Nemak
Innovative Lightweighting

ASI SLOVAKIA
Plant Report 2024

Introduction

Nemak, S.A.B. de C.V. (“Nemak”) is a leading provider of innovative lightweighting solutions for the global automotive industry, specializing in the development and manufacturing of aluminum components for e-mobility, structure & chassis, and ICE powertrain applications. In 2024, the Company employed approximately 23,000 people at 40 production facilities worldwide. For more details about the Company, please refer to Nemak’s most recent version of the Annual Report.

This report has been created for Nemak Slovakia located in industrial park near Žiar and Hronom city in Slovak Republic, with the main address of Vieska 394, 96501 Ladomerská Vieska. Therefore, all information disclosed in this report is only relevant for the scope of the location, unless otherwise specified.

Policy and Management

Impact Assessments

At Nemak's location in Slovakia, Environmental and Social Impact Assessments for new projects or major changes to the existing facilities are conducted. Such environmental and social impact assessments strive to identify and address risks associated with developments, expansions, exploration activities and significant changes to Nemak's Site in Slovakia.

Since June 2022 (start of ASI membership), the site has not undergone any major changes or expansions.

Impacts on Communities:
The area of social influence for Nemak Slovakia is defined as the area within 5 km radius from the site:

Figure 1: Area of influence for Nemak Slovakia (5 km radius)

A Corporate Citizenship materiality assessment has been conducted through interviews with several internal and external stakeholders, within its area of influence, to identify the needs of the communities which Nemak could support as well as potential negative impacts which Nemak could avoid and mitigate.

Nemak Slovakia regularly engages with the local communities through initiatives such as:

- Economic Empowerment (support for disabled community), Non-profit org. as: Okáčik, ZAŽIAR, SPOZA ZIARSKO, SVETIELKO NÁDEJE, DARUJ NÁDEJ
- Education-Support of local Secondary schools, Elementary schools, Kindergartens
- Wellbeing (sport) Annual sponsorship to town sport club named "MŠK", to Nemak children basketball ligue, to local Cycling Club, Strategic partnership of local ICE HOCKEY CLUB

Nemak recognizes and regularly evaluates both the actual and potential impacts of its operations on local communities, particularly in relation to environmental and natural resource considerations. Although Nemak has not identified any significant actual or potential negative impacts on local communities, the company remains committed to proactively addressing potential risks. To this end, Nemak continuously monitors key environmental parameters—such as air emissions, noise, odors, water discharges, and waste—and ensures full compliance with legal requirements, consistently maintaining values within permitted limits.

Emergency Response Plan

The Emergency Team is organized according to legislation. Annual internal and external trainings are defined for this team. Annual drills are realized for different shifts. Evacuation, injury, fire, spill, etc. case emergency team and other employee's response tested and reported as a result of drill.

Plant has fire extinguishers, hydrant and other firefighting equipment with proper number and type.
The hazardous materials, waste, chemicals are separately conditioned and stocked on site. Inventory and transfer are also arranged according to legislation and risk

For the Emergency Response Flow of Nemak Slovakia, please refer to the APPENDIX of this report.

Incidents of non-compliance, corruption or bribery

To the best of the Company's knowledge, there were no material fines, judgments, penalties or non-monetary sanctions for failure to comply with applicable law in 2024. Materiality is defined as amounts exceeding 0.8% of total revenue.

Political influence and lobbying activities

Nemak does not make any direct or indirect financial or in-kind political contributions for political influence or lobbying purposes, as confirmed by the Company's existing audit and assurance systems. To the best of the Company's knowledge, no payments have been made to governments for political purposes or influence, based on the evidence provided by these systems.

Material Stewardship

Environmental Life Cycle Assessment

In general, Nemak relies on the ISO 14040/44 (Life Cycle Assessment -LCA methodology) to estimate through internal tools a product carbon footprint (PCF) considering a Cradle-to-Gate scope to guide its Sustainability Strategy and improve its understanding of the environmental impacts of its products throughout the entire value chain. The Cradle-to-Gate approach measures each product's environmental and climate impacts from the extraction of raw materials to delivery to customers. Nemak has successfully conducted LCAs for three of its product categories and aims to have completed Cradle-to-Gate LCAs for all electrified portfolio products by 2030. At the same time, Nemak actively provides key customers with information about the carbon footprints of products, demonstrating its ability to apply LCA methodologies on demand.

