

### Sustainability Quality of the Issuer and Green Finance Framework

Metlen Energy & Metals

4 October 2024

#### VERIFICATION PARAMETERS

Type(s) of instruments contemplated

- Green financing instruments
- Green Bond Principles (GBP), as administered by the International Capital Market Association (ICMA) (as of June 2021 with June 2022 Appendix 1)

Relevant standards

- Green Loan Principles (GLP), as administered by the Loan Market Association (LMA) (as of February 2023)
- EU Taxonomy Climate Delegated Act, Annex I (as of June 2023)

Scope of verification

- Metlen Energy & Metals' Green Finance Framework (as of Oct. 4, 2024)
- Metlen Energy & Metals' selection criteria (as of Oct. 4, 2024)

Lifecycle

- Pre-issuance verification

Validity

- Valid as long as the cited Framework remains unchanged

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## SCOPE OF WORK

Metlen Energy & Metals (“the Issuer,” “the Company” or “Metlen”) commissioned ISS-Corporate to assist with its green financing instruments by assessing three core elements to determine the sustainability quality of the instruments:

- Metlen’s Green Finance Framework (as of Oct. 4, 2024), benchmarked against the International Capital Market Association’s (ICMA) Green Bond Principles (GBP) and the Loan Market Association’s (LMA) Green Loan Principles (GLP).
- The selection criteria — whether the project categories contribute positively to the United Nations Sustainable Development Goals (U.N. SDGs) and how they perform against ISS-Corporate’s proprietary issuance-specific key performance indicators (KPIs) (see Annex 1).
- The eligibility of the project categories against the EU Taxonomy on a best-efforts basis<sup>1</sup> — whether the nominated project categories satisfy the EU Taxonomy Technical Screening Criteria for a Substantial Contribution to Climate Change Mitigation.
- Consistency of green financing instruments with Metlen’s sustainability strategy, drawing on the key sustainability objectives and priorities defined by the Issuer.

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<sup>1</sup> While the Final Delegated Acts for Mitigation and Adaptation were published in June 2023, the Technical Screening Criteria allow for discretion on the methodologies in determining alignment in certain cases. Therefore, at this stage, the alignment with the EU Taxonomy has been evaluated on a “best efforts basis.”

## METLEN ENERGY & METALS OVERVIEW

Metlen Energy & Metals SA is a global industrial company that focuses on metals and energy. Its Metallurgy business operates the only vertically integrated bauxite, alumina, and primary aluminum production unit across the EU with privately owned port facilities and the largest electricity cogeneration unit. In the Energy business, Metlen constitutes an integrated energy utility at international level, from the development, construction and operation of thermal units and Renewable Energy Sources projects, design and construction of electricity infrastructure projects, to the retail supply of electricity and natural gas, supply and trading of natural gas and the provision of energy products and services. The company was founded by Ioannis George Mytilineos in 1990 and is headquartered in Athens, Greece.

### *ESG risks associated with the Issuer's industry*


Metlen Energy & Metals is classified in the electric utilities industry, as per ISS ESG's sector classification. Key sustainability issues faced by companies<sup>2</sup> in this industry are promotion of a sustainable energy system, accessibility and reliability of energy supply, worker safety and accident prevention, environmentally safe operation of plants and infrastructure, protection of human rights and community outreach.

This report focuses on the sustainability credentials of the issuance. Part IV of this report assesses the consistency between the issuance and the Issuer's overall sustainability strategy.

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<sup>2</sup> Please note that this is not a company-specific assessment but rather areas that are of particular relevance for companies within that industry. Key ESG issues by industry are sourced from ISS ESG's Corporate Rating methodology.

## ASSESSMENT SUMMARY

SPO SECTION	SUMMARY	EVALUATION <sup>3</sup>
<b>Part I: Alignment with GBP/GLP</b>	The Issuer has defined a formal concept for its green financing instruments regarding use of proceeds, processes for project evaluation and selection, management of proceeds and reporting. This concept is in line with the GBP and GLP.	<b>Aligned</b>
<b>Part II: Sustainability quality of the selection criteria</b>	<p>The green financing instruments will (re)finance the following eligible project categories:</p> <p>Green categories: Renewable Energy Production, Renewable Energy Storage, Eco-efficient and/or circular economy adapted products, production technologies and processes.</p> <p>Product and/or service-related use of proceeds categories individually contribute to one or more of the following SDGs:</p>  <p>The environmental and social risks associated with the use of proceeds categories are managed.</p>	<b>Positive</b>
<b>Part III: Eligibility against the EU Taxonomy</b>	<p>Metlen’s project characteristics, due diligence processes and policies have been assessed against the EU Taxonomy’s (Climate Delegated Act of June 2023) Technical Screening Criteria for a Substantial Contribution to Climate Change Mitigation.<sup>4</sup></p> <p>The Do No Significant Harm Criteria and the Minimum Safeguards requirements as included in the EU Taxonomy Climate Delegated Act have not been assessed, considering the Issuer intends to finance projects globally, and assessing and implementing DNSH and MS provisions in its global</p>	<b>Eligible</b> for assessing alignment at a later date

<sup>3</sup> The evaluation is based on Metlen’s Green Finance Framework (Oct. 4, 2024, version), on the analyzed selection criteria as received on Oct. 4, 2024.

