

Second-Party Opinion

BEWI Sustainable Finance Framework



Evaluation Summary

Use of Proceeds Instruments

Green Bond Principles 2021 and Green Loan Principles 2021

Sustainalytics is of the opinion that the BEWI Sustainable Finance Framework is credible and impactful and aligns with the four core components of the Green Bond Principles 2021 and the Green Loan Principles 2021 (the “Use of Proceeds Principles”). The eligible categories for the use of proceeds – Eco-efficient and/or Circular Economy Adapted Products, Production Technologies and Processes, Energy Efficiency, Renewable Energy and Clean Transportation – are aligned with those recognized by the Use of Proceeds Principles and will lead to positive environmental and social impacts.

Sustainability-Linked Instruments

Sustainability-Linked Bond Principles 2020 and Sustainability-Linked Loan Principles 2021

Sustainalytics is of the opinion that the BEWI Sustainable Finance Framework aligns with the Sustainability-Linked Bond Principles 2020 and Sustainability-Linked Loan Principles 2021 (the “Sustainability-Linked Principles”). Overview of KPIs and SPTs:

KPI	SPTs	Strength of the KPI	Ambitiousness of SPTs
Collected expanded polystyrene (EPS) for recycling (in tonnes)	<p>SPT1: Collected EPS for recycling to reach 45,000 tonnes per year by end-2024</p> <p>SPT2: Collected EPS for recycling to reach 60,000 tonnes per year by end-2026</p>	Strong	Ambitious

Evaluation Date	August 4, 2021
Issuer/Borrower	Trondheim
Location	Norway

The UoPs and SPTs contribute to the following SDGs:



Table of Contents

Evaluation Summary	1
Table of Contents	2
Scope of Work and Limitations.....	3
Introduction	5
Sustainalytics’ Opinion.....	6
Section 1: Sustainalytics’ Opinion on the Alignment of the Framework with Relevant Market Standards	6
Alignment with Use of Proceeds Principles.....	6
Alignment with Sustainability-Linked Principles.....	8
Section 2: Assessment of BEWI’s Sustainability Strategy.....	12
Section 3: Impact of the UoPs and SPTs Selected.....	14
Conclusion	16
Appendix 1 BEWI’s Value Chain.....	17
Appendix 2 Certification Schemes for Bioenergy	17
Appendix 3 Green Bond / Green Bond Programme - External Review Form.....	19
Appendix 4: Sustainability-Linked Bonds - External Review Form.....	25
Disclaimer.....	29
About Sustainalytics, a Morningstar Company	30

Scope of Work and Limitations

Sustainalytics' Second-Party Opinion reflects Sustainalytics' independent¹ opinion on the alignment of the Sustainable Financing Framework with current market standards. As part of the Second-Party Opinion, Sustainalytics assessed the following:

- The Framework's alignment with the Green Bond Principles 2021, Green Loan Principles 2021, Sustainability-Linked Bond Principles 2020 and Sustainability-Linked Loan Principles 2021^{2,3} (the "Principles");
- The credibility and anticipated positive impacts of the use of proceeds and SPTs; and
- The issuer's sustainability strategy, performance and sustainability risk management.

As part of this engagement, Sustainalytics held conversations with various members of BEWI's management team to understand the sustainability impact of their business processes and the core components of the Framework. BEWI representatives have confirmed that:

- (1) They understand it is the sole responsibility of BEWI to ensure that the information provided is complete, accurate or up to date;
- (2) They have provided Sustainalytics with all relevant information; and
- (3) 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. Any update of the present Second-Party Opinion will be conducted according to the agreed engagement conditions between Sustainalytics and BEWI.

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. The Second-Party Opinion is valid for issuances aligned with the respective Framework for which the Second-Party Opinion was written up to 24 months or until one of the following occurs: (1) A material change to the external benchmarks⁴ against which targets were set; (2) A material corporate action (such as material M&A or change in business activity) which has a bearing on the achievement of the SLBs and/or SLLs or the materiality of the KPI.

For use of proceeds instruments, Sustainalytics relied on its internal taxonomy, version 1.9.2, which is informed by market practice and Sustainalytics' expertise as an ESG research provider. The Second-Party Opinion:

- addresses the anticipated impacts of eligible projects expected to be financed with bond 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.
- opines on the potential allocation of proceeds but does not guarantee the realized allocation of the bond proceeds towards eligible activities.

For sustainability-linked instruments, the Second-Party Opinion:

- addresses the anticipated SPTs of KPIs but does not measure the KPIs' performance. The measurement and reporting of the KPIs is the responsibility of the bond issuer.

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

¹ 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.

² The bond Principles, Guidelines and Handbooks are administered by the International Capital Market Association and are available at: <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/>

³ The loan Principles and Guidelines 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/?_industry_sector=guidelines-memos-primary-market

⁴ Benchmarks refers to science-based benchmarks

statements and related surrounding circumstances that BEWI has made available to Sustainalytics for the purpose of this Second-Party Opinion.

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Introduction

BEWI ASA (“BEWI”, or the “Group”) is an international provider of packaging, components and insulation solutions. BEWI caters to a range of industries including food, hobby and leisure, pharmaceuticals, automotive, residential housing and thermal insulation. Founded in 1980, BEWI is headquartered in Trondheim, Norway. The Group has a presence in Europe with 52 facilities and 1,400 employees.

BEWI has developed the BEWI Sustainable Finance Framework (the “Framework”) under which it intends to issue use of proceeds green bonds and loans, and sustainability-linked bonds and loans. BEWI engaged Sustainalytics to review the Framework, dated August 2021, and provide a Second-Party Opinion on the Framework’s alignment with the Green Bond Principles 2021, Green Loan Principles 2021, Sustainability-Linked Bond Principles 2020, and Sustainability-Linked Loan Principles 2021 (the “Principles”). The Framework has been published in a separate document.⁵

Under use of proceeds instruments, the proceeds will finance or refinance, in whole or in part, existing or future projects that deliver positive environmental impact and advance the Group’s sustainability strategy. The Framework defines eligibility criteria in four areas:

1. Circular Economy adapted products, production technologies and processes
2. Energy Efficiency
3. Renewable Energy
4. Clean Transportation

For sustainability-linked instruments, the financial characteristics of the bonds and loans (such as coupon, redemption price or margin) are tied to the achievement of the two SPTs for a KPI which measures the total amount of expanded polystyrene (EPS) collected by BEWI for recycling.

The KPI and SPTs used by BEWI are defined in Tables 1 and 2 below.

Table 1: KPI Definitions

KPI	Definition
Collected expanded polystyrene for recycling (in tonnes)	<p>This KPI measures the quantity of expanded polystyrene (“EPS”) collected by BEWI for recycling.</p> <p>Expanded polystyrene (EPS) is a widely used plastic foam that consists of 98% air and 2% polystyrene. EPS is primarily used for packaging and insulation products.</p> <p>This KPI focuses on the collection of EPS for recycling purposes, mostly from packaging products, which have a lifetime shorter than one year and make up nearly all of the collected EPS. Other EPS with a lifespan extending beyond one year is used for long-lived assets, such as roads, buildings insulation, and components in HVAC products or for the automotive industry.⁶</p>

Table 2: SPTs and Past Performance

SPT	2018 (baseline)	2019	2020	2021 (YTD)	SPT1: 2024	SPT2: 2026
Collected EPS for recycling (tonnes)	959	4,477	5,049	6,000	45,000	60,000

⁵ The BEWI Sustainable Finance Framework is available on BEWI’s website at: <https://bewi.com/investors/financing/?lang=no>

⁶ BEWI has two main product categories: (i) packaging and components products, and (ii) insulation products. Packaging products are typically single-use products with a lifespan of less than one year, making up the largest source of collected EPS under this KPI. Insulation products, meanwhile, which have expected lifespans longer than one year and are typically used as insulation for long-lived assets, such as buildings and roads, are not normally targeted for recollection, except in the case of excess material in construction.

