Transition Plan

July 2025

FincoEnergies

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Introduction

The climate is changing rapidly for the worse. Companies play an instrumental role in the global effort to reduce additional emissions and mitigate the worst impact. Together with governments, citizens, NGO's, and companies in the value chain, we need to act now.

This plan serves as our blueprint to achieve net-zero emissions. Creating this plan with thorough involvement of all our business divisions is already a valuable exercise on its own. We also recognize the additional value of companies sharing their stories to inspire collaboration and action. We were happy to read the transition plans of other companies in our sector and beyond and feel it is our duty and commitment to our sustainability goals to publish this net-zero transition plan to you.

Collective actions inspires, rooted in the realisation that a lot of work still needs to be done - urgently.

Often lost in the technicalities of these plans, we want to stress that having a transition plan is not a goal on its own. We have a mission for 2035 to *be green in the way we think, act and invest and reach 80% renewables in the products we sell*. This transition plan will further explain our specific near-term and long-term targets and what kind of actions we intend to take and how we need to invest to reach that goal. Transitions inherently involve uncertainties and dependencies. Therefore, it is important to remain flexible and adapt strategies as needed to achieve our targets.

We believe this plan will be our long-term blueprint for a net-zero business and will help reach the following objectives:

- Contribute to a net-zero economy
- Be a frontrunner in our industry
- Achieve our sustainability targets
- Create trust with key stakeholders
- Build a resilient business
- Maintain long-term access to financing

With global temperatures rising to unprecedented levels, there is no time to loose. As FincoEnergies, we want to play our part and work together with the value chain to decarbonize the transportation sector.

Being our long-term blueprint for a net zero business, it has been written with thorough involvement from all company stakeholders, including shareholders, Board of Directors, senior management, and employees. Their insights and perspectives are vital in shaping a transition plan that is realistic, actionable, and aligned with our collective vision.

The structure of this plan is aligned with guidance outlined in the European Financial Reporting Advisory Group (EFRAG) Implementation *Draft* Guidance document: "Transition Plan for Climate Change Mitigation", launched January 2025. This transition plan will be updated accordingly in case the draft guidance undergoes a major change.
EFRAG guidance on transition planning has been developed primarily for companies reporting under the European Sustainability Reporting Standards (ESRS), which is mandated through the European Union (EU) Corporate Sustainability Reporting Directive (CSRD). Although it seems like FincoEnergies will not fall under the scope of CSRD, we recognize the highly strategic importance of a solid transition plan and therefore have published this plan.

In the remainder of this plan, you can find:

- Our vision on net zero and the target on our way there
- Decarbonisations levers: with what actions and instruments do we expect to get to net zero
- Supporting structure: what kind of condition, e.g. on investments & funding and governance structures, do we need in place to be succesfull?

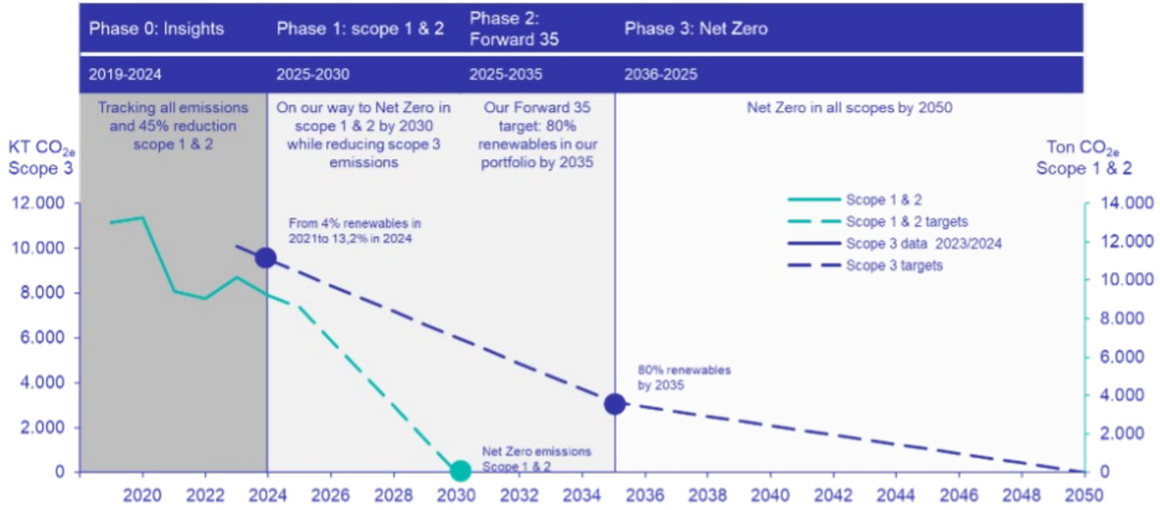
Our way to Net Zero: short-term action, our Forward'35 target and beyond

We are the frontrunner in our industry, but a frontrunner that leads the way for others to follow, staying close to market developments. **Being realistic and authentic.**

Target compatability – schematic overview

Year	Scope 1 & 2	Scope 3
2026	60% relative reduction compared to 2019	20% Renewable Energy Share (RES) in product sold (approximatly 17% reduction CO_2-Intensity)
2030	Net Zero	
2035		80% Renewable Energy Share (RES) in product sold (approximatly 68% reduction CO_2-Intensity)
2050		Net-Zero

We see four different phases on our journey towards net zero and use those to explain our vision on decarbonisations and our commitments (targets) over time.



Vision & Commitment

Phase 0: Insights
Both the CO_2 Performance Ladder and our Forward'35 vision have helped us to create a foundation for this transition plan.

We've started to track our scope 1 & 2 emissions from 2019 onwards and have already achieved a relative reduction of 45% on our scope 1 and 2 emissions since 2019 as of 2024. Since 2021 up to the time of writing, we have scored a level 3 rating in the CO_2 Performance Ladder, which has served as our CO_2-management system for scope 1 & 2 emissions, enabling insights into our emissions, setting reduction targets, and identifying the decarbonisation levers to achieve these targets. This rating is independently verified by a third party on an annual basis.

The majority of our scope 1 and 2 emissions originate from our supply fleet. Together with our bunker vessels and trucks, these accounted for 89% of total operational emissions in 2023. Scope 2 emissions have been reduced to near zero (market-based accounting) following our transition to green electricity and energy efficiency measures in our offices, including the installation of a heat pump.

In 2021, we launched our Forward'35 vision, setting an ambitious goal to reach 80% renewable energy by 2035—exceeding both market averages and national policy targets.

In this phase, we have begun to understand the dependencies that may either accelerate or hinder the transition towards net zero. For example, the impact of government mandates on the market adoption of biofuels and the challenges associated with voluntary markets. These dependencies are generally not specific to any particular phase or product and are therefore addressed in a separate chapter of this transition plan.

Scope 1 emissions - per ton CO_2eq	**2019**	**2024**
Supply fleet	10047	7146
Bunker vessels	507	559
Truck and other vehicles	1659	1389
Remaining scope 1 emissions	191	50
Total scope 1	**12405**	**9144**
Scope 2 emissions - per ton CO_2eq		
Electricity - general	607	2
Electricity - company cars	1	49
Total scope 2	**608**	**51**

What is the CO_2 Performance Ladder?

According to their own website, 'The CO_2 Performance Ladder is an easy and effective tool that drives decarbonisation and innovation. It helps governments buy green and make significant climate impact by giving sustainable companies a financial advantage. It serves as both a procurement instrument and a CO_2 management system.'

More information can be found on the **CO_2 Performance Ladder** website.

Vision & Commitment

Phase 1: Scope 1 & 2 net zero by 2030
We are working towards net-zero operations by 2030. We need to reduce emissions from our supply fleet, bunker vessels and trucks. As FincoEnergies, we want to set an example and show that it's possible to run your operations on renewable fuels instead of fossil-based ones. That is why we are increasing the biofuel share in the fuels that we use in our operations, and where that's too difficult, we will use mass-balance inset credits created within our own logistical operations for maximum control.