<sup>4</sup> While the Final Delegated Acts for Mitigation and Adaptation were published in June 2023, the Technical Screening Criteria allow for discretion on the methodologies in determining alignment in certain cases. Therefore, at this stage, the alignment with the EU Taxonomy has been evaluated on a "best efforts basis."

	operations can vary depending on the local context of the country in question.	
<p><b>Part IV:</b></p> <p><b>Consistency of green financing instruments with Metlen’s sustainability strategy</b></p>	<p>The key sustainability objectives and the rationale for issuing green bonds and loans are clearly described by the Issuer. All the project categories financed are in line with the Issuer’s sustainability objectives.</p> <p>At the date of publication of the report and leveraging ISS ESG Research, no severe controversies have been identified.</p>	<p><b>Consistent with Issuer’s sustainability strategy</b></p>

## SPO ASSESSMENT

### PART I: ALIGNMENT WITH THE GREEN BOND PRINCIPLES AND GREEN LOAN PRINCIPLES

This section evaluates the alignment of Metlen’s Green Finance Framework (as of Oct. 4, 2024) with the Green Bond Principles and the Green Loan Principles.

GBP/GLP	ALIGNMENT	OPINION
<p><b>1. Use of Proceeds</b></p>	<p>✓</p>	<p>The Use of Proceeds description provided by Metlen’s Green Finance Framework is <b>aligned</b> with the GBP and GLP.</p> <p>The Issuer’s green categories align with the project categories as proposed by the GBP and GLP. Criteria are defined clearly and transparently. Disclosure of an allocation period and commitment to report by project category has been provided and environmental benefits are described and quantified.</p> <p>Furthermore, the Issuer defines a lookback period of three calendar years, in line with best market practice.</p>
<p><b>2. Process for Project Evaluation and Selection</b></p>	<p>✓</p>	<p>The Process for Project Evaluation and Selection description provided by Metlen’s Green Finance Framework is <b>aligned</b> with the GBP and GLP.</p> <p>The project selection process is defined and structured in a congruous manner. ESG risks associated with the project categories are identified and managed appropriately. Moreover, the projects selected show alignment with the Issuer’s sustainability strategy. The Issuer defines exclusion criteria for harmful projects categories, in line with best market practice.</p> <p>Furthermore, the Issuer clearly defines responsibilities in the process for project evaluation and selection and is transparent about it, involving various stakeholders in this process, in line with best market practice.</p>

		<p>Finally, the Issuer identifies the alignment of its Green Finance Framework and green projects with the EU Taxonomy and, where feasible, the Framework also considers components of the European Green Bond Standard, in line with best market practice.</p>
<p><b>3. Management of Proceeds</b></p>	<p>✓</p>	<p>The Management of Proceeds provided by Metlen’s Green Finance Framework is <b>aligned</b> with the GBP and GLP.</p> <p>The net proceeds collected will equal the amount allocated to eligible projects. An amount equivalent to the net proceeds is tracked appropriately and attested in a formal internal process. The amount equivalent to the net proceeds is managed per instrument (financing instrument-by-financing instrument approach). Moreover, the Issuer discloses the temporary investment instruments for unallocated proceeds.<sup>5</sup></p> <p>Furthermore, the Issuer commits to segregate an amount equivalent to the net proceeds collected by having them earmarked toward specific projects as a temporary measure and has set a reallocation period in case eligible project(s) no longer meet the eligibility criteria.</p>
<p><b>4. Reporting</b></p>	<p>✓</p>	<p>The allocation and impact reporting provided by Metlen’s Green Finance Framework is <b>aligned</b> with the GBP and GLP.</p> <p>The Issuer commits to disclose the allocation of an amount equivalent to the net proceeds transparently and report with appropriate frequency. The reporting will be publicly available on the Issuer’s <a href="#">website</a>. Metlen has disclosed the type of information that will be reported and explains that the level of expected reporting will be at the project category level. Moreover, the</p>

<sup>5</sup> The Issuer states in the Framework that an amount equivalent to the unallocated net proceeds will be held in line with Metlen’s general liquidity guidelines.



		<p>Issuer commits to report annually until the amount equivalent to the net proceeds has been fully allocated.</p> <p>Furthermore, the Issuer is transparent on the level of impact reporting and the information reported and further defines the duration, scope and frequency of the impact reporting, in line with best market practice.</p> <p>Finally, the Issuer discloses the location and <a href="#">link</a> of the report, and commits to have the allocation report reviewed by an external party, in line with best market practices.</p>
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## PART II: SUSTAINABILITY QUALITY OF THE SELECTION CRITERIA

### A. CONTRIBUTION OF THE GREEN FINANCING INSTRUMENTS TO THE U.N. SDGs<sup>6</sup>

Companies can contribute to the achievement of the SDGs by providing specific services/products that help address global sustainability challenges, and by being responsible corporate actors, working to minimize negative externalities in their operations along the entire value chain.


