ANNUAL REPORT **2025**

Nemak

Innovative Lightweighting

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 2025, the Company employed approximately 23,400 people at 44 production facilities and 10 product development centers worldwide, and generated revenue of US$4.9 billion.

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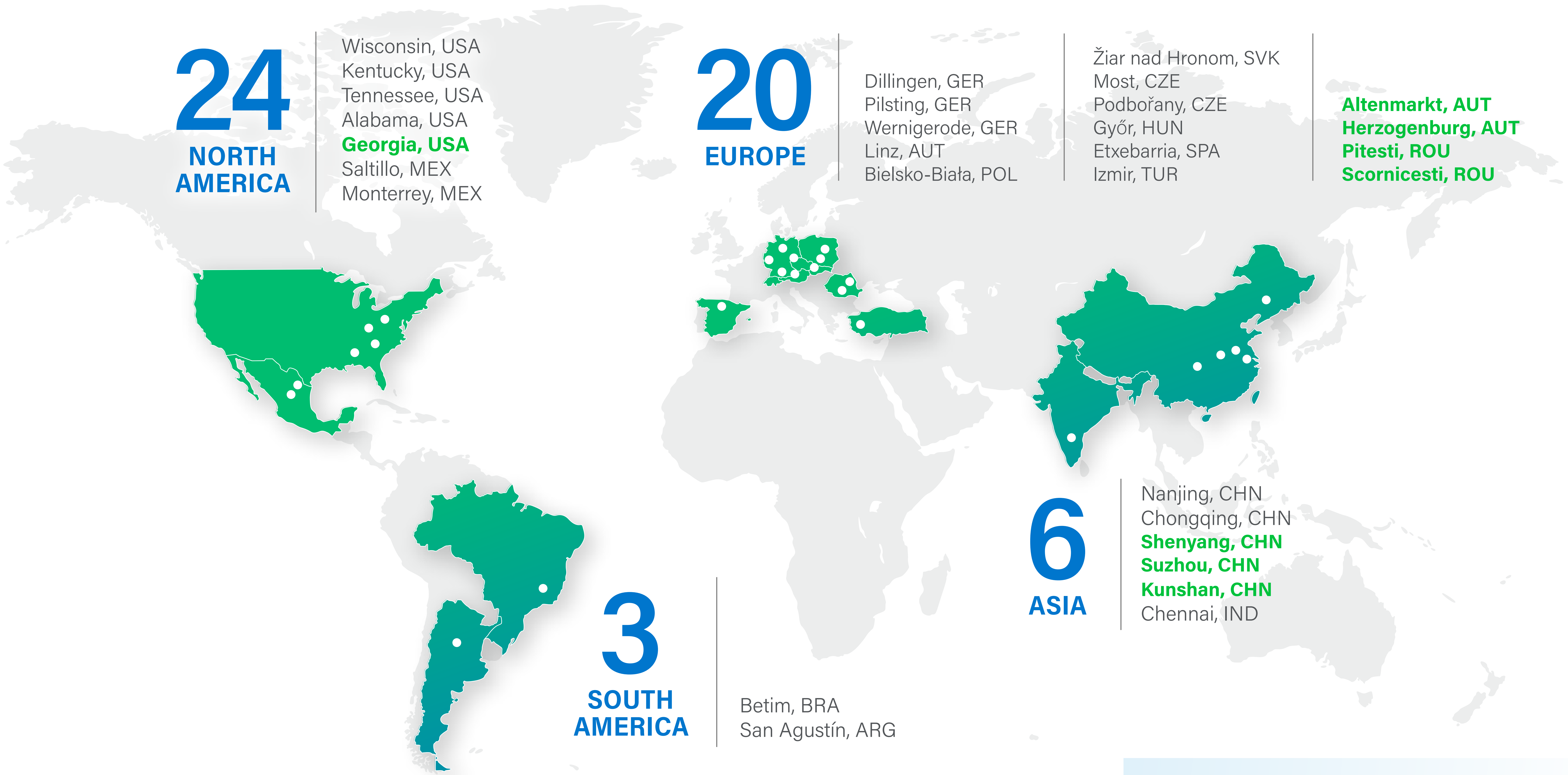
For more information about Nemak, visit:
https://www.nemak.com

Nemak at a glance



24
NORTH AMERICA

Wisconsin, USA
Kentucky, USA
Tennessee, USA
Alabama, USA
Georgia, USA
Saltillo, MEX
Monterrey, MEX

20
EUROPE

Dillingen, GER
Pilsting, GER
Wernigerode, GER
Linz, AUT
Bielsko-Biała, POL

Žiar nad Hronom, SVK
Most, CZE
Podbořany, CZE
Győr, HUN
Etxebarria, SPA
Izmir, TUR

Altenmarkt, AUT
Herzogenburg, AUT
Pitesti, ROU
Scornicesti, ROU

6
ASIA

Nanjing, CHN
Chongqing, CHN
Shenyang, CHN
Suzhou, CHN
Kunshan, CHN
Chennai, IND

3
SOUTH AMERICA

Betim, BRA
San Agustín, ARG

Sites in green reflect facilities added through the GF Casting Solutions acquisition.

Nemak's manufacturing footprint spans 53 production facilities and 12 product development centers, strategically located in 15 countries

REVENUE

SEGMENT REVENUE

Product Portfolio

GRI: 2-6

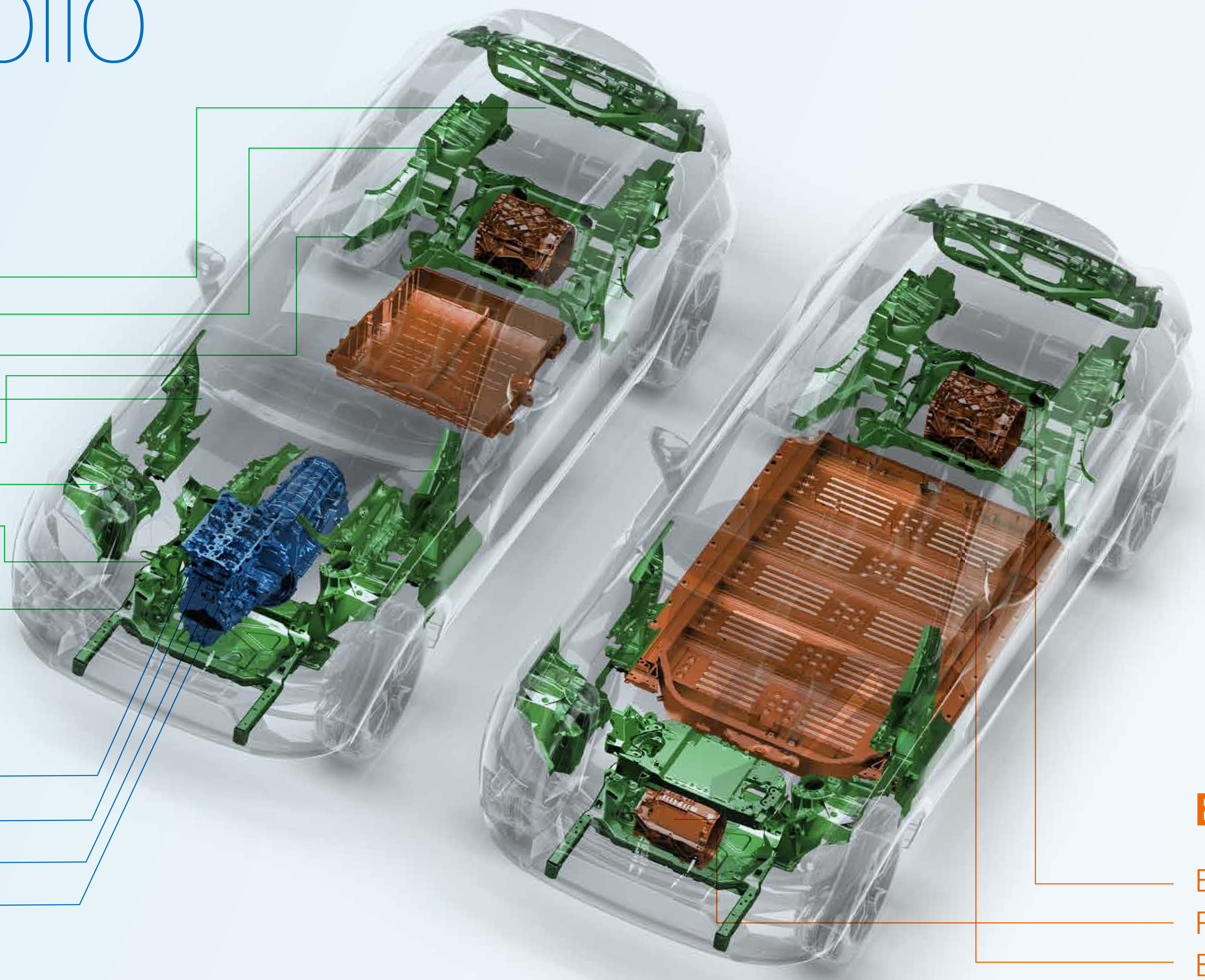
Structure & Chassis

Lift gate
Subframe
Longitudinal Member
Support Bracket
A-Pillar
Shock tower
Cradle
E-Bracket

ICE Powertrain

*Other ICE powertrain components**

Cylinder Head
Engine Block
Oil Pan
Transmission Case



E-Mobility

E-Motor Housing
PHEV Battery Housing
BEV Battery Housing

**Parts not specified in other categories*

Financial highlights

GRI 201-1

MILLIONS OF US DOLLARS	2025	2024	% CHANGE
Volume (M.Eq. Units)	38.4	39.5	(2.7)
Total Revenues	4,931	4,907	0.5
Gross Profit	515	580	(11.2)
Sales & administrative expenses	(333)	(352)	(5.4)
Other income (expense), net	(85)	(83)	2.4
Operating income	97	145	(33.1)
Interest expenses	(123)	(157)	(21.7)
Interest income	15	27	(44.4)
Foreign exchange (loss)	(103)	38	NA[2]
Financing expenses, net	(211)	(93)	NA[2]
Participation in associates results	2	3	(33.3)
Income tax	(4)	(30)	(86.7)
Net income	(116)	25	NA[2]
EBITDA[1]	591	633	(6.5)
Capex	306	389	(21.3)
Net debt[3]	1,402	1,532	(8.5)

(1) EBITDA 1- Operating income + Depreciation, amortizacion & other non- cash charges
(2) NA: Not Applicable, applied to large percentage change
(3) Net Debt = Total Debt - Total Cash

Volume
(millions of equivalent units)

Total revenues
(millions of US dollars)

EBITDA
(millions of US dollars)

Letter to shareholders

GRI: 2-6

Armando Tamez Martínez
Chief Executive Officer

Álvaro Fernández Garza
Chairman of the Board of Directors

Nemak remained focused on its strategic objectives throughout 2025, delivering solid financial results while operating within a dynamic global environment shaped by evolving trade policies and shifting electrification trends.

The Company showcased its ability to pivot between powertrain systems, reinforcing its leadership in Internal Combustion Engine Powertrain ("ICE Powertrain") applications while continuing to advance capabilities in the e-mobility, structure, and chassis applications ("EV/SC") segment.

Nemak met its EBITDA guidance through operating efficiencies and cost discipline, supporting a sustainable improvement in margins. While maintaining free cash flow generation and deleveraging as top priorities, operating efficiencies and disciplined capital allocation enabled the Company to respond swiftly to market developments, demonstrating the flexibility that has become a hallmark of Nemak's success.

During the year, Nemak announced an agreement to acquire GF Casting Solutions' automotive business—a division of Georg Fischer AG—for an enterprise value of US$336 million, and successfully completed the transaction in February 2026. This strategic acquisition will broaden Nemak's high-pressure die casting capabilities, diversify its product portfolio into highly complex aluminum and magnesium structural components, and expand its customer base and geographic presence across Europe, China, and the United States. The acquisition includes an R&D center located in Switzerland and nine production facilities strategically located in Austria, China, Germany, Romania, and the United States, with the latter scheduled to begin operations in the second half of 2026, welcoming approximately 2,500 employees. This transaction provides Nemak with valuable access to major Chinese OEMs, while strengthening relationships with existing western customers.

During 2025 a transformative milestone took place: the agreement to acquire GF Casting Solutions' automotive business. This acquisition will significantly expand Nemak's technological capabilities, geographic reach, and customer base.

US$440 Million

New business awarded during the year totaled approximately US$440 million in annual revenue

85%

of awarded business in ICE Powertrain components

Nemak further bolstered its competitive position and maintained strong customer relationships across both ICE Powertrain and EV/SC segments. This dual-track approach provides flexibility across different electrification scenarios, positioning the Company advantageously regardless of how the transition unfolds.

New business awarded during the year totaled approximately US$440 million in annual revenue, with 85% in ICE Powertrain and 15% in EV/SC segments. The majority of these contracts utilize existing assets, demonstrating capital-efficient growth. The new business reflects the extended ICE platform lifecycle and Nemak's competitiveness in advanced lightweighting applications.

Global automotive production in 2025 was mixed across regions. North America showed a slight reduction of approximately 1% year-over-year, reflecting resilient consumer demand, although this was offset by inventory adjustments. Europe's production declined approximately 2% as the region contended with affordability constraints and reduced exports. Production in China grew 10% year-over-year, driven by government incentives and strong export dynamics. Brazil and other South American markets demonstrated healthy domestic demand, providing stability in the Rest of World segment.

Management focused closely on margin and cash generation, leveraging sustained pricing, cost reductions, labor and manufacturing optimization, and disciplined expense management. Volume and revenue were above Guidance, at 38.4 million equivalent units, and 4.9 billion dollars, respectively, and EBITDA was US$591 million, within Guidance. EBITDA per equivalent unit was US$15.4, reflecting ongoing margin enhancement efforts. The net result was a loss of US$116 million, which included a set of extraordinary non-cash items, namely foreign exchange fluctuations, and asset impairments.

Capital expenditures totaled US$306 million, a 21% reduction versus the prior year, as the Company prioritized profitable projects and optimized asset utilization. Free cash flow remained positive at approximately US$250 million, driven by EBITDA, lower financial expenses, and working capital optimization that benefited from extraordinary seasonal effects. With deleveraging as an ongoing priority, net debt was US$1,402 million, which is a US$130 million reduction y-o-y. Nemak maintained a 2.4x net-debt-to-EBITDA ratio, with interest coverage at around 5.5x, compared to 4.9x from the last year. The year-end cash position was robust at US$517 million with fully available credit lines above US$400 million, and no significant maturities until 2028.

Regional performance followed economic and market dynamics, as North America benefited from robust demand for V8 and I6 engines, which was offset by macroeconomic effects and launch expenses. Europe maintained operating discipline despite volume headwinds, and Rest of World operations—comprising Argentina, Brazil, China, and India—saw consistent EBITDA growth and improved product mix.

Innovation remained central to Nemak's strategy, as the Company ramped up production of advanced EV components, including e-motor housings produced with Rotacast® technology in Germany. Nemak was recognized in four of ten vehicles honored in the 2025 Wards Auto Best Engines & Propulsion Systems awards, highlighting the trust leading OEMs place in the Company's technology and components. Hybrid powertrains dominated the awards list, underscoring the growing relevance of electrified solutions and validating Nemak's strategic positioning.

Nemak advanced its sustainability roadmap, garnering new Aluminum Stewardship Initiative (ASI) certifications at European sites, and Chain of Custody certification at Mexico's melting center.

Nemak's success is built on its exceptionally talented global team, whose dedication and expertise drive the Company forward.

Progress toward CO_2 reduction targets continued, with the Company surpassing its goal of 25% renewable electricity purchased—achieving 26% in 2025. The Company continued its strong CDP Climate rating of A- and A in Supplier Engagement, while reducing it Scope 1 & 2 emissions by 22%, relative to a 2019 baseline.

Nemak's commitment to talent was recognized through Top Employer certifications across Brazil, Czech Republic, Germany, Mexico, Poland, and the United States. The Company's positive and engaging work environment encourages collaboration, innovation, and productivity. During the year, Nemak continued with the second generation of the Female Talent Coaching Program, alongside the continued success of its Mentoring Program and Female Talent Leadership Journey, demonstrating its commitment to diversity and inclusion at all levels of the organization.

Looking ahead, Nemak is well positioned to create sustainable value for stakeholders. Maintaining ICE leadership while simultaneously building EV/SC capabilities provides flexibility across electrification scenarios. GF Casting Solutions' automotive business acquisition will accelerate this strategy, bringing complementary technologies, enhanced operating synergies and innovation, and expanded geographic presence in high-growth segments.

Nemak's success is built on its exceptionally talented global team, whose dedication and expertise drive the Company forward. We remain confident in our strategy, innovation, and ability to deliver value to stakeholders. We are deeply grateful for the continued support of our shareholders, employees, customers, suppliers, and communities. Your partnership is fundamental to our success as we work together to meet the opportunities and challenges of the evolving automotive industry.

Thank you for your continued confidence in Nemak.

Looking ahead, Nemak is well positioned to create sustainable value for stakeholders.

Álvaro Fernández Garza
Chairman of the Board of Directors

Armando Tamez Martínez
Chief Executive Officer

Innovation

Nemak demonstrated its ability to capitalize on opportunities across both ICE and EV/SC segments, while advancing innovation through AI integration and expanded manufacturing capabilities.

Nemak is committed to technological leadership and strategic adaptability as the dynamics of electrification and traditional propulsion systems unfold. Throughout 2025, the Company capitalized on opportunities across both ICE and EV/SC segments, while advancing its innovation agenda by incorporating artificial intelligence and expanding manufacturing capabilities.

The agreement to acquire GF Casting Solutions' automotive business will expand Nemak's innovation platform and extend its reach in R&D, particularly in high-pressure die casting technology. An R&D Center in Switzerland that is part of the transaction will strengthen capabilities in highly complex aluminum and magnesium parts for e-mobility, structure, and chassis applications.

Nemak's addressable market in EV/SC applications remains substantial, though highly dynamic as industry adoption rates continue to adjust. In response to evolving customer needs, the Company secured US$440 million in new business during 2025, strategically balancing its portfolio between ICE and e-mobility applications.

Notably, several ICE contracts were extended beyond 2030, and in some cases until 2035, reflecting OEMs' decisions to continue offering traditional powertrain systems.

The Company's new facility in the Czech Republic continued its successful ramp-up, producing state-of-the-art battery trays with advanced joining and assembly technologies for a premium German OEM. This development reflects Nemak's ability to deliver complex, highly engineered components that provide significant value to customers' electrification programs.

Nemak will continue partnering with customers in the early design stages of vehicles, leveraging its leading capabilities in lightweighting, advanced materials, and process innovation. The Company's Engineering Center in Frankfurt plays a key role in developing innovative joining solutions that optimize cost and enhance product performance in the electromobility field. These efforts, combined with expanded additive manufacturing prototyping capabilities and AI-powered knowledge management tools, position Nemak at the forefront of innovation in automotive components.

The following 2025 highlights underline Nemak's commitment to innovation and operating excellence:

NORIS GPT Launch: The Company introduced NORIS GPT, an AI-powered enhancement to its patented NORIS (Nemak Online Real-Time Information System) shopfloor system. This system rapidly converts manufacturing data into actionable insights, combining enhanced information processing with domain expertise to deliver measurable business outcomes. This integration of artificial intelligence helps strengthen Nemak's competitive position through cutting-edge technology.

Czech Republic Facility Success: Volumes increased at the battery tray production facility in the Czech Republic, as advanced joining and assembly technologies were incorporated. The facility produces highly engineered components for a premium German OEM, with expected peak revenues of approximately €80 million.

High-Pressure Die Casting Expansion: Building on successful pilot programs, Nemak expanded its efficiency improvement projects in high-pressure die casting at multiple facilities using the same technology. These initiatives deliver enhanced productivity and cost reductions across the Company's footprint. During the year the Company achieved important milestones using this technology by developing all-aluminum structural components for vehicles for C and D segments (high volume vehicle segments), while meeting market expectations in terms of cost, lightweighting and performance.

Additive Manufacturing Advancement: The Company expanded its additive manufacturing capabilities with the integration of wire arc technology, enabling the creation of functional aluminum prototypes. This advancement over traditional prototyping accelerates development timelines and enhances overall product quality.

E-Motor Housing Innovation: Nemak began producing an e-motor housing for a high-end vehicle, marking the first application of its patented Rotacast® technology for this component type. The vehicle's engine system includes four highly complex castings provided by Nemak, demonstrating the Company's comprehensive capabilities.

Industry Recognition: Four of the ten vehicles recognized in the 2025 Wards Auto Best Engines & Propulsion Systems list include components manufactured by Nemak. This recognition reflects the trust that leading OEMs place in Nemak's technology and its ongoing contribution to efficient, high-performance propulsion systems.

