



Benchmark Holdings Plc Green Bond Second Opinion

02 September 2022

Executive Summary

Benchmark Holdings Plc ('Benchmark') is a UK-headquartered aquaculture biotech company. It delivers products and services to customers (fish and seafood farms) in over 70 countries, focused on three areas: genetics (e.g. salmon eggs with specialist genetic traits), health (in particular products to treat sea lice) and nutrition solutions.

Seafood from a sustainably managed aquaculture industry can provide a valuable protein source with a lower carbon footprint compared to certain other animal proteins. However, there are sustainability concerns related to the industry in terms of pollution, resource efficiency and animal health. Benchmark targets several of these concerns through their products and thus plays a role in the sustainable development of the sector.

The framework contains two project categories, shaded Medium Green and Light to Medium Green respectively. The category receiving Medium Green will receive the largest share of proceeds (expected to be some 94%) and covers much of Benchmark's ongoing operations in genetics, health, and nutrition. The second category includes investments which specifically target emission and pollution reduction- such as renewable energy sources. The company expects the vast majority of proceeds (90%) to go towards refinancing.

We rate the framework **CICERO Medium Green** and give it a governance score of **Good**. The Medium Green shading reflects the intended contribution of investments to reducing some of the sustainability concerns surrounding aquaculture, while Benchmark's framework includes solid governance (e.g. environmental expertise on the selection committee, consensus-based decision making and regular and transparent plans for reporting).

Strengths

The company's products provide ingredients and solutions to the aquaculture industry which seek to raise efficiency, reduce waste, and lower fish mortality. These results can in turn be translated into emissions savings throughout the supply chain.

Benchmark appears to have emission and sustainability considerations thoroughly integrated in its operations. Many of its policies, such as using air freight on an exceptions-only basis and aiming for strict certification of soy ingredients (linked to deforestation) are examples of this. Sustainability targets are relevant although more work must be done on mapping Scope 3 emissions (we understand the company has imminent

SHADES OF GREEN



°CICERO
Medium Green

GOVERNANCE ASSESSMENT



GREEN BOND PRINCIPLES

Based on this review, this framework is found to be aligned with the principles.



plans for this). The company is aware of climate risk and has undertaken qualitative scenario analysis to identify material risks.

Pitfalls

Today, 67% of group GHG emissions come from one facility in Thailand, which relies on electricity from a carbon-intensive grid. We understand that a decision to install rooftop solar has been approved and this should reduce group emissions considerably over time. However, if the company continues expanding, local energy use and associated emissions will continue to present a challenge to its overall emissions footprint. We recommend that the company considers an ambitious renewables sourcing policy across all its assets (either as onsite or via PPA).

In contrast to other aquaculture businesses who typically produce a finished product (fish or seafood), Benchmark manufactures a range of input products to the industry not all of which have easily recognisable standards. Certification can be a useful tool for gauging and managing sustainability and their absence - or lack of knowledge around them - can make it difficult to determine and compare the sustainability of Benchmark's products. In addition to seeking the most ambitious certification options, we encourage Benchmark to further tighten its sourcing and other supplier policies - for example through GHG footprint or lifecycle analysis. We also encourage the company to undertake comprehensive due diligence of its customers to avoid supplying aquaculture facilities with poor sustainability records.

The lack of detailed criteria for some of the eligible measures in the pollution prevention and control project category could lead to investments with uncertain GHG and environmental outcomes. We encourage Benchmark to be ambitious when selecting technologies and to diligently consider possibly rebound and lock-in effects of energy efficiency upgrades.



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1 Benchmark's environmental management and green bond framework

Company description

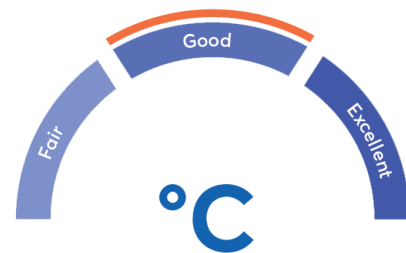
Benchmark Holdings Plc ('Benchmark') is an aquaculture biotech company headquartered in the UK. Its three business segments are advanced nutrition, genetics, and health, responsible for 56%, 38%, and 6% of revenues respectively (2021 figures). It has operations in 27 countries, customers in over 70 countries, and approximately 800 employees.

