

ASI CHENNAI

Plant Report

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 Aluminium Castings India Private Limited located in India (hereinafter referred to as “Nemak India”), with the main address of Ford Supplier Park II, Chitamannur Village, Melrosapuram P.O, Chengalpattu. Chennai, Tamil Nadu 603204. Therefore, all information disclosed in this report is only relevant for the scope of the location, unless otherwise specified.

Policy and Management

Impact Assessments

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

Impacts on Communities:

As part of its commitment to being a responsible corporate citizen, Nemak actively promotes community support programs that inspire employees and local communities to contribute to sustainable and socially beneficial initiatives.

The area of social influence for Nemak India is defined as the area within 5 Km radius from the site:

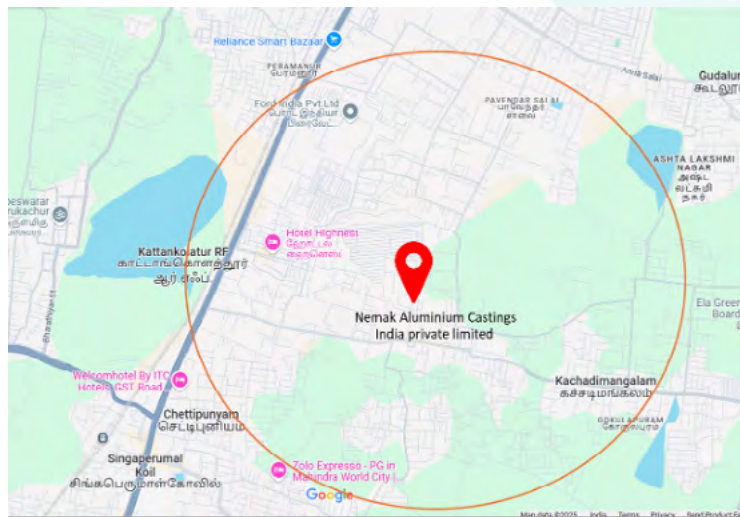


Figure 1: Area of influence for Nemak Aluminium Castings India Private Limited (5 Km radius)

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 India's Community Engagement Initiatives

- Nemak India is deeply committed to supporting and uplifting the local communities around its operations. As part of our ongoing Corporate Social Responsibility (CSR) efforts, we have implemented several impactful initiatives aimed at promoting safety, health, and well-being. These include:
- **Fire Safety Awareness Training**
We have partnered with the local fire department in Maraimalai Nagar to establish a dedicated training facility. This initiative is designed to educate and empower the local community with essential firefighting knowledge and emergency preparedness skills. By providing hands-on training and awareness programs, we aim to enhance the community's ability to respond effectively in case of fire-related emergencies.

- **Safe Drinking Water for School Children**

Understanding the importance of clean drinking water for the health and development of children, Nemak India has installed a Reverse Osmosis (RO) water purification system in local schools. This ensures that schoolchildren have access to safe and hygienic drinking water throughout the day, thereby contributing to better health and academic performance.

- **Distribution of Basic Essentials to Underprivileged Families**

In our efforts to support economically disadvantaged families in nearby villages, Nemak India regularly distributes basic essential items. These include food supplies, clothing, hygiene products, and other necessities that help improve their quality of life and provide a sense of security and dignity.

- Through these initiatives, Nemak India continues to foster a positive and sustainable relationship with the local community, reflecting our commitment to social responsibility and inclusive development.

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.



New Training Facility for the Fire service station in local community

Emergency Response Plan

For the Emergency Response Plan of Nemak Aluminium Castings India Private Limited located in India, please refer to the APPENDIX of this report.

Mock drills are conducted as per the plan and create the awareness among the ERT teams and employees.



