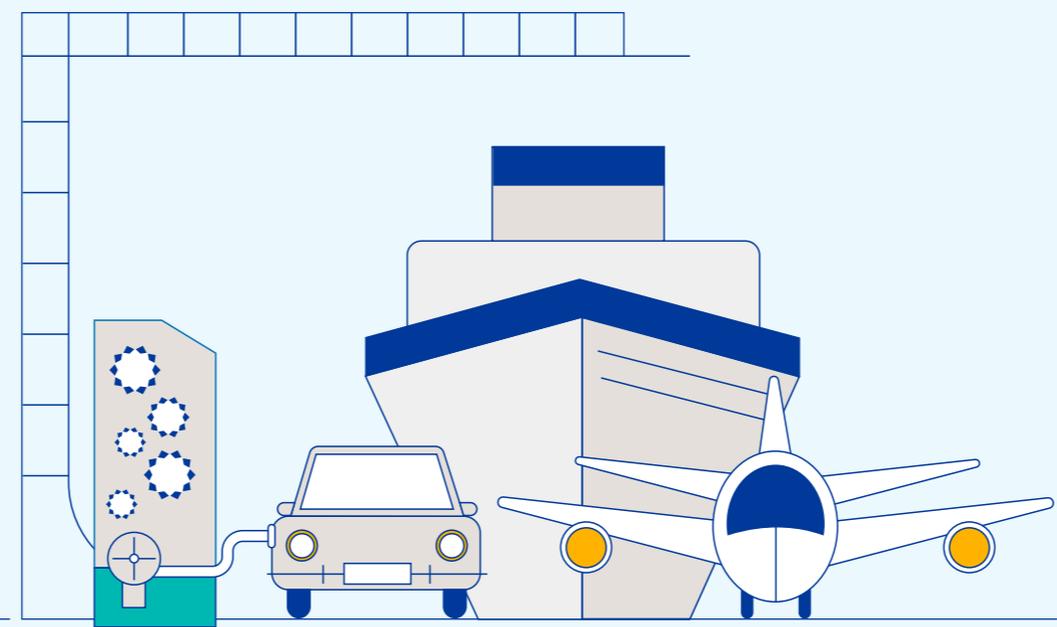
3 SYNTHESIS AND FURTHER PROCESSING

We combine the hydrogen with the CO₂ through a process called synthesis, obtaining e-Methanol, an e-Fuel that could be used as the final product (shipping fuel), or converted into other e-Fuels, such as e-Gasoline, e-Diesel, e-SAF (sustainable aviation fuel) or to make plastics.

We are pioneering a new industry and are committed to innovation. However, we are not experimenting with the unknown. We are using tried and tested technologies in new ways to produce innovative products.



The green hydrogen is combined with the captured CO₂ to produce e-Methanol in a reactor through a process called synthesis. Haru Oni's methanol-synthesis unit – built by Germany's MAN Energy Solutions – uses Johnson Matthey proprietary CO₂-to-methanol catalyst technology.



Once the e-Methanol is obtained, it can be further processed into other e-Fuels that can be used for different purposes.



e-Methanol

— The green hydrogen is combined with the captured CO₂ to produce e-Methanol in a reactor through a process called synthesis.



e-Gasoline
e-LG/ e-SAF /
e-Diesel / e-Naphta

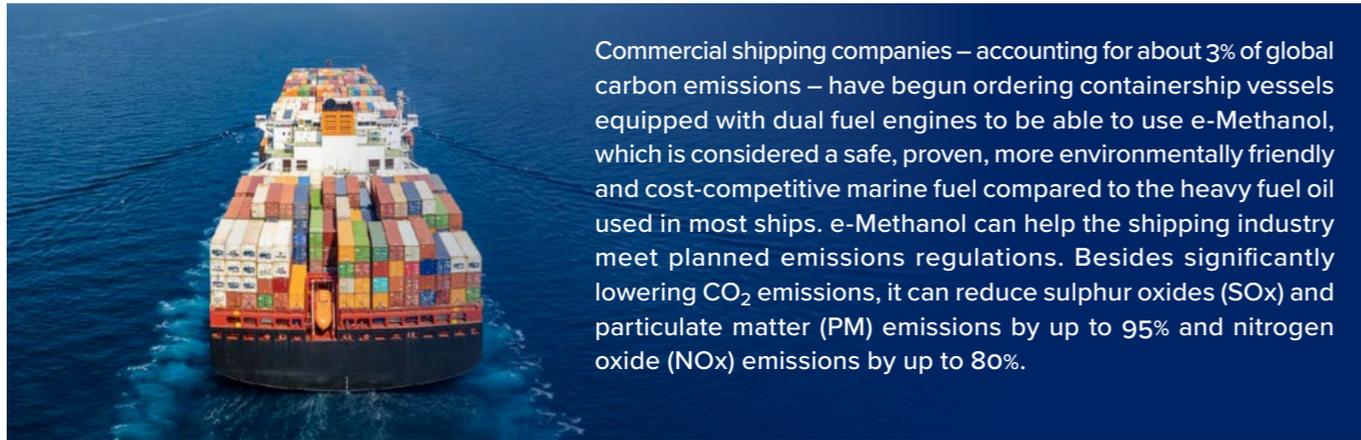
— Further processing produces other e-Fuels that can be used for different purposes: e-Gasoline for road transport, synthetic sustainable aviation fuel e-SAF for air transport and e-LG.



Applications

— e-Fuels can be used by cars, trucks, ships and airplanes as a complete replacement for fossil fuel.

e-FUELS APPLICATIONS



Commercial shipping companies – accounting for about 3% of global carbon emissions – have begun ordering containership vessels equipped with dual fuel engines to be able to use e-Methanol, which is considered a safe, proven, more environmentally friendly and cost-competitive marine fuel compared to the heavy fuel oil used in most ships. e-Methanol can help the shipping industry meet planned emissions regulations. Besides significantly lowering CO₂ emissions, it can reduce sulphur oxides (SO_x) and particulate matter (PM) emissions by up to 95% and nitrogen oxide (NO_x) emissions by up to 80%.



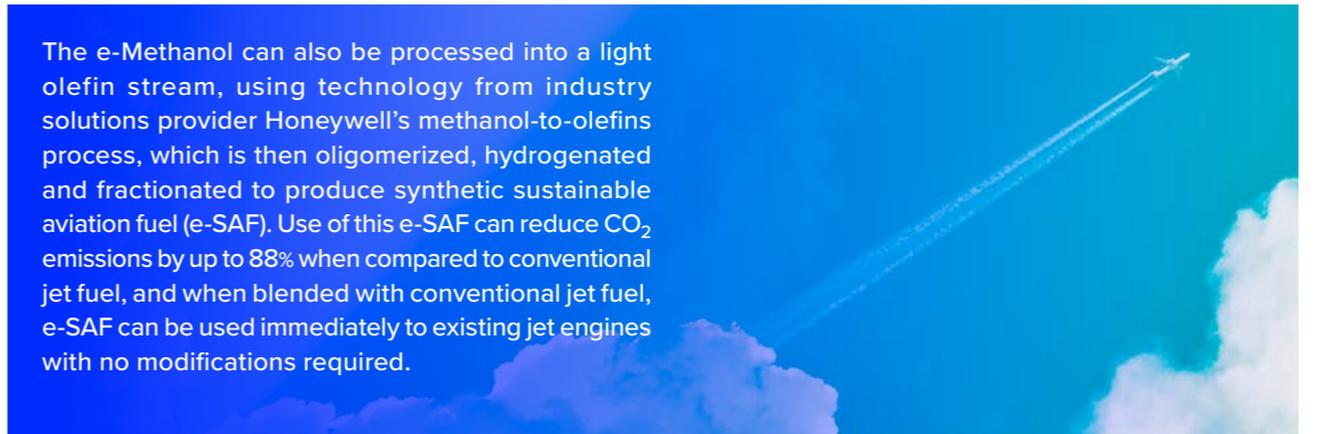
The proprietary methanol-to-gasoline (MtG) technology at the Haru Oni facility is provided by ExxonMobil, one of the world’s largest publicly traded energy companies. The synthetic gasoline (e-Gasoline) produced can displace conventional fossil fuels with no modifications required to engines or infrastructure and is being used by Porsche on its automobiles.



e-Liquefied Gas (e-LG) originates as a by-product during the synthetic MtG production process. As of October 2023, this gas, previously flared during the gasoline production process at Haru Oni, can be captured and stored thanks to a partnership between HIF Global and Chilean gas company Empresas Gasco. At a future date, the e-LG will be able to be blended with traditional liquefied gas for subsequent commercialization.

e-Fuels are chemically equivalent to conventional fossil fuels. They are compatible with existing applications, engines and infrastructure and can be used today.

In all cases, use of our e-Fuels releases the same amount of carbon dioxide that was initially captured, thereby establishing a carbon recycling system. Our “power-to-X” technology offers an integrated design that can process flexible feedstocks using commercially proven processes, resulting in operational reliability, minimized capital expenditures and low energy intensity.



The e-Methanol can also be processed into a light olefin stream, using technology from industry solutions provider Honeywell’s methanol-to-olefins process, which is then oligomerized, hydrogenated and fractionated to produce synthetic sustainable aviation fuel (e-SAF). Use of this e-SAF can reduce CO₂ emissions by up to 88% when compared to conventional jet fuel, and when blended with conventional jet fuel, e-SAF can be used immediately to existing jet engines with no modifications required.



SCALABILITY

We invested \$78 million to develop the world's first operating e-Fuels facility, Chile's Haru Oni, to show the world the pathway to harnessing renewable power and transforming it into transportable energy in the form of e-Fuel.

Haru Oni is where we learn lessons on e-Fuel development on a small scale, to then deploy this know-how on an industrial scale at our projects being developed around the world (see pages 25-28). Green hydrogen, e-Methanol, e-LG and e-Gasoline have all been tested and produced at Haru Oni and are ready for larger, commercial development at our other projects, depending on offtake demand. We intend also to deliver an e-SAF solution for airplanes before 2030.

In 2021, we signed a collaboration agreement with Magallanes University (UMAG) for the joint development of research and projects in renewable energy and synthetic fuels. We are looking at options to collaborate with different universities to run test facilities in the countries in which we will have operations.

Also in Chile, we developed an e-Fuels laboratory in partnership with UMAG and Empresas Gasco. The laboratory is used for Haru Oni-related research, development and innovation, and it works with university students for

knowledge transfer and graduate studies (see page 59). This laboratory also serves as a model that can be scaled up and used at our projects worldwide for the development of local technological hubs.

TOP-NOTCH INNOVATION TEAM

HIF Global has a small but versatile innovation team of six people in Berlin, Germany, led by Chief Innovation Officer (CIO) Rolf Schumacher.

The team is working on developing DAC technology and supporting our regional teams to complete the early-stage engineering of our proposed commercial-scale e-Fuel facilities. It performs production assessment and early concept studies based on different renewable sources and is researching the latest developments in technologies such as electrolyzers.

In its latest work on the Paysandú e-Fuels Facility in Uruguay, the team was able to develop a process flow diagram in just 12 weeks to define



“If we do the same as what others have been doing, then we’ll have no change. And change means we’re allowed to make mistakes. You have to take some risks to change the game.”

Rolf Schumacher, Chief Innovation Officer, HIF Global

the amount of renewable power input needed to drive the electrolyzer and determine how much e-Fuel can be produced. The innovation team can quickly produce supplier-neutral fundamental analysis, as the team has access to multiple technical fundamental studies from various technology suppliers. Accordingly the innovation team is optimizing the learning curve and facility configuration by collecting information from all the projects to have its own in-house modeling and to provide quality, reliable data for production assessment and efficiency.



Promoting an innovation culture

Gianmarco Rojel, a Chemistry and Environmental Engineering student at UMAG, worked on a thesis project together with HIF Chile to reuse salt from the Cabo Negro seawater desalination process to de-ice streets in Punta Arenas as a sustainable alternative to improve road safety during the winter.



STAKEHOLDERS

OUR PEOPLE

• Description •

Our 157 highly talented global employees are at the center of everything we do. They are dedicated individuals who drive innovation and take on pioneering challenges to be the pathfinders the world needs to decarbonize and drive a sustainable future.

We are committed to fostering work environments where our people can develop all of their potential and creativity through collaborative, respectful and diverse teams.

• Key topics •

- Safe and healthy work environments
- Work-life balance
- Diversity
- Competitive wages and benefits
- Business growth
- Learning opportunities
- Business ethics and code of conduct

• Engagement •

We encourage open-door communications within a horizontal business structure, promoting proactive dialogue to create an environment where people feel comfortable speaking openly.

The People & Culture team has in place engagement mechanisms such as one-on-one conversations and individual performance evaluations.

We also offer technical training and learning opportunities and foster a culture of knowledge.

We accommodate flexible ways of working to enable a healthy work-life balance and provide the tools to support remote work.



LOCAL COMMUNITIES

• Description •

We believe in open, respectful and direct communication with the communities where our businesses are located. It is essential to create networks and partnerships that foster strong relationships and thriving communities.

We look for opportunities to create shared value and a positive social impact in the areas where we operate by collaboratively contributing to education and development of skills while promoting local work opportunities.

• Key topics •

- Job creation
- Employment and cooperation opportunities
- Community investment
- Education and development of skills
- Environmental and social impacts
- Project updates

• Engagement •

Our commercial scale projects are in the design development stage and an essential part of the design process is early engagement with local communities to inform them about the emerging e-Fuels industry and ascertain their interests and considerations regarding these potential developments.

Our initial engagement focuses on frequent, honest and direct communication with local authorities and communities about our business and its possible impacts. Our communication activities range from distributing fact sheets and monthly newsletters to one-on-one conversations and large public meetings. In Chile, people have benefited from visits to Haru Oni and to the e-Fuels laboratory to learn firsthand about the e-Fuels production process.

As part of the community, we regularly participate in local events to build bridges and engage in spontaneous one-on-one conversations about our projects.

Our visible presence and open interaction with local residents open opportunities to directly answer queries and gain trust.

CIVIL SOCIETY ORGANIZATIONS

• Description •

Civil society organizations (CSOs) are a diverse set of non-profit organizations that operate independently from government. They are formed by citizens who come together to advocate for a common cause or interest.

In the regions where we operate, we engage with:

- Community organizations with a social focus
- Industrial associations or organizations
- Academic and educational organizations

• Key topics •

- Social development
- Environmental and social protection
- Job creation
- Technology development and knowledge creation
- Education
- e-Fuels industry development

• Engagement •

We actively engage with civil society organizations in the regions where we operate. The cross-sector relationships we forge with civil society groups enable us to play a more responsive, effective development role.

We organize meetings, events and open house sessions specifically to talk about e-Fuels production as well as our plans, and to receive feedback from civil society.

In 2023, we participated in numerous activities in different countries to update civil society organizations on our progress, meeting with universities, community organizations, school boards, chambers of commerce, charities, local clubs and business associations.

We also participate in different local and worldwide industry associations to promote the e-Fuels industry.

STAKEHOLDERS

CUSTOMERS

• Description •

Our customers are companies that seek to offer carbon-neutral solutions for their clients without making significant changes to their products or their clients' equipment.

We have signed several Memorandums of Understanding (MoUs) and Letters of Intent (LoIs) with potential customers in the shipping, aviation and fuel distribution industries.

• Key topics •

- Customer-focussed products
- Product quality (physical-chemical properties, "green" attributes, feedstock origin and product certification)
- e-Fuel regulations worldwide that affect supply, demand and prices
- e-Fuels offtake contracts
- Partnership opportunities to support decarbonization needs and objectives
- e-Fuels production scale-up opportunities to meet customers' future needs
- Geographical diversification opportunities

• Engagement •

We work closely with customers with whom we have an offtake agreement to tailor our e-Fuels production to their requirements.

We engage regularly with customers to:

- Prepare products to suits their needs
- Test product quality
- Coordinate product delivery
- Share updates on our Haru Oni e-Fuels Facility
- Share technological advances

The commercial team engages with potential customers by:

- Meeting regularly with companies with whom we have a MoU
- Meeting potential customers
- Onsite visits and meetings at our Haru Oni e-Fuels Facility
- Participating in business and industry forums
- Providing samples to potential clients for product testing, mainly e-Gasoline
- Sharing product technical specifications and lab analysis

GOVERNMENT AND REGULATORS

• Description •

In each country where we are present, we aim to maintain close relationships and open dialogue with national, regional or state, and local governments and regional governance organizations, as well as with regulatory entities. This helps us to effectively understand each area's priorities and topics of mutual interest, and to raise awareness and promote knowledge about the e-Fuels industry.

• Key topics •

- Compliance
- Labor practices
- Environmental protection
- Resources conservation
- Social protection
- Product safety
- Business practices
- Taxes
- Product certification

• Engagement •

We seek to actively engage with the governments of countries where we are present at both the national and local levels, as well as with the governments of countries where we have strategic interests. We interact directly, following the procedures established in each country, and we respond to the information requirements of the different government bodies.

We also interact with governments and related entities by participating in e-Fuels industry associations to drive development, generate knowledge and contribute towards public policy decisions.

We organize official visits to our Haru Oni e-Fuels Facility to raise awareness about the e-Fuels industry and the development opportunities it holds for other countries.