Strategic Acquisition: The agreement to acquire GF Casting Solutions' automotive business will expand Nemak's R&D capabilities, particularly in high-pressure die casting technology, and provide access to an R&D Center in Switzerland. This transaction strengthens the Company's ability to deliver highly complex aluminum and magnesium structural components.

New Business Awards: Nemak secured US$440 million in awarded business across all regions, with contracts spanning both ICE powertrain extensions and e-mobility, structure, and chassis applications. Many of these programs will leverage existing assets, deploying capital efficiently while delivering high-quality solutions.

Sustainability at Nemak

The world in which Nemak operates is changing rapidly. Rising material costs, evolving regulations, and shifting customer expectations create challenges for implementing sustainability initiatives, while the transition to electrified mobility introduces additional complexities, from supply chain constraints to technology adoption uncertainties. ESG-related challenges, including carbon reduction, resource efficiency, circularity, workforce safety, and ethical supply chain management, require ongoing attention, innovation, and investment. Yet, amid these uncertainties, Nemak remains committed to turning sustainability ambitions into action, demonstrating that responsible operations and growth can go hand in hand.

2025 Sustainability Key Highlights

In 2025, Nemak continued to advance significantly towards its goal of making sustainable mobility possible. Some of the key achievements within the reporting year include:

MOBILIZING FOR THE PLANET

Achieved a 22% Scope 1 & 2 emissions reduction, in comparison to a 2019 baseline.

Achieved its target of 25% renewable electricity by 2025, reaching 26% in 2025.

Achieved a reduction of Scope 3 Category 1 emissions by 4%, with an overall reduction in Scope 3 by 5% (relative to 2024).

Maintained CDP Score of A-

Introduced a Waste Management Standard across all Nemak sites.

ACCELERATING EQUITY

Achieved the ‘Top Employer’ recertification in the US, Mexico, Brazil, Germany and Poland, while earning the certification in the Czech Republic for the first time.

Expanded the Coaching Program for Female Talent, Mentoring Program, and Female Talent Leadership Journey.

Completed 97% of its improvement plan based on the results of the YOUR VOICE employee engagement survey.

LEADING CHANGE

Launched a new, improved transparency hotline system “Ethics Point”.

Certified an additional six sites against ASI Chain of Custody certification, bringing the total to eight.

Screened 263 suppliers against social and environmental criteria via EcoVadis.

Launched strategic collaboration with Norsk Hydro to decarbonize value chain emissions.

Driving Mobility Forward

Nemak's Sustainability Frameworks are built around three core ESG ambitions:

The company develops lightweight, efficiency-enhancing components that support automakers to reduce vehicle weight, improve performance, and lower emissions. By applying circular economy principles, continuously improving energy efficiency, and maintaining strong health, safety, well-being, and diversity programs, Nemak contributes to the social and economic well-being of its people, communities, and partners across its value chain. Serving OEMs worldwide, including Audi, BMW, Ford, GM, Hyundai-KIA, Jaguar Land Rover, Mercedes-Benz, Porsche, Stellantis, and Volkswagen, Nemak plays a tangible role in advancing sustainable mobility globally.

Nemak is committed to turning sustainability ambitions into action, demonstrating that responsible operations and growth can go hand in hand.

Nemak approaches sustainability as a shared responsibility. Achieving meaningful progress requires collaboration across the value chain, shared investment, and solutions that balance environmental, social, and economic outcomes. By embedding sustainability into core business decisions, maintaining operational excellence, and focusing on measurable outcomes, Nemak continues to advance sustainable mobility and build a more resilient future for its stakeholders and communities.

Nemak's total revenue in 2025 was $4,931 million, with 9% coming from the sale of the EV/SC segment. The Company's goal is to achieve a balanced revenue stream from both ICE and EV components by 2030, ultimately phasing out ICE components as the mobility industry transitions away from fossil fuels. Nemak believes that this transition is not only essential for the environment, but also presents a significant opportunity for growth and leadership within the automotive industry.

Nemak's total revenue in 2025 was

$4,931 Million

9% of Nemak's revenue in 2025 came from the sale of EV/SC segment.

As the market transitions toward electrification, Nemak expects a significant portion of its revenues over the next 5 -10 years to continue to be driven by the sale of ICE components, particularly as the renewable energy conversion will occur at a varying pace across the global market. Regardless of whether Nemak is producing components for ICE, hybrid, or electric vehicles, the Company continues to implement measurable sustainability steps: exploring the advanced application of recycled aluminum in production, reducing scrap rates, and improving furnace and casting efficiency. These concrete measures allow Nemak to support OEMs in meeting specific CO_2e and material circularity targets, such as increased used of recycled content.

The acquisition of GF Casting Solutions, a Swiss-based leader in lightweight casted components, represents a key milestone in Nemak's efforts to accelerate its transformation beyond ICE powertrain components and broaden its global footprint, as well as expand on its opportunities in clean technologies, especially in the EV sector. The transaction allows Nemak to further diversify its customer base, enhance its technological capabilities, and strengthen its position in the transition towards sustainable mobility. GF Casting Solutions automotive business brings advanced expertise in the design and manufacturing of high-complexity structural components made from aluminum and magnesium – materials central to lightweight vehicle design. It also adds significant capacity and technology in high-pressure die casting (HPDC), as well as expanded commercial reach, particularly across premium European and Chinese OEMs.

To stay at the forefront of the industry, Nemak invests in targeted research and development to enhance products, optimize processes, and expand technical capabilities while reducing emissions. This includes strengthening ESG practices, improving production efficiency, sourcing sustainable materials, and manufacturing components that support net zero vehicles.

> **"At Nemak, sustainability remains at the core of everything we do. Our commitment to reducing emissions, promoting circularity, and advancing responsible operations is unwavering. At the same time, we recognize that global macroeconomic challenges, from energy volatility to supply chain pressures, require us to balance ambition with realism. We are determined to continue making meaningful progress, embedding sustainable practices in every decision, while navigating a complex and ever changing environment."**

Armando Tamez Martínez
Chief Executive Officer

About Nemak's Sustainability Reporting

GRI 2-2, GRI 2-3

The reporting period for this Report is January 1 to December 31, 2025. Nemak completed the acquisition of GF Casting Solutions in February 2026, therefore, the sustainability disclosures for the 2025 reporting year do not include the newly acquired GF Casting Solutions sites. Accordingly, all sustainability-related information, data, and performance indicators presented in this Report exclude GF Casting Solutions, even where these operations may be referenced or visually reflected in other reporting elements, such as the cover page or general corporate overview.

Nemak's Sustainability Report is aligned with the consolidation method of its financial statements, with subsidiaries included within scope based on the applicable reporting boundary for the period. To consolidate Sustainability Reporting information, Nemak identifies subject matter topic owners responsible for managing and tracking progress against assigned material topics. Data is collected from reporting sites and subsequently aggregated at a global level. The GF Casting Solutions sites will be incorporated into Nemak's sustainability reporting scope beginning with the 2026 Sustainability Report.

In addition, in 2024 Nemak officially sold its facility in Russia, therefore implying its exclusion from the scope of reporting starting from 2025. As a result, historical values included within this report may differ from those disclosed in previous years. Due to the emissions from this site comprising only 0.5% of Nemak's global emissions in 2019, revalidation of Nemak's baseline emissions is not mandated.

Nemak reports on upstream activities such as Scope 3 emissions (from direct suppliers), supplier due diligence processes and supplier screening. This reporting is conducted to the depth of first tier suppliers. Nemak does not report any quantitative data for the downstream value chain, aside from that within Scope 3 calculations. This is due to the Company determining that its most material impacts are the result of upstream value chain activities.

Nemak defines its time horizons as follows:

- Short-term: 1 year
- Medium-term: 2 to 4 years
- Long-term: 5 to 10 years

Nemak's planning horizons of one year for short-term and beyond five years for long-term are strategically aligned with guidance from the Company's Board of Directors and approval by external auditors. The one-year horizon is focused on ensuring that immediate goals are met and allows for agile responses to market changes and operational adjustments. Medium-term incorporates tangible milestones that guide progress towards long-term goals while managing current operations effectively. The medium-term timeframe assists to breakdown long-term planning, making it easier to track progress and adapt strategies as needed. The five-year horizon supports sustainable growth and long-term vision, facilitating strategic investments, planning and innovation. These timeframes are defined based on industry standards, risk assessments, and financial projections, ensuring a balanced approach to immediate needs and future aspirations. This alignment ensures robust governance, compliance, and strategic foresight, fostering stakeholder confidence and organizational resilience.

Disclosures Stemming from Legislation and Sustainability Reporting Frameworks

In consideration of the requirements stemming from the Mexican Stock Exchange, Nemak's sustainability reporting for 2025 incorporates elements of the IFRS S1 and S2 standards. To optimize reporting efficiencies and avoid duplication, Nemak has discontinued separate Task Force on Climate-Related Financial Disclosure (TCFD) reporting this year, as the climate-related information disclosed under TCFD is fully encompassed within its IFRS S1 and S2 reporting.

This report also complies with the reporting recommendations and requirements of the Sustainability Accounting Standards Board (SASB). In addition, all Nemak sites are subject to compliance with local legislation (e.g., laws specific to water, waste management, handling of hazardous substances, and supplier due diligence).

Amidst regulatory uncertainty, Nemak's disclosures continue to align with Global Reporting Initiative (GRI) standards, and the Company is proactively integrating aspects of the European Sustainability Reporting Standards (ESRS) that underpin the Corporate Sustainability Reporting Directive (CSRD) to prepare for future reporting obligations. This strategic approach ensures that Nemak's reporting remains robust, transparent, and well-positioned to meet evolving regulatory and stakeholder expectations.

Nemak's Value Chain

GRI 2- 6

Nemak's value chain strategically aligns suppliers, employees, communities, customers, and end consumers, under the guidance of global regulatory frameworks.

After the acquisition of GF Casting Solutions in 2026, Nemak's manufacturing footprint grew to a total of 53 production facilities and 12 product development centers, strategically located in 15 countries.

The chain begins with responsibly sourced inputs including primary and secondary aluminum, energy, and key services, all supporting Nemak's commitment to providing economic and sustainable value to its stakeholders. Advanced manufacturing processes, including aluminum melting, high-pressure die casting (HPDC), machining, and precision quality assurance, transform these inputs into sophisticated structural and powertrain components, as well as e-mobility modules.

Outputs are delivered to leading automotive manufacturers for use in both traditional internal combustion engine (ICE) vehicles and advanced hybrid/electric models. Through new strategic initiatives, Nemak is looking to further expand its global footprint, notably in Europe and China, and to extend its product reach to Western and Chinese OEMs. This includes a potential acquisition that is pending customary regulatory approvals, reflecting Nemak's strengthened customer diversification and technological capabilities.

Sustainability-related impacts, risks and opportunities relevant to Nemak, and where they occur in the value chain, are outlined in the Double Materiality Section of this Report and further elaborated in the respective individual chapters.

Key Elements of Nemak's Value Chain

Key Stakeholders

Regulators

Suppliers & Supplier Communities

Nemak Employees
Nemak's Communities
Nemak's Investors

Nemak's Customers

End consumers

Inputs, Processes and Outputs

INPUT

- Secondary aluminum
- Primary aluminum
- Consumables
- Sand
- Water
- Electricity
- Natural Gas

Post consumer scrap remelted into secondary aluminum

- Equipment
- Machining
- Services
- Other suppliers

PROCESSES

- Aluminum melting
- Core making
- Molding
- Heat treatment (ageing & quenching)
- Fettling
- Thermal sand removal
- Machining
- Assembly
- \+ Other

OUTPUT

Vehicle Structures
- Longitudinal Members
- Shock towers
- Subframes

E-Mobility Components
- E-Motor Housings
- Battery Housings
- (Hybrid/Electric Vehicles)

Powertrain
- Cylinder Heads
- Engine Blocks
- Transmission Cases

Vehicle Assembly

Owners of the vehicles

Key Benefits

- Responsible sourcing practices
- Strong supplier relations
- Economic support of supplier business
- Collaboration with key suppliers for innovation

- Economic benefit for Nemak communities through job creation
- Engagement with the local communities through local activities
- ROI for Nemak investors and engagement with a company pursuing sustainable alternatives

- High-quality products to Nemak's customers
- Collaborations with customers for new products

- Essential parts to overall vehicle functioning
- Ability to endlessly recycle Nemak components made from aluminum

**Please note that the following visual considers the scope of Nemak's Value Chain Pre-GF Casting Solutions acquisition. It is subject to change upon the integration of GF Casting Solutions activities*

Aluminium Stewardship Initiative (ASI) as a foundation

The Aluminium Stewardship Initiative (ASI) is a global, multi-stakeholder, non-profit standard setting and certification organization. It works towards responsible production, sourcing and stewardship of aluminum following an entire value chain approach.

The organization manages a third-party certification program against two standards.

- The ASI Performance Standard has defined principles and criteria to address sustainability issues in the aluminum value chain through the lens of three pillars: Environmental, Social and Governance.
- The ASI Chain of Custody (CoC) Standard establishes sustainability standards for a company's supply chain.

In respect of the value chain, Nemak is a member of the ASI, working with aluminum producers, users, and stakeholders to foster responsible production, sourcing, and stewardship. The Company adopts ASI principles to manage sustainability and environmental issues both within its own operations and supply chain.

Marc Winterhalter
VP Purchasing and Sustainability

> **"As sustainability remains a top priority for Nemak, our ongoing collaboration with the Aluminium Stewardship Initiative (ASI) demonstrates our commitment to making sustainable mobility possible. Over the past year, we have made significant strides, successfully certifying additional sites across Europe and the Americas against both the ASI Performance & Chain of Custody Certification, ASI certification has been instrumental not only in standardizing our practices across regions, but also in preparing our operations to meet increasingly rigorous ESG regulations and customer expectations. This journey has accelerated our ESG progress as a global corporation, supporting our customers and communities while proactively tackling global sustainability challenges together."**

In 2025, Nemak continued its commitment to responsible sourcing and sustainability by certifying seven additional facilities under the ASI standards:

- Turkey: Certified against the ASI Performance Standard - Audit conducted in 2024
- Dillingen, Pilsting, and Linz: Successfully certified against both the ASI Performance and Chain of Custody (CoC) Standards (Audits conducted in 2024)
- Mexico Melting Center: Achieved certification against the ASI CoC Standard, complementing its existing ASI Performance Standard certification obtained in 2024
- Spain: Successfully certified against both the ASI Performance and Chain of Custody (CoC) Standards

Additionally, Nemak's sites in Poland and Slovakia, both previously certified against the ASI Performance Standard, successfully completed their surveillance audits in 2025. The previously identified non-conformances were addressed and closed, reaffirming the sites' continued alignment with ASI requirements.

Why ASI?

Driving Sustainability

Global Recognition as a benchmark for sustainable practices in the Aluminum industry. Environmental Stewardship and Social Responsibility.

Mitigating Risks

Resilience against regulatory changes and operational disruptions with a structured framework for ESG risk management. Early Due Diligence across supply chain, promoting transparency and ethical practices from the outset of our operations.

Engaging Internal Stakeholders

Active engagement from internal stakeholders, ensuring buy-in and effective change management across the organization. More tangible sustainability practices on the shop floor, integrating them into daily operations.

Enhancing Reputation

Enhanced stakeholder trust and confidence as a result of our commitment to responsible sourcing. Increasing importance of sustainable suppliers for customers and investors, positioning us favorably in competitive markets.

Increasing Transparency

Supply Chain visibility ensuring ethical sourcing practices, aligning with corporate social responsibility goals. Increased transparency to meet high ethical standards, building trust with customers and partners.

Continuous Improvement

Innovative approaches to sustainability challenges, fostering a culture of creativity and problem-solving. Regular audits and reviews required by ASI certification promoting continuous improvements in our sustainability practices.

By the end of 2025, audits were also conducted at Nemak's sites in China, India, Hungary, and 5 plants within Nemak Mexico. These facilities are expected to receive final ASI certificates in early 2026. Notably, the sites in Hungary and Mexico were audited against both ASI standards.

ASI certification enables Nemak to implement a globally aligned Sustainability Strategy,, ensuring consistently high standards across all Nemak locations. This is evidenced in the certified sites, and those preparing for certification, through the comprehensive implementation approach adopted by Nemak. The Company's Sustainability Team takes an end-to-end approach, collaborating closely with Nemak sites to provide guidance and support during implementation and then throughout the certification process. Firstly, through use of subject matter experts at a site level, a gap analysis is conducted against the ASI standard requirements. Identified gaps are then addressed through a corrective action plan, which is then implemented prior to an internal audit being conducted, led by the Sustainability Team. The sites are then responsible for addressing any findings or recommendations ahead of the external certification audit. This approach has proven to be a success, not only to prepare Nemak's sites for the audit process, but also to put into practice sustainable principles that strengthen the Company's existing systems, establish new innovative processes and advance Nemak's overall Sustainability Strategy.

In the coming year, ASI audits are planned for the Company's Wernigerode site in Germany, and the site located within the Czech Republic. In addition, Nemak will increase the number of sites certified against the Chain of Custody Standard, further strengthening its commitment to traceability and responsible sourcing. Scheduled surveillance audits will be conducted at sites already certified, including those in Turkey, Germany, to ensure ongoing compliance and continuous improvement.

30%

of Nemak's purchased aluminium (spend based) comes from suppliers that are ASI Performance Standard certified.

13 Nemak plants are ASI PS certified, and 8 plants ASI CoC certified

PS: Performance Standard
CoC: Chain of Custody Standard

DRIVING MOBILITY FORWARD

JUN 2022	Nemak's ASI Membership
MAR 2024	3 PS Certifications Brazil, Poland & Slovakia
JUN 2024	3 PS Certifications Mexico 5&6, PDC, Melting Center
DEC 2024	1 CoC Certification Poland & Slovakia
JAN 2025	1 PS Certification Turkey
JUN 2025	1 PS Certification Dillingen
SEP 2025	2 PS Certifications Linz & Pilsting
SEP 2025	1 CoC Certification Mexico Melting Center
NOV 2025	1 CoC Certification Dillingen, Pilsting, Wernigerode and Linz
DEC 2025	1 PS Certification Spain
JAN 2026	2 PS Certifications Chennai & Nanjing
JAN 2026	1 CoC Certification Spain

Nemak's Sustainability Strategy

GRI 2-22, GRI 3-3

Sustainability has long been central to Nemak's purpose, and the Company's strategy is guided by regular materiality assessments and risk assessments, such as those completed at a site level, that identify Nemak's most impactful areas.

These topics are integrated into the Business Strategy to support Nemak's vision of advancing sustainable mobility. Nemak views the integration of its Sustainability Strategy into its core Business Strategy as crucial to maintaining its license to operate and thrive in today's evolving global landscape. Bespoke programs, with a dedicated roadmap and associated metrics and targets, have been developed, with continual monitoring seen as essential to the progression of Nemak's sustainability ambitions.

Nemak's Sustainability Timeline

2020
- VP of Sustainability role introduced
- Creation of the Sustainability department

2021
- Science Based Targets set
- Issued two Sustainability linked-bonds

2022
- Joined ASI
- EcoVadis Platinum Medal

2023
- First ASI Performance Standard Certification

2024
- First ASI Chain of Custody Certification
- Achieved its goal of 25% renewable electricity purchase

2025
- Entered Catena X collaboration
- Signed Partnership Agreement with Hydro

2026 - 2030
- Publication of first IFRS S1/S2 report
- Publication of first CSRD report
- 28% reduction in Scope 1 & 2
- Kick in of the 50% renewable energy strip for USA
- SBTi 18% reduction target (SLB rate)
- Target: 100% renewables

"We are proud of how far the company has come on sustainability over the past five years. Sustainability is a vital pillar of our strategy and increasingly shapes the decisions we make every day. We reinforce this commitment through clear, measurable targets and by establishing a strong foundation through initiatives such as ASI certification."

Sabine Sigle
Global Sustainability Sr. Manager

In preparation for future mandatory reporting under the CSRD, Nemak conducted a Double Materiality Assessment (DMA) in 2025 which incorporated the identification and evaluation of actual and potential impacts that the Company has on sustainability matters, as well as the financial risks and opportunities arising from such matters.

The outputs of Nemak's DMA and its previous assessments serve to inform the direction of the Sustainability Framework, and the subsequent integration of this framework into the Company's core Business Strategy. These assessments enable a comprehensive review of the views of stakeholders within Nemak's value chain, meaning that the Company can proactively ensure that these are reflected within future strategic developments. Nemak's Sustainability Framework is built on three key ESG foundations, with material topics allocated to the appropriate business areas.