Sustainalytics' Opinion

Section 1: Sustainalytics' Opinion on the Alignment of the Framework with Relevant Market Standards

Alignment with Use of Proceeds Principles

Sustainalytics is of the opinion that the BEWI Sustainable Finance Framework is credible, impactful and aligns with the Green Bond Principles 2021 and the Green Loan Principles 2021 (the "Use of Proceeds Principles"). For detailed information, please refer to Appendix 3: Green Bond/Green Bond Programme External Review Form. Sustainalytics highlights the following elements of BEWI's Sustainable Financing Framework:



Use of Proceeds

Overall Assessment of Use of Proceeds

Use of Proceeds	Activity	Classification	Description and Sustainalytics' Assessment
Circular Economy adapted products, production technologies and processes	Collection and recycling of plastic waste	Green	<ul style="list-style-type: none"> - Establishment of systems to enable the segregation and collection of plastic waste through agreements with municipalities, industries and retailers. Project examples include compactors, shredders, shelves, electric forklifts, employee trainings, site rental and equipment installation costs. BEWI has confirmed to Sustainalytics that all assets financed under this category will be electric. - Acquisition of green pure-play companies which derive 90% or more of their revenues from green activities, such as waste collection. BEWI requires any company under consideration to carry out source segregation of waste, which is aligned with market practice. Sustainalytics recognizes that the GBP and GLP prefer project-based lending and financing, which generally provide more transparency than non-project-based lending. - Financing new and existing extrusion lines around the EU to increase the Group's capacity to convert plastic waste into raw material. BEWI has informed Sustainalytics that the production of plastic products will not be financed under this Framework. This is aligned with market practice. - Investment in equipment and technology aimed at increasing the rate of recycling plastic waste and reducing waste in BEWI's production process. Project examples include washing equipment to clean used products for reuse, thereby increasing product life. The Group has confirmed to Sustainalytics that chemical recycling activities will not be financed under the Framework. This is aligned with market practice.

	Procurement of recycled or biobased raw materials	Green	<ul style="list-style-type: none"> - Procurement of plastic waste for processing into raw material for new products, which Sustainalytics considers to be aligned with market practice. - Procurement of bio-based raw material, namely polylactic acid (PLA), the raw material used for BioFoam, which is BEWI's recyclable and biodegradable plastic product. PLA is produced from non-waste feedstocks, such as sugarcane. BEWI has confirmed that the PLA is sustainably sourced, including under the BONSUCRO certification scheme, and that it does not result in deforestation or compete with food production. Please see Appendix 1 for Sustainalytics' assessment of the certification scheme.
	Research & Development to improve circularity	Green	<ul style="list-style-type: none"> - Research and development expenditures for developing packaging and insulation solutions based on bio-based materials and recycled raw materials, such as EPS and biodegradable plastics. Sustainalytics considers these to be in line with market practice. The R&D is further aimed at making such products more cost efficient and accessible relative to conventional solutions. - Other R&D investments to increase circularity in products through conducting tests on recycled materials. - Sustainalytics considers investments under this category to be in line with market practice.
Energy Efficiency	Energy efficiency and electrification	Green	<ul style="list-style-type: none"> - Expenditures in machinery and production equipment to improve the energy performance in the Group's facilities. Project examples include the installation of wavefoamers, blockmolds and shape molding. - Financing of technologies and operational improvements such as the installation of energy management systems and energy efficient lighting. - BEWI has confirmed that all assets financed under this category will be powered by electricity, which Sustainalytics considers to be aligned with market practice. - Investments in electrification, such as electric boilers.
Renewable Energy	Replacing fossil fuels with renewable alternatives	Green	<ul style="list-style-type: none"> - Purchase of waste biogas from third parties for use in BEWI's production facilities. BEWI has clarified that the Group does not have insight into potential waste feedstock, nor into the terms and conditions of its potential purchase agreements, as BEWI has not started to purchase biogas. While BEWI limits its purchase of biogas to those produced using waste feedstock, Sustainalytics is not able to opine on the alignment of the procurement of biogas nor on its potential environmental impact due to insufficient insight into potential waste feedstock and purchase agreements. Sustainalytics encourages BEWI to report on the source of biogas as well as its environmental impact.
Clean Transportation	Conversion of self-owned fleet to non-fossil vehicles	Green	<ul style="list-style-type: none"> - Acquisition of light and heavy trucks powered by electricity, biofuel and hydrogen, as well as associated infrastructure. Potential infrastructure projects include electrical charging points and hydrogen fuel stations. - BEWI has established an emissions threshold of 25 gCO₂/t-km for the intended trucks. Sustainalytics considers this to be in line with market practice.



Project Evaluation and Selection

- BEWI has established a Green Finance Committee (the “Committee”) comprised of the chief financial officer (CFO), the director of sustainability and the chief operating officer (COO).
- The COO will identify and propose eligible projects to the director of sustainability, who will evaluate the proposed projects in line with the criteria in the Framework. The Committee will be responsible for the final review and approval of eligible projects.
- BEWI has in place environmental and social risk management processes which are applicable to all allocation decisions made under the Framework. Sustainalytics considers these environmental and social risk management systems to be adequate and aligned with market expectation. For additional detail, see Section 2.



Management of Proceeds

- BEWI will track the allocation of net proceeds under the portfolio approach using a Green Debt Register with oversight from the Group’s CFO. Pending full allocation, the unallocated proceeds will be temporarily held in accordance with the Group’s liquidity management policy. BEWI has confirmed that any investments in oil and gas extraction and electricity production from fossil fuels will be excluded.
- Sustainalytics notes that while the Group intends to allocate the proceeds within 36 months, it has not established a formal commitment to that allocation timeframe. Sustainalytics encourages BEWI to achieve full allocation within this timeframe and report on the allocation of proceeds as intended.
- Based on the use of an internal tracking system and disclosure of temporary use of proceeds, Sustainalytics considers this process to be in line with market practice.



Reporting

- BEWI will report on the allocation of proceeds on the Group’s website on an annual basis until full allocation. Allocation reporting will include the amount of net proceeds allocated to eligible projects, description of projects financed, the amount of net proceeds allocated to each category, the balance of unallocated proceeds and the share of financing versus refinancing.
- In addition, BEWI is committed to reporting on actual environmental impact metrics, where feasible and subject to availability. The Group will report estimated impact if the actual impact metric is unavailable for any reason. BEWI aims to include the following impact indicators, among others: collected plastic waste (types and amounts in tonnes), annual energy efficiency improvements in MWh/tonne, annual renewable energy generation in MWh, annual GHG emissions reduced or avoided in tCO₂e and number and type of non-fossil cars and vehicles procured.
- Based on the commitment to both allocation and impact reporting, Sustainalytics considers this process to be in line with market practice.

Alignment with Sustainability-Linked Principles

Sustainalytics is of the opinion that the BEWI Sustainable Finance Framework aligns with the Sustainability-Linked Bond Principles 2020 and Sustainability-Linked Loan Principles 2021 (the “Sustainability-Linked Principles”). For detailed information, please refer to Appendix 4: Sustainability-Linked Bond External Review Form. Sustainalytics highlights the following elements of BEWI’s Sustainable Financing Framework:



Selection of Key Performance Indicators (KPIs)

Relevance and Materiality of KPIs

In its assessment of materiality and relevance, Sustainalytics considers: i) whether an indicator speaks to a material impact of the issuer or borrower's business on environment or social issues, and ii) to what portion of impact the KPI is applicable.