SUPPLY PARTNERS

• Description •

Our supply partners are suppliers of technology, construction, critical feedstocks and infrastructure with whom we maintain a close and collaborative relationship to address the challenges presented by the creation of this new industry.

• Key topics •

- Innovation and collaboration opportunities
- New technology development and testing
- Long-term relationships
- Competitive pricing
- Engineering

• Engagement •

Different areas of HIF Global regularly engage with our supply partners depending on the association (technological, construction, critical feedstocks or infrastructure) through meetings, workshops and onsite visits to Haru Oni, among other activities.



STAKEHOLDERS

POTENTIAL FINANCIERS, INVESTORS AND FINANCIAL ADVISORS

• Description •

We expect our potential financiers and investors will provide us with financial capital to grow and develop/build our projects.

Financiers can be banks, individual or institutional investors, venture capitalists, private equity firms and credit rating agencies.

We also work with financial advisors (Société Générale and Morgan Stanley) who support our project financing processes. They provide advice on raising project capital through debt or equity financing, or other means, and identify potential investors or lenders. They also analyze our projects' bankability and risks and help structure financing arrangements or contracts with suppliers.

• Key topics •

- Capital deployment
- HIF Global's role in the energy transition and its sustainability performance
- Financial performance and position, key risks and long-term viability
- Debt management
- Long-term value creation for all stakeholders

• Engagement •

We engage with potential financiers and investors to present our projects, understand their requirements and ensure access to capital. In 2023, we contacted more than 200 potential financial and strategic investors to raise capital. Our engagement involves:

- Presenting or giving updates on our projects
- Assessing the market to test potential financing structures
- Capital raising processes

We maintain open communication with our financial advisors to address their questions and considerations promptly. Meetings and presentations are held on a regular basis to ensure that HIF Global is developing bankable projects.



SHAREHOLDERS

• Description •

Our shareholders are AME, Porsche, EIG, Baker Hughes and Gemstone Investments. Most of them are represented on HIF Global's Board of Managers. Their continued support is key to our business's long-term sustainability.

• Key topics •

- Financial performance and long-term value
- Project updates and KPI achievements
- Services provision
- e-Fuels technology transfer and know-how sharing
- Further equity investment opportunities
- Long-term value creation for all stakeholders
- Financial return of investment

• Engagement •

Depending on their nature, different areas of HIF Global regularly engage with our shareholders. Activities include:

- Quarterly Board of Managers meetings
- Regular meetings between the Innovation, Engineering and Operations areas and Porsche and Baker Hughes to share know-how and support technological transfer
- Regular meetings with the finance area on project updates, financial matters and potential new partnerships with relevant financial or strategic industry players
- Briefings on marketing activities
- Site visits to our Haru Oni e-Fuels Facility to inform and help shape our strategy, including our value-based approach to capital allocation





03



HARU ONI

Haru Oni is the first operating e-Fuels facility in the world. It has been the place from which to learn and gain invaluable experience about the operation of e-Fuels facilities.



ABOUT THE FACILITY

**\$78 million**

Construction cost

**131,000 L/y**

e-Gasoline production

**323 tpa**

e-Methanol production

**3.4 MW**

Wind turbine capacity

**1.2 MW**

Electrolyzer capacity



Punta Arenas

Chile

KEY DATES



HARU ONI e-FUELS FACILITY

Clear proof that producing e-Fuels is possible to decarbonize the planet

Haru Oni is the world's first operating e-Fuels facility that provides highly innovative fuels to make decarbonization possible now. It was built in the Chilean Patagonia to harness the region's powerful winds and transform them into transportable energy in the form of e-Fuel. It comprises a 3.4 MW wind turbine to generate renewable energy, an electrolyzer to convert water into green hydrogen, a synthesizer to combine recycled carbon dioxide and the green hydrogen to create e-Methanol, and a plant that converts the e-Methanol into e-Gasoline and e-LG.

This pioneering facility is our proof that the technology exists here and now to produce synthetic e-Fuels, that can be used in existing vehicles and in aviation, maritime transport and other sectors to displace fossil fuels. This "proof of concept" is of utmost importance to our partners, e-Fuel offtakers and policy makers, the latter of which are charged with regulating this incipient business to ensure its sustainability and establish the bases for a healthy, thriving and emerging energy market.



Haru Oni is also our innovation workshop in which to learn and gain invaluable experience in the operation of e-Fuels facilities. Our plan is to deploy this know-how and replicate it on an industrial scale at our portfolio of projects being developed around the world.

The facility produced its first liters of e-Gasoline in December 2022. It was successfully tested in a Porsche 911 with no modifications required to the car's engine or infrastructure.

In March 2023, HIF Chile produced and exported its first batch of e-Gasoline to the United Kingdom to be tested by Porsche, followed by another batch in May. In November 2023, HIF Chile exported its first commercial shipment of 24,600 liters of synthetic gasoline from Punta Arenas' Mardones Port. That shipment was used by Porsche in its Experience Centers and the Porsche Mobil 1 Super Cup.



“When I was a child, windy days used to bother me. No longer – now it means we have e-Fuels production that’s contributing to a better future.”

— *Silvana Cárdenas studied chemical engineering at Magallanes University and, as HIF Chile's process engineer, is in charge of ensuring the right e-Gasoline blend to meet Porsche's exacting specifications. As our modern-day “alchemist,” she works to turn wind, water and carbon dioxide into e-Fuels.*

BACKED BY A ROBUST TEAM OF EXPERIENCED INTERNATIONAL PARTNERS

HIF Global has teamed up with world-renowned actors, market leaders in their respective categories, to bring Haru Oni to fruition.

HIF Global	Owner and lead developer of Haru Oni after conducting studies to develop e-Fuels projects in Magallanes.		
ENAP	Chile's state-owned oil company provides infrastructure and logistics support.	Porsche	The world's largest sports car manufacturer contributes with research and an offtake agreement to test and purchase Haru Oni e-Gasoline.
Siemens Energy	A global leading energy technology provider, participated in the facility design and technology integration, supplying the electrolyzer and wind turbine.	Enel Green Power	A global renewable energy leader and our partner in HIF Chile's wind power generation and green hydrogen production.
Empresas Gasco	A leading Chilean gas distribution company, provides research and development in e-LG production.	Sinopec	A Chinese oil and gas corporation, supported the implementation of MtG technology in the facility.
ExxonMobil	One of the world's largest publicly traded energy providers and chemical manufacturers, provides the facility with methanol-to-gasoline (MtG) technology.	Johnson Matthey	A British supplier of chemicals, technologies, equipment and advisory services, supports methanol synthesis.

Certified sustainability

Haru Oni obtained the International Sustainability and Carbon Plus Certification (“ISCC Plus”) in May 2023, making it Latin America’s first “power to X” facility to obtain such certification. This voluntary certification, to be renewed yearly, verifies the methodology to assess the sustainability and traceability of the product’s supply chain, from the origin of the raw materials, through the production process, to distribution to the end consumer. The purpose of this is to measure the responsible use of inputs and the reduction of greenhouse gas emissions in the production process.

The audit was carried out by the German TÜV SÜD Industrie Service, which reviewed the safety, quality and sustainability of Haru Oni’s products and management systems.

Why Chilean Patagonia?

The Haru Oni site was chosen largely based on one element: wind. The Magallanes Region boasts one of the world’s strongest and most constant wind flows, inspiring us to seek how to “bottle” this natural source of dependable, renewable energy, giving rise to the Haru Oni e-Fuels Facility. Our 3.4 MW Siemens Gamesa wind turbine takes advantage of robust wind capacity to power the electrolyzer, lowering the operating costs of turning water into hydrogen at zero emissions.

The wind turbine’s capacity factor – or the average power output divided by its maximum power capability - averages about 71%. In comparison, the capacity factor of land-based wind in the United States varies from 21% to 52% and averages 35%.¹

That wind will also be used to power a battery energy storage system (BESS) solution, which we plan to deploy in 2024 to feed the turbine and the facility when the turbine is off-line.

Punta Arenas also has a history of petrochemical, oil and gas development, thereby providing us with a rich source of local talent. The majority of our 22 employees that work at the Haru Oni e-Fuels facility come from the Magallanes Region.

The industrial development means the region has existing port infrastructure and logistics which can be adapted or adjusted at minimal cost for the export of our e-Fuels.

¹ Source: University of Michigan Center for Sustainable Systems, “Wind Energy Factsheet,” <https://css.umich.edu/publications/factsheets/energy/wind-energy-factsheet>



Technological innovation

At Haru Oni, we bring several technological innovations together to obtain unique products that help to decarbonize the world. Producing e-Methanol reduces technical risks when compared to hydrogen as it does not require high pressures or low temperatures for storage and is easier to transport, while also allowing for longer-term development of products such as synthetic sustainable aviation fuel (e-SAF), e-Diesel and e-Naphta. This facility combines the most reliable technology for later deployment in industrial-scale production.

Direct air capture

HIF Global is working with two partners, Volkswagen Group and Porsche, for the launch of a direct air capture (DAC) unit to extract carbon dioxide from the atmosphere, which will be installed at Haru Oni.

The DAC, slated for launch in early 2025, would capture up to 600 metric tons per annum of CO₂. Once proven, the idea is to scale up this solution at our other global projects.

Empresas Gasco

In October 2023, HIF Global announced a milestone with Empresas Gasco: the production of the first molecule of synthetic liquefied gas (e-LG) at Haru Oni. The e-LG is generated as a by-product of the process to convert e-Methanol into e-Gasoline, allowing gas that was previously flared to be captured and reused.

Gasco's \$3 million R&D investment forms part of an agreement signed in 2021 between both companies to promote a more sustainable gas that can be used, stored and transported as conventional liquefied gas, without any modifications needed to infrastructure, capacity or equipment.

Stakeholder engagement

Our Haru Oni e-Fuels Facility provides an ideal vehicle to actively engage with local stakeholders – Magallanes regional government bodies and authorities, schools and businesses, Punta Arenas residents and particularly the livestock farmers (“*estancieros*”) on whose land we have developed our project - on the emerging e-Fuels industry. We have connected with the *estancieros* to explain our business and negotiate fair leasing values for our properties, and we have scheduled regular visits to the facility for community members to observe operations first-hand, learn about the process and have any questions answered. For further information, see the “Communities” section on pages 53-59 and the “Chile Cabo Negro e-Fuels Facility” section on pages 33-35.

Our scope also includes the national and international community to share our vision of how to decarbonize the planet now with minimal environmental impact. Haru Oni seeks to share knowledge with different stakeholders while promoting the development of this new industry in terms of regulations and public policies, establishing alliances, implementing new technologies and driving innovation, education and the development of new skills.

In 2023, we received over 1000 visitors at Haru Oni from the Americas, Europe and Asia-Pacific, including international media, a delegation from the United

Nations Climate Change Conference (COP28) and high-ranking officials such as Chile’s President Gabriel Boric. Among industry actors are executives from Japan’s biggest fuel companies and from Forico, Tasmania’s largest private forestry manager, with whom we subsequently partnered to develop Australia’s first e-Fuels production facility (see page 38). Other distinguished visitors include executives from the Mærsk Mc-Kinney Møller Center for Zero Carbon Shipping, German Parliamentarian Steffen Bilger and specialized delegations from different countries.

We have also established a cutting-edge laboratory for e-Fuels research in collaboration with Magallanes University, combining our facility operations with the academic sphere (see box).

Environmental aspects

The Magallanes Regional Environmental Commission unanimously approved our Environmental Impact Declaration (DIA) in May 2021 to build Haru Oni. The facility is relatively small in scope – producing about 300 liters a day of e-Gasoline – and does not require mass infrastructure such as pipelines to transport e-Fuels or large volumes of inputs.

The Haru Oni facility trucks its final product to port for export to Porsche in Europe. The biogenic CO₂ used at the facility is trucked in from a third-party supplier and the water supply is sourced from the local utility, Aguas Magallanes.

For further information, see the “Environment” section on pages 60-65.



Alliance between private sector and academia

Our e-Fuels laboratory was developed together with Magallanes University and Empresas Gasco. The laboratory is operated by six local professionals and is used for Haru Oni-related research, development and innovation, with daily samples collected from the facility to test e-Gasoline blends. The laboratory also works with university students for knowledge transfer and graduate studies, ensuring local development of the human capital needed to drive the e-Fuels industry.



04



OUR PROJECTS

We are developing a portfolio of e-Fuels projects around the world, in places where we find the best combination of low-cost renewable resources, dependable regulatory regimes and favorable construction and operating conditions that allow us to minimize environmental and social impacts.



Artist rendition of the Matagorda e-Fuels facility.

ABOUT THE FACILITY

**\$7.5 billion**

Construction cost

**1.8 GW**

Electrolyzer capacity

**1.4 Mtpa**

e-Methanol production

**2 Mtpa**CO₂ captured**MATAGORDA e-FUELS FACILITY***First facility on track for FID*

Our most advanced commercial-scale project is in Matagorda County, Texas, bordering the Gulf of Mexico in the south-central United States.

The planned 445-hectare site is 22 kilometers southwest of the county seat Bay City, a town of 20,000, in a primarily agricultural area that is adjacent to the South Texas Project (STP) nuclear power facility.

The Matagorda e-Fuels Facility is designed to produce 1.4 million metric tons per annum of e-Methanol for use by the shipping industry as an e-Fuel. For our second facility in Texas, we are evaluating the production of synthetic sustainable aviation fuel (e-SAF) for the aviation industry.

We plan to transport Chemical Grade AA e-Methanol by pipeline to a Gulf coast terminal in a neighboring county for distribution by existing rail or shipping services to final customers.

In April 2023, we secured the air permit from the Texas Commission on Environmental Quality authorizing the facility's construction. The permit completes the review of the facility's design and proposed operation's compliance with US Environmental Protection Agency Clean Air Act Regulations.



Artist rendition of the Matagorda e-Fuels facility.

In December 2023, we signed a Letter of Intent (LoI) to negotiate a sale and purchase agreement for e-Methanol from the facility with Japanese energy company Idemitsu Kosan and to study the joint development of the e-Methanol business to accelerate the production of e-Fuels.

We expect to complete the facility's final engineering in the 2024, paving the way to close offtake agreements and achieve a final investment decision.



Why Matagorda?

The United States has a robust and efficient regulatory framework, together with fiscal incentives such as the US Inflation Reduction Act (IRA) which promotes the production of renewable hydrogen and the utilization of carbon dioxide. In addition to the federal incentives, the state of Texas, Matagorda County and the local school districts have worked together in order to support the project by providing multiple tax abatements. These abatements were a key factor in locating the facility in Matagorda County.

Power

Texas has among the world's finest wind and solar resources, providing competitive pricing and high plant capacity rates. The Electric Reliability

Council of Texas (ERCOT), an open power market which manages the state's electrical grid, allows users to select power providers and the fuel generation mix.

In 2023, we began negotiating power purchase agreements (PPAs) with wind and solar developers to supply our facility with 2 GW of baseload renewable power. Our power supply portfolio combined with access to 11 nearby 345 kV transmission lines is designed to meet evolving low-carbon certification standards in the US, European and Asia Pacific markets as well as the requirements of the US Inflation Reduction Act (IRA).

Water

In January 2024, we signed an agreement to obtain operational water from the Lower Colorado River Authority (LCRA), a nonprofit public utility that manages water resources for industrial, residential, agricultural and recreational use. In addition, we are also developing plans to drill three deep water wells - that go below the water table that farmers use - to supplement the required process water with brackish water.

Carbon dioxide

Matagorda has good access to industrial and biogenic carbon dioxide sources and existing CO₂ pipeline infrastructure. Our site is less than 125 kilometers from two different CO₂ pipeline networks that span over 1,250

kilometers, providing the potential to scale up volumes.

In 2023, we advanced negotiations or signed Memorandums of Understanding (MoUs) to acquire CO₂ from several suppliers for the Matagorda facility.

Logistics

Matagorda's proximity to existing power transmission and CO₂ pipeline infrastructure reduces capital and operational costs as well as environmental and social impacts.

Likewise, Gulf coast ports in neighboring counties provide access to global markets and local rail services within 75 kilometers of the facility to domestic markets.

TECHNOLOGY PARTNERS

Our experienced team is working with internationally renowned technology partners to ensure our Matagorda e-Fuels Facility operates to the highest levels of business efficiency.

Bechtel	US engineering, procurement and construction company Bechtel is completing the front-end engineering design (FEED).
Topsoe	Denmark's Topsoe is providing the licensor technology for methanol synthesis with a proprietary catalyst under a supply agreement.
Siemens Energy	Germany's Siemens Energy is supplying 1.8 GW of electrolyzer capacity manufactured at its new factory in Berlin, inaugurated in November 2023.
Baker Hughes	Texas-based Baker Hughes is providing hydrogen compression that will take atmospheric hydrogen from the electrolyzers and compress it to feed the methanol synthesis process.

Community engagement

Matagorda County is 4,175 square meters and is home to 36,000 people. It is traditionally an agricultural area, with extensive rice production as well as livestock farming, and a growing renewable energy presence.

We believe supporting and building strong relationships with the community in which we live and work is fundamental to our success. Our priority from an early project stage has been understanding and actively engaging and educating the community about the Matagorda e-Fuels Facility.

Our main local stakeholders encompass representatives of state and county government bodies, school and hospital districts, courts and other Matagorda institutions and businesses as well as the farmers and families that make up the small agricultural communities around our proposed site. We regard them as project allies who must be regularly informed about project developments.