For Nemak Slovakia, Cradle-to-Gate LCA have been completed for 3 products. Due to confidentiality, Nemak does not disclose the results of the assessments, which can be provided to relevant stakeholders upon request.

Greenhouse Gas Emissions

Energy Consumption & GHG Emissions

Nemak acknowledges the environmental impact of its operations and is actively engaged in initiatives to enhance energy efficiency. In line with its commitment to sustainability, Nemak Slovakia closely monitors its energy consumption and continually explores innovative methods to reduce its carbon footprint. The following table provides a breakdown of the energy consumption data, highlighting the contribution from various energy sources.

GRI 302-1

ENERGY CONSUMPTION MILLIONS OF GJ	2024
Total Energy consumption	**446 87,22**
Direct use	**267 263,70**
Natural gas	267 263,70
Indirect use	**179 543,52**
Electricity consumption (non-renewable)	179 543,52

Building upon its commitment to sustainability, Nemak Slovakia extends its transparency to encompass Greenhouse Gas (GHG) emissions. Acknowledging the interconnected relationship between energy consumption and environmental impact, the company diligently tracks its emissions data. The table below indicates the GHG emissions (in tons CO2e), categorizing them into Scope 1 and Scope 2. Scope 3 emissions (global) is available in Nemak's Annual Report.

GRI 305-1/2/3

EMISSIONS IN TONS CO_2E	2024
Total**	**19 920**
Scope 1*	13 442
Scope 2 (market-based)	6 478
Scope 2 (location-based)	X

**Scope 1 covers fuels, excluding process and refrigerants emissions.*
***Total uses Scope 2 market-based emissions.*
Scope 1 and 2 emissions for all reported years have been verified by a third party.

GHG emissions reduction

As an organization, Nemak has defined Science Based Targets to reduce its Scope 1&2 emissions by 28%, using a 2019 baseline. On a plant level, Nemak Slovakia aspires to the same level of ambition. To achieve this target, specific initiatives such as energy efficiency and purchase of renewable energy have been identified. The figure below illustrates Nemak Slovakia emissions pathway to achieve the 28 % reduction goal by 2030.

