



The Mobiliser Fund

The Mobiliser Fund

One primary objective

An ambition to deliver over 20% of business lending balances (drawn debt) by FY27 to facilitate a transition towards the next UK economy.

Two aims

Virgin Money will use this fund to finance businesses:

1. Enabling a Future-Fit society through our Sustainability Changemakers programme (see section 3).
2. Companies in more energy intense sectors who are pro-actively transitioning to a net zero economy through taking ESG-led action.

Three criteria points for inclusion

1. Sustainability Changemakers programme

Defined as businesses whose core goods or services (>50% revenue) drive social or environmental change. The ambition is for these customer types to align to 10% of total business lending balances by FY27.

2. Emissions Reduction Policy

This applies to customers borrowing >£2.5m in Aviation, Chemicals, Shipping and Oil & Gas. Customers in these sub-sectors borrowing >£2.5m must, as a condition of finance, provide Virgin Money with:

- Scope 1 and 2 emissions on an annual basis.
- Create an emissions reduction plan and provide an update annually during the loan term.
- Be making capital investment in the emissions reduction plan.

3. Taking action

For customers who volunteer, we'll expand the Emissions Reduction Policy to sectors with a high impact on the UK's net zero ambitions. In addition to the Emissions Reduction policy criteria, businesses in identified sectors must complete the Sustainable Business Coach and have a sustainability accreditation (including Future-Fit

Engaged) or have external reporting with ESG targets.

This applies to customers in the Agriculture, Business Services (Transport & Plant Hire), CRE, Health & Social Care, Hospitality (Hotels), Manufacturing, Resources, Transport & Storage sectors.

These sectors/ activities have been identified given their role in six key systems at play in the UK economy (see section 1).

Other inclusion criteria:

- Agri: Agri E Fund customers will be automatically included (see section 5).
- Buildings (Health & Social Care, Hotels & Real Estate Finance teams): EPC A or B rated property, or BREEAM minimum rating "very good" (achieved, targeting for development).
- Miscellaneous: Customers in other sectors who have borrowed using ratchet-based Sustainability-Linked Loans or Green Loan facilities.

Summary

Financial Services has a role to play in helping British businesses deliver on their net zero ambitions, and Virgin Money wants to use this fund as a means to play its part.

This fund will contribute to that through:

- Working with existing customers to meet the criteria.
- Financing of new to bank customers that meet the two aims of the fund.

The remainder of this document contains further information on the eligibility criteria for the fund, as well as more information on sustainability-specific products and services available to Virgin Money business customers.

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Section 1:

A breakdown of 'systems' in the Taking action criteria point

System	Affiliated sub-sectors
Developing and managing the built environment for the 2030s.	<ul style="list-style-type: none">• Commercial Real Estate.• Health & Social Care.• Hotels.
Powering through energy decarbonisation and associated infrastructure.	<ul style="list-style-type: none">• Utilities, Post & Telecomms.
Mobilising the offshore revolution through transition of support services.	<ul style="list-style-type: none">• Resources.• Transport & Storage.
Sustainable food consumption .	<ul style="list-style-type: none">• Agriculture.• Food & Drink.
Moving people and things electrically or with hydrogen.	<ul style="list-style-type: none">• Business Services (Transport & Plant Hire).• Manufacturing.• Retail.• Transport & Storage.
Making the clean tech required and enabling a new frontier for UK manufacturing.	<ul style="list-style-type: none">• Manufacturing.

Section 2:

Mobiliser Fund Criteria details

Theme	Eligible businesses	Eligibility criteria	Product support
Sustainability Change-makers	Businesses whose core goods or services (>50% revenues) drive social or environmental change.	Determined by the Positive Impacts outlined in our Sustainable Business Coach (see section 3) derived from the Future-Fit Business Benchmark.	Virgin Money Sustainability-Linked Loans (see section 4). Traditional bank lending products, such as term loan, overdraft, revolving credit facilities, asset finance and invoice finance.
Emissions Reduction Policy	Business borrowing >£2.5m classified as: Aviation, Chemicals, Oil & Gas, or Shipping. Sub-sectors will evolve in due course.	<ol style="list-style-type: none"> (1) Measure and share scope 1 and 2 emissions on an annual basis. (2) Create an emissions reduction plan, provide an update annually during the loan term. (3) Be making capital investment in the emissions reduction plan. 	Traditional bank lending products, such as term loan, overdraft, revolving credit facilities, asset finance and invoice finance.
Taking action	Agriculture.	<ol style="list-style-type: none"> (1) Completing a farm carbon audit (which includes emissions measurement and improvement recommendations). (2) Investing in green projects, aligned to LMA Green Loan categories. 	Agri E Fund (see section 5).
	Buildings (CRE, Hotels, Health & Social Care).	Either: <ol style="list-style-type: none"> (1) EPC A or B rated property. or (2) BREEAM minimum rating "very good" (achieved, targeting for development). 	Traditional bank lending products, such as term loan, overdraft, revolving credit facilities, asset finance and invoice finance. Pricing: Every business is unique. We'll always offer you our most competitive rate based on your circumstances.
	Businesses classified as: <ol style="list-style-type: none"> (1) Business Services (Transport & Plant Hire). (2) Manufacturing, Resources. (3) Transport & Storage. 	<ol style="list-style-type: none"> (1) Measure and share scope 1 and 2 emissions on an annual basis. (2) Create an emissions reduction plan, provide an update annually during the loan term. (3) Be making investment in the plan. (4) Annual completion of the Sustainable Business Coach. (5) Have either a sustainability accreditation (including Future-Fit Engaged) or have external facing reports including ESG target(s). 	