As biofuels reduce around 85% GHG compared to their fossil counterpart, we expect residual emissions to still exist in 2030. To achieve net zero, we will use insetting and offsetting mechanisms by 2030. We expect to be less reliant on these carbon accounting mechanisms as alternative zero-emission engine technologies like electrification enter our sector.

Phase 2: Scope 3 & Forward'35
Our Forward'35 vision is addressing our scope 3 emissions. The vast majority of our scope 3 emissions come from the use of the products that we sell. Together they account for around 99% of our total scope 1, 2 and 3 emissions.

We've set a target to reach 80% renewables in our portfolio by 2035, thereby extensively exceeding government mandates and targets set by other companies in our sector. Different to our scope 1 & 2 target, the ecosystem interdependencies are much stronger for scope 3 emissions. The main factor being downstream renewables demand and secondly upstream renewables supply.

Our goal is to leverage our role in the ecosystem to increase demand and supply for renewables, such as biofuels and other renewable fuels, in road transportation, inland marine, coastal marine, and international marine. It is important that our ecosystem adapts accordingly, as the climate does not benefit if another party supplies the fossil fuels that we are no longer providing.

Phase 3: Net-Zero in all scopes by 2050
The focus from 2035 to 2050 will be on achieving Net-Zero. Assuming similar reduction percentages from biofuels in 2035, we will achieve a relative scope 3 reduction of around 68% with 80% renewables.

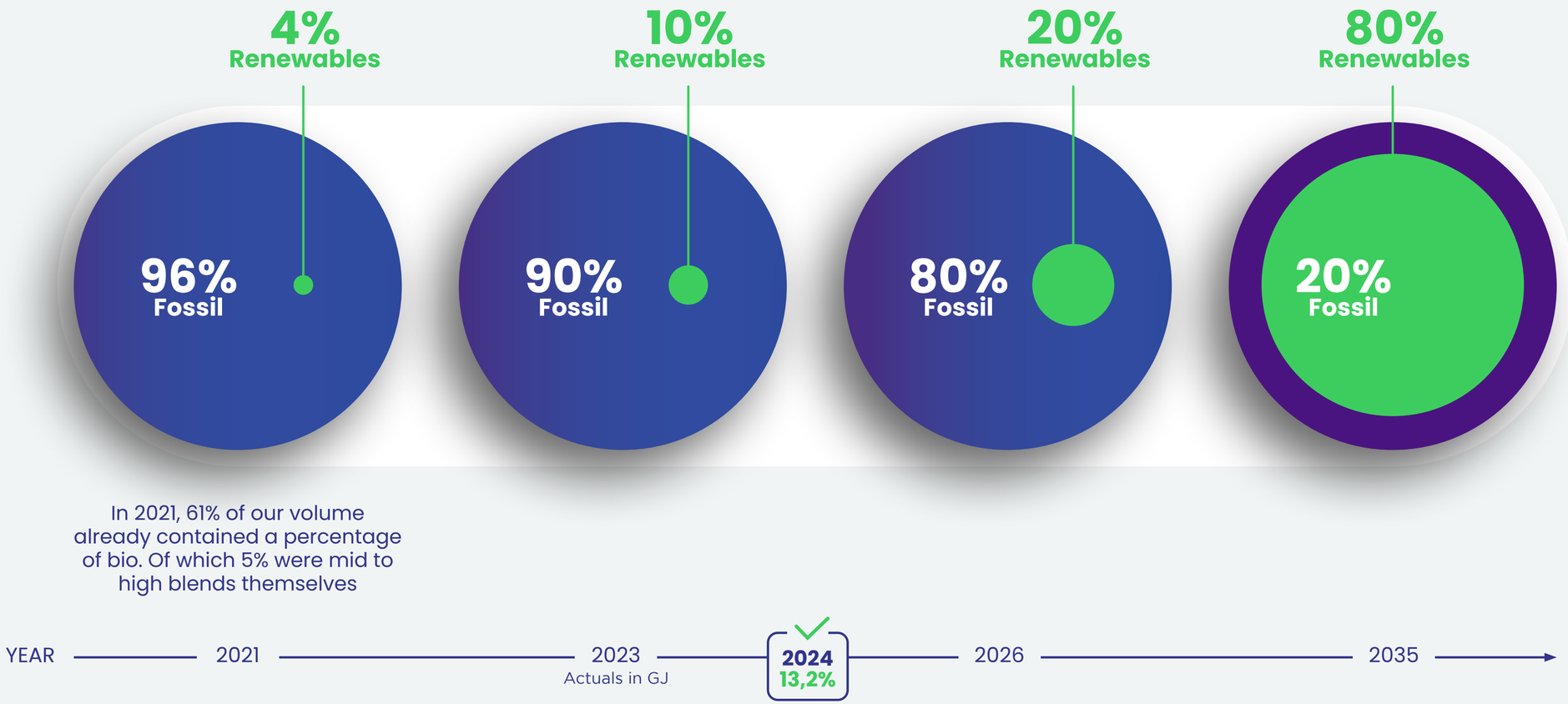
The remaining scope 3 reductions need to be achieved via two different mechanisms:

1. Increase the share of renewables in our product sold to 100%

2. Increase the average % GHG emission reduction of our renewable products towards 100%

We will need collaboration across the whole value chain to achieve both objectives. It will require Net-Zero (or even net negative) liquid fuels with wide-market adaptation. We draw support from the EU Green Deal and its target to have a climate-neutral EU by 2050. This will mean that not only FincoEnergies is motivated to achieve these objectives, but that other companies are striving to similar goals and that legislation is set / will be set to guide industries, making the achievement of our net zero goals much more likely.

Forward'35 decarbonisation targets and progress



Target Compatibility

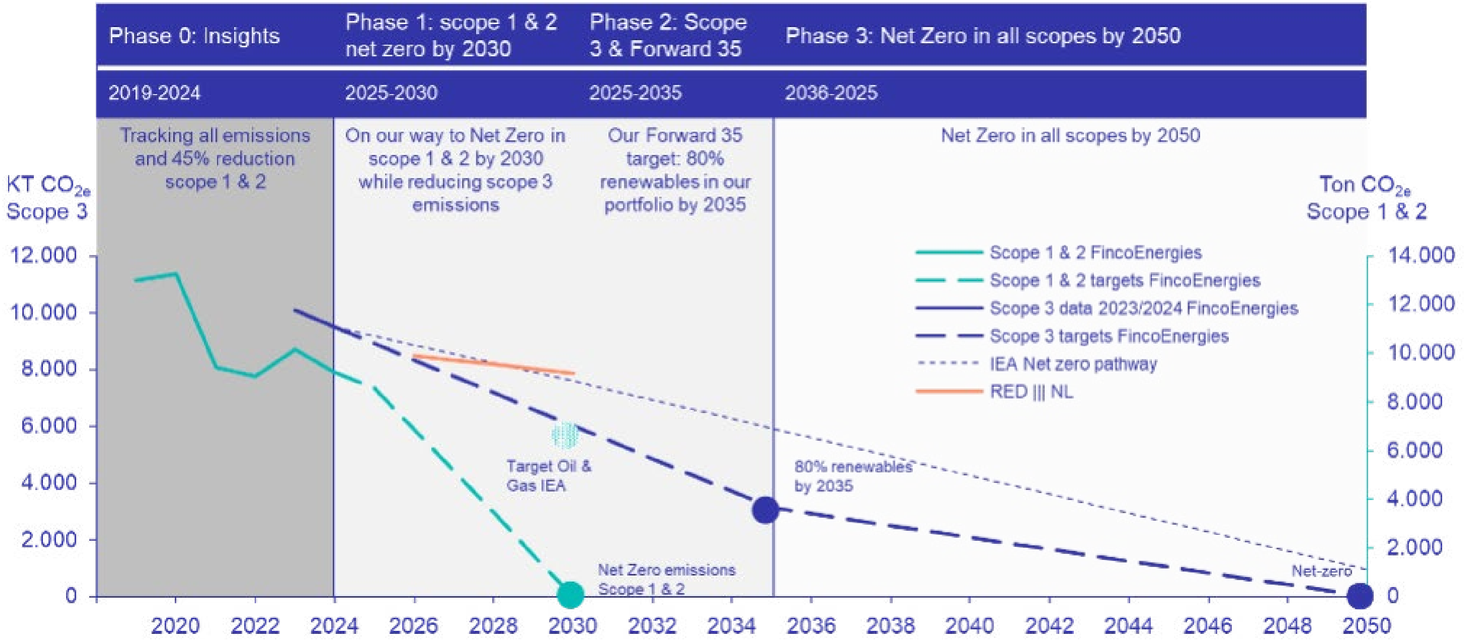
In setting our emissions reduction targets, we have aligned with multiple roadmaps and transition path-ways to ensure our ambitions are both science-based and sector-relevant.