The company delivers products and services to the aquaculture supply chain. Its products include, for example salmon eggs with specialist genetic traits for growth and disease resistance and feed intended to promote growth and survivability for early-stage shrimp and sea bass/sea bream production. Its health business area focuses on solutions for sea lice, one of the most significant challenges in salmon production.

Governance Assessment

The company appears to work systematically on sustainability issues, tackling the issues it deems more material and significant first – such as the electricity supply of its highest-emitting facility and certification of soy supplies. Sustainability targets are relevant (waste, emissions, water use etc.) but the company has a significant mapping exercise ahead in terms of all upstream and downstream Scope 3 emissions, some of which are potentially significant (related to sourcing of feed and the emissions from transport). Sustainability reporting in line with appropriate standards (GRI, TCFD at planning stage) and qualitative scenario analysis has been carried out to assess climate risk.

The selection process is transparent and includes company-wide sustainability criteria in addition to the framework's eligibility criteria. There is environmental expertise on the selection committee and decision making is consensus-based. Acquisition of companies is an eligible use of proceeds; however the issuer has clarified that it only expects to acquire majority stakes in directly relevant and complementary companies and that they will undergo sustainability scrutiny on par with other investments. This lessens concerns we may otherwise have about control and impact related to acquisition investments. Reporting is in line with GBP although some of the impact indicators will be difficult to interpret from a sustainability perspective (e.g., what is the sustainability impact of improved genetics/growth rates?).



The overall assessment of Benchmark's governance structure and processes gives it a rating of **Good**.



Sector risk exposure

Aquaculture has surpassed wild fishing as the main provider of seafood globally. Aquaculture represents 47% of global fish production, 53% if excluding non-food uses (FAO, 2018). Fish accounts for about 17% of animal protein consumed by the global population and is a growing share of protein consumption.

The carbon footprint of farmed fish is around 20% that of beef, while farmed shrimp is about one-third (Our World in Data, 2022). For most facilities, the farm itself is responsible for most of the emissions but feed and packaging are sources of emissions as well.

A diet which is lower in meat products and has a higher component of fish and seafood is positive for the climate but negative environmental impacts – including fish escapes and local pollution – can be significant and should be managed.

Best practices for the aquaculture sector include:

- Having operations certified by internationally recognised standards
- Focusing on the sustainability of feed by only purchasing deforestation-free soy, certified marine ingredients and supporting the development of sustainable alternative sources
- Limiting local environmental impacts
- Integrating considerations of climate resilience, supply chain and life cycle impacts in the management of operations

Physical climate risks. Drought and heatwaves pose risks to fish health. As with any sector, flooding and extreme weather may damage production assets and directly disrupt supply chains and operations. Physical climate impacts on terrestrial and marine ecosystems, e.g. increased wildfires and ocean acidification, may impact the supply of plant-based and marine ingredients for fish feed.

Transition risks. Due to the profound changes needed to limit global warming to 2°C, transition risk affects all sectors. Benchmark is exposed to transition risks from stricter policies and changes in consumer behaviour. Aquaculture feed supply chains may have substantial climate impacts, including deforestation and other land use change from production of soy, palm oil, and other plant-based ingredients. Failure to address these risks may negatively affect market access and consumer demand, as well as cost of and access to capital.

Environmental risks. Aquaculture facilities can have significant impacts on local water quality and biodiversity resulting from antibiotics use, fish waste, excess feed, and fish escapes. Production and harvest of plant-based and marine ingredients used in aquaculture feed may contribute to terrestrial and marine biodiversity loss via deforestation and overfishing.

Social risks. Aquaculture supply chains can involve social risks, particularly in relation to human rights risks and workers' rights.

Figure 1: Sources: [Our World in Data \(2022\)](#) and [FAO \(2018\)](#)



Environmental strategies and policies

Benchmark has committed to climate goals with an ambition to achieve net zero Scope 1 and 2 emissions by 2030 and net zero Scope 1, 2 and 3 by 2050. This will imply reducing scope 1 and 2 emissions by 42% from the FY20 baseline year by 2030. Offsets will be used for the remaining ‘hard to decarbonise’ emissions (such as fuel oils in back-up generators and natural gas use for spray drier operations). The company is in the process of establishing a yearly roadmap to achieve these goals, with targets for each site. Benchmark is using guidance from the Science Based Targets Initiative (SBTi).

