



# Second-Party Opinion

## Brim Sustainable Financing Framework

### Evaluation Summary

Sustainalytics is of the opinion that the Brim Sustainable Financing Framework is credible and impactful and aligns with the four core components of the Green Bond Principles 2021 and the Green Loan Principles 2021. This assessment is based on the following:



**USE OF PROCEEDS** The eligible categories for the use of proceeds – Clean Transportation, Green Buildings, Information and Communications Technology, Eco-Efficient and Circular Economy Adapted Products, Production Technologies and Processes, Renewable Energy and Pollution Prevention and Control – are aligned with those recognized by the Green Bond Principles 2021 and the Green Loan Principles 2021. Sustainalytics considers that investments in the eligible categories will lead to positive environmental impacts and advance the UN Sustainable Development Goals, specifically SDG 6, 7, 9, 11, 12 and 14.



**PROJECT EVALUATION / SELECTION** Brim’s eligible projects will be evaluated and selected by Brim’s Executive Committee comprised of the company’s Chief Executive Officer, Chief Financial Officer and the Managing Directors of Innovation, Sustainability, and Investor Relations. Sustainalytics considers the project selection process in line with market practice.



**MANAGEMENT OF PROCEEDS** Allocation of net proceeds will be tracked by Brim using a Green Registry. Pending full allocation, the company will temporarily invest unallocated and/or undisbursed proceeds in cash, cash equivalents, or other liquid marketable instruments. This is in line with market practice.



**REPORTING** Brim intends to report on allocation of proceeds to its investors as part of its reporting cycle. Allocation reporting will be verified by a third-party and include the balance amount of allocated and unallocated net proceeds. In addition, Brim is committed to reporting on relevant impact metrics. Sustainalytics views the allocation and impact reporting as aligned with market practice.

<b>Evaluation date</b>	June 30, 2021
<b>Issuer Location</b>	Reykjavík, Iceland

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## Introduction

Brim hf. (“Brim”, or the “Company”) is a seafood company that processes and sells various seafood products under its own brands as well as those of its subsidiaries. Headquartered in Reykjavík, Iceland, Brim is listed on the NASDAQ OMX Iceland Main Market with 800 employees worldwide.

Brim has developed the Brim Sustainable Financing Framework (the “Framework”) under which it intends to issue bonds and loans (the “Financing Instruments”) and use the proceeds to finance and/or refinance, in whole or in part, existing and/or future projects (“Eligible Projects”) that provide tangible environmental benefits. The Framework defines eligibility criteria in six areas:

1. Clean Transportation
2. Green Buildings
3. Information and Communications Technology
4. Eco-Efficient and Circular Economy Adapted Products, Production Technologies and Processes
5. Renewable Energy
6. Pollution Prevention and Control

Brim engaged Sustainalytics to review the Brim Sustainable Financing Framework, dated June 2021, and provide a Second-Party Opinion on the Framework’s environmental credentials and its alignment with the Green Bond Principles 2021 (GBP)<sup>1</sup> and the Green Loan Principles 2021 (GLP).<sup>2</sup> This Framework will be published in a separate document.<sup>3</sup>

### Scope of work and limitations of Sustainalytics’ Second-Party Opinion

Sustainalytics’ Second-Party Opinion reflects Sustainalytics’ independent<sup>4</sup> opinion on the alignment of the reviewed Framework with the current market standards and the extent to which the eligible project categories are credible and impactful.

As part of the Second-Party Opinion, Sustainalytics assessed the following:

- The Framework’s alignment with the GBP, as administered by ICMA, and the GLP 2021, as administered by LMA, APLMA and LSTA<sup>5</sup>;
- The credibility and anticipated positive impacts of the use of proceeds; and
- The alignment of the issuer’s sustainability strategy and performance and sustainability risk management in relation to the use of proceeds.

For the use of proceeds assessment, Sustainalytics relied on its internal taxonomy, version 1.8, which is informed by market practice and Sustainalytics’ expertise as an ESG research provider.

As part of this engagement, Sustainalytics held conversations with various members of Brim’s management team to understand the sustainability impact of their business processes and planned use of proceeds, as well as management of proceeds and reporting aspects of the Framework. Brim representatives have confirmed (1) they understand it is the sole responsibility of Brim to ensure that the information provided is complete, accurate or up to date; (2) that they have provided Sustainalytics with all relevant information and (3) that any provided material information has been duly disclosed in a timely manner. Sustainalytics also reviewed relevant public documents and non-public information.

This document contains Sustainalytics’ opinion of the Framework and should be read in conjunction with that Framework.

<sup>1</sup> The Green Bond Principles are administered by the International Capital Market Association and are available at <https://www.icmagroup.org/green-social-and-sustainability-bonds/green-bond-principles-gbp/>.

<sup>2</sup> The Green Loan Principles are administered by the Loan Market Association, Asia Pacific Loan Market Association and Loan Syndications & Trading Association and are available at <https://www.lsta.org/content/green-loan-principles/>

<sup>3</sup> The Brim Sustainable Financing Framework is available on Brim hf.’s website at: <https://www.brim.is/brim/english/brim/investor-relations/sustainability/>

<sup>4</sup> When operating multiple lines of business that serve a variety of client types, objective research is a cornerstone of Sustainalytics and ensuring analyst independence is paramount to producing objective, actionable research. Sustainalytics has therefore put in place a robust conflict management framework that specifically addresses the need for analyst independence, consistency of process, structural separation of commercial and research (and engagement) teams, data protection and systems separation. Last but not the least, analyst compensation is not directly tied to specific commercial outcomes. One of Sustainalytics’ hallmarks is integrity, another is transparency.

<sup>5</sup> In addition to the Loan Markets Association, the GLP are also administered by the Asia Pacific Loan Market Association and the Loan Syndications & Trading Association

Any update of the present Second-Party Opinion will be conducted according to the agreed engagement conditions between Sustainalytics and Brim.

Sustainalytics' Second-Party Opinion, while reflecting on the alignment of the Framework with market standards, is no guarantee of alignment nor warrants any alignment with future versions of relevant market standards. Furthermore, Sustainalytics' Second-Party Opinion addresses the anticipated impacts of eligible projects expected to be financed with bond and loan proceeds but does not measure the actual impact. The measurement and reporting of the impact achieved through projects financed under the Framework is the responsibility of the Framework owner.

In addition, the Second-Party Opinion opines on the potential allocation of proceeds but does not guarantee the realised allocation of the bond and loan proceeds towards eligible activities.

No information provided by Sustainalytics under the present Second-Party Opinion shall be considered as being a statement, representation, warrant or argument, either in favour or against, the truthfulness, reliability or completeness of any facts or statements and related surrounding circumstances that Brim has made available to Sustainalytics for the purpose of this Second-Party Opinion.

