

SECOND PARTY OPINION (SPO)

Sustainability Quality of the Issuer and Green Bond Framework

MYTILINEOS S.A.
13 April 2021

VERIFICATION PARAMETERS

Type(s) of instruments contemplated	<ul style="list-style-type: none">• Green Bonds
Relevant standards	<ul style="list-style-type: none">• International Capital Market Association's (ICMA) Green Bond Principles (GBPs)
Scope of verification	<ul style="list-style-type: none">• MYTILINEOS Green Bond Framework (as of April 2021)
Lifecycle	<ul style="list-style-type: none">• Pre-issuance verification
Validity	<ul style="list-style-type: none">• As long as the Green Bond Framework does not change

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Scope of work

MYTILINEOS S.A. (“MYTILINEOS” or “the issuer”) commissioned ISS ESG to assist with its Green Bond Framework by assessing three core elements to determine the sustainability quality of the instrument:

1. Green Bond Link to MYTILINEOS’ sustainability strategy – drawing on MYTILINEOS’ overall sustainability profile and green bond Use of Proceeds categories.
2. MYTILINEOS’ Green Bond Framework (April 2021 version) – benchmarked against the International Capital Market Association’s (ICMA) Green Bond Principles (GBPs).
3. The Selection criteria – whether the projects contribute positively to the United Nations (UN) Sustainable Development Goals (SDGs) and perform against ISS ESG’s issue-specific key performance indicators (KPIs) (See Annex 2).

ISS ESG ASSESSMENT SUMMARY

SPO SECTION	SUMMARY	EVALUATION ¹
<p>Part 1:</p> <p>Green Bond link to issuer's sustainability strategy</p>	<p>MYTILINEOS S.A. is a globally operating industrial and energy company involved in power generation and supply, gas trading, alumina and aluminum production, engineering solutions (power plants, infrastructure, energy projects), and the development of photovoltaic and energy storage projects both for third parties as well as for a Build-Operate-Transfer (BOT) purpose.</p> <p>The Use of Proceeds financed through this bond are consistent with MYTILINEOS's sustainability strategy and material ESG topics for the Electric Utilities sector. The rationale for issuing green bonds is clearly described by the issuer.</p>	<p>Consistent with issuer's sustainability strategy</p>
<p>Part 2:</p> <p>Alignment with GBPs</p>	<p>MYTILINEOS has defined a formal concept for its Green Bonds regarding the Use of Proceeds, processes for project evaluation and selection, management of proceeds and reporting. This concept is in line with the Green Bond Principles.</p>	<p>Positive</p>
<p>Part 3:</p> <p>Sustainability quality of the Framework</p>	<p>The overall sustainability quality of the Green Bond Framework in terms of sustainability benefits, risk avoidance and minimisation is good based upon the ISS ESG assessment. The Green Bond Framework will (re-)finance eligible asset categories which include renewable energy (solar photovoltaics, wind power and hydro power) and eco-efficient and/or circular economy products (primary and secondary aluminium production).</p> <p>Those Use of Proceeds categories have a significant contribution to SDGs 7 'Affordable and clean energy' and 13 'Climate action'. The environmental and social risks associated with those Use of Proceeds categories are well managed.</p>	<p>Positive</p>

¹ ISS ESG's evaluation is based on MYTILINEOS' Green Bond Framework (April 2021 version).

ISS ESG SPO ASSESSMENT

PART I: GREEN BOND LINK TO MYTILINEOS'S SUSTAINABILITY STRATEGY

A. MYTILINEOS'S INDICATIVE SUSTAINABILITY PROFILE

Methodological note: Please note that MYTILINEOS S.A. is not part of the ISS ESG Corporate Rating Universe. Thus, the below sustainability profile is an assessment conducted by the analyst in charge of the Electric Utilities sector based on publicly available information exclusively. No direct communication between the issuer and the analyst has taken place during the process. The below is not based on an ISS ESG Corporate Rating but considers ISS ESG Research's methodology.