#### 1. Products and services

The assessment of UoP categories for (re)financing products and services is based on a variety of internal and external sources, such as the ISS ESG SDG Solutions Assessment (SDGA), a proprietary methodology designed to assess the impact of an Issuer’s products or services on the SDGs, as well as other ESG benchmarks (the EU Taxonomy Climate Delegated Acts, the Green/Social Bond Principles and other regional taxonomies, standards and sustainability criteria).

The assessment of UoP categories for (re)financing specific products and services is displayed on a three-point scale:



Each of the green financing instruments’ use of proceeds categories has been assessed for its contribution to, or obstruction of, the SDGs:

USE OF PROCEEDS (PRODUCTS/SERVICES)	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
<p><b>Renewable Energy Production</b>  <i>Investments in/expenditures for the acquisition, conception, construction, development and installation of renewable energy production units from the following renewable energy sources:</i></p> <ul style="list-style-type: none"> <li>▪ <i>Solar: Photovoltaics (PV)</i></li> <li>▪ <i>Wind: Onshore and offshore</i></li> <li>▪ <i>Hydropower that meets at least one of the following criteria: run-of-the-river plant that does not have an artificial reservoir, has a</i></li> </ul>	<p><b>Contribution</b></p>	

<sup>6</sup> The impact of the UoP categories on the SDGs is assessed with proprietary methodology and may therefore differ from the Issuer’s description in the Framework.

*power density above 5 W/m<sup>2</sup> and/or has life-cycle GHG emissions lower than 100 gCO<sub>2e</sub>/kWh<sup>7</sup>*

**Renewable Energy Storage**

*Financing related to the construction, development, acquisition, maintenance and operation of electricity storage including Battery Energy Storage Systems (BESS)<sup>8</sup>*

**Eco-efficient and/or circular economy adapted products, production technologies and processes**

*Investment in/expenditures in the manufacturing of recycled/secondary aluminum<sup>10</sup>*

**Eco-efficient and/or circular economy adapted products, production technologies and processes**

*Investment in primary aluminum production that complies with two of the following criteria until 2025 and all of the following criteria after 2025:*

- *GHG emissions do not exceed 1,484 tCO<sub>2e</sub> per ton of aluminum manufactured*
- *Average carbon intensity for the indirect GHG emissions does not exceed 100 gCO<sub>2e</sub>/kWh*
- *Electricity consumption for the manufacturing process does not exceed 15.5 MWh/t Al*



<sup>7</sup> Hydropower above 10 MW is excluded from this Framework.

<sup>8</sup> Pumped hydrogen storage is excluded from this Framework.

<sup>9</sup> The review is limited to the items spelled out in the Framework.

<sup>10</sup> Comprised of nearly 99% scrap aluminum. Scrap aluminum also includes primary aluminum that is out of specs, which can be recycled and remelted to produce new aluminum products.

**B. MANAGEMENT OF ENVIRONMENTAL AND SOCIAL RISKS ASSOCIATED WITH THE SELECTION CRITERIA**

The table below evaluates the selection criteria against issuance-specific KPIs and covers the project categories that have not been assessed against the Do No Significant Harm Criteria and the Minimum Safeguards of the EU Taxonomy. All the assets are/will be located globally.<sup>11</sup>

**ASSESSMENT AGAINST KPIs**

**All categories**

**Labor, health and safety**

Metlen has measures in place systematically ensuring that assets financed under this Framework provide for high labor, health and safety standards.



Regarding labor standards, Metlen is a signatory of the U.N. Global Compact. Furthermore, all the assets that will be financed under this Framework are covered by Metlen’s [Human Rights Policy](#)<sup>12</sup> and [Occupational Health and Safety Policy](#). Moreover, Metlen implemented a self-assessment process for the protection of human rights, applicable to all business sectors and all countries. In addition, the Company operates a whistleblowing line at a central level through which it is possible to submit reports of violations of the policies of personal data protection, bribery and corruption, human rights, or the Company’s code of conduct.<sup>13</sup> Regarding the health and safety standards, Metlen is [ISO 45001:2018 certified](#) and applies it in all its relevant activities.

**Eco-efficient and/or circular economy adapted products, production technologies and processes**

**Environmental aspects of construction (or production) and operation**



The Issuer has policies in place ensuring that assets financed under this Framework use aluminum scrap used for secondary aluminum production. The Issuer confirmed that secondary aluminum is currently manufactured in the Agios Nikolaos plant (Aluminium of Greece)<sup>14</sup> and the EPALME plant, based in

<sup>11</sup> The Issuer disclosed that less than 40% of its activity is in Greece, while its international activities are currently located in Chile, Mexico, Canada, Spain, England, Portugal, Ireland, Germany, Poland, Italy, Croatia, Romania, Bulgaria, India, South Korea and Australia.

<sup>12</sup> The Human Rights Policy covers *inter alia* freedom of association and the effective recognition of the right to collective bargaining, the elimination of all forms of forced or compulsory labor, the effective abolition of child labor, and the elimination of discrimination with respect to employment and occupation.

