

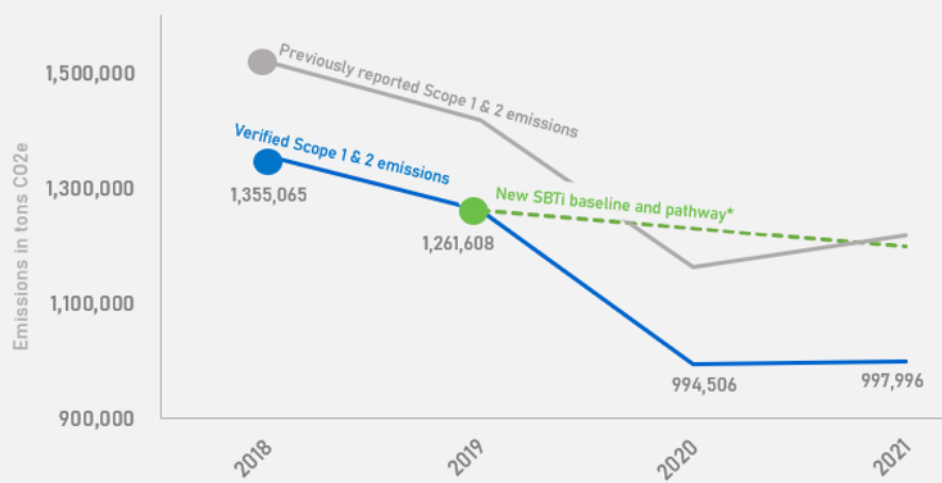
Nemak's EMISSIONS UPDATE

Reinforcing Nemak's efforts to address environmental challenges and deliver on its commitment to provide sustainable solutions and value to its stakeholders, Nemak has issued two Sustainability-Linked Bonds (SLBs)—one in US dollars maturing in 2031, and the other in euros maturing in 2028. As part of each issuance, Nemak has committed to specific environmental outcomes related to its Scope 1 and 2 greenhouse gas (GHG) emissions, setting ambitious science-based timelines to achieve sustainability performance targets (SPTs) that are relevant, core, and material to its business. Pursuant to the SLBs, Nemak will seek to attain an 18% reduction of Scope 1 and 2 GHG emissions by 2026 relative to a 2019 baseline; this target is aligned with its plans to achieve a 28% reduction by 2030, all of which were approved by the Science Based Targets initiative (SBTi) in March 2021.

In accordance with the terms of the SLBs, during 2022, Nemak hired an External Verifier—Apex Companies, LLC (Apex)—to perform a limited assurance process to verify its Scope 1 and 2 GHG emissions in reference to ISO 14064-3. Apex conducted interviews with relevant Nemak personnel and reviewed applicable documentation and information systems. Apex also verified the methodology for collection, aggregation, and analysis used to determine Nemak's Scope 1 and 2 GHG emissions, followed by an audit of sample data that it used to determine Nemak's GHG emissions, including energy invoices and supplier-specific emissions factors. Upon completion of this audit, Apex confirmed that an updated Scope 1 and 2 GHG emissions statement had been prepared by Nemak in accordance with the WRI/WBCSD GHG Protocol Corporate Accounting and Reporting Standard. The following table contains the updated emissions values:

Updated Emissions in 2022, in Tons CO ₂ E				
	2021	2020	2019	2018
Scope 1*	607,167	575,482	719,571	744,151
Scope 2 (market-based)	390,829	419,024	542,037	N.D***
Scope 2 (location-based)	480,826	486,262	573,435	610,914
Scope 3**	3,878,933	3,165,916	3,980,703	N.D***
*Scope 1 covers fuels, excluding process and refrigerants emissions.				
**Not verified; however, data quality has been improved based on information provided by suppliers.				
***Not disclosed as values are not available or not calculated.				

Changes in Nemak's reported emissions



*Nemak is currently awaiting validation of its new SBTi pathways and baseline.

**Scope 2 market-based emissions are used to calculate total values for 2019-2021; however, location-based Scope 2 emissions are used in 2018 as the market-based value could not be verified.

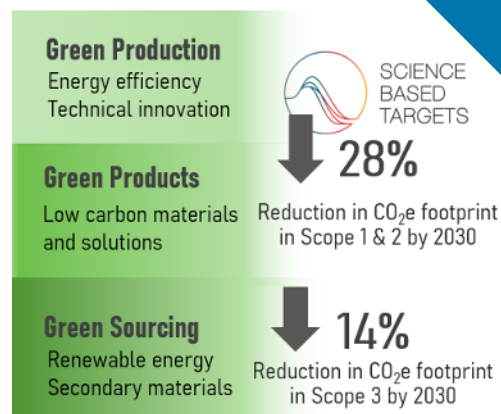
Regarding Scope 2 emissions, Nemak has received verification for market-based as well as location-based values for the 2019-2021 period; however, Nemak has solely received verification for location-based values for the year 2018, due to limited data availability. Nemak only began reporting its Scope 3 emissions in 2019, and therefore no Scope 3 values have been provided for 2018.

Both Scope 1 and 2 verified GHG emissions values were found to be lower than previously reported for all years (2018 – 2021), including the 2019 baseline year for the company's Science Based Targets (SBTs). In line with SBTi methodology, the results of Nemak's emissions verification process surpassed the 5% maximum threshold allowed by the initiative, prompting Nemak to submit an SBTi target update in June 2022. Results of this target update process are expected in the first half of 2023. Nemak expects to maintain its ambition to reduce its Scope 1 and 2 GHG emissions by 28% by 2030; however, it now begins its reduction journey from a lower baseline.