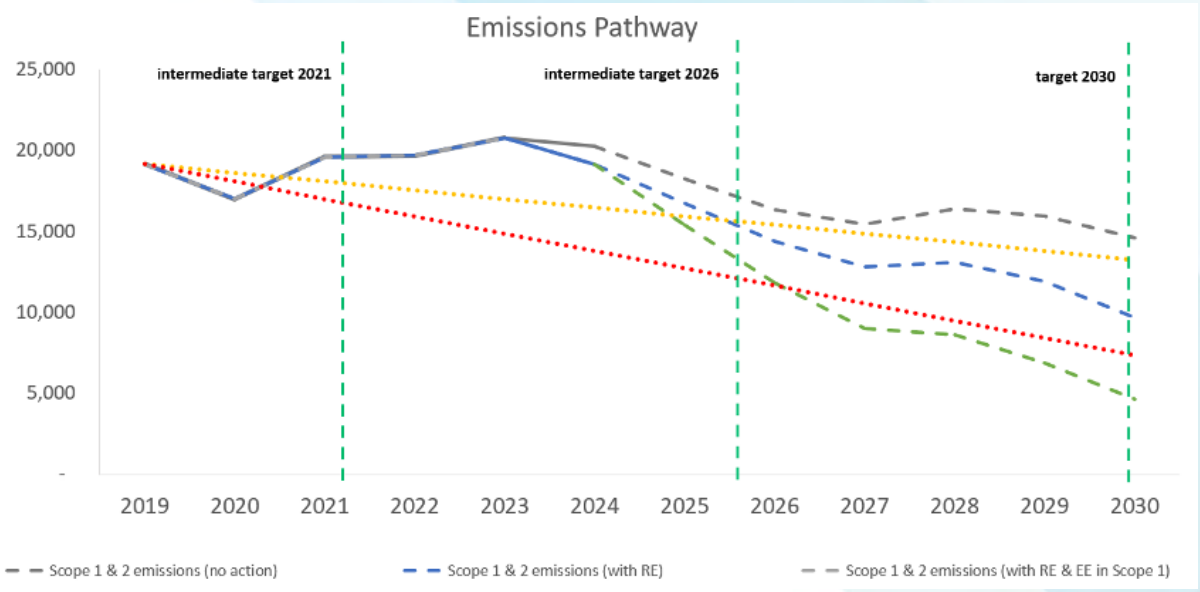

Figure 2: Scope 1&2 Emissions Pathway for Nemak Slovakia

To achieve its emissions reduction targets, Nemak Slovakia has identified 21 of initiatives energy efficiency and renewable energy initiatives to be executed in the next years, with an expected CO2 savings of 13 000 tons.

Over the past two years, emissions levels at Nemak Slovakia have decreased due to:

- Regulation of cooling for inorganic parts
- Detection of leakages for compressed air
- Automatic switch off of hydraulic units
- Automatic regulation of exhaust system – exhaust flaps (installation of frequency drivers)
- Optimization of planning for melting furnace
- Adiabatic cooling for cooling circuits
- Production of electricity from wind turbine – recuperation unit
- Regular energy audits in the production site.

In addition to the 2030 target, Nemak supports the comprehensive transition plan and the long-term strategy to limit global warming to 1.5 °C and aims to achieve net zero emissions by 2050.

In addition to the absolute reduction targets for Scope 1 and 2, the figure below shows Nemak SITE NAME's emissions reduction path in intensity values (t CO2 / t Aluminum produced). The targets are based on the ASI Entity GHG Pathways Method.

The chart shows both Nemak's historical emissions (from 2019 to 2024) and a projection up to 2030.

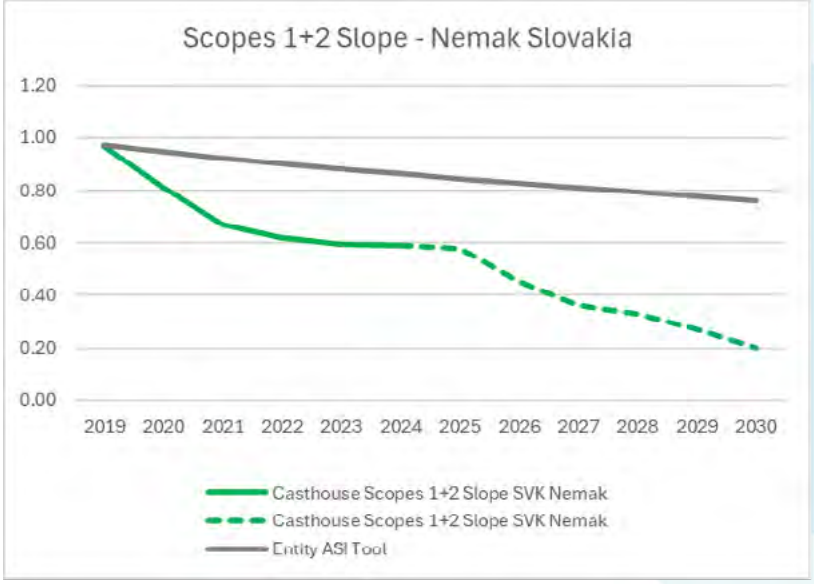

Figure 3: Pathway of Scope 1&2 emissions intensity (tCO2/t aluminum) for Nemak Slovakia

In addition to Scope 1 and 2 emissions, Scope 3 emissions are also of central importance for Nemak, especially category 3.1, which accounts for the largest share of emissions at the global level (83% of Scope 3 emissions in 2024). The graph below shows the plant's reduction pathway for Scope 3.1 emissions (intensity values: t CO2 / t aluminum), and the targets are based on the ASI Entity GHG Pathways Method.

