ASI PLANT REPORT - 2024

Nemak Nanjing

Introduction

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 Nanjing located in China, with the main address of No.108, Xin Cheng Road, Lu Kou Street, Jiangning District, Nanjing City, Jiangsu Province(Jiangning development zone). Therefore, all information disclosed in this report is only relevant for the scope of the location, unless otherwise specified.

Policy and Management

Environmental Impact Assessments

At Nemak's location in Nanjing, 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 addresses risks associated with developments, expansions, exploration activities and significant changes to Nemak's Site in Nanjing.

Since June 2022 (start of ASI membership), the site has undergone the following major changes or new projects:

	Project
Name	Lightweight subframe technology transformation project
Date	*2024.10*
Short Description	1)Remove five casting lines and the corresponding two sets of bag dust collectors, and transformed them into three LPDC lines for VS (vehicle sub frame) components. 2)Stop 4# ZPF5T furnance 、5# ZPF3T furnance， dismantled the corresponding bag dust collectors and exhaust stacks (FQ3); Added a new crucible furnace. 3)An additional heat treatment furnace has been added, which is divided into 2 layers inside, has a larger internal space, increased work efficiency, and reduced energy consumption.； 4)Stop using the PP7 and PP11 cleaning lines, and dismantled the bag dust collector corresponding to the PP11 cleaning line. Add new PP13 and PP14 cleaning lines.
Significant Impacts	1) Reduce Particulate Matter emissions. 2) Save energy and reduce consumption, resulting in less greenhouse gas emissions.
Mitigation Actions	/

Human Rights Impact Assessments

Since June 2022 (start of ASI membership), Nemak's site in Nanjing has not undergone any major changes or expansions that might affect human rights of its workers or the communities within its area of social influence.

The latest version of the Global Human Rights Policy and Due Diligence Process can be found here: https://nemak.com/sustainability/?sc=0#sustainabilityPolicies .

Impacts on Communities:

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

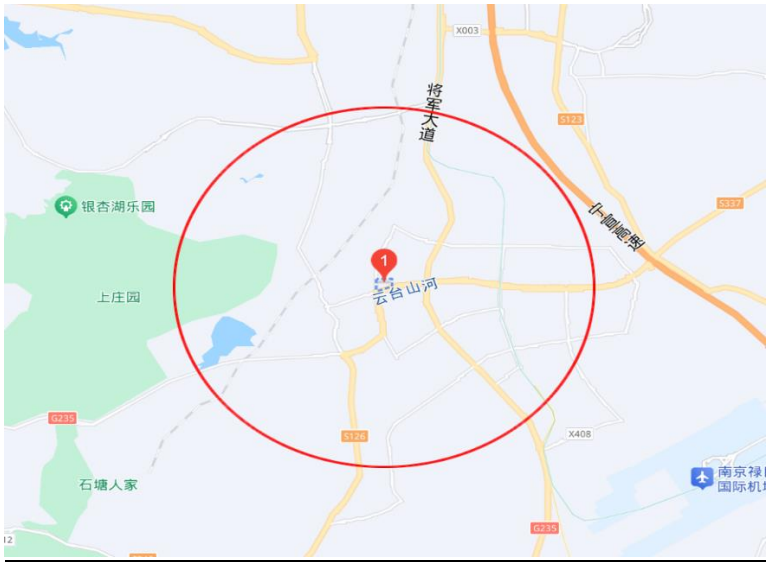


Figure 1: Area of influence for Nemak Nanjing (5 Km radius)

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 Nanjing regularly engages with the local communities through initiatives such：

- Organize a family day event to invite employees and their families to visit the factory
- Invite representatives of community residents to assess the factory's environmental emergency response plan.

Nemak Nanjing has not identified any significant actual or potential negative on the local communities.

Emergency Response Plan

While Nemak Nanjing prioritizes transparency in its operations, the site's Emergency Response Plan is not fully disclosed in this report due to confidentiality reasons. However, the plan has been diligently prepared according to ISO 45001 Standard and related legislation, submitted to local authorities, and is available upon request for interested parties.

