



Benchmark[®]

Green Bond Framework

September 2022

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BENCHMARK IN BRIEF

Benchmark Holdings plc (“Benchmark Holdings” and together with any direct holding company being the owner of all the shares in Benchmark Holdings and its subsidiaries, “Benchmark”) is a leading aquaculture biotechnology company. We make an important contribution to worldwide sustainable seafood production, delivering products and solutions that improve sustainability and performance for aquaculture producers through better yield, quality and animal health and welfare.

Founded in 2000, Benchmark has been built through organic growth and strategic acquisitions. We are currently located in 26 countries, employing people from 42 different nationalities, and serving more than 700 customers in over 70 countries.

Our products and solutions are focused on three areas – **Genetics, Advanced Nutrition and Health** – which drive biological performance and animal health and welfare. This in turn drives resource efficiency and sustainability contributing to the development of a sustainable aquaculture industry as a whole.



Genetics is the very starting point of the production chain in aquaculture. Good genetics have a material impact on resource efficiency, incidence of disease and survivability across the whole production cycle.

Benchmark Genetics is a leader in aquaculture breeding and genetics. Through Benchmark’s specialist genetics, fish and shrimp grow faster are more resilient to disease and live healthier lives using less resources – thus improving sustainability across the value chain, from egg to plate. We apply the latest genomic tools in our salmon, shrimp and tilapia breeding programmes to deliver products with genetic traits that drive growth, quality and disease resistance. To illustrate the impact of our innovation in genetics, our breeding programmes in salmon have delivered a 63% increase in harvest weight and reduced mortality associated with infectious pancreas necrosis by 85%.

Our main products include:

- Atlantic salmon eggs with specialist genetic traits for growth and disease resistance
- Tilapia® breeders and fingerlings and juveniles with high performing genetics
- SPR (specific pathogen resistant) shrimp breeders offering resistance to some of the major diseases adversely affecting production
- Technical genetic improvement services to aquaculture companies worldwide (design, implementation and routine technical operation of selective breeding programs for aquaculture species, increasing the biological efficiency)



Advanced Nutrition focuses on delivering nutritional solutions for the very early stages of shrimp and sea bass/sea bream production, which promote growth and survivability in this critical first phase of development. In addition, optimal nutrition and robustness influences growth and health throughout the production cycle.

Benchmark is the leading provider of advanced nutrition solutions to shrimp and Mediterranean Sea bass/bream hatcheries in all key aquaculture markets. Benchmark's shrimp diets are manufactured in compliance with Global GAP standard¹. While at present there is no ASC standard available for feed mills, Benchmark's diets for sea bass and bream have been validated by an external third party to ensure our customers' ASC compliance.

Our product offering includes:

- Live feed (Artemia) enhanced with patented technology enhancing nutritional quality
- Artemia tools
- Specialist formulated diets – specific for different stages of production – broodstock, hatchery and nursery
- Probiotics
- Environmental solutions – pond bottom, water and microbial management
- Nutritional protocols
- Technical services to optimize nutritional protocols across all production systems

¹ [Compound Feed Manufacturing \(globalgap.org\)](http://globalgap.org)



Health focuses on addressing one of the biggest sustainability challenges in salmon production: sea lice. Sea lice can significantly impact fish health and welfare and affect yield, constraining growth in the salmon industry. Benchmark focus is on developing sea lice solutions that have are effective, have a good animal welfare profile and have low environmental impact. In 2021 Benchmark launched a transformational sea lice solution including a medicinal treatment and a water purification system, CleanTreat which removes medicinal residues from treatment water before discharging back into the ocean. This innovation received the Nor-Fishing Award for innovation and was granted the best environmental score by the ASC.

Our product offering include:

- *Salmosan® Vet*, a market leading azamethiphos treatment for sea lice used throughout the global salmon industry for the control of pre-adult to adult stages of sea lice
- *Ectosan® Vet*, a new, highly efficacious and the first veterinary medicinal bath treatment solution for sea lice, improving fish welfare whilst protecting the environment
- *CleanTreat®*, a new and award-winning system solution to remove medicines from bath treatment water before returning purified water into the ocean



SUSTAINABILITY AT BENCHMARK

Benchmark's mission is to "Drive Sustainability in Aquaculture". We do so by delivering products and solutions which improve sustainability for aquaculture producers through better yield and animal welfare, as well by managing our own operations in a way that promotes sustainability.