We began community outreach activities in 2021, increasing engagement as we drew closer to an investment decision. In 2023, we participated in approximately 50 meetings and events in Matagorda to educate and provide updates about the project and to support local events and charitable activities (for more

information, see pages 58-59 in the “Communities” section).

Local job creation is a key community interest. We have begun engaging with local colleges and schools to define the education and skills required for the facility’s construction and operational phases with a view to creating centers of excellence.

Likewise, our engagement with local chambers of commerce seeks to identify businesses in Matagorda County that can provide us with goods and services.

In the construction phase, we estimate the Matagorda e-Fuels Facility will generate a peak of 4,000 jobs. Once in operation, we expect to generate approximately 140 direct jobs.

Environmental aspects

Our engagement has sought to inform the community about the emerging e-Fuels industry and technology and to explain how the process and facility design minimizes pollutant emissions and emphasizes water efficiencies (for more information, see page 65).

At Matagorda, we have minimized water usage in various ways. The project design was modified to allow for wet surface air coolers instead of

a cooling pond to minimize losses due to evaporation. The facility is also designed to treat and reuse wastewater that is generated by the production process. Our use of brackish water from deep-water wells, which is unsuitable for irrigation, also aims to reduce surface water usage.

We have discussed the potential increase in traffic with the community, noting that this is typical with large-scale projects. We have committed to work with nearby facilities and local officials to minimize the impact as much as possible. Where feasible, we take action to prevent impacts by providing input to roadworks about HIF’s logistics weight and height restrictions to prevent later disruptions. We will put in place traffic management plans to optimize traffic flows and are committed to upfront and clear communication on this matter with communities.



ABOUT THE FACILITY

**\$1.3 billion**

Construction cost

**242 MW**

Electrolyzer capacity

**175,000 tpa**

e-Methanol production

**215,000 tpa**CO₂ captured

Chile

Punta Arenas

CHILE CABO NEGRO e-FUELS FACILITY

| Harvesting the world's best winds

The first commercial-scale e-Fuels facility in Chile includes:

- The 64-turbine Faro del Sur Wind Park to be located at the 3,615-hectare Tehuel Aike Estate just outside the city of Punta Arenas in Chile's southernmost region of Magallanes.
- The Cabo Negro e-Fuels Facility – where we expect to produce e-Methanol, e-Gasoline and e-Liquidified Gas (e-LG) – to be located in a 58-hectare greenfield area about 14 kilometers south of the wind park and adjacent to existing industrial facilities.

This project is the only one in our portfolio to date, apart from the Haru Oni e-Fuels Facility, that incorporates power generation. The wind park will be comprised of 64 6 MW turbines for total installed capacity of 384 MW. That renewable energy is expected to be transported via a 110 kV, 12.3-kilometer underground transmission line to power the e-Fuels facility.

The two main sources of carbon dioxide will come from a biomass boiler or imported by ship as liquid biogenic CO₂. Direct air capture (DAC) units – the development of which we are working on with partners – is expected to complement the CO₂ supplies. The environmental impact study (EIS) also enables us to import liquid CO₂, for which we are exploring additional opportunities.

We expect to produce approximately 175,000 metric tons per annum of e-Methanol. We are considering synthesizing the e-Methanol into e-Gasoline and e-LG but the model remains flexible to adjust to eventual offtake agreements.

The e-Fuel will be transported by pipeline to the Cabo Negro Terminal, located approximately 2 kilometers from the facility.

In 2023, we submitted the project's environmental and social impact studies to authorities for approval. We expect to complete the facility's final engineering, to then close offtake agreements and approve investment in the \$1.3 billion project.



Artist rendition of the Cabo Negro e-Fuels facility.

ENAP: A solid local ally

Chilean state-owned oil company ENAP is a significant ally of ours for the Chile Cabo Negro e-Fuels Facility project. The Cabo Negro facility will be located in ENAP's Cabo Negro Industrial Complex, and negotiations are currently underway with ENAP to define the Cabo Negro Terminal use agreement terms. In December 2023, we signed a Memorandum of Understanding (MoU) with ENAP for it to distribute 22.5 to 37.5 million liters per year of the facility's e-Gasoline throughout the country. Other collaboration opportunities are being explored regarding future HIF facilities in southern Chile.

Why Chile?

There is broad political support in Chile to address climate change and an awareness of the steps needed to lower carbon emissions, as well as the business opportunities for doing so. In 2023, 63% of the country's installed power generation capacity came from renewable energy. In 2020, it launched a green hydrogen strategy to take advantage of its abundant natural resources, and the government aims to have 80% of energy consumption coming from renewable power sources by 2030.

In 2022, Chile also passed a climate change law which calls for a consistent lowering of greenhouse gas emissions until reaching carbon-neutrality by 2050.

In December 2023, as part of H2V Magallanes Association, we signed a unique agreement with Chile's government to accelerate the hydrogen derivatives industry in the Magallanes Region. H2V Magallanes is an association that brings together the main green hydrogen project developers in Magallanes, whose president is our Chief Strategy Officer, Juan José Gana.

Chile's Magallanes Region boasts the world's best wind energy.

Water

The Cabo Negro facility's water needs are expected to be partially met by a desalinization plant, treating seawater from the Strait of Magellan. The main water supply will be treated and recycled process water coming from our own operations.

We are also negotiating with ENAP for the use of its port facilities in Cabo Negro to export our product. These facilities will connect to existing infrastructure, so no additional permitting is expected to be required, optimizing its use.

Power

Chile's Magallanes Region boasts the world's best wind energy. The wind turbines' capacity factor is expected to average around 60% at our 384 MW off-grid Faro del Sur Wind Park, which will to be used to power all of Cabo Negro, particularly the electrolyzers which will to use around 80% - 90% of the power consumption. Grid stability services will be provided by a battery energy storage system (BESS) and a steam turbine fueled by the heat from biomass boilers.

We will also capture, treat and reuse the moisture content in the biomass. Makeup water will be sourced from the sea, with a commitment to Zero Liquid Discharge (ZLD) at the facility.

Logistics

Punta Arenas has a history of petrochemical development, so local industrial know-how exists and synergies can be realized with existing infrastructure and little intervention needed. In April 2023, we signed a joint development agreement with ENAP and two other green hydrogen developers for preferential rights to use port infrastructure for imports at ENAP's Laredo Wharf, located just over 1 kilometer from Cabo Negro.

Community engagement

The city of Punta Arenas, with a population of about 132,000, is located on the Strait of Magellan between the Pacific and Atlantic oceans and is considered the world's southernmost large city. Petrochemical development has taken place since the mid-20th century in the region and its windswept *pampa* (grass plains) hosts important sheep-raising activities. It is a gateway for tourists looking to explore Patagonia with about 10,700 people visiting during the 2022-2023 high season. The Magallanes Region enjoys the lowest rates of poverty and crime in Chile.





It is our priority to be a trusted neighbor and maintain respectful, honest dialogue with local communities. Our initial engagement in Magallanes has focused on informing local stakeholders about the Chile Cabo Negro e-Fuels facility project, obtaining feedback and managing expectations. Responding to people's considerations, education and capacity-building to prepare the region for this emerging industry are also a priority.

Much of this began when we started the Haru Oni e-Fuels Facility, located in the same area, which has been an invaluable investment to show firsthand how e-Fuels are produced.

In 2023, we completed the voluntary Early Citizen Participation Process, begun in 2022, to engage local communities and inform them about the

project, the environmental assessment and management aspects, answer questions and address considerations.

In December 2023, the competent authority (SEA) completed the mandatory Citizen Participation Process for Cabo Negro, where no new issues were raised apart from those identified during the early engagement process. The mandatory process for Faro del Sur concluded in February 2024 with similar results.

A key area of interest is local job creation and capacity building. We have already begun knowledge transfer and training initiatives to help us meet our commitment to hire and develop local talent (see pages 58-59).

A key step in this direction is our collaboration with Magallanes

University dating back to 2021 involving joint research and development projects, as well as the exchange of students, professors and researchers. The Haru Oni e-Fuels laboratory, installed on university grounds, plays a vital role in developing local e-Fuels knowledge and skills.

We expect the Cabo Negro e-Fuels Facility to generate an average of 600 jobs – with a peak of 1,200 – during the construction phase and a minimum of 100 direct jobs once operational. Another 310 jobs are expected for construction of the Faro del Sur Wind Park and 34 direct jobs once operational.

Job creation and capacity building is a key area of interest. We have already begun initiatives to meet our commitment to hire and develop local talent.

Environmental aspects

We originally submitted the EIS for our Faro del Sur Wind Park in August 2022. However, environmental and community organizations as well as public organisms expressed doubt over some of the project's possible environmental impacts, particularly on migratory birds. Although the EIS met all regulations and included all seasonal bird monitoring campaigns required by the authority, we voluntarily withdrew it in October 2022 to address considerations.

We established a working group to undertake further studies and communicate proposed actions to protect the community and the environment, including technology to halt the turbines' blades when a flock of birds is detected nearby. Faro del Sur's EIS was resubmitted in December 2023.

We submitted the EIS for the Cabo Negro e-Fuels Facility in October 2023.

Other environmental issues raised by the community relate to water use, the desalination process's impact on marine life, and increased vehicle traffic resulting from facility construction – all of which we have sought to address in close interaction with the community.

See the "Environment" section on pages 60-65 for further information regarding proposals to address these considerations, including utilizing the salt resulting from our desalination process to melt ice on roads.

ABOUT THE FACILITY

**\$4 billion**

Construction cost

**1.1 GW**

Electrolyzer capacity

**560,000 tpa**

e-Methanol production

**900,000 tpa**CO₂ captured**PAYSANDÚ e-FUELS FACILITY***Tapping into abundant CO₂, water supply and renewable energy*

In June 2023, we announced our expansion to Uruguay after winning a competitive process conducted by sustainable agroindustrial firm Alcoholes del Uruguay (ALUR) - partly owned by ANCAP, a state-owned public company - for the purchase of 150,000 metric tons per year of biogenic carbon dioxide.

We have selected a 442-hectare site on the outskirts of the city of Paysandú, which borders the Uruguay River in the country's northwest, to install our facility. It lies 6.5 kilometers north of ALUR's facility, and within easy reach of rail and river transport services.

In August, we began in-house basic engineering, carried out by HIF Innovation (based in Germany) and the HIF Latam Technical Team. The knowledge transfer benefits allowed us to rapidly complete this stage and start final engineering at the beginning of 2024.

The \$3.6 billion facility has been designed to produce either e-Methanol, e-Gasoline, e-Kerosene or e-LG as final e-Fuel products. Its expected capacity is either 560,000 metric tons of e-Methanol or 270 million liters of e-Fuels per annum.

The e-Fuel will be transported from Paysandú by train to the Port of Montevideo, 500 kilometers away on the Atlantic coast for distribution to final customers. We have signed a memorandum of understanding (MoU) with Grupo RAS to secure capacity at the port and provide logistical services.

Why Paysandú?

Uruguay has an efficient and robust regulatory framework as well as an attractive corporate tax framework.

As in our other selected sites, Paysandú offers excellent access to the three main inputs needed to produce e-Fuels – renewable energy, water and carbon dioxide – helping to reduce the project’s environmental and social impacts as well as lower operating costs.

Power

Paysandú has favorable wind and solar resources for renewable energy generation. Relevant infrastructure, such as wind measuring masts, are already installed in the area. We have signed letters of intent (LoI) with different renewable energy developers to supply us with 2.7 GW of power through power purchase agreements (PPAs).

Uruguay’s national grid is almost entirely renewable, based mainly on hydro generation but also wind and solar. We are considering an interconnection to the national grid for approximately 200 MW. Grid stability services are also expected to be provided by three steam turbines fueled by the heat from waste biomass boilers.

Water

The Uruguay River has a flow of 600,000 liters per second at its lowest point in the year. We plan to use approximately 50 liters per second, which is less than 0.01% of this abundant resource, in our production process. An onsite treatment plant will treat this intake as well as process wastewater to ensure high reuse rates.

Carbon dioxide

A fifth of our CO₂ requirements are expected to be captured from the bioethanol process and boilers at ALUR’s facility and piped a short distance to our process site. We have signed LoIs with other third parties to supply waste biomass for our remaining CO₂ needs which are expected to be

captured onsite by three biomass boilers. Paysandú Department has significant sources of residual forestry and agricultural biomass.

Agroindustrial area

Paysandú Department has a strong agroindustrial history, providing both infrastructure and human capacity benefits, with residents open to well-managed new industries that could increase economic activity. The state-run railway AFE provides an existing form of transport to the country’s main port in the capital, Montevideo, although rail infrastructure improvements are required. There is also connectivity by barge along the Uruguay River.

IMPORTANT LOCAL ALLIANCES

ALUR	Alcoholes del Uruguay (ALUR), part of state-owned ANCAP, runs an agribusiness and awarded HIF Global a tender to acquire 150,000 metric tons per year of biogenic CO ₂ , supplying a fifth of our CO ₂ input needs.
ANCAP	A diversified, industrial state-owned group responsible for satisfying approximately 45% of the country’s energy matrix. It plays a significant role in the production of fuels and biofuels.

Community engagement

A city of some 100,000 people, Paysandú enjoyed an agroindustrial boom in the 1970s and 1980s. The production of woolen and leather goods, beer and cement continue today.

In November 2023, we kicked off community engagement with an open house event to present HIF Global, the e-Fuels industry and the Paysandú project to a cross-section of stakeholders including civil society, business people, academia, farmers and local and national government authorities. In December, we followed it up with a second session to address questions raised in the first session and deepen and broaden engagement.

Participants regarded the project’s potential to create jobs, reactivate the local economy, promote infrastructure improvements and foster technological innovation as opportunities for the region. The main consideration were related to the project’s impacts on the environment, traffic and local services as well as the challenges to ensure it brings benefits through training and developing local supply chains.

We estimate the Paysandú e-Fuels facility will generate more than 3,000 direct jobs during construction and a minimum of 140 direct permanent jobs once in operation. In line with



our other projects, HIF Global will work with local authorities, agencies, and civil society organizations for our activities to open opportunities for local employment and businesses.

Environmental aspects

A key consideration revolves around the intake and discharge of water for production purposes. Paysandú is not in a water-stressed area, and our project needs represent a tiny fraction of the Uruguay River’s flow.

Our facility design aims to incorporate high standards of water efficiency and reuse. As an example, we will be using air cooling (rather than water cooling) to reduce water intake requirements. The Paysandú facility will treat wastewater to maximize

reuse rates and any discharges will be kept to a minimum and fall within environmental norms.

We aim to address these and other environmental considerations – such as questions about an e-Fuels facility’s potential emissions – as we engage further with the community and advance project design.

Mandatory citizen participation will take place as part of our application to change our site’s land-use permit from rural to industrial and the environmental impact approval process. We expect to submit the facility’s environmental impact study in the second half of 2024 and for the approval process to take 12 months.

ABOUT THE FACILITY

**\$2.0 billion**

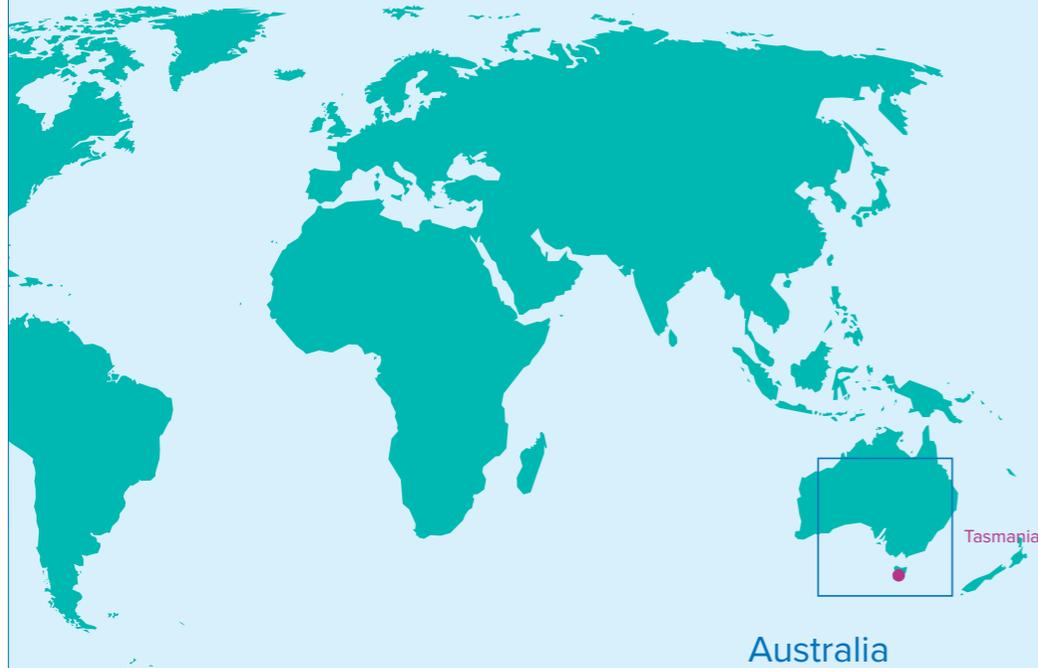
Construction cost

**235 MW**

Electrolyzer capacity

**300,000 tpa**

e-Methanol production

**415,000 tpa**CO₂ captured

Australia

Tasmania

TASMANIA e-FUELS FACILITY*Our pathway to Asian markets*

The HIF Tasmania e-Fuels Facility in Australia is our first commercial-scale e-Fuels project in the Asia Pacific region and geared towards markets such as Japan, South Korea, Singapore and India.