Europe's packaging, components and construction industries receive 1.8 million tonnes in EPS product supplies every year.⁷ Only 32.6% of packaging EPS was recycled as of 2017 in Europe, in spite of recent growth in EPS recycling rates.⁸ To tackle this challenge, the EU has set a target to increase recycling of plastic packaging to 50% by 2025 and 55% by 2030. In this context, facilitating investments towards managing plastic waste demonstrates a material importance in achieving circularity and meeting the EU's goals.

In its 2020 Sustainability Report, BEWI highlighted circularity as one of the key pillars in executing its sustainability strategy, with the ultimate target to reach, by 2030, 100% collection of EPS materials with a lifespan of less than one year supplied to the market.⁹ Sustainalytics notes the pivotal role that collection and recycling plays in BEWI's sustainability strategy as an indication of high relevance and materiality to BEWI.

Sustainalytics' ESG Risk Rating assessment identifies "Resource Use" as a material ESG issue and an area of medium exposure for companies with operations in packaging and insulation solutions. In support of Sustainalytics' view, the International Expanded Polystyrene Alliance (INEPSA), a global association of 31 countries, established a landmark international recycling agreement pledging commitment to global EPS recycling through increased cooperation and outreach.¹⁰ Sustainalytics notes from its assessment and the global initiatives in promoting EPS recycling, the high relevance and materiality of this KPI.

BEWI processes raw materials (styrene, pentane and other additives) into EPS beads to produce packaging, components and insulation products (See Appendix 1: BEWI's Value Chain). BEWI has highlighted that EPS represents approximately 85% of its raw material inputs in production. At full capacity, BEWI produces and sells approximately 200,000 tonnes of EPS annually, of which 30% or 60,000 tonnes have a lifespan of less than one year and will be targeted for collection under this KPI. BEWI has clarified that the remaining EPS products which have a lifespan of more than one year are used in long-lived infrastructure, such as insulation for roads and buildings with lifespans of at least 50 years, as well as components for the HVAC and automotive industries. Given the low level of source separation in the construction and infrastructure sectors, BEWI has embarked on an initiative, together with a large construction company, to establish a system to recover EPS for recycling. The KPI's current scope includes mainly products with a lifespan of less than one year. Sustainalytics notes the applicability of the KPI as material given that it relates to 100% of EPS materials that are currently collectable for recycling purposes. Sustainalytics considers the KPI to be relevant and material given that it speaks to a material environmental issue of resource use and circularity through EPS recycling, is a direct measure of performance on the material environmental issue, and has a wide scope of impact by targeting for collection approximately 30% of all EPS put on the market annually by BEWI, which includes approximately 100% of EPS products with a lifespan of less than one year.

KPI Characteristics

In its assessment of the KPI characteristics, Sustainalytics considers: i) whether a clear and consistent methodology is used, ii) whether the issuer or borrower follows an externally recognized definition, iii) whether the

⁷ EUMEPS, "EU Voluntary Pledge" at: https://eumeps.org/content/8-news/eumeps-submitted-voluntary-pledge/20180914_the-eumeps-voluntary-pledge.pdf

⁸ EUMEPS "EPS RECYCLING IN EUROPE" at: <https://eumeps-powerparts.eu/recycling/recycling-in-europe>

⁹ BEWI, "Sustainability Strategy; A circular economy and inclusive strategy, (2020)", at: <https://bewi.com/wp-content/uploads/2021/03/BEWI-Sustainability-Strategy.pdf>

¹⁰ INEPSA was established in 1992 through the amalgamation of EPS organizations from Asia (AMEPS), Europe (EUMEPS) and North America (EPS-IA) to enhance global EPS recycling and environmental stewardship. <https://epsrecycling.org/inepsa>

KPIs are a direct measure of the performance of the issuer or borrower on the material environmental or social issue, and iv) if applicable, whether the methodology can be benchmarked to an external contextual benchmark.¹¹

Sustainalytics considers BEWI’s definition and methodology to calculate the KPI to be clear based on its ease of calculation and interpretation, and internally consistent with the historical calculations of BEWI’s performance for this KPI since 2018. Sustainalytics also considers the KPI as a direct measurement of the performance on resource use and circularity. The KPI does not follow an external recognized methodology because of the absence of comparable data on similarly defined targets and the absence of any available contextual benchmark.

Overall Assessment

Sustainalytics considers the KPI to be strong given that: (i) the KPI relates to 100% of EPS materials that are currently collectable for recycling purposes, (ii) the KPI speaks to a material environmental issue, and (iii) the definition and methodology to calculate the KPI are clear and consistent.

Collected expanded polystyrene (EPS) for recycling (in tonnes)	Not Aligned	Adequate	Strong	Very strong
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Calibration of Sustainability Performance Targets (SPTs)

Alignment with Issuer or Borrower’s Sustainability Strategy

BEWI has set the following SPTs for its KPI:

- Collected EPS for recycling to be 45,000 tonnes per year by end-2024
- Collected EPS for recycling to be 60,000 tonnes per year by end-2026

Sustainalytics considers the SPTs to be aligned with BEWI’s sustainability strategy (please refer to Section 2 for an analysis of the credibility of BEWI’s sustainability strategy).

In 2018, BEWI established BEWI Circular, a new business unit dedicated to EPS collection and recycling, and also set a target of collecting 60,000 tonnes of EPS annually by 2026. The Group has since invested approximately EUR 10 million in increasing its recycling and collection capacity, which currently stands at 20,000 tonnes of EPS.¹² This has been achieved organically through investment in increasing the production capacity of its existing recycling facilities and developing new operations, as well as inorganically through acquisitions.¹²

BEWI launched a “Use-ReUse” initiative to raise awareness about the 100% recyclable nature of EPS in 2019 with an aim to promote the sorting and collection of used EPS.¹² To further enhance its own EPS sorting and collection activities, the Group has entered into partnerships with municipalities, waste collectors and customers. BEWI has recently launched its “Recycled Inside” label for EPS that is made from 100% recycled material. Sustainalytics is of the opinion that BEWI’s overall sustainability strategy will support achievement of the set SPTs.

Strategy to Achieve the SPTs

BEWI intends to achieve the SPT through investments, continuous collaboration with customers and and co-operation with municipalities and partners to increase the Group’s collection capacity. Key initiatives to achieve the SPT include:

- Raising awareness and knowledge about the importance of sorting and collecting used EPS through BEWI’s “Use-Reuse” initiative and cooperating with customers to secure sorting and collection through investments in compression machines in customer locations.
- BEWI also plans to make greenfield investments to establish collection hubs in areas where there is no system in place for the collection of EPS. The Group targets strategic cooperation opportunities for EPS

¹¹ External contextual benchmarks provide guidance on the alignment with ecological system boundaries. This criterion is not applied to social KPIs or impact areas for which such contextual benchmarks are not available.

¹² BEWI, “Sustainability Report 2020”, at: <https://www.bewi.com/wp-content/uploads/2021/04/BEWI-ASA-Sustainability-ENG.pdf>

collection with: i) municipal and private solid waste companies across Europe, ii) fish processing companies for washing and compressing fish boxes, and iii) construction companies to offer solutions to sorting out and collecting EPS from construction sites.

- BEWI will also consider opportunities for strategic mergers and acquisitions with existing collection and recycling companies to boost its collection capacity.

Ambitiousness, Baseline and Benchmarks

To determine the ambitiousness of the SPTs, Sustainalytics considers: i) whether the SPTs go beyond business-as-usual trajectory, ii) how the SPTs compare to targets set by peers, and iii) how the SPTs compare with science.¹³

BEWI has set the baseline for the SPTs at 2018, which is when the Group started recording data on EPS collection.