## Sustainalytics' Opinion

### Section 1: Sustainalytics' Opinion on the Brim Sustainable Financing Framework

Sustainalytics is of the opinion that the Brim Sustainable Financing Framework is credible and impactful, and aligns with the four core components of the GBP and GLP. Sustainalytics highlights the following elements of the Framework:

- Use of Proceeds:
  - The eligible categories – Clean Transportation, Sustainable Waste Management, Sustainable Water and Wastewater Management, Green Buildings, Information and Communications Technology, Energy Efficiency, Eco-Efficient and Circular Economy Adapted Products, Production Technologies and Processes, Renewable Energy and Pollution Prevention and Control – are aligned with those recognized by the GBP and GLP.
  - For its refinancing activities, the Framework defines a look-back period of 36 months, which is in line with market practice.
  - Under the Clean Transportation category, Brim contemplates expenditures related to vehicles that produce emissions below 50gCO<sub>2</sub>/km<sup>6</sup> for passenger vehicles, 20gCO<sub>2</sub>/t-km for freight vehicles,<sup>7</sup> and 0gCO<sub>2</sub>/km for category L vehicles.
    - The Company specifies that assets financed could include electric, hydrogen, biogas/landfill gas methane, or dedicated vehicles using only advanced biofuels<sup>8</sup> or renewable liquid and gaseous transport fuels of non-biological origin.<sup>9</sup>
    - The Company may also finance the construction, expansion and improvement of supporting infrastructure for clean vehicles. Sustainalytics considers investments in clean transportation and relevant infrastructure to be aligned with market practice.
  - Under the Green Building category, Brim contemplates expenditures related to the construction, acquisition, renovations and refurbishment of new and existing buildings that meet or are expected to meet one of the following criteria: (i) achieve a minimum energy efficiency improvement of 30%; (ii) receive a recognized green building certification; (iii) fall within the top 15% of energy efficient local building stock as measured by primary energy demand; and/or (iv) new buildings that have 20% less net primary energy demand resulting from Nearly Zero-Energy

<sup>6</sup> Maximum threshold of 34gCO<sub>2</sub>/km if emissions are measured using the New European Driving Cycle (NEDC) instead of the World harmonized Light-duty vehicles Test Procedure (WLTP)

<sup>7</sup> From 2026 vehicles with 0gCO<sub>2</sub>/km will be considered eligible

<sup>8</sup> Brim has communicated its intentions to use only rapeseed oil that has a valid certification from any of the voluntary schemes approved by the EU commission for biofuels. [https://ec.europa.eu/energy/topics/renewable-energy/biofuels/voluntary-schemes\\_en](https://ec.europa.eu/energy/topics/renewable-energy/biofuels/voluntary-schemes_en)

<sup>9</sup> As defined in Art. 2 (34) and Art. 2 (36) Directive (EU) 2018/2001 as well as certified low-ILUC biofuels at: <https://eur-lex.europa.eu/legalcontent/EN/TXT/?uri=CELEX%3A32018L2001>

- Buildings (NZEB) requirements. As part of this category, Brim may also undertake renovation and upgrade activities such as the installation of on-site renewables.
- The Framework specifies minimum standards of LEED Gold, BREEAM Excellent, Miljöbyggnad Silver, DGNB Gold and Nordic Swan Ecolabel as eligible. Sustainalytics has conducted an evaluation of these certification schemes and considers them to be credible and the levels selected to be aligned with market practice. See Appendix 1 for further description of the referenced building standards.
  - Furthermore, Sustainalytics considers the eligibility thresholds based on primary energy demand as aligned with market practice and views positively the criterion for new buildings.
- Information and Communications Technology (ICT) expenditures relate to in-situ power management including automatic switching, energy monitoring and data systems. Under this category, Brim considers eligible the development and/or use of ICT solutions that are exclusively targeted at collecting, transmitting, storing, and modelling data to enable the analysis and reduction of greenhouse gas (GHG) emissions. In this regard, Brim contemplates investments in hardware with EU energy label class “A” or above and/or the Energy Star certification. Sustainalytics considers projects related to monitoring and tracking the carbon impact of the Company’s operations to be in line with market expectations.
  - Brim intends to finance asset or projects in the areas of Eco-Efficient and Circular Economy Adapted Products, Production Technologies and Processes including:
    - The purchase and refurbishment of onshore, offshore equipment, technologies and/or facilities that result in reduced carbon footprint. The Company has indicated the replacement of Freon for refrigeration as one of the activities to be financed. Sustainalytics notes that Brim may upgrade energy-efficient mechanical cooling systems. Sustainalytics encourages the Company to consider low-GWP refrigerants for such cooling systems and promote robust refrigerant leak control, detection and monitoring, while ensuring recovery, reclamation/recycling, or destruction of refrigerants at end of life.
    - Under this category, Brim may provide general purpose financing to companies that derive at least 90% of their revenues from the sale of certified groundfish by Global Sustainable Seafood Initiative (GSSI) recognized schemes such as the Marine Stewardship Council (MSC) or other equivalent certification under GSSI. Refer to Appendix 2 for an overview of the certification scheme. Sustainalytics notes that it is market expectation to specify all eligible schemes and encourages the Issuer to report on any other schemes they intend to include (see Appendix 2 for additional details on the certification schemes).
    - In addition, the Company considers as eligible solutions that fully transform all by-products from the fish processing into finished goods suitable for human consumption in order to create a zero-waste loop. Sustainalytics views positively activities that contribute towards establishing a closed-loop system for circular utilization to promote zero waste in the marine ecosystem.
  - Renewable Energy expenditures under the Framework may include transmission and distribution of hydropower and geothermal power (both with direct emissions less than 100gCO<sub>2</sub>/kWh) to Iceland’s national grid as well as vessels or onshore processing facilities. Sustainalytics views the establishment of direct emission thresholds as strengthening the Framework. As part of this category, Brim also intends to finance research and development into technologies that support the transition of fishing vessels towards cleaner power sources such as electricity, biofuel, electro-fuels and ammonia.
    - Sustainalytics notes the importance of investments in supporting infrastructure for renewable energy, particularly in the local context and for the long-term sustainability of Iceland’s fishing sector.
    - For biofuels, Brim intends to adhere to the EU directives for renewable sources.<sup>10</sup> The Company will only source rapeseed oil with valid certification approved by the EU and

<sup>10</sup> The European Union, “Directive of the European Parliament and of the Council on the promotion of the use of energy from renewable sources”, (2018), at: <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32018L2001&from=fr> .