<sup>13</sup> As outlined on Page 31 of Metlen’s [2023 Sustainable Development & ESG Performance report](#).

<sup>14</sup> Head office: 8 Artemidos Str., GR-151 25 Maroussi, Greece. Plant: Agios Nikolaos, GR-320 03 Viotia, Greece.

Oinofyta Boeotia.<sup>15</sup> Under the Framework, the Issuer will finance secondary aluminum production comprised of nearly 99% scrap aluminum.<sup>16</sup>



The Issuer has measures in place systematically ensuring that the primary aluminum manufacturing, currently occurring in the Agios Nikolaos plant (Aluminium of Greece), is derived from bauxite, and not from alternative sources such as fly ash and coal-fired power stations. In case the production of primary aluminum financed under this Framework will be carried out in other plants, the Issuer committed to have primary aluminum manufacturing derived from bauxite, and not from alternative sources such as fly ash and coal-fired power stations.



The Issuer has measures in place systematically ensuring that aluminum manufacturing financed under this Framework provides for high standards regarding water quality and/or water consumption at the appropriate level.

In particular, Metlen has implemented practices and programs to manage water more efficiently throughout its operations. For instance, it set annual targets for water consumption (including water leakage controls) applicable to all its business sectors and implemented an ISO 14001 certified environmental management system.<sup>17</sup> Furthermore, Metlen’s Agios Nikolaos aluminum plant has been [certified](#) by ASI Performance Standard, which confirms that the entity has established procedures, programs and plans to minimize exposure to and impacts from discharges to water, and has identified, documented and publicly disclosed its water withdrawal and use by source and type and its water-related risks in watersheds.

**Labor, health and safety in supply chain**



The Issuer has measures in place systematically ensuring that assets financed under this Framework provide for high labor, health and safety standards in its supply chain.

In particular, Metlen has a [Responsible Supply Chain Policy](#), ensuring its supply chain complies with high labor standards, and a [Suppliers/Business Partners Code of Conduct](#), which in turn ensures high health and safety standards for its business partners and suppliers.

**Eco-efficient and/or circular economy adapted products, production technologies and processes / Renewable Energy Storage**

<sup>15</sup> Located in “Madaro” Position, Oinofyta - Viotia, P.C. 32011, Greece.

<sup>16</sup> Scrap aluminum also includes primary aluminum that is out of specs, which can be recycled and remelted to produce new aluminum products.

<sup>17</sup> As reported in its [2023 Sustainable Development & ESG Performance report](#).

**Environmental aspects of construction (or production) and operation**

The Issuer has measures in place systematically ensuring that assets financed under this Framework provide for a comprehensive environmental management system.



Metlen has an environmental management system in place that is ISO 14001:2015 certified, applicable to all activities financed under the Framework.<sup>18</sup> Furthermore, its aluminum plants located in Greece are [ISO 14001:2015 certified](#) as well. The Issuer confirmed that, in case additional plants will be used for aluminum production financed under the Framework, these plants will be ISO 14001 certified as well.

**Renewable Energy Production / Renewable Energy Storage**

**Environmental aspects of construction (or production) and operation**

The Issuer has limited measures in place ensuring that comprehensive life cycle assessments have been conducted for assets financed under this Framework.



However, Metlen has several policies in place to reduce waste and extend the life cycle of its products, including reusing materials, implementing ISO 14040 and 14044 guidelines as necessary for the life cycle assessment study, conducting R&D on treatment and continuous recovery of hazardous waste resulting from dismantling electrolysis basins at the end of their life (carbon and refractory materials).<sup>19</sup> For energy projects, in particular, there is no management of primary natural resources, but management of semi-finished or finished products according to project-specific plans and procedures that specify exactly the use of each material, the way of processing and its exact location and operation. Furthermore, during the design phase of the projects carried out by the sector, the use of recyclable materials is duly considered. In requests for tenders and contracts with suppliers of materials and equipment, there is a special condition for their compliance with the requirements of ISO 14001 and, in particular, for the non-use of environmentally hazardous materials, as well as for the use of recyclable materials to the maximum extent.



The Issuer has measures in place systematically ensuring that assets financed under this Framework provide for monitoring technologies ensuring high operational standards.

<sup>18</sup> The Issuer shared the [ISO 14001:2015 certificate](#) for its renewable business line, covering safely and sustainably, develop, engineer, procure, construct, operate and maintain renewable energy assets within Australia.

<sup>19</sup> All the initiatives are disclosed beginning on Page 68 of Metlen's [2023 Sustainable Development & ESG Performance report](#).

For instance, the Issuer confirmed that Scada and CCTV systems are in place for all solar, BESS and wind turbines. Collision avoidance systems at wind turbine generators are in place, where required.

✓ The Issuer has measures in place systematically ensuring that assets financed under this Framework meet high environmental standards and requirements during the construction phase (e.g., noise mitigation, minimization of environmental impact during construction work).

The Issuer confirmed that for all financed renewable energy projects, environmental impact assessment studies are prepared, where all related issues are addressed in detail, and ISO 14001 certified environmental management systems are in place.