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 the majority 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 India, Cradle-to-Gate-LCA have been completed for most of its 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 India 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 OF GJ		2024
Total Energy consumption		204,006
Direct use		145,153
LPG		131,067
Diesel		14,086

Indirect use	58,853
Electricity consumption (non-renewable)	24,430
Renewable energy	34,423

Building upon its commitment to sustainability, Nemak 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 CO₂E	2024
Total**	13440
Scope 1*	8669
Scope 2 (market-based)	4771
Scope 2 (location-based)	12006

*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

Nemak has committed to reducing its Scope 1 and 2 greenhouse gas emissions by 28% by 2030, using 2019 as the baseline, in line with Science Based Targets (SBTi). This goal ensures that Nemak contributes to global efforts to limit climate change.

Although the SBTi targets are set to a well-below 2°C world, Nemak's overall transition plan and long-term strategy are in line with supporting a 1.5°C world, with its aim to be Net Zero by 2050.

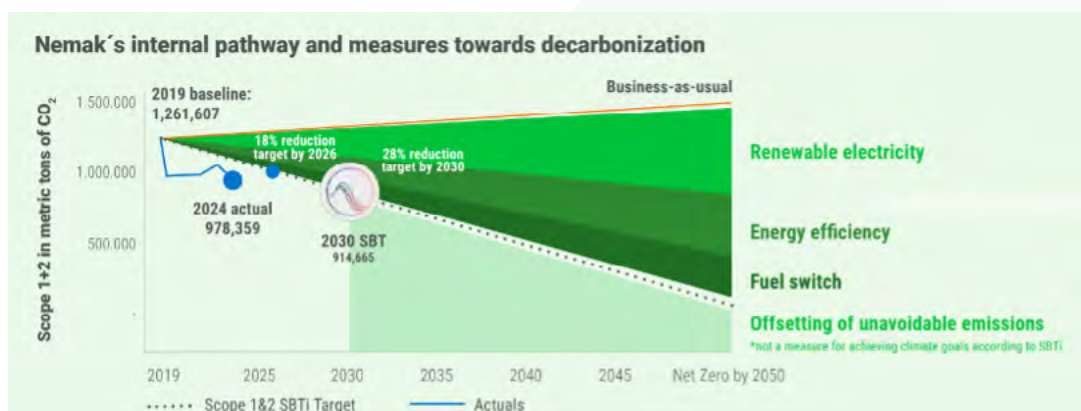


Figure 2: Scope 1&2 Emissions Pathway for Nemak Global

At the plant level, Nemak India is aligned with this target and is working toward the same 28% reduction. To achieve this, the plant has identified key initiatives such as:

- Improving energy efficiency (e.g., using more efficient machines and systems)
- Switching to renewable energy (e.g., solar or wind power)

A visual emissions pathway (not shown here) outlines how these efforts will gradually reduce emissions from the 2019 baseline to meet the 2030 goal.

To achieve its emissions reduction targets, Nemak India has identified 9 of initiatives energy efficiency and renewable energy initiatives to be executed in the next years, with an expected CO2 savings of 3%. Over the past two years, emissions levels have decreased because of the 13 energy reduction initiatives, including:

1. Hydraulic circuit modification
2. Hot Box core blower top burner mounting design changed.
3. Burner auto cut-off introduced during non-heating time
4. Shotblasting Blasting wheel design change
5. Inverter based Panel cooler at Nianda 2 Furnace
6. Hydraulic and Fume blower Idle cut off
7. Replace the 250w MHL lamp fitting to 157 W LED lamp fitting in shop floor
8. Shop floor emergency light is 108 watts fluorescent lamp fitting to 40 watts LED fitting Change
9. Canteen air conditioner automatic on/off controller
10. Chiller primary pump IE3 to IE5 Change
11. Diesel forklifts were replaced by 4 Electrical forklifts
12. CPM installation for auto control system
13. Modified holding furnace lid and introduce new heaters



Onsite Roof solar plant in the parking areas

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**.

Net-Zero Plan 2050

Category	Measures	Planned implementation by	Estimated CO ₂ -Reduction
Energy Efficiency		2030	30%
Fuel switchover		2040	35%
Increase Renewable Energy		2050	35%
Residual emissions			0

In addition to the absolute reduction targets for Scope 1 and 2, the figure below shows Nemak India'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.

