

ADS ECO Eco-Industrial Complex

ESG Impact & Sustainability Framework

Institutional Environmental, Social & Governance Report
Armenia | Circular Economy Infrastructure Platform

1. Executive ESG Summary

ADS ECO is a large-scale eco-industrial infrastructure platform designed to establish Armenia's first integrated circular economy ecosystem.

The Project transforms municipal and industrial waste into:

- Renewable energy
- Recyclable industrial materials
- Secondary raw materials
- Agricultural outputs
- Long-term environmental value

ADS ECO integrates environmental sustainability, industrial productivity, and institutional governance into a single infrastructure platform.

The Project is aligned with international ESG principles and designed to meet institutional sustainability expectations for:

- Infrastructure investors
 - Development finance institutions
 - Climate finance entities
 - ESG-focused investment funds
 - Green financing mechanisms
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2. ESG Vision

Strategic ESG Objective

To establish ADS ECO as a benchmark circular economy infrastructure platform for Armenia and the wider region by integrating:

- Environmental responsibility

- Resource efficiency
- Renewable energy generation
- Social inclusion
- Institutional governance
- Climate resilience

The Project is structured to generate measurable environmental and social impact while maintaining long-term financial sustainability.

3. Environmental Impact Framework

3.1 Waste Diversion & Circular Economy Impact

ADS ECO introduces a closed-loop industrial ecosystem designed to significantly reduce landfill dependency.

Environmental Objectives

Indicator	Target
Landfill Diversion Rate	≥90–95%
Residual Landfill Volume	≤5%
Annual Waste Processing	64,800–70,000 tons/year
Material Recovery Efficiency	High-efficiency circular recovery
Circular Resource Utilization	Integrated multi-stream recovery

Circular Economy Outputs

The Project converts waste into:

- Recycled plastics
- Recycled metals
- Paper & cardboard products
- Glass materials
- RDF fuel products
- Renewable energy
- Compost & agricultural inputs
- Industrial secondary materials

ADS ECO reduces the need for virgin raw materials and supports industrial import substitution.

4. Climate & Carbon Impact

4.1 Greenhouse Gas Reduction

ADS ECO contributes to climate mitigation by reducing methane emissions from landfills and replacing fossil-fuel-intensive industrial materials.

Climate Impact Indicators

Climate KPI	Estimated Impact
Annual CO ₂ e Reduction	≥65,000 tons/year
Methane Avoidance	Significant landfill methane reduction
Renewable Energy Contribution	Integrated energy generation
Fossil Fuel Displacement	Industrial substitution potential
Carbon Reduction Alignment	Climate mitigation infrastructure

4.2 Renewable Energy Integration

ADS ECO incorporates:

- Waste-to-energy systems
- Gas turbine systems
- ORC secondary turbines
- Solar power infrastructure
- BESS energy storage systems
- Smart energy management systems

The Project contributes to Armenia’s renewable energy diversification and energy security objectives.

5. Resource Efficiency & Environmental Protection

5.1 Water Management

ADS ECO incorporates integrated water efficiency systems.

Water Sustainability Measures

- Wastewater treatment systems (WWTP)
- Water reuse integration
- Industrial water optimization

- Reduced freshwater consumption
- Environmental discharge control

5.2 Air Quality & Emissions Management

The Project integrates advanced environmental monitoring systems to maintain compliance with international environmental standards.

Environmental Control Systems

- Emissions filtration systems
- Syngas purification systems
- Continuous monitoring systems
- SCADA-based environmental tracking
- Independent environmental testing

5.3 Soil & Environmental Protection

Environmental protection systems include:

- Controlled waste handling
 - Groundwater protection systems
 - Hazardous material control
 - Environmental containment systems
 - Long-term environmental monitoring
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6. Technology & ESG Integration

ADS ECO integrates advanced technologies to optimize operational sustainability.

Key ESG Technologies

- AI/NIR/VIS sorting systems
- Industrial robotics
- Digital SCADA management
- Smart environmental monitoring
- Real-time operational analytics
- Digital ESG reporting systems
- Automated recovery optimization
- Smart energy management systems

Technology integration enhances:

- Recovery efficiency
 - Resource optimization
 - Emissions control
 - Operational transparency
 - ESG reporting accuracy
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7. Social Impact Framework

7.1 Employment & Economic Development

ADS ECO contributes to regional economic development through long-term industrial employment.