### On-site safety

The Issuer has measures in place systematically ensuring that high operational safety standards are in place (e.g., control center, monitoring, inspections, emergency plans) for assets financed under this Framework.

✓ Metlen's renewable energy plants in Australia operate under ISO 45001 certification provisions. Furthermore, the Issuer confirmed that it implements emergency plans per site, performs regular inspections and monitoring as per the established management system, and ensures on-site safety through training, auditing and constant monitoring.

### Community dialogue

The Issuer has measures in place systematically ensuring that assets financed under this Framework feature community dialogue as an integral part of the planning process.

✓ First, dialogue with local communities is conducted for all Metlen projects when it is required by the local regulation during the planning phase and construction phase. Furthermore, the general divisions of each business sector of the company are responsible for managing relations with the local communities where they operate, with the goal of identifying any negative business impacts and minimizing them through responsible business behavior and activity. Each business sector has a sustainability/ESG team that manages the implementation of social policy, the annual consultation of social partners, the cooperation with local media and the organization of community members' visits to the Company's premises whenever requested. The Company embraces an open door policy, applied mainly in the areas where its main industrial units are located, which fosters open dialogue with local social partners, and conducts surveys to identify substantive issues and public

opinion. At the same time, annual thematic or general open consultations are organized with representatives of local communities for monitoring and discussion in specific issues of local interest.<sup>20</sup> Finally, environmental and social impact assessment studies are prepared for all financed projects, which also encompass social aspects, including community consultation, fair land acquisition, safety measures and complaint resolution.

**Renewable Energy Production (hydropower, wind power)**

**Environmental aspects of construction (or production) and operation**

Metlen has measures in place systematically ensuring that assets financed under this Framework provide for measures to protect habitat and wildlife during operation of the power plant.



For hydropower, the Issuer currently has one hydropower asset. The operation of the asset is covered under ISO 14001, and the Issuer commits to certify any future assets. For those located in Greece, the Issuer commits to conduct an environmental and social impact assessment study. In addition, assets that are located within or adjacent to Natura areas and/or Important Bird Area (IBA) locations undergo a special biodiversity study. All construction phases within projects are included in the assessment and construction activities remain pending until fully licensed. The alignment with environmental conditions is audited by the ISO 14001 certified management system. For assets located abroad, environmental impact assessments are systematically conducted based on the local regulation in place, including the specific measures to limit, mitigate or compensate for negative impacts.

For wind power, the Issuer commits that all RES power plants operate with ISO 14001 certification. In addition, an environmental impact assessment, with an assessment on biodiversity, is performed for all the assets. Where required, bird collision avoidance systems are set in place. On a best effort basis, the Issuer includes third-party avifauna watching programs to monitor the impacts of the assets.

**Renewable Energy Production (solar power)**

**Environmental aspects of construction (or production) and operation**



Metlen has measures in place systematically ensuring that assets financed under this Framework are able to be recycled at the end of their lives.

<sup>20</sup> As outlined beginning on Page 118 of Metlen's [2023 Sustainable Development & ESG Performance report](#).



For its assets located in the EU, the Issuer is bound by the [WEEE Directive](#). A minimum of 85% of photovoltaic cells must be recovered and a minimum of 80% must be recycled. Outside of the EU, the Issuer commits to the WEEE minimum thresholds mentioned above. In addition, all the components of its power generation units, damaged or at the end of their life cycle, are being recycled by licensed recycling companies for hazardous/non-hazardous waste.

**Labor, health and safety**

Metlen has measures in place systematically ensuring that assets financed under this Framework provide for high labor, health and safety standards in the supply chain (e.g., ILO core conventions).

For labor rights, the Issuer has been a U.N. Global Compact [signatory](#) since 2008. All the relevant elements for labor rights are covered through this commitment. In addition, the Issuer has a [Responsible Supply Chain Policy](#) and [Suppliers/Business Partners Code of Conduct](#).



For health and safety, the Issuer evaluates suppliers and business partners positively if the implementation of the ISO 14001 and/or Eco Management and Audit is valid. Occupational health and safety is a standalone focus in the Issuer’s Suppliers/Business Partners Code of Conduct. Focus includes the requirement for health and safety management systems. In addition, the Issuer evaluates suppliers and business partners positively if the implementation of national and international health and safety standards such as OHSAS 18001 are valid.

**Renewable Energy Production / Eco-efficient and/or circular economy adapted products, production technologies and processes**

**Conservation and biodiversity management**

Metlen has measures in place systematically ensuring that assets financed under this Framework underwent environmental impact assessments at the planning stage.



The Issuer currently has one hydropower asset. The operation of the asset is covered under ISO14001 and the Issuer commits to certify any future assets. For those located in Greece, the Issuer commits to conduct an environmental and social impact assessment study. In addition, assets that are located within or adjacent to Natura areas and/or IBA locations undergo a special biodiversity study. For assets located abroad, environmental impact assessments are systematically conducted based on the local regulation in place, including the specific measures to limit, mitigate or compensate for negative impacts.