The planned site is on 50 hectares of land on the Surrey Hills estate, managed by Tasmania's largest private forestry company Forico, 30 kilometers south of the port of Burnie in northwest Tasmania.

In November 2023, we signed a Memorandum of Understanding (MoU) with Forico to support the development of Australia's first e-Fuels production facility. The agreement covers the use of the Surrey Hills plantation site, supply of biomass and water, and potential investment in the project.

The facility is designed to have the capacity to produce up to 300,000 metric tons of Grade AA e-Methanol per annum. The e-Fuel will be transported to Burnie port for distribution to final customers.

In 2023, we advanced the facility's preliminary engineering, including a formal technology selection process, which we expect to complete in early 2024. We expect to commence final engineering studies to reach an investment decision by 2026.



Artist rendition of the Tasmania e-Fuels facility



Water

Forico holds commercial water rights in excess of their Surrey Hills chip facility's operating requirements. Under their water license, Forico extracts water from the Emu River and pumps it 3.4 kilometers to the chip mill, adjacent to our site. The excess volumes will cover the Tasmania e-Fuels Facility's anticipated water requirements of 1,400 million liters per annum of water. Forico currently uses a small fraction of its 3,500 million liters per annum allocation under the Tasmanian government's water license. We intend to take advantage of the existing infrastructure and only build a connecting water pipeline to our site.

The project design incorporates recirculation and reuse measures to reduce freshwater use, including a wastewater treatment plant to optimize recycling rates.

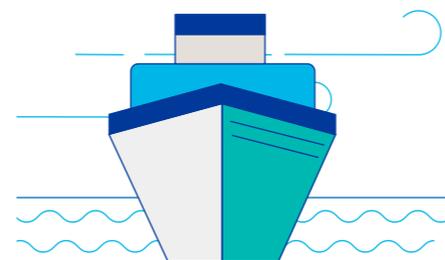
Northwest Tasmania has a temperate climate with frequent rainfall.

Power

Northwest and west Tasmania are emerging as a center for renewable energy development with existing and new wind farms under assessment and significant potential for pumped hydro energy storage. The state's grid is mainly powered by hydro generation.

These are optimal renewable resources to supply our facility with up to 320 MW of renewable power. In 2023, we began negotiating power purchase agreements (PPAs) with wind farms under development in the state.

The electricity will be delivered by grid-connected transmission infrastructure, incorporating a new switching station and 220 kV transmission line. As with our other projects, firming arrangements will be put in place to manage renewables intermittency and spot market prices.



In December 2023, HIF Tasmania e-Fuel Facility has been shortlisted for the Australian Government's \$2bn Hydrogen Headstart funding program. The program, run by the Australian Renewable Energy Agency (ARENA), aims to catalyze Australia's hydrogen industry to take advantage of the country's unparalleled opportunity to be a global hydrogen leader. HIF Tasmania is one of the six projects selected, the only e-Fuel project and the only one based in Tasmania.

IMPORTANT ALLIANCES

Teaming up with Forico

Forico is Tasmania's largest private forestry manager. Its globally certified forests consist of 89,000 hectares of plantation for wood fiber production and 77,000 hectares of natural forest managed for conservation, biodiversity and cultural values. We have signed a MoU with Forico covering our proposed site, biomass and water supply. It is also a potential project investor.

Strategic cooperation with Idemitsu Kosan

In April 2023, HIF Global and energy company Idemitsu Kosan announced a strategic cooperation agreement focus on the purchase of e-Fuels by Idemitsu from HIF e-Fuels facilities worldwide, co-investments in HIF e-Fuels facilities and new facilities in Japan, and supply of recycled carbon dioxide from Japan for use in the e-Fuels production process.

HIF Global and ENEOS agreement

In October 2023, HIF Global signed a cooperation agreement with ENEOS, Japan's largest petroleum refiner, to promote the sale of e-Fuels in Japan. The agreement focuses on the supply of e-Fuels from our portfolio of projects in Australia, the United States and South America.

It also covers the possibility of establishing a carbon dioxide supply chain from Japan and the potential development of production facilities in Japan to convert e-Methanol from HIF's facilities to e-Gasoline or e-SAF.

Why Tasmania?

Australia is a major exporter of natural resources, such as gas, coal and iron, and has developed a long tradition of trading with countries in the Asia Pacific due to their geographical proximity. Our site in Tasmania will help us to tap into these markets as they deepen their transition to green fuels.

The site's location is ideal for sourcing carbon dioxide, water and renewable power, the three main inputs to produce e-Fuels. This will help drive down operating costs and minimize impacts on the environment and surrounding communities.

Carbon dioxide

Tasmania has a substantial forestry industry to source nearby biomass. Our MoU with Forico envisages the supply of biomass for our CO2 needs from the Surrey Hills estate, which has been certified by the Forestry Stewardship Council and Programme for the Endorsement of Forest Certification (PEFC). We have also signed an MoU with another local forestry company to source supplementary biomass.

We are committed to only using biomass from certified plantations to supply us with approximately 415,000 metric tons per annum of biogenic CO2 equivalent.

Community engagement

Northwest Tasmania's main economic activities are mining and agriculture, forestry and fishing. Burnie, a city of 20,000 people, has the state's largest cargo port and handles mineral and forestry exports as well as fuel imports. Its industrial and manufacturing background offers a well-trained workforce.

We launched community engagement for the Tasmania e-Fuels facility in July 2022, guided by the following principles:

- Clearly explaining the facility's processes, feedstocks and products
- Ensuring two-way engagement and dialogue
- Providing a timely opportunity for community feedback on the project
- Building and maintaining good community relations.

Initial engagement focused on ensuring the project's nearest neighbors and elected representatives, such as Burnie's mayor and council members as well as Tasmanian government officials, were informed about the project and provided with project contact details.

In 2023, we began engagement with local businesses and individuals so they have information about the project to start identifying potential direct or indirect work opportunities with the facility. As part of these efforts, we held meetings with business associations and chambers of commerce as well as TasTafe – Tasmania's largest public provider of vocational education and training - and the University of Tasmania.

We have also begun to hold discussions on the best way to accommodate the construction workforce, estimated to reach 827 at its peak, to leave a positive legacy in the area.

Once in operation, we estimate the Tasmania e-Fuels Facility to generate 200 direct jobs in Tasmania's northwest.

To date, the response has been positive and the Cradle Coast Authority, which represents councils in northwest Tasmania, has recognized HIF Tasmania's e-Fuels facility as a "Regionally Important Project".

The project has a 1800 number –a toll-free inbound number for businesses in Australia– with a 24-hour answer service to enable enquiries to be received, logged and responded to consistently in a timely way.

Indigenous Peoples

We have identified three Indigenous Peoples community organizations – Circular Head Aboriginal Corporation, Six Rivers Aboriginal Corporation and the Brumby Hill Aboriginal Corporation – as holding a particular interest in the project. We have provided information about the project to these groups to facilitate discussion about any areas of interest or consideration to address these promptly.



Environmental aspects

In July 2022, we filed a Notice of Intent (NoI) with the Tasmania Environment Protection Authority (EPA) providing an overview of the company and proposed facility, project location and potential impacts, kicking off the environmental approval process.

Based on the EPA's guidelines, in 2023 we advanced preparation of the environmental impact statement (EIS), completing the ecological, aboriginal and cultural heritage assessments by year end. We expect to complete the EIS for formal submission to the EPA in mid-2024. It will also be submitted to Burnie Council as part of a Development Application (DA).

In early 2024, we held voluntary public information sessions on the project's design and potential impacts to allow the community to raise any consideration before submitting the EIS and DA to the corresponding authorities.

The sessions were held at times that maximized local stakeholders' ability to attend, and our core project team addressed questions directly.

Further public participation sessions will take place later in the year after the EIS is submitted.





05

CORPORATE GOVERNANCE

Our Corporate Governance drives the agility we need to trailblaze in creating the emerging e-Fuels market.



CORPORATE GOVERNANCE

| *A board that drives our vision*

HIF Global is a Limited Liability Company that was founded in 2020 in Santiago, Chile and is domiciled in Delaware, the United States, with wholly owned subsidiaries including HIF USA, HIF Chile, HIF Uruguay, HIF APAC and HIF EMEA. Our Board of Managers is charged with bringing the purpose alive of fueling our world with renewable energy, providing a solution today for a better tomorrow.

BOARD OF MANAGERS

The Board of Managers is composed of seven people, two of whom are women, with significant industry experience. Of the total, four are executive directors and three are non-executive that represent main shareholders AME, EIG and Porsche. Jointly, they bear responsibility for the company's strategic direction, overseeing the business as a whole: defining the company's long-term goals and strategies, identifying directives for corporate policies and monitoring HIF Global's most significant activities.

Board meetings are held quarterly and include a review of health and safety indicators from HIF's sole operating facility, our Haru Oni e-Fuels Facility (see "Health and Safety" section on pages 50-52). Other items include a review of regional operations, a budget update (and in the final annual board meeting the budget is approved for the following year), business investments to consider apart from our major ongoing projects, people and culture, and innovation.

HIF Global's Board of Managers delegates authority to the company's global CEO, who in turn delegates authority to each of our four regional subsidiaries' CEOs. Each subsidiary's CEO has a management team and reports to HIF Global CEO César Norton and COO Clara Bowman.

HIF Global's Board of Managers 2023



César Norton	Clara Bowman	Meg Gentle	Juan José Gana	Alberto Araya	Blair Thomas	Michael Steiner
Executive Director. President and CEO. Mr. Norton also sits on the boards of Chilean energy developer AME, photovoltaic power station Santiago Solar and Generadora Metropolitana.	Executive Director. Chief Operations Officer. Ms. Bowman also sits on the boards of AME and power generation company Generadora Metropolitana.	Executive Director and Chief Commercial Officer. Founder of Gemstone Investments. Ms. Gentle is also a member of the Board of Directors of Ovintiv and Chairperson of the Governing Board of Casa de Esperanza, a Houston based philanthropy organization.	Executive Director. Chief Strategy Officer. Mr. Gana also sits on the boards of AME, Santiago Solar and Generadora Metropolitana.	Board member of AME. Mr. Araya also sits on the board at real estate consulting firm Colliers Prosin, agricultural firm Agricola Huertos de Ucuquer and Brazilian real estate developer BC Genera.	Board member and CEO of EIG. Mr. Thomas also sits on the Board of Directors at investment firm FS/EIG Advisor and at smart power plant developer Avantus, and chairs Prumo Logistica SA and Harbour Energy plc.	Executive Board Member for Research and Development at Porsche AG.

EXECUTIVE COMMITTEE

HIF Global’s Executive Committee meets every two weeks, and often weekly, to provide advice and consultancy to the global CEO and COO on strategic decisions. They also review information received from regional operations.

We appointed Juan-José Zentner as Chief Legal Officer to oversee the company’s legal affairs and legal department. Besides being responsible for HIF Global’s legal strategy, contracts and the commercial agreements of our e-Fuels projects worldwide, he provides legal counsel for financing processes, legal risk analysis and compliance.

At HIF Global, we also have a monthly Executive Committee meeting to provide updates on the development of our projects – including environmental permitting and community relations – throughout the world.

For governance purposes we continue to be a small, flexible company where we can respond to volatility in a complex landscape, with a market that is still forming. This level of governance favors the agility we need to trailblaze in creating the emerging e-Fuels market.

HIF Global’s Executive Committee

César Norton,
HIF Global President
and CEO

Renato Pereira,
HIF USA CEO

Clara Bowman,
HIF Global Chief
Operations Officer

Thorsten Herdan,
HIF EMEA CEO

Meg Gentle,
HIF Global Chief
Commercial Officer

Ignacio Hernández,
HIF APAC CEO

Juan José Gana,
HIF Global Chief
of Strategy Officer

Víctor Turpaud,
HIF Latam CEO

Roberto Simón,
HIF Global Chief
Financial Officer

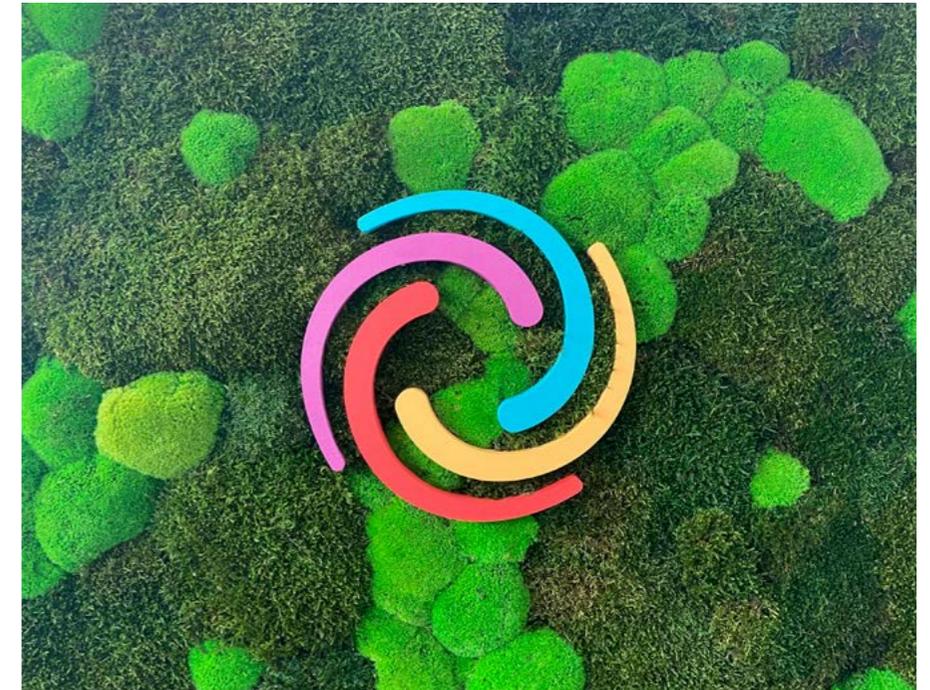
POLICIES

At HIF Global, we are committed to operating in accordance with all applicable laws and regulations, with high standards of ethical behavior, while also applying internationally recognized practices in health, safety, security, environmental stewardship and responsibility, and community engagement across all our operations.

Anti-bribery and corruption policy

As part of this commitment, at HIF Global we prohibit any activity that seeks to bribe or otherwise improperly influence any individual or entity in the public or private sector, to act in a way that differs from the proper performance of their role or function.

Our Anti-Bribery and Corruption Policy prohibits bribery, corruption and the making of other unlawful or improper payments or conduct, including facilitation payments, secret commissions, money laundering and misleading, incomplete or inadequate accounting. The policy applies to all directors, officers, employees and individual contractors that are controlled by HIF Global or act on its behalf, directly or indirectly.



Code of conduct

As stated in our Code of Conduct, all HIF Global employees are expected to maintain the highest legal and ethical standards by complying with all laws, regulations and obligations. Employees are expected to adopt and apply standards that are in alignment with the intent of this Code, as well as internationally accepted norms of behavior in locations where these may be inadequate or nonexistent.

The Code calls for employees to perform their duties, make decisions and engage in activities with integrity, upholding our values (see page 6) and standing as a good corporate citizen. Our joint venture partners and suppliers are expected to adopt similar standards, principles and policies.



HIF Global employees must excuse themselves from a situation where a potential or perceived conflict of interest may arise and/or where they may not be able to be objective. Any possible conflict of interest must be reported to management or the Legal or Compliance team, with employees adhering to any agreed action plans to manage any conflict of interest identified.

All of our employees are required to sign our Code of Conduct and Anti-Bribery and Corruption Policy and on which we will provide awareness and training sessions during 2024.

Health, safety, security, environment and community (HSSEC)

At HIF, we are committed to applying high standards, appropriate principles and best practicable measures for health, safety, security, environmental stewardship and community engagement across all our operations (see pages 50-65). All these aspects of our business are interrelated and essential for the wellbeing of our employees, contractors, communities and the environment.

During 2023, we developed an HSSEC Policy that incorporated good

practices implemented at the Haru Oni e-Fuels Facility, good practices from other industries and international sustainability standards. The policy contains the principles that guide our endeavors in HSSEC matters, and we will work on its implementation during 2024. While in 2023 we did not have any major environmental or safety incidents, any such incidents would immediately be scaled up to management for timely response.

WHISTLEBLOWER MECHANISMS

We encourage open-door communications within a horizontal business structure, promoting proactive dialogue to create an environment where people feel comfortable to speak their minds. We expect our people to speak up when they experience or uncover a situation that makes them uneasy, notifying the People & Culture Department or direct management. We are working on developing anonymous hotlines throughout the HIF network. The US office already has an operational anonymous hotline.

Harassment, discrimination, bullying and violence of any sort are not acceptable in our workplace.

It is the responsibility of HIF Global employees to remain alert to any instances of directors, officers, employees, subsidiaries, joint venture partners, suppliers or other contractors engaging in, or attempting to engage in, bribery or other improper conduct, or otherwise not meeting required standards of behavior.

HIF Global employees must report suspected or actual instances of improper conduct, or direct doubts over such conduct, to the General Counsel in their region and the Chief Compliance Officer.