Currently the company monitors Scope 1 and 2 emissions, as well as Scope 3 emissions relating to air travel. Absolute emissions have increased in recent years, due to the scaling up of operations: total (Group) Scope 1 and 2 emissions in 2021 were 6,647 tCO₂e, up from 6,269 tCO₂e. Emission intensity (revenue-based) decreased by approximately 18% between 2020 and 2021. The company has identified energy use as the most significant source of emissions and is in the process of reducing consumption through efficiency improvements and more renewables. In FY 2021, 68% of the company’s electricity came from renewable sources. Electricity consumption at the facility in Thailand has been identified as one of the Group’s main GHG footprint contributors and an external consultant has been engaged to identify ways to reduce this. The company currently has no on-site renewable energy production but has approved installation of rooftop solar on its plant in Thailand.

The company reports on the amount of waste sent to landfill and the amount of potable water consumed at production sites. Four of its sites (Turkey, Mexico, Belgium and Italy) are assessed to be in water stressed areas, but three of these are office facilities with minimal consumption.

Benchmark has a sustainability governance framework which originates at the Board level through a Sustainability Committee and runs across the organisation through a Sustainability Working Group and Environmental Representatives. The Group HSE Manager is responsible for collating environmental data on a monthly basis through a standardised process.

An animal welfare committee has been established to work across the business and train employees. The company produces research-focused insight reports on animal welfare and has co-funded research on the benefits of eliminating ablation practices in shrimp hatcheries which won the 2021 Global Aquaculture Alliance Innovation Award. Benchmark has a health and safety management system covering all operations and is in the process of rolling out a new environmental policy across all facilities. It is also in the process of implementing a supplier code of conduct which covers employment practices (fair working conditions) and environmental management (including GHG reduction policies). The company screens raw material supplies based on environmental criteria and uses certification for its sourcing of soy (which is linked to high deforestation risk).

Benchmark has conducted a materiality assessment using GRI’s (Global Reporting Initiative) materiality analysis recommendations and SASB’s (Sustainability Accounting Standards Board) Materiality Map and obtaining feedback from internal and external stakeholders. The company reports 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. The company has undertaken risk analysis related to physical risks: It has started work to align with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), including qualitative (in 2021) and quantitative/scenario-based (2022 onward) climate risk assessments.

Green bond framework

Based on this review, this framework is found to be in alignment with the Green Bond Principles. For details on the issuer’s framework, please refer to the issuer’s green bond framework dated September 2022.



Use of proceeds

For a description of the framework's use of proceeds criteria, and an assessment of the categories' environmental benefits, please refer to section 2.

Selection

Benchmark has established a Green Bond Committee. The committee 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 the green bond framework can be approved by the committee 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 committee also holds the right to exclude any green project already funded by green bonds (further described in Management of Proceeds section). It is anticipated that committee will meet quarterly, or more often if needed.

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

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 the 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 amount of the 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 the 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 under use of proceeds also apply to the extent possible.

Reporting

The issuer will publish a green bond report, which will include an allocation report and an impact report. It will be published annually if there are green bonds outstanding or until full allocation. The reports will be published on the issuer's website.

The allocation report will include the following: the nominal amount of green bonds outstanding; the 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).

The impact report will, on a best effort basis, align with the portfolio approach described in ICMA's 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 ASC sites 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 of the amount allocated to green projects will be performed and will be published on Benchmark's website.




2 Assessment of Benchmark’s green bond framework

The eligible projects under Benchmark’s green bond framework are shaded based on their environmental benefits and risks, based on the “Shades of Green” methodology.

Shading of eligible projects under the Benchmark’s green bond framework

- The green bond framework enables Benchmark and any of its subsidiaries to issue green bonds. An amount equal to the net proceeds will be used to finance or refinance assets and projects in accordance with the framework. New assets and projects are defined as ongoing green projects and those taken into operation after the issuance of a green bond. The split between new financing and refinancing is expected to be 10-90.
- Both capital expenditures and operating expenditures are eligible, where a lookback period of three years will be used for operating expenditures. Acquisitions and investments in share capital are also eligible, provided the use of proceeds can be directly linked to the book value of the eligible assets owned by the acquired company, adjusted for the share of equity acquired. The distribution between Capex and Opex is expected to be 80-20.
- The split across the categories in Table 1 is expected to be Breeding - 25%, Sea Lice Solutions - 45%, Sustainable Feed Production - 4%; R&D 20%; Pollution Prevention and Control - 6%
- 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.