Although we have not yet been able to seek formal validation from the Science Based Targets initiative (SBTi) due to the absence of an Oil & Gas sector standard, we have benchmarked our targets against a broad range of authoritative frameworks. These include internationally recognized decarbonisation pathways —such as those developed by the International Energy Agency (IEA)— as well as legislative benchmarks like RED III. Based on this analysis, we conclude that our targets exceed the ambition level of these standards.

We also recognize that the value chain is undergoing rapid transformation, reinforcing our strategic direction. Market signals increasingly point to biofuels as a key enabler of decarbonisation, a view shared by companies in our industry. Our supply chain partners are likewise strengthening their commitment to sustainability, driving positive momentum and alignment across the value chain.

As a frontrunner in our sector, we aim for our targets to be at least aligned with —and often more ambitious than— leading EU legislation and best-practice decarbonisation scenarios. When visualized along our net-zero trajectory, this ambition is clearly demonstrated.

All our targets are above legislative mandates and generally accepted decarbonisation pathways



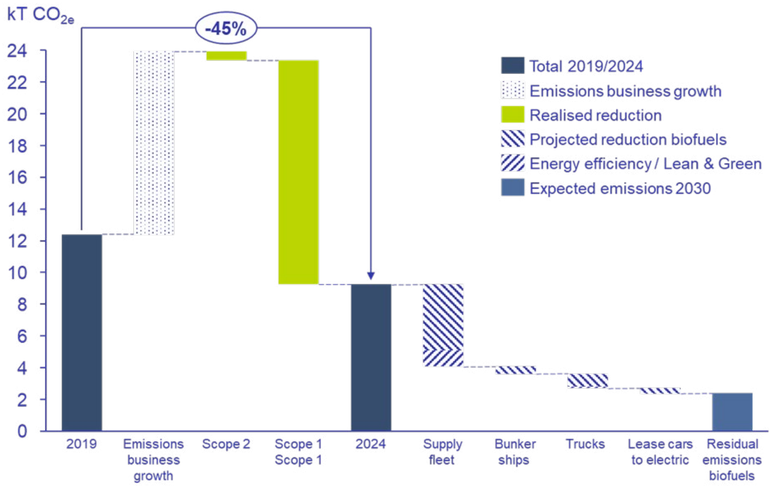
At the time of writing, May 2025, there is no Oil & Gas standard from SBTi. Developing the standard has been paused and they expect to decide on next steps 'later this year'.[1]

Note: the details of the IEA Net-Zero pathway and the % targets from RED III can be found in appendix Target Compatability.

Decarbonisation Levers

This chapter outlines the reduction measures and technologies employed to achieve our carbon reduction targets.

Scope 1 & 2: Absolute emissions – relative reduction, as corrected for volume growth, 45% per 2024



FincoEnergies has grown significantly since 2019 and as a result it own energy consumption including fuels. Amongst others, we increased the number of our largest supply vessels and we offers products that need to be heated during transport. At the same time, we've been able to lower our emissions by replacing fossil fuels for biofuels. Looking at our total scope 1 & 2 emissions, the emissions from our supply fleet, bunker ships and trucks account for close to 90%. The main decarbonisation lever for our scope 1 & 2 emissions is, therefore, the use of biofuels in those vessels and vehicles.

We will increase our biofuel usage to 100% by 2030 while also trying to reduce our total energy need by leasing supply ships with economic fuel usage, efficiency in planning (e.g., slow steaming when delivery times allow) and optimized road transportation. Our trucks and smart routes & planning have been awarded with a Lean & Green second star. We keep on training our personnel to be up to date on new sailing and driving techniques to create maximal awareness on fuel efficiency and the usage of renewable fuels.

Biofuel usage should lead to aproximatly a reduction of 5500 ton CO_2eq annualy, with effiency accounting for around 1100 ton CO2e. In case these efficiency measures do not deliver the expected results, we will use additional biofuels and residual emissions will be slightly higher (from around 2400 ton CO_2eq to around 2550 ton CO_2eq).

As we look ahead to 2030, we acknowledge that there will be residual emissions in scope 1 due to technical limitations. To effectively address these challenges, we are reliant on several key factors. Firstly, lowering well-to-tank emissions for biofuels remains crucial. Secondly, the development and legal acceptance of new low-carbon fuels and alternative engine technologies within our sector is imperative. Thirdly, the regulations surrounding carbon credits, such as the possibility of insetting more fuels than we utilize ourselves, will play a significant role.

Despite our proactive efforts, certain limitations persist in the transition of vessels and trucks to different fuel sources and engine technologies. The first electric truck with authorized permission is just been allowed to operate in the Netherlands, but adoption and fast-charging is not yet widely available. Similarly, electric bunker vessels that can travel longer distances are not yet available on a commercial scale and would need to overcome comparable safety hurdles. Furthermore, bio-methanol ships are currently not allowed to load at terminals and refineries, also owing to safety hazards.

We will work closely with the sector to help overcome these challenges. An example of this is our role in a one-year practical pilot with multiple parties in the inland marine sector, with TNO taking the lead.

While our goal is to achieve net-zero emissions by 2030, we will persist in examining energy efficiency measures and other strategies to reduce our overall impact beyond 2030. We are dedicated to monitoring available options, as advancements in technology can occur rapidly, and we will make adjustments as necessary.

Inland shipping tests biofuel FAME for rapid sustainability

Decarbonisation Levers

Main decarbonisation levers beyond 2030 and beyond biofuel use/insetting:

Supply fleet
We lease our supply vessels – offering flexibility in the short-term. We currently mainly HVO20, B15 and insetting. To increase the direct use of biofuels we:
- Should charter ships from owners that allow direct use of high-blends in their ships
- Should continue to engage with bunker stations along main routes to make sure they offer high blends

Bunker ships
Without any changes in current assets, we can go up to around 50-60% in biofuel usage. The remainder will be done via insetting. To go up to 100% we need to:
- Do, for some ships, an engine revision to enable 100% biofuel usage
- Go to electric - electric bunker ships are possible in the long-run

Trucks
Without any changes in current assets, we can go up to 100% biofuel usage.
- HVO100 is possible for all trucks
- We are testing with using higher FAME blends
- Electric trucks will be a viable alternative in the medium-to-long term

Comments
- We expect a general decline in residual emissions from biofuels due to lower well-to-tank emissions

- Electric engines are, after considering a modal shift, our preferred long-term option for our own fleet — provided they become available and economically viable. However, we face similar challenges across all our vehicles and vessels:

  - External dealbreaker:
    it's unsure if they will be allowed under ADR, legislation for the transportation of dangerous goods. This would need to change

  - Manageable in the medium-term:
    high-speed charging facilities are necessary in our operating areas

  - Manageable in the short-term:
    it will be an additional factor in the planning of our logistical processes

Decarbonisation Levers

Scope 3:
Our scope 3 emissions are most material – around 99% of our total emissions. Reaching our 80% renewables target for 2035 will require a fundamental shift in the products that we sell, and would correspond with approximately 68% reduction of scope 3 emissions, assuming that a biofuel will reduce around 85% emissions compared to a fossil counterpart.