Sustainalytics was able to use past performance and peer performance comparison as the benchmarks to assess ambitiousness.

Regarding past performance, Sustainalytics has assessed the percentage increase of BEWI’s share of collected EPS out of the total EPS with a lifetime of under one year which the Group supplied to the market annually. Historical data shows a collection of 959 tonnes in 2018, 4,477 tonnes in 2019 and 5,049 tonnes in 2020, representing approximately 1.5%, 7.5% and 8.5% of the targeted collection of 60,000 tonnes, respectively. As part of the SPTs, BEWI targets collection of 45,000 tonnes in 2024 and 60,000 tonnes in 2026, representing 75% and 100% of the targeted collection of 60,000 tonnes in 2026. As the data suggests, BEWI aims to collect the same amount of EPS with a lifespan of less than one year that it puts into the economy each year by 2026.

To aid in the ambitiousness assessment, Sustainalytics analyzed the relative performance of BEWI’s industry peers and performance targets from regional governments. The European Manufacturers of Expanded Polystyrene (EUMEPS)¹⁴ has established collection and recycling targets of EPS from post-use consumer packaging at 43% for recycling in Italy,¹⁵ 45% for recycling in Germany,¹⁶ 50% for recycling in Norway,¹⁷ and 50% for the European region from a 2017 baseline.¹⁸ Sustainalytics notes BEWI’s target to collect and recycle 100% of EPS with a lifespan of less than one year from post-consumer packaging compares favourably against these national and regional targets. In addition, Sustainalytics analyzed targets set by 13 industry peers in EPS recycling with extrusion capacity ranging from 1,000 tonnes to 30,000 tonnes; BEWI’s target of 60,000 tonnes by 2026 exceeds by far the targets set by the closest follower.¹⁹

BEWI will consider a re-evaluation of the SPT in the event of changes to European law or national laws around EPS collection which could become mandatory or where it becomes a requirement to use recycled EPS in the production of EPS products.

Overall Assessment

Sustainalytics considers the SPT to align with BEWI’s sustainability strategy and considers the SPTs to be ambitious given that they represent a material improvement compared to past performance, and the SPTs exceed the targets set by the Group’s peers.

SPT1: Collected EPS for recycling to be 45,000 tonnes per year by end-2024	Not Aligned	Moderately Ambitious	Ambitious	Highly Ambitious
SPT2: Collected EPS for recycling to be 60,000 tonnes per year by end-2026				

¹³ We refer here to contextual benchmarks that indicate the alignment of targets with ecosystem boundaries.

¹⁴ EUMEPS comprise 22 national associations of expanded polystyrene (EPS) in Europe. They represent local EPS converters, raw material suppliers, additive suppliers, EPS recyclers and machinery provider companies. Altogether, EUMEPS members represent 1,000 companies employing approximately 80,000 people in Europe. <https://eumeps.org/what-is-eumeps>

¹⁵ EUMEPS, “Collection system for EPS waste in Italy”, at: <https://eumeps-powerparts.eu/content/downloads/recycling/epr-collection-system-for-eps-waste-in-italy.pdf>

¹⁶ EUMEPS, “EPS packaging scap collection in Germany”, at: <https://eumeps-powerparts.eu/content/downloads/recycling/eps-packaging-scrap-collection-in-germany.pdf>

¹⁷ EUMEPS, “EPS from household waste in Norway”, at: <https://eumeps-powerparts.eu/content/downloads/recycling/eps-from-household-waste-in-norway.pdf>

¹⁸ EUMEPS, “EU voluntary pledge”, at: https://circulareconomy.europa.eu/platform/sites/default/files/plastic_pledge_statement_eumeps.pdf

¹⁹ Sustainalytics reviewed documents supplied by BEWI on a confidential basis and conducted its own research to verify the contents.



Bond and Loan Characteristics

BEWI has disclosed that it will link the financial characteristics of all issued sustainability-linked securities under the Framework to the achievement of the SPTs. The financial characteristics may include coupon rate adjustments, margin adjustments and adjustments to the redemption price if BEWI fails to meet the SPT at the target observation date or fails to provide external or independent verification of actual performance relative to the SPT. These financial characteristics will remain applicable throughout the tenor of any financial security issued under the Framework. Specific details on the financial characteristics selected for each financial instrument will be specified in their respective indenture.



Reporting

BEWI commits to report on an annual basis on its performance on the KPI and expects to include the relevant figures in its Sustainability-Linked Finance Progress Report, which will be made publicly available on BEWI's website on an annual basis. The reporting provisions are aligned with the SLBP and SLLP. BEWI further commits to disclose relevant information that enable investors to monitor the level of ambition of the SPTs.



Verification

BEWI commits to having an external verifier provide limited assurance on the published KPI performance figures for each fiscal year and in relation to any target observation dates of the SPT, which is aligned with the SLBP and SLLP on verification. The verification will be made public together with the Sustainability-Linked Finance Progress Report as outlined in the specific financial instrument documentation.

Section 2: Assessment of BEWI's Sustainability Strategy

Credibility of BEWI's Sustainability Strategy

According to Sustainalytics' ESG rating, BEWI is considered an average performer on ESG issues compared to its industry peers. Sustainalytics' analysis is based on BEWI's overall performance in environmental, governance and social issues.²⁰

In March 2021, BEWI announced its "Sustainability Strategy 2030", which is centred around three pillars: (i) becoming circular, (ii) being a responsible partner, and (iii) delivering positive social impact.⁹ The strategy, which aims to define the Group's pathway towards sustainable development leading to 2030, is aligned with the European Union's Green Deal of becoming carbon neutral by 2050. The Group expects 100% compliance with its sustainability requirements through its supply chain by 2030. BEWI's management team monitors and guides the Group's sustainability strategy, policies and performance.⁹

Within its "becoming circular" pillar, BEWI focuses its efforts on creating recyclable products that have a longer life with reusable components and ensuring that these products are collected and recycled at the end of their lifecycle to close the loop.⁹ As part of its transformation into a circular business, BEWI has set out a target to collect 60,000 tonnes of material for recycling by 2030 with an objective to increase the proportion of recycled or non-fossil raw materials used for production from around 10% in 2020 to 50% by 2030. The Group also aims to ensure that 100% of its products are recyclable by 2030.⁹

²⁰ This assessment has been derived from Sustainalytics' ESG rating.

BEWI identifies reducing its carbon footprint to be one of its priorities. The Group focuses on sourcing energy from renewable sources and aims to reduce its total energy consumption through improvements in energy efficiency. To achieve this, BEWI has adopted the EU Energy Efficiency Directive for some of its production facilities with the objective of implementing it in all its facilities.⁹ ²¹ BEWI has set a target of procuring 50% of its energy from non-fossil sources by 2030, which is aligned with the EU's objective of increasing the share of renewable energy to 32% by 2030.²² The Group began mapping its carbon emissions according to the GHG protocol methodology in 2020 and has committed to reporting on its emissions performance in 2021.¹² BEWI aims to reduce 55% of its energy related CO₂ emissions.²³

Sustainalytics considers BEWI to have a strong sustainability strategy and considers that the SLBs, SLLs, Green Bonds and Green Loans eventually issued or obtained under the Framework will further support the Group's sustainability strategy.

BEWI's Environmental and Social Risk Management

Sustainalytics recognizes that the targets defined by BEWI are impactful, but it also acknowledges that achieving the SPT and operating in the packaging and insulation solutions industry generally bears some environmental and social risks related to waste generated in the production and supply chains, carbon emissions from its own operations and occupational health and safety.

