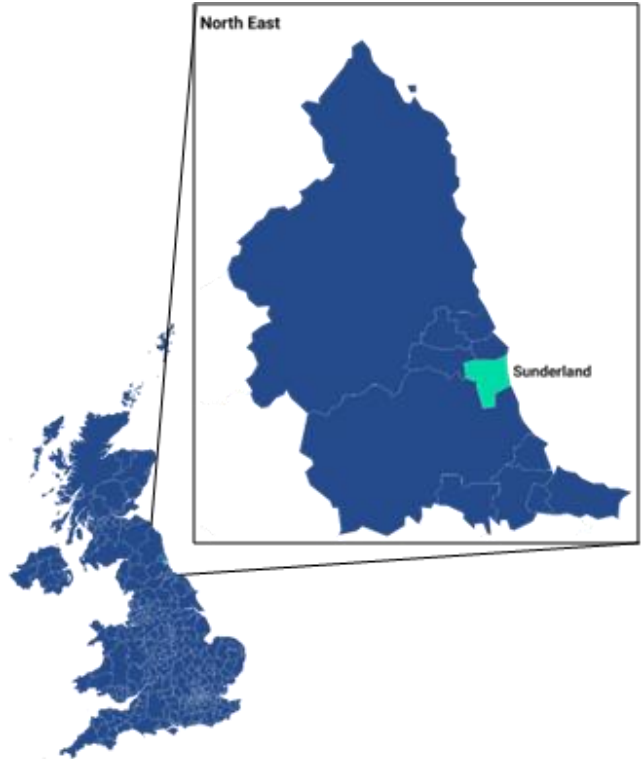


AESC UK Plant 2 deal: factsheet

Deal Information	
Deal closed	December 21 2023
Sector	Clean energy (supply chains)
Location	Sunderland
Counterparty	AESC UK Plant 2 Ltd ⁱ
Total cost	£250m
UKIB finance	£200m
Product	Bridge loan



Summary

UK Infrastructure Bank invests £200m to finance the construction of AESC’s second EV battery manufacturing plant adjacent to the Nissan Factory in Sunderland. This project supports both our climate change and local economic growth objectives by enabling car manufacturers to transition from internal combustion engine (ICE) vehicle manufacture to EVs and creating and supporting jobs in the automotive manufacturing sector in Sunderland and across the UK. UKIB investment is needed to ensure the facility’s construction remains on track and the operational benefits of the plant are realised as soon as possible.

Sector context

In 2023, the government announced that a minimum of 22% of new cars sold in the UK in 2024 need to be zero emission, rising to 80% in 2030 and 100% in 2035. This project will support UK car manufacturers in reaching these minimum targets or their own more ambition targets.

EV supply chain projects fall within one of the UKIB's five priority sectors.

Impact and additionality

The construction of this plant will produce approximately 87,000 tonnes CO₂e of GHG emissions. Once operational, the project will deliver just over 15.8GWh/annum of EV battery manufacturing capacity, equivalent to almost 400,000 average-sized EV batteries. Our assessment estimates that this will enable an emissions saving of approximately 14m tonnes CO₂e over the plant's lifetime, if all of the batteries go into EVs that are sold instead of a new ICE vehicle.

The construction of the plant will employ an average workforce of 1,000 people and once the plant is operational it will create a total of 676 new full-time jobs.

Evidence from our market analysis and feedback we have received from the company shows that UKIB financing is needed to prevent delays to the construction of the plant and ensure that the operational benefits of the plant are realised as soon as possible.

ESRG considerationsⁱⁱ

This project aligns with UKIB's ESRG frameworkⁱⁱⁱ.

Impact metrics

2	# deals in the industrial and supply chains sector
£200m	Total investment in sector
1,000	Jobs created ^{iv}
87,000	Emissions (tonnes CO ₂ e) ^v
£50m	Private finance mobilised
15.8GWh	Capacity

ⁱ Washington Road, Sunderland, Tyne & Wear, SR5 3NS

ⁱⁱ By partnering with us, companies agree to reference ESG best practice guidance and report on their: Environmental, social, resilience and governance (ESRG) approach: we will assess how projects manage their

direct and indirect environmental and social impact, the resilience of their projects and the robustness of their ESG governance structures. Material climate and environmental-related financial risk: we will check projects have incorporated the relevant recommendations of the Taskforce on Climate-Related Financial Disclosures (TCFD) and the International Sustainability Standards Board.

ⁱⁱⁱ Our framework is published [here](#)

^{iv} Average construction workforce estimate from AESC. 276 jobs attributable to UKIB finance.

^v Rounded. Construction phase emissions estimate from WSP on behalf of AESC. 24,000 tonnes CO₂e attributable to UKIB finance. GHG emissions figures are self-reported ex-ante estimates provided by the underlying company/project sponsor. The scope boundaries vary in each case and UKIB cannot guarantee alignment with the GHG protocol.