The description below is an overview of the Emergency Response Plan:
The Emergency Plan is prepared by Plant Management team and regularly reviewed. The following emergency conditions are evaluated and action plans are defined for the Emergency Team and also for employees and visitors.

Emergency 1	: Fire
Emergency 2	: Industrial Accident
Emergency 3	: Radiation Accident
Emergency 4	: Earthquake
Emergency 5	: Flood
Emergency 6	: Storm
Emergency 7	: Environmental Accident
Emergency 8	: Work at Height Accident
Emergency 9	: Confined Space Accident
Emergency 10	: Dangerous Goods Transportation Accident
Emergency 11	: Pandemic

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.

Non-compliance and Liabilities

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.

Payments to Governments

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

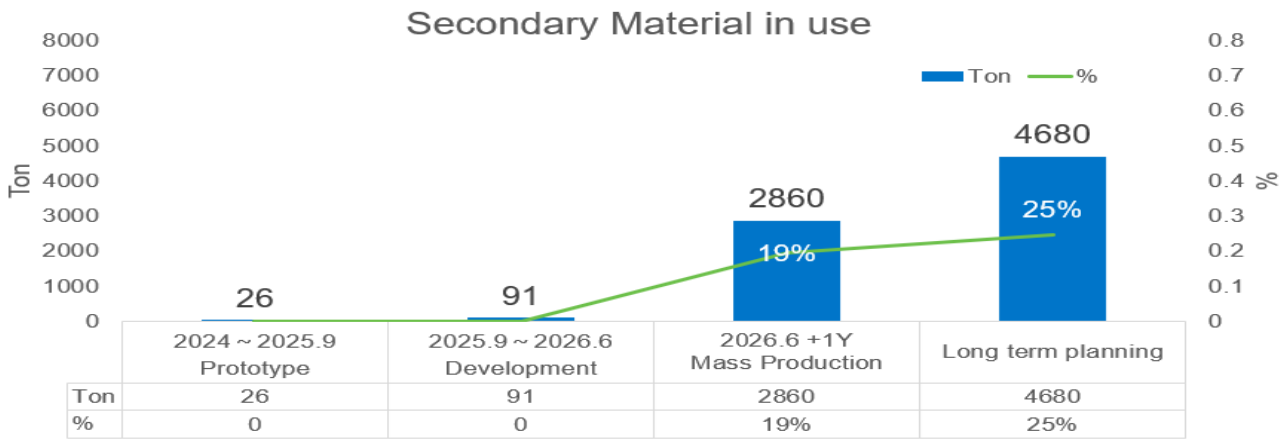
In general, Nemak relies on the ISO 14040/44 (Life Cycle Assessment -LCA methodology) to estimate through internal tools a product carbon footprint (PCF) considering a Cradle-to-Gate scope to guide its Sustainability Strategy and improve its understanding of the environmental impacts of its products 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 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.

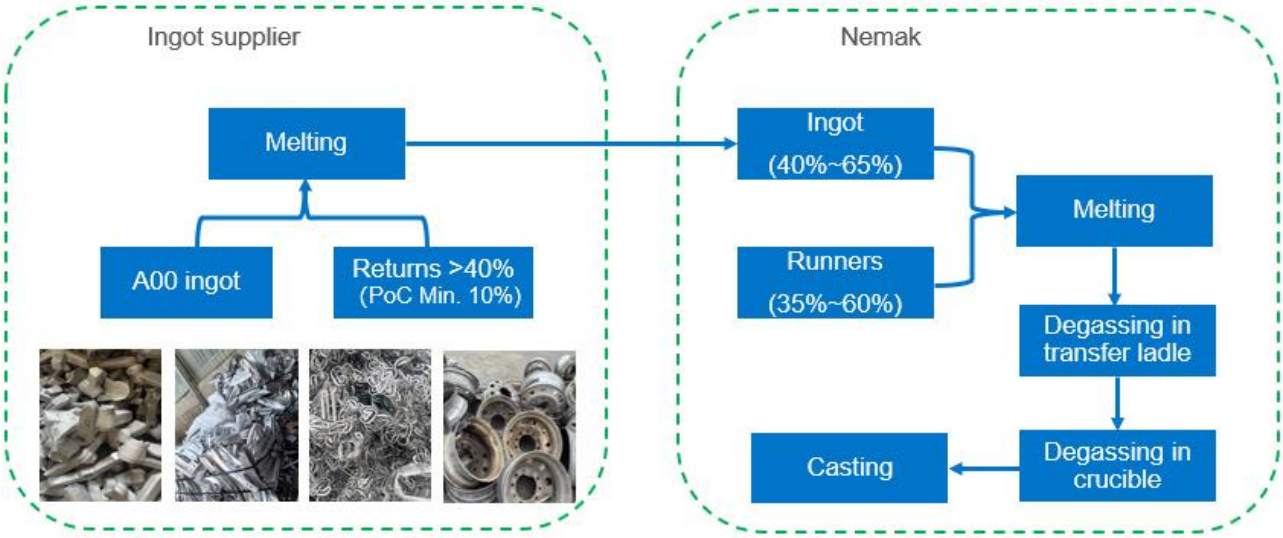
For Nemak Nanjing, Cradle-to-Gate-PCF have been completed for 3 products. Due to confidentiality, Nemak does not disclose the results of the assessments, which can be provided to relevant stakeholders upon request.

