



ASI CHONGQING

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 Chongqing located in China, with the main address of No.9 Chang Mao Road Yuzui town Chongqing Jiangbei district 40113 P.R. China. 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 Chongqing, 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 Chongqing.

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

Project	
Name	Energy-saving and consumption-reducing technological upgrades for emission reduction
Date	January 2023 – May 2025
Short Description	• Establish an energy management center • Retrofit factory area streetlights • Upgrade workshop lighting to LED • Catalytic combustion for aluminum melting • Phase out high-energy-consuming water pumps • Shut down the Exhaust gas extraction system of No. 2 • Variable frequency drive retrofit for Exhaust gas extraction system of No. 1/3/4 • Servo energy-saving retrofit for No. 9 Casting machine • Implement MBR membrane in wastewater treatment station • Reuse treated water (reclaimed water system) in wastewater treatment station
Significant Impacts	• Reduce emissions of PM2.5, SOx, NOx and other waste gases • Reduce energy consumption intensity and cut greenhouse gas emissions
Mitigation Actions	/

Human Rights Impact Assessments

Since June 2022 (start of ASI membership), Nemak's site in Chongqing 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 Chongqing is defined as the area within 5 Km radius from the site:



Figure 1: Area of influence for Nemak Chongqing (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 Chongqing regularly engages with the local communities through initiatives such as:

- Factory Tours: Inviting community residents to visit the company enhances transparency and trust.
- Regularly disclose corporate information on the public website.

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.

Non-compliance and Liabilities

Since June 2022 (start of ASI membership), Nemak's site in Chongqing has not incurred any substantial fines, judgments, penalties, or non-monetary sanctions for violations of applicable laws.

Payments to Governments

According to our current audit and assurance systems, Nemak Chongqing makes no direct or indirect contributions—whether financial or in-kind—for political influence or lobbying.

Furthermore, beyond standard payments like taxes and social security, the Company confirms that no payments have been made to governments for any political purpose.

The number of payments made to the government in 2024.

Tax Type	Amount (RMB)
Value - Added Tax (VAT) (Export tax rebate not deducted: 0)	29,170,134.62
Consumption Tax (Export tax rebate not deducted: 0)	0
Enterprise Income Tax	6,364,927.48
Environmental Protection Tax	109,030.43
Stamp Duty	593,643.75
Real Estate Tax	0
Vehicle Purchase Tax	31,929.20
Urban Maintenance and Construction Tax	2,248,875.19
Education Surcharge	963,784.72
Local Education Surcharge	642,523.15
Urban Land Use Tax	0
Disability Employment Security Fund	0
Withheld Individual Income Tax	2,596,544.10
Other Income	208,127.73
Total	42,929,520.37

Emergency Response Plan

While Nemak Chongqing 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, Environmental Risk Assessment & Environmental Emergency Response Plan 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 because of drill.

Plant has fire extinguishers, sprinkler, 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.

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 Chongqing, 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.

Collection and recycling of products at end-of-life

To comply with the audit standards of the Aluminum Stewardship Initiative (ASI), Nemak CHQ has specifically formulated a Strategy Plan for Waste Aluminum Recycling and Utilization. This plan aims to build a system of "Precise Recycling – Efficient Regeneration – Low-Carbon Application", which not only meets ASI standards and customer needs but also further enhances the company's ESG (Environmental, Social, and Governance) competitiveness. The core objectives are to establish an ASI closed-loop management system, achieve 100% coverage of cooperation with core suppliers, and realize cost reduction and carbon emission reduction effects through ASI certification.

Base on ASI requirements and Nemak CHQ strategy, for pre-consumer aluminum scrap, strict classification will be carried out according to sources, and the specifications for re-melting acceptance and proportioning requirements will be clarified; for post-consumer aluminum scrap, a full-life-cycle tracking mechanism and supply chain collaboration model will be established. Meanwhile, through internal publicity and education as well as industry exchange activities that should be promoted to achieve effective implementation.