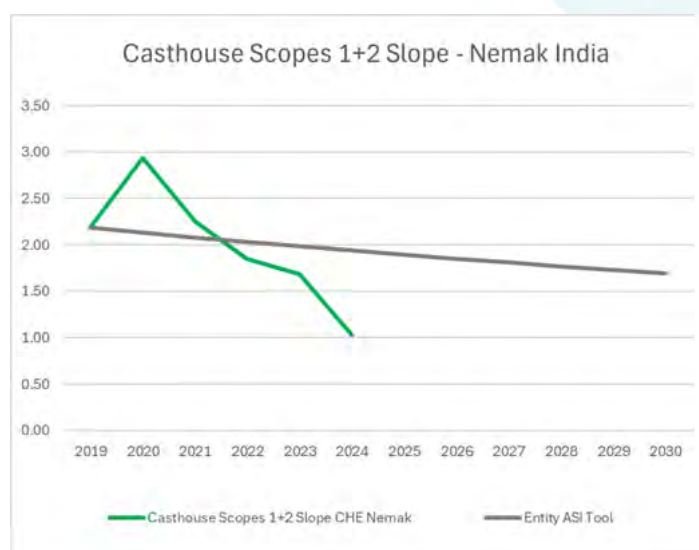


Figure 3: Pathway of Scope 1&2 emissions intensity (tCO₂/t aluminum) for Nemak India

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 (83% of Scope 3 emissions in 2024 globally). The graph below shows the site'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.

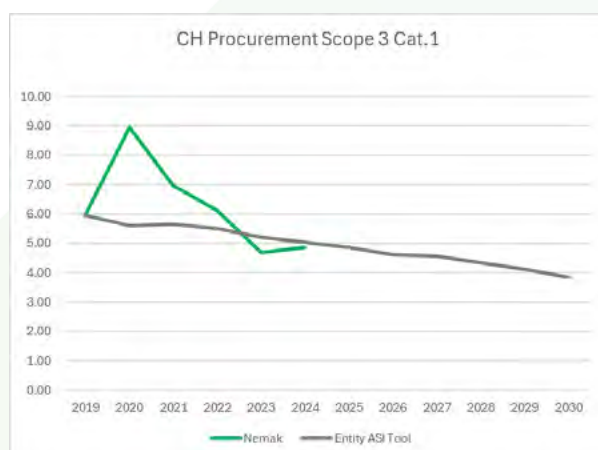


Figure 4: Pathway of Scope 3.1 emissions intensity (tCO₂/t aluminum) for Nemak India

Emissions, Effluents and Waste

Emissions to Air

In addition to GHG emissions, Nemak India 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 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	0.0000003387
SOx Emissions	0.000000828
Persistent organic pollutants (POP) Emissions	0
Volatile organic compounds (VOC) Emissions	0
Hazardous air pollutants (HAP) Emissions	0
Particulate matter (PM) Emissions	0

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

- 17 Stacks are implemented
- 4 Wet scrubbers with stack
- Cyclone Separator and Bag filter Arrangement for the duct collector

Water Management

At Nemak, water is used for Treatment The following table breaks down the water withdrawal and discharges for Nemak India in 2024.

GRI 303-3/4

DETAILS ON WATER WITHDRAWAL AND DISCHARGE IN 2024 IN MEGALITERS	2024
Water withdrawal total	27.32
surface water	0
groundwater	0
seawater	0
produced water	0
third party withdrawal	27.32
Water discharge total	0
Water consumption total	27.32

Discharges to Water

Nemak India has implemented a 40 KLD Sewage Treatment Plant (STP) and a 40 KLD Effluent Treatment Plant (ETP) to recycle and reuse water for various non-potable purposes, including industrial processes, toilet flushing, and gardening.



The facility ensures zero liquid discharge, with no wastewater being released outside the premises.

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 India has been identified as medium-high (see Figure below).