Industry classification: Electric Utilities ²

Key Issues of the industry:

1. Facilitation of the energy transition and resource efficiency
2. Environmentally safe operation of plants and infrastructure
3. Worker safety and accident prevention
4. Accessibility and reliability of energy supply
5. Business ethics and government relations

Indicative ESG risk and performance assessment

MYTILINEOS S.A. is a globally operating industrial and energy company involved in power generation and supply, gas trading, alumina and aluminum production, engineering solutions (power plants, infrastructure, energy projects), and the development of photovoltaic and energy storage projects both for third parties as well as for BOT purposes.

The company's power generation segment is firmly geared towards the operation of efficient gas-fired power plants (two combined cycle and one cogeneration plant) and renewable energy assets (wind, solar, hydro). The former generates the vast majority of the company's energy supply. MYTILINEOS has earmarked funds for the development of further renewable energy assets, but these investments appear to be outweighed by the construction of a large, combined cycle gas-fired power plant. Still, gas-fired power generation plays a relevant role in replacing lignite-based power generation, a highly intensive emission activity. The company also makes meaningful contributions to the energy transition via the development of photovoltaic, off-grid, and energy storage projects for third parties. In terms of pollution, procedures are in place to mitigate air emissions from thermal power generation. The company also has a climate change mitigation strategy that addresses emissions in its various business units. As such it aims, for instance, to reduce the relative emissions per MWh produced in its Electric Power and Gas Sector up to 50% by 2030 compared to 2019 levels. Across the entire group, MYTILINEOS strives to achieve Scope 1 & Scope 2 emissions reduction by 30% by 2030 and net-zero emissions by 2050.

² As per ISS ESG industry classification.

Further, the company has taken steps for the improvement of resource efficiency during the construction phase of its projects, particularly in waste management and the reduction of water and energy consumption. With regards to its bauxite mining activities and land use management, MYTILINEOS conducts Environmental Impact Assessments, has developed site closure plans, implemented biodiversity mitigation measures and consults with biodiversity experts. However, no details are disclosed with regard to a comprehensive biodiversity management approach, including regular risk assessments and monitoring. The company commits to promote circular economy, recently increased its production of recycled aluminum (accounting for almost 19% of total production in 2020 and uses scrap in its aluminum production processes. Yet, the ratio of secondary raw material input is still very low (1.54% in 2019, according to GRI standard 301).

Health and safety management systems are in place and MYTILINEOS' safety performance is disclosed. Lastly, codes of conduct for the own workforce and suppliers have been implemented to ensure responsible and ethical decision-making. The company is committed to the protection of human rights both internally and within its sphere of influence. This commitment is supported by the implementation of some relevant due diligence procedures that ensure compliance with the company's human rights policy.

Indicative product portfolio assessment:

- **Social impact of the product portfolio:**

MYTILINEOS provides electricity and gas to a variety of customers. A sizeable share is supplied to private households, which contributes to the provision of basic services. The company also offers waste management solutions as part of its engineering business unit (currently an immaterial part of total activities).

- **Environmental impact of the product portfolio:**

MYTILINEOS offers a range of products and services that contribute to the achievement of global sustainability objectives. While energy generation from natural gas is presently considered neutral, the company's energy generation from renewables is positive. Similarly, the development of photovoltaic and energy storage projects for third parties makes significant contributions to the mitigation of climate change and the transition to a more sustainable energy system.

MYTILINEOS is also engaged in the construction of public transportation infrastructure (i.e., railways), which positively contributes to global climate goals, and wastewater treatment facilities that positively contribute to water conservation. Overall, however, the revenue share generated with these services is not significant.

The extraction of bauxite, processing of alumina, and production of primary aluminum do not directly contribute to sustainable development, as the impact of aluminum largely depends on its uses in the downstream value chains.

On the other hand, MYTILINEOS has a growing presence in the production of secondary aluminium by way of recycling scrap metal.