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 Chongqing 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	243078.4
Direct use	154050.4
Natural gas	152887.6
LPG	15.8
Diesel	1147.0
Indirect use	89028.0
Electricity consumption (non-renewable)	75924.0
Renewable energy	13104.0

Building upon its commitment to sustainability, Nemak Chongqing 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 ₂ e	2024
Total**	158897.0
Scope 1*	9356.0
Scope 2 (market-based)	10606.0
Scope 2 (location-based)	12769.0

Scope 3 (location-based)

136772.0

**Scope 1 covers fuels, excluding process and refrigerants emissions.*

***Total uses Scope 2 market-based emissions.*

Scope 1 and 2 and 3 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 Chongqing 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 Chongqing emissions pathway to achieve the 28% reduction goal by 2030.

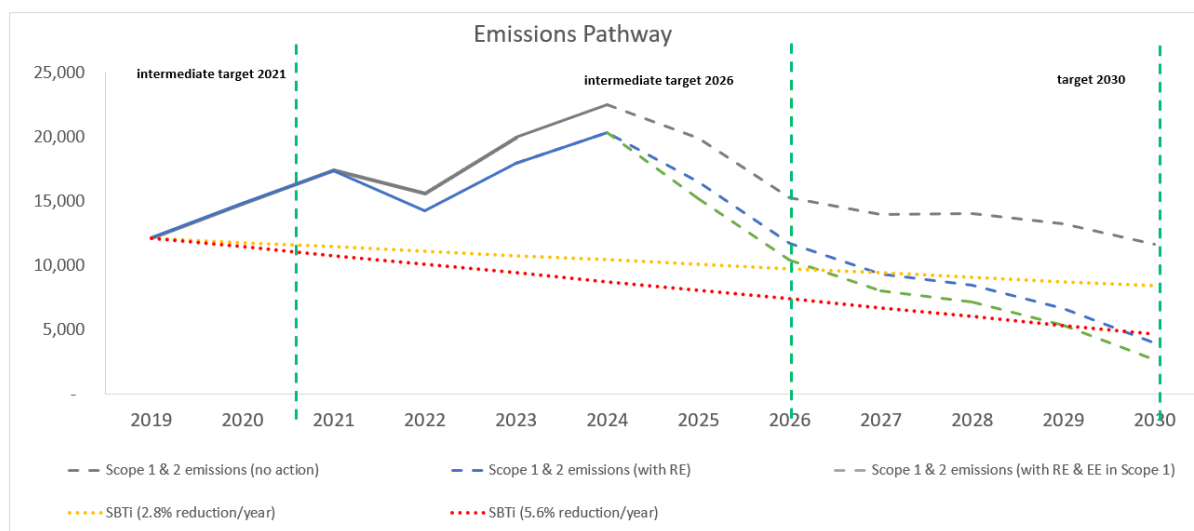


Figure 2: Scope 1&2 Emissions Pathway for Nemak Chongqing

To achieve its emissions reduction targets, Nemak Chongqing has identified twelve of initiatives energy efficiency and renewable energy initiatives to be executed in the next years, with an expected CO₂ savings of 28%.

Over the past two years, emissions levels at Nemak Chongqing have decreased due to From 2019 to 2024, a single ton of product has achieved a reduction of 44.25% in CO₂ emissions (CO₂ emissions per ton of product decreased from 1.432 tons in 2019 to 0.798 tons) .

- Developed digital energy metering system to further improve energy fine management. Use digital energy metering system to monitor and analyses electricity unit consumption, quick define the key points and take actions.
- Use high efficiency water pumps replace high energy consumption pumps in water station.
- Electrical forklifts replace diesel forklifts for Apr 2023.
- Renovation of water pump constant pressure devices from May 2023.
- High efficiency LED for workshop lighting
- New DCM equipped servo pump system saving 40% power.
- Converter control for chiller

- Automatic change to warming pattern of melting tower
- Factory lighting converted to photovoltaic streetlights
- Converter control for exhausting system
- Constant pressure control for comprised air system
- Workshop lighting illuminance automatic control

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	1. Reduce natural gas consumption in melting by utilizing direct molten aluminum supply	2030	30
	2. Energy-saving retrofits for high-power consumption equipment (e.g. Casting main oil pumps, chilled circulation units)		
Fuel switching	3. Increase the renewable energy quota allocation for State Grid	2040	40
	4. Factories utilize solar and other alternative energy sources		
Management improvement	5. Procurement of new equipment shall comply with low energy consumption requirements	2050	30
	6. Interdepartmental collaborative audits minimize energy inefficiencies		
TOTAL			100