Blending obligations: RED III, FuelEU Maritime and others
The mandatory market —driven by legislation— is a critical force in accelerating the sector-wide shift toward low-carbon fuels, while maintaining a level playing field across the industry. For our overall portfolio, the most influential regulatory framework is the Renewable Energy Directive (RED). From 2026 onwards, the implementation of RED III will set progressively higher greenhouse gas (GHG) reduction targets across multiple transport modalities, including road, inland shipping, and marine, through so-called blending obligations for fuel distributors.

Under RED III, individual distributors are not required to meet these blending targets solely within their own volumes; instead, they may purchase compliance certificates from companies that exceed the mandated thresholds. We believe we are well-positioned to deliver a higher share of low-carbon fuels to the market and expect to outperform the required blending ratios within our portfolio. By leveraging RED III, we anticipate a scope 3 emissions reduction of approximately 2.8 million tonnes of CO_2eq by 2035.

We also draw regulatory support from other frameworks, such as FuelEU Maritime, which sets GHG intensity targets for vessel operators sailing to or from Europe, and the IMO Net-Zero Framework, designed to drive decarbonisation in international shipping. While the ambition levels of these frameworks remain below our internal targets, they contribute to shifting the system as a whole in the right direction and align with our long-term climate goals.

Although we cannot directly influence the ambition level of such mandates, we proactively develop solutions that help market actors comply with them — thereby expanding the share of renewable fuels in our distribution. One such innovation is our FuelEU Maritime Pooling solution, which enables our clients to meet FuelEU Maritime requirements and supports their transition toward low-carbon operations.

In addition to aligning with existing mandates, we actively engage with regulatory bodies, sharing our insights and advocating for stronger sustainability standards to accelerate the energy transition.

Decarbonisation Levers

Decline in the market: gasoline

A portion of our scope 3 emissions will decline as certain fossil-based products are gradually phased out—gasoline being a prominent example. While some resistance to the phase-out of internal combustion engine (ICE) passenger vehicles is anticipated, the long-term trajectory clearly points toward electrification. As gasoline-powered ICE vehicles exit the market, demand for gasoline will diminish, resulting in lower scope 3 emissions for FincoEnergies — assuming our market share remains stable.

Electric vehicles (EVs) generate substantially lower greenhouse gas emissions than ICE vehicles, reducing both environmental impact and fossil fuel dependency. Given that the phase-out of ICE passenger vehicles is expected to proceed under all plausible transition scenarios, we have not defined specific interventions to accelerate this shift.

From a business continuity perspective, we are proactively developing new market propositions to ensure ongoing relevance in an evolving mobility landscape. However, these initiatives are not expected to accelerate the broader market adoption of EVs.

Voluntary markets for renewable fuels

While regulatory frameworks and the expected decline in demand for different fossil products will contribute significantly to reducing our emissions, they alone will not suffice to meet our climate targets. To close the remaining gap, we must drive progress in the voluntary market — a segment that has proven to be both essential and challenging in recent years.

In the voluntary market, prices tend to be higher and the willingness to act remains relatively limited. However, we observe a positive long-term trend, and we believe that ambitious, non-mandated action represents the most impactful way for our value chain to contribute to the energy transition.

To support this shift, we are focused on lowering barriers to voluntary participation and encouraging customers to take action beyond what is legally required. We do this through innovative solutions such as the Decarb Desk, Biofuel Swap, and GoodShipping. These offerings help market actors share the costs of decarbonisation across the supply chain — creating indirect connections between vessel owners, cargo owners, and fuel users that are otherwise difficult to establish due to cost and administrative burdens.

For example, vessel owners gain affordable access to biofuels, while cargo owners can decarbonize transport activities they do not directly control. By providing the mechanisms for this collaboration, we enable more actors to participate in the transition.

It is important to note that this decarbonisation lever carries a higher degree of uncertainty compared to mandatory market mechanisms or the projected decline in gasoline demand. Nevertheless, it represents a critical avenue for achieving our climate ambitions and catalyzing sector-wide transformation.

Decarbonisation Levers

Innovation and efficiency

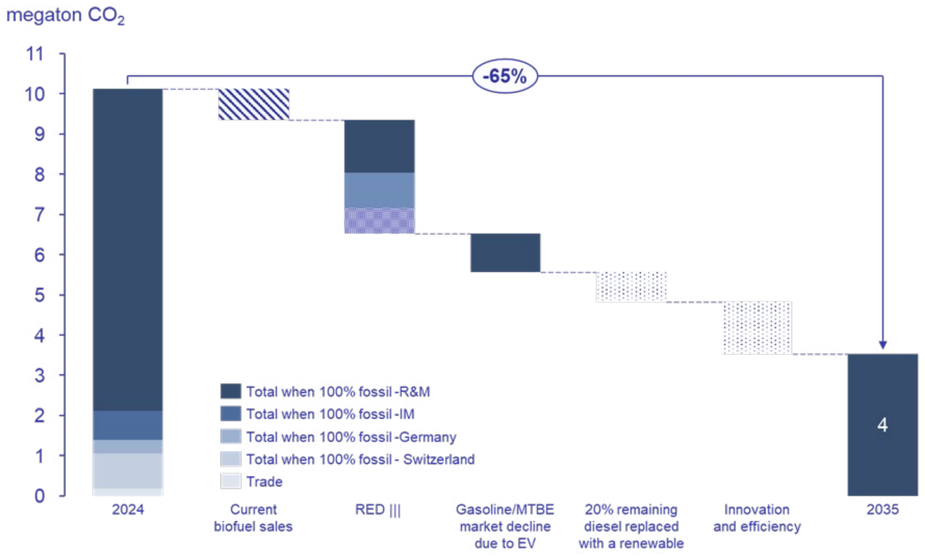
Despite the progress made, a gap of approximately 1.3 million tonnes of CO_2eq remains between our current decarbonisation levers and our long-term targets. In the coming years, we will continue to prioritize innovation as a key driver to identify practical opportunities that can accelerate progress toward our goal of 80% renewable energy and a 65% reduction in scope 3 emissions.

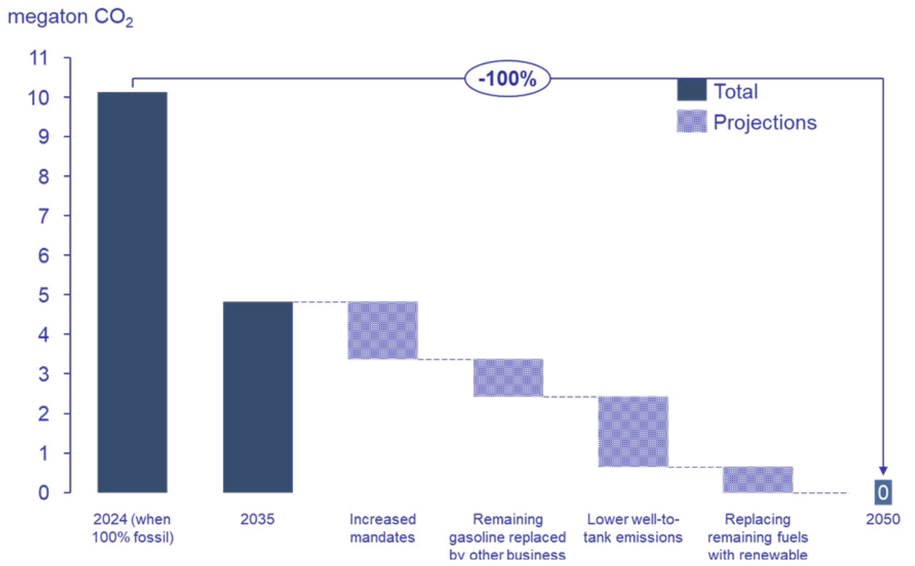
In recent years, we have successfully launched several products and services that contribute to the energy transition — often without knowing in advance what form they would take. These achievements demonstrate our capacity to adapt, explore, and implement impactful solutions in a non-linear journey toward net-zero. We draw confidence from this track record and remain committed to advancing along this dynamic path.