HIF Global will take all reasonable steps to provide protection from detrimental treatment for those who report bribery or related improper conduct, or who refuse to take part in such conduct.



06

—
OUR PEOPLE

Our highly experienced management team leads a talented, diverse and creative workforce that is unafraid to take on the challenges needed to trailblaze the nascent e-Fuels sector.



OUR TEAM

Pioneers of a new industry

HIGHLIGHTS



→ In 2023, our team consisted of 157 highly talented global employees.



→ Our top-level management, as well as the core engineering and construction leadership team, collectively brings several decades of cumulative experience in developing fossil fuel-based and renewable energy projects, construction of oil and gas facilities, finance, risk management and governance.



→ In 2023, 47% of our employees reported to women and 53% to men.

At HIF Global, our people are at the center of everything we do because they enable our Purpose. As such, we seek to work with the most talented global workforce that is unafraid to acquire new skills and take on pioneering challenges to be the pathfinders the world needs to decarbonize and drive a sustainable future, today.



TALENTED AND DIVERSE TEAMS

We are a young, growing company, and we expect to continue expanding as operations ramp up at our industrial-scale projects in the United States, Chile, Australia and Uruguay. Our 157 global employees are present in the four regions where we operate. Our team consists of individuals from 14 different nationalities.

At HIF Global, we embrace diversity and seek to ensure that the way we work is transparent and fair. Different perspectives, voices, experiences and cultures are valued at HIF Global, hence we have designed a recruitment process to prevent biases and support equal opportunities for all candidates.

We proactively recruit bold, talented and creative team players from around the world with high personal and professional standards of ethics, integrity and transparency.

We seek to retain global talent by creating opportunities for our people to be thought leaders and develop their careers in a new and rapidly growing industry, while simultaneously promoting integral personal and professional growth.

Many of our people at HIF Global have deep market knowledge and strong track records in developing, financing, building and operating energy infrastructure projects.

Our approach to our people

- At HIF Global, we embrace our values in everything we do. Our motivation stems from the awareness that our actions are actively improving the world around us.
- Our people enable our Purpose: fueling our world with renewable energy. This challenge requires willingness to develop new skills to be industry leaders. Our people are at the center of everything we do.
- We strive to attract and maintain the best global talent by providing quality jobs and fostering fruitful work environments where our people can flourish and develop all of their potential and creativity through collaborative, respectful and diverse teams.
- We aspire to provide a workplace that promotes excellence, high performance, team collaboration, creativity and boldness to lead the journey to fuel the world with renewable energy.
- Integrity, innovation and sustainability are fundamental aspects of our business, and our aim is to ensure that our people and culture live it and reflect it in their daily lives.



Highly experienced senior management team

Our leadership team is best in its class with proven experience in pioneering energy projects, raising capital, governance and risk management, and leading transformational organizational change (see "Governance" section on pages 42-43).

In turn, we have a world-class global engineering, construction and technology team of more than 30 seasoned veterans. The core engineering and construction (E&C) leadership team boasts decades of cumulative experience in construction of oil and gas facilities and in refining E&C experience.

Diversity

Our strength comes from 157 experienced professionals with diverse backgrounds and cultures from around the globe. In 2023, 62% of our employees worked in Chile, followed by Texas (20%), Australia (9%), Germany (8%), Uruguay (1%) and Morocco (1%).

It is estimated that women represent only about 22% of oil and gas industry workers and hold around 17% of executive positions. We recognize that innovation requires diversity, and as a highly innovative fuels company, we are working to change the industry norm.

In 2023, women represented 36% and men 64% of our direct workforce. Considering that breakdown, women accounted for a higher proportion of leadership roles: 47% of employees reported to women and 53% to men.

In total, 40% of our top-level executives are women, while this number reaches 29% for senior vice president or vice president positions, 46% for middle management and 33% for senior technical and professional positions.

Promoting local female leadership development

In May 2023, Vanessa Martinic, HIF Chile's Project Control and Planning Engineer, was chosen to participate in the World Energy Council (WEC) Chile's fifth annual "Women in Energy" program. Vanessa became one of 38 women selected from more than 200 applicants to partake in the energy industry's most important female leadership program that aims to create more and better opportunities for women in the field. She is also the first woman from the Magallanes Region to participate in this program.

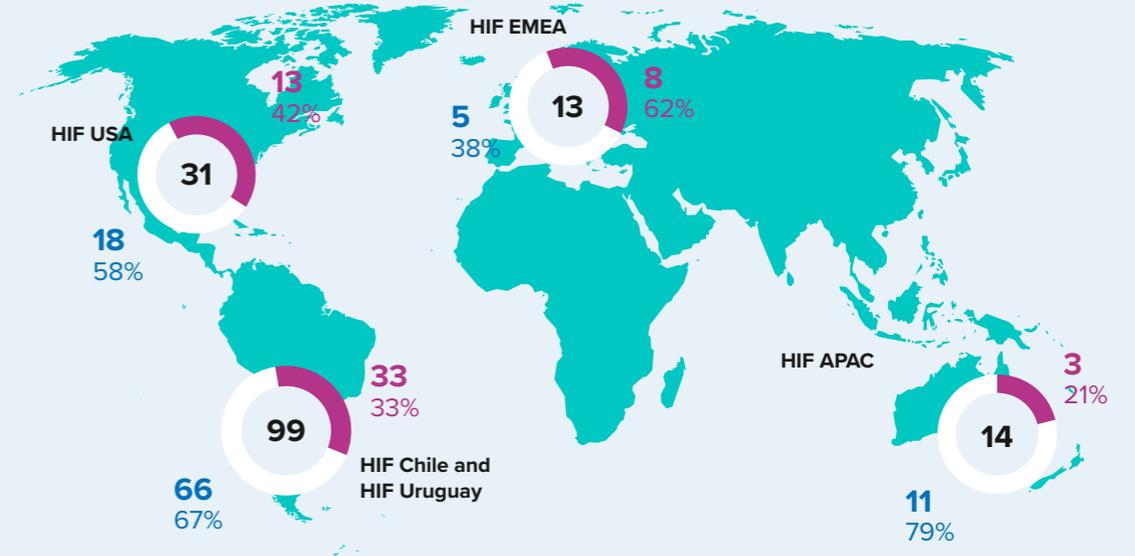


HIF Global's Maria Ignacia Varela, Head of Corporate and Project Finance, took part in the first version of the WEC Chile program and is currently one of the organization's ambassadors.

Our People

Talent from around the world

HIF Global



LEARNING OPPORTUNITIES

At HIF Global, we believe learning is essential to develop awareness and skills for optimal work performance. Our global and local learning initiatives are designed to foster a culture of continuous improvement, innovation, and responsibility.

Strengths we seek to cultivate

Global leadership development

- The coaching of executives on leadership skills showcases our commitment to developing leaders who embrace the combination of business strategy and sustainability.

Language inclusivity

- English learning for employees in HIF Chile, and German learning for foreign employees at HIF EMEA, reflect our commitment to fostering inclusivity and effective communication across diverse teams.

Holistic operational learning

- Our safety and operational learning plan for the Haru Oni e-Fuels facility and Magallanes Laboratory covers a wide range of issues, ensuring our workforce is proficient and aligned with sustainability goals.

Culture of continuous learning

- HIF USA's tuition reimbursement programs highlight our dedication to nurturing a culture of continuous learning and professional development.

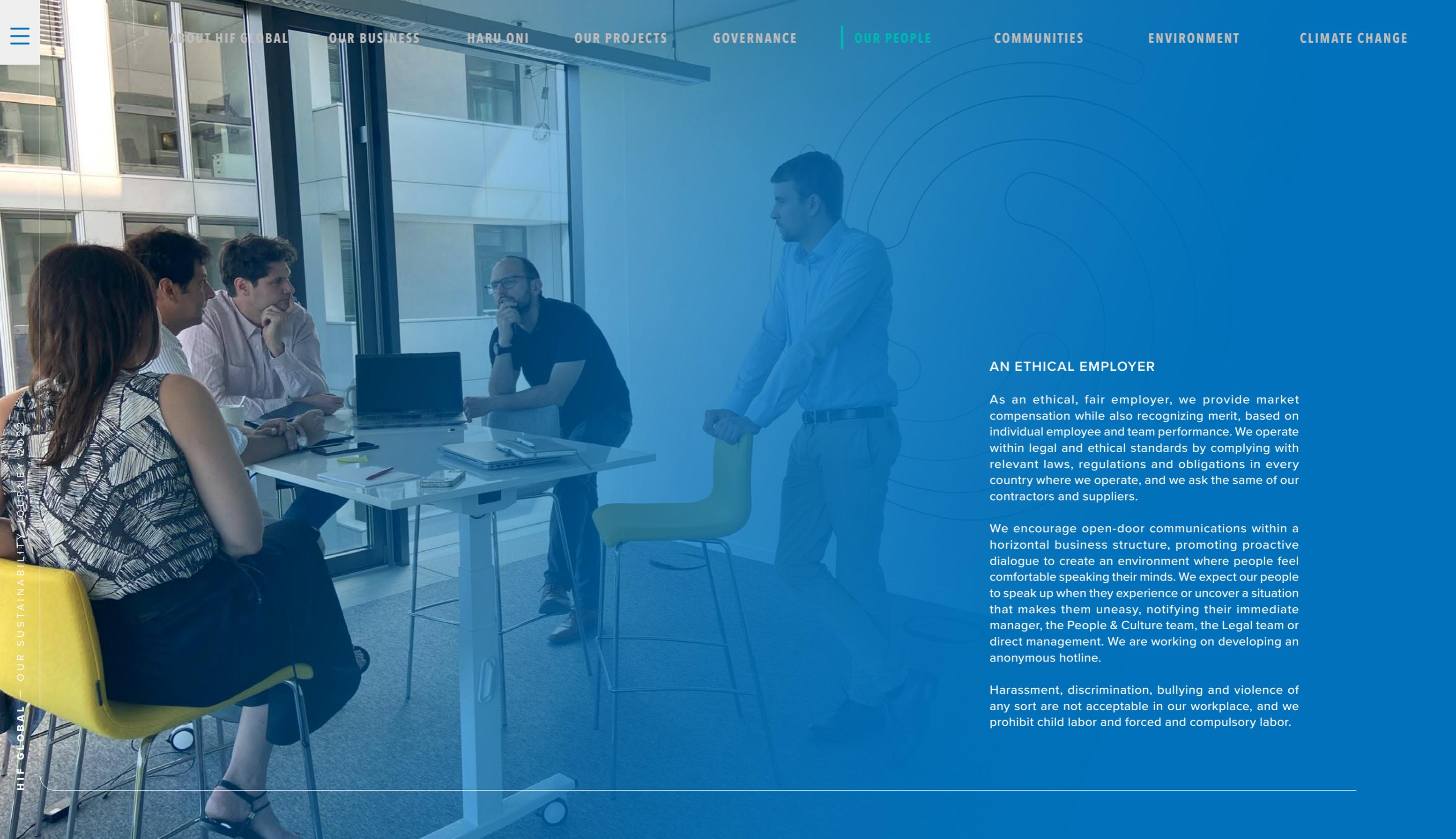
Mandatory cybersecurity training

- Considering that employee knowledge and awareness are the foundation of secure operations, we have implemented mandatory cybersecurity training for all employees globally to fortify our defense against cyber threats. This program instructs our people on the latest cybersecurity practices to safeguard our operations and sensitive data.

Safety and operational training for the Haru Oni e-Fuels Facility and Magallanes Laboratory

- In Chile, our commitment to sustainability extends to operational safety and proficiency. Our comprehensive learning plan covers various aspects, including:
 - » Reinforcement of safe operation procedures
 - » Safe ISO tank loading and truck dispatch
 - » Certification in ISCC Plus processes
 - » Global Wind Organisation (GWO) Basic Safety Training
 - » Safe operation procedure for e-LG facility
- In 2023, we provided 654 hours of training on safety and health to our employees at Haru Oni alone (see page 52). We conducted training on maintenance and repair of the facility's wind turbine.





AN ETHICAL EMPLOYER

As an ethical, fair employer, we provide market compensation while also recognizing merit, based on individual employee and team performance. We operate within legal and ethical standards by complying with relevant laws, regulations and obligations in every country where we operate, and we ask the same of our contractors and suppliers.

We encourage open-door communications within a horizontal business structure, promoting proactive dialogue to create an environment where people feel comfortable speaking their minds. We expect our people to speak up when they experience or uncover a situation that makes them uneasy, notifying their immediate manager, the People & Culture team, the Legal team or direct management. We are working on developing an anonymous hotline.

Harassment, discrimination, bullying and violence of any sort are not acceptable in our workplace, and we prohibit child labor and forced and compulsory labor.

HEALTH AND SAFETY

| *Safety is an absolute not a priority*

HIGHLIGHTS



→ In 2023, there were no lost time injuries at Haru Oni, our sole operating facility.



→ We carried out 654 hours of safety training at the facility during the year.



→ In November, Chile's Social Security Superintendency confirmed that Haru Oni had a fully operative safety and accident prevention system.

Health and Safety Principles

- We believe everyone should expect to return home safe every day.
- We strive to provide safe and healthy working conditions through appropriate design and during the development, construction, operation and maintenance of all our facilities.
- We believe no one has the right to place another person at risk.
- We promote a caring culture, where self-care and care for others are key to everyone's wellbeing and to diminish the occurrence of health and safety incidents.
- All our employees and contractors are entitled to immediately stop any work that appears unsafe and would put them or others in danger.
- We take proactive measures seeking to minimize any impact of our presence on communities in the vicinity of our operations, including emergency response plans and risk assessments.

At HIF Global, we are committed to applying high standards of health and safety at all our operations, projects and offices. We aim to ensure all our employees and contractors return home safe and well every day.

Our global Health, Safety, Security, Environment and Community (HSSEC) Policy guides us to provide a work environment that protects our employees' and contractors' physical, psychological and emotional wellbeing and to place their health and safety above production goals.

RISK MANAGEMENT

At HIF Global, we conduct different internationally recognized risk analyses – such as Hazardous Operations Analysis (HAZOP), Hazard Analysis and Risk Assessment (HARA) and Hazard Identification (HAZID) – to control risks at the concept engineering, construction, commissioning and operational stages of our facilities.

At the Haru Oni e-Fuels Facility, our sole operating facility, we use the Hazard Identification and Risk Assessment (HIRA) matrix to identify all the hazards associated with the operation's risks to health, safety and the environment, and to implement appropriate controls. As part of our safe work permit system, operators and maintenance specialists must also carry out task risk analyses before conducting any procedure at the facility.

We believe everyone should expect to return home safe every day.

We have identified the main risks as gas leaks, fuel spills and explosions due to the highly flammable products we produce and process. The controls we have in place to manage these risks were reviewed and approved by the corresponding Chilean authorities during the permitting process.

Haru Oni has bespoke operating procedures to ensure operating discipline, and change management methodology is used for any required adjustments to the facility's engineering design. A suite of operating practices will be prepared for each facility that starts production aligned with its specific design.

The Executive Committee receives monthly safety reports on leading and lagging indicators, inspection findings and progress towards closing identified gaps.

HEALTH AND SAFETY MANAGEMENT

We register and track “lagging” indicators (incidents that occur) and “leading” indicators (findings or incidents that could lead to harm or have potentially caused serious harm) to monitor and improve our performance and implement measures to close identified safety gaps.

Our focus on inspections, near misses and High Potential Incidents (HPIs) seeks to alert us to unsafe conditions, actions or incidents that could potentially cause accidents, thus triggering improvements and new controls.

Inspections

At Haru Oni, we have an annual and monthly program of internal safety inspections to detect unsafe conditions or actions to close possible gaps and improve performance.

HIF Global also conducts annual audits of Haru Oni’s compliance with environmental and operational permitting requirements.

Investigations

Investigations are conducted into health and safety incidents to determine the root causes and implement corrective actions to prevent recurrence of an event. The lessons learned are shared with the team.

In May 2023, we registered a commuting road accident caused by icy conditions, involving contractors, as our only HPI during the year. Among other measures, we will strengthen theoretical and practical training on driving in hazardous winter conditions to control this risk.