Controversy risk assessment:

MYTILINEOS is exposed to different controversy risks in the context of its utilities and metals & mining operations.

Based on a review of controversies in the period of 1 January 2019 – 17 March 2021, the greatest risk reported against companies operating in the electric utilities industry relates to activities that may have adverse impacts on the environment and human rights. This is closely followed by the failure to respect consumers' rights. The top three issues that have been reported against companies within the industry are as follows: alleged failure to assess environmental impacts, failure to respect the right to an adequate standard of living and poor stakeholder consultation. This is closely followed by the alleged failure to mitigate climate change impacts, failure to respect indigenous rights, and failure to prevent water pollution.

Based on a review of controversies in the period of 1 January 2019 – 17 March 2021, the greatest risk reported against companies operating in the metals & mining industry relate to activities that may have adverse impacts on the environment and human rights. This is closely followed by the failure to respect labor rights. The top three issues that have been reported against companies within the industry are as follows: alleged failure to assess environmental impacts, poor stakeholder consultation and failure to prevent water pollution. This is closely followed by the alleged failure to respect indigenous rights, failure to respect the right to an adequate standard of living and failure to respect the right to safe and healthy working conditions.

The analyst in charge of producing this report, conducted a high-level controversy assessment on the company, which did not reveal any controversy that can be attributed to the issuer.

B. CONSISTENCY OF GREEN BOND FRAMEWORK WITH MYTILINEOS' SUSTAINABILITY STRATEGY

Key sustainability objectives and priorities defined by the issuer

MYTILINEOS' Sustainability strategy is implemented on three interrelated layers and is governed by specific Principles that ensure completeness, quality and transparency across its activities.

The 1st layer focuses on the Company's commitment to tackle climate change and on its contribution to a low-emissions economy. Considering the high CO₂ emission intensity in both aluminium production and electric power generation processes, climate change is a key element for the sustainability of its activities. In this context, the Company has recently set targets for the reduction of its carbon footprint, following a specific study that used the latest available scientific data on climate change forecasts, as well as the relevant European and national strategy. Particularly, MYTILINEOS commits to:

- reducing by more than 30% its total CO₂ e (scope 1 & 2) emissions by 2030 (compared to 2019 level), and
- achieving Net-Zero emissions across its entire business activity by 2050.

The 2nd layer highlights MYTILINEOS' systematic approach to the monitoring, management and disclosure of information about the ESG risks and opportunities that affect its performance, as well as about its efforts to implement its strategy. Through the ESG approach, MYTILINEOS strengthens its ability to create long-term value and manage significant changes in the environment in which it operates. In this way, it responds to the emerging sustainability requirements of investors, capital markets and financial institutions, as well as to society's expectations of commitment and transparency regarding these issues, whose significance keeps increasing.

The 3rd layer expresses the responsible operation of MYTILINEOS, which has been integrated over the last 12 years through the implementation of its Corporate Social Responsibility (CSR) policy and the Company's commitment to the 10 Principles of the UN Global Compact.

Rationale for issuance

Over the past years, the company has focused on maximizing the financial returns to its shareholders while also remaining true to a solid commitment on sustainability. MYTILINEOS will continue to deploy its business model, with more investments to strengthen its presence in the renewable energy. The Company will also invest in the electrification of its metallurgical activities exclusively from renewable sources and in the significant increase in the amount of secondary aluminium produced, and in the application of state-of-the-art technologies and the exploitation of digital industrial processes in production stages.

In order to meet the commitments described above, the company will finance projects that will deliver benefits to support its business strategy and vision. This is why MYTILINEOS has decided to create a green bond framework (the “MYTILINEOS Green Bond Framework”, or “Framework”), under which it can issue Green Bond(s). The Framework fits into the overall company’s sustainability strategy, as it is in line with the general environmental commitments recently adopted.