Today, aquaculture produces more than half of the fish used for human consumption and therefore plays a crucial role in future global food security as human population is expected to reach almost ten billion people by 2050; for this reason, it is critical that it grows sustainably.

Our vision is to enable a more sustainable and adaptable aquaculture industry that can meet its challenges. This requires a deep understanding of the industry's current and future needs and the capabilities to develop new solutions to address these challenges. Benchmark is very well positioned through its industry knowledge and experienced commercial and technical teams in key aquaculture markets, which provide us with deep insight into the needs and sustainability challenges faced by aquaculture producers. This, together with technologies and a track record of innovation, places us strongly to contribute to a sustainable future for the industry.

Our **sustainability programme** focuses on the main sustainability drivers in our business and in our industry, which we identify through our materiality assessment. This approach enables us to embed sustainability into our actions and decisions, which we endeavor to do in a collaborative way with our people, our customers and our stakeholders.

The materiality assessment is constructed using GRI's (Global Reporting Initiative) materiality analysis recommendations and SASB's (Sustainability Accounting Standards Board) Materiality Map. Feedback is obtained from internal and external stakeholders. Internally, we do this through discussions within our Sustainability Working Group and Sustainability Committee. Externally, and we obtain input from key external shareholders and customers.

The sustainability programme is designed to maximize the impact of our sustainability efforts in our three pillars: animal health and welfare, the environment, and our people and communities:







- **Animal health & welfare:** Animal health and welfare is present throughout our operations – from the impact of our products to the way we do R&D, to our breeding programmes and the technical support we provide. Animal health and welfare plays a dual role; contributing to sustainability and driving productivity for our customers. A sustainable farming system with good animal welfare is not only a benefit for the animals and the environment, but also essential to the success of our customers.
- **Environment:** We integrate environmental thinking at every level of our operations and are committed to minimise our environmental footprint, which means focusing our efforts on energy consumption, greenhouse gas emissions, waste reduction and resource management. We report in compliance with the Streamlined Energy and Carbon Reporting ("SECR") where calculations are aligned with Greenhouse Gas Protocol and the Global Reporting Initiative Disclosure Standards. We have

set out an ambition to achieve net zero Scope 1 and 2 emissions by 2030 and net zero Scope 1, 2 and 3 by 2050 and we have developed specific targets and priorities, establishing a yearly roadmap to achieve our goals.

- **People & community:** As a global company that touches many cultures and countries, we acknowledge our responsibility in ensuring a safe and harmonious working environment for all and upholding an ethical business practice is a key principle for Benchmark. Beyond our own operations we seek to influence the industry through our supplier policy which covers employment practices and through community activities in countries where we are present.



Benchmark supports the 17 UN Sustainable Development Goals (“SDGs”) and acknowledges their importance as a foundational basis. Through our core values and mission to contribute to a sustainable aquaculture future, we contribute to many of the SDGs directly or indirectly, and those to which we make the most significant contributions are highlighted below:

UN SDGs		How we contribute
	2. Zero hunger	By improving food productivity in aquaculture, the availability of nutritious food for a growing global population increases. Our solutions are tailored for a range of species, addressing the needs of developing and developed markets, and thus contribute to safeguarding global food supply.
	3. Good health and well-being	By producing a range of species, the needs of different markets can be met with healthy, nutritious food. We support a diverse workforce and local communities, ensuring the well-being of our people is a priority by promoting both physical and mental welfare.
	8. Decent work and economic growth	We promote decent economic work and growth through our collaboration with our clients and suppliers, as well as through our internal operations and employees. We have policies and processes in place, such as an anti-slavery policy. As a global operator, we are both an employer as well as a supplier, encouraging both decent work and economic growth. The employment we create contributes to economic growth in communities we operate.
	5. Gender equality & 10. Reduced inequalities	We recognize our diverse community and workforce and are committed to ensuring the inclusion and support for all. We have processes in place to support this and are continuously looking to initiate dialogue and action regarding how we can do more. We work to create an environment that values the different contributions that a diverse workforce brings, as well as one where everyone has a voice that is heard and amplified.
	13. Climate action	Our solutions improve resource efficiency in aquaculture, which already has a lower environmental impact than other animal proteins, reducing the carbon footprint. We are also committed to reducing our own footprint and integrating climate considerations into our decision-making. Additionally, since we are positioned at the start of the value chain, these trickle through into our customer’s environmental footprint.
	14. Life below water	Our solutions and operations promote animal health and welfare as well as the reduced use of antibiotics. We source sustainable certified marine ingredients to minimise our impact, and develop solutions – such as CleanTreat®, which prevents medicines from being released into the sea – to ensure we are contributing to a healthier life below water.