Targeting 2030, Nemak's Sustainability Roadmap depicts underlying goals for each material topic with defined targets. Through regular monitoring and review processes, the targets are assessed to ensure alignment with desired outcomes, and to enable strategic updates to optimize the Roadmap as needed. Progress is monitored regularly against key performance indicators (KPIs) across environmental, social, and governance areas by the respective teams, including energy efficiency, carbon emissions reduction, diversity and inclusion, and workplace safety. Targets are benchmarked against industry best practices and evolving regulatory requirements, and are updated as required to ensure alignment with Nemak's long-term strategic objectives and stakeholder expectations. Independent audits and internal reviews validate data accuracy and support continuous improvement, ensuring transparency and accountability in its ESG commitment.

Nemak's Sustainability Framework

GRI 3-3

Mobilizing for the Planet
Environment

Accelerating Equity
Social

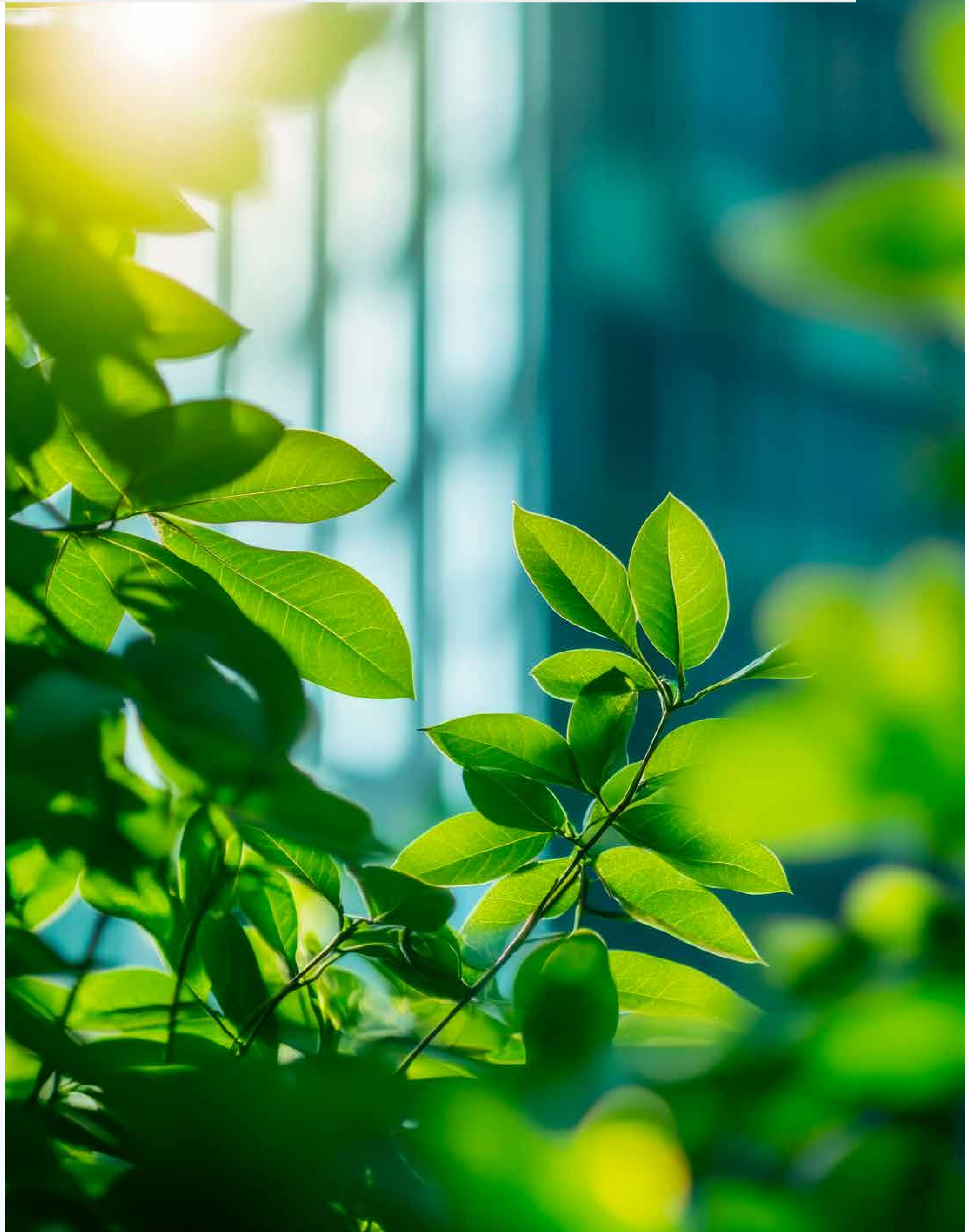
Leading Change
Governance

MATERIAL TOPICS

- Climate Change
- Circular Economy
- Innovation
- Pollution

- Health & Safety
- Working Conditions & Employee Well-being
- Training & Development
- Diversity and Inclusion
- Communities & Corporate Citizenship

- Responsible Supply Chain & Workers in the Value Chain
- Business Ethics
- Product Quality



Nemak's Sustainability Roadmap 2030

PILLAR	UN SDG ALIGNMENT	CORE TOPIC	CONNECTED MATERIAL ESRS STANDARD	TARGET/OBJECTIVE
Mobilizing for the planet (Environment)	9.2 9.4 12.2 13.1 13.2	Climate Change	E1	▪ 28% reduction in Scope 1 and 2 emissions by 2030, against a 2019 baseline ▪ 14% reduction of Scope 3 Category 1 emissions by 2030, against a 2019 baseline ▪ 100% renewable electricity by 2030
		Pollution *new material topic	E2	▪ Targets set on regional level, global targets to be defined in the near future
		Circularity	E5	▪ Increase recycled content quota for new product groups ▪ Reduce the volume of solid waste streams through implementation of waste reduction and recycling programs
		Innovation	E1 E5	▪ Increase the application of secondary alloys while meeting customer requirements ▪ For at least 75% of all R&D portfolio projects to include sustainability-related targets
Accelerating Equity (Social)	4.4 4.5 4.7 8.5 8.7 8.8	Health and Safety	S1	▪ Reduce the frequency and severity of incidents, measured in year-over-year reduction of Total Recordable Incident Rate, including incidents that result in lost work days or work restrictions
		Working Conditions & Employee Well-Being	S1	▪ Exceed industry average for employee satisfaction based on results of YOUR VOICE employee survey ▪ Adoption of ASI Performance Standard principles across all locations
		Diversity and inclusion	S1	▪ With respect to gender, equal representation, participation, and leadership across all levels of management by 2030
		Communities & Corporate Citizenship	n/a	▪ Implementation of stakeholder tools and mechanisms of interaction, including shared value-creating opportunities
Leading Change (Governance)	12.6 12.8 13.2 13.3	Responsible Supply Chain & Workers in the Value Chain	S2	▪ Critical supplier screening via EcoVadis ▪ Aluminium Stewardship Initiative (ASI) as standard for aluminum suppliers ▪ Implementation of ASI Chain of Custody Standard
		Business Ethics	G1	▪ Continuous improvement in governance and sustainability practices
		Product Quality	n/a	▪ Deliver and maintain high-quality standards of Nemak's products, as well as the quality standards of suppliers

Nemak's Contribution to the UN Sustainable Development Goals

To ensure that Nemak's Sustainability Strategy and roadmap support the ambitions of the United Nation's Sustainable Development Goals (SDGs), Nemak has taken measures to align its material topics with the SDGs. The Company's efforts are primarily focused on supporting the following SDGs:

Nemak's Targets matched to the UN SDGs

4 QUALITY EDUCATION

Nemak enables and empowers its employees to continually advance their personal and professional development through learning and development opportunities. Nemak also supports local communities through collaborations with universities and schools.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Nemak seeks to reduce the consumption of natural resources by eliminating waste from its production processes. Furthermore, the Company continues to integrate sustainability criteria into its purchasing procedures, as well as adopt circular economy principles into its processes.

8 DECENT WORK AND ECONOMIC GROWTH

Nemak pursues ambitious growth targets along with good working conditions, a competitive pay scheme, and a key focus on its employees' health and safety.

13 CLIMATE ACTION

Nemak's Sustainability Strategy focuses on consistently reducing greenhouse gases both at its own production sites and throughout the value chain, while being more aware of the environmental implications of its products throughout the entire lifecycle.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Innovation is the basis for future growth and the development of environmentally friendly products. Nemak therefore invests in innovation initiatives and creates incentives inside and outside the organization to encourage the generation of new solutions and ideas.

In line with the SDGs, Nemak is also a signatory to the UN Global Compact and submitted its latest Communication on Progress (COP) in July 2025.

ESG Impact, Risk & Opportunity Management

GRI 3-1

Nemak conducted a Double Materiality Assessment (DMA) in 2025 with reference to the requirements laid out in Set 1 of the ESRS standards. The scope of the assessment was global, including all sites, and with consideration of Nemak's value chain.

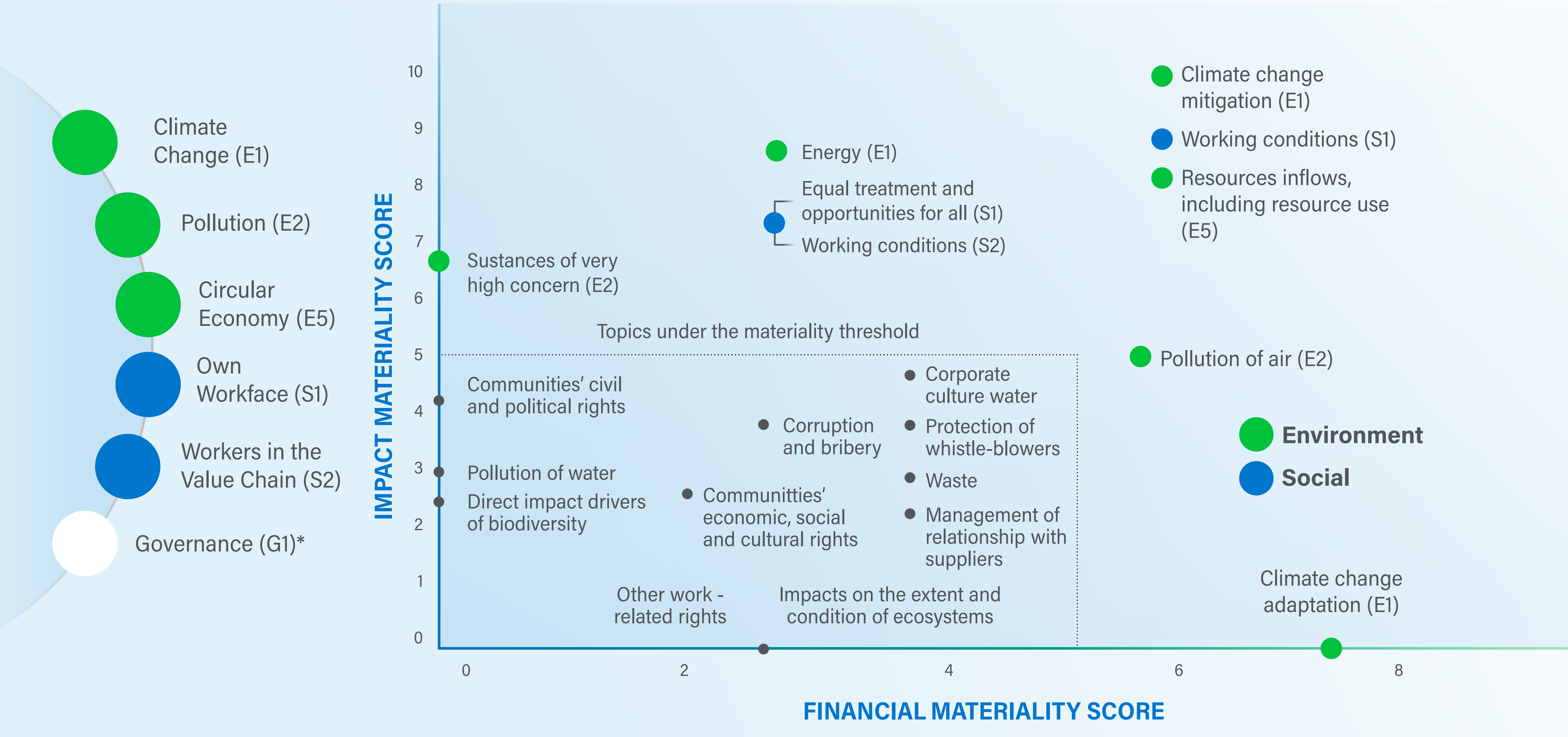
The scope of the upstream value chain was limited to Nemak's aluminum suppliers, due to the majority of Nemak's purchased goods and services being aluminum and alloys. The DMA process commenced with a review of the results of previous assessments, peer benchmarks and coverage of the different ESG topics included within all relevant standards.

From this, Nemak formulated a long list of potential material topics, primarily based on the ESRS topics, sub-topics, and sub-sub-topics. A series of workshops were then conducted with internal Subject Matter Experts to identify and evaluate potential and actual impacts from Nemak on people and the planet, in addition to the identification and assessment of sustainability-related risks and opportunities on the Company. Each impact was evaluated based on the determined scale, scope, irremediability and likelihood of occurrence. The same process was followed for the assessment of risks and opportunities based on the magnitude of their financial impact, reputational impact, legal risk and likelihood. The process and results were subject to comment and approval by Nemak's Executive Sustainability Committee.

The assessment resulted in a final set of material sustainability-related impacts, risks and opportunities, which are addressed in the relevant sections of this Report. Completion of the DMA represents an important step in aligning Nemak's Sustainability Strategy with the principles of ESRS and the IFRS Sustainability Disclosure Standards, particularly with respect to identifying and assessing sustainability-related risks and opportunities that may reasonably be expected to affect the Company's financial position, performance, and prospects. While this Report reflects alignment with these principles, and with ESRS it does not yet constitute full compliance with these requirements.

Results of Nemak's 2025 Double Materiality Assessment:

Material ESRS Standards for Nemak



* Through the DMA, no individual impacts, risks, or opportunities related to governance exceeded the materiality threshold. However, Nemak considers governance to be a critical element of sustainable business overall. For this reason, the company treats governance as a material topic in its reporting, reflecting its ongoing commitment to strong ethical practices, effective oversight, and accountability.

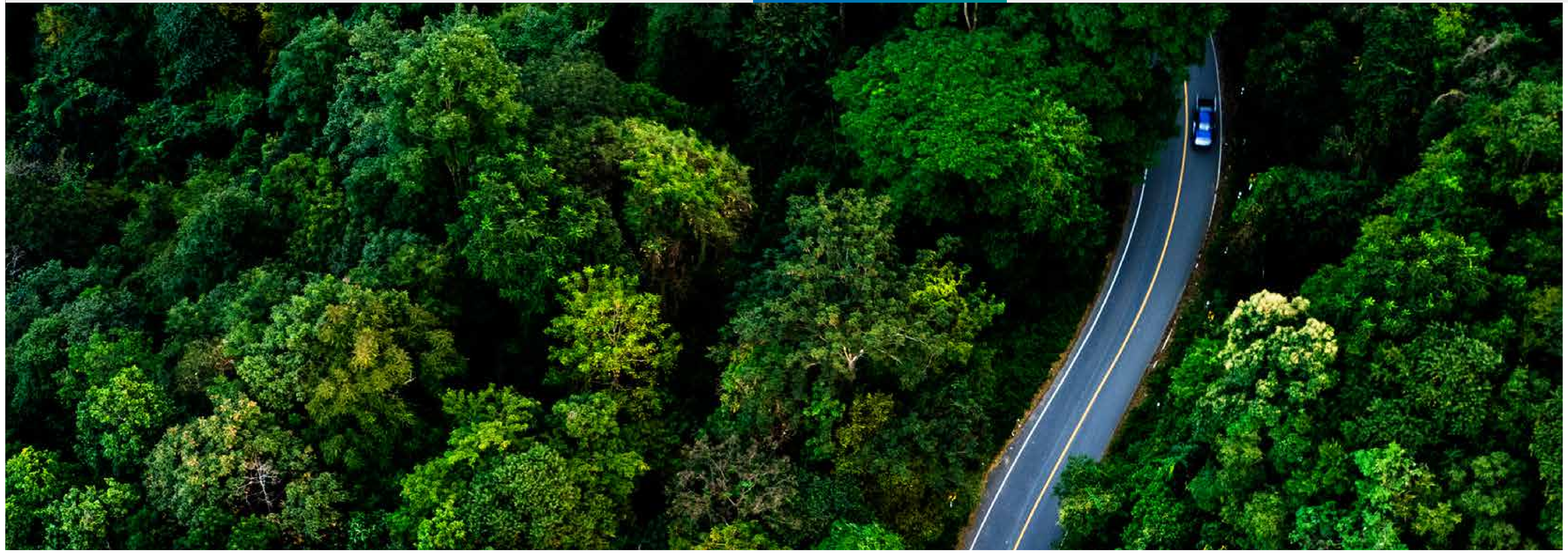
Nemak has completed a pre-assurance review of the results of its DMA against the European Union's ESRS standards. The review provided an independent evaluation of the methodology and outcomes of the DMA, focusing on the completeness, consistency, and reliability of the findings. By conducting this pre-assurance assessment, Nemak reinforces its commitment to a robust and transparent approach to identifying and managing ESG risks and opportunities, laying a strong foundation for future sustainability reporting under the CSRD.

Summary of Nemak's Material Impacts, Risks and Opportunities

GRI 3-2

TOPIC	SUB-TOPIC	IMPACT DESCRIPTION	RELATED MATERIAL RISKS/OPPORTUNITIES
E1 - Climate change	Climate change mitigation	Emissions impacts in the downstream value chain including the use of ICE vehicles	▪ Opportunity: A market shift towards electrification may make new markets, products, customers and technologies available to Nemak ▪ Risk: Unstable EV market could result in financial loss at Nemak sites ▪ Opportunity: The development of net zero product offer may enhance competitiveness and potentially increase revenue ▪ Risk: Failure to reduce emissions could result in loss of customers and investors, reduction of license to operate and reputational damage
		Emissions produced through the mining and production of aluminum contribute to climate change	
		Emissions produced from production processes contribute to climate change	
	Energy	The use of fossil fuels to power plants and machinery may have a negative impact on the environment	
E2 - Pollution	Pollution of air	Air Pollutants released through normal operations may impact pollution levels of local communities and worker well-being	▪ Risk: Air pollutants released through normal operations may pose financial, legal and reputational risks for Nemak
	Sustances of concern	Use of substances of concern may potentially result in higher health risks for employees and potential impacts on human health and surrounding ecosystems	
E5 - Circular economy	Resources inflows, including resource use	Mining in the value chain may cause negative environmental impacts such as deforestation and use of water	▪ Opportunity: Circular economy designs of Nemak's products may improve customer and investor perceptions and potentially reduce costs of production
S1 - Own workforce	Working conditions	Potential negative health impacts to employees / contractors from injury & illness and / or fatalities (including mental health impacts)	▪ Risk: Sub-standard health and safety practices in the workplace may pose financial, legal and reputational risks for Nemak ▪ Risk: Unstable market conditions could result in plant shutdowns and lay-offs
		Challenging working conditions for Nemak employees may resulting in health-related issues	
		Payment of competitive and fair wages benefits Nemak employees	
	Equal treatment and opportunities for all	Encouraging female talent development in a male dominated industry benefits women in the workforce	
		Employee development through training & development opportunities, building up the competence of the workforce	
S2 - Workers in the value chain	Working conditions	Negative impact on supply chain workers due to non-compliance with the standards defined in Nemak's Global Business Code for Suppliers	*Out of all risks and opportunities identified, none exceeded the materiality threshold*
		Fair wages and economic benefit to the workers via creation of jobs and stable work environment	

*The impacts, risks, and opportunities presented here are those that exceeded the materiality threshold defined through the Double Materiality Assessment. Accordingly, this list is not exhaustive of all the impacts, risks, and opportunities faced by Nemak, but rather reflects those considered most significant.



Once a year, Nemak conducts a strategic alignment meeting dedicated to discussing the Company's material risks and opportunities, including those not related to sustainability. This meeting includes in excess of 150 individuals, with all employees at the level of senior manager and above invited. The CEO and CFO are responsible for guiding the strategic initiatives over the following 12-month period, supported by specific working groups with defined objectives.

Nemak conducts an annual strategic alignment meeting dedicated to discussing the Company's material risks and opportunities, including those not related to sustainability.