In the following section, Sustainalytics comments on BEWI's ability to mitigate such potential risks.

- 75% of BEWI facilities²⁴ are certified in accordance with ISO 14001 environmental management standard²⁵ and undergo annual risk assessments to identify and address potential risks and environmental hazards.
- Regarding occupational health and safety, the EU Directive on Worker Health and Safety ensures minimum safety and health requirements throughout the European Union.²⁶ Employers must “ensure the safety and health of workers in every aspect related to the work.” Necessary measures due to be taken by the employers include “prevention of occupational risks and provision of information and training, as well as provision of the necessary organization and means.”²⁷ Additionally, 75% of BEWI's units²⁴ are certified in accordance with the ISO 9001 Quality Management System, which lists the risks and opportunities that need to be addressed in relation to preventing undesired effects, including safety risks. Furthermore, BEWI's human resources policy requires ongoing risk assessments of potential health, safety and environment hazards, as well as the implementation of mitigation actions for identified risks.
- BEWI's commitments to adhere to the targets of the European Plastic Pact as a signatory aims to help the Group to comply with relevant EU regulations and commitments, such as Directive 94/62/EC, which sets out the EU's rules on managing packaging and packaging waste, harmonizing national measures on packaging waste management.^{28,29} A recent amendment (2018/852) to the Directive requires EU countries to take measures, such as national programmes, incentives through extended producer responsibility schemes and other economic instruments to achieve specific recycling rates of 50% for all packaging waste by 2025 and 55% by 2030.³⁰
- Regarding its own operational energy use and GHG emissions, BEWI has a climate account in line with the GHG protocol – scope 1, 2 and 3 – to track its emissions footprint and provide transparency on its climate impact. BEWI's emissions disclosures for 2020-21 will provide a baseline to implement specific actions with regard to mitigating its carbon footprint.

²¹ European Commission, “Energy efficiency directive”, at: https://ec.europa.eu/energy/topics/energy-efficiency/targets-directive-and-rules/energy-efficiency-directive_en

²² European Commission, “Summary of the Commission assessment of the draft National Energy and Climate Plan 2021-2030”, at: https://ec.europa.eu/energy/sites/default/files/documents/necp_factsheet_pt_final.pdf

²³ BEWI, “Our Strategy”, at: <https://bewi.com/sustainability-1/our-strategy/>

²⁴ BEWI facilities with turnover under EUR 5 mn are not included.

²⁵ BEWI “Our Strategy” at: <https://bewi.com/sustainability-1/our-strategy/>

²⁶ European Agency for Safety and Health at work, “European directives on safety and health at work” at: <https://osha.europa.eu/en/safety-and-health-legislation/european-directives>

²⁷ EU, “Directive 89/391/EEC on the introduction of measures to encourage improvements in the safety and health of workers at work”, (1989), at: <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:31989L0391&from=FR>

²⁸ European Plastics Pact, “Frequently Asked Questions” at: <https://europeanplasticspact.org/faq/#1582283263925-f27c4415-bc8f>

²⁹ European Union “Packaging and packaging waste” at: <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=LEGISUM:l21207&from=EN>

³⁰ Safe Load Testing Technologies “The EU modifies the Directive 94/62/EC on packaging and packaging waste”, (2018) at: <https://www.safeloadtesting.com/the-eu-modifies-the-directive-94-62-ec-on-packaging-and-packaging-waste/>

Overall, Sustainalytics considers that BEWI has demonstrated efforts in implementing policies and systems to mitigate environmental and social risks, and encourages the Group to further advance its disclosure of ESG risk mitigation practices.

Section 3: Impact of the UoPs and SPTs Selected

Importance of managing plastics to achieve circularity

As of 2017, 9.2 billion metric tonnes of plastic had been produced worldwide, while an estimated 40% of all plastic products are discarded within one month.³¹ The global packaging market, which accounted for 40% of the global plastic demand in 2020³², is expected to grow by 78% to USD 1,652 billion by 2027, with 2019 as the baseline.³³ As the industry continues to grow, the demand for plastics is also expected to rise concurrently.

Only an estimated 9% of the plastic waste ever produced had been recycled by 2015, while 12% was incinerated and the remaining 79% sent to landfills and other natural environments.³⁴ In addition to their high GHG emissions footprint during their lifecycle, plastic products also cause devastation to aquatic life. An estimated 8 million tonnes of plastics enter the oceans each year, degrading fragile marine ecosystems and killing millions of marine animals.³⁴

Europe's packaging and construction industries receive approximately 1.8 million tonnes of EPS product supplies each year.³⁵ Approximately 335,000 tonnes of EPS products are used specifically for packaging in the EU annually.³⁶ In spite of recent growth in EPS recycling rates, only 32.6% of Europe's packaging EPS was recycled as of 2017,³⁷ largely due to challenges pertaining to collecting small quantities of EPS and removing food residues and odours from used EPS products.³⁸ The EU has set targets to increase the recycling of plastic packaging to 50% by 2025 and 55% by 2030, and aims to ensure that all plastic packaging is either reusable or recyclable by 2030.³⁹ The association for European Manufacturers of Expanded Polystyrene (EUMEPS) has also pledged to improve EPS recycling rates to 46% by 2025 compared to 2017 levels.⁴⁰

Based on the above context, Sustainalytics expects BEWI's investment in enhancing its collection of EPS waste to contribute towards the EU's targets for plastic recycling, while supporting the transition towards a circular economy.

Importance of financing renewable energy and energy efficiency projects

As of 2018, the electricity and heat generation sectors are responsible for approximately 41% of global CO₂ emissions.⁴¹ In this context, increasing the share of renewable energy generation has the potential to have significant impact on meeting climate goals. A study from the IEA and the International Renewable Energy Agency (IRENA) supports this assessment, estimating that 65-70% of worldwide primary energy demand would need to be met by low-carbon energy sources by 2050 in order to meet the 2°C target.⁴²

³¹ Plastic Soup Foundation, "Facts & Figures", at: <https://www.plasticsoupfoundation.org/en/plastic-facts-and-figures/>

³² Mordor Intelligence "PLASTIC PACKAGING MARKET - GROWTH, TRENDS, COVID-19 IMPACT, AND FORECASTS (2021 - 2026)" at: <https://www.mordorintelligence.com/industry-reports/plastic-packaging-market>

³³ Businesswire, "Global Packaging Market Outlook to 2027 and the Impact of COVID-19", (2021) at: <https://www.businesswire.com/news/home/20210111005470/en/Global-Packaging-Market-Outlook-to-2027-and-the-Impact-of-COVID-19--ResearchAndMarkets.com>

³⁴ National Geographic, "A Whopping 91 Percent of Plastic Isn't Recycled", at: <https://www.nationalgeographic.org/article/whopping-91-percent-plastic-isnt-recycled/>

³⁵ EUMEPS, "EU Voluntary Pledge" at: https://eumeps.org/content/8-news/eumeps-submitted-voluntary-pledge/20180914_the-eumeps-voluntary-pledge.pdf

³⁶ European Commission "From EPS waste to food contact PS final market" at: https://webgate.ec.europa.eu/life/publicWebsite/index.cfm?fuseaction=search.dspPage&n_proj_id=6184

³⁷ EUMEPS "EPS RECYCLING IN EUROPE" at: <https://eumeps-powerparts.eu/recycling/recycling-in-europe>

³⁸ European Union "Overcoming challenges to recycle EPS fish boxes into new food-grade packaging" at: <https://circulareconomy.europa.eu/platform/en/good-practices/overcoming-challenges-recycle-eps-fish-boxes-new-food-grade-packaging>