Category	Eligible project types	Green Shading and considerations
Environmentally sustainable management of living natural resources (fishery and aquaculture) 	Breeding programmes aimed at genetic improvement: <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 	Medium Green Benchmark’s products and services are designed to contribute to the efficient sustainable operation of the aquaculture industry. Seafood from a sustainably managed aquaculture industry can provide a valuable protein source with a lower carbon footprint compared to certain other animal proteins.



- performing genetics products which promote sustainable aquaculture production
 - Expenditures related to obtaining ISO 14001 or Debio certification for breeding and farming operations
- Sustainable Sea Lice Solutions:**
- 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
- Sustainable Feed Production:**
- Expenditures related to production to Global GAP standards of nutritional solutions which improve nutrition, resilience and environment in aquaculture.
- Research and Development:**
- 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
- ✓ The sourcing of soy ingredients in fish feed and the links to deforestation is a significant source of risk in aquaculture operations. According to Benchmark, all soy products it uses are ProTerra certified, except for the soy isolate. The isolate is produced out of soy for which the growers are assessed against the U.S. Soybean Sustainability Assurance Protocol (SSAP). The supplier's deforestation statement is in line with the Soy Moratorium (SoyM) and they are members of the Round Table on Responsible Soy (RTRS). Soy Isolate represents around 5.6% of total volume purchased for soy derived products YTD July FY2022. The company is exploring options to discontinue the use of this raw material.
- ✓ Soy is not the only ingredient in fish feed with sustainability challenges - they can also apply to marine and other plant ingredients. The issuer has clarified that, where available, marine ingredient certification is required and at a minimum a sustainability statement is required. Currently, 86% of the issuer's marine protein sources and 97% of marine oils is certified. The company has informed us that approximately half of their feed comes from Artemia, a small crustacean predominantly found in salt lakes in the US: the supply of this resource is limited and harvesting should be monitored to secure regeneration. We understand that the harvesting of artemia is regulated by US law. Benchmark has informed us that it has an R&D programme in place to increase the share of sustainable novel ingredients in its feeds.
- ✓ Certification using internationally recognised standards (such as ASC and Global GAP) can be an effective way of ensuring a minimum level of sustainability in the



aquaculture sector. However, for some of the products supplied by Benchmark these standards do not exist (e.g., there is no ASC standard available for feed mills) or there may in some cases be particular market reasons for why certification is not obtained. This can make it difficult to quickly gauge and compare sustainability between Benchmark and other companies. It is our understanding that as a minimum the company aims for the more generic ISO certification -in fact, 85% of their revenue derive from facilities which have some kind certification- and that the company's strategy is to certify whenever relevant standards become available in the market. For the category 'Sustainable Feed Production', facilities must be Global GAP certified to be eligible.

- ✓ Routine antibiotic use and the pernicious effects of this on the development of resistance is a concern in the aquaculture industry. Benchmark has an antibiotic use policy for its hatcheries based on the principle of the 3Rs: 'reduce, replace and refine' and has informed us that in practice use is limited to critical cases.
- ✓ Sea lice leads to fish death and waste in aquaculture facilities and can contaminate wild fish populations. Regulation usually requires the use of sea lice treatment, and we understand that Benchmark's product has been shown to be significantly more efficient than many other treatments in the market. This effect can be translated into reduced waste and reduced GHG emissions from feed and other ingredients.