Looking ahead, we expect the well-to-tank emissions of biofuels to continue decreasing, supported by improved production methods and feedstocks. Additionally, we anticipate growth in the sale of multiple products like bio-methanol and e-fuels, particularly within the marine sector, as technology matures and market demand increases. Next to liquid fuels, we expect growth in the EV domain, also outside of cars.

Beyond 2035

Beyond 2035, we expect the decarbonisation levers to remain largely consistent, although the exact outcomes become more difficult to forecast. We anticipate a continued increase in renewable alternatives across our value chain, along with further reductions in well-to-tank emissions due to technological advancements and efficiency gains. As a result, residual emissions from biofuels are expected to decline naturally, further supporting our long-term decarbonisation goals.





Dependencies

A transition to net-zero is per definition a collective effort. As frontrunner, we aim to set the pace of the transition, but we rely on others to follow and work with us to make adoption of renewable energy a reality. Describing our dependencies on other (market) actors makes that explicit. They are a list of items we need to monitor and work on in the near future, while updating the list when needed.

As described in the chapter on 'Decarbonisation levers', two critical factors for achieving our goals are:

1. future renewable energy obligations / blending mandates under EU and national regulation; and

2. the voluntary uptake of renewable fuels over and above regulatory requirements in the voluntary market.

The ambition level of future blending mandates depends on the overall political climate. And with regards to voluntary update: as fuel distributor situated in the middle of our value chain, we have an important role in connecting supply and demand. But this role also comes with limitations of our influence on supply and demand for renewable fuels.

We further explore these dependencies in this chapter. All can influence our targets, mainly the scope 3 emission targets. Scope 1 & 2 emissions are more under our direct control.

Overarching dependency: Political Climate

While 76% of the Dutch adult populations worries about the effects of climate change on future generations according to research from CBS in 2023, this doesn't automatically translate into strong sustainability policies on a local, national or EU-level. Firstly, we can expect the political attention to go towards other urgent topics. Secondly, we can expect explicit political push-back and disagreement on changes caused by energy transition.

Ongoing political commitment to climate targets and emissions reduction policies, including blending mandates, remains crucial. Additionally, a stable business environment with consistent policy and regulation is essential for achieving these goals. However, it is important to note that these factors are currently uncertain and not fully assured, which may impact progress toward long-term sustainability objectives.

As FincoEnergies, we see a strong need for high blending mandates, and we believe we have the long-term political support and will within the EU to reach our goals. We will keep working with stakeholders to keep sustainability on the political agenda.

Overarching dependency: Value Chain Position and ecosystem change

FincoEnergies has deep expertise in managing liquid fuel supply chains. We are at the centre of sourcing, blending and distributing (low carbon) fuels. This value chain position comes with certain growth limitations regarding the expansion of our renewable fuel sales in both the mandatory and voluntary markets. Our current distribution model means that there are limits on market penetration among our resellers.

While the position in a certain value chain theoretically can be changed by the merger of the various actors in the chain, a single company cannot change an ecosystem on its own. As becomes evident from our value chain overview below, we remain dependent on supply and end users to reach our targets collectively.

Successful execution of our transition plan has multiple specific dependencies

1 **Acces to finance**
Trusting in our growth towards decarbonized solutions for transport comes with a commitment for financing these developments as well.Investments into e.g. geographical expansion, product development, distribution (depots and logistics), securing feedstocks and treatment of feedstocks, and facilitating services (like software products) will all contribute to the success of our plan.

2 **Demand: blending mandates**
Blending mandates are vital for reaching our targets, but RED ||| is currently limited to 2030. We will push for 1) increased mandates aligned with EU's sustainability targets and 2) longer timelines to help support long-term investments and create market stability. High mandates (or other incentives) are vital to create scale and cost efficiency, to deliver renwable fuels price competitive.

3 **Demand: voluntary**
It is to be expected that mandates won't be sufficient to reach our targets. We will, therefore, depend on voluntary demand. A part of the voluntary demand will still be part of the total mandates, but we will also try to increase the size of the voluntary (additional) market to close the gap between mandates and our targets. These new energy business models need to be financially viable to attract investments, where necessary with government support to get through the inial phase, like solar and wind.

4 **Demand: EV**
Rising demand for EV's will decrease the need for gasoline in the long term. This will, with a similar market share for FincoEnergies, naturally decrease our related scope 3 emissions. This is to some degree dependent on developments in the electricity grid. We also expect EV-trucks to replace diesel volumes, but slightly after the switch to EV for passenger cars. No major increase in the use of biofuels for cars is to be expected.

5 **Demand: Carbon pricing**
If the GHG-price under, e.g. EU ETS2 or IMO Carbon pricing, is high enough to make biofuels a viable option for compliance, this would strongly increase demand beyond the mandates.

6 **Availability of (sustainable) renewable fuels**
Global predictions see an increase in global biofuel usage. We are dependent on an increase in available volumes to reach our targets, and on these volumes making it into the EU market. There are mitigations possible to secure supply, but a dependency remains as we don't have full control over the upstream value chain.

Dependencies

Preconditions:

1 **Mindset**
Why we go the extra mile: a joint intrinsic motivation of all employees on all levels to not only strive for our profit, but also our people and planet performance. Thinking bold, bringing innovative ideas, going the extra mile.

2 **Knowledge**
As our business is so tied to complex legislative structures and complicated supply and value chain, influenced by global (commodity) market developments, knowledge is our key instrument to be successful. We train our people daily and have a sharp monitor on what knowledge gaps need to be filled.

3 **Incentives**
We make sure our KPI's , internal targets and indicators all lead to the right behavior. In addition to setting equally weighted targets for profit, planet, and people, we actively monitor for potential perverse incentives and implement mitigating measures like internal carbon pricing and cross-division rewards.

4 **Governance**
To be effective and efficient in our jobs we need a transparent sharing of responsibilities, with dedicated final responsible executives in our Board and a clear reporting structure on these responsible areas to steer all business activities and processes in the right direction. A strong foundation based on trust and clear processes to which all can clearly comply.

5 **Shareholder continuity**
As we are uniquely positioned in the fuel distribution field with our independent private shareholders, we can really make the difference in this arena dominated by large corporates. Continuity and trust from our shareholders for this remains vital to maintain our thought leadership position and commitments.

6 **Financial support and stability**
Financial stability enables us to offer biofuels and the fossil fuel logistics enable lower distribution costs for biofuels. The coming years we will need to strike a balance between keeping our scale and remaining financially strong, to enable our transition towards net-zero and being able to absorb the end of certain products.