Implementing our sustainability strategy

Sustainability is embedded throughout our operations, from the way we make strategic decisions, to how we handle animals in our facilities and source raw materials. To enable this, we have a governance framework which originates at the Board level and runs across the organisation:

The Board’s sustainability committee	The Sustainability Working Group	Environmental representatives
<ul style="list-style-type: none"> • Comprising of two Directors, the head of the Sustainability Working Group and the Company Secretary • Responsible for providing guidance, overseeing the Company’s sustainability programme and considering emerging issues and risks. • Ensures that the Board includes sustainability considerations when making strategic and operational decisions. 	<ul style="list-style-type: none"> • Includes representatives from our three business areas as well as from key functions • Responsible for developing and implementing the Company’s sustainability strategy and working programme. • Engages with our key stakeholders including customers, suppliers, employees and shareholders to inform its assessment of material ESG issues and its strategy. 	<ul style="list-style-type: none"> • A network at each of our sites enables the implementation of policies and programmes across all our operations, allowing us to identify risks and opportunities and set appropriate targets at a local level.

Animal health and welfare

- Animal health and welfare is a core consideration and aim in the development of our products and solutions
- Through our technical services team which supports aquaculture producers around the world, we promote best practices which support fish health and welfare
- We have established a Group Animal Welfare Committee with representatives from our three business areas to share best practices, implement Group standards across our locations and species, and identify opportunities for improvement
- Developed Group training for all Benchmark employees who have fish and shrimp under their care
- Our Antibiotic Use Policy outlines a clear, principled approach to antibiotic use within Benchmark, supporting the 3Rs framework of ‘reduce, replace and refine’ for antibiotic stewardship in animals

Environment

- We have an environmental programme in place led by the Group Health, Safety and Environmental Manager (“Group HSE Manager”) and managed locally through Environmental Representatives at each site. Performance and progress are reported through the Sustainability Working Group to the Sustainability Committee.

- The Group HSE Manager is responsible for collating environmental data on a monthly basis. Data is collected from each site using a standard spreadsheet template and centrally collated.
- The calculations are aligned with the Greenhouse Gas Protocol and the Global Reporting Initiative Disclosure Standards. The approach covers scope 1 and scope 2 emissions and scope 3 emissions relating to air travel. Additionally, we are reporting on the amount of waste sent to landfill and the amount of potable water consumed at our sites.
- We have developed priorities and a plan to achieve our ambition to reach Net Zero Scope 1 and 2 by 2030 and Scope 1, 2 and 3 by 2050.

People & communities

- Shaping a sustainable future for aquaculture would be impossible without the ambitious and motivated individuals who take Benchmark to where it can go. As such, our people play a huge role in how sustainability is carried out at Benchmark.
- We take the health and safety of our employees very seriously and have a health and safety management system in place that covers 100 percent of our operations. Every employee expects to return home from work unharmed.
- We are implementing a supplier policy which sets out our expectations in respect of fair working conditions across our supply chain
- Through the Benchmark for Better initiative, we support community-level projects in three key areas: education, environment and animal welfare.



BENCHMARK AND GREEN BONDS

By issuing green bonds Benchmark wish to take part in the sustainable bond market to underscore our commitment to contribute a sustainable development.