- ✓ Fish escapes can be a concern in aquaculture facilities; however, Benchmark has informed us that their facilities do not have the risk of escapes present in their own operations and that the risk presented by escapes in downstream facilities using their fish can be considered on par with other farmed fish for these species.
 - ✓ Benchmark does not screen its customers, so its products may end up supplying aquaculture facilities with poor sustainability records (e.g. using soy with links to deforestation, or with high incidence of local pollution). We understand that 11 out of Benchmark's top 15 customers in the genetics segment are ASC certified, however we encourage the issuer to consider tightening scrutiny and enter into dialogue with its customers across all business segments.
 - ✓ Given the company's geographically extensive operations and distribution, transport of finished product as well as ingredients/supplies can be a source of considerable emissions if high-emitting options are chosen. The company has explained that its transport modes are maritime (predominantly), land based and on occasion air freight (approximately 4% of product (per weight) in the past 12 months). Supply logistics are planned with the goal of enabling the use of full container loads via ocean/road transportation. The company has a policy that air freight is by exception only.
 - ✓ Energy use is by far the company's largest source of emissions. In FY 2021, 68% of the company's electricity
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came from renewables and we understand that the company has a policy of considering transitioning to renewables (especially solar) whenever possible. This is currently under consideration at the facilities in Thailand (decided), Colombia and Belgium. A limited number of equipment relies on fossil fuels (e.g. emergency generators) but funding for these are excluded from the green bond framework.

Pollution Prevention and Control



Reduction of environmental footprint including greenhouse gas emissions:

- 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

Light-Medium Green

✓ The issuer has clarified that expenditures related to the reduction of GHG emissions and energy intensity relate to investments associated with the stated goal to reach Net Zero by 2030. Investments are in the first instance likely to be concentrated on the facility in Thailand (representing 66% of Group emissions).

✓ The selection criteria for the energy and GHG categories include expected improvements of at least 20%.. . We view the issuer’s application of quantitative targets as a positive feature of the framework: in order to be meaningful, energy efficiency projects should require a minimum threshold of efficiency improvements (usually 20-30%)¹,

✓ Efficiency improvements, although positive in themselves, can lead to lock-in of fossil fuel equipment use and rebound effects. Benchmark allows for efficiency upgrades of fossil fuel powered equipment to be financed by green bond

¹ The IEA’s latest update states that energy efficiency has to improve by at least 4% per annum between 2020 and 2030 to be compatible with the Net Zero Emissions by 2050 Scenario (<https://iea.blob.core.windows.net/assets/9c30109f-38a7-4a0b-b159-47f00d65e5be/EnergyEfficiency2021.pdf>)



proceeds but has informed us that options which do not use fossil fuels are considered as replacement as and when possible. Efforts to limit rebound effects, which may partially cancel efficiency gains, is currently not something Benchmark's considers in their selection process but will be considered in the future.

- ✓ The criteria for some of the eligible project types (e.g. waste management, reduction of plastics) in this category are vague and may have uncertain climate and environmental impacts.
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Table 1. Eligible project categories









3 Terms and methodology

This note provides CICERO Shades of Green’s (CICERO Green) second opinion of the client’s framework dated September 2022. This second opinion remains relevant to all green bonds and/or loans issued under this framework for the duration of three years from publication of this second opinion, as long as the framework remains unchanged. Any amendments or updates to the framework require a revised second opinion. CICERO Green encourages the client to make this second opinion publicly available. If any part of the second opinion is quoted, the full report must be made available.

The second opinion is based on a review of the framework and documentation of the client’s policies and processes, as well as information gathered during meetings, teleconferences and email correspondence.

‘Shades of Green’ methodology

CICERO Green second opinions are graded dark green, medium green or light green, reflecting a broad, qualitative review of the climate and environmental risks and ambitions. The shading methodology aims to provide transparency to investors that seek to understand and act upon potential exposure to climate risks and impacts. Investments in all shades of green projects are necessary in order to successfully implement the ambition of the Paris agreement. The shades are intended to communicate the following:

Shading	Examples
 Dark Green is allocated to projects and solutions that correspond to the long-term vision of a low-carbon and climate resilient future.	 Solar power plants
 Medium Green is allocated to projects and solutions that represent significant steps towards the long-term vision but are not quite there yet.	 Energy efficient buildings
 Light Green is allocated to transition activities that do not lock in emissions. These projects reduce emissions or have other environmental benefits in the near term rather than representing low carbon and climate resilient long-term solutions.	 Hybrid road vehicles

The “Shades of Green” methodology considers the strengths, weaknesses and pitfalls of the project categories and their criteria. The strengths of an investment framework with respect to environmental impact are areas where it clearly supports low-carbon projects; weaknesses are typically areas that are unclear or too general. Pitfalls are also raised, including potential macro-level impacts of investment projects.

