

Nemak and Hydro strengthen collaboration to decarbonize the automotive industry

Monterrey, México, April 28, 2025 - Nemak, S.A.B. de C.V. (“Nemak”) (BMV: NEMAK), announced today that it has signed a letter of intent with Hydro, a leading aluminum and renewable energy company committed to a sustainable future. This collaboration aims to accelerate the sustainability goals of the automotive industry through the advancement of low-carbon aluminum solutions.

By incorporating more post-consumer scrap into the production process, Nemak and Hydro will enhance circularity and reduce the carbon footprint of the foundry alloy aluminum products delivered to Nemak. The long-term goal is to develop aluminum solutions qualified for automotive applications with a reduced CO2 footprint, contributing meaningfully to the industry’s transition toward net zero. This will be driven by two strategic decarbonization efforts led by Hydro: using more post-consumer scrap and transitioning to cleaner energy sources, including natural gas and electrical boilers at Hydro’s Alunorte alumina refinery.

Nemak and Hydro have collaborated for over two decades to deliver high-quality foundry alloy products to car manufacturers around the world. Building on this long-standing partnership, they are now exploring ways to incorporate more recycled post-consumer scrap into the primary foundry alloy (PFA) product portfolio. Currently, 40% of Nemak’s aluminum volume in Europe is sourced from Hydro—reinforcing their shared commitment to advancing a circular economy and sustainable mobility.

The letter of intent also outlines joint efforts in research and development to drive innovation in the next generation of automotive casting alloys. Aligned in their vision to decarbonize, Nemak and Hydro are working toward the shared goal of delivering net-zero products by 2050—or sooner.

“As the automotive industry accelerates toward sustainability, Nemak is at the forefront of delivering lightweighting solutions. Aluminum is one of the most effective ways to improve the energy efficiency of electric and hybrid vehicles, and through our collaboration with Hydro, we are enhancing our lightweighting solutions to drive sustainable mobility forward,” says Armando Tamez, Chief Executive Officer for Nemak.

Nemak is committed to forging strong partnerships with industry leaders like Hydro, with whom it shares common values around sustainability and the pursuit of low-carbon solutions for the automotive industry. These collaborations drive innovation and accelerate Nemak’s progress toward a more sustainable future.

About Nemak

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, it generated revenue of US\$4.9 billion. For more information about Nemak, please visit [nemak.com/](https://www.nemak.com/)