In the metallurgy sector, the Issuer complies with the environmental legislation (IED Directive) concerning permitting and approvals prior to the construction phase. Risk and impact assessments that include the measurement and protection of biodiversity are performed. The studies remain pending until the final approval of the relevant authorities.

## PART III: ELIGIBILITY OF THE SELECTION CRITERIA AGAINST THE EU TAXONOMY CLIMATE DELEGATED ACT

Metlen's project characteristics, due diligence processes and policies for the nominated use of proceeds project categories have been assessed against the relevant Substantial Contribution to Climate Change Mitigation Technical Screening Criteria of the EU Taxonomy [Climate Delegated Act](#) (June 2023), based on information provided by Metlen. Where Metlen's project characteristics, due diligence processes and policies meet the EU Taxonomy Criteria requirements, a tick is shown in the table below.

The Do No Significant Harm Criteria and Minimum Safeguards requirements as included in the EU Taxonomy Climate Delegated Act have not been assessed, considering the Issuer intends to finance projects globally, and assessing and implementing DNSH and MS provisions in its global operations can vary depending on the local context of the country in question.

Metlen's project selection criteria overlap with the following economic activities in the EU Taxonomy:

3.8 Manufacture of aluminum

4.1 Electricity generation using solar photovoltaic technology

4.3 Electricity generation from wind power

4.5 Electricity generation from hydropower

4.10 Storage of electricity

All projects financed under the Green Finance Framework are and will be located globally.

Furthermore, this analysis only displays how the EU Taxonomy criteria are fulfilled/not fulfilled. For ease of reading, the original text of the EU Taxonomy criteria is not shown. Readers can recover the original criteria at the following [link](#).

a) Assessment of the project categories against the EU Taxonomy’s Technical Screening Criteria for a Substantial Contribution to Climate Change Mitigation

GREEN FINANCE FRAMEWORK PROJECT CATEGORY	EU TAXONOMY ACTIVITY	PROJECT CHARACTERISTICS AND SELECTION PROCESSES <sup>21</sup>	ASSESSMENT AGAINST THE EU TAXONOMY’S TECHNICAL SCREENING CRITERIA
Eco-efficient and/or circular economy adapted products, production technologies	3.8 Manufacture of aluminium	<p>The activity consists of manufacturing (a) primary aluminium where the economic activity complies with two of the following criteria until 2025 and with all of the following criteria after 2025: (i) the GHG emissions do not exceed 1,484 tCO<sub>2</sub>e per ton of aluminium manufactured; (ii) the average carbon intensity for the indirect GHG emissions does not exceed 100 gCO<sub>2</sub>e/kWh; (iii) the electricity consumption for the manufacturing process does not exceed 15.5 MWh/t Al.</p> <p>Activities not compliant with the above mentioned criteria will be excluded from financing under the Framework.</p> <p>Thus, the financed activity aligns with the EU Taxonomy TSC for a Substantial Contribution to Climate Change Mitigation of Category 3.8: Manufacture of aluminium with regard to primary aluminium.</p>	✓
		<p>The activity consists in manufacturing secondary aluminium. Thus, it aligns with the EU Taxonomy TSC for a Substantial Contribution to Climate Change Mitigation of Category 3.8: Manufacture of aluminium with regard to secondary aluminium.</p>	✓
Renewable Energy Production	4.1 Electricity generation using solar	The activity generates energy using solar PV technology. Thus, it aligns with the EU Taxonomy TSC for a Substantial	✓

<sup>21</sup> This column is based on input provided by the Issuer.

	photovoltaic technology	Contribution to Climate Change Mitigation of Category 4.1: Electricity generation using solar photovoltaic technology.	
Renewable Energy Production	4.3 Electricity generation from wind power	The activity generates energy based on wind. Thus, it aligns with the EU Taxonomy TSC for a Substantial Contribution to Climate Change Mitigation of Category 4.3: Electricity generation from wind power.	✓
Renewable Energy Production	4.5 Electricity generation from hydropower	The activity complies with either of the following criteria: (a) the electricity generation facility is a run-of-river plant and does not have an artificial reservoir; (b) the power density of the electricity generation facility is above 5 W/m <sup>2</sup> ; (c) the life-cycle GHG emissions from the generation of electricity from hydropower, are lower than 100 gCO <sub>2</sub> e/kWh. Thus, it aligns with the EU Taxonomy TSC for a Substantial Contribution to Climate Change Mitigation of Category 4.5: Electricity generation from hydropower.	✓
Renewable Energy Storage	4.10 Storage of electricity	The activity is the construction and operation of electricity storage. Thus, it aligns with the EU Taxonomy TSC for a Substantial Contribution to Climate Change Mitigation of Category 4.10: Storage of electricity.	✓

**b) Do No Significant Harm Criteria and Minimum Safeguards**

Regarding the policies and procedures to ensure that the project categories align with the relevant Do No Significant Harm Criteria, Metlen will secure the relevant information on whether the assets align with the criteria, including using compliance with national legislation and regulations as indicators. Considering the Issuer intends to finance projects globally, and assessing and implementing DNSH and MS provisions in its global operations can vary depending on the local context of the country in question, ISS-Corporate has not assessed whether the project categories fulfil the Do No Significant Harm Criteria and the Minimum Safeguards of the EU Taxonomy.