Collection and Recycling of Products at End of Life

Nemak Nanjing plans to develop new products that can directly use Secondary aluminum and achieve mass production as early as June 2026.

Metal Reuse	Target	Due Date	Status
Concept define	Align with customer for the concept define	2023	Done
Kick off	Kick off the program	Jan 2024	Done
Development	Process development and validation	May 2026	On going
Mass production	Implement in mass production	June 2026	On track




Ingot supplier
Melting
A00 ingot
Returns >40%
(PoC Min. 10%)
Nemak
Ingot
(40%~65%)
Runners
(35%~60%)
Melting
Degassing in
transfer ladle
Degassing in
crucible
Casting

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 Nanjing 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（in GJ）	2024
Total Energy consumption	274871
Direct use	**148612**
Natural gas	148672
Indirect use	**126259**
Electricity consumption (non-renewable)	70059
Renewable energy	56200

Building upon its commitment to sustainability, Nemak Nanjing 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 CO_2e), categorizing them into Scope 1 and Scope 2 and Scope 3.

GRI 305-1/2/3 Emissions in tons CO_2e	2024
Total**	**298976**
Scope 1*	7475
Scope 2 (market-based)	11561
Scope 2 (location-based)	20836
Scope 3 (location-based)	279940

**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 Nanjing has defined Science Based Targets to reduce its Scope 1&2 emissions, using a 2024 baseline. The figure below illustrates Nemak Nanjing emissions pathway to achieve the 28% reduction goal by 2029. The graph below shows the Nemak Nanjing reduction pathway for Scope 1&2 emissions (intensity values: 1.38t CO2 / t aluminum), and the targets are based on the ASI Entity GHG Pathways Method.