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

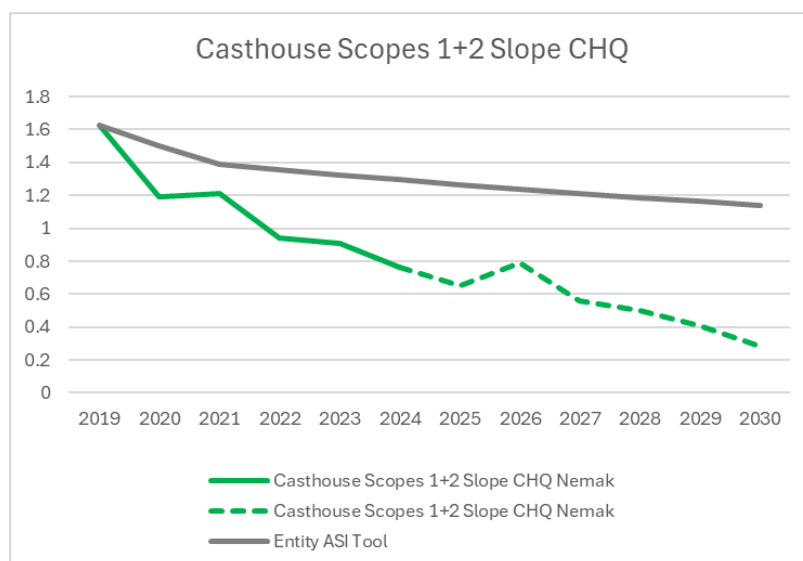


Figure 3: Pathway of Scope 1&2 emissions intensity (tCO₂/t aluminum) for Nemak Chongqing

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). The graph below shows the global 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.

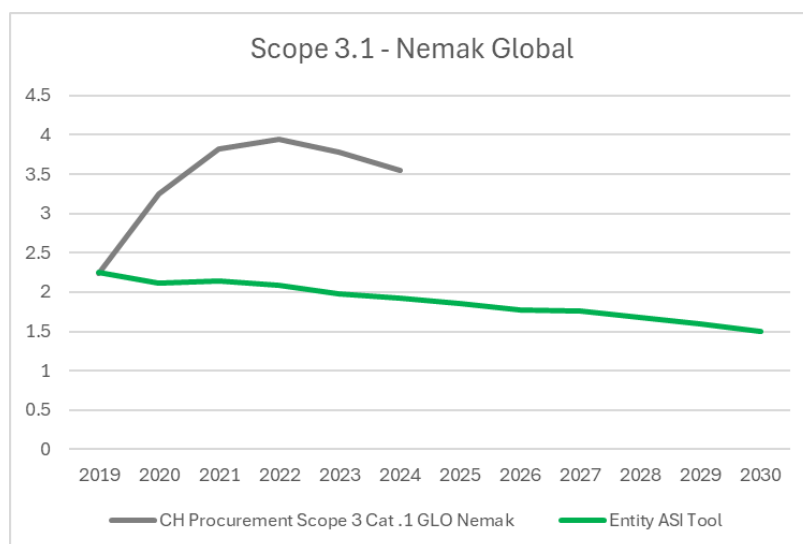


Figure 4: Pathway of Scope 3.1 emissions intensity (tCO₂/t aluminum) for Nemak Global

Nemak's Scope 3.1 emissions have an average emission intensity of 3.4 t CO₂ / t Al. 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 Chongqing

In addition to GHG emissions, Nemak Chongqing 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 Chongqing 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	6.240
SOx Emissions	0.420
Volatile organic compounds (VOC) Emissions	2.768
Particulate matter (PM) Emissions	3.202

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

At Nemak Chongqing, water is used for chiller. The following table breaks down the water withdrawal and discharges for Nemak Chongqing in 2024. All water intake is sourced from municipal water supply. Through water conservation measures and other initiatives, the fresh water consumption is planned to be reduced by 8% by 2030.