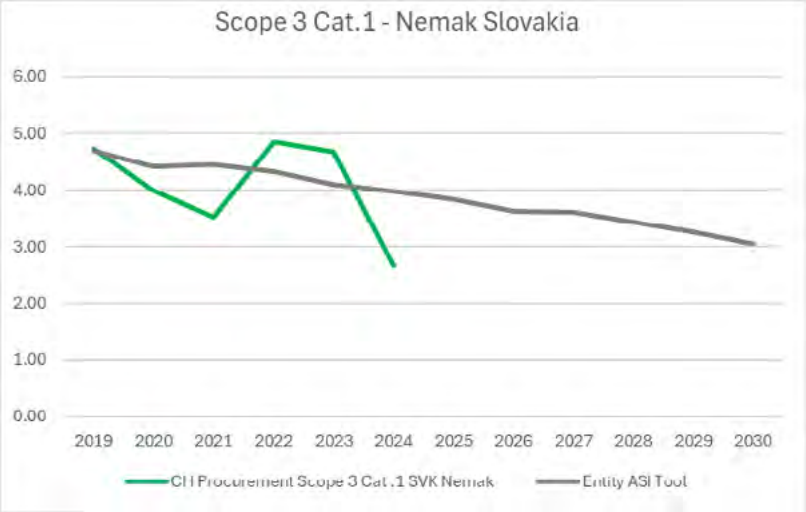

Figure 4: Pathway of Scope 3.1 emissions intensity (tCO2/t aluminum) for Nemak Slovakia

Nemak's Scope 3.1 emissions have an average emission intensity of 4 t CO2 / t Al, reaching 2.6 t CO2 / t Al in 2024. Reduction measures include the purchase of "green" primary aluminum, i.e. material produced using green electricity in the electrolysis process, as well as increasing the secondary Aluminium rate by supplying high-quality scrap.

Emissions, Effluents and Waste

Emissions to Air at Nemak Slovakia

In addition to GHG emissions, Nemak Slovakia diligently monitors other air emissions as part of its comprehensive environmental management strategy. Recognizing the importance of maintaining air quality standards, both at the regulatory and community levels, the company remains steadfast in its commitment to mitigating potential environmental impacts. By closely monitoring these emissions and implementing proactive measures, Nemak Slovakia endeavors to ensure compliance with legal regulations and safeguard the well-being of both the environment and surrounding communities.

The table below includes an extract of the most relevant air emissions.

GRI 302-7

OTHER EMISSIONS IN TONS	2024
NOx Emissions	12,42
SOx Emissions	10,26
Total organic carbon (TOC)	97,59
HF	0,19
Phenol	0,25
Particulate matter (PM) Emissions	13,17

To minimize the exposure to and impacts from Emissions to Air, the following measures are in place:

- Air suction efficiency
  - modifications to pipe routes
  - modification of water treatment plant
- Support for projects where cores are produced with inorganic binders

Water Management

At Nemak Slovakia, water is used for washing, cooling, heat treatment – quenching and spraying.
The following table breaks down the water withdrawal and discharges for Nemak Slovakia in 2024.

GRI 303-3/4

DETAILS ON WATER WITHDRAWAL AND DISCHARGE IN MEGALITERS	2024
Water withdrawal total	**72,909**
surface water	0
groundwater	0
seawater	0
produced water	0
third party withdrawal	72,909
Water discharge total	**72,909**
Water consumption total	**72,909**

Discharges to Water

The discharge water analysis is described in the following table:

INDICATOR	LIMIT	UNIT	2.12.2024 MEASURING
Water reaction (pH)	6,0-9,0		6,95
Insoluble matter, dried at 105 °C	40	mg/l	4,6
Aluminium (Al)	3,0	mg/l	0,16
Arsenic (As)	0,1	mg/l	0,005
Mercury (Hg)	50	µg/l	<0,2
NES (IR)	3,0	mg/l	<0,2
Cadmium (Cd)	0,2	mg/l	<0,0003
Chrome (Crc)	0,8	mg/l	0,001
Chróme VI (Cr6+)	0,1	mg/l	<0,003
Copper (Cu)	0,8	mg/l	0,008
Nickel (Ni)	0,8	mg/l	0,002
Lead (Pb)	0,4	mg/l	<0,001
Tin (Sn)	1,6	mg/l	<0,005
Vanadium (V)	1,6	mg/l	<0,002
Zinc (Zn)	2,0	mg/l	0,048
Cyanides CNTOX	0,1	mg/l	<0,005
AOX	2000,0	µg/l	41

To minimize the exposure to and impacts from Discharge to Water, Nemak Slovakia has enstablish a system of controls of qualitative parameters. Results are evaluated and communicated to the sewer administatos as well to the public.