³⁹ Lifegate "Less plastic, more awareness: the European Union's challenge", (2021) at: <https://www.lifegate.com/european-union-plastic>

⁴⁰ EUMEPS "EPS FAQs" at: <https://eumeps.org/eps-faqs>

⁴¹ IEA, "CO₂ emissions from fuel combustion", at: <https://www.iea.org/data-and-statistics/data-products>

⁴² IRENA, "Perspectives for the Energy Transition", (2017), at: https://www.irena.org/-/media/Files/IRENA/Agency/Publication/2017/Mar/Perspectives_for_the_Energy_Transition_2017.pdf

In the EU, the energy sector accounts for more than 75% of the annual GHG emissions.⁴³ Additionally, fossil fuels are responsible for about 71% of the EU’s primary energy supply, despite the ongoing transition away from fossil fuels and current efforts to reduce GHG emissions.⁴⁴ The EU has set an ambitious goal to become climate neutral by 2050 which is in line with the EU’s commitments under the Paris Agreement. To achieve this climate neutrality goal, the European Commission has proposed a European Climate Law to ensure that the goal is set in legislation and Member States meet their respective targets.⁴⁵ The IRENA estimates that the use of renewable energy sources can deliver at least 60% of energy-related CO₂ emission reductions.⁴⁶ However, the uptake of renewable energy sources across the EU will require substantial investments in renewable power projects in combination with continued efforts in energy efficiency improvement.

The Nordic countries are engaged in a Nordic Carbon Neutral Scenario (“CNS”), co-developed with the IEA, which targets carbon neutrality by 2050.⁴⁷ In Norway, the building sector consumes a significant amount of energy for heating due to the cold climate. The total energy consumption from buildings and the construction sector accounts for nearly 23% of the nation’s energy demand.⁴⁸ The Norwegian government has set a target to reduce its GHG emissions by 40% by 2030, and by 85-90% by 2050, with 1990 as the baseline. Additionally, the government’s goal for energy efficiency is defined as an improvement of the energy intensity of 30% from 2015 to 2030. The Norwegian Government has set up a special fund named ‘Enova’ to support energy efficiency in buildings through programmes which include commercial testing of innovative technology and heat plants based on renewable energy and comprehensive mapping of buildings in the country.⁴⁹ Similarly, in the context of the CNS, Sweden is committed to achieving net zero emissions by 2045. The Swedish government has also set a target of ensuring that 100% of its energy demand is fulfilled through renewable sources by 2040 while enhancing its energy performance by 50% by 2030, compared with 2005.⁵⁰

In this context, Sustainalytics is of the opinion that BEWI’s financing of renewable energy and energy efficiency projects is expected to support both Norway and Sweden’s energy-related targets while contributing to the EU’s transition towards a low-carbon economy.

Alignment with/contribution to SDGs

The Sustainable Development Goals (SDGs) were set in September 2015 and form an agenda for achieving sustainable development by the year 2030. The BEWI Sustainable Finance Framework advances the following SDG goals and targets:

Use of Proceeds Category / KPI	SDG	SDG Target
Circular economy adapted products, production technologies and processes	11. Sustainable Cities and Communities	11.6 By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management
	12. Responsible Consumption and Production	12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse

⁴³ European Commission, “Powering a climate-neutral economy”, (2020), at: https://ec.europa.eu/commission/presscorner/detail/en/ip_20_1259

⁴⁴ IRENA, “Global energy transformation: A roadmap to 2050 (2019 edition)”, at: <https://www.irena.org/publications/2019/Apr/Global-energy-transformation-A-roadmap-to-2050-2019Edition>

⁴⁵ European Commission, “(EU) 2018/1999 (European Climate Law)”, (2020), at: <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020PC0080&from=EN>

⁴⁶ IRENA, “How to transform energy system and reduce carbon emissions”, (2019), at: <https://www.irena.org/DigitalArticles/2019/Apr/How-To-Transform-Energy-System-And-Reduce-Carbon-Emissions>

⁴⁷ IEA, “Nordic Energy Technology Perspectives – Pathways to a Carbon Neutral Energy Future”, (2013), at: <https://www.nordicenergy.org/publications/nordic-energy-technology-perspectives/>

⁴⁸ Norwegian Ministry of Climate and Environment, “Norway’s Seventh National Communication”, at: https://unfccc.int/sites/default/files/resource/321045_Norway-NC7-BR3-2-Norways_seventh_national_communication.pdf

⁴⁹ ODYSSEE-MURE, “Norway Profile” at: <https://www.odyssee-mure.eu/publications/efficiency-trends-policies-profiles/norway.html>

⁵⁰ UNFCCC, “Sweden’s long-term strategy for reducing greenhouse gas emissions”, (2020), at: https://unfccc.int/sites/default/files/resource/LTS1_Sweden.pdf

Energy Efficiency	7. Affordable and Clean Energy 9. Industry, Innovation and Infrastructure	7.3 By 2030, double the global rate of improvement in energy efficiency 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
Renewable Energy	7. Affordable and Clean Energy	7.2. By 2030, increase substantially the share of renewable energy in the global energy mix
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
Collected Expanded polystyrene (EPS) for mechanical recycling measured in tonnes	11. Sustainable Cities and Communities 12. Responsible Consumption and Production	11.6 By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management 12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse

Conclusion

BEWI has developed the BEWI Sustainable Finance Framework, under which it may issue use of proceeds and sustainability-linked bonds and loans.

Proceeds from green bonds and loans may finance projects related to circular economy adapted products, production technologies and processes, energy efficiency, renewable energy, and clean transportation. Sustainalytics considers that the projects funded by the use of proceeds bonds and loans are expected to provide positive environmental and social impact. The Framework outlines a process by which proceeds will be tracked, allocated and managed, and makes commitments for reporting on the allocation and impact of the use of proceeds.

Under the sustainability-linked instruments, BEWI intends to tie the financial characteristics of the bonds and loans to the achievements of the following SPTs:

- (1) SPT 1: Collected EPS for recycling to be 45,000 tonnes per year by end-2024
- (2) SPT 2: Collected EPS for recycling to be 60,000 tonnes per year by end-2026