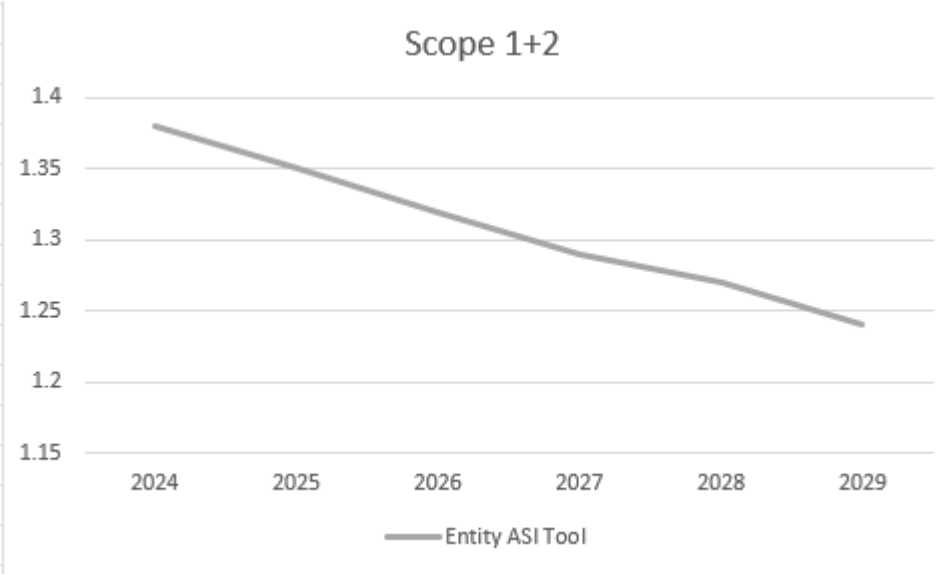


Figure 2: Scope 1&2 Emissions Pathway for Nemak Nanjing

To achieve its emissions reduction targets, Nemak Nanjing has identified energy efficiency and renewable energy initiatives to be executed in the coming years.

In addition to the 2029 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 – Nemak Nanjing (beyond 2030)

Category	Measures	Planned execution	Estimated CO2 Reduction %
Energy Efficiency	Switch to inorganic casting	2029	30
Fuel Switch	Electrified furnace	2039	40
Fuel Switch	Hydrogen	2050	30
	Total		**100**

In addition to Scope 1 and 2 emissions, Scope 3 emissions are also of central importance for Nemak Nanjing. Nemak Nanjing has defined Science Based Targets to reduce its Scope 3 emissions, using a 2024 baseline. The figure below illustrates Nemak Nanjing emissions pathway to achieve the 20% reduction goal by 2029.The graph below shows the Nemak Nanjing reduction pathway for Scope 3 emissions (intensity values: 20.38t CO2 / t aluminum), and the targets are based on the ASI Entity GHG Pathways Method.

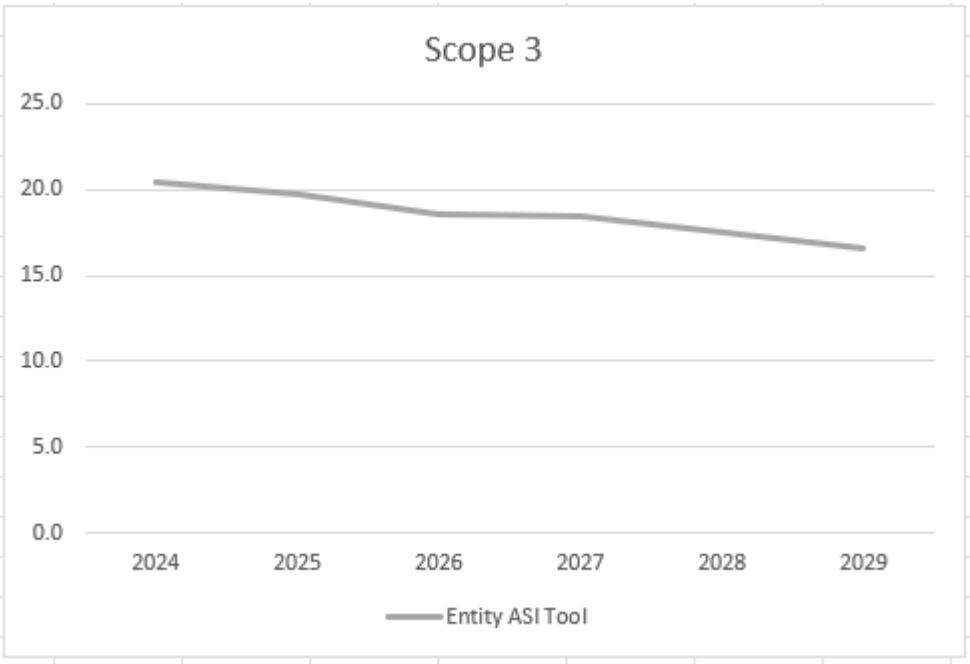


Figure 4: Pathway of Scope 3 emissions intensity (tCO_2/t aluminum) for Nemak Nanjing

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 aluminum rate by supplying high-quality scrap.