- exclude other first-generation biofuels.<sup>11</sup> In addition, Brim has communicated to Sustainalytics that it does not intend to finance vessels with proceeds raised under the Framework. Sustainalytics consider this to be aligned with market practice.
- While Sustainalytics recognizes that R&D has the potential to drive positive environmental outcomes, it is also acknowledged that it is more challenging to quantify the direct impacts of such investments. As such, Sustainalytics encourages Brim to prioritize R&D investments that have reasonable assurance of implementation, as well as achievement of measurable impact in the near-term.
  - Under the Pollution Prevention and Control category, Brim intends to finance and/or refinance a range of projects targeted at onshore and/or offshore activities such as:
    - The purchase of new and refurbishment of existing onshore and offshore processing equipment, technologies and facilities that provide at least a 20% reduction in energy consumption or carbon emissions and/or serve as fossil fuel replacements. Sustainalytics views positively the inclusion of a reduction threshold for these activities.
    - The reduction, control, and response management of the impact of marine pollution, which may include electrification of ports to reduce the adverse effects of burning fossil fuels and the sorting of waste.
    - Expenditures related to the refurbishment and upgrade of freezer trawlers to improve energy efficiency.<sup>12</sup> As part of this category, Brim has also specified that investments related to coolants will be subject to EU F-Gas Regulation.<sup>13</sup> Given the adherence to relevant regulation, Sustainalytics view this to be aligned with market practice.
    - The construction or extension of wastewater systems including collection and treatment. Sustainalytics notes that the Framework excludes treatment of wastewater arising from fossil fuel activities and views this exclusion as aligned with market practice.
    - Separation, collection, sorting and processing of waste from Brim's operations for reclaiming and recycling as well as waste prevention, reduction and recycling of by-products from fishing such as fishing nets and packaging. Sustainalytics notes that the Framework excludes activities related to landfills and considers this to be in line with market practice.
  - Sustainalytics notes that the Framework specifies a list of activities excluded from its scope including activities related to fossil fuels, nuclear energy generation, weapons, defense, environmentally negative resource extraction, gambling or tobacco. Sustainalytics highlights that such exclusions will help prevent the net proceeds from being directed towards projects that could have significant environmental risks.
  - Project Evaluation and Selection:
    - Brim's Eligible Projects will be reviewed, evaluated and selected by Brim's Executive Management Committee (the "Committee") made up of the Chief Executive Officer, Chief Financial Officer and Managing Directors of Innovation, Sustainability, and Investor Relations.
    - Sustainalytics considers the establishment of a dedicated committee, reliance of specialists and oversight of senior management to be in line with market practice.
  - Management of Proceeds:
    - Brim will establish a Green Registry for the purpose of tracking the allocation of proceeds which will be reviewed at least quarterly. The Company intends to fully allocate proceeds from Financing Instruments within 36 months from any issuance. Pending full allocation, the Company will temporarily invest unallocated and/or undisbursed proceeds in cash, cash equivalents, or other liquid marketable instruments.
    - Based on the defined management approach and the disclosure around management of unallocated proceeds, Sustainalytics considers this process to be in line with market practice.

<sup>11</sup> The European Commission, "Voluntary Schemes", at: [https://ec.europa.eu/energy/topics/renewable-energy/biofuels/voluntary-schemes\\_en](https://ec.europa.eu/energy/topics/renewable-energy/biofuels/voluntary-schemes_en)

<sup>12</sup> Brim has confirmed that this will involve zero carbon refrigeration.

<sup>13</sup> The European Union legislation to control emissions from fluorinated greenhouse gases (F-gases), including hydrofluorocarbons (HFCs). For more information, see: [https://ec.europa.eu/clima/policies/f-gas/legislation\\_en](https://ec.europa.eu/clima/policies/f-gas/legislation_en)

- Reporting:
  - The Company commits to reporting on the allocation of proceeds on an annual basis until full allocation as part of its reporting cycle. Allocation reporting will include allocated and the balance of unallocated proceeds, share of financing vs. refinancing, allocation according to Eligible Project categories and list of projects financed. In addition, Brim is committed to reporting on relevant impact metrics such as GHG emissions reduced or avoided, waste prevented, minimized or recycled in tonnes per year, as well as the number of clean vehicles and/or infrastructure deployed. Furthermore, Brim commits to third party verification of its impact and allocation reporting.
  - Sustainalytics considers Brim's allocation and impact reporting to be in line with market practice.

### Alignment with Green Bond Principles 2021 and Green Loan Principles 2021

Sustainalytics has determined that the Brim Sustainable Financing Framework aligns to the four core components of the GBP and GLP. For detailed information please refer to Appendix 3: Green Bond/Green Bond Programme External Review Form.

## Section 2: Sustainability Strategy of Brim

### Contribution of framework to Brim hf.'s sustainability performance and strategy

Sustainalytics is of the opinion that Brim demonstrates a commitment to sustainability with a focus on sustainable operation, responsible use of catch quotas, use of renewable energy sources and adequate utilization of fish resources.<sup>14</sup> As a part of Brim's strategy, the company aims to increase the use of electricity instead of fossil fuels to power its vessels and promotes the use of green/natural refrigerants in its operation. Brim targets responsible fisheries and the utilization of natural resources by working towards reliable, traceable and transparent fishery conduct.<sup>15</sup> Brim's approach to environmental protection throughout its value chain involves 1) tracking its environmental impacts, 2) making efforts to minimize environmental impacts, 3) enhancing resource efficiency and reducing waste generation, 4) setting measurable goals using digitalization, 5) improving knowledge on environmental responsibility, and 6) supporting the Iceland climate action plan.<sup>16</sup>

Some notable environmental achievements are outlined below:<sup>17</sup>

- In 2019, Brim reduced the total use of fuel in its ships by 46% compared with 2005 levels. Fuel used for vessels and fish meal plants have reduced by 35% and 95% respectively since 2005. The Company has eliminated the use of heavy fuel oil from its operation and continues to promote the use of electricity as a substitute for fuel. In the same year, all electricity purchased by Brim was sourced from renewable energy projects, which resulted in a total of 9,739 tCO<sub>2</sub>e reduced compared to 2018.
- Brim carries out sustainable fishery practices through implementation of a scientific precautionary approach to managing fish stock in Iceland which determines the catch rules for each species of fish based on catch quota and has the efficiency of fishing trips. The Company is engaged in multiple sustainable fishery organizations such as Icelandic Sustainable Fisheries hf. and the Global Sustainable Seafood Initiative which indicates Brim's commitment to sustainable fishery standards.
- The Company initiated an environmental project, Clean Value Chain in Fisheries, in 2016 which promotes transparent and digital management of environmental information, environmental knowledge awareness, reduction of negative environmental impact from the company operation, environmental goal setting and the support of Iceland's national climate goals.
- As part of incorporating sustainability into its operations, Brim sorts general waste and recyclable raw materials and also recycles to the extent possible. In 2019, the percentage of sorted waste was recorded at 79%, up from about 55% in 2016. Additionally, more than 50% of Brim's fishing gear waste is either recycled or reused, while the remainder are sent to landfill to ensure proper handling of waste.
- With regards to its industry participation, Brim has a shareholding in the Icelandic Sustainable Fisheries which is obtains a certificate for participants following the Marine Stewardship Council

