

Bond Case Briefs

Municipal Finance Law Since 1971

Sustainable Fitch: Eco Material's Green Bond Aligned with ICMA Green Bond Principles

Read the full report: [Eco Material Technologies Inc.](#)

Sustainable Fitch, using its proprietary ESG Ratings methodology, has provided its second party opinion on the green bond and associated framework issued by Eco Material Technologies Inc.. The transaction is compliant with the four pillars of the ICMA Green Bond Principles and is also aligned with the “eco-efficient and/or circular economy adapted products, production technologies and processes” ICMA category, Sustainable Fitch says in a new report.

We have assigned a Framework Rating of ‘2’ (on a scale from ‘1’ through ‘5’, where ‘1’ is strongest) to the bond in our second party opinion, which indicates that the instrument has a better than average framework alignment for an instrument of this type.

Eco Material will use the proceeds of the issuance to fund the acquisition of Boral Resources LLC, a North American subsidiary of Boral Limited that is the leading distributor of fly ash in the US with a 50% market share.

We believe that Eco Material’s core product line of supplementary cementitious materials, including fly ash, represent low carbon material alternatives to Portland cement and that these materials can significantly contribute to the decarbonisation of the cement industry, which currently accounts for 8% of global CO2 emissions.

Fly ash reduces the carbon footprint of the cement industry as the share of cement supplemented by fly ash is directly proportional to the CO2 emissions savings. Furthermore, Sustainable Fitch believes that the fly-ash business that Eco Material intends to acquire from Boral Resources generates additional environmental benefits by contributing to the circular economy as it repurposes a by-product of coal power plants that would otherwise be treated as waste.

Boral Resources reprocesses about 7 million tonnes of fly ash a year, which prevents it being stored in landfills and reduces fly ash’s health hazards and water contamination; therefore, it is Sustainable Fitch’s assessment that the transaction contributes to UN Sustainable Development Goal 12.5: “By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse”.

Eco Material intends to provide an impact report, which will include the CO2 savings from the use of its products, on an annual basis as part of its sustainability or other reports available to investors.

Wed 26 Jan, 2022

Contact:

Daniela Sedlakova
ESG Analyst
+44 20 3530 1363

Sustainable Fitch
30 N Colonnade, Canary Wharf
London E14 5GN
Antoine Corbin
Associate Director
+44 20 3530 1339
Media Relations:

Eleis Brennan, New York, Tel: +1 646 582 3666, Email: eleis.brennan@thefitchgroup.com

Additional information is available on <https://www.sustainablefitch.com>.

Copyright © 2024 Bond Case Briefs | bondcasebriefs.com