This Green Bond Framework (the “**Framework**”), pursuant to which Benchmark is contemplating to issue Green Bonds, is aligned with the ICMA Green Bond Principles, where an update was issued in June 2022 (“**ICMA GBPs**”)².

The Framework defines the assets and projects that can be financed by Green Bonds (“**Green Projects**”), and it also outlines the process to evaluate, select, track and report on such investments.

With this Framework, our aim is to meet best market practices by adhering to relevant standards and guidelines in the green capital market. Each Green Project category has, therefore, been mapped against the different categories listed in the ICMA GBPs, and the relevant UN Sustainable Development Goals (“**UN SDGs**”).

This Framework may over time be updated, but new versions of the Framework shall have no implications for the Green Bonds already issued under this version of the Framework.

1. USE OF PROCEEDS

An amount equal to the net proceeds from Green Bonds issued under this Framework will be used to finance a portfolio of assets and projects, in whole or in part, that contribute towards a more sustainable seafood production.

Only such assets and projects that comply with the list of Green Projects below are deemed eligible to be financed by Green Bonds. An amount equal to net proceeds from Green Bonds can be used for the financing of new assets and projects as well as for refinancing purposes. New assets and projects are defined as ongoing Green Projects and those taken into operation after the issuance of a Green Bond.

For the avoidance of doubt, proceeds from Green Bonds will not be used to finance investments linked to fossil energy generation, nuclear energy generation, research and/or development within weapons and defense, potentially environmentally negative resource extraction, gambling or tobacco.

² [Green-Bond-Principles_June-2022-280622.pdf \(icmagroup.org\)](#)







Green Projects

Green Bonds issued under this Framework will finance and refinance capital expenditures and operating expenditures within the Green Project categories set out below.

Green Bonds can also finance and refinance acquisitions of Green Projects as well as investments in share capital of companies with such

assets and where the use of proceeds should be directly linked to the book value of the eligible assets owned by the acquired company, adjusted for the share of equity acquired.

For operating expenditures, a look-back period of maximum three years will be used:

ICMA GBPs category	Eligible Green Projects	UN SDGs
Environmentally sustainable management of living natural resources (fishery and aquaculture)	<p>Breeding programmes aimed at genetic improvement:</p> <ul style="list-style-type: none"> Expenditures related to breeding programmes of salmon, shrimp and tilapia to provide ova and fingerlings with genetic traits which improve growth, resource efficiency and resistance to diseases. Expenditures related to the expansion and improvement of facilities to procure high performing genetics products which promote sustainable aquaculture production Expenditures related to obtaining ISO 14001 or Debio certification for breeding and farming operations 	  
	<p>Sustainable sea lice solutions</p> <ul style="list-style-type: none"> Expenditures related to the development and provision of sea lice solutions that are efficient, have a positive fish welfare profile and have low environmental impact 	
	<p>Sustainable feed production:</p> <ul style="list-style-type: none"> Expenditures related to production of nutritional solutions which improve nutrition, resilience and environment in aquaculture which comply with Global GAP standards 	 

	<p>Research and development:</p> <ul style="list-style-type: none"> R&D expenditures related to development of products and solutions which improve fish health and welfare, resource efficiency and support and more sustainable fish and shrimp farming 	
<p>Pollution prevention and control</p>	<p>Reduction of environmental footprint including greenhouse gas emissions</p> <ul style="list-style-type: none"> Expenditures related to the reduction of greenhouse gas emissions where the expected reduction is at least 20% Expenditures related to the improvement of energy intensity metrics where the expected improvement is at least 20% Expenditures related to water and wastewater management Expenditures related to waste management Expenditures related to improvements to packaging to reduce the use of virgin plastic and increase the percentage of recycled and recyclable material used 	

2. PROCESS FOR EVALUATION AND SELECTION

To ensure the transparency and accountability around the selection of Green Projects, Benchmark has established a Green Bond Committee.

The Green Bond Committee (the “**GBC**”) consists of members of the executive management team, the finance team and the sustainability working group and is responsible for the evaluation and selection process.

Only such assets and projects that comply with the Green Project criteria defined in the Use of Proceeds section of this Framework can be approved by the GBC and become eligible to be financed with Green Bonds.