Emissions, Effluents and Waste

Emissions to Air at Nemak Nanjing

In addition to GHG emissions, Nemak Nanjing 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 Nanjing 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	10.5488
SO2 Emissions	0.3558
Volatile organic compounds (VOC) Emissions	0.0407
Particulate matter (PM) Emissions	7.2584

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

- The waste gas is treated and discharged up to the standard.

- Equip the production equipment with waste gas treatment facilities.
- Regularly disclose corporate environmental protection information on the public website.
- Regular maintain of waste gas treatment facilities.

Water Management

The following table breaks down the water withdrawal and discharges for Nemak Nanjing in 2024.

GRI 303-3/4 Details on water withdrawal and discharge in 2024 in megaliters	2024
Water withdrawal total	**120**
surface water	0
groundwater	0
seawater	0
produced water	0
municipal water	120
Water discharge total	**61.2**
Water consumption total	**58.8**

Discharges to Water

The discharge water analysis is described in the following table

Limit	Indicator	Unit	2024.01.30 Measuring
6-9	PH	/	7.2
500	Chemical Oxygen Demand (COD)	mg/L	87
300	Biochemical Oxygen Demand (5-day, BOD_5)	mg/L	3.2
400	Suspended Solids (SS)	mg/L	25
45	Ammonia Nitrogen (NH_3-N)	mg/L	4.97
20	Petroleum Hydrocarbons (Oil & Grease)	mg/L	0.12
8	Total Phosphorus (TP)	mg/L	0.11
70	Total Nitrogen (TN)	mg/L	7.10

To minimize the exposure to and impacts from Discharge to Water, Nemak Nanjing has established a sewage treatment station to treat wastewater and regularly monitor pollutants to ensure that it meets the discharge standards. wastewater is eventually discharged into the KONGGANG Sewage Treatment Plant (a municipal sewage treatment ficility).

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 Nanjing has been identified as low. (see Figure below).

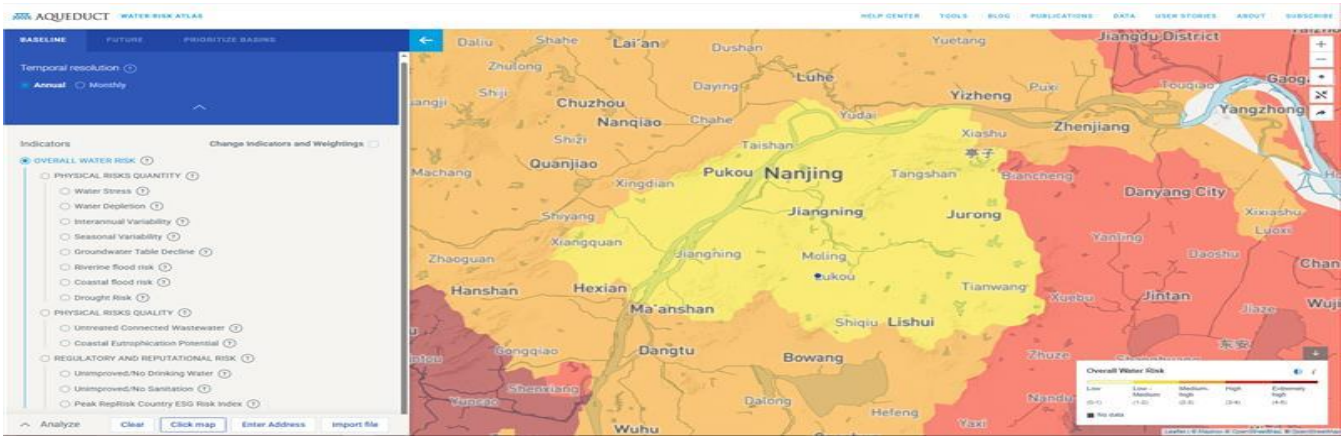


Figure 3: Aqueduct Water Risk Map for Nemak Nanjing

Nemak Nanjing has defined a target to reduce its water consumption by 2 % annually. To reduce water consumption Nemak Nanjing

- Use circulating water to cool the equipment.
- Use Energy-saving water storage tanks in the restroom.