## PART IV: CONSISTENCY OF GREEN FINANCING INSTRUMENTS WITH METLEN’S SUSTAINABILITY STRATEGY

*Key sustainability objectives and priorities defined by the Issuer*

TOPIC	ISSUER APPROACH
<p><b>Strategic ESG topics</b></p>	<p>The Issuer focuses on the following ESG pillars:</p> <ul style="list-style-type: none"> <li>▪ Climate Change, Energy and Air Emissions</li> <li>▪ Human Rights, Equal Opportunities and Diversity</li> <li>▪ Employment and Labor Practices</li> <li>▪ Circular Economy, Raw and Other Materials</li> </ul> <p>These sustainability pillars have been defined through <a href="#">materiality assessments</a> conducted in 2022 and 2023.</p>
<p><b>ESG goals/targets</b></p>	<p>To achieve its strategic ESG topics, the Issuer has set the following goals:</p> <ul style="list-style-type: none"> <li>▪ By 2030, to reduce by 30% its total Scope 1 and 2 CO<sub>2</sub>e emissions, compared to 2019.</li> <li>▪ By 2030, to reduce the total CO<sub>2</sub>e emissions (Scope 1 and 2) emissions by 65% and specific emissions (CO<sub>2</sub>e/t Al) by 75% Metlen’s metals sector.</li> <li>▪ By 2030, to reduce specific emissions (CO<sub>2</sub>e/MWh) by approximately 50% for Metlen’s energy sector.</li> <li>▪ By 2050, to achieve net-zero emissions across its entire business activity.</li> <li>▪ Maintain zero incidents of human rights violations.</li> <li>▪ Maintain zero confirmed incidents of non-compliance with regulations and legislation (labor and social issues, economic, environmental).</li> </ul>
<p><b>Action plan</b></p>	<p><a href="#">Three principles</a> lay the foundation of the Issuer’s Action Plan. Together, they provide the Issuer with an agenda that guides decision-making.</p> <ul style="list-style-type: none"> <li>▪ The Principle of Materiality</li> <li>▪ The Principle of the Stakeholders inclusiveness</li> <li>▪ The Principle of Accountability</li> </ul>

	<p>The capital expenditures for environmentally sustainable activities (aligned with taxonomy) total EUR 704,620 million, or 67% of the 2023 total.<sup>22</sup></p> <p>The operating expenditures for environmentally sustainable activities (aligned with taxonomy) total EUR 605,313 million, or 14% of the 2023 total.<sup>23</sup></p>
<p><b>Climate transition strategy</b></p>	<p>The Issuer's commitment to addressing climate change and contributing to a low-carbon economy is structured by a multi-faceted approach. The CO<sub>2</sub> intensity of the Issuer's activities is studied and the necessary adaptation of its activities to the consequences of climate change is featured in the Issuer's goal settings (see ESG goals/targets above). The Issuer seeks to align its corporate decision-making with the commitments made at the Kyoto Protocol, the Paris Agreement and Greece's <a href="#">national plan</a>, determining its contribution to the EU Green Deal. As such, the strategic climate priorities include the strengthening of investments in renewable energy sources, the development of strategic partnerships for the application of new technologies in the Issuer's production activities, and the development of activities in specialized energy projects and energy storage.</p>
<p><b>ESG risk and sustainability strategy management</b></p>	<p>Stakeholders involved in the Issuer's ESG and sustainability risk management process include, starting with the highest level of management:</p> <ul style="list-style-type: none"> <li>▪ Sustainability Committee of the Board of Directors</li> </ul> <p>Created in 2021 and comprising a majority of independent non-executive members of the board of directors. It assists the board in consolidating the long-term commitment to value creation in sustainable development and is the responsible committee for identifying material sustainability issues. Additionally, it validates the annual sustainability report.</p> <ul style="list-style-type: none"> <li>▪ Corporate governance and sustainable development general division</li> </ul>

<sup>22</sup> As outlined on Page 145 of Metlen's [2023 Annual Financial Report](#).

<sup>23</sup> As outlined on Page 146 of Metlen's [2023 Annual Financial Report](#).