Sound governance and transparency processes facilitate delivery of the client’s climate and environmental ambitions laid out in the framework. Hence, key governance aspects that can influence the implementation of the green bond are carefully considered and reflected in the overall shading. CICERO Green considers four factors in its review of the client’s governance processes: 1) the policies and goals of relevance to the green bond framework; 2) the selection process used to identify and approve eligible projects under the framework, 3) the management of proceeds and 4) the reporting on the projects to investors. Based on these factors, we assign an overall governance grade: Fair, Good or Excellent. Please note this is not a substitute for a full evaluation of the governance of the issuing institution, and does not cover, e.g., corruption.



Assessment of alignment with Green Bond Principles

CICERO Green assesses alignment with the International Capital Markets' Association's (ICMA) Green Bond Principles. We review whether the framework is in line with the four core components of the GBP (use of proceeds, selection, management of proceeds and reporting). We assess whether project categories have clear environmental benefits with defined eligibility criteria. The Green Bonds Principles (GBP) state that the "overall environmental profile" of a project should be assessed. The selection process is a key governance factor to consider in CICERO Green's assessment. CICERO Green typically looks at how climate and environmental considerations are considered when evaluating whether projects can qualify for green finance funding. The broader the project categories, the more importance CICERO Green places on the selection process. CICERO Green assesses whether net proceeds or an equivalent amount are tracked by the issuer in an appropriate manner and provides transparency on the intended types of temporary placement for unallocated proceeds. Transparency, reporting, and verification of impacts are key to enable investors to follow the implementation of green finance programs.



Appendix 1: Referenced Documents List

Document Number	Document Name	Description
1	Benchmark Green Bond Framework September 2022	
2	Benchmark Annual Report 2021	
3	Benchmark ESG Section 2021	Sustainability Report
4	Driving sustainability in aquaculture PPT	Company and activity presentation
5	Certification status	Overview of facilities and certification status



Appendix 2: About CICERO Shades of Green

CICERO Green is a subsidiary of the climate research institute CICERO. CICERO is Norway's foremost institute for interdisciplinary climate research. We deliver new insight that helps solve the climate challenge and strengthen international cooperation. CICERO has garnered attention for its work on the effects of manmade emissions on the climate and has played an active role in the UN's IPCC since 1995. CICERO staff provide quality control and methodological development for CICERO Green.

CICERO Green provides second opinions on institutions' frameworks and guidance for assessing and selecting eligible projects for green bond investments. CICERO Green is internationally recognized as a leading provider of independent reviews of green bonds, since the market's inception in 2008. CICERO Green is independent of the entity issuing the bond, its directors, senior management and advisers, and is remunerated in a way that prevents any conflicts of interests arising as a result of the fee structure. CICERO Green operates independently from the financial sector and other stakeholders to preserve the unbiased nature and high quality of second opinions.

We work with both international and domestic issuers, drawing on the global expertise of the Expert Network on Second Opinions (ENSO). Led by CICERO Green, ENSO contributes expertise to the second opinions, and is comprised of a network of trusted, independent research institutions and reputable experts on climate change and other environmental issues, including the Basque Center for Climate Change (BC3), the Stockholm Environment Institute, the Institute of Energy, Environment and Economy at Tsinghua University, the International Institute for Sustainable Development (IISD) and the School for Environment and Sustainability (SEAS) at the University of Michigan.



- ★ **2020 External Assessment Provider Of The Year**, Environmental Finance Green Bond Awards
- ★ **2020 Largest External Review Provider In Number Of Deals**, Climate Bonds Initiative Awards
- ★ **2019 External Assessment Provider Of The Year**, Environmental Finance Green Bond Awards
- ★ **2019 Largest Green Bond SPO Provider**, Climate Bonds Initiative Awards
- ★ **2018 External Assessment Provider Of The Year**, Environmental Finance Green Bond Awards
- ★ **2018 Largest External Reviewer**, Climate Bonds Initiative Awards
- ★ **2017 Best External Assessment Provider**, Environmental Finance Green Bond Awards
- ★ **2016 Most Second Opinions**, Climate Bonds Initiative Awards