Further, every investment must answer a set of criteria focusing on different aspects of sustainability, including but not limited to the carbon footprint, biodiversity and resilience to effects caused by climate

change. All decisions related to the inclusion of assets and projects as Green Projects will be made in consensus. The GBC also holds the right to exclude any Green Project already funded by Green Bonds, which is further described below under 3. Management of Proceeds.

To ensure traceability, all decisions made by the GBC will be documented and filed. The committee will be responsible for ensuring that Benchmark keeps a register of all Green Projects.

In addition, the GBC is responsible for oversight and potential future updates of this Framework, but any such updates will have no implication or impact on the Green Bonds already issued hereunder.

3. MANAGEMENT OF PROCEEDS

An amount equal to the net proceeds from issued Green Bonds will be earmarked for financing and refinancing of Green Projects as defined in this Green Bond Framework.

The Green Bond Committee will endeavor to ensure that the value of Green Projects to which an amount equal to the net proceeds of the Green Bonds have been, or will be, allocated always exceeds the total nominal amount of Green Bond outstanding. An amount equal to the net proceeds from Green Bonds will be tracked in an appropriate manner and attested to in a formal process by the Green Bond Committee, and so long as a Green Bond is outstanding the balance of the tracked net proceeds will be periodically adjusted to match allocations to eligible Green Projects made during that period.

If a Green Project already funded by Green Bonds is sold, or for other reasons loses its eligibility in line with the criteria in this Framework, it will be replaced by another qualifying Green Project as soon as practically possible.

In case of temporary holdings of an amount equal to the net proceeds awaiting allocation to Green Projects are held in short-term money market instruments, the exclusions listed in the Use of Proceeds section of this Framework also apply to the extent possible.

4. REPORTING

To enable investors and other stakeholders to follow the developments of our Green Projects funded by Green Bonds, a Green Bond Report will be made available on our website.

The Green Bond Report will include an **Allocation Report** and an **Impact Report** and will be published annually if there are Green Bonds outstanding or until full allocation.

Allocation Report

The allocation report will include the following information:

- The nominal amount of Green Bonds outstanding.
- Green Projects that have been funded by Green Bonds.
- Amounts invested in each of the Green Project categories and the share of new financing versus refinancing.
- Share of capex vs. opex.
- The amount of net proceeds awaiting allocation to Green Projects (if any).

Impact Report

The Impact Report aims to disclose the environmental impact of the Green Projects financed under this Framework.

The Impact Report will, on a best effort basis, align with the portfolio approach described in “ICMA Handbook – Harmonized Framework for Impact Reporting” (June 2022) where impact will be aggregated for each project category, and depending on data availability, calculations made on a best-efforts basis with transparency on the assumptions being

applied. For projects under construction, calculations may be based on preliminary estimates.

The impact assessment may be based on the following metrics:

- **Impact on fish and shrimp health and welfare:** Metrics may include survivability, growth rate, incidence of disease, return to feed days and other relevant animal health and welfare indicators
- **Sustainable fish feed production:** Volume of feed produced in compliance with Global GAP standard or in accordance with ASC requirements
- **Sustainable farming:** Number of sites with ISO 14001 certification or Debio financed by the Green Bonds
- **Impact on carbon footprint:** Absolute GHG emissions, energy intensity,
- **Impact on water and wastewater management** – volume of water consumed and wastewater treated
- **Waste management:** Volume and percentage of recycled and recyclable material used in packaging
- **Research and development:** Number of projects which would lead to the development of products and solutions that improve sustainability parameters including animal health and welfare, resource efficiency and environmental impact

EXTERNAL VERIFICATION

Second-Party Opinion

Benchmark has obtained a pre-issuance Second-Party Opinion from Cicero Shades of Green to confirm the transparency of this Green Bond Framework and its alignment with the ICMA Green Bond Principles.

The Second-Party Opinion will be made available on our website, together with this Green Bond Framework.

Post-issuance verification

An independent auditor appointed by Benchmark will provide a limited assurance report confirming that an amount equal to the net proceeds from issued Green Bonds has been allocated to Green Projects as defined in this Green Bond Framework.

This report will be made available on our website.