Contribution of Use of Proceeds categories to sustainability objectives and priorities

ISS ESG mapped the Use of Proceeds categories financed under this Green Bond Framework with the sustainability objectives defined by the issuer, and with the key ESG industry challenges as defined in the ISS ESG Corporate Rating methodology for the Electric Utilities sector. Key ESG industry challenges are key issues that are highly relevant for a respective industry to tackle when it comes to sustainability, e.g. climate change and energy efficiency in the buildings sector. From this mapping, ISS ESG derived a level of contribution to the strategy of each Use of Proceeds categories.

USE OF PROCEEDS CATEGORY	SUSTAINABILITY OBJECTIVES FOR THE ISSUER	KEY ESG INDUSTRY CHALLENGES	CONTRIBUTION
Renewable Energy (Solar photovoltaics, or “PV”, Wind Power and Hydropower)	✓	✓	Contribution to a material objective
Eco-efficient and/or circular economy-adapted products (production of primary and secondary aluminium)	✓	✓	Contribution to a material objective

Opinion: ISS ESG finds that the Use of Proceeds financed through this bond are consistent with MYTILINEOS’ sustainability strategy and material ESG topics for the issuer’s industry. The rationale for issuing Green Bonds is clearly described by MYTILINEOS.

PART II: ALIGNMENT WITH GREEN BOND PRINCIPLES

1. Use of Proceeds

An amount equivalent to the net proceeds of any MYTILINEOS Green Bond will be used to finance, or refinance, in whole or in part, Eligible Green Projects (including other related and supporting expenditures) or equity investments³ that are aligned with the ICMA GBPs as described below.

For the avoidance of doubt, the following activities are excluded from the financing by MYTILINEOS Green Bond(s): projects related to fossil fuel activities and large hydro (>10MW).

ELIGIBLE CATEGORY	ELIGIBILITY CRITERIA
<p>Renewable Energy</p>	<p>Production of Electricity from Solar PV, Wind Power and Hydropower</p> <ul style="list-style-type: none"> - Investments in/expenditures for the acquisition, conception, construction, development, and installation of renewable energy production units - Eligible renewable energy sources: solar, wind and small hydro (<10 MW)
<p>Eco-efficient and/or circular economy-adapted products</p>	<p>Manufacture of Aluminium</p> <ul style="list-style-type: none"> - Investments in/expenditures in the manufacturing of recycled/secondary aluminium - Investments in/expenditures in primary aluminium production where direct emissions are below the value of the related EU-ETS benchmark (1.514 tCO₂ e/t as of Feb 2020) and either – (a) Electricity consumption for electrolysis is at or below 15.29 MWh/t or (b) Average carbon intensity of the electricity that is used for primary aluminium production (electrolysis) is at or below 100 g CO₂ e/kWh

Opinion: ISS ESG considers the Use of Proceeds description provided by MYTILINEOS’ Green Bond Framework as aligned with the Green Bond Principles. Environmental benefits are described and

³ Equity participations in entities where at least 95% of the revenues can be attributed to one or more of the Eligible Green Project Categories described in section Use of Proceeds.

quantified. Moreover, harmful project categories (such as fossil fuel activities) are explicitly excluded from the Framework.

2. Process for Project Evaluation and Selection

The eligible Green Projects will be subject to the following due diligence process, which ensures that they meet the criteria set out above. The projects must be eligible, as defined in the present Framework, which means that they must be aligned with both the selection and exclusion criteria.

The process for the evaluation and selection of eligible Green Projects has the following main steps:

1. A list of potential Green Projects is prepared, in terms of Use of Proceeds requirements, and is evaluated by the relevant Business Units and the Treasury/Financial Divisions.
2. The Sustainable Development Division evaluates the projects against the following criteria: alignment with the requirements of the present Framework, alignment with MYTILINEOS' Sustainable Development strategy, contribution to the relevant emissions reduction targets (where applicable) and absence of any ESG controversies. Once the aforementioned criteria are met the project and its characterization as Green are approved by the Sustainable Development Division.
3. The environmental teams of the company's Business Units and other relevant departments examine the projects' alignment with the selection criteria to identify and manage potential material environmental and social risks associated with each project. In parallel, the expected impacts of the projects are assessed via specific KPIs.
4. The list of selected eligible Green Projects is compiled by the relevant Business Units and submitted to the Treasury/Finance Divisions for final validation and addition to the allocated proceeds balance. The list is finally submitted to the Green Financing Committee (GFC) for approval and assessment of funding allocation.
5. Allocation and impact reporting are performed by Finance/Treasury and Sustainable Development Divisions on a yearly basis based on the inputs from relevant business units.

The GFC meets once a year and ad-hoc when investment projects arise for evaluation. It is composed of Treasury, Sustainable Development, Finance and Relevant Business Unit.

The objectives of the GFC in regard to the Green Bond Framework are the following:

- To review the project list and assess project eligibility for Green financing in accordance with the pre-determined Eligibility Criteria set out in the Use of Proceeds section.
- To review the allocation of an amount equivalent to the proceeds to Eligible Green Projects and determine if any changes are necessary (for instance, in the event that projects have been completed, sold off or otherwise become ineligible). While any MYTILINEOS Green Bonds are outstanding, in the case of divestment or cancellation of a project to which an amount equivalent to the proceeds have been allocated, MYTILINEOS will reallocate the proceeds to other eligible projects.
- To oversee the arrangements established in order to ensure that Green Bond(s) remain in alignment with the GBP.
- To oversee the arrangements established to ensure that an amount equivalent to the Green Bond proceeds is utilized in accordance with the uses specified in the Framework.
- To oversee the arrangements established to guarantee that the information required for the production of periodic Green Bond Reports, in accordance with the Framework and the GBP, is generated; and
- To validate the annual reporting referring to Eligible Green Project and to ensure the appointment of an independent auditor who will provide an annual assurance report.

The list of Eligible Green Projects related to the contemplated MYTILINEOS Green Bond will be disclosed with their main features.

Opinion: ISS ESG considers the Process for Project Evaluation and Selection description provided by MYTILINEOS' Green Bond Framework as aligned with the Green Bond Principles. The issuer has set a clear and detailed process including a variety of stakeholders. MYTILINEOS also established a Green Financing Committee responsible for the tracking of the proceeds, reflecting best market practices. Moreover, the projects selected show alignment with the sustainability strategy of the issuer.

3. Management of Proceeds

To manage the equivalent amount of the proceeds of each Green Bond and avoid any double counting, MYTILINEOS will establish a Green Bond Register. An amount equivalent to net proceeds of each MYTILINEOS Green Bond will be earmarked towards Eligible Green Projects and will be identified in the Green Bond Register by the Green Financing Committee.

The Green Bond Register will contain the following relevant information:

1. Details of the Bond(s): key information including transaction date, principal amount of proceeds, settlement date, maturity date, and interest margin or coupon, ISIN number etc.;
2. Details of Use of Proceeds, including:
 - a. Summary detail of eligible projects/expenditures to which the equivalent amount of the proceeds of the Green Bond(s) have been earmarked;
 - b. Amount of allocation made;
 - c. Any unallocated equivalent amount of the Green Bond proceeds yet to be earmarked against eligible projects/expenditures;
 - d. Other necessary information

In the event that funds cannot be immediately and fully allocated, or in the event of any early repayment, an amount equivalent to the proceeds will be held in line with MYTILINEOS' general liquidity guidelines until allocation to Eligible Green Projects.

MYTILINEOS intends to allocate an equivalent amount of the proceeds of a given Green Bond issuance to Eligible Green Projects originated no more than three years prior to the issuance. An amount equivalent to the proceeds will be allocated within three years from the date of issuance.

Opinion: ISS ESG finds that Management of Proceeds proposed by MYTILINEOS' Green Bond Framework is well aligned with the Green Bond Principles. The issuer has set up a Green Bond register in order to track the proceeds in a transparent manner, reflecting good market practices. Furthermore, the issuer has defined the expected allocation period for all proceeds.