GRI 303-3/4

Details on water withdrawal and discharge in 2024 in megaliters	2024
Water withdrawal total	91.3
surface water	0
groundwater	0
seawater	0
produced water	0
municipal water	91.3
Water discharge total	34.4
Water consumption total	73.2

Discharges to Water

The discharge water analysis is described in the following table:

Limit	Indicator	Unit	2024.11.11Measuring
6.0-9.0	PH	pH	7.10
-	Color (Apparent Color)	PCU	3.00
500	Chemical Oxygen Demand (COD)	mg/L	205.00
300	Biochemical Oxygen Demand (5-day, BOD ₅)	mg/L	49.77
400	Suspended Solids (SS)	mg/L	20.67
-	Ammonia Nitrogen (NH ₃ -N)	mg/L	0.72
20	Petroleum Hydrocarbons (Oil & Grease)	mg/L	0.19
20	Anionic Surfactants (AS)	mg/L	0.07
-	Total Phosphorus (TP)	mg/L	0.03
-	Total Nitrogen (TN)	mg/L	1.75

To minimize the exposure to and impacts from Discharge to Water, Nemak Chongqing 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 GuoYuan Port Sewage Treatment Plant (a municipal sewage treatment facility).

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

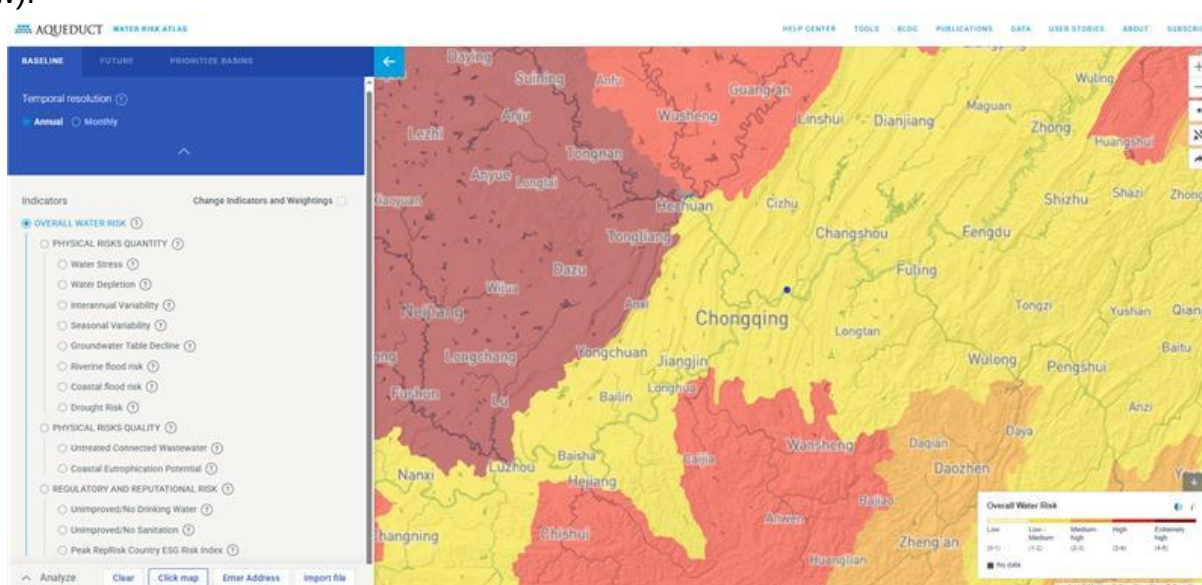


Figure 3: Aqueduct Water Risk Map for Nemak Chongqing

Nemak Chongqing has also defined a target to reduce its water consumption by Intermediate-water Reuse of the Sewage Treatment Station. The treated effluent from the sewage treatment plant undergoes further purification through a reclaimed water reuse system, after which the purified water is directed into the cooling tower for on-site production use, achieving a water saving ratio exceeding 55%.

Assessment and Management of Spills and Leakage

Hazard identification and risk evaluation were performed regarding possible spillage (for solids/liquids) and leakage (for liquids/gases) scenarios.