Foundations for Delivery
from Governance to Risks & Opportunities

Governance

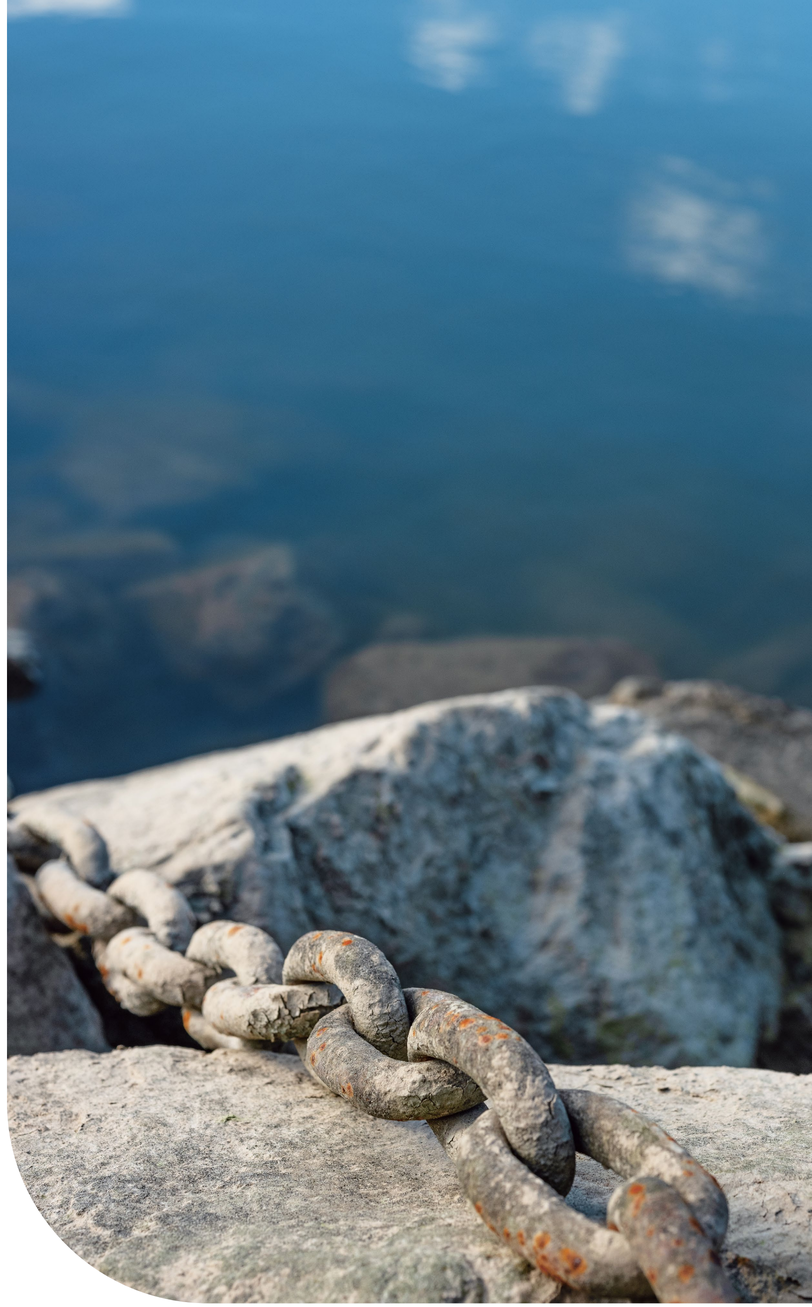
This chapter provides assurance that the plan is supported by key stakeholders and governance bodies, ensuring coherence across the business and accountability. We will detail the approval process, key stakeholders involved, and how climate targets are integrated into business planning, internal reporting, and remuneration.

Approval and Support by Key Stakeholders
The transition plan has received robust support from key stakeholders within FincoEnergies. The plan has been approved by our Executive Management Team, ensuring top-level endorsement and commitment. Additionally, we have engaged and informed all shareholders about the transition plan, securing their support and understanding of our strategic direction. Our leadership team has also been thoroughly briefed and is fully aligned with the objectives and actions outlined in the plan.

Integration of Climate Targets into Business Planning
Climate targets are integrated into our business planning and strategy. Each year, during the budget planning cycle, we calculate the greenhouse gas (GHG) reduction effects of the budgeting process and adjust accordingly. This integration ensures that our financial planning is aligned with our sustainability goals and that we are continuously working towards reducing our carbon footprint.

Internal Reporting and Remuneration
To ensure accountability and transparency, all relevant data on scope 1, 2, and 3 emissions is included in the quarterly reporting information for our leadership team. This regular reporting allows us to track progress, identify areas for improvement, and make informed decisions to stay on track with our transition plan.

Furthermore, GHG reduction on our products is a significant component of our variable remuneration scheme, accounting for between 20% and 25% of the total variable remuneration.. This linkage between climate targets and remuneration ensures that all employees are incentivized to contribute to our sustainability goals and that there is a clear alignment between individual performance and the company's strategic objectives.



Investment & Funding

A critical component of this transition is the strategic allocation of investments and funding to support the decarbonisation levers and measures outlined in Section 2 of the Transition Plan. This chapter provides an overview of the investments and funding streams that have been allocated across the organization to support our transition towards a sustainable future.

We've taken the following approach towards funding our decarbonisation efforts:

- Operational integration: Decarbonisation efforts are embedded in day-to-day operations — not isolated in separate project silos.
- Lean model: With a leased supply- and bunkerfleet and minimal asset ownership, emissions reductions are pursued through targeted OpEx interventions and supplier engagement.
- License to operate mindset: Transition-related investments are not contingent on short-term ROI calculations but viewed as essential to business continuity, reputation, and regulatory compliance.

Short-Term Investments Scope 1 & 2

Our short-term investments focus on immediate measures that will yield significant reductions in our carbon footprint, mainly scope 1 & 2. We've started these efforts in 2020 with our first CO_2 Performance Ladder certificate. The experience has led us to conclude:

- Biofuel usage: Due to our unique position in the value chain and ability to source the product at the best time in the year, With our unique position in the value chain and ability to source the product at the best time, we aim to keep the 'green premium' low and accept it for our emission reduction. It is integrated into our regular cost base. We will closely monitor market developments and report on specific investments if needed.
- Energy efficiency: There are costs associated to this decarbonisation lever, but these are neglictible. The return on investment for this is solid – we need a small saving to recover the cost of research.
- Green electricity & electrification of our lease cars: While green electricity is generally slightly more expensive, this is only a small part of our total energy need and a similar small part of operational costs. Electrification of our lease cars doesn't necessary lead to higher costs as the total costs of ownership is expected to be lower.

Overall, we expect that most of the scope 1 and 2 emission reduction will be achievable with OPEX interventions. We don't expect the need material CAPEX investments.

Short-Term Investments Scope 3

We have a role in enabling systemic decarbonisation across the value chain. This is related to our position in the value chain. As that position might limit our influence on ecosystem decarbonisation, it also means that we as FincoEnergies most likely will not be the actor making the infrastructure investments required for the transition.

Accordingly, investment efforts are focused on market mechanisms and capability-building, rather than direct abatement infrastructure.

We currently allocating internal operational expenditure and commercial resources to two strategic areas:

- Certification, online tooling and insetting mechanisms: Investments are being directed toward digital infrastructure and verification systems that enable transparent and auditable Scope 3 accounting for customers and partners.
- Portfolio shift: Though not classified as discrete capital expenditure, working capital is increasingly used to source and blend lower-carbon fuels—primarily advanced biofuels—into the company's offering, contributing to downstream emission reductions.

In addition, we invests non-financial resources (e.g., policy engagement, reputation capital) to support successful implementation of blending mandates like RED III, recognizing the catalytic effect such regulations can have on decarbonisation uptake.

Long-Term Investments

We expect to fund currently unknown innovations, products and developments with internal funds. As scope 3 decarbonisation is in essence changing the core of our business and operations, the vast majority of decarbonisation levers must be viable business propositions with a positive return on investment. If not, we cannot sustain our business activities in the long run.

Stakeholder engagement

Effective stakeholder engagement is a cornerstone of FincoEnergies' approach to systemic decarbonisation and the successful implementation of our transition plan. We recognize the importance of involving various stakeholders — customers, partners, regulators, and the broader community — in our sustainability journey. Through transparent communication on our portfolio, our supply chain challenges and our advocacy towards decarbonized transport as well as via collaborative initiatives, we aim to build trust and drive collective action towards not only our net-zero goals but the wider decarbonisation of the transport sector.