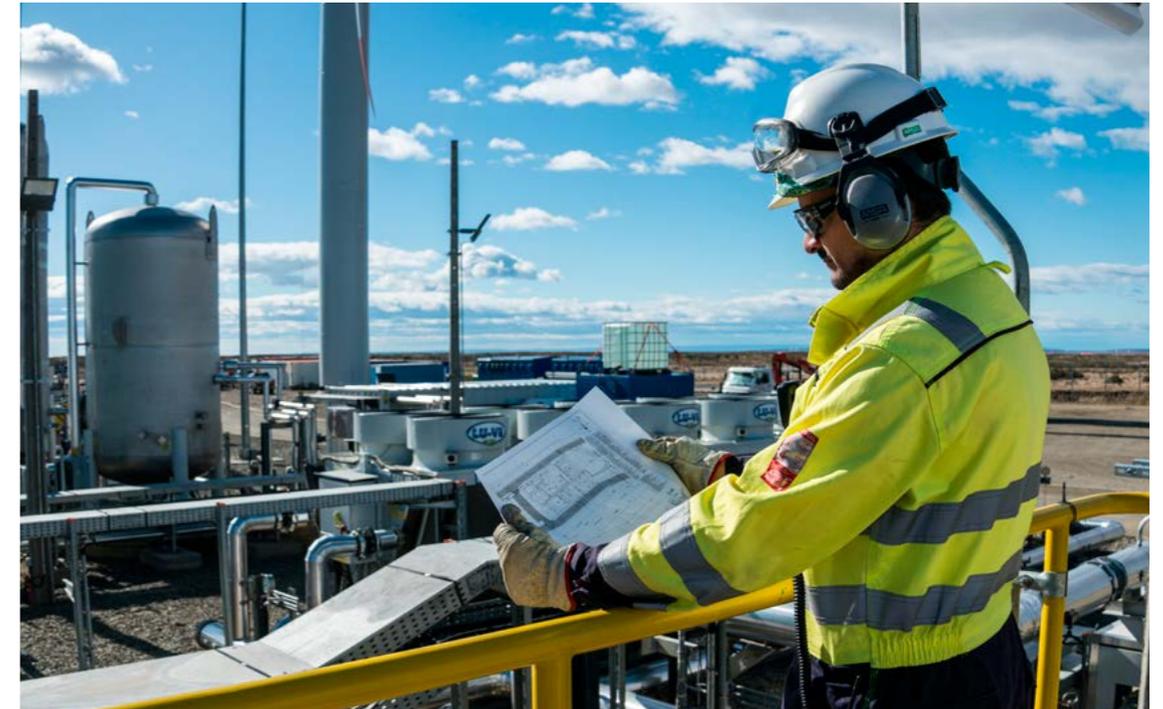
The Executive Committee receives monthly safety reports on leading and lagging indicators, inspection findings and progress towards closing identified gaps.

Occupational health

All Haru Oni facility personnel have occupational health tests for the main health hazards and working at heights.

In 2023, we began applying a psychosocial risk protocol at Haru Oni, the e-Fuels laboratory and Punta Arenas office.

We are also applying an ergonomics health protocol at Haru Oni to improve the efficiency and comfort of the work environment, an issue that we are using to help bring a safety focus into our offices around the world.



Haru Oni has provided HIF Global with a compact initial operation to develop a health and safety culture, implement best practices and make improvements.



TRAINING

At HIF Global, we believe training is essential to develop the awareness and skills to perform our work safely at sites. In 2023, we provided 654 hours of training on health and safety to our employees at Haru Oni.

The Global Wind Organisation, a non-profit founded by leading wind turbine manufacturers and operators, provided Basic Safety Training for HIF turbine specialists and operators on first aid, working at heights, manual handling, fire awareness and evacuation procedures in case of emergencies.

We also provided training on the use of fire extinguishers, first aid, defibrillation, manual load lifting, musculoskeletal disorders and UV protection as well as on operational safety procedures.

In 2023, we carried out three emergency drills at Haru Oni together with training on emergency response preparedness.

In 2022, Chile's national academy of firefighters gave specialized theoretical and practical training to Haru Oni's Operations and Maintenance personnel

to respond to fires and chemical emergencies. The biannual training program will be repeated in 2024.

SECURITY

Our HSSEC Policy commits us to ensuring the security of our facilities and the protection of our assets, employees, contractors and visitors and the surrounding environment. We meet this commitment by adhering to regulatory requirements, implementing prudent security measures and mitigating such risks ethically and effectively.

We have appropriate emergency response plans and test them regularly as well as maintaining open communication with law enforcement and emergency services to facilitate rapid response if necessary.

At HIF Global, all hazardous materials are categorized, secured, stored, handled and transported in accordance with all applicable regulations and security protocols. Only authorized personnel have access to hazardous materials.



2023 PERFORMANCE

In 2023, we registered no lost time injuries during the 79,975 person hours worked at Haru Oni, resulting in a lost time injury frequency rate and severity rate of zero for the year.

In November, Chile's social security authority (Superintendencia de Seguridad Social) confirmed that Haru Oni had transitioned from being considered a new operation, with a presumed higher risk, to one with a fully functioning safety system. The accreditation was based on the operation's safety plans, measures and policies and its safety performance in 2022 and 2023.

Haru Oni has provided HIF Global with a compact initial operation to develop a health and safety culture, implement best practices and make improvements to close gaps detected in regular inspections.

The opportunity going forward will be to apply our robust health and safety management practices to the construction and operation of our large-scale commercial facilities once they receive final investment approval.



07



COMMUNITIES

We maintain an open dialogue with our surrounding communities to listen to their needs and concerns. At the same time we engage early and often to inform and educate about e-Fuels.



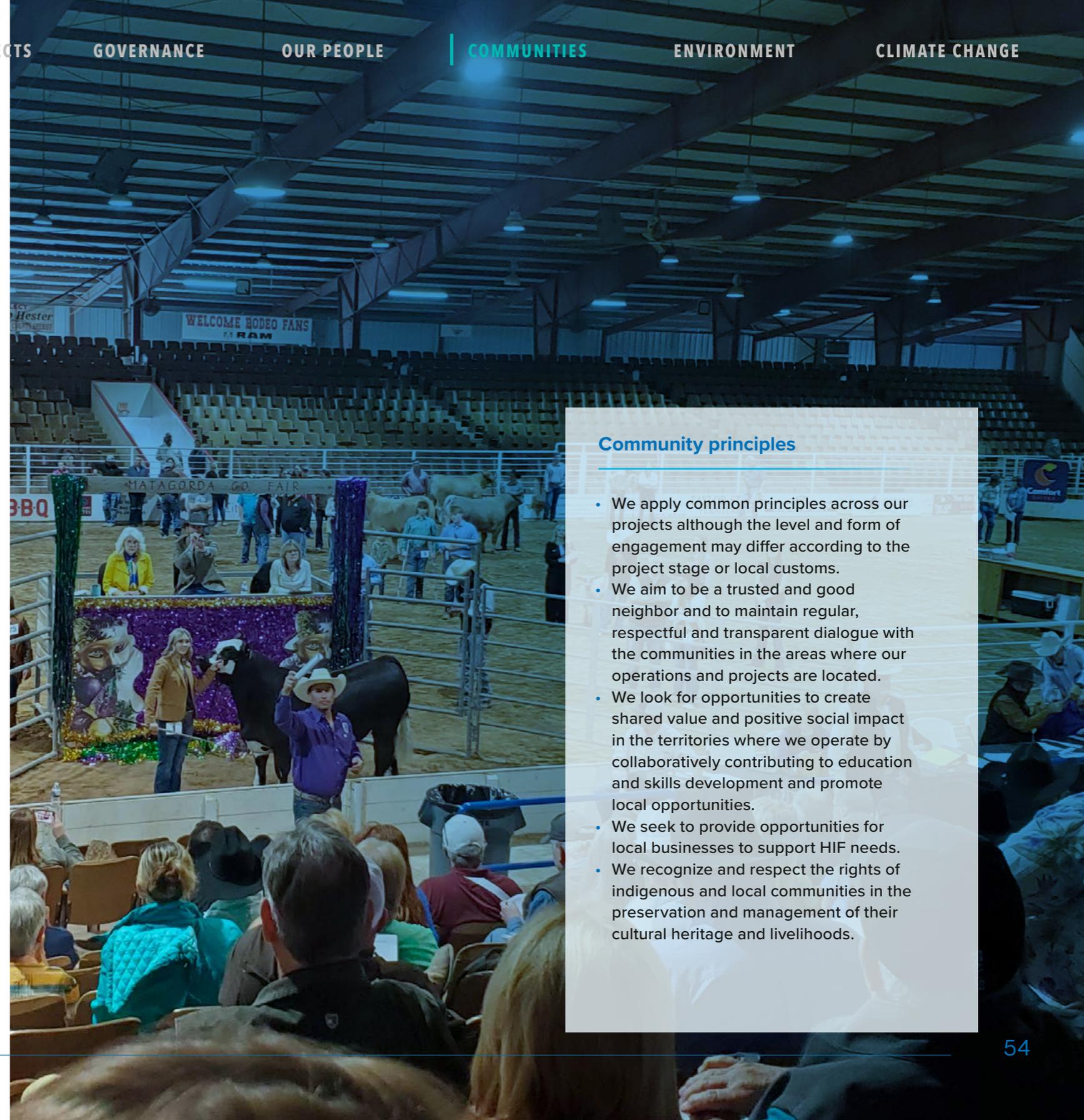
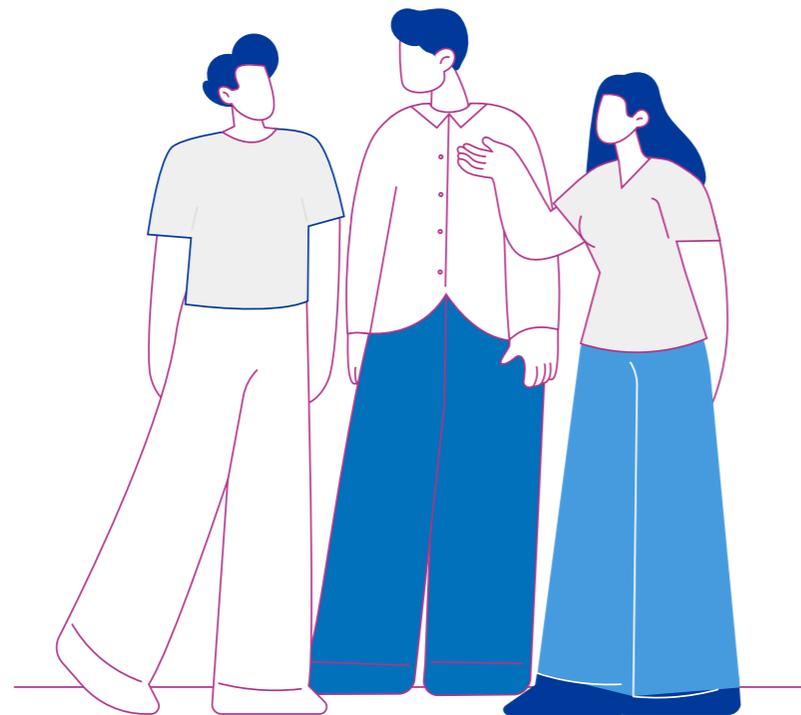


COMMUNITIES

| A trusted and present neighbor

At HIF Global, we believe in open, respectful and direct communication with the communities where our businesses are located. It is essential to create networks and partnerships that foster strong relationships and thriving communities.

Our global Health, Safety, Security, Environment and Community (HSSEC) Policy requires us to implement high stakeholder engagement standards at all our operations and projects. We are committed to respecting human rights and creating a positive social impact, both within the company and the wider community.



Community principles

- We apply common principles across our projects although the level and form of engagement may differ according to the project stage or local customs.
- We aim to be a trusted and good neighbor and to maintain regular, respectful and transparent dialogue with the communities in the areas where our operations and projects are located.
- We look for opportunities to create shared value and positive social impact in the territories where we operate by collaboratively contributing to education and skills development and promote local opportunities.
- We seek to provide opportunities for local businesses to support HIF needs.
- We recognize and respect the rights of indigenous and local communities in the preservation and management of their cultural heritage and livelihoods.

WHERE WE ARE

We operate a e-Fuels facility in Chile and are developing four commercial-scale facilities, which range from early to advanced-stage projects, in the United States, Chile, Australia and Uruguay. All the project locations have some level of industrial development and the appropriate conditions to obtain directly or from third parties renewable energy, CO₂ and water, three key inputs for e-Fuels production.

Magallanes Region, Chile

Our Haru Oni e-Fuels Facility and Cabo Negro commercial-scale facility in Chile are located near Punta Arenas, the capital of the Magallanes Region in the country's far south. The region is one of Chile's least populated with most of its 166,000 inhabitants living in and around Punta Arenas. Sheep-rearing activities are scattered over its windswept pampa (grass plains) and tourists worldwide are attracted by its untouched landscapes and marine life. Petrochemical development has taken place there since the mid-20th century.



Matagorda County, United States

The Matagorda e-Fuels Facility, our most advanced commercial-scale project, is located in Matagorda County, Texas. The 4,175 square meter county is home to 36,000 people, and is located adjacent to the Gulf of Mexico with easy access to deep water ports. The county is traditionally dedicated to farming, ranching and fishing including rice cultivation and shrimping. Matagorda is also home to pipe manufacturing and chemical refining as well as traditional and renewable energy generation.



Tasmania State, Australia

Our project in Australia is in northwest Tasmania, a large island state that lies 250 kilometers south of the mainland. The area's main economic activities are mining and agriculture, forestry and fishing. Its steady wind flows are attracting wind farm investments to support prevalent hydro generation. The project is 30 kilometers south of Burnie, a city of 20,000 people. Burnie is home to the state's largest cargo port, handling mineral and forestry exports as well as oil imports.



Paysandú Department, Uruguay

Our newest commercial-scale project, launched in June 2023, is close to the city of Paysandú, which borders the Uruguay River in the country's northwest. A city of some 100,000 people, Paysandú enjoyed an agroindustrial boom in the 1970s and 1980s and the production of woolen and leather goods, beer and cement remain important economic activities. More recently, the area's favorable wind and solar resources have attracted renewable generation projects.





EARLY ENGAGEMENT

All our commercial-scale projects are in the design development stage and have not yet reached a final investment decision. Early engagement with local communities to inform them about the emerging e-Fuels industry and ascertain their interests and considerations regarding these potential developments is an essential part of the design process. It is also key to meeting our goal of building long-lasting, mutually beneficial community relations based on trust.

As a result, our initial engagement has focused on frequent, honest and direct communication with local authorities and communities about our business and its possible impacts. Our communication activities range from distributing fact sheets and monthly newsletters to one-on-one

conversations and large public meetings. In the case of stakeholders in Chile, people have benefited from visits to Haru Oni and to the e-Fuels laboratory to learn firsthand about the e-Fuels production process.

Information sessions

We organize meetings and events specifically to talk about e-Fuels production as well as our plans, and to receive local people's feedback. In Chile, these voluntary activities fed into the environmental impact studies (EISs) prepared for the Cabo Negro e-Fuels Facility and Faro del Sur Wind Farm (see box on page 57). Mandatory citizen participation began in 2023 and continued into early 2024 as part of the EIS approval processes.



In 2023, we continued our community engagement in Matagorda as we advanced towards our planned final investment decision (FID). During the year, we engaged in numerous opportunities to update the community on our progress and met with elected representatives, school boards and students, chambers of commerce, charities and local clubs.

Each year, typically in August, we hold a Matagorda county-wide gathering to update the community on our progress and achievements from the previous year. In 2023 around 250 people attended the annual HIF USA Community Event. Senior executives gave an address on the energy market and our major accomplishments over the year including the completion of the project's preliminary engineering

Our initial engagement has focused on frequent, honest and direct communication with local authorities and communities about our business and its possible impacts.

design. The presentation covered our reservation with Siemens Energy for the purchase of electrolyzers, agreements with Topsoe for licensing and with Baker Hughes for direct air capture (DAC), as well as power purchase agreements and carbon dioxide transport.

In Tasmania, we continued the outreach activities begun in 2022 with local authorities and the project's closest neighbors. We also expanded engagement to business associations, chambers of commerce and TasTafe – the state's largest public vocational training provider – as part of our strategy to create local jobs and opportunities to supply goods and services. Broader consultation will start in 2024 before submission of the Tasmania e-Fuels Facility's environmental impact study.

At the end of 2023, we kicked off community engagement for Paysandú project with two open house sessions. The first session focused on presenting HIF Global, the e-Fuels industry and Paysandú project while obtaining feedback from participants. At the second, we addressed the questions previously raised and deepened and broadened engagement. The workshops were well attended by a broad cross-section of society including academics, businesspeople, civil society and farmers as well as local authorities and government officials from the health, environment, mining and energy and agricultural sectors.

Visible presence

As part of the community, we regularly participate in local community events to build bridges and engage in spontaneous one-on-one conversations about our projects.

For example, in 2023 we took part in over 12 community activities in Matagorda such as the annual Livestock Show and Rodeo in February and the Bay City Rice Festival in October. Likewise, in Chile we had a stand at the Magallanes Expo (an industry and handicrafts fair) in January and the Magallanes Livestock Exhibition in March, as well as interacting regularly with stakeholders during other cultural activities, educational events, visits to communities and engagement with elderly people. Our visible presence

Our visible presence and open interaction with local people open opportunities to directly answer queries and gain trust.

and open interaction with local people open opportunities to directly answer queries and gain trust.

Indigenous people

We are committed to human rights and the rights of indigenous people to preserve their cultural heritage and livelihoods. Our Tasmania project has identified three Indigenous Peoples community organizations - Circular Head Aboriginal Corporation, Six Rivers Aboriginal Corporation and the Brumby Hill Aboriginal Corporation - as holding a particular interest in the project. We have begun engagement with these community organizations to address any areas of interest or concern.

Early Citizen Participation in Magallanes

In Chile, we conducted extensive Early Citizen Participation (known as PACAs in Spanish) in 2022 and 2023 before submitting the environmental impact studies (EISs) for the Cabo Negro e-Fuels Facility in October and Faro del Sur Wind Farm in December 2023.¹ These voluntary activities aim to obtain feedback and promote informed participation in the mandatory Citizen Participation (PAC) process organized by Chile's Environmental Evaluation Service as part of the EIS approval process.

The engagement encompassed members of nearby communities, neighborhood associations, non-governmental organizations, a professional women's association and the tourism, transport and fire-service sectors, as well as teachers and senior citizens.