ESG Business Integration & Strategic Alignment

Nemak employs robust internal controls and standardized procedures to monitor and manage sustainability-related risks and opportunities, and to ensure that they are integrated into the company's overall risk management processes. These include, but are not limited to:

- Operational Standards & Certifications: Facilities are certified to the ASI Performance Standard and Chain of Custody Standard, alongside other certifications such as ISO 14001 and IATF 16949, which embed environmental and quality controls into plant-level processes. Full disclosure of relevant certifications can be located in the topic specific sections of this Report
- Integration into Business: Material sustainability risks (e.g., climate change, resource scarcity, regulatory shifts) are identified and validated by management and integrated into enterprise risk management, in collaboration with the Compliance Team. On an annual basis, Nemak's Compliance Team reviews the risks relevant for stakeholders and presents them to the Board of Directors, inclusive of sustainability-related risks such as electrification and compliance with sustainability regulations
- Cross-Functional Collaboration: Controls are aligned across Sustainability, Finance, HSE, HR, Purchasing and Operations. For instance, emission and energy efficiency projects are evaluated via financial analysis, risk assessment procedures, and HSE sign-off before project approval

These processes demonstrate that Nemak's sustainability controls are integrated into the Company's wider operational, financial, and risk governance infrastructure. Nemak's Executive Management Team is regularly informed of the progress and status of such control systems.

Interests and Views of Stakeholders

GRI 3-3, GRI 2-29

Nemak defines its stakeholders as individuals or organizations that directly impact, or are directly impacted by, the Company's activities.

Nemak regularly engages with these stakeholder groups, maintaining an open two-way dialogue to share progress and expectations, gather feedback on performance, and inform strategic decisions.

The Company considers its full value chain, from the sourcing of aluminum used in manufacturing, to the end users of its products, to identify specific stakeholders. The stakeholders with which Nemak continuously engages include, but are not limited to:

	CUSTOMERS	INVESTORS	SUPPLIERS	EMPLOYEES	COMMUNITIES
Form of engagement (related to sustainability topics)	▪ Customer Meetings ▪ Customer Requests ▪ Fairs and Tradeshows ▪ Double Materiality Assessment	▪ Annual Report ▪ Quarterly Calls ▪ Sustainability-Linked Bonds (SLBs) ▪ Investor Day ▪ Double Materiality Assessment	▪ EcoVadis Assessments ▪ Commitment Letters ▪ Supplier Meetings (e.g. Sustainability Round Tables) ▪ Double Materiality Assessment	▪ Sustainability Workshops ▪ Sustainability Webinars and Trainings ▪ HSE Month ▪ Double Materiality Assessment ▪ Employee Engagement Survey	▪ Local Initiatives ▪ Corporate Citizenship Materiality and Impact Assessment
Reasons for engagement	▪ Improve customer confidence that Nemak will achieve its Sustainability Strategy ▪ Actively engage and align with customer expectations ▪ Continuously improve the Sustainable Value Proposition	Increase confidence in Nemak and its sustainability commitments to encourage further investment	▪ Raise awareness of Nemak's initiatives and encourage suppliers to align with the Company's sustainability objectives ▪ Nemak's Due Diligence Process ▪ Compliance to Nemak's Purchasing Criteria	▪ Increase employee awareness and motivation to proactively engage with sustainability topics ▪ Align Company and employee sustainability values ▪ Identify risks and improvement areas related to social sustainability topics	▪ Support the communities in which Nemak operates ▪ Educate community members about the Company and its activities ▪ Learn from communities and raise awareness about their local issues ▪ Identify and prioritize communities' needs and align company initiatives to meet these
Frequency of engagement	Ongoing	Ongoing	Ongoing	Ongoing	Ongoing (depending on local initiatives)
Key Values / Interests	High quality products and reliable supply chain	Positive return on investment / alignment with sustainability best practice	Reliable customer and collaborative member in achieving sustainable mobility	Safe workplace, growth opportunities, competitive compensation	Limiting negative impacts from Nemak's business Support from Nemak for local activities

As documented in the table, Nemak engages in regular dialogue with its stakeholders, monitoring emerging trends, expectations, market signals and regulatory developments. Stakeholder feedback is a high priority for Nemak, and all input is addressed promptly and thoughtfully.

Upon receiving feedback, Nemak evaluates whether adjustments to its Business and Sustainability Strategy are necessary to ensure alignment with stakeholder values. For example, Nemak engages with initiatives such as Catena-X, a collaborative, open data ecosystem that enables secure, standardized data exchange across the automotive value chain to increase transparency, sustainability, and efficiency. This enables Nemak to facilitate real-time data sharing and reinforce responsible sourcing practices throughout its global supply network. Such engagement ensures that customer insights and industry standards jointly shape Nemak's sustainability initiatives and product innovation.

Nemak's administrative, management and supervisory bodies are kept informed on the views and interests of affected stakeholders through various stakeholder engagement initiatives conducted by specific Company departments, including employee engagement surveys, health and safety committees, supplier assessments and audits, customer sustainability engagements, community outreach activities, and investor and ESG-focused meetings.

	CUSTOMERS	INVESTORS	SUPPLIERS	EMPLOYEES	COMMUNITIES
How engagements are organized	Upon customer requests / RFP / negotiations of existing contracts. Organized by the Sales Team	Upon investor requests / as per reporting obligations (such as the Mexican Stock Exchange / CDP / CSA etc.) Organized through the Investors Relations Team	Upon RFQ for suppliers/ongoing purchase contracts. Organized by the Purchasing Team	Organized regularly by the Sustainability, HSE and HR Teams	Organized by local HR Teams
How outcomes of engagement are considered	Based on the outcome of the engagement, if needed, the action is escalated to the Sale Directors, as well as Executive Management	If needed, a response plan is formulated by the Finance / Investor Relations Teams	Integrated into objectives of the Purchasing Teams, escalated to VP of Purchasing and Sustainability if required	Response plan formulated based on the results of engagement survey and implemented by HR Team	Drive the Corporate Citizenship Strategy and provide the basis for the Double Materiality Assessment
Adjustments to the business strategy based on stakeholder views	Balance between the market for electrification and ICE, readjustment of Nemak's strategy based on current market conditions	Increased transparency, reporting in accordance with ESG frameworks (such as the TCFD), issuance of the Sustainability-Linked Bonds and therefore emphasis on achieving Nemak's Climate Targets	Integration of due diligence into the purchasing function, consideration of sustainability related performance in vendor evaluation process	Improved working conditions for employees (e.g.: parental leave, work-life balance etc.)	Creation of the Global Corporate Citizenship Strategy and implementation of initiatives based on each communities needs
How administrative, management and supervisory bodies are informed about views / interests of stakeholders	Participate in the engagement directly (in some cases). Informed of the critical cases through regular interactions with Sales Teams	Participate in the engagement directly (in some cases). Informed of the critical cases through regular interactions with Finance & Investor Relation Teams.	Participate in the engagement directly (in some cases). Informed of the critical cases through regular interactions with Purchasing Team	Informed of the critical cases through regular interactions with HR teams	Informed of the critical cases through regular interactions with HR teams

External Ratings and Rankings

Since 2016, Nemak has been participating in various rating schemes including the S&P Global Corporate Sustainability Assessment (CSA), the CDP, and the EcoVadis Assessment. Nemak is proud of the transparency of its reporting, and the evaluation of these assessments allows the Company to benchmark itself against industry peers and best practices, acting to inform and provide strategic direction for the Company's Sustainability Strategy.

In 2025, Nemak achieved an A- score for the third consecutive year in the CDP climate questionnaire, reflecting its strong commitment to its Climate Strategy. The Company also maintained its CSA scores, securing its place in the 2025 DJSI MILA Pacific Alliance.

RATING PROVIDER	RATING 2025	RATING 2024	RATING 2023
CDP Climate	A-	A-	A-
CDP Water	B	*	B-
CDP Supplier Engagement	A	A	A
CSA	57 points, 95th percentile	57 points, 95th percentile	52 points, 92nd percentile
EcoVadis	74/100 90th percentile Silver medal	73/100 94th percentile Silver medal	78/100 99th percentile Platinum Medal

* Due to technical issues, Nemak did not recieve a score for CDP water in 2024.

DRIVING RESULTS - ESG AWARDS

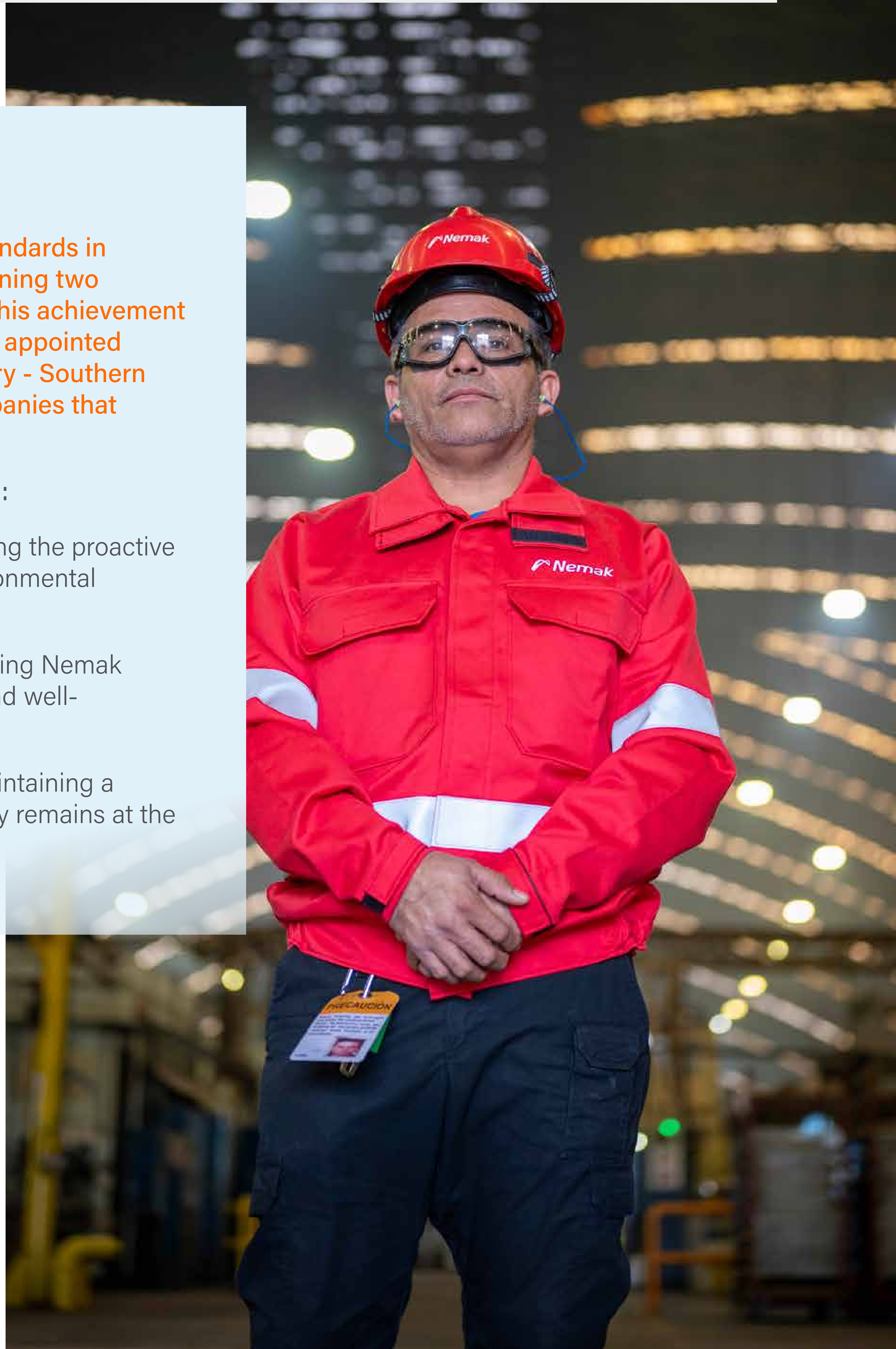
Nemak Chennai has demonstrated its dedication to high standards in Environmental, Health, and Safety (EHS/HSE) practices, earning two prestigious awards at the 17th CII EHS Excellence Awards. This achievement follows a rigorous two-day onsite assessment conducted by appointed evaluators. Organized by the Confederation of Indian Industry - Southern Region (CII-SR), the HSE Excellence Awards celebrate companies that prioritize sustainable and responsible operations.

The commitment to HSE excellence was acknowledged with:

- 1st Place – EHS Engagement in Workforce Award, highlighting the proactive approach in involving employees in health, safety, and environmental initiatives.
- CII EHS Maturity Silver Award – Foundry Sector (India), placing Nemak among the top three foundries in the country with mature and well-established HSE systems.

This recognition is a testament to the continuous efforts in maintaining a world-class HSE culture, ensuring that safety and sustainability remains at the core of everything that Nemak does.

In addition, Nemak achieved the 'Top Employer' recertification in the US, Mexico, Brazil, Germany and Poland, while earning the certification in the Czech Republic for the first time. The Top Employer Certification recognizes organizations that demonstrate exceptional practices in employee engagement, development, and workplace culture, highlighting their status as leaders in fostering a positive and high-performing work environment.



Sustainability Governance

GRI 3-3, GRI 2-9, GRI 2-11, GRI 2-12, GRI 2-13, GRI 2-14

The role of the administrative, management and supervisory bodies

Nemak's governance structure establishes clear oversight and accountability for sustainability and strategic matters across the organization. Responsibilities are distributed among Executive Leadership, Management Committees, and key functions, supported by cross-functional coordination through the Transformation Management Office. This framework enables the effective identification, management, and escalation of sustainability-related risks, opportunities, and impacts across the Company.

Board of Directors

At Nemak, the Board of Directors and the Executive Team jointly have the highest level of responsibility for sustainability topics and their related risks and opportunities. These include climate, circularity, ethics and all other material topics within Nemak's Sustainability Framework, in addition to the targets in Nemak's 2030 Sustainability Roadmap. Please refer to the relevant sections within this Report for both the Framework and Roadmap.

For an overview of the Company's Board Composition, please refer to: https://www.nemak.com/about-us/?idN=2189

More specifically, the board has the following responsibilities in relation to sustainability impacts, risks & opportunities:

- Receive annual updates from management on the Company's priorities, performance, and material risks, including risks, opportunities and strategies, encompassing those related to sustainability;
- Consider sustainability risks as part of the overall enterprise risk landscape, while relying on management to assess and address such risks operationally;
- Consider sustainability-related matters as part of overall strategic discussions and when reviewing major business initiatives or capital allocations, including topics related to business ethics, electrification etc.;
- Maintain high-level awareness of applicable external reporting obligations and frameworks (e.g., IFRS Sustainability Reporting Standards and the CSRD);
- Remain informed about significant sustainability-related risks and opportunities that could materially affect the Company's operations, reputation, or financial performance; and
- Review summarized sustainability performance data and progress against key targets (such as climate targets and operational health & safety) as presented by management.

Nemak has designated a specific Board member as the Executive representative for topics related to Sustainability. In this capacity, he provides guidance on long-term planning and investment. His role is primarily advisory, drawing on his expertise in sustainability and climate-related matters. For example, he contributed to Nemak's preparations for its sustainability-linked bond transactions in 2021.

Nemak defines a board level member to be competent in sustainability-related issues if he or she has 10+ years in leadership and oversight of sustainability topics, as well as oversight of climate strategy and climate-related issues. Sustainability-related experience is defined as experience with oversight and management of the topics included in Nemak's Sustainability Framework (Environmental, Social and Governance). The current Board Member responsible for Sustainability Oversight meets these criteria. In the future, Nemak plans to further develop the processes used to assess, verify or develop these competencies.

While sustainability is recognized as an important topic for the Company, at present, there is no independent Sustainability Advisor appointed by the Board, nor any third-party experts providing formal briefings or training on sustainability matters. While climate-related considerations are important, they are managed within broader operational priorities, rather than through direct Board-level oversight at this time.

General oversight of the Company's approach to sustainability-related risks and opportunities is within the remit of the Board of Directors, while the primary responsibility for sustainability strategy and implementation resides with management. The Board ensures that material risks and opportunities connected with sustainability-related topics are considered in the broader context of the Company's long-term objectives and risk management practices.

The Board regularly discusses topics related to electrification, including the implications of changing climate-related regulations and increasingly stringent restrictions on ICE vehicles for Nemak. This ensures that the Company is strategically aligned and responding to market changes and shifting consumer preferences.

When evaluating Nemak's Strategy, major transactions and risk management processes, the Board is informed of sustainability-related factors as part of its overall assessment of business performance, stakeholder expectations and long-term value creation, however, not as a separate or parallel track. The Board does not apply a formulaic sustainability 'screen' to every decision. Rather, it ensures that material sustainability-related risks (such as the reduction of ICE volumes) and opportunities (such as the increased application of secondary alloys) are identified, quantified where possible, and factored into the overall Business Strategy. This integrated approach reflects the reality that sustainability factors are increasingly central to competitive positioning, regulatory compliance and stakeholder confidence, and therefore should be integrated alongside traditional financial and operational metrics.

Nemak's CEO and CFO directly inform and update The Board on a quarterly basis, and the Board of Directors itself is overseen by the Audit & Corporate Governance Committee. Within this Committee, members are briefed on the Company's audit and financial results, with the intention to include formal sustainability statement updates in the future. The Committee has oversight of the salaries of the CEO & Executive Management Team, as well as taking responsibility for succession planning. Approval of external auditors, final audit results, and Nemak budgeting at a global scale sit within the remit of the Committee, who meet at least quarterly.

Executive Management Team

Nemak's Executive Management Team (EMT) consists of the CEO, the CFO, six Vice Presidents overseeing functions and business divisions, and the Global Human Resources Director. The Vice Presidents represent business divisions across all regions, as well as the functions of Business Development and Transformation, Manufacturing and Product Development, Purchasing and Sustainability, and Sales and Marketing.

Together, the Executive Management Team are responsible for the management of Nemak's sustainability-related impacts, risks and opportunities within their subject area of expertise. This includes the definition and oversight of actions plans and associated budgets for managing these impacts, risks and opportunities. Exclusive of the CEO, the EMT are all members of the Executive Sustainability Committee (ESC).

Nemak's Executive Management Team (EMT) incorporate sustainability-related risks and opportunities into their strategic and operational decision-making through reviewing how topics including emissions, energy use, safety, supplier practices and community impact affect their respective businesses, alongside financial, operational and customer criteria. When assessing strategic updates, major customer programs, significant capital investments or supply chain decisions, consideration towards material trade-offs is given, for example between cost, delivery and emissions footprint. The EMT will then agree on set actions where sustainability implications are significant for Nemak's long term competitiveness and stakeholder expectations.

The Executive Management Team are responsible for translating Nemak's Group sustainability targets into functional and regional goals, embedding them into business plans and KPI dashboards, and reviewing progress with their teams on a regular basis. Through monthly and quarterly performance reviews, the EMT track key indicators (including emissions, renewable electricity use, scrap rates, safety performance and supplier sustainability assessments), address underperformance with corrective actions, and escalate significant deviations, constraints or reprioritizations to the CEO.

Chief Executive Officer

As leader of the Executive Management Team, the CEO ultimately has operational control over long-term sustainability-related decisions, and in implementing measures, setting Key Performance Indicators, and establishing roles and responsibilities. Meetings of the Executive Management Team occur on a monthly basis, during which strategic, operational, and sustainability targets are aligned. During these meetings, participants are invited to actively share developments and concerns, upon which adaptations to the Business Strategy can be made if required.

The CEO provides overarching direction and guidance on the Company's long-term strategic goals, and where necessary, consults with external stakeholders, such as investors and shareholders to better understand medium-to-long-term trends and expectations.

More specifically, the CEO has the following responsibilities related to sustainability-related risks and opportunities:

- Oversees and evaluates critical decisions based on the sustainability-related risks and opportunities identified by Nemak, including climate related risks & opportunities;
- Works with the Executive Management Team to review, validate, and discuss the Company's strategic, operational, and sustainability targets, and due diligence processes;
- Approves corporate policies and/or commitments in response to managing sustainability impacts, risks and opportunities;
- Approves, guides and oversees the budget in addition to the 5-year strategic business plan, incorporating sustainability considerations, trends and progress (such as electrification, sustainability linked bonds etc.); and
- Approves, guides and oversees the activities of the Executive Management Team, including their actions, plans and targets related to the management of sustainability-related risks and opportunities.

The CEO is kept informed on a monthly basis in a meeting with the VP of Purchasing and Global Senior Sustainability Manager, in addition to receiving regular updates through the Executive Management Team, as well as monthly meetings with staff functions and regional operational units. The CEO's activities are overseen by the Board of Directors, as well as the Audit & Corporative Governance Committee.