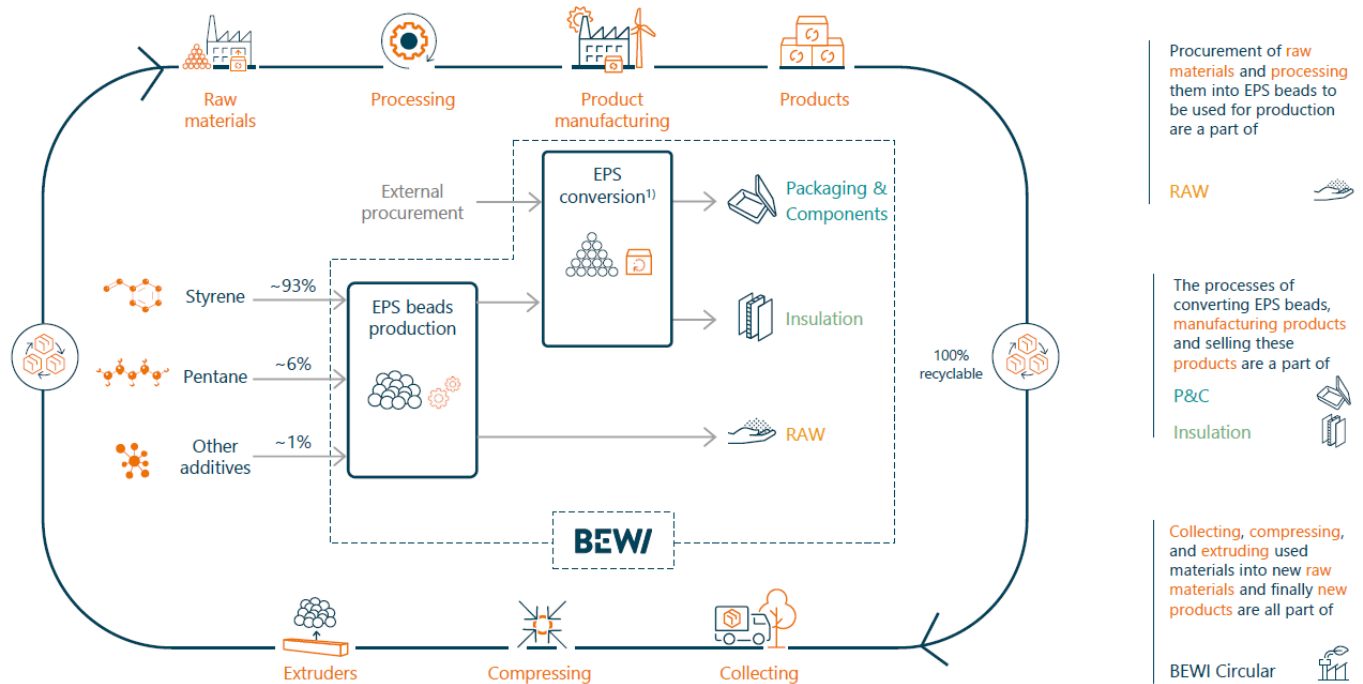
Sustainalytics considers the KPIs chosen to be strong given that: (i) the KPI refers to a target collection equal to the amount of EPS with a lifetime shorter than 12 months that BEWI supplies to the market, (ii) the KPI speaks to a material environmental issue, and (iii) the definition and methodology used to calculate the KPI are clear and consistent. Sustainalytics also considers the SPTs to be ambitious, given that they present a material improvement compared to past performance, and they exceed the targets set by the Group’s peers. Sustainalytics considers the reporting and verification commitments to be aligned with market expectations.

Furthermore, Sustainalytics believes that the BEWI Sustainable Finance Framework is aligned with the overall sustainability strategy of the Group and assessed BEWI’s ESG risk management practices as average.

Based on the above, Sustainalytics is confident that BEWI is well positioned to issue green use of proceeds bonds and loans and sustainability-linked bonds and loans under the BEWI Sustainable Finance Framework. Sustainalytics is also of the opinion that the BEWI Sustainable Finance Framework is in alignment with the Green Bond Principles 2021, Green Loan Principles 2021, Sustainability-Linked Bond Principles 2020, and Sustainability-Linked Loan Principles 2021.

Appendix 1 BEWI's Value Chain


BEWI has an integrated, flexible and circular value chain ensuring sustainable profitability



Appendix 2 Certification Schemes for Bioenergy

Bonsucro	
Background	Bonsucro is a multi-stakeholder non-profit organization that issues certifications to promote sustainable practices in the sugarcane sector. The mission of the standard is to work towards improving the economic, social and environmental viability of sugarcane production.
Types of Certification	<ul style="list-style-type: none"> • Bonsucro Production Standard, including Bonsucro Production Standard for Smallholder Farmers; • Bonsucro Chain of Custody Standard

⁵¹ Bonsucro, Bonsucro The global sugarcane platform: <http://www.bonsucro.com/wp-content/uploads/2017/04/Bonsucro-PS-STD-English-2.pdf>

<p>Minimum requirements⁵²</p>	<p>The Bonsucro Production Standard is comprised of six principles, each supported by a set of criteria and indicators (including core indicators) that help auditors assess compliance.</p> <p>In order to obtain certification, members must achieve full compliance with the 16 core indicators, as well as satisfy a minimum of 80% of all the indicators. An indicator which applies to a mill and farm must be met by both entities in order to be considered satisfied.</p>
<p>Scope of certification or programme</p>	<p>The Standard can be applied globally to any sugarcane mill, and their supplying area, which are looking to sell sugarcane-derived products certified under the Bonsucro label. The Standard evaluates how the practices have been implemented at both the mill and farm levels and assesses the sustainable production of sugarcane and all sugarcane-derived products with respect of economic, social and environmental dimensions.</p>
<p>Verification of standards and risk mitigation</p>	<p>Certified entities undergo third-party audits to ensure compliance with the criteria and continuous improvement.</p>
<p>Third party expertise and multi-stakeholder process</p>	<p>Standard setting is aligned with the ISEAL Standard Setting Code, the ISEAL Assurance Code, the ISEAL Impacts Code, and the EU Renewables Directive (EU RED).</p>
<p>Performance display</p>	
<p>Qualitative considerations</p>	<p>Global recognition across more than 40 countries with approximately 500 members. Bonsucro has a robust and transparent system in place to ensure that requirements are regularly met. The Bonsucro Production Standard focuses on achieving sustainable production of sugarcane with respect to economic, social and environmental dimensions, while the Bonsucro Chain of Custody Standard focuses on the entire supply chain, including production, processing and trade.</p>

⁵² The Standard includes a specific methodology to calculate GHG emissions from biofuels, which are set under the EU Renewable Energy Directive (EU RED) and Revised Fuel Quality Directive as a part of the Standard’s Principle 6: (i) for installations starting operations after a specified date in 2015, GHG emissions savings from the use of biofuels and bioliquids shall be at least 60% less than the fossil fuel comparator, and (ii) for installations starting operations before a specified date in 2015, GHG emissions savings from the use of biofuels and bioliquids shall be at least 35% less than fossil fuel comparator (as established under the EU RED).

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

Section 1. Basic Information

Issuer name:	BEWI ASA
Green Bond ISIN or Issuer Green Bond Framework Name, if applicable:	BEWI Sustainable Finance Framework
Review provider's name:	Sustainalytics
Completion date of this form:	August 5, 2021
Publication date of review publication:	

Section 2. Review overview

SCOPE OF REVIEW

The following may be used or adapted, where appropriate, to summarize 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 nd 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*):

Sustainalytics is of the opinion that the BEWI Sustainable Finance Framework is credible and impactful and aligns with the four core components of the Green Bond Principles 2021 and the Green Loan Principles 2021 (the “Use of Proceeds Principles”). The eligible categories for the use of proceeds – Eco-efficient and/or Circular Economy Adapted Products, Production Technologies and Processes, Energy Efficiency, Renewable Energy and Clean Transportation – are aligned with those recognized by the Use of Proceeds Principles and will lead to positive environmental and social impacts.

Use of proceeds categories as per GBP:

- | | |
|---|--|
| <input checked="" type="checkbox"/> Renewable energy | <input checked="" type="checkbox"/> Energy efficiency |
| <input 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 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 type="checkbox"/> Other (<i>please specify</i>): |

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

2. PROCESS FOR PROJECT EVALUATION AND SELECTION

Overall comment on section (*if applicable*):

- BEWI has established a Green Finance Committee (the “Committee”) comprised of the chief financial officer (CFO), director of sustainability and the chief operating officer (COO).
- The COO will identify and propose eligible projects to the director of sustainability who will evaluate the proposed projects in line with the criteria in the Framework. The Committee will be responsible for the final review and approval of eligible projects.
- BEWI has in place environmental and social risk management processes which are applicable to all allocation decisions made under the Framework. Sustainalytics considers these environmental and social risk management systems to be adequate and aligned with market expectation. For additional detail, see Section 2.