Employment Impact

Social KPI	Impact
Direct Jobs	250+
Indirect Jobs	Additional supply-chain employment
Technical Training	Workforce development programs
Industrial Skill Transfer	Advanced technology exposure
Regional Economic Activity	Long-term industrial growth

The Project creates opportunities in:

- Engineering
 - Industrial operations
 - Environmental management
 - Digital monitoring systems
 - Energy systems
 - Recycling operations
 - Logistics and infrastructure management
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8. Workforce Safety & Human Capital

8.1 Health & Safety Framework

ADS ECO is designed with industrial-grade occupational health and safety systems.

HSE Measures

- Industrial safety protocols
- Emergency response systems
- Fire protection infrastructure
- Environmental safety systems
- Hazardous material management
- Medical response facilities
- Worker safety training programs

8.2 Human Capital Development

The Project supports:

- Technical workforce training
 - ESG awareness programs
 - Industrial technology education
 - Long-term skills development
 - Local employment integration
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9. Community & Regional Impact

ADS ECO contributes to long-term regional environmental and economic improvement.

Community Benefits

- Improved waste management systems
- Reduced landfill dependency
- Environmental quality improvements
- Regional infrastructure modernization
- Industrial ecosystem development
- Long-term economic activity
- Circular economy awareness

The Project supports Armenia's transition toward modern sustainable infrastructure.

10. Governance Framework

10.1 Institutional Governance Structure

ADS ECO incorporates a structured ESG governance system designed for institutional investor transparency.

Governance Structure

Governance Layer	Function
Board of Directors	Strategic oversight
ESG & Risk Committee	ESG supervision
ESG Compliance Officer	Operational implementation
Independent Consultants	Third-party verification
Internal Audit	Governance monitoring

11. ESG Monitoring & Reporting

11.1 ESG Reporting Structure

ADS ECO integrates institutional-grade ESG reporting systems.

Reporting Frequency

- Quarterly ESG reporting
- Annual sustainability reporting
- Continuous operational monitoring
- Independent verification processes

ESG Reporting Categories

Environmental KPIs

- Waste diversion rate
- CO₂e reduction
- Energy generation
- Water reuse rate
- Emissions compliance
- Residual landfill ratio

Social KPIs

- Employment statistics
- Safety performance
- Workforce training
- Community engagement

- Workforce inclusion metrics

Governance KPIs

- Compliance audits
 - Reporting transparency
 - Procurement controls
 - Risk management reviews
 - ESG verification processes
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12. Digital ESG Infrastructure

ADS ECO integrates digital transparency systems through:

- SCADA operational monitoring
- ESG analytics systems
- Centralized reporting architecture
- Real-time KPI tracking
- Environmental monitoring dashboards
- Institutional reporting integration

Digital integration enhances:

- Operational transparency
 - Investor confidence
 - ESG accountability
 - Data integrity
 - Institutional reporting readiness
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13. Institutional ESG Alignment

ADS ECO is structured for alignment with:

- International ESG frameworks
- Climate finance requirements
- Sustainable infrastructure standards
- Green financing eligibility
- Institutional governance expectations

Potential Alignment Areas

- Circular economy infrastructure
 - Renewable energy systems
 - Climate mitigation projects
 - Sustainable industrial development
 - Environmental modernization
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14. Sustainable Finance Positioning

ADS ECO may qualify for:

- Green financing instruments
- ESG-linked debt structures
- Sustainability-linked financing
- Climate investment facilities
- Green bond refinancing opportunities
- Impact investment participation

The Project's ESG architecture enhances institutional financing attractiveness.

15. Long-Term Sustainability Strategy

ADS ECO is designed as a scalable national infrastructure platform.

Long-Term ESG Objectives

- Expansion of circular infrastructure
- Replication across Armenian regions
- National landfill reduction support
- Renewable energy contribution growth
- Industrial sustainability integration
- Climate resilience enhancement

The modular structure enables future replication in:

- Lori Region
 - Armavir Region
 - Kotayk Region
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16. ESG Risk Management

Key ESG Risk Areas

Risk Area	Mitigation Strategy
Environmental Compliance	Continuous monitoring systems
Operational Safety	HSE protocols & training
Community Impact	Transparent engagement systems
Reporting Integrity	Independent audits
Climate Exposure	Diversified infrastructure systems
Regulatory Changes	ESG-aligned operational model

17. Strategic ESG Conclusion

ADS ECO represents a transformational sustainable infrastructure platform for Armenia.

The Project combines:

- Circular economy integration
- Climate mitigation impact
- Renewable energy infrastructure
- Industrial sustainability
- Institutional governance systems
- Long-term scalable environmental value

ADS ECO is positioned to become:

- A national ESG infrastructure benchmark
- A climate-aligned industrial platform
- A scalable circular economy ecosystem
- A long-term sustainable infrastructure asset

The Project demonstrates how environmental responsibility, industrial modernization, and institutional investment can operate within a unified infrastructure framework.

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