In doing so, we are consciously building ecosystems of change — cross-sector networks of committed stakeholders who jointly accelerate the transition by aligning incentives, sharing knowledge, and scaling impact beyond what any single player could achieve alone.

Engagement Strategies

Our engagement strategies are designed to ensure that stakeholders are well-informed, actively involved, and supportive of our decarbonisation efforts. The key components of our approach include:

- Policy Engagement: We actively participate in policy discussions and advocacy to support regulations that catalyze decarbonisation, such as blending mandates like RED |||. Our involvement in these initiatives helps shape a conducive environment for sustainable practices.
- Reputation Capital: We leverage our reputation and influence to promote sustainability within the industry and encourage other players to adopt similar practices. By setting a positive example, we aim to drive broader systemic change.
- Collaboration: most pilots cannot be realised in isolation. Therefore, we collaborate with other companies, clients and regulators on products and pilots that need collective action. The FAME pilot in Inland Shipping with amongst other TNO and ILT (Human Environment and Transport Inspectorate) is an example of this broad collaboration to increase the adoption of renewable fuels.

Annual Reporting for CO_2 Performance Ladder Certificate

Each year, we will publish a comprehensive report for our CO_2 Performance Ladder certificate. This report will cover our progress towards emission reduction targets and provide detailed emission reporting.

Updates in the Annual Report
In addition to the CO_2 Performance Ladder report, FincoEnergies will include updates on the transition plan in our annual report. These updates will provide stakeholders with a clear understanding of our progress and any significant changes.

Periodic Updates to the Transition Plan
The transition plan, particularly the decarbonisation levers, will be updated every few years or when there is a significant change to our business or value chain. These updates will ensure that our plan remains relevant and effective in achieving our Net-Zero goals. The process for updating the transition plan will be explained accordingly in an updated version.

Risk & Opportunities

All companies rely on and are affected by the physical environment and climate in which they operate. At the most basic level, all assets that enable businesses to operate exist in the physical world — and are therefore always influenced by it. As the impacts of climate change become increasingly tangible, they introduce new risks for businesses and alter existing ones.

Risks & Opportunities: Conclusions

- With regards to climate-related physical risks as defined by CDR(EU) 2023/2772, FincoEnergies in the region of The Netherlands is exposed to low levels of physical risks for its own operations up to 2050. However, high uncertainties are associated with projections beyond 2050 until 2100, where physical risks are projected to be more severe.

- With regards to transition opportunities, FincoEnergies is well positioned to benefit from the transition towards net-zero. However, it is exposed to transition risks associated with uncertainties of policy and enabling conditions, which itself is unable to control directly.

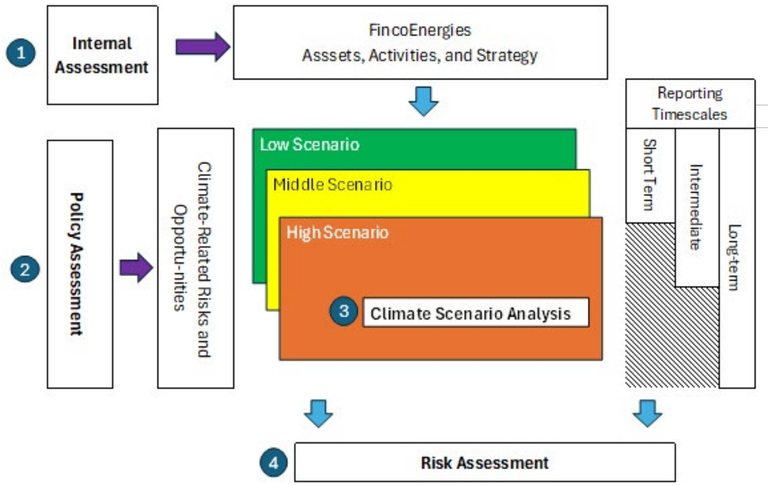
Methodology
To assess the climate-related risks and opportunities facing FincoEnergies, a climate scenario analysis (CSA) was conducted following the guidelines outlined in the European Sustainability Reporting Standards (ESRS E1), and aligned with the TCFD's recommendations. The analysis considered both physical risks — those arising from climate hazards—and transition risks and opportunities — those resulting from societal, market, and regulatory changes in response to climate change.

Two scenarios were used to provide a comprehensive view:

- SSP5-8.5 defined by IPCC Working Group II (WGII) Sixth Assessment Report (AR6) for a high emissions climate scenarios for use of physical risk assessment, and
- IMP-Ren defined by IPCC Working Group III (WGIII) AR6 for a scenario consistent with the Paris Agreement and limiting climate change to 1.5°C.

Time horizons were considered up to 2050, aligning with both regulatory guidance and internal strategic planning timelines. The risk identification focused on FincoEnergies' assets and activities in the Netherlands.

A rating system was used to assess risks, focusing in this summary on those rated moderate or higher. Full details of the methodology are included in the report.



What have we found: physical risks and opportunities

The assessment did not identify physical climate-related risks or opportunities that could affect our business significantly and are within control of FincoEnergies.
Our findings show that physical climate impact for The Netherlands will be relatively mild up to 2050 for all scenarios before rapidly diverging towards 2100.
To capture a comprehensive range of possible outcomes and provide context to the impacts of warming mitigation, two other RCP scenarios (with corresponding radiative forcings) were considered.

Temperatures in 2050 for select SSP scenarios

Scenario	SSP1 - 2.6	SSP2 - 4.5	SSP5 - 8.5
Global average temperature increase projection for 2050	1.76 °C	1.97 °C	2.48 °C

Up to 2050, the most significant physical risk that could affect FincoEnergies is acute coastal flooding. FincoEnergies has little direct control over the measures to prevent this and relies on adaptation measures by the Dutch government and Dutch society.

The full table containing all acute and chronic risks temperature-related, wind-related, solid mass-related and water-related are included in the appendix.

What have we found: transition risks and opportunities

Unlike physical risks which are driven primarily by the degree of warming, transition risk and opportunities have less defined impact drivers. This is partially due to the way Integrated Assessment Models IAMs operate. IAMs derive projections based on assumptions and constraints in balancing interconnected supplies and demands. Although scenarios can illustrate the global response and climate impact according to their set assumptions and constraints, the mechanisms by which decisions are made to get there are much simpler in the model than those of real world actors (e.g. market participants and policy makers).

Transition risks and opportunities were determined by subjective evaluation and discussions with stakeholders. Observed and consistent trends in the scenario were identified as “transition events”. Risks and opportunities arise from the space of possible outcomes for a business as it meets those events, given a narratively assumed strategies and assets it held in the scenario timeline. The following table summarises how identified transition events constitute risks (-) or opportunities (+) from the perspective of strategic narratives internal to FincoEnergies.

Summary of climate-related transition risks and opportunities for FincoEnergies

Transition Events		Internal Strategic Narrative	
		FincoEnergies will stay in the biofuels business	Existing logistics / physical assets to be maintained
Policy and Legal	Increase in carbon price	-- / +++	
	Progressively strict carbon budget	-- / +++	
Technology	Increased efficiency for biofuel ICE	+	+
	Slow phase-out of old shipping vessels	++	
	New feedstock biofuel supply relies on yet-to-be competitive pathways	-	-
Market	High demand for biofuels for marine freight	+++	
	Growth in demand for electric and hydrogen vehicles	-- / ++	-- / +
Reputation	Land use change for biofuel crops	--	

Management approach and resilience to significant transition risks

- The main opportunity for FincoEnergies is based on the increased demand of biofuels. The data suggest that strengthening the current position of enabling transition to sustainable bio-fuels is in line with the mitigation scenarios.
- The main risks associated with transition for FincoEnergies is the global and regional uncertainty for governments and markets to meet the enabling conditions of the selected mitigation scenario. FincoEnergies as a market participant would benefit from being involved in efforts which aid in securing them. These efforts include participating in policy discussions, promoting sustainable bio-fuels, and securing its market reputation as a trust-worthy partner.
- Furthermore, the rapid growth in biofuel demand may drive fraud risks especially for advanced biofuel feedstocks like used cooking oil (UCO).