Participants expressed widespread interest in the possibility of local job creation during the construction and operation phases, which we are attempting to address through education and capacity-building initiatives see pages 58-59. Their main considerations were related to increased traffic on the main Route 9, impacts on marine life from seawater capture and brine discharge, and Faro del Sur Wind Park's effect on bird life.

¹ The Faro del Sur EIS was initially submitted in August 2022. We withdrew the application in October 2022 to strengthen bird surveys and resubmitted it in December 2023.

Employing diverse communication channels

- Engagement interviews with social and community organizations.
- Initial meetings with leaders of different organizations such as neighborhood, trucking, women's, fishing, transport and teaching associations.
- Informative meetings with members of community and social organizations in the Punta Arenas area to provide an overview of the project and answer questions.
- Visits to Haru Oni e-Fuels Facility to see the production process firsthand.
- Interactive open houses in which company executives and specialists attend topic-specific stands to provide information and answer questions on specific topics such as transport, landscape impacts, emission controls and fauna.



CONTACT POINT

The first point of contact is usually with the local community relations teams. Stakeholders can also contact us via the HIF Global email and telephone number on our website. In Tasmania, we have a designated project email and telephone number that is distributed in communication materials and published on our website. Our Paysandú project also has a designated email. We are developing a formal complaints mechanism as we move towards the approval of our commercial-scale operations.

INVESTMENT TO EMPOWER COMMUNITIES

At HIF Global, we aim to contribute to the development of cohesive and thriving local communities that benefit from our presence and can support our business needs. We are putting the building blocks in place to achieve this goal as our projects move towards final investment decisions.

In 2023, we carried out modest community investment programs that are in line with the development stage of our business. We aim for investments to produce meaningful impacts to create social value over the long term through collaborative social initiatives with local authorities, institutions and/or non-governmental organizations.

Most community investment at this stage is focused on educational or training activities and to a lesser extent sponsorship of local charitable and community events and donations supporting services such as cancer research and wellbeing.

We aim to ally with respected local institutions to ensure our initiatives achieve the highest impact and meet our sustainability goals. Our agreements with Magallanes University to promote knowledge transfer and cooperation on renewable energy and low-carbon fuel projects and to construct and operate an e-Fuels laboratory are clear examples of this strategy (see page 59).

Our approach seeks to expand people's skills and opportunities through education and capacity-building initiatives while promoting sustainable livelihoods and local traditions to maintain the social fabric of communities.

Expanding horizons

The first area of work is focused on sharing industry knowledge about green hydrogen, e-Fuels and innovation through education initiatives for young people and the wider community. We believe stakeholders informed about the science behind producing e-Fuels will be better able to take part in the opportunities this development offers. It also promotes an innovative mindset.

In Matagorda, as part of our broader work with schools, we form part of the Super Science Alliance, giving an annual presentation to all sixth graders in the county on HIF Global and our business and how it relates to the study of science, technology, engineering and math (STEM). In 2023, 600 high school students took part.

In Magallanes, we participated in the First Green Hydrogen Educational Fair, explaining the process to produce e-Gasoline at the Haru Oni e-Fuels Facility. The event was organized by the H2V Magallanes Program, a

public-private initiative led by the regional government and Chile's economic development agency CORFO.

Fostering productive ecosystems

The cornerstone of our commitment to local communities is job creation and the development of local supply chains.

During the construction phase, our projects are expected to create thousands of jobs - not all of which we will be able to fill locally. In addition to direct construction jobs, each project has the potential to generate growth opportunities for local businesses to support the increased demand in the construction, hospitality, retail and housing sectors. We aim to foster these opportunities while protecting local services from saturation, leaving a positive legacy by working closely with local authorities, educators and trade associations.

Once in operation, our projects will require well-trained professionals to fill hundreds of positions that we aim to mainly source from the areas around our operations. We are already focused on capacity-building measures to provide the local skills base.



In Chile, we took an important step in this direction in 2021 with our cooperation agreement with Magallanes University on knowledge transfer and cooperation on the development of renewable energy and low-carbon fuel projects. This was followed in June 2022 by an agreement to develop and operate the Liquid e-Fuels Laboratory required to oversee quality control at Haru Oni and conduct research. Located on university grounds, the \$1 million laboratory is also used to teach chemical engineering students in their final year, complete academic research and for internships.

The plan is to donate the laboratory –the first of its kind in Chile– to the university when a larger one is built for the proposed Cabo Negro facility.

In April 2023, in alliance with CORFO and local consultancy Grupo Singular, we launched a training program for teachers and students in higher education and technical schools on the production of green hydrogen and its derivatives. The seven-module course covered topics such as climate change, the hydrogen value chain, wind power generation, e-Fuels production and business models. A total of 39 people completed the course, known in Spanish as *Emprende Negocios Renovables*, which ended in August with a visit to Haru Oni.

In Matagorda, we are engaging with local colleges and high schools on the education and skills needed for the

construction and operational phases. The work with local high schools and Wharton County Community College aims to establish trade programs that will allow both students and community members to acquire the required skills to obtain jobs in the construction of our facility. During construction, we will continue to ally with Wharton County Community College to develop a curriculum specifically for operations at our facility, allowing community

members to garner the necessary knowledge to operate the facility. We are also engaging proactively with the local chamber of commerce to develop a list of potential local suppliers of goods and services.

In Australia, engagement on likely employment opportunities arising from our Tasmania e-Fuels project has begun with chambers of commerce, business associations and TasTafe, the largest public provider of vocational

education and training in Tasmania. We are also working with the University of Tasmania, where we have given presentations on e-Fuels at different events.

Strengthening communities

Our third area of focus aims to strengthen communities by promoting sustainable livelihoods and cultural heritage.

We take an active role in community events that celebrate local traditions, livelihoods and ways of life. A key event is the Matagorda County Fair & Livestock Exhibition, where we routinely participate in the Junior Livestock Auction which include animals raised by local children. The money raised from the auctioned animals goes towards the student's education and we donate the animal back to the child that raised it. The fair dates back to 1944 and is an integral part of the county's history and way of life. We celebrate similar events in Magallanes where livestock farming is also part of the region's heritage.

At HIF Chile, our approach seeks to raise awareness of the benefits of self-sufficiency and healthy eating by teaching children to cultivate vegetables, both particularly relevant lessons in such a remote region. In 2023, we donated greenhouses to the Elba Ojeda Gómez and Dellamira Rebeca Aguilar schools for pupils in grades 1-8 to learn how to cultivate vegetables and medicinal plants. The greenhouse activities also promote emotional wellbeing in children after lengthy school closures during the COVID-19 pandemic.



Earning recognition

In 2023, our Matagorda facility was one of 15 projects selected from over 400 applicants to win the Corporate Investment Award from Trade & Industry Development magazine. A key theme of the 2023 winners was the reshoring of critical industrial activities to the United States and the award recognized the significant boost to the Matagorda County's economy from the expected construction and operation of the e-Fuels facility.

The project was nominated by Texas Governor Greg Abbott's team at the Texas Economic and Trade Group.



08

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ENVIRONMENT

All the sites for our projects were carefully chosen to minimize environmental and social impacts and to safeguard a sustainable and efficient use of resources.





ENVIRONMENT

Sustainable design underpins our environmental performance

HIGHLIGHTS



→ The Matagorda e-Fuels Facility in the United States received its air permit in April 2023, enabling construction to start once engineering and financing are completed.



→ We submitted the environmental impact studies for the Cabo Negro e-Fuels Facility and Faro del Sur Wind Park in Chile.



→ We registered no environmental incidents at our Haru Oni e-Fuels Facility.

Environment principles

- We promote environmental sustainability. We measure and assess our environmental footprint to be able to apply high standards and best practicable measures to avoid, minimize, restore and offset any material negative impacts and to diligently control any such negative effects on the environment over the lifecycle of our facilities.
- We manage and appropriately address our environmental risks and any material negative environmental impacts and improve our operating sustainability throughout the lifecycle of our facilities including best practicable measures regarding biodiversity conservation, use of energy and natural resources, transportation, waste management and emissions reduction.

ENVIRONMENTAL MANAGEMENT

At HIF Global, our environmental practices reflect our commitment to address climate change through the production of e-Fuels. We seek to use natural resources efficiently and prevent or minimize any negative impacts to ensure the long-term health of the environment and sustainable development of host communities.

Our global Health, Safety, Security, Environment and Community (HSSEC) Policy, approved in early 2024, requires us to implement high standards of environmental stewardship at all our operations and projects. It commits us to using a precautionary approach during the whole lifecycle of our operations and maintaining a robust risk analysis and controls program.

Our sites

Our environmental management starts with the selection of our project sites. They have been carefully chosen bearing in mind the local geography, ecosystems, watersheds and climate change-related vulnerabilities. We have also considered their proximity to existing infrastructure and safe distance from communities and cultural heritage sites. Our Haru Oni e-Fuels Facility, Cabo Negro and Tasmania projects are in locations with temperate climates and cooler year-round temperatures, while Paysandú and Matagorda are

characterized as subtropical with mild winters and hot summers.

The non-profit World Resources Institute defines our Chile, Paysandú and Tasmania projects as being in areas with low water scarcity risk, and Matagorda as being in a low-medium risk area.

Our Matagorda and Paysandú sites are in agricultural areas where farming is present, and the Tasmania e-Fuels project is in a treeless area of a monoculture forestry estate. Paysandú is close to the abundant flow of the Uruguay River.

In the case of Chile, our proposed e-Fuels site is in the Cabo Negro industrial area where state oil company ENAP has refining operations and port infrastructure. The Faro del Sur Wind Farm that will supply renewable energy to the plant is 10 kilometers from the future Cabo Negro e-Fuels Facility on sheep grazing land and away from protected areas and touristic sites.

The Matagorda project is 25 kilometers inland from the Gulf Coast, offering it natural protection from severe weather events such as hurricanes. The distance also avoids any potential negative impacts of our operations on low-lying coastal habitat, which are rich in marine and bird life. Its proximity to power and water infrastructure minimizes the impact and costs of connecting the facility to these services.

Environmental compliance

We have put in place controls at our Haru Oni facility in Chile's Magallanes Region to meet the commitments contained in our environmental impact declaration and to comply with local regulations on waste, hazardous waste and wastewater management as well as air emissions.

In 2023, we registered no incidents of non-compliance at Haru Oni. The facility is focused on showcasing the viability of sustainably producing e-Fuels and it is a top priority to ensure its environmental performance reflects this objective.

It is also an invaluable real-life laboratory for testing sustainable innovations and constantly improving performance. For example, in October 2023, we began producing synthetic liquefied gas (e-LG) at Haru Oni in an alliance with Empresas Gasco. The e-LG is a by-product of the process to convert e-Methanol into e-Gasoline, allowing methane gas that was previously flared to be captured and reused, offering a solution to displace fossil liquid petroleum gas (LPG).

In 2024, we will install a direct air capture (DAC) unit to capture carbon dioxide that we are developing with Porsche, Volkswagen Group Innovation and MAN Energy Solutions, which will potentially break new ground in the development of large-scale DAC.

Siemens Energy and HIF are collaborating at the Haru Oni facility to implement the CertaLink Manager. This system provides automated proof of sustainability for the produced hydrogen. The goal is to establish blockchain-based, tamperproof digital evidence for the entire value chain, verifying the renewable origin of the e-Fuels. This transparent energy certification will be crucial for transitioning to a more sustainable energy system.

During the construction and operation phases of our large-scale projects, we will put in place safeguards to ensure compliance with environmental regulations and the Equator Principles and implement environmental management and monitoring plans.

Water

In 2023, our Haru Oni e-Fuels Facility acquired 1,592 m³ of water from local utility Aguas Magallanes, mainly for the electrolysis process to obtain hydrogen but also for other industrial, fire-prevention and domestic purposes. Industrial wastewater is transported by truck for secure, authorized disposal (see waste management section below).

Our proposed industrial-scale facilities will obtain raw water through long-term contracts that will be treated onsite for use in our processes and to maximize its recirculation and reuse.

Energy and air emissions

Haru Oni's main power source is its onsite 3.4 MW wind turbine, accounting for 68% of the 4.6 GWh of electricity consumed in 2023. The other 32% was bought from local utility Empresa de Electricidad de Magallanes (EDELMA). The electrolyzer represented 49.5% of Haru Oni's total electricity consumption. In 2024, we will install a battery energy storage system (BESS) at Haru Oni to provide us with backup renewable power to resolve wind intermittency, minimizing the need to use power from the Magallanes grid.

Our commercial facilities are considering BESS to provide backup renewable energy in case of outages by their primary renewable power sources or to ensure facilities can meet hourly renewable power matching requirements. Also, biomass boilers for the Cabo Negro and Paysandú projects will generate additional electricity in addition to their main purpose of capturing carbon dioxide.

Air emissions

The Haru Oni facility's air emissions are mainly particulate matter arising from transport on unpaved roads.

Gases produced during the e-Methanol-to-e-Gasoline (MtG) process and from fuel evaporation in the storage tanks are collected and were initially sent to a flare. We reduced the need to flare these gases – in particular propane and butane - in October 2023 when we

began producing synthetic liquefied gas (e-LG) as a by-product of the MtG process, allowing us to capture and reuse this synthetic gas.

Waste management

In 2023, Haru Oni generated 3.8 metric tons of hazardous waste mainly composed of used oil and rags contaminated with hydrocarbons.

Industrial wastewater accounted for 427 metric tons in 2023. It is transported to an authorized off-site treatment facility before final disposal and none is discharged onsite.

The facility also produced 4.4 metric tons of non-hazardous industrial waste such as thermal insulation materials, wood and cardboard, and 18.4 metric tons of domestic waste.

All waste is managed and disposed of according to legal requirements. All movements of industrial waste must be registered on the Registry of Emissions and Transfers of Pollutants platform, managed by the Chilean Environment Ministry, from the moment of leaving the facility to the point of final disposal.





ENVIRONMENTAL AND SOCIAL STUDIES

At HIF Global, we are committed to conserving the biodiversity of the areas where our projects are located and protecting local culture and livelihoods. When selecting our sites, we have chosen places that are not close to critical habitats or protected areas to avoid unwanted impacts on flora and fauna, particularly endangered.

In Chile, our Cabo Negro e-Fuels facility project is located in an industrial complex and Faro del Sur wind farm project is located in a site that is crossed by poliducts of hydrocarbon and is currently being used for herding sheep.

Our Matagorda, Tasmania and Paysandú sites are in farming or forestry areas already affected by significant human intervention. There is some native bush on the land beside the river at our Paysandú site and we plan to limit any intervention in that area. In Tasmania and Paysandú, we are conducting environmental and social baseline studies as part of preparing the projects' environmental impact studies.

At Matagorda, we have conducted an Environmental Site Assessment (ESA), Threatened and Endangered (T&E) species habit assessment, cultural resources review and Water of the United States (WOTUS) delineation. As minimal impacts were found on habitat and no impacts detected on

water, cultural sites or endangered species, we are not required to conduct an Environmental Social Impact Assessment (ESIA) at Matagorda as part of the US environmental permitting process. We are preparing a Focused Environmental Social Assessment (FESA) to verify compliance with the Equator Principles and other international standards.

In southern Chile, we have conducted comprehensive environmental and social baseline studies in our area of influence north of Punta Arenas in the Magallanes Region. The work covered the area's physical environment (such as noise and vibrations, air quality, traffic, hydrography, geomorphology and soil), land and aquatic ecosystems, cultural heritage, landscape, protected areas, tourism, territorial uses and human environment.

Almost all land use in our area of influence is used for raising sheep. The nearest protected area to Faro del Sur Wind Park is 16.5 kilometers away at Los Pingüinos Natural Monument. A tourist attraction, Los Pingüinos consists of two islands off the coast of Punta Arenas inhabited by significant colonies of penguins during the southern hemisphere summer. Our water use efficiency measures and zero liquid discharge facility are expected to ensure our Cabo Negro project will not impact their habitats.

A particular area of study was Faro del Sur's potential negative impacts on birdlife in the region. In total, we have conducted four years of environmental studies on birdlife near the project site. In 2023, we commissioned additional environmental studies and conducted 21 field campaigns on bird flight, covering each month and daylight and nighttime hours. The studies were enhanced by the deployment of high-technology binoculars that can measure the height at which the birds fly.

The field campaigns did not detect any critical habitat in close proximity to Faro del Sur but a small number of endangered species use the airshed. Our project design comprises state-of-the-art radar detection technology and human observers to slow or halt the turbines when flocks of birds approach in order to avoid or minimize collisions. In addition, the 12-kilometer power line transmitting the renewable energy to the Cabo Negro e-Fuels Facility will be underground, preventing the risk of impact on birds and minimizing visual landscape impacts in response to considerations from residents and the tourism sector. It will also run along the highway corridor, reducing the need to obtain easements through private land.

Promoting biodiversity

HIF Chile has committed to voluntarily implementing a biodiversity management plan at Laguna Los Palos, 15 kilometers north of Faro del Sur, to promote diversity and investigation of the local ecosystems. We have selected an area on the lake's northeast bank that we have identified as a resting, feeding and reproduction site for different bird species. The land around the lake is used for sheep grazing and faces multiple threats including those associated with surface loss and reduction owing to over-grazing. The project also considers developing an interpretative footpath with a view of the lake to foster education and recreational activities.