Section 3:

Sustainability Changemakers: Positive Impact details

Theme	Positive Impact	Examples and additional considerations
Energy	Others depend less on non-renewable energy.	<ul style="list-style-type: none"> Products or services that are designed to help others use less energy.
	More people have access to energy.	<ul style="list-style-type: none"> Production of renewable energy including solar, wind, ocean, hydropower, geothermal resources and biomass.
Water	Others contribute less to water stress.	<ul style="list-style-type: none"> Products or services that help reduce water stress, helping reduce overall water usage or increase the provision and accessibility of clean water.
	More people have access to clean water.	
Natural Resources	Others depend less on inadequately-managed natural resources.	<ul style="list-style-type: none"> Other natural resources include timber, crops, metal and oil.
Pollution	Others generate fewer greenhouse gas emissions.	<ul style="list-style-type: none"> E.g., an electric car because the user no longer has to depend on fossil fuel combustion, or roll out of city cycle infrastructure.
	Greenhouse gases are removed from the atmosphere.	<ul style="list-style-type: none"> E.g., establishing natural carbon sinks, such as trees, or using technology to capture and store carbon.
	Others generate fewer harmful emissions.	<ul style="list-style-type: none"> E.g., a non-toxic pesticide that serves as a direct substitute for a widely-used chemical that is known to damage soil health.
	Harmful emissions are removed from the environment.	<ul style="list-style-type: none"> E.g., a water treatment plant. An example of a product that removes harmful emissions from Aviation is an Aviation purifier.
Waste	Others generate less waste.	<ul style="list-style-type: none"> E.g., biodegradable packaging that can replace single use plastics. An example of a service that reduces waste is the operation of a recycling plant.
	Waste is reclaimed and repurposed.	<ul style="list-style-type: none"> E.g., a waste management business.
Physical Presence	Others cause less ecosystem degradation.	<ul style="list-style-type: none"> E.g., improved fishing nets to replace bottom trawling nets, which damage the sea floor.
	Ecosystems are restored.	<ul style="list-style-type: none"> E.g., supporting a rewilding project or establishing protected park areas.
	Others cause less damage to areas of high social or cultural value	<ul style="list-style-type: none"> E.g., creating a museum or establishing protective measures for a significant building to prevent damage by people or nature (e.g., erosion of stone or growth of vegetation).
	Areas of high social or cultural value are restored.	<ul style="list-style-type: none"> The work done by the National Trust is an example of protecting cultural heritage. Consider the re-construction/ restoration of cultural sites.

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Section 3:

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Theme	Positive Impact	Examples and additional considerations
People	More people are healthy and safe from harm.	<ul style="list-style-type: none"> Increased provision of social and affordable housing within the UK and achieving or aspiring to achieve residential benefits beyond housing. Increased provision and accessibility of healthy foods – this must improve the UK from its current position. Increased access to medicines or other essential medical supplies through R&D or medical manufacturing. Use of technological advancement to increase access to affordable healthcare services. Increased access to and demonstrate increased levels of fitness and physical activities – such as more affordable exercise. The product or service purposefully strives to improve people's mental health. Purposefully improved safety through technological advancement.
	People's capabilities are strengthened/ more people have access to economic opportunity.	<ul style="list-style-type: none"> Increased accessibility of education to people through traditional or modern means such as EdTech; or education that focuses on ESG matters such as climate change/ data privacy. Increased accessibility of vocational or skills-based training and reduce the barriers to access; or training that focuses on sustainability matters such as climate change or data privacy. Create, facilitate or provide access to more sustainable transport solutions. Create cutting-edge information and communication technologies, or enhance productivity to previously poorly-served regions and communities. Improved connectivity between individuals or between groups in local communities.
	Individual freedoms are upheld for more people.	<ul style="list-style-type: none"> Facilitation of freedom of thought, opinion and expressions; an aim to reduce and eradicate discrimination; or improving privacy of others.
Drivers	Social cohesion is strengthened.	<ul style="list-style-type: none"> Improved connectivity between individuals or between groups in local communities.
	Infrastructure is strengthened in pursuit of future-fitness.	<ul style="list-style-type: none"> Protection of people from hazards through revolutionising infrastructure. Improved efficiency of infrastructure so that it causes fewer negative environmental impacts.
	Governance is strengthened in pursuit of future-fitness.	<ul style="list-style-type: none"> Improving the governance of institutions aligned to ESG initiatives.
	Market mechanisms are strengthened in pursuit of future-fitness.	<ul style="list-style-type: none"> Alignment of economic markets with sustainability.

