

2016 GRI Index / NEMAK

STANDARD DISCLOSURE TITLE	PAGE NUMBER AND /OR ANSWER	MATERIAL ASPECT	REPORTED	
GENERAL STANDARD DISCLOSURES				
Strategy and Analysis				
G4-1	Statement from the most senior decision-maker of the organization (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and the organization's strategy for addressing sustainability	Pages 6-9	Energy efficiency, Climate change strategy and emmissions, Environmental performance	Fully
G4-2	Description of key impacts, risks, and opportunities	Pages 6-9	Relations with NGOs and regulatory agencies	Fully
Organizational Profile				
G4-3	Name of the organization	Nemak, S.A.B de C.V.	Obligatory	Fully
G4-4	Primary brands, products and services	Page 4	Responsibility on materials	Fully
G4-5	Location of the organization's headquarters	Libramiento Arco Vial Km 3.8, García, Nuevo León, México.	Obligatory	Fully
G4-6	Number of countries where the organization operates	Page 2	Obligatory	Fully
G4-7	Nature of ownership and legal form	Nemak, S.A.B de C.V.	Obligatory	Fully
G4-8	Markets served	Pages 2-3	Obligatory	Fully
G4-9	Scale of the organization	Inside flap	Obligatory	Fully
G4-10	Total workforce	21,000 employees	Labor practices	Partially
G4-11	Employees covered by collective bargaining agreements	Nemak has operations all over the world. This means that each country, and even region, has its own regulations regarding HR topics. The coverage of employees in countries in which collective baingaining agreements are in place, goes from 60% to 100%.	Labor practices	Fully
G4-12	Supply chain	Nemak began a process to restructure its global procurement department, so this information is not available by the end of 2016. It will be disclosed by the next reporting period.	Relations with clients and suppliers	Fully
G4-13	Significant changes in the organization during the reporting period	No significant changes were registered for the organization in the reporting period.	CSR Management	Fully
G4-14	Whether and how the precautionary approach is addressed by the organization	We constantly carry out impact studies in all of our locations of operation, in order to understand and analyze the risks and opportunities we micght encounter. Also, this is the second time we report on our sustainability actions, under the Global Reporting Initiative reporting methodology, in its G4 version. As part of this, we carried out a Materiality Process, which represented an exhaustive annalysis on our stakeholders' opinions and inquiries about our sustainability performance.	Relations with investors; Responsibility on materials	Fully

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G4-15	Externally developed initiatives to which the organization subscribes	In 2016 we subscribed to several external initiatives to continue on expanding our efforts in social responsibility and sustainability beyond our operation. We subscribe to initiatives such as the Global Compact of the UN (through ALFA,) the Ontario Human Rights, RED SumaRSE Nuevo León, Movimiento Congruencia and many other actions in the benefit of our stakeholders.	Relations with NGOs and regulatory agencies	Fully
G4-16	Membership in associations	In 2016 we were affiliated to 55 associations and chambers regarding social and economic development for our industry and its stakeholders all over the world.	Relations with NGOs and regulatory agencies	Fully
Identified Material Aspects and Boundaries				
G4-17	Entities included in the organization's financial statements and report whether any of those entities is covered by the report or not	All of Nemak's operations are included in the report.	Relations with investors	Fully
G4-18	Process for defining the report content	Page 21	CSR Management	Fully
G4-19	Material aspects identified by the organization	Page 21	CSR Management	Fully
G4-20	For each material aspect, report the aspect boundary within the organization	We have chosen the Core option for the reporting period. This means that the disclosure and boundary for each aspect is subjected to the information available by the end of the year, and might not be fully answered. Page 21.	CSR Management	Fully
G4-21	For each material aspect, report the aspect boundary outside the organization	Page 21	CSR Management	Fully
G4-22	Effect of any restatements of information provided in previous reports	No restatements of information were provided in previous reports.	CSR Management	Fully
G4-23	Significant changes from previous reporting periods	No significant changes are reported from previous reporting periods.	CSR Management	Fully
Stakeholder Engagement				
G4-24	List of stakeholder groups engaged by the organization	Our stakeholders are: employees, clients, suppliers, communities and investors.	CSR Management	Fully
G4-25	Basis for identification and selection of stakeholders with whom to engage	We select our stakeholders based on the impact our operation has on them and viceversa.	CSR Management	Fully