	<p>As a coordinator, it determines both the short-term strategic priorities and long-term sustainability strategy. It supports all sustainability/ESG teams by business area, ensuring the collective delivery of the best possible ESG results.</p> <ul style="list-style-type: none"> <li>▪ General managers of the Issuer's business sectors</li> </ul> <p>The managers of the business sectors and subsidiaries of the Issuer are responsible for the sustainability KPIs and alignment with strategic objectives.</p> <ul style="list-style-type: none"> <li>▪ Various stakeholders and local communities</li> </ul> <p>Involved through consultations.</p> <ul style="list-style-type: none"> <li>▪ The ESG risks and sustainability management process is supported by the Issuer's enterprise risk management system.</li> </ul>
<p><b>Top three areas of breaches of international norms and ESG controversies in the industry<sup>24</sup></b></p>	<p>Failure to prevent radioactive pollution, failure to prevent water pollution, anti-competitive behavior.</p>
<p><b>Breaches of international norms and ESG controversies by the Issuer</b></p>	<p>At the date of publication and leveraging ISS ESG Research, no severe controversy in which the Issuer would be involved has been identified.</p>
<p><b>Sustainability reporting</b></p>	<p>The Issuer reports annually on its ESG performance and initiatives. The reporting is <a href="#">publicly available</a>. The reporting follows standards such as TCFD, SASB and GRI.</p>
<p><b>Industry associations, collective commitments</b></p>	<p>The Issuer is a member of/signatory to:</p> <ul style="list-style-type: none"> <li>▪ Since 2008, the U.N. Global Compact</li> <li>▪ Since 2016, the CDP Water Security Questionnaire</li> <li>▪ Since 2021, the CDP Climate Change Questionnaire</li> </ul>
<p><b>Previous sustainable/sustainability-linked issuances or</b></p>	<p>2021 Green Bond Framework, and the issuance of EUR 500 million green bonds. The 2021 Green Bond Framework has been third-party <a href="#">verified</a> by ISS-Corporate.</p>

<sup>24</sup> Based on a review of controversies identified by ISS ESG over a two-year period, the top three issues that have been reported against companies within the electric utilities industry are displayed above. Please note that this is not a company-specific assessment but rather areas that can be of particular relevance for companies within that industry.



<b>transactions and publication of sustainable financing framework</b>	
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*Rationale for issuance*

Metlen aims to invest in the field of renewable energy, with implementation of a portfolio of over 2.5 GW of RES projects globally. In addition, the Issuer will invest in the electrification of its metallurgical activities exclusively from renewable sources, as well as in the increase in the amount of secondary aluminum produced. Technologies and exploitation of digital industrial processes in production stages will be leveraged to improve energy efficiency. In this context, the Issuer, to meet the commitments described above, elected to create a Green Bond Framework in 2021 and is now updating and expanding the framework to a Green Finance Framework, under which it can issue green bonds and green loans.

**Opinion:** *The key sustainability objectives and the rationale for issuing green financing instruments are clearly described by the Issuer. All the project categories financed are in line with the Issuer's sustainability objectives.*

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## ANNEX 1: METHODOLOGY

The ISS-Corporate SPO provides an assessment of labeled transactions against international standards using ISS-Corporate's proprietary [methodology](#).

### EU Taxonomy

The assessment evaluates whether the details of the nominated projects and assets or project selection eligibility criteria included in the Green Finance Framework meet the criteria listed in relevant Activities in the EU Taxonomy Climate Delegated Act (June 2023).

The evaluation shows if Metlen's project categories are indicatively in line with the entirety (or some of) the requirements listed in the EU Taxonomy Technical Annex.

The evaluation was carried out using information and documents provided on a confidential basis by Metlen (e.g., Due Diligence Reports). Furthermore, national legislation and standards, depending on the project category location, were drawn on to complement the information provided by the Issuer.

## ANNEX 2: QUALITY MANAGEMENT PROCESSES

### SCOPE

Metlen commissioned ISS-Corporate to compile a green financing instruments SPO. The second-party opinion process includes verifying whether the Green Finance Framework aligns with the Green Bond Principles and the Green Loan Principles and assessing the sustainability credentials of its green financing instruments, as well as the Issuer's sustainability strategy.

### CRITERIA

Relevant standards for this second-party opinion:

- Green Bond Principles
- Green Loan Principles
- EU Taxonomy Climate Delegated Act (June 2023)

### ISSUER'S RESPONSIBILITY

Metlen responsibility was to provide information and documentation on:

- Framework
- Selection criteria
- Documentation of ESG risk management at the Framework level

### ISS-CORPORATE'S VERIFICATION PROCESS

Since 2014, ISS Group, which ISS-Corporate is a part of, 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.

This independent second-party opinion of the green financing instruments to be issued by Metlen has been conducted based on proprietary methodology and in line with the GBP and GLP.

The engagement with Metlen Energy & Metals took place in September and October 2024.

### ISS-CORPORATE'S BUSINESS PRACTICES

ISS-Corporate has conducted this verification in strict compliance with the ISS Group Code of Ethics, which lays out detailed requirements in integrity, transparency, professional competence and due care, professional behavior 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 this SPO

Companies turn to ISS-Corporate for expertise in designing and managing governance, compensation, sustainability and cyber risk programs that align with company goals, reduce risk and manage the needs of a diverse shareholder base by delivering best-in-class data, tools and advisory services.

ISS-Corporate assesses alignment with external principles (e.g., the Green/Social Bond Principles), analyzes the sustainability quality of the assets and reviews the sustainability performance of the Issuer itself. 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.iss-corporate.com/solutions/sustainable-finance/bond-issuers/>.

For more information on SPO services, please contact: [SPOsales@iss-corporate.com](mailto:SPOsales@iss-corporate.com).

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