<sup>14</sup> Brim, Sustainable Financing Framework, at: <https://www.brim.is/brim/english/brim/investor-relations/sustainability/>

<sup>15</sup> Brim, "Social Responsibility Report", (2019), at: <https://sustainabilityreport2019.brim.is/umhverfi/>

<sup>16</sup> Brim, Sustainable Financing Framework, at: <https://www.brim.is/brim/english/brim/investor-relations/sustainability/>

<sup>17</sup> Brim, "Social Responsibility Report", (2019), at: <https://sustainabilityreport2019.brim.is/umhverfi/>



(MSC) standards. The Company also holds “Ábyrgar fiskveiðar ses” label under Iceland Responsible Fisheries and participates on the Board of Iceland Responsible Fisheries and the Fisheries Advisory Board at Promote Iceland. In addition, Brim is a sponsor of GSSI which aims to increase transparency in the certification of sustainability in the fisheries and aquaculture sectors.

Sustainalytics is of the opinion that the Framework is aligned with the company’s overall sustainability strategy and initiatives and will further the Company’s action on its key environmental priorities. Sustainalytics nonetheless encourages Brim to set quantitative and time-bound targets in its sustainability strategy and to track progress against those targets.

#### **Well-positioned to address common environmental and social risks associated with the projects**

While Sustainalytics recognizes that the net proceeds from the Financing Instruments issued under the Framework will be directed towards eligible projects that are expected to have positive environmental impact, such eligible projects could also lead to negative environmental and social outcomes. Some key environmental and social risks associated with the eligible projects, could include loss of biodiversity, effluents and emissions from its operations, community relations as well as occupational health and safety risks.

Sustainalytics is of the opinion that Brim is able to manage and/or mitigate potential risks through implementation of the following:

- Brim has a Code of Conduct<sup>18</sup> which serves to guide its operations, as well as those of its subsidiaries. The Code of Conduct stipulates the requirements for ethical business practices and responsible operations that serve to promote the protection and economic utilization.
- Brim’s Procurement Policy and Supplier Assessment Procedure<sup>19</sup> directs the Company’s selection of suppliers in the communities where it operates. This policy articulates Brim’s actions towards influencing activities external to its own operations. This involves an assessment of the suppliers’ GHG emissions from its operations and entire value chain. In this manner, Brim supports its local community by procuring its products and services while working towards minimizing the negative environmental effects of Brim and its suppliers.
- Social Responsibility Policy<sup>20</sup> through which Brim commits to more careful use of natural resources, the environment and the safety and wellbeing of employees.
- Work Environment and Safety Policy<sup>21</sup> which sets out the safety management system that covers Brim’s operations as well as the Company’s commitment to a safe working environment. This policy stipulates that both employees and managers are responsible for ensuring the safety, accident review and incident reduction supervised by the Human Resources department. Brim has established a Safety Committee which operates across all units under the supervision of Brim’s human resource department in line with Regulation No. 920/2006<sup>22</sup> on workplace health and safety.
- As a part of Brim’s ESG Strategy, the company monitors its onshore and offshore environmental information regarding its operation to ensure compliance with Icelandic legislation and subsequent implements targeted actions to address identified issues.<sup>23</sup>
- Fisheries in Iceland are subject to the Fisheries Management Act No. 116/2006 which was developed to ensure good management practices as defined by the Food and Agriculture Organisation (FAO) of the United Nations. The Act limits fishing activities based on a quota system applicable to relevant marine species as well as catch regulations on marine stock, equipment and area protection to ensure marine biodiversity is protected.<sup>24</sup>

<sup>18</sup> Brim, “Code of Conduct”, at: [https://hbgrandi.overcastcdn.com/documents/Codes\\_of\\_Conduct\\_of\\_Brim\\_and\\_its\\_Subsidiaries.pdf](https://hbgrandi.overcastcdn.com/documents/Codes_of_Conduct_of_Brim_and_its_Subsidiaries.pdf)

<sup>19</sup> Brim, “Environment”, at: <https://sustainabilityreport2019.brim.is/efnahagur/>

<sup>20</sup> Brim, “Social Responsibility Report 2019”, available: <https://sustainabilityreport2019.brim.is/umhverfi/>

<sup>21</sup> Brim, “Work Environment and Safety Policy”, at [https://hbgrandi.overcastcdn.com/documents/Vinnuumhverfis\\_og\\_oryggisstefna\\_2020-12.pdf](https://hbgrandi.overcastcdn.com/documents/Vinnuumhverfis_og_oryggisstefna_2020-12.pdf)

<sup>22</sup> Iceland, “Regulation on the organization and implementation of health and safety at workplaces”, at: [https://www.vinnueftirlit.is/media/efni-a-ensku/reglugerd\\_um\\_vinnuverndarstarf\\_a\\_vinnustodum\\_thorarinn\\_v\\_07.pdf](https://www.vinnueftirlit.is/media/efni-a-ensku/reglugerd_um_vinnuverndarstarf_a_vinnustodum_thorarinn_v_07.pdf)

<sup>23</sup> Brim, ESG Strategy Biodiversity Issue, shared by Brim to Sustainalytics.

<sup>24</sup> Iceland, “The Fisheries Management Act”, at: <http://faolex.fao.org/docs/texts/ice3455.doc>

Based on these policies, standards and assessments, Sustainalytics is of the opinion that Brim has implemented adequate measures and is well-positioned to manage and mitigate environmental and social risks commonly associated within the eligible categories.

### Section 3: Impact of Use of Proceeds

All six use of proceeds categories are aligned with those recognized by the GBP and GLP. Sustainalytics has focused on two below where the impact is specifically relevant in the local context.