ENVIRONMENTAL PERMITTING

We are developing our commercial-scale projects based on the evidence of our environmental and social studies and using a precautionary approach to meet the local regulations in the countries where they are located and the international Equator Principles (EPs). The EPs are robust standards that serve as a common baseline and risk management framework for financial institutions to identify, assess and manage environmental and social risks when financing projects.

Matagorda e-Fuels Facility

At Matagorda, we have conducted natural and cultural due diligence to ensure there are no critical habitats, endangered species, artifacts or cultural sites within the project area. We will undertake further fieldwork in 2024 to confirm these findings and deepen our understanding of the surrounding habitat.

In April 2023, we secured the air permit from the Texas Commission on Environmental Quality authorizing construction of the first phase of the Matagorda e-Fuels Facility. The permit completes the review of the facility’s design and proposed operation’s compliance with US Environmental Protection Agency regulations (see pages page 30). The authorization enables HIF USA to start construction of the facility once engineering, commercial contracting and financing are complete, anticipated at the end of 2024.

Stakeholder engagement forms an important part of our environmental plans. We engaged early with stakeholders in Matagorda County to receive feedback and educate the community about the facility’s design (see page 56). We will continue to discuss potential social impacts, such as traffic congestion, with the community and local leaders and deepen this engagement as the project advances towards a final investment decision.

Chile Cabo Negro e-Fuels Facility

Our Cabo Negro project is made up of the Cabo Negro e-Fuels Facility and the Faro del Sur Wind Farm in the Magallanes Region near regional capital Punta Arenas. In 2023, we submitted the environmental impact studies (EISs) for Cabo Negro in October and Faro del Sur in December to the Magallanes Environmental Assessment Service for approval.

The EISs were built on extensive environmental and social baseline studies, including four years of data collection on birdlife around Faro del Sur that covered every month and day and nighttime hours in 2023. Prior to their submission, we conducted a comprehensive voluntary Early Citizen Participation Process in 2022 and 2023 (see page 57) to gain feedback on the project from local stakeholders. Mandatory Citizen Participation, comprising three townhalls and a public display of the project, on Cabo Negro took place in November and December as part of the EIS approval process. A similar mandatory process occurred for Faro del Sur in January and February 2024. Community feedback has played an important part in the design of the project.

We expect to complete the permitting process and receive the Resolutions of Environmental Approval (RCAs) in 18 months from the date of the applications.

Tasmania e-Fuels Facility

In July 2022, we filed a Notice of Intent (NoI) with the Tasmania Environment Protection Authority (EPA) providing an overview of the company and proposed facility, project location and potential impacts, kicking off the environmental approval process.

Based on the EPA’s guidelines, in 2023 we advanced preparation of the EIS for the Tasmania e-Fuels Facility, completing the ecological, indigenous peoples and cultural heritage assessments by year end. We expect to complete the EIS for formal submission to the EPA in mid-2024. It will also be submitted to Burnie Council as part of the development application.

In early 2024, we held voluntary public information sessions on the project’s design and potential impacts to allow the community to raise any consideration prior to completing the project design and EIS. Our core project team attended the sessions to address questions and engage directly with local stakeholders.

Further public participation sessions will take place as part of the planning and environmental approval processes later in 2024.

We expect the approval process to take around six months from the date of the submission.

Paysandú e-Fuels Facility

In September 2023, we applied to change the land-use permit for our proposed site near the town of Paysandú from rural to industrial. The application will involve a formal public hearing, anticipated in the second half of 2024.

In January 2024, we notified Uruguay’s environmental authority of our intention to develop an e-Fuels project - the first step in the environmental approval process - and are waiting to receive the terms of reference for the project’s EIS. We began initial assessments for the EIS in 2023 and aim to submit it to the environmental authorities in mid-2024.

We began community engagement with Paysandú stakeholders in November and December 2023, focused on explaining the emerging e-Fuels industry and obtaining feedback on local people’s main considerations and priorities. In 2024, we will continue this process with the aim of taking into account local stakeholder inputs and environmental baseline data in our design and management of the facility.

After the EIS is submitted, a mandatory citizen participation process will take place as part of the environmental approval process.

The EIS approval process in Uruguay usually takes 12 months from the date of submitting the EIS.





Sustainable facility design

When designing our industrial-scale facilities, we consider the impacts over the facilities' operating lifecycle and seek to optimize the efficient use of natural resources and reduce air emissions and water discharges to a minimum. Where possible and economically feasible, we employ the principles of a circular economy.

Our proposed e-Fuels facilities share many design characteristics but are also adapted to align with the characteristics of each project location and stakeholder feedback.

Water management

All of our industrial facilities are designed to maximize the reuse and recycling of water, which is a primary feedstock. Reverse osmosis systems will demineralize and remove impurities from incoming raw water prior to its use in production processes, and industrial wastewater treatment plants will be installed to enable high recycling rates of process and utility water.

For example, a significant amount of water is generated during the chemical process to produce synthetic methanol (e-Methanol). This water, along with others such as steam condensate, utility water drainage, and potentially

contaminated stormwater, can be recovered and recycled back through the wastewater treatment facility to keep discharges to a minimum.

At Matagorda, we have migrated to wet air coolers instead of a cooling pond to keep the different facility processes at optimum temperatures in order to minimize water losses from evaporation under the strong Texan sun. Operational water will be obtained from a surface water resource from a canal that borders the site. Surface water in Texas is conserved and managed by river authorities which permit the sale of its water to industrial, residential, agricultural and recreational clients.

In addition, the Matagorda operation will drill three groundwater wells to obtain backup water. These deep wells will be drilled into a brackish aquifer that is unsuitable for farming to ensure that local well water sources are not disturbed.

The Cabo Negro e-Fuels Facility will use desalinated seawater extracted from the Strait of Magellan, which it overlooks, and is designed to be a zero-liquid-discharge facility. The cooler Magellan air will be used for the cooling system instead of water to reduce water consumption. In another innovation, it will also capture, treat and reuse the moisture content of the biomass boilers used to obtain CO₂ to further improve water efficiencies.

Air emissions

The e-Fuels production process is specifically designed to limit air emissions, especially greenhouse gases (GHGs). At Matagorda, Tasmania and Paysandú, we are negotiating long-term power purchase agreements (PPAs) with renewable energy providers to fuel our facilities with low-carbon electricity. The Cabo Negro project considers the construction of a designated wind farm, Faro del Sur, to power the Cabo Negro e-Fuels Facility. We are considering onsite BESS to store renewable energy and provide backup power, as well as biomass boilers for Cabo Negro and Paysandú (see box *Biomass boilers and gasifiers*).

The limited impact of air emissions is reflected by the air permit received by the Matagorda e-Fuels facility from the Texas Commission on Environmental Quality. The Matagorda project is defined as being in an "attainment" area or, in other words, in an area that does not have a degraded airshed. The facility has been issued with a "minor source permit" indicating that if it operates according to the facility design parameters it will not have significant impacts to the air quality outside the facility.

In the case of Chile, baseline studies for air emissions from the Cabo Negro e-Fuels Facility indicate that it will have no significant impact on air quality

Our design looks for opportunities to take advantage of existing infrastructure, not only to lower capital costs but to reduce social and environmental impacts.

during construction or operation. Levels of particulate matter (PM2.5) are higher during construction, mainly due to dust raised from transport on unpaved roads, but still fall well below the threshold of Chilean air quality regulations.

Circular design

As part of efforts to contribute to a circular economy, we will use the salt obtained from the seawater desalinization process at the Cabo Negro e-Fuels Facility to de-ice the Magallanes Region's frozen winter roads. Likewise, we are seeking to use the ash and gypsum obtained from our facilities' biomass-to-CO₂ process in other local industrial processes. For

example, in Chile we have received interest from a local cement company to use the material in their production process. Ash has a variety of other uses such as to stabilize roads and condition soils.

Use of common infrastructure

Where possible, our design looks for opportunities to take advantage of existing infrastructure, not only to lower capital costs but to reduce social and environmental impacts.

In Chile, this approach forms part of a broader initiative supported by the government to make available ENAP's different terminals and piers in the Magallanes Region to private green hydrogen developers. HIF Chile is negotiating an agreement with ENAP to export e-Fuels from the latter's Cabo Negro Terminal, two kilometers from our facility. Likewise, we have signed a joint development agreement with ENAP and two other developers to use ENAP's Laredo port infrastructure to import equipment.

In the case of Matagorda, the site has close access to existing 345 kV transmission lines with spare capacity. In addition, the site is less than 125 kilometers from two existing CO₂ pipeline networks, which span over 1,250 kilometers, connecting us to industrial and biogenic CO₂ sources.



09



CLIMATE CHANGE

The increasing rate of global CO₂ emissions is alarming and unsustainable. We know we must change. At HIF Global, we are creating sustainable solutions that lead the way to net zero now. This is our contribution to the world.



CLIMATE CHANGE

e-Fuels: our contribution to solving a global challenge

Climate change is a reality. The year 2023 was the hottest on record and the average global temperature reached 1.48°C above the pre-industrial average, according to data from the European Union climate-monitoring service, Copernicus.

The consequences are global and will impact regions differently. We will face more frequent and intense droughts, wildfires, flooding and catastrophic weather events as well as declining biodiversity, greater water scarcity, melting polar ice and rising sea levels. It is expected to trigger human suffering and migration on an unprecedented scale.

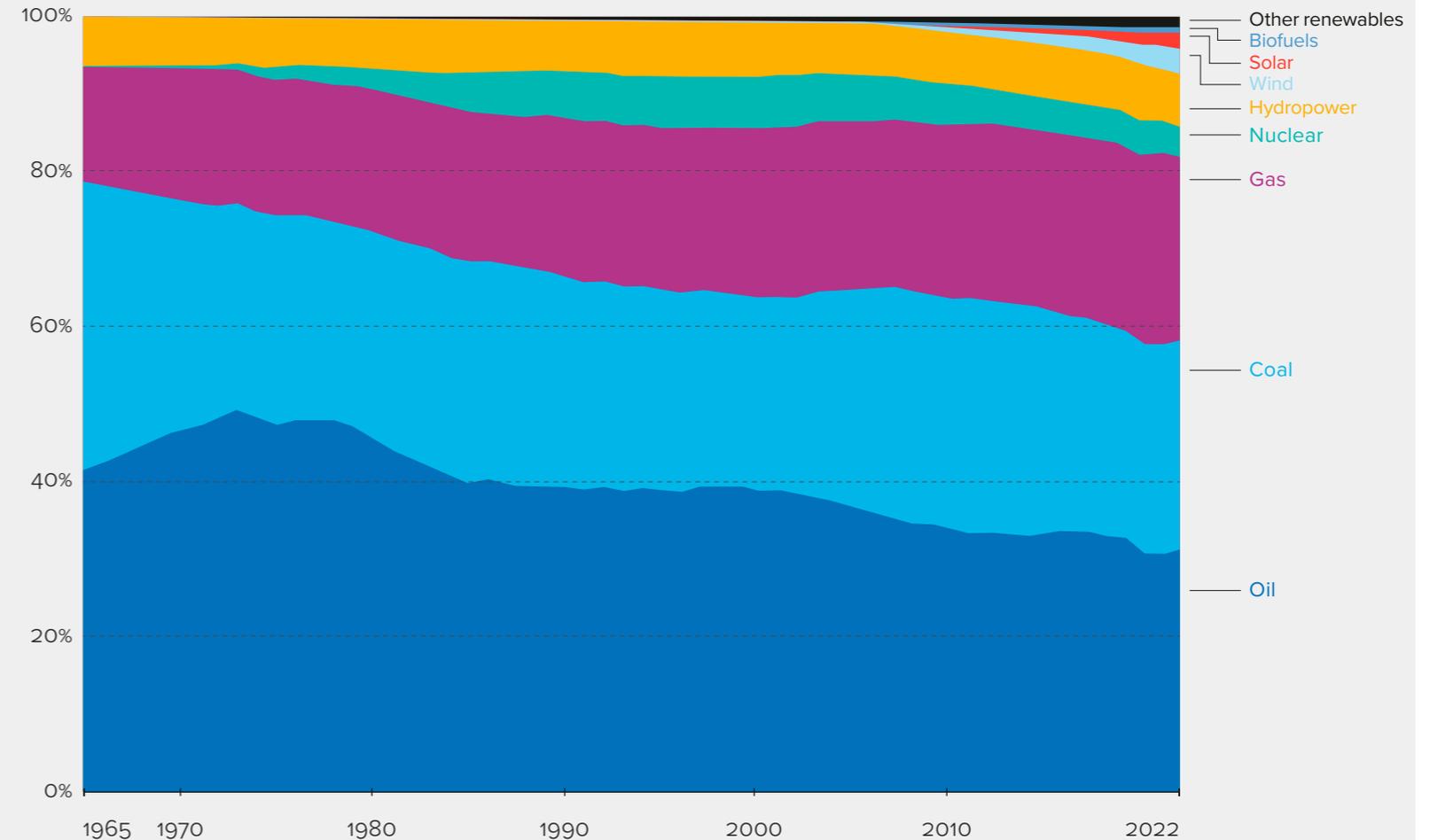
In 2015, 195 countries agreed at the landmark United Nations climate summit in Paris to take action and reduce greenhouse gas (GHG) emissions to stop global temperatures rising by more than 1.5°C above pre-industrial levels. To meet this goal, over 140 countries have since committed to reaching carbon net-zero by 2050, representing around 88% of global emissions.

The scale of the problem is enormous: in 2022, carbon-intensive fossil fuels still represented over 80% of total energy consumption (see graph). The decarbonization of the energy sector, which accounts for around three-quarters of global GHG emissions, is vital.

In 2022, carbon-intensive fossil fuels still represented over 80% of total energy consumption

World energy consumption by source

Measured in terms of primary energy using the substitution method.



Source: Our World in Data using data from the Energy Institute – Statistical Review of World Energy (2023). <https://ourworldindata.org/grapher/energy-consumption-by-source-and-country>

Renewable energy has made significant inroads over the last decade and now represents almost a third of global electricity generation. But renewable electrical energy is only part of the solution. Its scope and reach are restricted in highly populated parts of the world with limited available space for new large-scale renewable projects. Nor can it easily or rapidly tackle emissions from the transport sector, the second largest source of GHG emissions after electricity and heating.

e-Fuels offer an existing solution that can be deployed now to accelerate the decarbonization of transport. Obvious targets are the aviation and shipping industries that continue to be reliant on fuel-based solutions. But e-Fuels also have a role to play in decarbonizing road transport, especially in developing economies where the lack of subsidies and infrastructure will continue to hold back electric vehicle sales. In higher-income countries, e-Fuels can also support a slower phase-out of combustion engine vehicles and take the pressure off global lithium supply chains.

At HIF Global, we believe our production of e-Fuels can make a significant contribution to addressing climate change. The technology binds captured carbon dioxide with green hydrogen to produce e-Fuels; when used the e-Fuels emit the captured CO₂ back into the atmosphere in a



recycling process that displaces new CO₂ emissions from existing fossil fuels. The solution is environmentally friendly and can:

- Be produced in parts of the world where renewable energy is abundant and easily stored and transported over long distances to serve the needs of other markets.
- Resolve renewables intermittency on power grids as a backup fuel.
- Be used in today's vehicle engines and heating systems and thus allow the sustainable use of existing infrastructure in the transport and heating sectors.
- Provide a rapid decarbonization solution for the shipping and aviation industries.

- Be used by heavy goods transport over long distances and offroad heavy machinery that are difficult to electrify.
- Offer a solution to industries with hard-to-abate GHG emissions such as steelmaking and plastics.

In May 2023, our Haru Oni e-Fuels Facility in southern Chile obtained the International Sustainability and Carbon Plus Certification (ISCC Plus). The voluntary scheme verifies the proposed methodology to trace and measure the carbon dioxide (CO₂) footprint of our product from the origin of the raw materials, through the production process, to distribution to end consumers.

We expect the European Union (EU) will approve in 2024 the International Sustainability and Carbon Certification (ISCC EU) for renewable fuels of non-biological origin (RFNBO). In place since 2011 for other sustainable fuels, the ISCC EU verifies compliance with the EU's Renewable Energy Directive on GHG emissions and sustainability performance and targets.

Once approved, we plan to meet the ISCC EU standard at Haru Oni and our future industrial-scale projects to ensure our e-Fuels products meet the requirements of European regulated markets, the most stringent in the world.

In 2024, we will start to collect and analyze baseline data on our greenhouse gas (GHG) emissions to

measure our corporate and product carbon footprints. The information will allow us to gain a better understanding of our main GHG sources and establish actions to avoid and reduce these emissions in our corporate offices, facilities and projects.

At HIF Global, we are trailblazing this emerging decarbonization path, as demonstrated at our Haru Oni facility, and are ready to scale up production at four other locations, with plans for more. It is imperative for regulated markets to catch up and put in place robust e-Fuels regulatory and certification frameworks to allow this tried and tested climate change solution to ramp up and take off.



“At HIF Global, we are uniting the world’s best technologies, developers and financiers to create a new industry, which can act immediately to produce e-Fuels and replace fossil fuels. We are already delivering with our Haru Oni facility in southern Chile and seek to scale up in 2024 with the start of construction of our fully commercial e-Methanol facility in the United States.”

Clara Bowman, HIF Global COO



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