Although Nemak has not yet verified its Scope 3 GHG emissions, the company improved the quality of the data collected from suppliers in reporting years 2020 and 2019, resulting in higher values than previously disclosed. Values reported for Scope 3 in 2021 are the same as those reported in the 2021 Annual Report. Nemak plans to verify its Scope 3 GHG emissions in the next two years. Nemak also hosted its annual Supplier Sustainability Roundtables during the fourth quarter of 2022, with several in-person and online events, as it continues to engage with its suppliers on the topic of decarbonization.

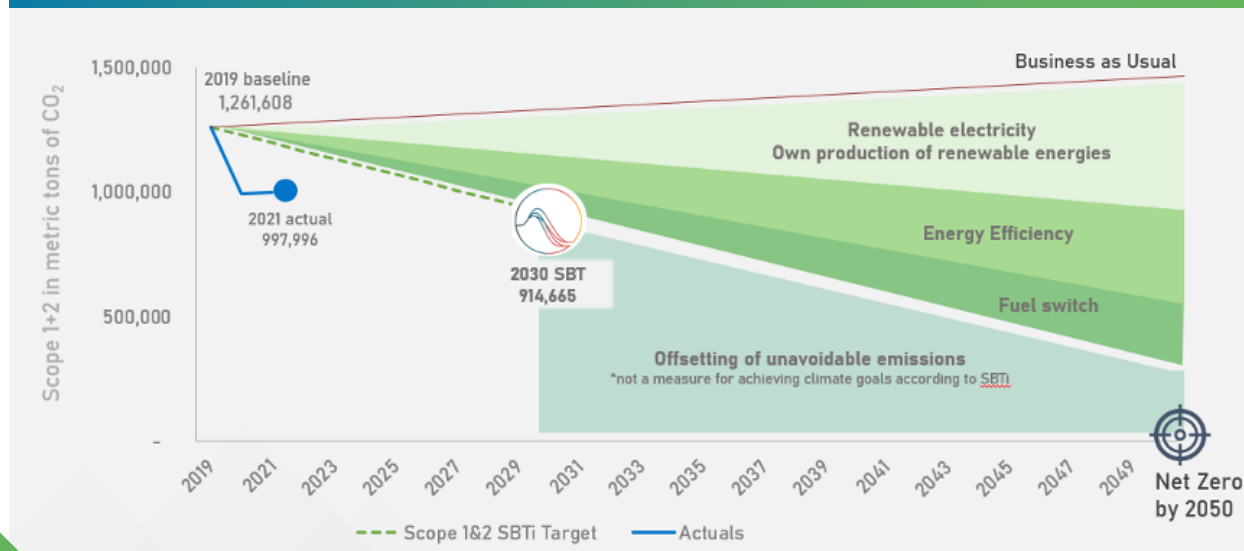
Update on Nemak's Transition Plan to Net Zero

As an industry leader in promoting sustainable mobility, Nemak has developed an internal business transition plan to shift its product portfolio to support zero-emission mobility and manufacture its products more efficiently. Investments in the growing electric vehicle market, emissions reduction, and energy efficiency are therefore vital topics for innovation at Nemak, driving its efforts to help its customers reduce vehicle weight and therefore improve vehicle efficiency, while also enabling it to reduce its own emissions during the manufacturing process.



Based on different projections of volume development, energy consumption, and growth scenarios, Nemak has developed a holistic climate strategy that includes mid-term targets to 2030, and the ambition to become carbon neutral by 2050 or earlier. Nemak has made an SBT commitment to reduce its direct Scope 1 and indirect Scope 2 GHG emissions by 28% by 2030, as well as its Scope 3 emissions by 14% by 2030, relative to a 2019 baseline. To achieve these objectives, Nemak has focused its strategy on three key aspects – Green Production, Green Products, and Green Sourcing. The company is investing in the purchase of renewable electricity, improved energy efficiency, and switching the fuels used in its production processes towards more sustainable energy sources. For example, during 2021, 12% of Nemak's electricity consumption came from renewable energy; moreover, the company aims to reach a target of 25% renewable energy consumption by 2025 and 75% by 2030. For 2022 and 2023, Nemak has purchased renewable energy certificates (EACs, IRECs), while in the meantime working on establishing long-term PPAs/VPPAs with energy suppliers and investigating self-generation possibilities.

Nemak's internal pathway and measures towards decarbonization



In 2021, Nemak introduced a Sustainability Capex Committee to manage the approval process for climate-related investments and CO₂-reduction efforts at the company's manufacturing sites, with the VP of Purchasing and Sustainability, the VP of Manufacturing and Product Development, the VP of Business Development and Transformation, and the CFO serving as members of this committee. In 2022, the company's emissions-abatement initiatives have included, without limitation, the following:

- Investments into own power generation
- Improved use of waste heat generated in production processes
- Targeted control of furnaces to adapt to fluctuating production outputs
- Use of state-of-the-art components (e.g., optimized burners, compressors)
- Switch to LED lighting

During the first three quarters of 2022, Nemak focused on implementing short-term energy efficiency initiatives such as installing LED lighting and metering systems for improved data management. As a result of these initiatives, Nemak expects to avoid generating approximately 25,000 tons of CO₂E in 2022.

To see Apex's reports on Nemak's emissions, please visit the following links:

https://www.nemak.com/media/2451/apex-verification-opinion-limited-_nemak-2018_final.pdf
https://www.nemak.com/media/2341/apex-verification-opinion-limited-_nemak-2019_final.pdf
https://www.nemak.com/media/2342/apex-verification-opinion-limited-_nemak-2020_final.pdf
https://www.nemak.com/media/2343/apex-verification-opinion-limited-_nemak-2021_-final.pdf

If you have any questions or comments, please contact investor@nemak.com.