#### Importance of marine waste and wastewater management in Iceland

The Earth's marine ecological system is threatened by two major types of pollutants: chemicals and trash.<sup>25</sup> Marine debris made up of everything from microplastics to discarded fishing equipment poses great danger to marine life and their habitat<sup>26</sup> and it is estimated that 8 million tonnes of plastics go into the ocean each year.<sup>27</sup> New research has found between 12 and 21 million tonnes of plastic in about 5% of the Atlantic ocean, indicating the potential existence of about 200 million tonnes of common plastics. This means the Atlantic ocean has 10 times more plastic pollution than the previously estimated amount calculated from mismanaged municipal waste in coastal areas and that ocean pollution could be more severe than estimated.<sup>28</sup> In addition to plastic pollution, coastal water is also heavily polluted by land-based water pollutants such as petroleum waste, agriculture operations and sewage.<sup>29</sup> The accumulated waste in the ocean releases toxins that can destroy habitats and ecosystems causing harm to the health of marine and land life.<sup>30</sup>

To minimize and prevent plastic pollution, the Nordic Council of Ministers of the Environment has called for a new global agreement. They believe that the joint effort of governments, industry and consumers is needed to reduce ocean pollution under a new approach. The Icelandic government is taking a proactive approach as a part of the agreement by setting up a national plan to manage and prevent plastic pollution.<sup>31</sup> As a participant in the UN Clean Seas Campaign, Iceland has committed to reducing marine waste and increasing recycling and treatment of plastic waste, especially single-use plastics and waste fishing gear.<sup>32</sup>

Based on the above context, Sustainalytics recognizes the importance of sustainable waste, wastewater management, pollution prevention and control in Iceland and considers that projects funded through Brim's Framework are expected to provide positive environmental impacts to marine ecosystem. As such, Sustainalytics is of the opinion Brim's investment will contribute to Iceland's overall strategy of waste management and pollution reduction.

#### Importance of renewable energy in Iceland

Iceland's power sector is virtually carbon-free with almost 100% of its energy arising from renewable sources. About 70% of national electricity generated comes from hydropower sources.<sup>33</sup> Furthermore, the country's geological characteristics favour the utilisation of geothermal energy, making Iceland the seventh leading country in the world for electricity production from geothermal.<sup>34</sup> In spite of this, Iceland's GHG emissions are recorded at 14.4 tCO<sub>2</sub>e per capita which is about 23% higher than the OECD country average.<sup>35</sup> The biggest

<sup>25</sup> National Geographic, "Marine Pollution", at: <https://www.nationalgeographic.org/encyclopedia/marine-pollution/#:~:text=Marine%20pollution%20is%20a%20growing,of%20pollution%3A%20chemicals%20and%20trash.&text=This%20type%20of%20pollutio n%20occurs,ultimately%20flow%20into%20the%20ocean.>

<sup>26</sup> U.S. Department of Commerce National Oceanic and Atmospheric Administration, "Ocean pollution", at: <https://www.noaa.gov/education/resource-collections/ocean-coasts/ocean-pollution>

<sup>27</sup> Reykjavik Grapevine, "Plastic Pollution Poses Problem In Arctic Ocean", (2020), at: <https://grapevine.is/news/2020/05/08/plastic-pollution-poses-problem-in-arctic-ocean/>

<sup>28</sup> The Guardian, "Plastic pollution in Atlantic at least 10 times worse than thought", (2020), at: <https://www.theguardian.com/environment/2020/aug/18/atlantic-ocean-plastic-more-than-10-times-previous-estimates#:~:text=Studies%20have%20found%20microplastics%20in,also%20ending%20up%20in%20humans.>

<sup>29</sup> Water Encyclopedia, "Pollution of the Ocean by Sewage, Nutrients, and Chemicals", at: <http://www.waterencyclopedia.com/Po-Re/Pollution-of-the-Ocean-by-Sewage-Nutrients-and-Chemicals.html>

<sup>30</sup> MarineBio, "Ocean Pollution", at: <https://marinebio.org/conservation/ocean-dumping/>

<sup>31</sup> Government of Iceland, "Nordic ministers call for a new global agreement against plastic pollution in the oceans", (2020), at: <https://www.government.is/diplomatic-missions/embassy-article/2020/10/21/Nordic-ministers-call-for-a-new-global-agreement-against-plastic-pollution-in-the-oceans/>

<sup>32</sup> United Nations, "Iceland commits to reduce marine litter in its waters", (2017), at: <https://oceanconference.un.org/commitments/?id=16721>

<sup>33</sup> The Organisation for Economic Co-operation and Development (OECD), "Iceland: Progress in the net zero transition", (2021) at: <https://www.oecd.org/regional/RO2021%20Iceland.pdf>

<sup>34</sup> Paulillo, A., et al., "The environmental impacts and the carbon intensity of geothermal energy: A case study on the Hellisheiði plant", Environment international, (2019), at: <https://www.sciencedirect.com/science/article/pii/S0160412019318689>

<sup>35</sup> The Organisation for Economic Co-operation and Development (OECD), "Iceland: Progress in the net zero transition", (2021) at: <https://www.oecd.org/regional/RO2021%20Iceland.pdf>



sources of country's emissions are attributed to industrial processes, road transport, fisheries and waste management.<sup>36</sup>

Following the Paris Agreement, Iceland is aiming to achieve carbon neutralization before 2040 and cutting its GHG emission by 40% by 2030.<sup>37</sup> Iceland's Climate Action Plan, updated in 2020, outlines the country's plan to cut emission from ships and port by 42% by 2030 comparing to 2005 level. The action plan details specific measures for each sector that fall under the EU Effort Sharing Regulation. Specifically, energy transition in fisheries and ferries, electrical infrastructure in ports, banning on use of heavy fuel oil are highlighted for ships and ports sector.<sup>38</sup>

Sustainalytics is of the opinion that Brim's investment in energy efficiency and renewable energy aligns with Iceland's Climate Action Plan and contributes to the country's general goal of emission reduction.

#### Alignment with/contribution to SDGs

The Sustainable Development Goals (SDGs) were set in September 2015 by the United Nations General Assembly and form an agenda for achieving sustainable development by the year 2030. The bond(s) and loan(s) issued under the Brim Sustainable Financing Framework advances the following SDGs and targets:

Use of Proceeds Category	SDG	SDG target
Clean Transportation	11. Sustainable Cities and Communities	11.2 By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons.
Green Buildings	11. Sustainable Cities and Communities	11.3 By 2030, enhance inclusive and sustainable urbanization and capacity for participatory, integrated and sustainable human settlement planning and management in all countries.
Information and Communications Technology	9. Industry, Innovation and Infrastructure	9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.
Eco-Efficient and Circular Economy Adapted Products, Production Technologies and Processes	12. Responsible Consumption and Production	12.2 By 2030, achieve the sustainable management and efficient use of natural resources
Renewable Energy	7. Affordable and Clean Energy	7.2 By 2030, increase substantially the share of renewable energy in the global energy mix
Pollution Prevention and Control	14. Life Below Water	14.1 By 2025, prevent and significantly reduce marine pollution of all kinds.
	6. Clean Water and Sanitation	6.3 By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater

<sup>36</sup> Government of Iceland, "Climate Change", at: <https://www.government.is/topics/environment-climate-and-nature-protection/climate-change/>

<sup>37</sup> Government of Iceland, "Climate Change", at: <https://www.government.is/topics/environment-climate-and-nature-protection/climate-change/>

<sup>38</sup> Government of Iceland, "Iceland's 2020 Climate Action Plan", at: <https://www.government.is/library/01-Ministries/Ministry-for-The-Environment/201004%20Umhverfisraduneytid%20Adgerdaaetlun%20EN%20V2.pdf>

	<p>12. Responsible Consumption and Production</p>	<p>and substantially increasing recycling and safe reuse globally.</p> <p>12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.</p>
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## Conclusion






Brim hf. has developed the Brim Sustainable Financing Framework under which it intends to issue bonds and loans and use the proceeds to finance and/or refinance, in whole or in part, existing and/or future projects that support the protection and restoration of marine resources and provide tangible environmental benefits. Sustainalytics considers that the assets financed will provide positive environmental and social impacts in Iceland.

The Framework outlines a process by which proceeds will be tracked, allocated, and managed, and commitments have been made for reporting on the allocation and impact of the use of proceeds. Furthermore, Sustainalytics believes that Framework is aligned with the overall sustainability strategy of Brim and that the use of proceeds categories will contribute to the advancement of the U.N. Sustainable Development Goals, in particular Goal 6, 7, 9, 11, 12 and 14. Additionally, Sustainalytics is of the opinion that Brim has adequate measures to identify, manage and mitigate environmental and social risks commonly associated with the eligible projects funded by the use of proceeds.


## Appendices

### Appendix 1: Overview of Green Building Certifications

	<b>BREEAM</b>	<b>LEED</b>	<b>DGNB</b>	<b>Nordic Swan</b>	<b>Miljöbyggnad</b>
<b>Background</b>	BREEAM (Building Research Establishment Environmental Assessment Method) was first published by the Building Research Establishment (BRE) in 1990. Based in the UK. Used for new, refurbished and extension of existing buildings.	Leadership in Energy and Environmental Design (LEED) is a US Certification System for residential and commercial buildings used worldwide. LEED was developed by the non-profit U.S. Green Building Council (USGBC).	DGNB was developed in 2007 by the non-profit German Sustainable Building Council in partnership with the German Federal Ministry of Transport, Building, and Urban Affairs in order to actively encourage sustainable building.	Svanen is owned by "Ecolabelling Sweden", a Swedish state company responsible for both the Swan ecolabel and the EU Ecolabel. Svanen was first released in 1989 by the Nordic Council of Ministers.	Administered by the Swedish Green Building Council (SGBC), Miljöbyggnad certifies new and existing residential and commercial buildings. First implemented in 2010, Version 3 launched in 2018.
<b>Certification levels</b>	<ul style="list-style-type: none"> <li>• Pass</li> <li>• Good</li> <li>• Very Good</li> <li>• Excellent</li> <li>• Outstanding</li> </ul>	<ul style="list-style-type: none"> <li>• Certified</li> <li>• Silver</li> <li>• Gold</li> <li>• Platinum</li> </ul>	<ul style="list-style-type: none"> <li>• Bronze</li> <li>• Silver</li> <li>• Gold</li> <li>• Platinum</li> </ul>	<ul style="list-style-type: none"> <li>• Certified</li> </ul>	<ul style="list-style-type: none"> <li>• Bronze</li> <li>• Silver</li> <li>• Gold</li> </ul>
<b>Areas of Assessment</b>	<ul style="list-style-type: none"> <li>• Energy</li> <li>• Land Use and Ecology</li> <li>• Pollution</li> <li>• Transport</li> <li>• Materials</li> <li>• Water</li> <li>• Waste</li> <li>• Health and Wellbeing</li> <li>• Innovation</li> </ul>	<ul style="list-style-type: none"> <li>• Energy and atmosphere</li> <li>• Sustainable Sites</li> <li>• Location and Transportation</li> <li>• Materials and resources</li> <li>• Water efficiency</li> <li>• Indoor environmental quality</li> <li>• Innovation in Design</li> <li>• Regional Priority</li> </ul>	<ul style="list-style-type: none"> <li>• Environment</li> <li>• Economic</li> <li>• Sociocultural and functional aspects</li> <li>• Technology Processes &amp; Site</li> </ul>	<ul style="list-style-type: none"> <li>• General requirements</li> <li>• Resource efficiency</li> <li>• Indoor environment</li> <li>• Chemicals and materials</li> <li>• Construction Management</li> <li>• Regulatory requirements</li> <li>• Point-score requirements (including energy)</li> </ul>	<ul style="list-style-type: none"> <li>• Energy</li> <li>• Indoor Environment</li> <li>• Chemical Substances</li> <li>• Specific Environmental Demands</li> </ul>
<b>Requirements</b>	<p>Prerequisites depending on the levels of certification and credits with associated points</p> <p>This number of points is then weighted by item<sup>18</sup> and gives a BREEAM level of certification, which is based on the overall score obtained (expressed as a percentage). Majority of BREEAM issues are flexible, meaning that the client can choose which to comply with to build their BREEAM performance score.</p> <p>BREEAM has two stages/audit reports: a 'BREEAM Design Stage' and a 'Post Construction Stage', with</p>	<p>Prerequisites independent of level of certification, and credits with associated points.</p> <p>These points are then added together to obtain the LEED level of certification</p> <p>There are several different rating systems within LEED. Each rating system is designed to apply to a specific sector (e.g. New Construction, Major Renovation, Core and Shell Development, Schools-/Retail-/Healthcare New Construction and Major Renovations, Existing</p>	<p>Percentage-based performance index.</p> <p>The total performance index (expressed as a percentage) is calculated by adding the six key areas of assessment.</p> <p>Depending on the total performance index, a DGNB award will be given to the project, starting from Silver. Bronze is awarded for existing buildings and is conferred as the lowest rank.</p>	<p>Points-based assessment.</p> <p>For apartment buildings at least 17 out of 44 possible points must be achieved.</p> <p>For small houses at least 16 out of 42 possible points must be achieved.</p> <p>For pre-school and school buildings at least 15 out of 39 possible points must be achieved.</p>	<p>Checklist of 15 indicators, all of which must be met in order to obtain certification.</p> <p>Level of certification is determined by the lowest-scoring indicator.</p>

	different assessment criteria.	Buildings: Operation and Maintenance).			
<b>Performance display</b>					
			DGNB certification is based on current European Union standards.	Widely recognized within the region, strong assurance of quality.	Developed specifically for Sweden. High emphasis on indoor environments.