Chief Financial Officer

The CFO oversees all financial related decisions, including Capex expenditure, which impact Nemak's ability to implement its Sustainability Strategy. As a key decision-maker, the CFO plays a pivotal role in areas such as the purchase of renewable energy, research and development investments, and other climate related initiatives. With comprehensive oversight and control of investment and funding decisions, the CFO is well-positioned to drive activities that align with Nemak's sustainability ambitions. The CFO's main responsibilities in respect of sustainability-related risks and opportunities include:

- Overseeing major capital expenditure and funding, including those related to sustainability;
- Overseeing sustainability-related compliance, such as the requirements laid out by IFRS S1 and S2;
- Overseeing financial & sustainability reporting, audit and verification processes; and
- Overseeing Business Ethics related topics and Nemak's grievance mechanism.

The CFO is informed regularly through Nemak's various functions, business units, as well as the Finance department. He is also a member of the Finance Management Board (FMB), who meet twice a month. The FMB is comprised of the direct reports to the CFO, who report on a bi-monthly basis on global and regional financial topics, treasury, taxes, legal, IT and internal control progress.

Vice President of Purchasing and Sustainability

The Vice President (VP) of Purchasing and Sustainability is a C-suite officer responsible for the supervision and implementation of Nemak's Sustainability Strategy, inclusive of climate-related matters and targets, with a direct reporting line to the CEO. Guiding the execution of Nemak's Sustainability Strategy and long-term goals, such as its Net Zero target, the VP of Purchasing and Sustainability oversees regional and functional targets.

Alignment of senior leadership sustainability priorities at a global level, and ensuring that all departments have the required support and resources for success, also fall within the remit of the VP of Purchasing and Sustainability. By leveraging strong ties with purchasing, the VP of Purchasing and Sustainability can significantly influence supply chain topics related to sustainability, including frameworks for sourcing decisions based on related Scope 3 emissions. Finally, the VP of Purchasing and Sustainability is ultimately responsible for the annual reporting process. Together with the CEO and CFO, the VP of Purchasing and Sustainability conducts the final review and sign-off prior to report publication. Along with externally communicating Nemak's Sustainability Strategy, the VP of Purchasing and Sustainability is responsible for facilitating internal communication efforts as sponsor of the Climate Commitment in the Transformation Management Office (TMO).

Vice President of Business Development and Transformation

As the market shifts towards new technologies, the Vice President (VP) of Business Development and Transformation is responsible for guiding the long-term transformation of Nemak's sustainability structures to support the strategic alignment, accountability and integration of sustainability principles across all departments and functions. To establish a strong position in the market, the VP of Business Development and Transformation ensures that Nemak's Capex investments are reflective of the Company's long-term objectives.

Management Level

Global Sustainability Senior Manager

Nemak's Global Sustainability Senior Manager (GSM) leads Nemak's Sustainability Team, Sustainability Reporting and the TMO Climate Commitment pillar. Responsible for the regular review, development, and implementation of the Sustainability Strategy, the GSM also steers external communication efforts, including ESG ratings, annual reporting, and customer and investor requests. The GSM oversees the development and implementation of Science Based Targets, including the execution of Nemak's Climate Strategy on a site-based, regional, and global level. In full alignment, the GSM supervises the Company's ASI Certification, working in collaboration with individual plants and regions to monitor their progress towards targets established in line with Nemak's sustainability goals. To effectively achieve this, the GSM works closely with HSE, Finance, HR, Purchasing and other departments on global, regional and local levels, to facilitate the integration of sustainability topics into Nemak's daily operations. The GSM reports to the Vice President of Purchasing and Sustainability.

Organizational Structures

GRI 2-13

To drive Nemak's Sustainability Strategy, the Company has dedicated topic specific Committees. Information on the Sustainability Committee and TMO Climate Commitment can be found in the following section, and for further details on the roles and responsibilities of other committees, please refer to the appropriate topic chapter. Each Committee is responsible for the management of impacts, risks and opportunities related to their specific topics and areas of expertise.

Nemak's Executive Sustainability Committee was created to ensure alignment of the Sustainability Strategy across all departments. The Executive Management Team, excluding the CEO, form Nemak's Executive Sustainability Committee. The Committee was created to ensure alignment of the Company's Sustainability Strategy across all departments. In addition, the ESC is responsible for the oversight and validation of the Double Materiality Assessment process and results, therefore validating the prioritization of Nemak's material impacts, risks and opportunities.

To address the material IRO's specifically within the topic of Climate Change, Nemak has created the TMO Climate Commitment Team, operating as a part of Nemak's Transformation Office. The TMO follows an organizational structure designed to help manage the Company's strategic transformation in response to rapidly evolving market changes and the shift towards electrification. As the shift implies a change in products and processes for Nemak, the TMO office has established specific goals designed to enhance profitability, strengthen the core of the business, and capture long term growth.

The mission of the TMO Climate Commitment is to integrate the topic of climate change into the organization's transformation. Sponsored by the VP of Purchasing and Sustainability, and led by the Global Sustainability Senior Manager, the Climate Commitment team comprises of leaders from Regional HSE teams, Global Purchasing, Global R&D, Communications, and Sales.

The objectives of the TMO Climate Commitment continue to be:

- Development of a Sustainable Value Proposition to integrate sustainability as a unique selling point;
- Establishment of a preferred customer partnership with one of Nemak's largest suppliers of aluminum;
- Implementation of Nemak's Metal Decarbonization Roadmap;
- Continued development of Net Zero roadmaps per plant;
- Identification and implementation of operational energy efficiency projects; and
- Execution of Life Cycle Analysis (LCA) studies.

For more information on how Nemak manages specific topics, please refer to the corresponding topical sections of this report.

Incentive Schemes

GRI 2-19

Nemak has a compensation plan for the Executive Management Team tied to the performance of Nemak's shares. Under the plan, the individuals receive cash payments conditional on the achievement of specific quantitative and qualitative metrics based on the following financial measures:

- Growth in the share price
- Improvement in net income
- Executive performance within the Company

Bonuses are paid in cash over a five-year period, with 20% disbursed each year, calculated at the average share price in Mexican Pesos at the end of each year.

Sustainability performance has a direct impact on the Company's revenue; therefore, Nemak's senior executives are incentivized to take action to increase revenue streams (particularly for the new, evolving market segment of electrification), in addition to taking measures to reduce operational costs (related to energy, cost of capital etc.) to increase profits. Additionally, in order to maintain access to funding and establish a competitive position within the evolving market, it is critical that Nemak positions itself as a high performer in the various ESG ratings in which it participates in.

These objectives cover topics such as maintaining and promoting a robust safety culture, enhanced HSE systems, proactively addressing gaps identified through safety audits, achievement of emissions reduction targets, contribution to the Company's Net Zero roadmap and improved employee engagement through the promotion of employee well-being and resilience.

Aligning employee interests with the continuing performance of the Company, Nemak has a company-wide bonus system that seeks to reward, retain and motivate employees, while measuring against common business standards. Within these standards, individual executives and managers are encouraged to include climate targets and objectives into their performance goals. Specifically, all Nemak Business Unit Directors and Plant Managers are assessed against a 2.8% CO_2e reduction target in line with the annual performance cycle. Additionally, colleagues in Europe and Asia are incentivized through goals linked to reducing energy intensity.

Other employees, such as administrative, as well as shop floor and hourly employees, have variable compensation depending on their site location.

LEVEL	TYPE OF VARIABLE COMPENSATION AVAILABLE	% OF EMPLOYEES COVERED (AS A % OF TOTAL EMPLOYEES IN DEFINED CATEGORY)
Executive Management Team	Eligible executives receive cash payments conditional on the achievement of specific quantitative and qualitative metrics based on the following financial measures: ▪ Growth in the share price ▪ Improvement in net income ▪ Executive performance within the Company	100% of the Executive Management Team receives incentives 15-20% of the Executive Management Team's objectives are linked to sustainability
Management Level	Bonus Short Term Incentive (STI), based on: 1) Business Performance 2) Individual Performance 3) Base Reference and STI Scope (market conditions + role impact in the organization)	100% of Management level
Administrative & Shop Floor	Dependent on site	55 - 70%
Operations	Dependent on site	50 - 65%

Mobilizing for the Planet

For Nemak, the statement "Mobilizing for the Planet" refers to the pressing issue of climate change and resource depletion. By reducing emissions, embracing renewable energy, and utilizing recycled materials, Nemak contributes to a more sustainable future for all. This translates to cleaner air, reduced reliance on fossil fuels, and minimized waste, benefiting present and future generations. Additionally, Nemak's focus on innovation leads to the development of eco-friendly mobility solutions, further contributing to a greener transportation sector.

In its position as a leading producer of lightweighting components, which are crucial for a sustainable transportation sector, Nemak has the opportunity to play a key role in supporting the automotive industry shift in focus towards sustainable mobility, all whilst ensuring that safety and performance is not compromised. In support of the Company's targets and ambitions, Nemak continues to take action to make its operations more energy efficient, pursue renewable energy alternatives, and strengthen its adoption of circular manufacturing principles wherever possible.

Nemak has adopted a balanced approach to sustainability, marking year-on-year improvements through steady progress, while also encouraging stakeholders to do the same. Aligned with the Paris Agreement and validated by the Science Based Targets initiative (SBTi), the Company is targeting a:

- 18% reduction in Scope 1 and 2 emissions by 2026, based on a 2019 baseline
- 28% reduction in Scope 1 and 2 emissions by 2030, based on a 2019 baseline
- 14% reduction in Scope 3 Category 1 emissions, based on a 2019 baseline
- Net Zero by 2050 (at the latest)

Nemak's definition of Net Zero is to reduce emissions as much as possible and offset any residual emissions, resulting in a Net Zero impact for the Company. Altogether, Nemak has ambitions to develop, adopt, and deploy industry best practices, technology, and innovations to reduce Greenhouse Gas (GHG) emissions, prevent pollution, and comply with local environmental regulations.

Nemak consistently works to reduce its environmental footprint and limit the risk of adverse impacts from its operations. Dedicated teams and resources are proactively addressing material environmental issues such as climate change & pollution, circularity, waste, and innovation. Looking further than the environmental impact of the transition towards sustainable mobility, Nemak is aware of its role in facilitating a Just Transition. Just Transition principles are embedded throughout the Company's climate and talent development strategies, ensuring the creation of value adding opportunities for stakeholders while the world moves towards Net Zero emissions and a climate resilient economy.

To reinforce its commitment to achieving its Scope 1 and 2 emission reduction targets, and setting ambitious Science Based Targets to achieve sustainability performance targets, Nemak issued two Sustainability-Linked Bonds (SLBs) in 2021; one amounts to $500 million with a ten-year maturity, while the other amounts to EUR€500 million with a seven-year maturity.

Organization & Responsibilities

GRI 3-3

In order to actualize its commitment and transition to Net Zero and a Circular Economy, Nemak has ensured that it has an effective and supportive organizational structure in place. Ultimately, it is the Company's Board of Directors that has oversight over the strategic direction and the implementation of Nemak's Climate Strategy and decarbonization pathways. In response to shifting market conditions, the C-Suite, including the CEO, propose and direct updates to the strategy, ensuring that Nemak is always well informed and positioned to respond to broader market trends. In addition, Nemak's Executive Management Team oversees major climate-related decisions. Further information on the Governance of Sustainability Topics can be found within the Sustainability Governance Section of this Report.

Nemak has formed a dedicated Decarbonization Capex Committee with the purpose of supporting its climate targets and directing funds towards investments capable of lowering GHG emissions. The Committee is comprised of the VP of Purchasing and Sustainability, VP of Europe and Asia, the VP of Manufacturing and Product Development, the VP of Business Development and Transformation, and the CFO. It oversees the approval process for climate-related investments, including CO_2e reductions at the Company's manufacturing sites.

The Energy Engineering Community (EEC) supports the Decarbonization Capex Committee by providing specific inputs for financial and environmental impacts, and contributions to setting standards within the organization regarding energy management. The EEC is led by the Global HSE Team, and is made up of subject matter experts from operations, engineering, and local energy experts. The role and scope of the EEC is to establish energy policies, set objectives and targets, implement energy saving measures, monitor energy performance, and foster a culture of continuous improvement.

The EEC has established an Energy Policy, included within Nemak's Global HSE Policy, and a Performance Standard. The Performance Standard clearly outlines the minimum requirements that Nemak sites must comply with in relation to energy and emissions management.

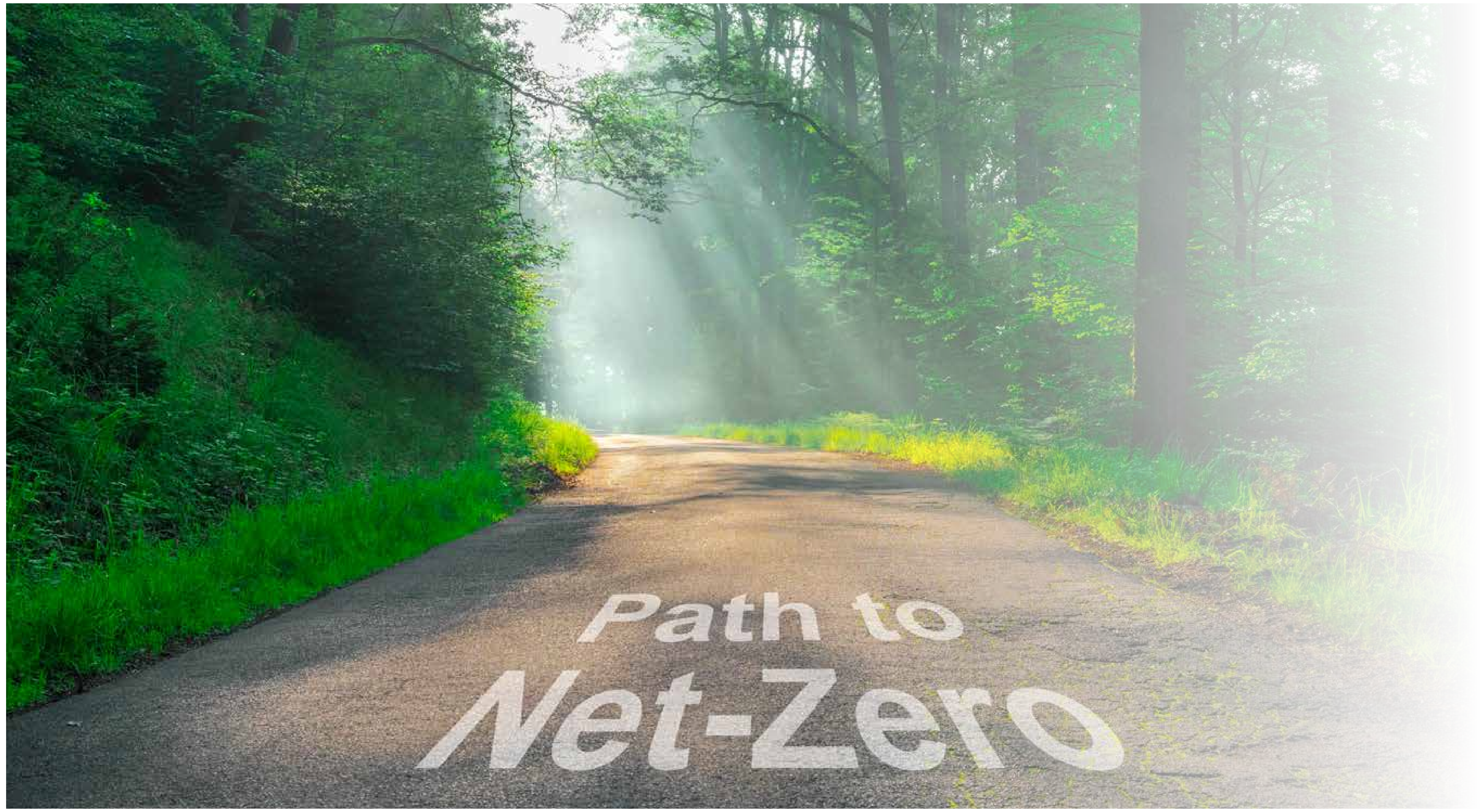
The majority of Nemak's Scope 3 emissions stem from Category 3.1: Purchased Goods and Services, driven by the substantial volumes of aluminum that the Company purchases for the purpose of creating lightweight components and castings. It is the responsibility of the VP of Purchasing and Sustainability, and the Purchasing (Metal) team, to focus on reducing Category 3.1 emissions.

In 2025, the Decarbonization Capex Committee allocated funds amounting to US$4 million across Europe, Asia and Mexico.

Nemak works alongside other companies to identify, develop, and implement initiatives aimed at reducing environmental impacts, lowering emissions, and improving air quality.

In relation Scope 1 and 2 emissions under Nemak's control, local operations management teams are responsible for emission reductions through ongoing energy management and the execution of decarbonization projects driven by the TMO Climate Commitment. Local operations teams are also engaged in the monitoring of Scope 3 Category 3.3, Fuel and Energy Related Activities, and Category 3.5, Waste Generated in Operations. In parallel, the Global Sustainability Senior Manager monitors and reports the Company's climate targets related to the SBTi. The Global HSE Department is responsible for the Greenhouse Gas Emissions Inventory for Scope 1 and 2 following the GRI/WBCSD GHG protocol Corporate Accounting and Reporting Standard. The Company has developed a rigorous internal procedure to standardize the reporting of GHG emissions across its own sites, which is verified by a third-party against ISO 14064-3. Scope 3 reporting follows the principles of the GHG Corporate Value Chain (Scope 3) Accounting and Reporting Standard.

Additionally, Nemak regularly conducts environmental risk assessments for topics related to climate, water, and waste, including performing climate scenario analysis for transitional and physical risks in line with IFRS S1 & S2, as well as ESRS requirements.



The findings are shared with the Executive Management Team and functional departments, who collaboratively develop and implement risk mitigation action plans.

Extending beyond internal governance and capabilities, Nemak leverages its relationships with a number of leading institutions and external bodies to support the Company's environmental ambitions. Nemak Mexico is an active member of CAINTRA (Cámara de la Industria de la Transformación de Nuevo León) and the IPA (Environmental Protection Institute), which is a subsidiary body of the chamber that supports the industry. Through these collaborations, Nemak works alongside other companies to identify, develop, and implement initiatives aimed at reducing environmental impacts, lowering emissions, and improving air quality.

Policies related to Climate Change Mitigation, Pollution & Circular Economy

GRI 2-23, GRI 102-1, 103-1

Nemak has ambitions to develop, adopt, and deploy industry best practices, technology, and innovations to reduce GHG emissions, prevent pollution, and comply with local environmental regulations. Nemak applies the precautionary principle in the management of environmental risks by proactively identifying, assessing, and mitigating potential environmental impacts across its operations. Environmental risks are systematically assessed and managed in accordance with internationally recognized ISO standards, and are addressed through robust internal controls, continuous monitoring, and preventive measures integrated into operational and investment decision-making.

Operating in accordance with ISO 14001 and ISO 50001, all Nemak sites are certified as ISO 14001 compliant and 17 sites are ISO 50001 certified. Adopting a uniform Environmental Management System (EMS) across the globe allows the Company to improve its environmental performance through the efficient use of resources and reduction of waste, in addition to facilitating transparent communication with stakeholders. In support of the EMS, Nemak has developed a comprehensive set of global policies designed to embed environmental operating principles into core business functions. Incorporating Nemak's values of Customer Focus, Trust and Collaboration, Innovation, Respect, and Responsibility, and approved by the CEO, the VP of Manufacturing and Product Development and the VP of Purchasing and Sustainability.

100%

Nemak sites are certified in accordance with ISO 14001

In 2025, the Global HSE Policy was updated as part of a scheduled bi-annual review. This update included the introduction of an Energy Policy and the separation of Health & Safety and Environmental topics, designed to provide clear, user-friendly, actionable direction to Nemak's employees. Other notable updates to this Policy include the safe use of mobile devices, HSE contractor and fire prevention measures, waste performance, and occupational health surveillance and industrial hygiene.

POLICY	TOPICS ADDRESSED WITHIN THE POLICY
Global HSE Policy (2025 update) & HSE Legal Compliance Policy	Climate, Pollution, Conservation of Resources (Circular Economy), Waste Management, Energy Efficiency, Water, Compliance to Local Laws & Regulations
Global Sustainable Purchasing Policy	GHG Emissions, Conservation of Resources (Circular Economy), Waste Management, Water
Global Code of Conduct	Conservation of Resources (Circular Economy), Waste Management, Energy Efficiency
Global Business Code for Suppliers	GHG Emissions, Conservation of Resources (Circular Economy), Waste Management, Energy Efficiency, Hazardous Materials
Biodiversity and Ecosystem Services Policy	Protection of Biodiversity, Ecosystem Services, Deforestation, World Heritage Conservation

Directed by Global Engineering Communities, 2025 saw the creation of an Energy Performance Standard as well as a Waste Management Performance Standard. Both standards define responsibilities, processes and provide clear definitions for the sites to manage the topics accordingly.

