



**Forth Green Freeport**  
**Schedule 4: Investment Principles**  
**INVESTOR**

**VERSION 1.0**

## Introduction

This document sets out the mandatory requirements for proposed investments into the Forth Green Freeport (FGF). It is intended to support landowners, local authorities and other relevant parties, as well as investors.

These principles were set in the Forth Green Freeport Full Business Case (FBC) in 2024 and were included in an annex that also contains internal governance and process details.

Business proposals will be assessed against the following mandatory criteria.

There are 3 primary considerations:

- Strategic Objectives
- Priority Sectors
- Additionality Without Displacement

Together with 3 core commitments:

- FGF Net Zero Charter
- FGF Fair Work Charter
- FGF Skills Fund

Each proposal will be assessed both by the Landowner and FGF Operating Ltd (OpCo).

A positive assessment will lead to a letter confirming that the proposed investment is “eligible in principle” to the green freeport benefits.

As the investor plans progress, and subject to demonstrating adherence to these considerations and core commitments, the FGF and investor/end user would agree an End User Agreement.

This can then be used with the Local Authority, Revenue Scotland and HMRC when claiming the green freeport benefits.

## Primary Considerations

### Strategic Objectives

**One or more of these objectives** need to be met by qualifying investors:

- promote regeneration and high-quality job creation – lead policy objective
- promote de-carbonisation and a just transition to a net zero economy
- establish hubs for global trade and investment
- foster an innovative environment

Any investment should also reflect the wider economic development and place-making policies and strategies set out by the three local authorities of Falkirk, Fife and City of Edinburgh within the FGF area.

### Priority Sectors

Priority will be given to businesses within the following sectors, Ref. Annex 1:

- Offshore wind
- Alternative fuels, production and distribution
- Modular manufacturing
- Shipbuilding
- Chemicals production
- Logistics and warehousing
- Creative Industries.

Limited exceptions can be considered subject to the investor being:

- complementary to the priority sectors, or
- providers of ancillary services which support businesses within the FGF area/or
- overall contributors to the FGF objectives.

### Additionality

Each investment should provide additionality in terms of net new jobs, investment, and accelerated growth. The purpose of this is to ensure that neither the tax site landowner nor incoming business would benefit from the tax benefits, if there is no net additionality.

## Core Commitments

Each investor must also sign up to and adhere to the FGF core commitments. Performance against each core commitment will be monitored and evaluated. Refer to each respective "Charter" for definitive information, which are summarised here for reference only.

### Net Zero

To be eligible for FGF benefits businesses must commit to the FGF Net Zero Charter i.e.:

- commit to reach the Scottish Government's target of Net Zero by 2045
- complete a whole life carbon assessment for their development, and
- demonstrate how they are considering positive net zero choices in the creation of their new development, in line with industry best practice.

Each investor must provide a report to FGF describing in detail its approach to each of the FGF net zero expectations.

### Fair Work

This Charter sets out the Fair Work expectations for all employers and partners operating within the Forth Green Freeport.

It builds on the Scottish Government's Fair Work Framework and Fair Work First criteria, and adopts a progressive model of Aspiring, Achieving and Excelling standards across the core dimensions of Fair Work.

To be eligible to claim green freeport tax benefits, businesses must sign up to the Fair Work Charter and meet all commitments at an 'Aspiring' level and at least three commitments at an 'Achieving' level.

### Skills Fund

To access FGF tax benefits, investors are required to contribute to a FGF Skills Fund which will support the delivery of the FGF Skills Plan. Each investor is required to pay 5% of employer realised National Insurance (NIC) savings towards the Skills Fund.

## Other Considerations

### Monitoring & Evaluation

Once the investor has commenced operations at the FGF site, they are required to provide relevant data to the FGF as per the following thematic areas:

- Site delivery
- Businesses and job creation
- Regeneration and infrastructure
- Decarbonisation and a just transition
- Innovation and collaboration
- Fair Work, Skills and education
- Distributional impacts and equalities
- Trade and investment
- Tax and other benefits claimed.
- Security and illicit risk management

Monitoring data is expected to be reported on a 6 monthly basis, although some data may be required less frequently. If any diversions from the Investment Principles are identified the FGF Ltd Board and Accountable Body will determine the action to be taken and inform the landowner/end user.

### Security and Illicit Risk Management

Security of facilities on a tax site are to be managed by the investor businesses themselves i.e.:

- responsible for implementing security arrangements and liable for any breaches
- required to have a security, illicit activity risk and vulnerability assessment in place
- expected to report any significant security breaches and illicit activity.

### Investor Appeals Process

When a potential investor is deemed ineligible to access the FGF tax site benefits, the CEO of the FGF OpCo and Chair of the FGF Ltd Board will provide a letter to the landowner to this effect. The FGF Ltd Board is ultimately responsible for final decisions in regards to eligibility.

### Expectations of Landowners

The process to ensure FGF landowners remain bound by these Investment Principles is documented in their Landholder Agreement. Where the land holder is also an end user, they must also enter into an End User Agreement with FGF OpCo.

The landowner will make the investor aware that there is the requirement for an End User Agreement between the FGF Opco and the potential investor.

## End User Agreement

The End User Agreement between the FGF and the investor "end user" will be shared in draft at an early stage in discussions and is to be signed prior to finalisation of commercial agreements between the landowner and the investor.

It sets out the following terms :

- Duty to provide information and data, as required, for monitoring and evaluation purposes.
- Commitment to FGF Net Zero Charter, Fair Work Charter and Skills Fund and to demonstrate adherence to the requirements
- Duty to uphold the security and illicit activity requirements
- Duty to disclose any Green Freeport tax relief claimed or not paid due to inclusion in a FGF tax site
- Duty to respond with respect to any request for information in relation to claims of Green Freeport tax reliefs
- Duty to fulfil any requirements for the tax relief schemes to ensure compliance with subsidy control obligations in advance of, during, and after claiming relief
- Agreement to comply with and will continue to act in a manner consistent with the Investment Principles in order to continue to receive tax reliefs.
- If an investor undertakes a different activity from that initially approved activity, approval FGF will be required prior to claiming tax relief. This equally applies in the event of a future land sale or assignment of the lease.
- Duty to work collaboratively with the FGF OpCo such as to provide site delivery information, sharing of opportunities, etc.
- Representation that all information shared with the landowner, Accountable Body, Local Authority, FGF OpCo and FGF TopCo is an accurate and fair representation.

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