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G4-26	Approach to stakeholder engagement	All of our operations maintain constantly open communication channels for all of our stakeholders, through which we attend and listen to their needs and concerns. These channels include personal contact, meetings, 1-800 lines, email, phone, among others. We also participate in associations and chambers of our industry, where we can have a wider approach to our stakeholders.	Labor practices; Relations with NGOs and regulatory agencies; Relations with clients and suppliers	Fully
G4-27	Key topics and concerns that have been raised by stakeholders and how the organization has responded	Among the most relevant were: business strategy, price/cost discussions, volumes, new programs, investments, market intelligence, labor practices , working with communities and environmental impacts.	Labor practices; Relations with NGOs and regulatory agencies; Relations with clients and suppliers	Fully
Report Profile				
G4-28	Reporting period	From Jan 1st. To Dec. 31st, 2016.	CSR Management	Fully
G4-29	Date of most recent previous report	Jan 1st to December 31st, 2015, published on February 28th, 2016.	CSR Management	Fully
G4-30	Reporting cycle	Annual.	CSR Management	Fully
G4-31	Contact point for questions regarding the report	Ricardo Martínez, Head of Communications, +52 81 8748 5281, ricardo.martinez@nemak.com	CSR Management	Fully
G4-32	In accordance' option the organization has chosen, GRI Content Index and External Assurance Report	We have chosen the Core option for the reporting period.	Obligatory	Fully
G4-33	Policy and practices with regard to seeking external assurance for the report	This report does not have an external assurance.	Obligatory	Fully
Governance				
G4-34	Governance structure of the organization	Page 30	Relations with investors	Fully
G4-38	Composition of the highest governance body and its committees	Pages 28-30	Relations with investors	Fully
G4-42	Highest governance body's role in the development of the organization's purpose, value or mission statements, and policies related to economic, environmental and social impacts	Page 30	Relations with investors	Fully
G4-44	Processes for evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics	Information not available by the end of the reporting period.	CSR Management	Partially

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G4-47	Frequency of the highest governance body's review of economic, environmental and social impacts, risks and opportunities	Pages 28-30	Relations with investors	Fully
G4-49	Process for communicating critical concerns to the highest governance body	Pages 28-30	Relations with investors	Fully
Ethics and Integrity				
G4-56	The organization's values, principles, standards and norms of behavior	Please visit: http://www.nemak.com/#aboutus	Obligatory	Fully
G4-58	Internal and external mechanisms for reporting concerns about unethical or unlawful behavior		Relations with investors	Fully
ECONOMIC				
Economic Performance				
G4-EC1	Direct economic value generated and distributed	Page 5	Wealth distribution	Partially
G4-EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	Pages 10-14.	Wealth distribution; Climate change strategy and emissions	Fully
G4-EC3	Coverage of the organization's defined benefit plan obligations	No information available at this time. Nemak has operations all over the world. This means that each country, and even region, has its own regulations regarding HR topics. We will report on this aspect in the next reporting period.	Labor practices	Fully
G4-EC4	Financial assistance received from government	Nemak does not receive financial assistance from governments.	Wealth distribution	Fully
Market Presence				
G4-EC5	Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation	Nemak has operations all over the world. This means that each country, and even region, has its own regulations regarding HR topics. However, we align to ALFA's equal opportunities and fair labor practices policies, which means that the ratio of standard wage is above average in every country in which Nemak operates, regardless of gender.	Labor practices	Fully
Indirect Economic Impacts				
G4-EC7	Development and impact of infrastructure investments and services supported	We invested more than US \$144,000 dollars on infrastructure improvements in our communities.	Wealth distribution	Fully
G4-EC8	Significant indirect economic impacts, including the extent of impacts	We are a company that specializes in lightweighting auto parts, so this has an impact on the fuel consumption of the automobiles our products are in. However, by the end of 2016 we have not quantified these impacts.	Wealth distribution	Fully