Leakage Type	Risk Location	Possible Leaked Substances	Risk/Leakage Cause	Degree of Environmental Harm	Judgment Basis (I - V)	Risk Evaluation				Risk Level	Existing Prevention and Control Measures	Effectiveness
						L	E	C	D			
Solid	Waste Warehouse	Metal waste, packaging waste, etc.	Accumulation and sliding due to improper storage, packaging damage	Soil pollution	V	3	6	3	54	IV	Set up reasonable stacking areas, regularly check packaging integrity	Effective
Solid	Production Workshop	Waste, slag, etc. generated during the production process	Scattering due to equipment failure, improper operation	Soil pollution	V	6	3	3	54	IV	Timely cleaning, set up special collection containers	Effective
Solid	Transport Vehicles	Various solid wastes	Vehicle jolting during transportation, irregular loading	Soil pollution	V	1	1	7	7	V	Standardize loading, regularly check transport vehicles	Effective
Liquid	Storage Area	Various oils, chemical solvents, etc.	Tank corrosion, valve damage, pipeline rupture	Soil and water pollution	V	1	1	7	7	V	Regularly detect tanks and pipelines, set up anti - leakage enclosures	Effective
Liquid	Connections of Production Equipment	Coolant, lubricating oil, hydraulic oil, etc.	Sealing element aging, connection loosening	Soil and water pollution	V	3	3	7	63	IV	Regularly replace sealing elements, strengthen equipment inspection	Effective
Liquid	Wastewater Treatment Facilities	Wastewater during the treatment process	Facility damage, pipeline blockage and overflow	Soil and water pollution	V	3	1	15	45	IV	Regularly maintain facilities, set up emergency collection ponds	Effective
Gas	Gas Storage Tank	Oxygen, acetylene, various industrial gases, etc.	Tank corrosion, valve leakage, over - pressure explosion	Atmospheric pollution, explosion, fire	V	1	1	40	40	IV	Regularly detect tanks and valves, set up gas leakage detection and alarm devices	Effective
Gas	Pipeline Transportation System	Natural gas, compressed air, etc.	Pipeline corrosion, improper device sealing, abnormal pressure	Atmospheric pollution, explosion, fire	V	1	1	40	40	IV	Strengthen pipeline inspection and maintenance, device sealing and pressure monitoring	Effective
Gas	Waste Gas Treatment Facilities	Industrial waste gas during the treatment process	Pipeline corrosion, loose interfaces, man - made damage	Atmospheric pollution	V	3	1	7	21	IV	Strengthen pipeline inspection and maintenance, detect and regularly monitor	Effective

Note: Level IV indicates general danger and requires attention, Level V indicates slight danger and is acceptable.

To prevent, detect, and remediate spills and leakages, Nemak Chongqing has implemented a management plan comprising the following measures:

- 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 Chongqing 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 Chongqing recovers, recycles, and/or reuses aluminum, wherever possible. The site continuously works on minimizing waste disposal and finding opportunities to reuse and recycle resources.

The generated waste at Nemak Chongqing is summarized in the table below and all hazardous wastes are handed over to qualified enterprises for disposal.

GRI 306-5/5

Waste generated in tons			
Waste diverted from disposal	total	onsite	offsite
thereof non-hazardous materials	1782.70	389.65	1393.05
prepared for reuse	0	0	0
prepared for recycling (General industrial waste - Scrap iron)	337.25	389.65	0
prepared for recycling (General industrial waste - Other)	52.40	52.40	0
other recovery options (Aluminum chip)	1393.05	0	1393.05
thereof hazardous materials	1158.66	1158.66	0
prepared for reuse	0	0	0
prepared for recycling (Hazardous waste - Sludge)	32.94	32.94	0
prepared for recycling (Hazardous waste - Contaminants)	2.72	2.72	0
prepared for recycling (Hazardous waste - Oil-water mixture)	2.12	2.12	0
prepared for recycling (Hazardous waste - Activated carbon)	0.40	0.40	0
other recovery options (Waste aluminum dross)	1120.48	1120.48	0

As environmental challenges intensify, reducing emissions of exhaust gases, wastewater and solid waste has emerged as a critical mission for sustainable development. Nemak Chongqing's Five-Year Waste Mitigation Strategy, through systematic planning and targeted measures, aims to achieve substantial reductions in pollutant discharges, enhance environmental quality, and promote coordinated economic-environmental development.