Assessment and Management of Water

The Company performs a water risk assessment by using the *Aqueduct tool*, developed by the World Resources Institute, to identify water-stressed zones where the Company has operations. In the reporting year, the water risk at Nemak Slovakia has been identified as low (see Figure below).

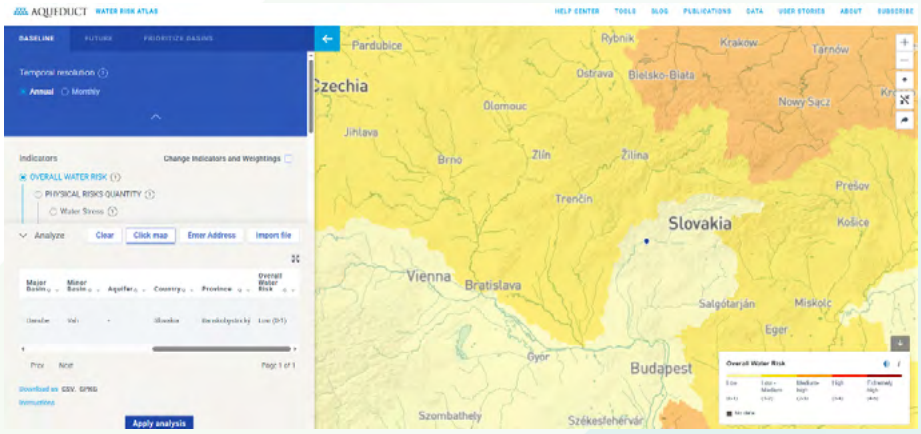

Figure 3: Aqueduct Water Risk Map for Nemak Slovakia

Assessment and Management of Spills and Leakage

To prevent, detect and remediate Spills and Leakages Nemak Slovakia has a management plan that refer to the emergency response plan described in the appendix.

Since June 2022, Nemak Slovakia did not have any material spill or leakage incident.

Waste Management

As a responsible steward, Nemak strives to minimize the environmental impact of its products and maximize material efficiency. In alignment with the Company's Standard for Waste Management, Nemak Slovakia recovers, recycles, and/or reuses aluminium and sand, wherever possible. The site continuously works on minimizing waste disposal and finding opportunities to reuse and recycle resources.

The generated waste at Nemak Slovakia is summarized in the table below:

GRI 306-5/5

WASTE GENERATED IN TONS	2024
Waste diverted from disposal	
thereof non-hazardous materials	
prepared for reuse	18
prepared for recycling	18776
other recovery options	
thereof hazardous materials	
prepared for reuse	
prepared for recycling	7,25
other recovery options	
Waste directed to disposal	
thereof non-hazardous materials	
directed to incineration | with energy recovery	
directed to incineration | without energy recovery	
directed to landfilling	4804
other disposal methods	2
thereof hazardous materials	
directed to incineration | with energy recovery	
directed to incineration | without energy recovery	
directed to landfilling	78
other disposal methods	4029

Biodiversity

Biodiversity management

Nemak is committed to conserving and promoting biodiversity across all sites. A *Global Biodiversity Policy* is in force since 2023 and meets the requirements of international standards for biodiversity, including Global Reporting Initiative (GRI) disclosure 304. A supporting Biodiversity Procedure is in place to facilitate the assessment of operations, analysis of risks, development of action plans to mitigate risks, and reporting the results of conservation and preservation efforts.

In 2023, Nemak Slovakia conducted a Biodiversity assessment covering the scope of direct operations. The analysis was conducted using Integrated Biodiversity Assessment Tool (IBAT) and Species Threat Abatement and Restoration (STAR) methodologies.

The results indicated that Nemak Slovakia has no significant impacts related to key biodiversity or protected areas.

Local laws regarding biodiversity protection were taken into consideration for the analysis of the IBAT results. Nemak Slovakia is not directly dependent on Ecosystem Services, although it relies on the availability of natural resources such as minerals, bauxite etc.