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Procurement Practices						
G4-EC9	Proportion of spending on local suppliers at significant locations of operation	Page 23	Wealth distribution; Relations with clients and suppliers	Fully		
ENVIRONMENTAL						
Materials						
G4-EN1	Materials used by weight or volume	In 2016 we processed 871,321 tons of aluminum and 257,347 tons of sand.	Responsibility on materials	Fully		
G4-EN2	Percentage of materials used that are recycled input materials	Page 25	Responsibility on materials; Climate change strategy and emissions; Environmental performance	Fully		
Energy						
G4-EN3	Energy consumption within the organization	None.	Energy efficiency	Fully		
G4-EN4	Energy consumption outside of the organization	Page 25	Energy efficiency	Fully		
G4-EN5	Energy intensity	Information not available by the end of the reporting period.	Energy efficiency	Fully		
G4-EN6	Reduction of energy consumption	Page 25	Energy efficiency	Fully		
G4-EN7	Reductions in energy requirements of products and services	Page 25	Energy efficiency	Fully		
Water						
G4-EN8	Total water withdrawal by source	Source	2015 (m³)	2016 (m³)	Water management	Fully
		Water utilities	6,635,373	7,511,313		
		Rivers, lakes and oceans		23,803		
		Groundwater	290,629	1,226,072		
		Rainwater		194,900		
		Waste water from another organization		0		
		Other	1,434,338	712,792		
		Total	8,360,340	9,668,880		
G4-EN9	Water sources significantly affected by withdrawal of water	Our operations do not affect significantly their sources of water.	Water management	Fully		
G4-EN10	Percentage and total volume of water recycled and reused	In 2016 we treated and reused 508,514 m ³ of water in our operations.	Water management	Fully		

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Biodiversity				
G4-EN11	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Protecting biodiversity is also important for Nemak: Our Monterrey, Mexico plant is located in a region characterized by high biodiversity. To better preserve this habitat, we maintain 7,500 m ² of gardens near our operations.	Environmental performance	Fully
G4-EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas		Environmental performance	Fully
G4-EN13	Habitats protected or restored		Environmental performance	Fully
G4-EN14	Total number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk	Our operations do not affect any of these species.	Environmental performance	Fully
Emissions				
G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1)	Page 25	Climate change strategy and emmissions	Fully
G4-EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	Page 25	Climate change strategy and emmissions	Fully
G4-EN17	Other indirect greenhouse gas (GHG) emissions (Scope 3)	Page 25	Climate change strategy and emmissions	Fully
G4-EN18	Greenhouse gas (GHG) emissions intensity	Information not available by the end of the reporting period. We will report on this information in the next reporting periods.	Climate change strategy and emmissions	Fully
G4-EN19	Reduction of greenhouse gas (GHG) emissions	Page 25	Climate change strategy and emmissions	Fully
G4-EN20	Emissions of ozone-depleting substances (ODS)	Nemak does not have these types of emissions.	Climate change strategy and emmissions	Fully
G4-EN21	NOX, SOX, and other significant air emissions	Page 25	Climate change strategy and emmissions	Fully
Effluents and Waste				
G4-EN22	Total water discharge by quality and destination	Page 25	Environmental performance	Fully
Products and Services				
G4-EN27	Extent of impact mitigation of environmental impacts of products and services	Page 24	Environmental performance	Fully

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Compliance				
G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	In 2016 no fines nor sanctions of this nature were filed regarding our operation.	Relations with NGOs and regulatory agencies; Environmental performance	Fully
Transport				
G4-EN30	Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce	Information not available by the end of the reporting period.		Partially
Overall				
G4-EN31	Total environmental protection expenditures and investments by type	Page 24		Fully
Supplier Environmental Assessment				
G4-EN32	Percentage of new suppliers that were screened using environmental criteria	All of our operating facilities carried out these type of screening to the totality of their most significant suppliers.	Relations with clients and suppliers	Fully
G4-EN33	Significant actual and potential negative environmental impacts in the supply chain and actions taken	The results vary between 10 and 50% of suppliers with risk on environmental impact (soil, water and air pollution). We have agreements with these suppliers to help mitigate these impacts. All of our contracts include environmental policies.		Fully
Environmental Grievance Mechanisms				
G4-EN34	Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms	In 2016, no grievances about environmental impacts were filed for Nemak.	Environmental performance	Fully
LABOR PRACTICES AND DECENT WORK				
Employment				
G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region	Information not available by the end of the reporting period.	Labor practices	Partially
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	Page 22	Labor practices	Fully
G4-LA3	Return to work and retention rates after parental leave, by gender	Information not available by the end of the reporting period.	Labor practices	Partially
Labor/Management Relations				
G4-LA4	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements	Nemak has operations all over the world. This means that each country, and even region, has its own regulations regarding HR topics. The minimum notice periods, when applicable, vary from seven to 60 days.	Labor practices	Fully