4. Reporting

Annually, and until the full allocation of the amount equivalent to the proceeds and as necessary thereafter in the event of new developments, MYTILINEOS will provide to investors on its website a Green Bond Report, including:

(i) annual updates to brief project descriptions and the amounts allocated to the eligible green projects such as:

- The total equivalent amount of proceeds allocated to the Eligible Green Projects
- Breakdown of allocation by eligible project category
- Breakdown of allocation by project location
- Breakdown of refinancing versus new financing (share of refinancing)
- The outstanding equivalent amount of net proceeds yet to be allocated to projects at the end of the reporting period (the balance of unallocated proceeds)

(ii) Where feasible, MYTILINEOS will publish annually a set of reporting indicators, with the relevant methodologies and/or assumptions used in the quantitative determination, to describe the achieved impacts. The type of KPIs will depend on the type of project financed by the MYTILINEOS Green Bond.

Next table include a description of the reporting indicative impact indicators per project category

ELIGIBLE PROJECT CATEGORIES	ELIGIBLE PROJECT CATEGORIES	IMPACT INDICATORS
Renewable Energy	<ul style="list-style-type: none"> • Annual renewable energy produced • Annual GHG emissions avoided • Capacity of renewable energy plant(s) constructed 	<ul style="list-style-type: none"> • MWh • tCO₂e • MW
Eco-efficient and/or circular economy-adapted products	<ul style="list-style-type: none"> • Recycle Aluminum produced • Avoided resource waste • GHG emissions avoided per year 	<ul style="list-style-type: none"> • tons • m³ or tonnes • tCO₂e

The company could substitute any of the proposed impact KPIs, where appropriate, to facilitate the reporting on the amount equal to the net proceeds to the selected green projects. An independent auditor appointed by MYTILINEOS will review that the allocation of the Green Bonds is done in accordance with its Green Bond Framework.

Opinion: ISS ESG finds that the reporting proposed by MYTILINEOS' Green Bond Framework is aligned with the Green Bond Principles. The issuer commits to annually report on allocation and impact in a clear, detailed and transparent manner. Furthermore, the issuer has defined a set of KPIs to report against for each Use of Proceeds categories in alignment with the ICMA harmonized framework for Impact Reporting.

External review

An external reviewer will be appointed by MYTILINEOS to provide an annual assurance report, until all amounts equal to the proceeds of the Green Bond(s) have been allocated, confirming that the allocated amount has financed Eligible Green Projects, in compliance with all material respects of the

Eligible Green Projects criteria set forth in the Green Bond Framework and with the “3.1 Use of Proceeds” section of the Green Bond Framework. Moreover, the assurance report will also confirm the unallocated amounts. The external auditor’s report will be published on MYTILINEOS’ website.

PART III: SUSTAINABILITY QUALITY OF THE ISSUANCE

A. CONTRIBUTION OF THE GREEN BOND FRAMEWORK TO THE UN SDGs

Based on the assessment of the sustainability quality of the Green Bond Framework Selection criteria and using a proprietary methodology, ISS ESG assessed the contribution of MYTILINEOS’ Green Bond Framework to the Sustainable Development Goals defined by the United Nations (UN SDGs).

This assessment is displayed on 5-point scale (see Annex 2 for methodology):



Each of the Green Bond Framework’s Use of Proceeds categories has been assessed for its contribution to, or obstruction of, the SDGs:

USE OF PROCEEDS	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
Hydro Power (<10 MW)	Significant contribution	<div style="display: flex; justify-content: space-around;"> <div style="text-align: center;">  7 AFFORDABLE AND CLEAN ENERGY </div> <div style="text-align: center;">  13 CLIMATE ACTION </div> </div>
Solar photovoltaics	Significant contribution	<div style="display: flex; justify-content: space-around;"> <div style="text-align: center;">  7 AFFORDABLE AND CLEAN ENERGY </div> <div style="text-align: center;">  13 CLIMATE ACTION </div> </div>
Wind Power	Significant contribution	<div style="display: flex; justify-content: space-around;"> <div style="text-align: center;">  7 AFFORDABLE AND CLEAN ENERGY </div> <div style="text-align: center;">  13 CLIMATE ACTION </div> </div>
Production of secondary aluminium	Significant contribution	<div style="text-align: center;">  13 CLIMATE ACTION </div>
Production of primary aluminium ⁴	Significant contribution	<div style="text-align: center;">  13 CLIMATE ACTION </div>

⁴ The assessment was carried out on the basis of the alignment of the project category with the EU Taxonomy. MYTILINEOS’ production of primary aluminium respects the Technical Screening Criteria of the EU Taxonomy.

B. MANAGEMENT OF ENVIRONMENTAL AND SOCIAL RISKS ASSOCIATED WITH THE USE OF PROCEEDS CATEGORIES

Green Bond Use of Proceeds categories

The table below presents the findings of an ISS ESG assessment of the Use of Proceeds categories against ISS ESG KPIs.

ASSESSMENT AGAINST ISS ESG KPI

Biodiversity

- ✓ All projects are expected to be covered by a certified environmental management system in line with relevant international standards (ISO 14001).
- ✓ There is a clear policy on conducting EIAs during the planning phase of all relevant projects (e.g. as part of eligibility criteria, general financing policies or company policy in case of corporate issuances).

Labour, Health & Safety

- ✓ There is a clear commitment to uphold relevant international standards (ILO Core Conventions) in all financed projects.
- ✓ All projects are expected to be covered by a certified health and safety management system.

Waste Management & Pollution Prevention

- ✓ All projects are expected to be covered by a certified environmental management system in line with relevant international standards (ISO 14001).

Dialogue with Local Communities

- ✓ There are clear policies on conducting community dialogues for all relevant projects (e.g. as part of eligibility criteria, general financing policies or company policy in case of corporate issuances).
- ✓ The community dialogue comprises all relevant elements (information on site-specific environmental, health and safety impacts of projects; feedback mechanisms for public consultation; grievance and/or dispute resolution procedures).

Supply Chain

- ✓ The company sets out minimum requirements and expectations from its supply chain regarding ESG issues (including the prevention of child labour and the prohibition of discrimination), as a key precondition for entering into any commercial association with suppliers. Furthermore, the issuer has established a "Suppliers & Business Partners Code of Conduct".

Controversy assessment

The controversy assessment did not reveal any controversial activities or practices that could be attributed to the issuer.

DISCLAIMER

1. Validity of the SPO: For MYTILINEOS' first issuance following the SPO release date.
2. ISS ESG uses a scientifically based rating concept to analyse and evaluate the environmental and social performance of companies and countries. In doing so, we adhere to the highest quality standards which are customary in responsibility research worldwide. In addition, we create a Second Party Opinion (SPO) on bonds based on data from the issuer.
3. We would, however, point out that we do not warrant that the information presented in this SPO is complete, accurate or up to date. Any liability on the part of ISS ESG in connection with the use of these SPO, the information provided in them and the use thereof shall be excluded. In particular, we point out that the verification of the compliance with the selection criteria is based solely on random samples and documents submitted by the issuer.
4. All statements of opinion and value judgements given by us do not in any way constitute purchase or investment recommendations. In particular, the SPO is no assessment of the economic profitability and credit worthiness of a bond but refers exclusively to the social and environmental criteria mentioned above.
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ANNEX 1: Methodology

ISS ESG Green KPIs

The ISS ESG Green Bond KPIs serve as a structure for evaluating the sustainability quality – i.e. the social and environmental added value – of the Use of Proceeds of MYTILINEOS' Green Bond Framework.