Nemak expects full compliance with the terms of each Policy, Standard or Procedure, and to this end, provides regular training on the adoption of each. Monitoring effective implementation, the Global HSE Management System, in conjunction with local third-party ISO 14001 audits, ensure conformity with the Global HSE Policy and local environmental compliance. The HSE Legal Compliance Policy mandates that all applicable national, state and local requirements shall be identified and complied with. Under this policy, the sites must undergo third-party audits for environmental compliance at least once every three years, ISO 14001:2015 excluded. Likewise, the Purchasing Business Support Team reviews sustainable purchasing decisions guided by the Global Sustainable Purchasing Policy.

With regards to the value chain, Nemak is a member of the Aluminium Stewardship Initiative (ASI), working with aluminum producers, users, and stakeholders to foster responsible production, sourcing, and stewardship. The Company adopts ASI principles to manage sustainability and environmental issues within both its own operations and its supply chain. More information related to Nemak's ASI progress can be found in the "ASI as a Foundation" section of this report.

Climate Transition Plan

GRI 102-1

At Nemak, the Company is committed to leading the global transition to sustainable mobility while striving to align Nemak's Business and Sustainability strategies with the goals of the Paris Agreement and the 1.5°C climate pathway. In alignment with industry trends, Nemak's ambition is to achieve Net Zero greenhouse gas emissions by 2050.

Building upon Nemak's Sustainability Model, Nemak has set Science Based Climate Targets that have been approved by the Science Based Targets Initiative (SBTi). These include reducing Scope 1 and 2 emissions by 28% and Scope 3 emissions by 14% by 2030, both measured against a verified 2019 baseline.

The Company has identified and launched hundreds of energy-efficiency projects worldwide, accelerated procurement of renewable electricity, implemented product carbon footprint tracking methodologies, and continues to work comprehensively under Nemak's Climate Transition Plan. The Company works closely with its suppliers, embedding decarbonization requirements into procurement processes, while actively engaging stakeholders to ensure transparency, credibility, and shared accountability.

The Climate Transition Plan sets out Nemak's climate vision, strategic priorities, measurable targets and near-term actions as the Company moves towards carbon neutrality. It has been formally approved by the VP of Purchasing and Sustainability, thereby reinforcing Nemak's long-term commitment to climate leadership and sustainable growth. Together with Nemak's partners, the Company aims to spearhead the sustainable transformation of the automotive industry, creating long-term value and contributing to global climate goals.

Overall, Nemak's Climate Transition Plan leans on the following pillars: Green Production, Green Products, Green Sourcing and Green Governance.

Green Governance

GREEN PRODUCTION

Energy Efficiency | Renewable Energy | Fuel Switch | Offsets for Residual Emissions/ Volume changes

Key Objectives:

- Reducing energy use and consumption by increasing operating efficiency
- Use of 100% renewable energy
- Use of sustainable fuel sources, replacing fossil fuels
- Offsetting of residual emissions

GREEN PRODUCTS

Life Cycle Assessment (LCA) | Products for Emissions Free & Hybrid Vehicles | Innovation & Net Zero Offering

Key Objectives:

- Developing Cradle-to-Gate Life Cycle Assessments to quantify product impact
- Production of components for emission-free & hybrid vehicles
- Offering of Net Zero products for customers
- For at least 75% of all R&D / Innovation portfolio projects to include sustainability-related targets

GREEN SOURCING

Secondary Materials | Green Primary Aluminum | Value Chain Engagement

Key Objectives:

- Increasing the use of secondary alloys, together with Innovation initiatives
- Increasing the purchase of green primary alloys to reduce aluminum footprint
- Establish partnerships in the value chain to support mutual decarbonization

These pillars are designed to address Nemak's identified material impacts, risks, and opportunities related to the topic of Climate Change.

IRO TYPE	IRO DESCRIPTION	LINK TO PILLAR
Negative Impact	Emissions produced from Nemak's production processes contribute to climate change	Green Production
Risk	Failure to reduce emissions could result in loss of customers and investors, reduction of licence to operate and reputational damage	
Negative Impact	Emissions impacts in the downstream value chain including the use of ICE vehicles	Green Products
Risk	Unstable EV market could result in financial loss at Nemak sites	
Opportunity	A market shift towards electrification may make new markets, products, customers and technologies available to Nemak	
Opportunity	The development of net zero product offer may enhance competitiveness and potentially increase revenue	
Negative Impact	Emissions produced through the mining and of production aluminum contribute to climate change	Green Sourcing

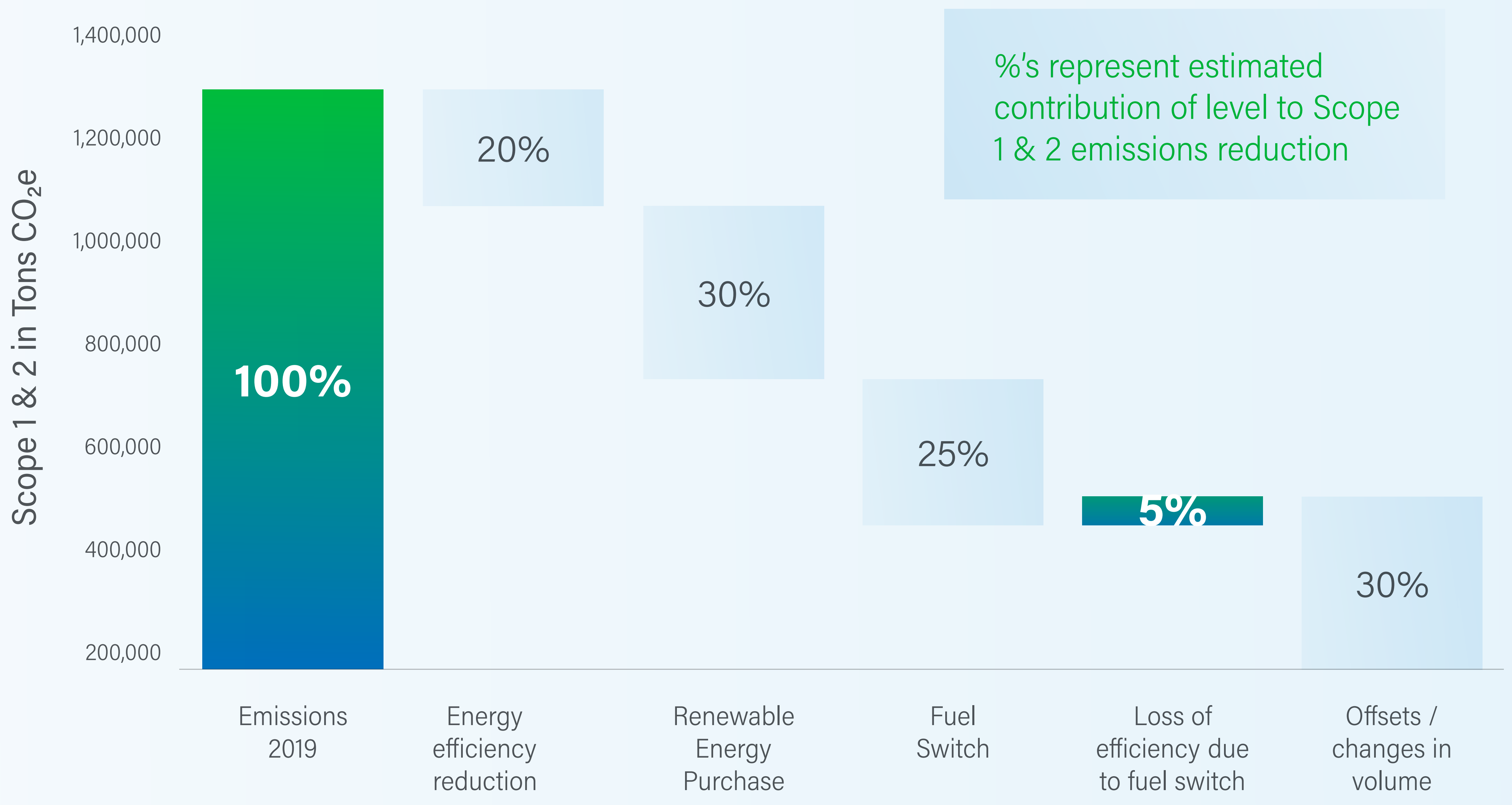
Green Production: Decarbonizing Nemak's Operations

The Green Production pillar focuses on reducing emissions from Nemak's manufacturing footprint, predominantly addressing Scope 1 and 2 emissions through operational improvements and energy sourcing, and leveraging the following decarbonization levers:

- **Energy Efficiency:** Nemak strives to strengthen and expand its Energy Management Program (EMP), applying ISO 50001 principles across key sites to systematically reduce energy consumption and improve operational efficiency. This also includes levers related to digitalization and improved metering projects.
- **Renewable Energy & Own Power Production:** The Company plans to accelerate the transition of its electricity use from fossil-based sources to renewable energy, and to investigate the potential to increase its capacity for on-site clean power generation.
- **Fuel Switch:** Recognizing the limitations of electrification for some industrial processes, Nemak invests in evaluating and piloting alternative low-carbon fuels such as green hydrogen and biofuels. Ongoing supplier engagements and technical analyses underpin the gradual transition away from fossil fuels in processes, such as melting operations and heat treatment to reduce Scope 1 emissions.
- **Carbon Offsets:** While Nemak currently does not have a formal carbon offset strategy due to the evolving maturity and complexities of offset technologies, the Company recognizes that carbon offsets could play a role in addressing residual emissions that are challenging to eliminate through primary reduction efforts. Carbon offsets are therefore considered a complementary tool for the future, to be deployed only after prioritizing and exhausting all energy efficiency, renewable and fuel switch alternatives.

To reduce Scope 1 & 2 emissions in the mid term, Nemak leverages the following decarbonization levers:
- Energy Efficiency
- Renewable Energy & Own Power Production
- Fuel Switch

Nemak's Decarbonization Levers and Estimated Contribution to Scope 1 & 2 Reduction until 2050



The following chart illustrates the key decarbonization levers within Nemak's Green Production pillar and their projected impact on Scope 1 and Scope 2 carbon emissions through 2050, highlighting the contribution of measures such as energy efficiency improvements, renewable energy adoption, and fuel switching to achieve long-term climate goals. The Company uses volume development and energy consumption to predict it's CO_2e emissions, and based on these results, it plans the necessary measures to achieve its climate reduction targets.

Green Products & Circular Economy: Driving Sustainable Innovation

The Green Products pillar addresses the carbon embedded within Nemak's products, targeting Scope 3 emissions through innovating product design, material use, and life-cycle impact reduction.

- **Life Cycle Assessments (LCAs):** Nemak employs cradle-to-gate LCA methodologies compliant with ISO standards to accurately quantify environmental impacts across its product portfolio throughout their life cycles. These assessments support continuous product optimization, enabling the Company to make informed design decisions that minimize carbon footprints while enhancing transparency for stakeholders. Nemak is actively expanding LCA coverage to all of its product categories and integrates LCA data into customer sustainability initiatives, such as the Catena-X program.
- **Focus on Electrification and Opportunities in Clean Technologies:** In response to the rise of sustainable mobility, Nemak is diversifying its portfolio by manufacturing components specifically designed for zero-emission hybrid and electric vehicles. Approximately 9% of the Company's revenues currently derive from electric vehicle components. This strategic focus not only supports Original Equipment Manufacturers (OEMs) in meeting increasingly stringent emission regulations, but also aligns with growing consumer demand for cleaner transportation options.
- **Innovation, Net Zero Offering & Circular Economy:** Nemak is focused on increasing the application of secondary aluminum alloys in its products, while fully meeting stringent customer performance requirements. The Company also actively investigates end-of-life design and recyclability options to enhance circularity and to support sustainable lifecycle management of its automotive components. These efforts leverage advanced material science, process optimization, and collaboration with technology partners to advance Nemak's ability to offer net zero products.

Life Cycle Assessment (LCA) in Action

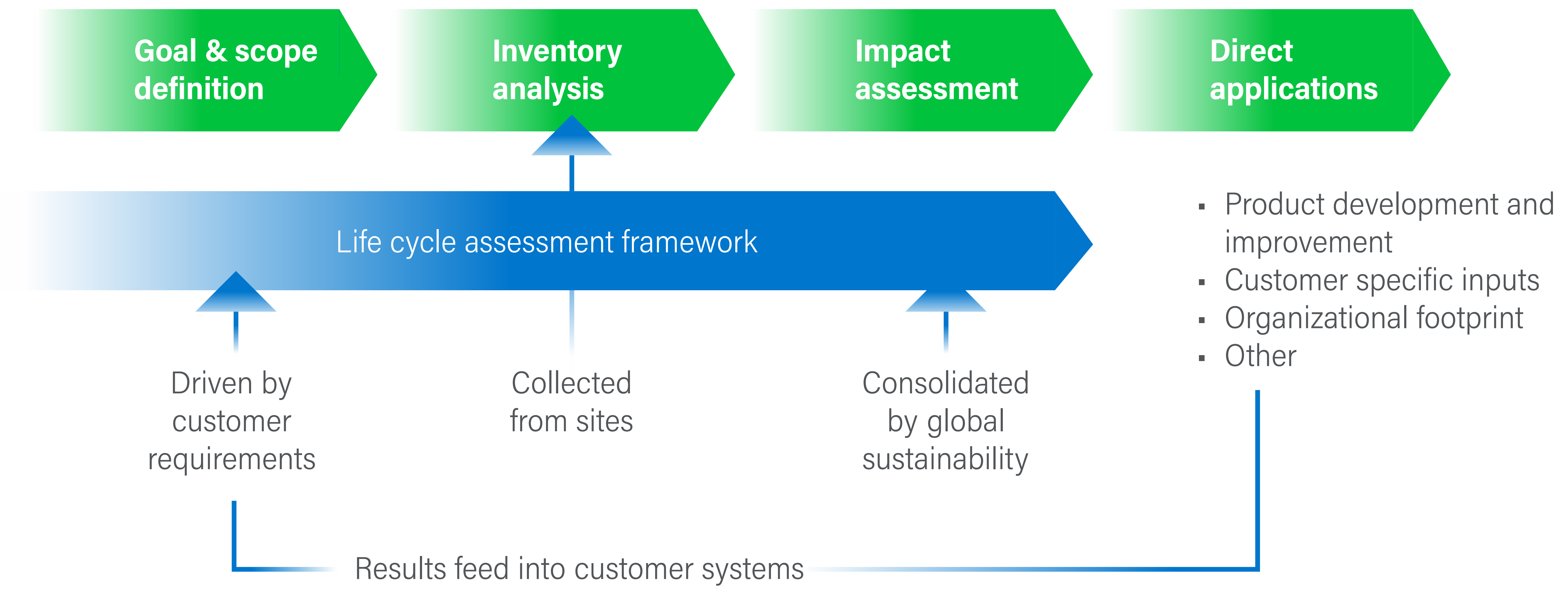
Nemak utilizes the ISO 14040/44 Life Cycle Assessment (LCA) methodology to estimate a Product Carbon Footprint (PCF) with a Cradle-to-Gate approach. This informs the Company's Sustainability Strategy and improves understanding of the environmental impacts of Nemak's products throughout the value chain.

The Cradle-to-Gate approach measures a products' environmental and climate impact from the extraction of raw materials, through to delivery to customers. The Company utilizes LCA for Experts software to evaluate the environmental impacts of products in the design phase.

This enables the application of LCA methodology before production launches, therefore ensuring that the environmental impact of Nemak's products is reduced at the earliest possible stage within the design phase.

Within its LCA studies, Nemak conducts scenario analysis to compare the impact of different variables, such as sourcing material from different suppliers or improving the recovery rate of scrap aluminum at a site level. Through these assessments, Nemak is able to quantify and measure the environmental benefit of adjusting a variety of input factors, therefore providing a basis for the implementation of future improvements.

LCA methodology supports Nemak in the development of products for a greener tomorrow.

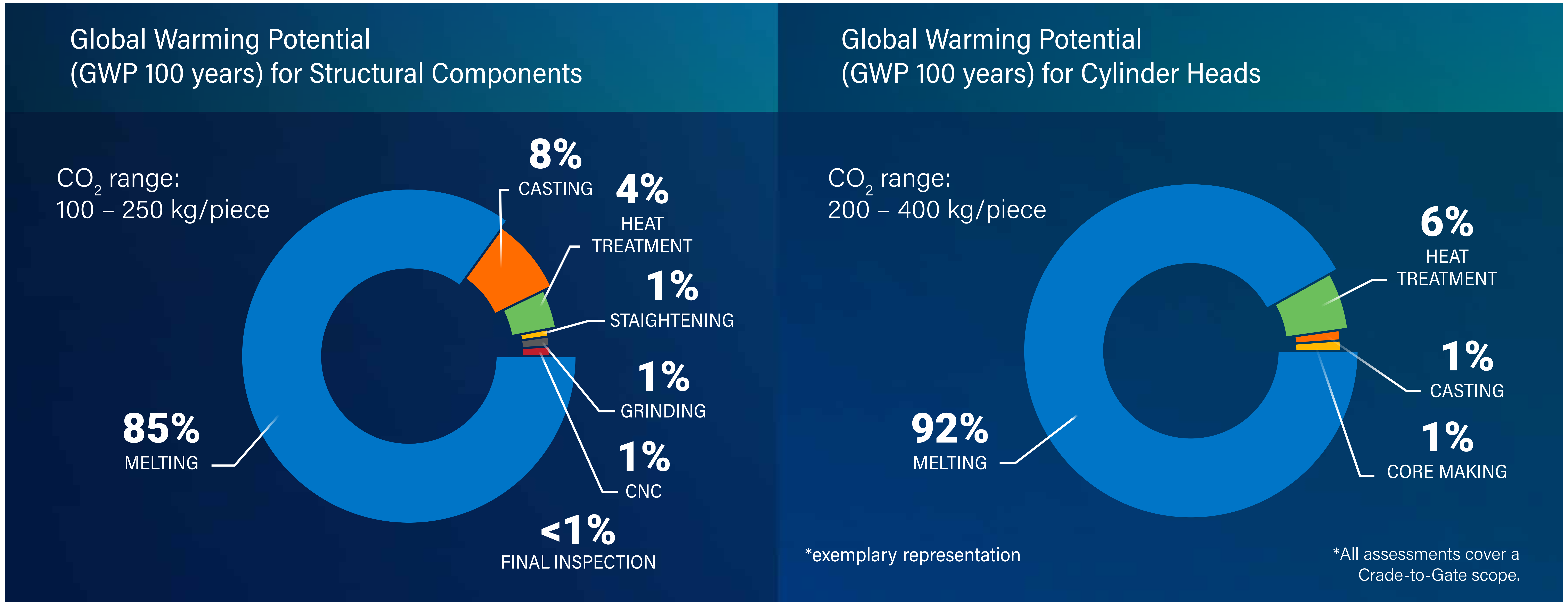


In 2025, Nemak significantly advanced its LCA program, further embedding the methodology across its global operations. To date, the Company has completed 25 LCAs, with approximately eight additional studies expected to be finalized by year-end. These assessments cover a broad range of product categories and production sites. Within each LCA study, the product flow is mapped out, considering material impact flows and Nemak processes. For example, during the production of a cylinder head, the diagram below summarizes the impact of key processes:

Nemak has been able to conclude that the majority of product inputs are derived from melting and casting processes. The contribution of these variables is highly dependent on the type of material used, therefore, the higher the share of secondary and recycled aluminum within Nemak's products, the lower the overall environmental impact.

Nemak has also defined a Life Cycle Assessment Procedure applicable to all Nemak business units. The procedure defines the accountability for LCA's, procedural controls and reporting specifications.

Nemak's Global Warming Potential for Structural Components & Cylinder Heads*



Through these efforts, Nemak continues to build a robust and scalable LCA framework that supports transparent reporting, data-driven decision-making, and the ongoing reduction of its products' environmental impact across the value chain.

The Company continues to strengthen the integration of LCA with strategic initiatives such as Catena-X and the EU Battery Regulation, further aligning with customer and regulatory expectations. Nemak is actively collaborating with key customers through the Catena-X Automotive Network, the first open and collaborative data ecosystem for the automotive industry. Catena-X connects partners across the entire value chain through standardized and secure data sharing, enabling transparency, efficiency, and measurable progress towards sustainability and circularity.

In responding to customer requests, Nemak has implemented an IT solution within the Catena-X use case for sustainability and climate-related data. This solution enables the exchange and integration of emissions data along the value chain, supporting more accurate footprints and data-driven climate action in cooperation with customers.