Closing statement

We recognize that our journey towards net-zero emissions is not a singular event but an ongoing exercise that requires continuous effort and dedication.

As we reaffirm our ambition towards long-term sustainability and climate goals, we aim to align our efforts with EU and global targets that drive us toward a net-zero future. Our commitment is not just a pledge but a dedicated endeavor to create lasting positive impacts.

This journey is not one we can undertake alone. We call upon our customers, suppliers, partners, and policymakers to join us in this critical mission. It is through collaboration and shared vision that we will achieve the necessary milestones.

Supporting Disclosures

Explaining Locked-In Emissions
'Locked-in' greenhouse gas (GHG) emissions can have an impact on our carbon reduction targets. Given our current role as a trader and distributor, we have relatively little risk of locked-in emissions. Our operations are asset-light, and most of our assets can also be used for biofuels, ensuring flexibility and adaptability in our transition to net zero. Our main assets are bunker vessels, trucks and terminal – all are, or with minor modifications, ready for biofuels.

This strategic positioning allows us to minimize the risk of locked-in emissions and align our assets with our decarbonisation goals.

Coal, Oil, and Gas-Related CapEx
Our focus remains on investing in sustainable and renewable energy sources, aligning with our commitment to achieving net zero emissions by 2050. This strategic decision underscores our dedication to transitioning away from fossil fuels and towards a more sustainable energy future.

Explaining EU Paris-Aligned Benchmarks
FincoEnergies is excluded from the EU Paris-aligned benchmarks, as more than 10% of our revenue are derived from the distribution of fossil fuels.

Appendix

Target compatability – schematic overview

	FincoEnergies Target	Decarbonisation Pathway - The Oil and Gas Industry in Net-Zero Transitions (IEA)	Decarbonisation Pathway - Net-Zero Roadmap (IEA)	EU Green Deal and RED III
Scope 1 & 2 – 2030	Net zero by 2030	60% reduction by 2030 (or aligned with best practices)	20% alternative fuels in Road transportation 2030, 19% within shipping	
Scope 3 – 2026	20% renewable per 2035	No investments in new oil & gas projects by 2030		RED III - GHG-reduction per sector 2030: 22,6% Road 8,2% International Marine 14,5% Inland Marine
Scope 3 2035 –	80% renewable per 2035			
Scope 3 – 2050	Net zero by 2050		93% alternative fuels in Road transportation 2050, 85% within shipping	Climate Neutrality

Appendix

CSA - Physical risks and opportunities

<table>
<tr><th colspan="3">Climate Hazards</th><th>Logistics</th><th>Management</th><th>Exchange - Demand</th><th>Exchange - Supply</th></tr>
<tr><td rowspan="6">Temperature-Related</td><td rowspan="3">Chronic</td><td>Changing temperature (air)</td><td rowspan="3"></td><td rowspan="3">Low</td><td rowspan="6">Low with limited reliability**</td><td rowspan="6">Moderate with high uncertainty</td></tr>
<tr><td>Heat stress</td></tr>
<tr><td>Temperature variability</td></tr>
<tr><td rowspan="3">Acute</td><td>Heat wave</td><td>Low</td><td>Low</td></tr>
<tr><td>Cold wave/frost</td><td>Low</td><td>Low</td></tr>
<tr><td>Wildfire</td><td>Low</td><td>Low</td></tr>
<tr><td rowspan="4">Wind-Related</td><td>Chronic</td><td>Changing wind patterns</td><td>Low</td><td>Low</td><td rowspan="4">Low to moderate with limited reliability**</td><td rowspan="4">(No data)</td></tr>
<tr><td rowspan="3">Acute</td><td>Cyclone, hurricane, typhoon</td><td rowspan="3">Moderate with Medium Confidence</td><td rowspan="3">Low –with Medium Confidence</td></tr>
<tr><td>Storm (including blizzards, dust and sandstorms)</td></tr>
<tr><td>Tornado</td></tr>
<tr><td rowspan="2">Solid mass - Related</td><td>Chronic</td><td>Coastal erosion</td><td colspan="2">Low – High dependency on regional measures</td><td rowspan="8">Low**</td><td rowspan="2">(No data)</td></tr>
<tr><td>Acute</td><td>Subsidence</td><td colspan="2">Moderate – High dependency on regional measures</td></tr>
<tr><td rowspan="8">Water-Related</td><td rowspan="5">Chronic</td><td>Changing precipitation patterns and types (rain, hail, snow/ice)</td><td>Low</td><td>Low</td><td>Low</td></tr>
<tr><td>Precipitation or hydrological variability</td><td>Low*</td><td>Low*</td><td>Low</td></tr>
<tr><td>Sea level rise</td><td>Low*</td><td>Low*</td><td>Low</td></tr>
<tr><td>Water stress</td><td rowspan="2">Low – High Uncertainty</td><td>Moderate</td><td>Low</td></tr>
<tr><td>Drought</td><td>Low</td><td>Low</td></tr>
<tr><td rowspan="3">Acute</td><td>Heavy precipitation (rain, hail, snow/ice)</td><td>Low</td><td>Low</td><td rowspan="2">(No data)</td></tr>
<tr><td>Flood (coastal, fluvial, pluvial, ground water)</td><td colspan="3">High - Low Probability
(note: measure not within control of FincoEnergies, but the government)</td></tr>
</table>

CSA – Physical risks and opportunities

Physical risks from temperature-related hazards:

- Because of the temperate climate of The Netherlands, projected warming in the scenario analysis are not expected to pose significant risks to operations, assets, and worker safety. We concluded that the temperature-related physical climate risks are low. Although the effects are noticeable especially at the hotter scenarios, the projections show that they do not require immediate action.

- Considering that the routes and sites used by FincoEnergies are not situated in historically fire-prone areas, we can conclude that the wildfire risk to assets and operations are minimal.

Physical risks from wind-related hazards:

- There is low risk towards chronic wind-related risks because the degree of change should not interfere with normal operations. However, there is some concern for acute wind-related risks, especially towards the upper bound, even if the likelihood of event is very unlikely.

Physical risks from Soil and solid mass-related related hazards:

- There appear to be little evidence of coastal erosion being a significant risk to logistics activities as long as current measures remain effective.

- Because subsidence is empirically known and future projections indicate that it will continue regardless of climatic conditions, risk mitigation can only be done through increasing resistance to those risks (i.e. ensuring subsidence does not lead to damage of assets). Such measures include construction plans that takes into account subsidence effects and regular evaluations following regional directives.

Physical risks from water-related related hazards:

- From a business perspective, options for FincoEnergies to respond to these risks (floods, sea level rise, river discharge variability) are limited. Since the implementation of these kinds of risk mitigation falls under the jurisdiction of the port, municipality, and national authorities, a good strategy for FincoEnergies is to follow closely any new development from these authorities. Awareness of these developments can minimize costs incurred from reactionary decision-making.

Physical risks to the supply of (bio)fuels for FincoEnergies:

- The assessment for physical risks borne by external parties has large uncertainties that make it difficult to derive definitive strategies for mitigation. However, due to these revealed uncertainties, it becomes highly relevant for FincoEnergies to find ways of increasing resilience in both its supply and demand sides.

- Following up on these uncertainties, the assessment provides some evidence for the importance of further research in securing supply partners and re-evaluation of demand-side fuel specification requirements.