It comprises firstly the definition of the use of proceeds category offering added social and/or environmental value, and secondly the specific sustainability criteria by means of which this added value and therefore the sustainability performance of the assets can be clearly identified and described.

The sustainability criteria are complemented by specific indicators, which enable quantitative measurement of the sustainability performance of the assets and which can also be used for reporting. If a majority of assets fulfill the requirement of an indicator, this indicator is then assessed positively. Those indicators may be tailor-made to capture the context-specific environmental and social risks.

To review the KPIs used in this SPO, please contact Federico Pezzolato (details below) who will send them directly to you.

Environmental and social risks assessment methodology

ISS ESG evaluates whether the assets included in the asset pool match the eligible project category and criteria listed in the Green Bond KPIs.

All percentages refer to the amount of assets within one category (e.g. wind power). Additionally, the assessment “no or limited information is available” either indicates that no information was made available to ISS ESG or that the information provided did not fulfil the requirements of the ISS ESG Green Bond KPIs.

The evaluation was carried out using information and documents provided to ISS ESG on a confidential basis by MYTILINEOS (e.g. Due Diligence Reports). Further, national legislation and standards, depending on the asset location, were drawn on to complement the information provided by the issuer.

Assessment of the contribution and association to the SDG

The 17 Sustainable Development Goals (SDGs) were endorsed in September 2015 by the United Nations and provide a benchmark for key opportunities and challenges toward a more sustainable future. Using a proprietary method, ISS ESG identifies the extent to which MYTILINEOS' Green Bond Framework contributes to related SDGs.

ANNEX 2: Quality management processes

SCOPE

MYTILINEOS commissioned ISS ESG to compile a Green Bond Framework SPO. The Second Party Opinion process includes verifying whether the Green Bond Framework aligns with the Green Bond Principles and to assess the sustainability credentials of its Green Bond Framework, as well as the issuer's sustainability strategy.

CRITERIA

Relevant Standards for this Second Party Opinion

- ICMA Green Bond Principles
- ISS ESG KPI set: Hydro, Solar and Wind Power, and Production of Primary and Secondary Aluminium

ISSUER'S RESPONSIBILITY

MYTILINEOS' responsibility was to provide information and documentation on:

- Framework
- Asset pool / Eligibility criteria
- Documentation of ESG risks management at the asset level

ISS ESG'S VERIFICATION PROCESS

ISS ESG is one of the world's leading independent environmental, social and governance (ESG) research, analysis and rating houses. The company has been actively involved in the sustainable capital markets for over 25 years. Since 2014, ISS ESG has built up a reputation as a highly-reputed thought leader in the green and social bond market and has become one of the first CBI approved verifiers.

ISS ESG has conducted this independent Second Party Opinion of the Green Bond Framework to be issued by MYTILINEOS based on ISS ESG methodology and in line with the ICMA Green Bond Principles.

The engagement with MYTILINEOS took place in March 2021.

ISS ESG'S BUSINESS PRACTICES

ISS has conducted this verification in strict compliance with the ISS Code of Ethics, which lays out detailed requirements in integrity, transparency, professional competence and due care, professional behaviour and objectivity for the ISS business and team members. It is designed to ensure that the verification is conducted independently and without any conflicts of interest with other parts of the ISS Group.

About ISS ESG SPO

ISS ESG is one of the world's leading rating agencies in the field of sustainable investment. The agency analyses companies and countries regarding their environmental and social performance.

As part of our Sustainable (Green & Social) Bond Services, we provide support for companies and institutions issuing sustainable bonds, advise them on the selection of categories of projects to be financed and help them to define ambitious criteria.

We assess alignment with external principles (e.g. the ICMA Green / Social Bond Principles), analyse the sustainability quality of the assets and review the sustainability performance of the issuer themselves. Following these three steps, we draw up an independent SPO so that investors are as well informed as possible about the quality of the bond / loan from a sustainability perspective.

Learn more: <https://www.isscorporatesolutions.com/solutions/esg-solutions/green-bond-services/>

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