Assessment and Management of Spills and Leakage

To prevent, detect and remediate Spills and Leakages Nemak Nanjing has a management plan that consists of:

- Establish a dedicated hazardous waste storage warehouse with hardened flooring, equipped with collection channels and containment sumps.
- Designate proper solid waste storage zones, conduct regular packaging integrity inspections, enforce standardized loading procedures, and perform periodic transport vehicle checks.
- Store all chemicals and petroleum products on spill-containment pallets with secondary leak-proof emergency materials provision.
- Strengthen pipeline inspection and maintenance protocols, enhance equipment sealing and pressure monitoring systems, implement regular tank/valve integrity testing, and install gas leak detection alarms.

Since June 2022, Nemak Nanjing 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 Nanjing 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 waste at Nemak Nanjing is summarized in the table below and all hazardous wastes are handed over to qualified enterprises for disposal. Landfill disposal can only be chosen when there are no other alternative disposal methods available.

GRI 306-5/5 **Waste generated in tons**			
Waste diverted from disposal	**total**	**offsite**	**Disposal way**
thereof non-hazardous materials	**40033**	**40033**	
Inorganic waste sand	39045	39045	Reuse
Aluminum chip	322	322	Reuse
Waste dust	498	498	Reuse
Other industrial solid waste	168	168	Incineration
thereof hazardous materials	**811.86**	**811.86**	
Waste aluminum dross	726.26	726.26	Reuse
Waste emulsion	32.88	32.88	Incineration
Sewage sludge	20.38	20.38	Reuse
Waste spray liquid	0.27	0.27	Incineration
Waste paint	0.18	0.18	Incineration
Waste activated carbon	5.94	5.94	Incineration
Waste resin and Catalyst	2.38	2.38	Incineration
Waste filter bag	2.92	2.92	Incineration
Laboratory waste	0.33	0.33	Incineration
Waste alkali liquor	3.53	3.53	Incineration

Waste chemical	0.39	0.39	Incineration
Waste packaging container	6.27	6.27	Reuse
Waste machine oil	10.13	10.13	Reuse

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 2024, Nemak Nanjing 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 Nanjing 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 Nanjing is not directly dependent on Ecosystem Services, although it relies on the availability of natural resources such as minerals, bauxite etc.

Protected Area

According to the company's environmental impact assessment report and biodiversity assessment report, the company is not located within a protected area and has no protected areas in its vicinity. The company commits to not conducting exploration or constructing new projects within protected areas.

We commit to respecting local and international biodiversity standards. We respect legally designated protected areas, including commitments to no deforestation and no developments in World Heritage sites, national parks, and nature reserves where strict conservation management is implemented.

Human rights

Human Rights Due Diligence

Nemak has established comprehensive human rights-related policies that cover issues such as forced labor, prohibition of child labor and protection of minors, prohibition of violence and harassment, prohibition of discrimination, respect for freedom of association, freedom of expression, communication, and participation, and these policies are well enforced. The Human Resources Department regularly organizes training on the code of conduct for all employees at Nemak, effectively strengthening the awareness of human rights protection.

Nemak has established a diversified communication and complaint channels, such as a suggestion mailbox, a transparency hotline, and satisfaction surveys, which effectively protect the rights of employees, actively promote company improvements, and fully mobilize employees' enthusiasm for participation and supervision. During the period from 2022 to 2023.Nemak respected and safeguarded the legal rights of every employee, with no incidents

related to violations of human rights policies. In the future, Nemak will continue to focus on human rights protection work, promptly improve issues identified during assessments, continuously enhance the level of human rights protection, and ensure that company operations comply with global human rights standards.

Gender Equity and Women's Empowerment

分类 (SECTION)	关键绩效指标（KPI）	定义（Definition）	结果（Nemak NAN RESULT）
Leadership	Percentage of Women in Management	Percentage of women in management positions such as plant managers,Department managers, and supervisors	40.00%
Talent Pipeline and Career Development	Percentage of Women in Technical Positions)	Percentage of female employees in PDC /process engineering/Quality positions	20.00%
Talent Pipeline and Career Development	Percentage of New Female Hires	Percentage of female employees among new hires in a year (including technical /production/functional positions). In the past year, the company hired 4 people, 1 of whom was female, accounting for 25%, exceeding the set target of 20%)	25.00%
Training and Development	Female's Promotion Opportunities	In the past year, the total number of promotions in the company was 1, and the number of female employees promoted was 1, accounting for 100%, exceeding the set target of 40%)	100%
Training and Development	Female Employee Training Participation Rate	Female training participation rate = (Number of female employees participating in training / Total number of female employees) × 100%)	7.10%
薪酬福利 Compensation and Benefits	Average Raw Gender Pay Gap	Annual pay audit to ensure the pay gap between male and female employees in the same position with the same performance	0.00%