## Appendix 2: Overview of Fishery and Aquaculture Certifications

	<b>Marine Stewardship Council<sup>39</sup></b>
<b>Background</b>	Marine Stewardship Council (MSC) is a non-profit organization founded in 1996, that issues eco-label certifications for fisheries which are sustainable and well-managed.
<b>Clear positive impact</b>	Promoting sustainable fisheries practices.
<b>Minimum standards</b>	A minimum score must be met across each of the performance indicators.  As a condition to certification, low-scoring indicators must be accompanied by action plans for improvement.
<b>Scope of certification or programme</b>	The MSC standard consists of a fisheries standard and a chain of custody standard.  The Fishery Standard assesses three core principles: sustainable fish stocks, minimising environmental impact, and effective fisheries management; collectively these account for the major environmental and social impacts.  The Chain of Custody standard addresses certified purchasing, product identification, separation, traceability and records, and good management.
<b>Verification of standards and risk mitigation</b>	Third-party conformity assessment bodies (CABs), certified by Accreditation Service International (ASI) carry out assessments in line with the MSC standard and ISO 17065.  Certification is valid for up to five years.
<b>Third party expertise and multi-stakeholder process</b>	Aligned with the UN Code of Conduct for Responsible Fishing, and further informed by the Global Sustainable Seafood Initiative (GSSI), World Trade Organization (WTO), and International Social and Environmental Accreditation and Labelling (ISEAL)
<b>Performance display</b>	
<b>Qualitative considerations</b>	The MSC label is the most widely recognized sustainable fisheries label worldwide, and is generally accepted to have positive impacts on marine environments.  Proponents of the label cite the transparent science-based process for approval and its successful engagement with industry groups. Criticism from various observers include lack of focus on preventing by-catch, protecting marine mammals and endangered species, follow-up on conditions, crew safety, and live tracking of supply chains.

<sup>39</sup> <https://www.msc.org/standards-and-certification/fisheries-standard>

## Appendix 3: Green Bond / Green Bond Programme - External Review Form

### Section 1. Basic Information

Issuer name:	Brim hf.
Green Bond ISIN or Issuer Green Bond Framework Name, if applicable:	Brim Sustainable Financing Framework
Review provider's name:	Sustainalytics
Completion date of this form:	June 30, 2021
Publication date of review publication:	

### Section 2. Review overview

#### SCOPE OF REVIEW

The following may be used or adapted, where appropriate, to summarise the scope of the review.

The review assessed the following elements and confirmed their alignment with the GBP:

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> Use of Proceeds        | <input checked="" type="checkbox"/> Process for Project Evaluation and Selection |
| <input checked="" type="checkbox"/> Management of Proceeds | <input checked="" type="checkbox"/> Reporting                                    |

#### ROLE(S) OF REVIEW PROVIDER

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> Consultancy (incl. 2 <sup>nd</sup> opinion) | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification   | <input type="checkbox"/> Rating        |
| <input type="checkbox"/> Other ( <i>please specify</i> ):                       |  |

Note: In case of multiple reviews / different providers, please provide separate forms for each review.

#### EXECUTIVE SUMMARY OF REVIEW and/or LINK TO FULL REVIEW (*if applicable*)

Please refer to Evaluation Summary above.

### Section 3. Detailed review

Reviewers are encouraged to provide the information below to the extent possible and use the comment section to explain the scope of their review.

#### 1. USE OF PROCEEDS

Overall comment on section (*if applicable*):

The eligible categories for the use of proceeds – Clean Transportation, Green Buildings, Information and Communications Technology, Eco-Efficient and Circular Economy Adapted Products, Production Technologies and Processes, Renewable Energy and Pollution Prevention and Control – are aligned with those recognized by the Green Bond Principles 2021 and the Green Loan Principles 2021. Sustainalytics considers that the eligible categories will lead to positive environmental impacts and advance the UN Sustainable Development Goals, specifically SDG 6, 7, 9, 11, 12 and 14.

**Use of proceeds categories as per GBP:**

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> Renewable energy  | <input type="checkbox"/> Energy efficiency   |
| <input checked="" type="checkbox"/> Pollution prevention and control  | <input type="checkbox"/> Environmentally sustainable management of living natural resources and land use         |
| <input type="checkbox"/> Terrestrial and aquatic biodiversity conservation  | <input checked="" type="checkbox"/> Clean transportation   |
| <input type="checkbox"/> Sustainable water and wastewater management  | <input type="checkbox"/> Climate change adaptation   |
| <input checked="" type="checkbox"/> Eco-efficient and/or circular economy adapted products, production technologies and processes                 | <input checked="" type="checkbox"/> Green buildings  |
| <input type="checkbox"/> Unknown at issuance but currently expected to conform with GBP categories, or other eligible areas not yet stated in GBP | <input checked="" type="checkbox"/> Other <i>(please specify)</i> :<br>Information and Communications Technology |

If applicable please specify the environmental taxonomy, if other than GBP:

**2. PROCESS FOR PROJECT EVALUATION AND SELECTION**

Overall comment on section (if applicable):

Brim’s eligible projects will be evaluated and selected by Brim’s Executive Committee comprised of the company’s Chief Executive Officer, Chief Financial Officer and the Managing Directors of Innovation, Sustainability, and Investor Relations. Sustainalytics considers the project selection process in line with market practice.

**Evaluation and selection**

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> Credentials on the issuer’s environmental sustainability objectives            | <input checked="" type="checkbox"/> Documented process to determine that projects fit within defined categories    |
| <input checked="" type="checkbox"/> Defined and transparent criteria for projects eligible for Green Bond proceeds | <input type="checkbox"/> Documented process to identify and manage potential ESG risks associated with the project |
| <input type="checkbox"/> Summary criteria for project evaluation and selection publicly available                  | <input type="checkbox"/> Other <i>(please specify)</i> :   |



### Information on Responsibilities and Accountability

- |   |   |
|---|---|
| <input type="checkbox"/> Evaluation / Selection criteria subject to external advice or verification | <input checked="" type="checkbox"/> In-house assessment |
| <input type="checkbox"/> Other (please specify):  |   |

### 3. MANAGEMENT OF PROCEEDS

Overall comment on section (if applicable):

Allocation of net proceeds will be tracked by Brim using a Green Registry. Pending full allocation, the company will temporarily invest unallocated and/or undisbursed proceeds in cash, cash equivalents, or other liquid marketable instruments. This is in line with market practice.