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

3. MANAGEMENT OF PROCEEDS

Overall comment on section (*if applicable*):

• BEWI will track the allocation of net proceeds under the portfolio approach using a green debt register with oversight from the Group's CFO. Pending full allocation, the unallocated proceeds will be temporarily held in accordance with the Group's liquidity management policy. BEWI has confirmed that any investments in oil and gas extraction and electricity production from fossil fuels will be excluded. Sustainalytics notes that while the Group intends to allocate the proceeds within 36 months, it has not established a commitment to that allocation timeframe. Sustainalytics encourages BEWI to achieve full allocation within this timeframe and report on the allocation of proceeds as intended.

• Based on the use of an internal tracking system and disclosure of temporary use of proceeds, Sustainalytics considers this process to be 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 checked="" type="checkbox"/> Disclosure of intended types of temporary investment instruments for unallocated proceeds |
| <input type="checkbox"/> Other (<i>please specify</i>): |

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 checked="" type="checkbox"/> Allocation to a portfolio of disbursements |

- Disclosure of portfolio balance of unallocated proceeds
 Other (*please specify*):

4. REPORTING

Overall comment on section (if applicable):

• BEWI will report on the allocation of proceeds on the Group's website on an annual basis until full allocation. Allocation reporting will include the amount of net proceeds allocated to eligible projects, description of projects financed, the amount of net proceeds allocated to each category, the balance of unallocated proceeds and the share of financing versus refinancing.
 • In addition, BEWI is committed to reporting on actual environmental impact metrics where feasible and subject to availability. The Group will report estimated impact if the actual impact metric is unavailable for any reason. BEWI aims to include the following impact indicators, among others: collected plastic waste (types and amounts in tonnes), annual energy efficiency improvements in MWh/tonne, annual renewable energy generation in MWh, annual GHG emissions reduced or avoided in tCO₂e and number and type of non-fossil cars and vehicles procured.
 • Based on the commitment to both allocation and impact reporting, Sustainalytics considers this process to be in line with market practice.

Use of proceeds reporting:

- Project-by-project
 On a project portfolio basis
 Linkage to individual bond(s)
 Other (*please specify*):

Information reported:

- Allocated amounts
 Green Bond financed share of total investment
 Other (*please specify*): financing versus refinancing, share of allocated and unallocated proceeds, description of assets and projects financed, amount of outstanding green finance instruments divided into green bonds and green loans.

Frequency:

- Annual
 Semi-annual
 Other (*please specify*):

Impact reporting:

- Project-by-project
 On a project portfolio basis
 Linkage to individual bond(s)
 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 type="checkbox"/> Other ESG indicators (please specify): renewable energy generation in MWh, number and type of non-fossil cars and vehicles produced, type and amount of collected plastic waste in tonnes, type and amount of R&D expenditures in EUR million, extruded raw material based on types and amount of recycled plastic waste in tonnes |

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): website |
| <input type="checkbox"/> 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.)

SPECIFY OTHER EXTERNAL REVIEWS AVAILABLE, IF APPROPRIATE

Type(s) of Review provided:

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

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 recognized 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 specialized 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.

Appendix 4: Sustainability-Linked Bonds - External Review Form

Section 1. Basic Information

Issuer name: BEWI

Sustainability-Linked Bond ISIN:

Independent External Review provider's name for second party opinion pre-issuance (sections 2 & 3): Sustainalytics

Completion date of second party opinion pre-issuance: August 5, 2021

Independent External Review provider's name for post-issuance verification (section 4):

Completion date of post issuance verification:

At the launch of the bond, the structure is:

- a step-up structure a variable redemption structure

Section 2. Pre-Issuance Review

2-1 SCOPE OF REVIEW

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

The review:

- assessed all the following elements (complete review) only some of them (partial review):
- Selection of Key Performance Indicators (KPIs) Bond characteristics (acknowledgment of)
 - Calibration of Sustainability Performance Targets (SPTs) Reporting
 - Verification
- and confirmed their alignment with the SLBP.

2-2 ROLE(S) OF INDEPENDENT EXTERNAL REVIEW PROVIDER

- Second Party Opinion Certification
- Verification Scoring/Rating

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

2-3 EXECUTIVE SUMMARY OF REVIEW and/or LINK TO FULL REVIEW (if applicable)

Section 3. Detailed pre-issuance 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.

3-1 SELECTION OF KEY PERFORMANCE INDICATORS (KPIs)

Overall comment on the section (if applicable):

List of selected KPIs:

- Collected expanded polystyrene (EPS) for recycling (in tonnes)

Definition, Scope, and parameters

- | | |
|--|---|
| <input checked="" type="checkbox"/> Clear definition of each selected KPIs | <input checked="" type="checkbox"/> Clear calculation methodology |
| <input type="checkbox"/> Other (please specify): | |

Relevance, robustness, and reliability of the selected KPIs

- | | |
|--|--|
| <input checked="" type="checkbox"/> Credentials that the selected KPIs are relevant, core and material to the issuer’s sustainability and business strategy. | <input checked="" type="checkbox"/> Evidence that the KPIs are externally verifiable |
| <input checked="" type="checkbox"/> Credentials that the KPIs are measurable or quantifiable on a consistent methodological basis | <input type="checkbox"/> Evidence that the KPIs can be benchmarked |
| | <input type="checkbox"/> Other (please specify): |

3-2 CALIBRATION OF SUSTAINABILITY PERFORMANCE TARGETS (SPTs)

Overall comment on the section (if applicable):

Rationale and level of ambition

- | | |
|--|---|
| <input checked="" type="checkbox"/> Evidence that the SPTs represent a material improvement | <input checked="" type="checkbox"/> Credentials on the relevance and reliability of selected benchmarks and baselines |
| <input checked="" type="checkbox"/> Evidence that SPTs are consistent with the issuer’s sustainability and business strategy | <input checked="" type="checkbox"/> Credentials that the SPTs are determined on a predefined timeline |
| | <input type="checkbox"/> Other (please specify): |

Benchmarking approach

- | | |
|--|--|
| <input checked="" type="checkbox"/> Issuer own performance | <input checked="" type="checkbox"/> Issuer’s peers |
| <input type="checkbox"/> reference to the science | <input type="checkbox"/> Other (please specify): |

Additional disclosure

- | | |
|---|--|
| <input checked="" type="checkbox"/> potential recalculations or adjustments description | <input checked="" type="checkbox"/> issuer’s strategy to achieve description |
| <input checked="" type="checkbox"/> identification of key factors that may affect the achievement of the SPTs | <input type="checkbox"/> Other (please specify): |

3-3 BOND CHARACTERISTICS

Overall comment on the section (if applicable):

Financial impact:

- variation of the coupon
- ...
- Other (please specify):

Structural characteristic:

- ...
- ...
- Other (please specify):

3-4 REPORTING

Overall comment on the section (if applicable):

Information reported:

- | | |
|--|---|
| <input checked="" type="checkbox"/> performance of the selected KPIs | <input checked="" type="checkbox"/> verification assurance report |
| <input checked="" type="checkbox"/> level of ambition of the SPTs | <input type="checkbox"/> Other (please specify): |

Frequency:

- Annual
- Semi-annual
- Other (please specify):

Means of Disclosure

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

Level of Assurance on Reporting

- limited assurance
- reasonable assurance
- Other (*please specify*):

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

Section 4. Post-issuance verification

Overall comment on the section (if applicable):

Information reported:

- limited assurance
- reasonable assurance
- Other (*please specify*):

Frequency:

- Annual
- Semi-annual
- Other (*please specify*):

Material change:

- Perimeter
- KPI methodology
- SPTs calibration

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The issuer is fully responsible for certifying and ensuring the compliance with its commitments, for their implementation and monitoring.

In case of discrepancies between the English language and translated versions, the English language version shall prevail.

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For more information, visit www.sustainalytics.com

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