Section 4:

Virgin Money Sustainability-Linked Loans (“VM SLL”)

Eligibility for Virgin Money Sustainability-Linked Loans is appraised using the [Sustainable Business Coach](#) product.

The below outlines:

1. Product criteria
2. Identification and scoring of high priority goals
3. Positive impacts
4. Overall scoring criteria

Product criteria	High priority goals	Positive impacts	Scoring criteria
<p>0% arrangement fee, capped at 1.5% discount (i.e. customers with an arrangement fee >1.5% will be subject to the difference.</p> <p>Minimum borrowing is £250k.</p> <p>Applies to structural debt and is not designed for working capital purposes.</p> <p>Product is limited to term loans or revolving credit facilities. It would only apply to overdrafts where part of an overall structural debt facility.</p>	<p>Customers receive a % score for progress against their high priority goals.</p> <p>High priority goals are determined by the Sustainable Business Coach methodology – asked through a series of prioritisation questions.</p> <p>This score, in combination with the Positive Impact score, must meet or exceed 65 points.</p>	<p>Each positive impact receives 5 points.</p> <p>Scoring benefit is capped at three positive impacts (15 points).</p> <p>See section 3 for full list of Positive Impacts.</p> <p>In the following case, businesses are precluded from eligibility:</p> <ul style="list-style-type: none"> • If no positive impacts are met, • If no progress has been made against 25% of high priority goals. 	<p>A total of 65 points or more must be achieved, this is delivered through:</p> <p>Businesses must meet at least one positive impact (5 points per impact, capped at 15 points) with the remainder of the points coming from their high priority goal score (1% = 1 point).</p> <p>Businesses scoring in excess of 65 points but not achieving a Positive Impact do not qualify for Virgin Money Sustainability-Linked Loans.</p>

Validation and scoring threshold:

Virgin Money has adapted the Sustainability-Linked Loan principle requirement to verify the performance of KPIs. All customer responses are validated, with evidence provided in advance of loan execution.

The examples of evidence required to validate progress were provided by [Future-Fit](#) as part of product development, and tailored to an SME customer base.

The Sustainable Business Coach is an adaptation of the [Future-Fit Business Benchmark](#).

To establish the 65 points score as the threshold for eligibility, we completed testing with approximately 100 of our customers, via our relationship manager population. Virgin Money’s focus was on customers whose core goods were considered drivers in environmental or social change.

Section 5:

Agri E Fund

Virgin Money's Agri E Fund is designed to incentivise farmers to invest in green projects, providing 0% arrangement fees where the farmer seeks finance for a green project and has completed a carbon audit assessment of their business.

A 'green project' is determined as alignment to the LMA Green Loan Categories.

Borrowing starts from £50k, and is applicable to term debt only.

Green Loan category	Category details
Renewable energy	Includes production, transmission, appliances and products.
	Such as in new and refurbished buildings, energy storage, district heating, smart grids, appliances and products.
Pollution prevention and control	Includes reduction of Aviation emissions, greenhouse gas control, soil remediation, waste prevention, waste reduction, waste recycling and energy/ emission-efficient waste to energy).
Environmentally sustainable management of living natural resources and land use	Includes environmentally sustainable agriculture; environmentally sustainable animal husbandry; climate-smart farm inputs such as biological crop protection or drip-irrigation; environmentally sustainable fishery and aquaculture; environmentally sustainable forestry, including afforestation or reforestation, and preservation or restoration of natural landscapes.
Terrestrial and aquatic biodiversity conservation	Includes the protection of coastal, marine and watershed environments.
Clean transportation	Includes electric, hybrid, public, rail, non-motorised, multi-modal transportation, infrastructure for clean energy vehicles and reduction of harmful emissions).
Green technologies	Includes carbon extraction technologies and energy storage systems.
Sustainable water and wastewater management	Includes wastewater treatment, sustainable urban drainage systems and river training and other forms of flooding mitigation.
Climate change adaptation	Includes efforts to make infrastructure more resilient to impacts of climate change, as well as information support systems, such as climate observation and early warning systems.
Circular economy	Includes the design and introduction of reusable, recyclable and refurbished materials, components and products; circular tools and services; and/or certified eco-efficient products).

Section 6:

Sustainable Business Coach

The Sustainable Business Coach is the framework which appraises Sustainability-Linked Loan eligibility and alignment to our Sustainability Changemaker metric.

A case study on the methodology can be sourced [here](#).