Five-Year Waste Mitigation Plan:

Category	Waste Name	Code	Mitigation Strategy	2024 - Target	2024 - Actual	2025 - Target	2026 - Target	2027 - Target	2028 - Target
General	Scrap Iron	-	Reduce Usage	350.0	337.3	343.0	336.0	336.0	322.0
	Scrap Copper	-	Reduce Usage	20.0	12.9	19.6	19.2	19.2	18.4
	Shot Blasting Ash	-	Reduce Usage	50.0	39.5	49.0	48.0	48.0	46.0
Hazardous	Wastewater Treatment Sludge	336 - 064 - 17	Reduce	50.0	32.9	49.0	48.0	48.0	46.0
	Paint Barrels, Contaminated Materials	900 - 041 - 49	Reduce	3.0	2.7	2.9	2.9	2.9	2.8
	Activated Carbon	900 - 039 - 49	Reduce	4.0	2.1	3.9	3.8	3.8	3.7
	Oil - Water Mixture	900 - 006 - 09	Reduce	5.0	0.4	4.9	4.8	4.8	4.6
Waste Gas	Particulate Matter	-	Reduce Emissions	8.0	3.2	7.8	7.7	7.7	7.4
	Sulfur Dioxide	-	Reduce Emissions	5.0	0.4	4.9	4.8	4.8	4.6
	Nitrogen Oxides	-	Reduce Emissions	8.0	6.2	7.8	7.7	7.7	7.4
	Non - Methane Total Hydrocarbons	-	Reduce Emissions	4.0	2.8	3.9	3.8	3.8	3.7
Waste Water	Chemical Oxygen Demand	-	Reduce Emissions	8.0	7.1	7.8	7.7	7.7	7.4
	Five - day Biochemical Oxygen Demand	-	Reduce Emissions	3.0	1.7	2.9	2.9	2.9	2.8
	Suspended Solids	-	Reduce Emissions	3.0	1.4	2.9	2.9	2.9	2.8
	Ammonia Nitrogen	-	Reduce Emissions	0.5	0.1	0.5	0.5	0.5	0.5
	Petroleum Hydrocarbons	-	Reduce Emissions	0.2	0.0	0.2	0.2	0.2	0.2

Specific Measures:

Industrial Waste Gas Treatment

- Install high-efficiency waste gas treatment equipment according to the production processes, such as bag-type dust removal devices for smelting processes, activated carbon dust removal devices for die-casting processes, and cartridge-type dust removal devices for trimming and shot blasting processes.
- Promote the adoption of clean production technologies to reduce waste gas generation in production processes.

Industrial Wastewater Treatment

- Improve wastewater treatment facilities to ensure compliance with discharge standards.
- Encourage water-saving renovations in companies, adopting advanced production processes and reclaimed water reuse systems to reduce water consumption.

Domestic Sewage Treatment

- Enhance the domestic sewage collection network to increase the sewage collection rate and prevent direct discharge of domestic sewage.

- Strengthen the operational management of sewage treatment plants to ensure stable operation.

Industrial Solid Waste Management

- Promote the comprehensive utilization of solid waste.
- Implement strict declaration, transfer, and disposal systems for hazardous waste to ensure safe handling.

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 Chongqing 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 Chongqing 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 Chongqing 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.

Social Responsibility Management

Recruitment and Retention

Nemak Chongqing adheres to fair and inclusive employment principles, strictly complying with the laws and regulations of its operating locations. The company strictly prohibits the use of discriminatory language or behavior during the recruitment process and is committed to eliminating discrimination based on gender, age, region, ethnicity, family status, marital status, religion, disability, sexual orientation, social background, and other aspects in recruitment and employment. Only information necessary for recruitment is collected, and personal information is

kept strictly confidential. We actively provide employment opportunities for disadvantaged groups, protect the rights of female employees, create an equal and inclusive work environment, and promote the diverse development of our talent pool. The candidates from community have the priority to get the job opportunity. We hired 13 employees from community from January 2023 to September 2025.

Prohibit child labor and forced labor

Nemak Chongqing strictly complies with the relevant laws and regulations of China, rejects the use of child labor, opposes all forms of forced labor, and has established the "Remedial Measures for Child Labor and Policies for the Protection of Minors," which emphasize verifying employees' age and background. The company refuses to hire employees under the age of 18, fundamentally preventing the use of child labor and forced labor. Any employment violations, once confirmed, will be dealt with strictly according to the company's internal regulations. During the reporting period, no incidents of employing child labor or forced labor occurred.