Nemak is preparing the further introduction of additional use cases to build on this foundation. These include topics such as circular economy, supply chain traceability, and product lifecycle management. Through these efforts, Nemak is working to enable systemic integration across its IT landscape and production systems, ensuring seamless participation in the Catena-X ecosystem and strengthening digital and sustainability capabilities.

Green Sourcing: Enabling Value Chain Decarbonization

Recognizing that the majority of its emissions arise upstream in the supply chain, Nemak's Green Sourcing pillar is pivotal for managing Scope 3 emissions through responsible procurement and value chain engagement.

- **Purchase of Secondary & Green Materials (Resource Inflows):** Nemak prioritizes increasing recycled content in its products, currently averaging 61% in its aluminum alloys, to promote circularity and reduce upstream emissions. The Company continues to invest in research and development to enhance the technical feasibility of using higher proportions of secondary materials without compromising quality. Moreover, Nemak actively sources low-carbon aluminum alloys verified by third-party sustainability certifications, including the Aluminium Stewardship Initiative (ASI) Chain of Custody certification held by key suppliers, ensuring traceability and responsible sourcing throughout the supply chain.
- **Value Chain Engagement:** Nemak works closely with suppliers and customers to enhance transparency and ensure alignment with its decarbonization targets. The company assesses supplier sustainability through platforms such as EcoVadis, evaluating 263 suppliers in 2025 to monitor environmental and social performance. This process supports continuous improvement and compliance with Nemak's sustainability standards. In parallel, Nemak strengthens partnerships with key OEMs and industry stakeholders to collaboratively reduce the carbon footprint of aluminum alloys and promote circular economy practices. These efforts foster innovation and systemic progress across the value chain, enabling Nemak to drive holistic climate action and effectively advance towards its Net Zero goals.

The company assesses supplier sustainability through platforms such as EcoVadis, evaluating 263 suppliers in 2025 to monitor environmental and social performance.

Green Governance: Enabling Leadership & Development

Nemak's Green Governance pillar ensures robust organizational structures and governance mechanisms are in place to manage the transition towards decarbonization effectively.

Organizational Support: The Climate Strategy is driven by dedicated governance structures, including the Executive Sustainability Committee and the Decarbonization Capex Committee, which oversees climate-related investments with executive representation from Purchasing, Manufacturing, Business Development, and Finance teams. The Transformation Management Office's Climate Commitment team fosters cross-functional collaboration and integration of decarbonization objectives into everyday business processes and remuneration schemes, embedding sustainability into Nemak's corporate culture and operational decision-making.

Summary and Progress towards Nemak's Climate Transition Plan

DECARBONIZATION PILLAR	DECARBONIZATION LEVERS	AMBITION/ AIMS	PROGRESS TO DATE
Green Production	Energy Efficiency	▪ Reducing energy use and consumption by increasing operating efficiency and Capex investment in decarbonization projects to maximum energy efficiency	▪ 100+ projects implemented in 2025 resulting in energy savings of over 200,000 GJ. ▪ Investigation of on-site renewable generation projects ▪ Approval of strategic decarbonization projects by the Decarbonization Committee ▪ Completion of ASI Performance Standard audits with a focus on emissions, pollution, energy, waste and water management
	Renewable Energy	▪ Maximizing the percentage of renewable energy in its overall energy portfolio to reach 100% renewable electricity by 2030	▪ Exceeded its target of 25% renewable electricity by 2025, with 26% renewable electricity purchase in 2025
	Fuel Switch	▪ Investing in technology that supports the transition to low-carbon energy ▪ Use of sustainable fuel sources, replacing fossil fuels	▪ Overview of existing and candidate technologies for melting operation obtained ▪ Supplier day held to assess currently available technologies ▪ Total cost of ownership of electric melting analysis performed
Green Products & Circular Economy	Life Cycle Assessments	▪ Developing Cradle-to-Gate Life Cycle Assessments to understand the environmental impact of its products and processes	▪ 30+ LCA's complete, covering most of Nemak's portfolio ▪ Reporting of LCA data into Catena-X program for several customers
	Products for Emissions Free & Hybrid Vehicles & Opportunities in Clean Tech	▪ Production of components for emission-free & hybrid vehicles	▪ Acquisition of GF Casting, who have an 80% electrification portfolio ▪ 18 (42%) sites with capabilities to produce for EV/SC segment (excluding GF Casting sites) ▪ $443 million sales (9% of total revenue) from EV/SC in 2025
	Innovation & Net Zero Offering (R&D)	▪ Low carbon/ Net Zero solutions for customers, including increased use of secondary alloys ▪ For at least 75% of all R&D portfolio projects to include sustainability-related targets (clean technology innovation)	▪ 82% of the 2025 R&D portfolio incorporated sustainability elements, designed to align with the broader Sustainability Strategy
Green Sourcing	Secondary Materials & Green Primary Aluminum	▪ Increasing the use of secondary/ green materials in production, and reducing the carbon footprint per tonne of material purchased	▪ Reduction of Scope 3.1 emissions by 4% vs 2024, achieving a 13% reduction from 2019 ▪ Development of marketing handbook on green aluminum, showcasing Nemak's Sustainability Value Proposition to Customers
	Value Chain Engagement	▪ Engage strategic suppliers and customers to reduce Scope 3 greenhouse gas emissions by increasing adoption of science-based targets, low-carbon materials, and decarbonization initiatives across the value chain	▪ Signed a letter of intent with a key supplier ▪ Screened a total of 263 suppliers via EcoVadis, including environmental screening ▪ Collaborations with major OEM's to decrease CO_2e footprint of aluminum alloys ▪ 9% of Tier-1 spend with suppliers have decarbonization commitments (e.g., SBTi or published target)
Green Governance	Organizational Support	▪ Creating an effective organizational design to successfully manage the transition towards decarbonization, including attaining relevant qualifications, career paths, and succession plans	▪ Continued function of the TMO Climate Commitment ▪ Cross functional alignment of roles and responsibilities for sustainability tasks ▪ Improved cooperation between departments, best practice sharing between facilities through regional HSE meetings

Emission Targets & Timeline

GRI 102-1

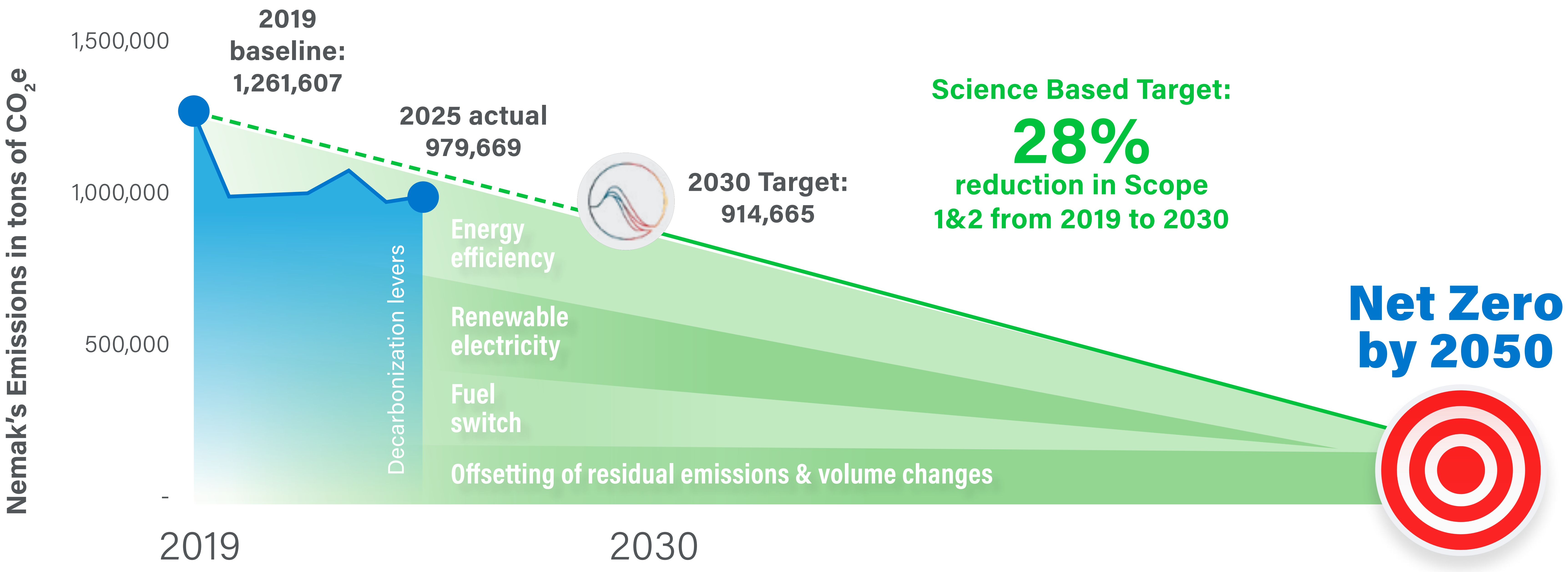
Nemak's Climate Strategy incorporates near-term targets for 2026, mid-term targets for 2030, and a long-term ambition to become Net Zero by 2050 at the latest, aligned with a 1.5°C scenario.

Nemak's climate targets are grounded in the framework established by the Science Based Targets initiative (SBTi) rather than a sectoral approach, reflecting Nemak's commitment to limit global warming to 1.5°C in line with the Paris Agreement. The Company has adopted 2019 as Nemak's verified emissions baseline year, ensuring a robust and reliable reference point unmarred by recent global disruptions such as the pandemic.

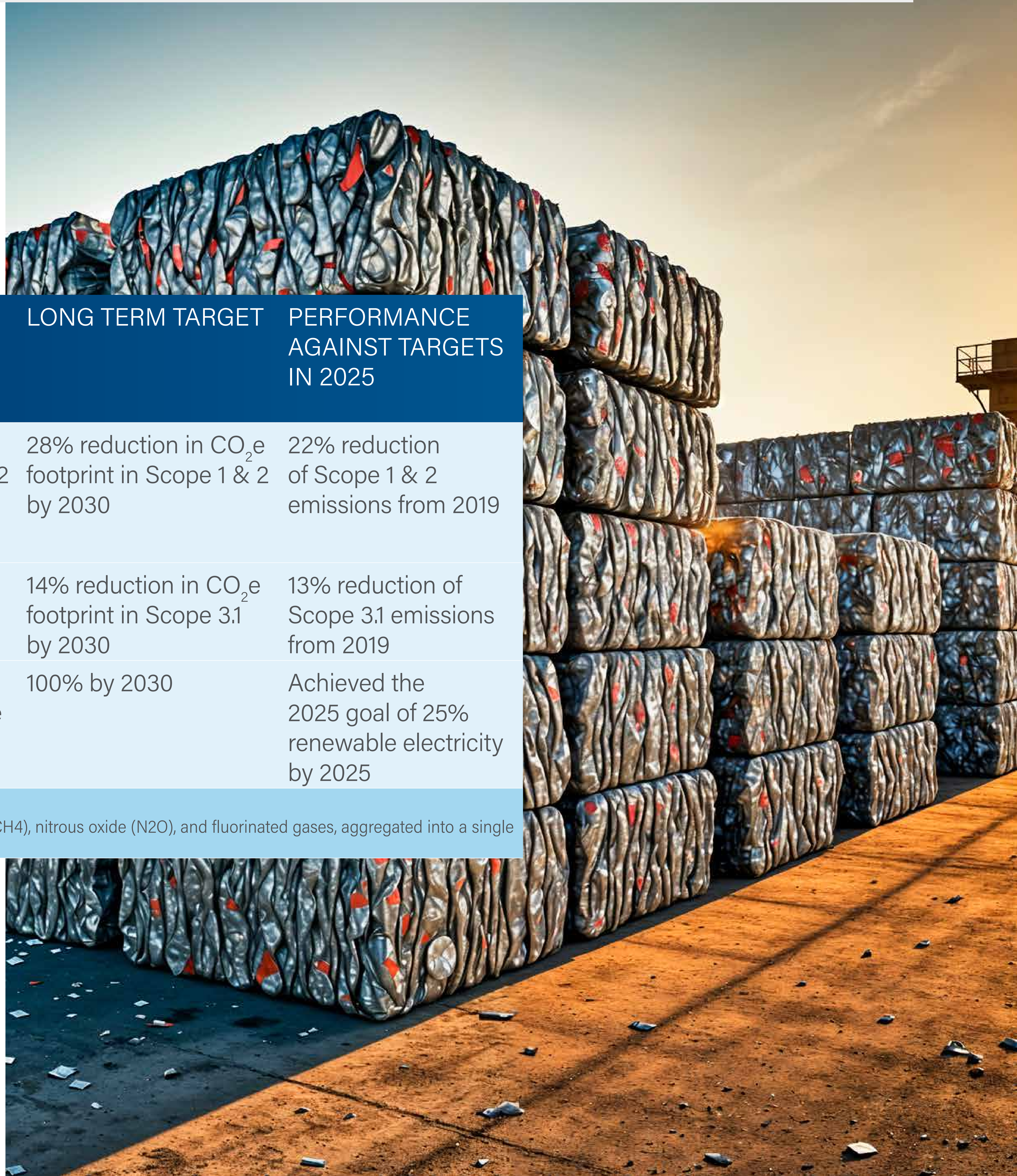
In the short-term, Nemak's focus is on achieving an 18% absolute reduction in Scope 1 and Scope 2 emissions by 2026. This target is also connected to the issuance of two Sustainability Linked Bonds issued in 2021.

Advancing to Nemak's mid-term ambition for 2030, Nemak's target is to deliver a 28% absolute reduction in Scope 1 and Scope 2 emissions from Nemak's 2019 baseline, a milestone officially validated by the SBTi to align with a well-below 2°C emission reduction pathway. Equally significant is Nemak's commitment to reduce Scope 3.1 emissions by 14%, concentrating on sustainable sourcing strategies, and enhanced recycling programs, particularly within Nemak's aluminum supply chain.

In addition, Nemak has set renewable electricity targets, aiming to achieve 100% renewable electricity by 2030.



Together, Nemak's climate targets are reflective of a strategic framework guiding aspects of Nemak's operational and value chain transformation. They shape investment decisions, inspire innovation, and build resilience while ensuring transparency, accountability, and continuous progress toward a sustainable future.



Summary of Nemak's Climate Targets

GRI 102-4

	CORRESPONDING METRIC	% OF EMISSIONS COVERED BY TARGET, BASED ON TOTAL EMISSIONS IN SCOPE*	BASELINE VALUES (IN TONS CO_2E)	SHORT TERM TARGET	LONG TERM TARGET	PERFORMANCE AGAINST TARGETS IN 2025
Scope 1 & 2 (market based) Target **(SBTi, well-below 2 degrees approved)**	Scope 1 & 2 emissions in tons CO_2e	100%	1,261,607	18% reduction in CO_2e in Scope 1 & 2 by 2026	28% reduction in CO_2e footprint in Scope 1 & 2 by 2030	22% reduction of Scope 1 & 2 emissions from 2019
Scope 3 Target **(SBTi, well-below 2 degrees approved)**	Scope 3 Category 1 emissions in tons CO_2e	80%	3,285,766	n/a	14% reduction in CO_2e footprint in Scope 3.1 by 2030	13% reduction of Scope 3.1 emissions from 2019
Renewable Energy	GJ of renewable electricity purchased, as a % of total electricity purchase	99% of Scope 2	(not applicable)	25% renewable electricity purchase by 2025	100% by 2030	Achieved the 2025 goal of 25% renewable electricity by 2025

*Targets apply uniformly to all of Nemak's sites and locations.
** A CO_2e reduction target includes the reduction of all greenhouse gases weighted by their global warming potential, specifically carbon dioxide (CO_2), methane (CH4), nitrous oxide (N2O), and fluorinated gases, aggregated into a single metric to reflect total climate impact.

Climate Mitigation Actions

GRI 3-3

Actions towards Scope 1 & 2 Decarbonization

GRI 102-1

Energy Efficiency

Nemak's Energy Management Program (EMP) is centered around energy optimization, striving to eliminate all forms of excess energy waste. The Company's EMP is led by the Energy Engineering Community and includes engineering managers in central and local operations. The EMP aims to improve Overall Equipment Effectiveness (OEE) and support the ongoing implementation of Nemak's ISO 50001 Energy Management System. The Energy Engineering Community supports manufacturing operations and the Decarbonization Capex Committee by identifying projects promoting energy efficiency, energy technology, and innovation.

Together with the Research & Development (R&D) team, the Engineering team worked on optimizing production processes through reviewing the entire process chain and identifying less energy-intensive alternatives, including equipment modernization, the adoption of new technologies, and process changes.

In 2025, identified and implemented 100+ energy efficiency projects including projects related to natural gas, compressed air, electricity, LPG & Diesel reduction. Together, implemented projects contributed to the abatement of over 12,000 tons of CO_2e.

In 2025, Nemak began implementing Siemens Energy Pro, a platform designed for live tracking and centralized control of energy management. Knowledge gained from this implementation in Europe is being transferred to Nemak sites in Mexico, with the goal of extending the platform rollout to Mexico and Asia.

The Siemens Energy Pro platform provides a comprehensive energy management solution that enhances transparency, control, and efficiency across manufacturing operations. It consolidates energy and material consumption data across assets and sites, enabling real time tracking and centralized visualization of energy flows, which supports informed decision making and identification of improvement opportunities. The system facilitates detailed energy analysis, cost allocation by cause or cost center, and forecasting of load and demand, which assist Nemak in optimizing energy procurement and cost planning. By automating internal and external energy reporting, and providing standardized dashboards and key performance indicators, the platform supports compliance with the ISO 50001 Energy Management Standard, and helps Nemak to identify and implement targeted energy saving measures.

DRIVING RESULTS - ENERGY EFFICIENCY

At Nemak Dillingen, the installation of a new turbo compressor has led to an estimated 4% reduction in the compressors electrical energy consumption, equivalent to approximately 9,000 GJ saved per year. The system also provides enhanced centralized control capabilities, opening further opportunities for energy and cost savings. In the coming year, the project will focus on optimizing the operation of the compressor, including the implementation of improved sensor functionality to maximize efficiency.

Renewable Energy

Nemak is committed to increasing the percentage of renewable energy within its portfolio. The route for actualizing this ambition is via Nemak's Purchasing Strategy, mainly for Scope 2 electricity, and through the generation of its own energy onsite. In 2025, 26% of Nemak's electricity consumption came from renewable energy sources. This means that Nemak has achieved its goal of 25% renewable electricity share by 2025, and is on track for 100% by 2030. To date, all electricity used by Nemak has been sourced from the grid.

In order to achieve sustainable and future-orientated production, a variety of energy supply concepts are required. These must guarantee an effective, targeted, and economical supply to Company sites. Nemak therefore, utilizes a portfolio approach that ranges from the use of classic energy supply contracts with renewable energy components, to long-term supply contracts.

- In Europe, Nemak uses 'Guarantees of Origin' (GoO) to certify that electricity purchased is derived from renewable sources
- Outside Europe, Nemak uses 'I REC Certificates' (International Renewable Energy Certificates) where local green-power purchase agreements (PPAs) or renewable-power supply options are not yet in place
- Nemak uses long-term supply contracts (e.g. PPAs or VPPAs) or direct renewable-energy supply where possible, reducing reliance on certificates

The specific choice per location is dependent on variables including politics, technology, and economic efficiency. In line with targets, and to meet customer demand, Nemak will gradually increase the proportion of renewable energies in its energy supply over the coming years. At some locations, the reorganization of the energy supply will require investments for self-supply and, in particular, the associated peripheral systems on the grid side.

Nemak continued the use of renewable electricity across several key locations in 2025 through renewable energy certificates and guarantees of origin. Brazil, Linz, Pilsting, and Spain operated with 100% renewable electricity, while significant shares were also achieved in Poland (90%), Slovakia (73%), Győr (62%), Chennai (50%), and Dillingen and Wernigerode (34% each). Overall, Nemak's renewable electricity consumption reached approximately 1,140,000 GJ in 2025, reflecting a consistent trend in amount of renewable electricity sourced in comparison to the previous year.

In 2023, Nemak entered into a 10-year contract with Texas Solar Nova 1, LLC for the purchase of renewable energy certificates in the US. The agreement decarbonizes half of the electricity demand of the Company's US sites. Through this agreement, Nemak invested into the development of a 5,000-acre solar farm, with an annual production of more than 2,500,000 GJ. This agreement shall come into effect in 2026.

Fuel Switch

Nemak is actively exploring fuel-switching options to reduce its dependence on fossil fuels, particularly natural gas, across its manufacturing operations. Recognizing the significant role that thermal energy plays in aluminum casting processes, the Company is assessing alternatives including electrification of furnaces and heat-treatment equipment, as well as the potential use of low-carbon fuels such as hydrogen. These pathways are being evaluated based on technical feasibility, energy efficiency, emissions reduction potential, and long-term scalability.