#### Tracking of proceeds:

- |  |
|--|
| <input checked="" type="checkbox"/> Green Bond proceeds segregated or tracked by the issuer in an appropriate manner |
| <input type="checkbox"/> Disclosure of intended types of temporary investment instruments for unallocated proceeds   |
| <input type="checkbox"/> Other (please specify):   |

#### Additional disclosure:

- |  |   |
|--|---|
| <input type="checkbox"/> Allocations to future investments only                  | <input checked="" type="checkbox"/> Allocations to both existing and future investments |
| <input type="checkbox"/> Allocation to individual disbursements                  | <input type="checkbox"/> Allocation to a portfolio of disbursements                     |
| <input type="checkbox"/> Disclosure of portfolio balance of unallocated proceeds | <input type="checkbox"/> Other (please specify):  |

### 4. REPORTING

Overall comment on section (if applicable):

Brim intends to report on allocation of proceeds to its investors as part of its reporting cycle. Allocation reporting will be verified by a third-party and include the balance amount of allocated and unallocated net proceeds. In addition, Brim is committed to reporting on relevant impact metrics. Sustainalytics views the allocation and impact reporting as aligned with market practice.

#### Use of proceeds reporting:

- |  |  |
|--|--|
| <input type="checkbox"/> Project-by-project            | <input checked="" type="checkbox"/> On a project portfolio basis |
| <input type="checkbox"/> Linkage to individual bond(s) | <input type="checkbox"/> Other (please specify):                 |

**Information reported:**

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> Allocated amounts | <input type="checkbox"/> Green Bond financed share of total investment |
| <input type="checkbox"/> Other (please specify):      |  |

**Frequency:**

- |  |                                      |
|--|--------------------------------------|
| <input checked="" type="checkbox"/> Annual       | <input type="checkbox"/> Semi-annual |
| <input type="checkbox"/> Other (please specify): |                                      |

**Impact reporting:**

- |  |  |
|--|--|
| <input type="checkbox"/> Project-by-project            | <input checked="" type="checkbox"/> On a project portfolio basis |
| <input type="checkbox"/> Linkage to individual bond(s) | <input type="checkbox"/> Other (please specify):                 |

**Information reported (expected or ex-post):**

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> GHG Emissions / Savings | <input checked="" type="checkbox"/> Energy Savings                         |
| <input type="checkbox"/> Decrease in water use              | <input checked="" type="checkbox"/> Other ESG indicators (please specify): |

Number of clean vehicles and/or infrastructure deployed, number of GSSI certified products sold per year, tons of by-products further processed to value-added products, Annual avoided fossil fuel use in liters per year, annual absolute (gross) amount of wastewater treated, reused or avoided before and after the project in m3/a and p.e./a and as %, annual absolute (gross) amount of wastewater treated, reused or avoided before and after the project in m3/a and p.e./a and as %.

**Frequency**

- |  |                                      |
|--|--------------------------------------|
| <input checked="" type="checkbox"/> Annual       | <input type="checkbox"/> Semi-annual |
| <input type="checkbox"/> Other (please specify): |                                      |

**Means of Disclosure**

- |  |   |
|--|---|
| <input type="checkbox"/> Information published in financial report | <input type="checkbox"/> Information published in sustainability report |
| <input type="checkbox"/> Information published in ad hoc documents | <input checked="" type="checkbox"/> Other (please specify):             |

Information will be available with other general annual reporting on Brim's website

- Reporting reviewed (if yes, please specify which parts of the reporting are subject to external review):

Where appropriate, please specify name and date of publication in the useful links section.

**USEFUL LINKS** (e.g. to review provider methodology or credentials, to issuer's documentation, etc.)

<a href="http://www.brim.is">www.brim.is</a>
--

**SPECIFY OTHER EXTERNAL REVIEWS AVAILABLE, IF APPROPRIATE**

**Type(s) of Review provided:**

- |  |  |
|--|--|
| <input type="checkbox"/> Consultancy (incl. 2 <sup>nd</sup> opinion) | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification / Audit                        | <input type="checkbox"/> Rating        |
| <input type="checkbox"/> Other ( <i>please specify</i> ):            |  |

**Review provider(s):**

**Date of publication:**

**ABOUT ROLE(S) OF INDEPENDENT REVIEW PROVIDERS AS DEFINED BY THE GBP**

- i. Second-Party Opinion: An institution with environmental expertise, that is independent from the issuer may issue a Second-Party Opinion. The institution should be independent from the issuer's adviser for its Green Bond framework, or appropriate procedures, such as information barriers, will have been implemented within the institution to ensure the independence of the Second-Party Opinion. It normally entails an assessment of the alignment with the Green Bond Principles. In particular, it can include an assessment of the issuer's overarching objectives, strategy, policy and/or processes relating to environmental sustainability, and an evaluation of the environmental features of the type of projects intended for the Use of Proceeds.
- ii. Verification: An issuer can obtain independent verification against a designated set of criteria, typically pertaining to business processes and/or environmental criteria. Verification may focus on alignment with internal or external standards or claims made by the issuer. Also, evaluation of the environmentally sustainable features of underlying assets may be termed verification and may reference external criteria. Assurance or attestation regarding an issuer's internal tracking method for use of proceeds, allocation of funds from Green Bond proceeds, statement of environmental impact or alignment of reporting with the GBP, may also be termed verification.
- iii. Certification: An issuer can have its Green Bond or associated Green Bond framework or Use of Proceeds certified against a recognised external green standard or label. A standard or label defines specific criteria, and alignment with such criteria is normally tested by qualified, accredited third parties, which may verify consistency with the certification criteria.
- iv. Green Bond Scoring/Rating: An issuer can have its Green Bond, associated Green Bond framework or a key feature such as Use of Proceeds evaluated or assessed by qualified third parties, such as specialised research providers or rating agencies, according to an established scoring/rating methodology. The output may include a focus on environmental performance data, the process relative to the GBP, or another benchmark, such as a 2-degree climate change scenario. Such scoring/rating is distinct from credit ratings, which may nonetheless reflect material environmental risks.

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Sustainalytics, a Morningstar Company, is a leading ESG research, ratings and data firm that supports investors around the world with the development and implementation of responsible investment strategies. The firm works with hundreds of the world's leading asset managers and pension funds who incorporate ESG and corporate governance information and assessments into their investment processes. The world's foremost issuers, from multinational corporations to financial institutions to governments, also rely on Sustainalytics for credible second-party opinions on green, social and sustainable bond frameworks. In 2020, Climate Bonds Initiative named Sustainalytics the "Largest Approved Verifier for Certified Climate Bonds" for the third consecutive year. The firm was also recognized by Environmental Finance as the "Largest External Reviewer" in 2020 for the second consecutive year. For more information, visit [www.sustainalytics.com](http://www.sustainalytics.com).



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2017, 2018, 2019: Most Impressive Second Opinion Provider