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Occupational Health and Safety				
LA5	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	Nemak has operations all over the world. This means that each country, and even region, has its own regulations regarding HR topics. However, when applicable, this percentage is 100% of unionized employees represented.	Health and Safety; Labor practices	Fully
LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	Page 22	Health and Safety; Labor practices	Fully
LA7	Workers with high incidence or high risk of diseases related to their occupation	Nearly 460 of our employees work on activities that represent a higher risk to their health. In order to minimize the risk we have special health monitoring programs for them.	Health and Safety; Labor practices	Fully
G4-LA8	Health and safety topics covered in formal agreements with trade unions	Nemak has operations all over the world. This means that each country, and even region, has its own regulations regarding HR topics.	Health and Safety; Labor practices	Fully
Training and Education				
LA9	Average hours of training per year per employee by gender, and by employee category	In 2016, average hours of training per employee was of 22. It was a total of 21 hours per men, 15 hours per women, 18 hours per unionized employee and 14 per non-unionized employee.	Labor practices	Fully
LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	Pages 16-20. In 2016 our Lost Foam plant in Alabama closed its operations. We carried out a job fair for all the affected employees to help them in the transition. We also provided individual counseling on career opportunities and job search resources.	Labor practices	Fully
LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	Page 18	Labor practices	Fully
LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	Governance bodies: pages 28-30	Labor practices	Fully
Equal Remuneration for Women and Men				
LA13	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	Nemak has operations all over the world. This means that each country, and even region, has its own regulations regarding HR topics. However, NEMAK is committed to fair labor practices and aligns to ALFA's practices and has equal salary policies for its employees.	Labor practices; Wealth distribution	Fully

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Supplier Assessment for Labor Practices				
LA14	Percentage of new suppliers that were screened using labor practices criteria	In 2015, we started working with our supply chain, in order to know about their sustainability practices and performance, and continued with this effort in 2016. Through various initiatives for the short, medium and long term, we aim to develop a beneficial relationship with them, and be able to inform about the results in our next sustainability reports.	Relations with clients and suppliers	Fully
LA15	Significant actual and potential negative impacts for labor practices in the supply chain and actions taken			Fully
Labor Practices Grievance Mechanisms				
LA16	Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms	In 2016 no grievances of this nature were filed for Nemak.	Labor practices; Relations with NGOs and regulatory agencies	Fully
HUMAN RIGHTS				
Supplier Human Rights Assessment				
HR10	Percentage of new suppliers that were screened using human rights criteria	In 2015, we started working with our supply chain, in order to know about their sustainability practices and performance, and continued with this effort in 2016. Through various initiatives for the short, medium and long term, we aim to develop a beneficial relationship with them, and be able to inform about the results in our next sustainability reports.	Relations with clients and suppliers	Fully
HR11	Significant actual and potential negative human rights impacts in the supply chain and actions taken		Relations with clients and suppliers	Fully
Human Rights Grievance Mechanisms				
HR12	Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms	In 2016 no grievances of this nature were filed for Nemak.		Fully
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SOCIETY				
Local Communities				
SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs	94% of our operations run some kind of program involving their communities.	CSR Management	Fully

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Supplier Assessment for Impacts on Society				
SO9	Percentage of new suppliers that were screened using criteria for impacts on society	In 2015, we started working with our supply chain, in order to know about their sustainability practices and performance, and continued with this effort in 2016. Through various initiatives for the short, medium and long term, we aim to develop a beneficial relationship with them, and be able to inform about the results in our next sustainability reports.	Relations with clients and suppliers	Fully
SO10	Significant actual and potential negative impacts on society in the supply chain and actions taken			Fully
Grievance Mechanisms for Impacts on Society				
SO11	Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms	In 2016 no grievances of this nature were filed for Nematik.		Fully
PRODUCT RESPONSIBILITY				
Customer Health And Safety				
PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	We are constantly reviewing our processes and products to analyze any possible improvements in health and safety impacts.	Responsibility on materials; Relations with clients and suppliers	Fully
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes	In 2016 there were no incidents of this nature for Nematik.	Responsibility on materials; Relations with clients and suppliers	Fully
Products Labeling and Services				
PR3	Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements	We comply with every regulation regarding labeling and information about the source of our products components, content, safe use, elimination, reuse and/or recycling.	Responsibility on materials; Relations with clients and suppliers	Fully
Customer Privacy				
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	In 2016 no grievances of this nature were filed for Nematik.	Relations with clients and suppliers	Fully
Compliance				
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	In 2016 no grievances of this nature were filed for Nematik.	Responsibility on materials	Fully