Compensation and Benefits	Comprehensive Services for Women	Welfare leave, flexible work arrangements, health - care services, etc. provided for women	We provide welfare leave (maternity leave, breastfeeding leave, parental leave) for all female employees. For females in special circumstances, the privilege of working from home is also provided. Nursing rooms are provided for breastfeeding employees, and an annual health check - up service is offered)
薪酬福利 Compensation and Benefits	Percentage of Female Employees Still with the Company 12 Months after Parental Leave (Parental Leave Retention Rate)	-	100.00%
Inclusive Culture	Whether Unconscious Bias Training is Provided	-	Yes, participation rate 100%
Inclusive Culture	Whether All Employees are Required to Complete a Code of Conduct Training at Least Once Every Two Years	-	Yes, participation rate 100%

Affected populations and organizations

Corporate Citizenship has been identified as a material topic within Nemak's Sustainability Strategy. The purpose of this policy is to establish a reference framework, guidelines and responsibilities of corporate social responsibility within Nemak. This policy is in line with Nemak's Values and Code of Conduct, and it is complemented by other policies and guidelines, such as HSE, Governance & Compliance, and HR policies. This Policy also aligns with the principles contained in the International Bill of Human Rights and Sustainable Development Goals (SDGs). This policy applies to all Nemak employees, suppliers, communities & other stakeholders, establishing relationships of stability and equality. Achieve Nemak's corporate interests and its strategic goals while contributing to its communities.

Nemak commits to comply with applicable national and international laws and regulations in all regions where it operates. All Nemak employees taking part in Corporate Citizenship initiatives, directly or indirectly, commit to maintain corporate governance practices and respect all Nemak policies and procedures including its Code of Conduct.

Donations from Nemak must comply with applicable fiscal laws and regulations (in every city and country where we operate). Nemak commits not to use charities for tax evasion and tax fraud.

Identify significant impacts from its operations and community needs and define measures to mitigate the risks and explore opportunities to respect and support the communities' livelihoods.

Conflict-Affected and High-Risk Areas

The company conducts annual reviews to determine whether it has operations or direct raw material suppliers in conflict-affected or high-risk areas. The company is committed to avoiding direct or indirect involvement in conflict through its business relationships. If the company sources raw materials from relevant regions, it conducts due diligence and risk assessments to identify potential adverse human rights impacts and high risks of contributing to conflict. This includes evaluating the risks that suppliers may pose in terms of fueling conflict or adverse human rights violations, particularly the risk of providing direct or indirect support to illegal armed groups. These assessments serve as a basis for supplier evaluation.

Nemak uses an external third-party assessment tool, EcoVadis, to monitor supplier performance and identify any potential risk. Providing a score out of 100 for each supplier subject to assessment, Nemak's goal is for all suppliers to achieve a minimum rating of 45, therefore indicating no high-risk areas of concern.

The organization did not find any Danger signals for "conflict-affected and high-risk areas".

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 Nanjing are summarized in the table below:

GRI **Health and safety metrics**			
Lagging KPIs	**2024**	**2023**	**2022**
Total recordable incidents	**2**	**4**	**8**
Accidents with Medical Treatment	2	1	5
Accidents with lost time	0	3	3
Fatalities	0	0	0
Total recordable incidents rate	0.29	0.6	0.88
Lost time case rate	0	0.45	0.33
Leading KPIs			
Preventive health care – Total examinations carried out	400	416	515
OH&S Initial Trainings Participants (% of workforce)	100	100	100
OH&S Specialized Trainings Participants (% of workforce)	100	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

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