Gender Equity and Women's Empowerment

Female employees take up 38.5% of positions in executive levels. Focused on the development of key competences and skills of female talent to continue growing in the organization

Acknowledging the different challenges of our female talent in the workplace, while ensuring the mentors take specific measures to support, advocate and sponsor their female mentees.

Women Belong Members and Allies conduct a series of sessions focused on identifying challenges for the community and then learn how to overcome them

Local event such as women's Day activities and women belong programs where female talent get together to connect and build a sense of community and engagement.



Staff Welfare and Employee Care

Based on fulfilling the guarantees and benefits required by relevant laws and regulations, including providing employees with the five social insurances and one housing fund, additional medical insurance has also been purchased to enhance employees' ability to withstand illnesses and risks. The company cares about the physical and mental health of its employees by organizing cultural, sports, and recreational activities to enrich their leisure time and stimulate

their vitality. The company also shows genuine care for employees through measures such as celebrating birthdays, holidays, and providing work meals.

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 2023 to 2024, 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.

The Purchasing Department, along with HSE and HR, conducts human rights due diligence on suppliers. The investigation covers all aspects of social governance, and the results are satisfactory, with no human rights risks identified. Subsequent efforts will continue with suppliers to further enhance human rights protection.

Donation

To fulfill its duties as a corporate citizen and contribute to the community, the Chongqing plant, with the support of the Yufu Industrial Zoo, donated a batch of books to Xingguang School in the Northern New Area of Chongqing. This donation consisted of a total of 1,322 sets of books, costing RMB32,811.16.



Activities & Costs in 2024&2025

Date	Event	Cost(RMB)
Internal		
2024-Jan to 2025-Aug	Employee Birthday Gift, Family Care	101,500
2024-Jun	Fun Sports Meeting	14,159
2024-Mar&2025-Mar	Women's Day Activities	22,500
2024-Oct	Annual Health Check	174,615
2024-Oct	Outing include Family	86,000
2024-Nov	Family Day Activities	125,000
2024-2025	Summer day greetings for on-site Maintenance vendor and outsourced labor force	14,500
2025-Jan	Chinese New Year's Geeting	200,000
2025-Sep	Crane operations skills competition activity	15,122
External		
2024-2025	Provide on-site training for 64 teachers and students from Materials of Chongqing university	3,200
2025-May	Donation consisted of a total of 1,322 sets of books to Xingang Primary School	32,811

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

In conflict-affected and high-risk areas, the company ensures that it does not contribute to armed conflict or human rights violations.

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.

An on-site audit was conducted for primary aluminum suppliers Jiantao and CSMET, with traceability extended to mining suppliers. The audit items were comprehensively inspected and reviewed, and the due diligence report is presented in the table below:

Name of Tier 1 Supplier	Involved Country	Supply Chain Position	Conflict (Heidelberg Conflict Barometer)	Transparency International Corruption Perceptions Index (CPI)	Fragile States Index - Political Stability and Absence of Violence/Terrorism (PSI)	EU CAHRAs List (EU)	Conclusion (CAHRA or Not)
Yunnan Wenshan Aluminum Industry Co., Ltd. (Ore)	China	China	3	42	65.1	No	No
Yunnan Haixin Aluminum Industry Co., Ltd. (Smelting)	China	China	3	42	65.1	No	No

Occupational Health & Safety

To systematically implement safety production and occupational health policies, ensure compliant operations, achieve management objectives, and safeguard employee health and production safety, an analysis is conducted from the following aspects:

Occupational Health

Strengthen pre-employment physical screenings and communication regarding occupational hazard exposure history to ensure employees' physical condition meets job requirements.

Strictly follow the Occupational Disease Prevention and Control Law and the Technical Specification for Occupational Health Surveillance (GBZ188-2014) to identify risks associated with hazardous positions and organize annual occupational health examinations. Based on monitoring and evaluation results, benchmarked actions are implemented, and no occupational disease cases have occurred for many years.