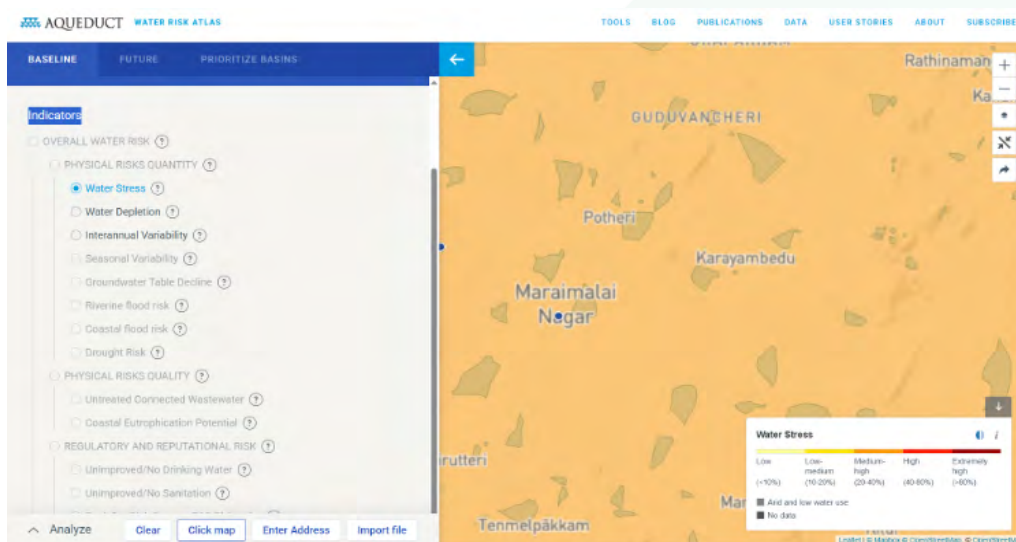


Figure 3: Aqueduct Water Risk Map for Nemak India

Water Conservation Efforts at Nemak India

As part of our commitment to sustainability and responsible resource management, Nemak India has set a clear target to limit **water consumption per casting to 5 liters per month**. Through continuous improvement and efficient water management practices, we are proud to report that our actual consumption is consistently maintained **below 3 liters per casting**.

To further support this initiative and enhance water recycling capabilities, a new **40 KLD (Kilo Liters per Day) Sewage Treatment Plant (STP)** has been installed at our facility. This advanced system treats wastewater generated on-site, allowing us to safely **reuse the treated water** for various non-potable applications within the facility, significantly reducing our freshwater usage.

This initiative reflects Nemak India's ongoing efforts to reduce its environmental footprint and promote sustainable industrial practices.

Assessment and Management of Spills and Leakage

To prevent, detect and remediate Spills and Leakages Nemak India has a trained spill management team and disposes of required spill kits. Regular awareness sessions are organized for the employees to report the spillages.

Since June 2022, Nemak India 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, the Nemak India recovers, recycles, and/or reuses aluminum 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 India is summarized in the table below:

GRI 306-5/5

WASTE GENERATED IN TONS			
Waste diverted from disposal	total	onsite	offsite
thereof non-hazardous materials	960.688	717.412	243.276
prepared for reuse	820.4	717.412	102.99
prepared for recycling	140.286		140.286
thereof hazardous materials	31.29		31.29
prepared for reuse	31.29		31.29
Waste directed to disposal			
thereof hazardous materials	1.44		1.44

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, the company 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.

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

Protected Areas

Based on the proximity assessment using IBAT, there is no protected areas are found within 5 km of the area of interest

Screenshot maps from STAR Report :