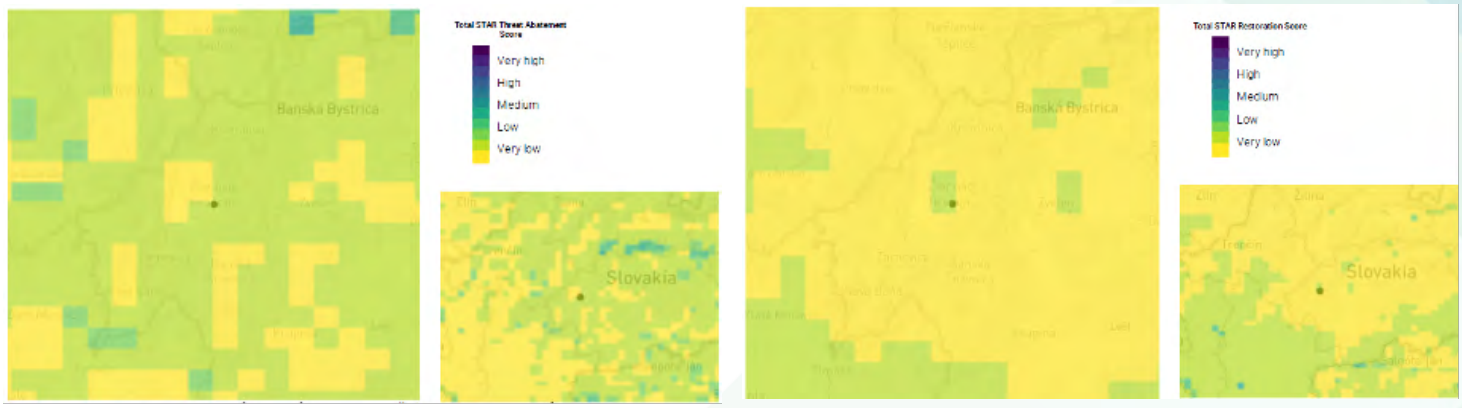

Figure 4: STAR Threat Abatement (left) and Restoration (right) maps for Area of Interest. Grid cell score categories range from Very Low to Very High. Grid cells are at a 5 km resolution.

Occupational Health & Safety

The Company measures its safety performance using the Total Recordable Incident Rate (TRIR), which specifies the frequency of injuries requiring medical treatment beyond first aid for every 100 employees. Each location sets annual targets, which should not exceed the previous year's TRIR, Lost Time Case Rate (LTC) and Days Away, Restricted or Transferred (DART). The latter metric refers to injuries that result in days away from work, job restrictions or job transfers. At a company-wide level, Nemak also strives to deliver year-over-year improvements.

The OH&S indicators at Nemak Slovakia are summarized in the table below:

GRI

Kennzahlen zu Gesundheit und Sicherheit		
Health and safety metrics	**2023**	**2024**
Lagging KPIs		
Accidents with serious consequences	0	0
Accidents with lost time	4	1
Fatalities	0	0
Total recordable incidents rate	0,61	1
Lost time case rate	0,43	0,5
Leading KPIs		
Preventive health care – Total examinations carried out	1140	1109
OH&S Initial Trainings Participants (% of workforce)	100	100

Comparative Analysis

Nemak conducted a comparative analysis of its Occupational Health & Safety (OH&S) data to foster a culture of workplace safety and well-being. By scrutinizing incident rates, near-misses, and adherence to safety protocols, Nemak strives to identify trends, areas for improvement, and best practices. This commitment underscores the company's dedication to prioritizing the health and safety of its employees across all operational facets.

For comparative analysis, the table aligns key Occupational Health & Safety (OH&S) metrics, from the year 2024, at a global level, compared to peer businesses within the Aluminum market:

HEALTH AND SAFETY METRICS		
	Average Peer Businesses**	**Nemak (global)*****
Total Recordable Incidents (TRI)	**243**	**339**
Accidents with lost time (LTI)	159	122
Fatalities	0.5	1.00
Total Recordable Incidents Rate (TRIR)	6.36	5.18
Lost Time Case Rate (LTIR)	4.01	2.23

** Total recordable incidents per 1 Million Hours Worked*
***Based on benchmarking with Peer businesses based on public data from 2024*
**** Data consider employees and contractors of Nemak*

APPENDIX Emergency response plan

Flow Diagram Nemak SLOVAKIA