Adhere to the mechanism of "comprehensive assessment every three years, monitoring and testing every year," using the results to strengthen protective measures, actively implement recommendations from professional institutions, and continuously improve the working environment.

Through equipment upgrades and technical improvements, control hazard sources such as noise, dust, and high temperatures to reduce the degree of hazard exposure in work positions.

Safety

Establish annual safety objectives and targets, and sign Safety Production Responsibility Deeds at all levels to implement primary responsibility.

Implement the "First Line, Three Disposals" approach and the construction of a dual prevention mechanism (risk classification control and hidden danger investigation management), ensuring the effective execution of safety investments.

Comprehensively assess safety risks, develop emergency response plans, and conduct regular drills to enhance emergency response capabilities and self-rescue skills.

Strengthen employee safety training, disseminate safety knowledge, and improve protective skills and awareness.

Increase efforts to investigate and address the "Three Violations" (violation of commanding rules, violation of operating rules, violation of labor discipline) to eliminate potential risks.

Strengthen safety management of external contractors and related parties, conducting thorough investigations and rectification of potential safety hazards.

Leading Areas and Areas for Improvement

Through routine management, the company has effectively achieved its established occupational health and safety objectives and targets.

Leading Practices:

Timely learn from accidents within the industry, quickly organizing training and allocating resources to rectify internal risks and hazards. Concentrate efforts on conducting forward-looking analysis and rectification of key risk items.

- Successfully completed ISO 14001 and ISO 45001 system audits in May 2024 with no non-conformities identified.
- Awarded the municipal-level "Healthy Enterprise" title by the Chongqing Municipal Health Commission in January 2024.
- As of September 30, 2024, achieved 902 days without a Lost-Time Injury (LTI).

Areas for Improvement:

Varying interpretations of OH&S requirements among employees lead to repeated work in some areas. Uneven safety awareness and receptiveness to training among some staff increases management difficulty.

- Insufficient attention to personal chronic conditions like hypertension and hyperglycemia, leading to instances of employees leaving work for medical treatment due to discomfort.
- Improper use of Personal Protective Equipment (PPE), such as ill-fitting safety glasses and masks.

Improvement Actions:

- Provide more targeted training to address execution efficiency gaps and enhance overall safety and health awareness among all employees.
- Continuously increase safety investment, improve protective facilities, and safeguard employee health and safety. This includes the operational use of a "Health Kiosk" for weekly monitoring and trend tracking of chronic conditions like hypertension and hyperglycemia among relevant employees, facilitating medication use under medical guidance.
- Strengthen on-site guidance and supervision to ensure correct PPE usage by employees.

The company will continue to benchmark against industry best practices, fully implement the all-staff safety production responsibility system, strengthen worksite management, and enhance overall safety awareness and management competency. Adhering to legal and regulatory requirements, practicing the "Three Managements and Three Musts" principle, we will consolidate strengths, address weaknesses, firmly establish a safety development philosophy, prevent and mitigate risks, foster an excellent safety culture, and drive continuous and stable improvement in the company's safety production performance.

Comparison Analysis of 2024 Occupational Health and Safety Target Indicators Achievement with Industry Performance and Best Practices

Indicator Item	Company Target	Industry Average	Analysis Result
General Safety Incidents	≤ 2 cases/year	3%/year	Leading
Major Safety Incidents	0 cases/year	0 cases/year	On Par
Hidden Danger Rectification Completion Rate	100%	100%	On Par
Safety Training and Education	≥ 1 session/month	≥ 1 session/quarter	Leading
Emergency Drills	≥ 8 sessions/year	≥ 3 sessions/year	Leading
Special Operation Certification Rate	100%	100%	On Par

All-Staff Safety Production Responsibility System Signing Rate	100%	100%	On Par
Environmental Monitoring Compliance Rate	100%	100%	On Par
Hazardous Waste Management Compliance Rate	100%	100%	On Par
Environmental Protection Incidents	0 cases	0 cases	On Par
Occupational Disease Cases	0 cases	0 cases	On Par
Occupational Hazard Factor Monitoring Pass Rate	100%	100%	On Par
Complaints and Reports	0 cases	0 cases	On Par

Note: Industry average data is sourced from the Ministry of Industry and Information Technology and the Ministry of Emergency Management websites.