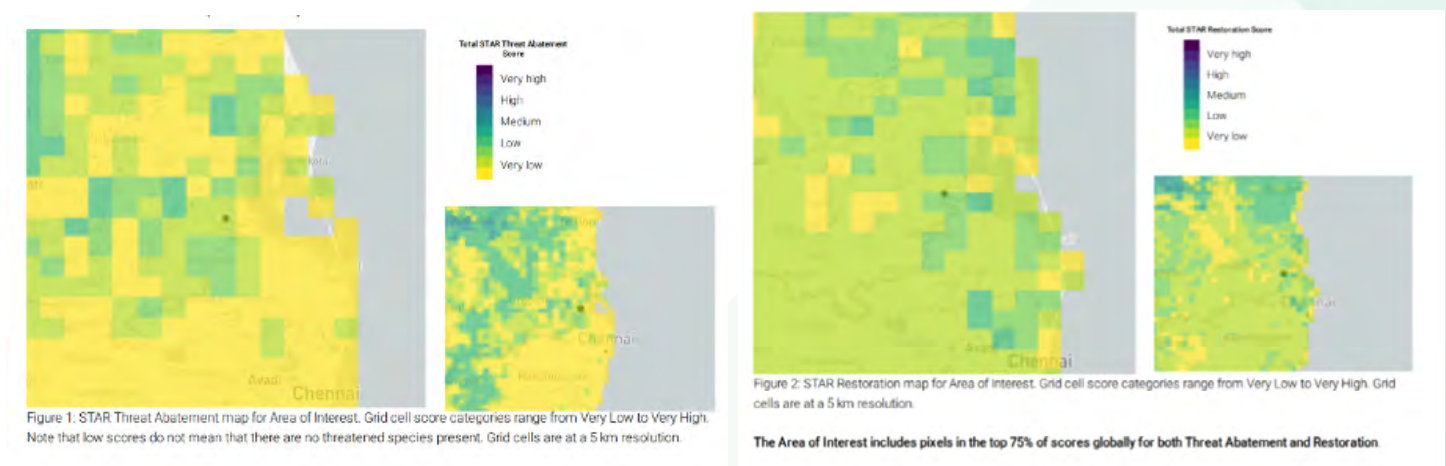
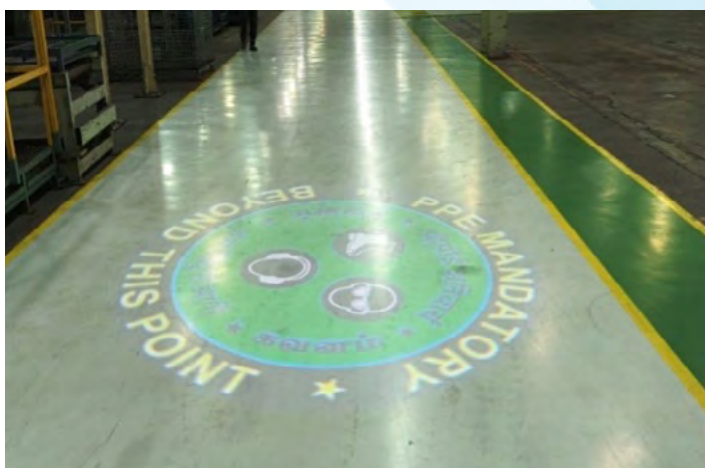


Figure 4: STAR Threat Abatement (left) and Restoration (right) maps for Area of Interest. Grid cell score categories range from Very Low to Very High. Grid cells are at a 5 km resolution.

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 India are summarized in the table below:

GRI

Health and safety metrics

Lagging KPIs	2024	2023
Total recordable incidents	0	1
Accidents with serious consequences	0	1
Accidents with lost time	0	0
Fatalities	0	0
Total recordable incidents rate	0.64	2.23
Lost time case rate	0	0
Leading KPIs		
Preventive health care – Total examinations carried out	100%	90%
OH&S Initial Trainings Participants (% of workforce)	100%	86%
OH&S Specialized Trainings Participants (% of workforce)	100%	78%

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		



CII-ITC Centre of Excellence
for Sustainable Development



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CERTIFICATE OF RECOGNITION



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Year 2023-2024

This Eco Edge Progressive certificate is awarded to

Nemak Aluminium Castings India Pvt. Ltd.

as a value chain partner of **Škoda Auto Volkswagen India Private Limited**, for demonstrating dedication with continuous progress to integrate sustainability in its operations.

Seema Arora

Deputy Director General
Confederation of Indian Industry

A Program by CII-ITC Centre of Excellence for Sustainable Development