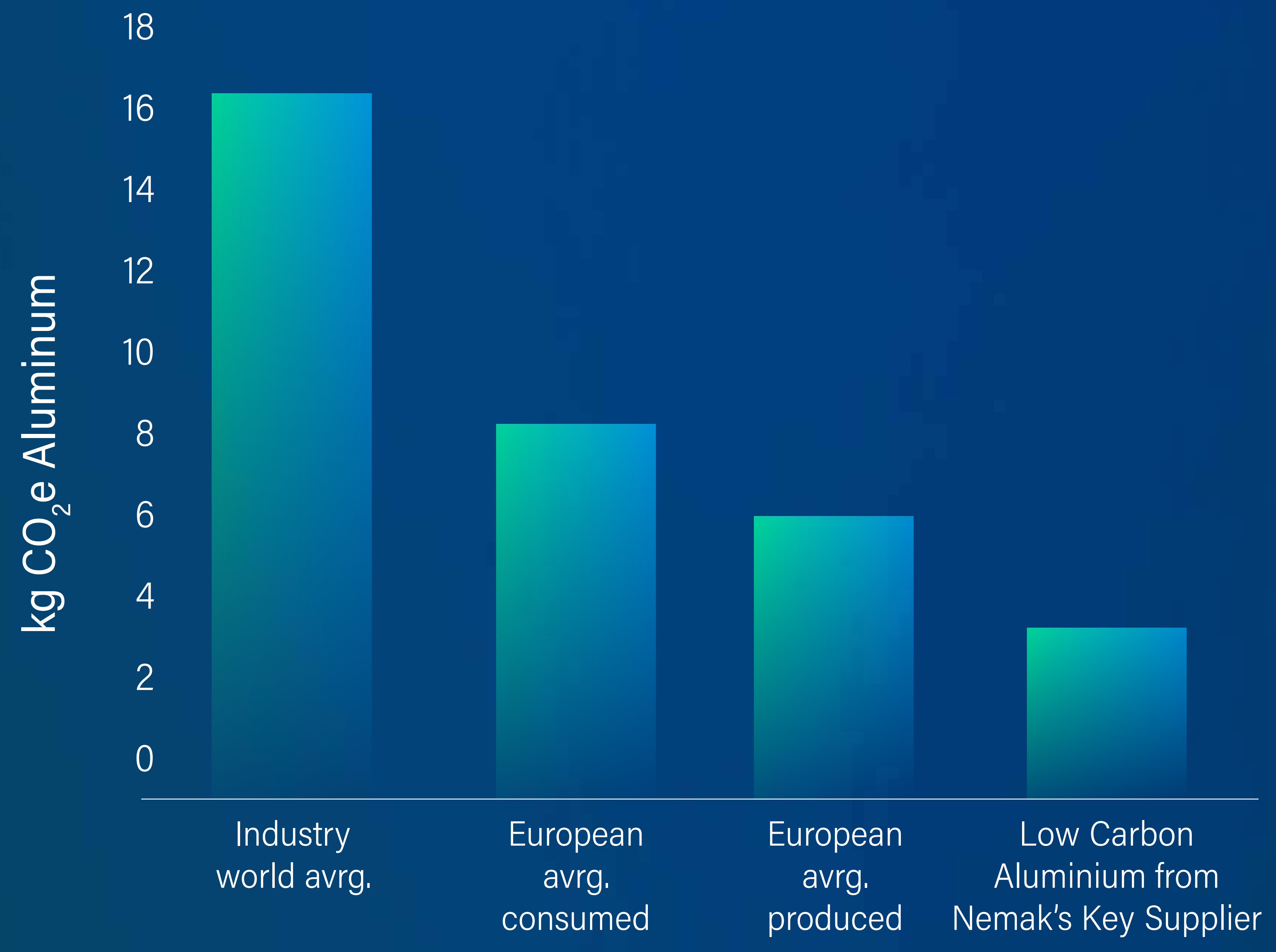
By transitioning away from conventional natural gas systems toward cleaner energy solutions, Nemak aims to lower its Scope 1 greenhouse gas emissions and support the decarbonization of its operations in alignment with broader sustainability and life cycle impact reduction objectives. This year, Nemak continued the evaluation of the potential vendors to provide fuel switch alternatives, including retrofitting options. Nemak's R&D team continuously tracks and investigates the current level of technological maturity of fuel-switch alternatives, including hydrogen.

DRIVING RESULTS - FUEL SWITCH

Over the past three years, Nemak Dillingen has installed, or is in the process of installing, 32 hydrogen-capable burners. These offer approximately 20% improved efficiency, and the flexibility to burn either hydrogen, natural gas, or a controlled mixture of both.

This capability allows Nemak to adjust fuel sources based on cost and availability, enhancing operational flexibility. For one heat-treatment furnace, half of the burners were converted to hydrogen two years ago, and this year the furnace will be upgraded to run entirely on hydrogen. Based on feasibility studies, Nemak Dillingen has determined that approximately 30% of current natural gas consumption could be replaced with hydrogen at the current maturity of the technology. While this project is considered a pilot, it is a critical initiative to test the scalability of hydrogen use, address infrastructure requirements, and assess economic feasibility for potential broader implementation.

Comparison of Aluminum Footprints per Kg of Aluminum Produced



Actions towards Scope 3 Decarbonization

GRI 102-1

Nemak's largest proportion of emissions can be attributed to Scope 3, indirect emissions that occur across a company's value chain, both upstream and downstream, such as emissions from suppliers, transportation, product use, or end-of-life treatment. With purchased aluminum being the primary source of Scope 3 emissions, Nemak's reduction strategy is centered around the following activities:

KEY ACTION AREA	PROGRESS TO DATE
Use of secondary alloy where technical requirements allow	61% of aluminum purchased was secondary or scrap
Purchase of green aluminum and alloys as a preferred alternative	30% of primary aluminum purchased in 2025 had a CO_2 footprint of less than 5kg CO_2/kg Increased volume of purchased green aluminium and secured future volume agreements
Investment into Research and Development to further the development, and commercial application of, sustainable solutions such as Nemalloy Active engagement with suppliers to increase their awareness of, and transparency around, the topic of decarbonization	82% of Nemak's R&D portfolio incorporates sustainability principles Annual in person & online supplier engagement events EcoVadis screening of 263 suppliers on environmental criteria, including emissions 67% of Nemak's Scope 3 Category 1 calculation coming from primary data
Securing commitments from key suppliers to reduce their emissions in line with Nemak's ambition, 28% Scope 1 & 2 reduction by 2030	9% of Tier-1 spend with suppliers that have decarbonisation commitments (e.g., SBTi or published target)
Establishing partnerships with suppliers and customers to develop technologies together, and secure strong value chain relationships	Norsk Hydro and Nemak signed letter of intent to decarbonize automotive industry together

Metrics related to Scope 1, 2 & 3 Emissions

GRI 102-5, GRI 102-6, GRI 102-7

As with many players within the automotive industry, Nemak's Scope 3 emissions from its value chain account for most of its overall emissions. Scope 1 and Scope 2 emissions associated with internal operations account for approximately 22% of Nemak's total carbon footprint, whereas 78% are the result of Scope 3 activities. To proactively address the topic of emissions reductions, the Company relies on the initiatives defined in its Climate Transition Plan, which directly contribute to Nemak's emissions pathway.

In 2025, Nemak achieved a 4% reduction in total emissions (Scopes 1, 2 market, and 3 combined) compared to 2024. This improvement was driven by several key trends year-over-year:

- Natural gas consumption decreased by 4%
- Electricity consumption decreased by 3%
- Renewable electricity procurement remained stable, covers more than a quarter of Nemak's electricity demand
- 4% reduction in Scope 3 Category 1 emissions from Purchased Goods and Services
- Capital Goods emissions dropped significantly by 40%, driven by a reduction in overall reduction in spend

As a result, Scope 1 emissions declined by 4%, and Scope 2 location-based emissions fell by 3%. In contrast, Scope 2 market-based emissions increased slightly, due to fewer renewable energy certificates purchased in the reporting year compared to 2024. Nevertheless, Nemak achieved its renewable electricity target for 2025.

To date, Nemak has achieved a 22% reduction in Scope 1 and 2 emissions and a 13% reduction in Scope 3 Category 1 emissions, relative to its 2019 baseline.

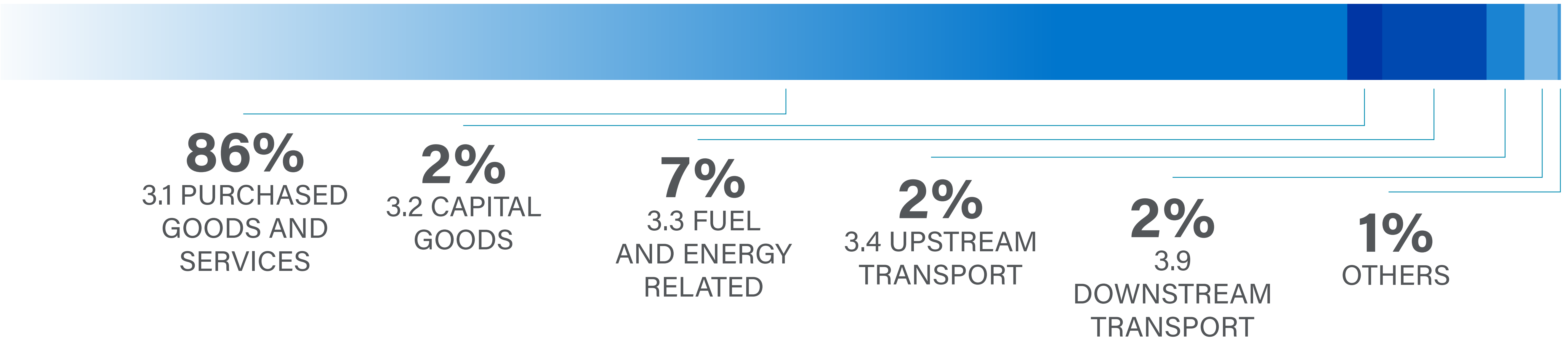
Looking ahead, Nemak remains committed to achieving Net Zero by 2050. Its current emissions trajectory is aligned with its Science-Based Targets initiative (SBTi) commitments, which include a 28% reduction in Scope 1 and 2 emissions by 2030 and a 14% reduction in Scope 3.1 emissions by the same year.

As of the publication date of this Report, no Nemak locations are formally regulated under any Emissions Trading Schemes. The Mexican Emissions Trading System (SCE) is expected to enter its operational (compliance) phase in early 2026, depending on the finalization and publication of its regulatory framework by SEMARNAT (Mexico's Ministry of Environment and Natural Resources).

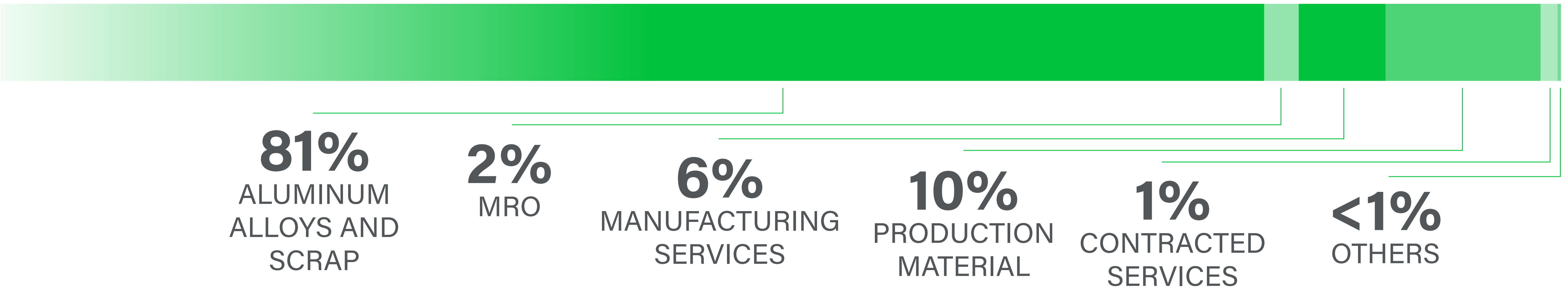
EMISSIONS IN TONS CO_2E	2025	2024	2023
Scope 1	613,763	642,074	666,448
Scope 2 location based	499,485	517,313	539,221*
Scope 2 market based	365,906	336,285	409,151
Scope 3	3,399,158	3,552,801*	3,931,752
Total Scope 1-3 (location based)	4,512,406	4,712,187	5,137,421
Total Scope 1-3 (market based)	4,378,827	4,531,159	5,007,352

*Reinstated values:
Following the initial data submission for Scope 3 verification, a review identified that several spend categories had been recorded without corresponding emission factors. These factors were subsequently applied, and an updated dataset was provided for calculation. The corrected values increased Scope 3.1 emissions in 2024 by approximately 1 % (previously reported as 2,960,628 vs 2,991,666 as corrected value) and increased Scope 3.2 in 2024 by 10% (previously reported as 113,943 vs 125,286 as corrected value). As a result, the table above demonstrates the corrected value for Scope 3 in 2024, representing a 1% change in the value previously reported (3,552,801).
Due to a minor reporting error in location emission factors, Scope 2 location-based values for 2023 were incorrectly reported in 2024 as 539,221 (0.6% difference)

Scope 3 Emissions Breakdown



Scope 3.1 Emissions Breakdown



Methodology for Emissions Calculations

GRI 102-4

Nemak calculates its greenhouse gas emissions in accordance with the WRI/ WBCSD GHG Protocol Corporate Accounting and Reporting Standard, covering Scope 1, 2, and 3 emissions.

Nemak's reporting boundaries are defined as the Company's operational control over its worldwide locations, exclusions include refrigerants and fugitive emissions.

Scope 1 emissions include direct greenhouse gas emissions from sources owned or controlled by Nemak, such as fuel combustion in manufacturing plants and company-owned vehicles. This includes Natural Gas, LPG, Diesel, Gasoline and Fuel Oil Consumption.

Scope 2 emissions refer to indirect emissions from the generation of purchased electricity, heat, or refrigeration used by Nemak. These figures are adjusted to account for reductions achieved through the purchase of renewable energy under the market-based approach.

- For location-based emissions, Nemak applies emission factors from the International Energy Agency (IEA) or national factors provided by local sites.
- For market-based emissions, data is sourced directly from local energy suppliers where available. If supplier-specific data is not available, Nemak defaults to location-based emission factors.

Both Scope 1 & 2 emissions are calculated based on invoice data collected from site to site.

Scope 3 emissions encompass indirect emissions occurring in Nemak's value chain, both upstream and downstream. This includes categories such as purchased goods and services (notably aluminum raw materials), transportation and distribution, use of sold products, and end-of-life treatment. Where available, Nemak uses supplier specific emission factors In 2025, 67% of Scope 3 Category 1 emissions were calculated using primary data, an increase from 63% in 2024.

In 2025, Nemak obtains external limited assurance for its Scope 1, 2 and 3 GHG emissions in accordance with ISO 14064-3, with Scope 3 verification occurring in the second half of the year. Conducted by Apex Companies LLC (Apex), this decision was taken to promote stakeholder confidence in Nemak's Climate Strategy and related reduction pathways, in addition to promoting accountability and transparency within the value chain. The external verification process included an audit of sample data, review of supporting third-party evidence, and recalculation of GHG emission data. The collection, aggregation, and analysis methodology were also subject to review. Apex confirmed that Nemak had prepared a Scope 1, 2 and 3 GHG emissions statement in accordance with the WRI/WBCSD GHG Protocol Corporate Accounting and Reporting Standard. For Scope 3, this included the verification of Scope 3.1 – 3.4 categories, representative 95% of Nemak's total Scope 3 emissions in 2025.

Nemak has externally assured its Scope 1-3 emissions inventory since 2019 to ensure data consistency and reliability

This approach results in comprehensive monitoring of the company's carbon footprint from raw material sourcing through production, distribution, and product lifecycle phases, consistent with global best practices for emission accounting.

IRO Type	IRO description
Negative Impact	The use of fossil fuels to power Nemak's plants and machinery may have a negative impact on the environment

Energy Consumption

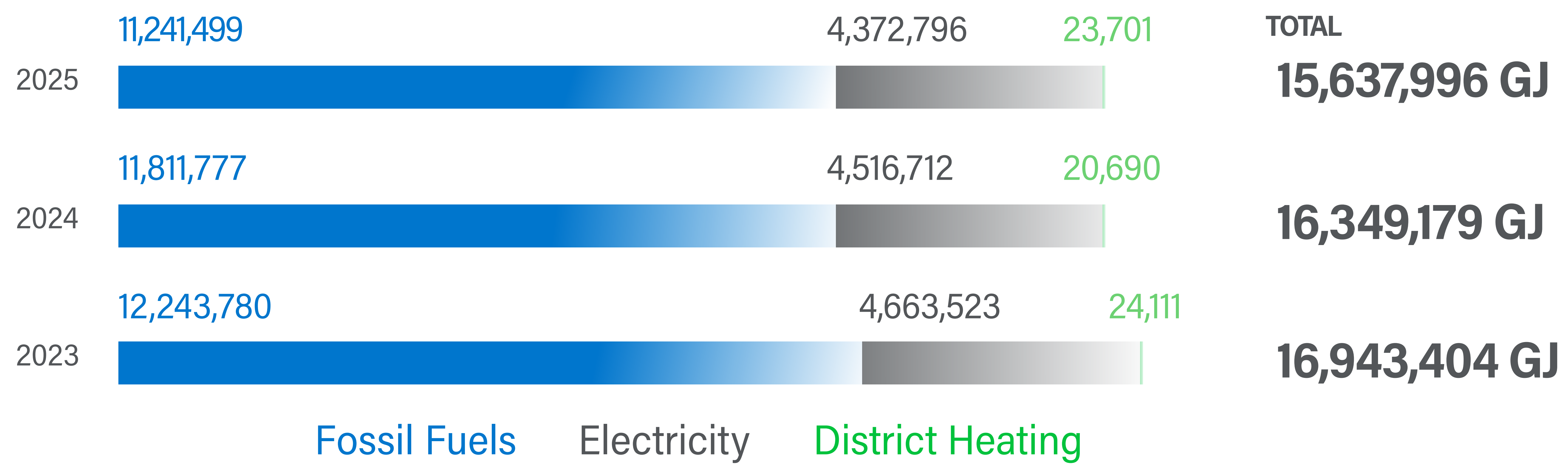
GRI 103-2, GRI 103-5

Nemak's energy consumption is comprised of natural gas and electricity, which are critical in powering its operations. Natural gas is primarily used in energy-intensive processes such as melting and casting aluminum, which require high temperatures to transform raw materials into precision-engineered components.

Electricity supports a wide range of activities including running machinery, powering finishing processes like machining and heat treatment, and maintaining essential plant operations such as lighting, ventilation, and administrative systems. As identified by the above material impact, the Company recognizes the importance of energy use optimization and the incorporation of sustainable practices. Nemak strives to balance operational efficiency with its commitment to reducing its environmental footprint.

Nemak's Energy Consumption (in GJ)

	2025	2024	2023
Total energy consumption)	**15,637,996**	**16,349,179**	**16,943,404**
Direct Use (Scope 1)	**11,241,499**	**11,811,777**	**12,243,780**
Natural Gas Consumption	10,714,516	11,178,646	11,546,438
Gasoline Consumption	2,052	4,338	4,282
LPG Consumption	369,747	454,574	509,042
Diesel Consumption	139,747	151,803	159,116
Fuel Oil Consumption	15,437	22,416	24,902
Indirect Use (Scope 2)	**4,396,497**	**4,537,402**	**4,699,624**
Electricity Consumption	4,372,796	4,516,712	4,663,523
from non-renewable sources	3,228,645	3,149,882	3,880,570
purchased renewable energy	1,144,151	1,366,830	782,954
renewable electricity purchased vs total electricity consumption (as a %)	26%	30%	17%
Refrigeration Consumption	0	0	1,987
District Heating Consumption	23,701	20,690	24,111



Climate-Related Risks

GRI 102-1

Through the creation of a comprehensive Climate Transition Plan, Nemak has considered both the requirements of internal and external stakeholders, while also accounting for the inherent risks of climate change and its associated financial impacts.

Nemak conducts annual climate transition and physical risk assessments, helping to understand and quantify climate-related risks and opportunities. After each assessment, the results are analyzed and integrated into future strategic planning and core business management, where deemed necessary.

Transition Risks

Transition risk and opportunity scenarios are reviewed in relation to the most significant identified climate-related risks and opportunities. On an annual basis, Nemak updates this review to reflect the latest market projections and developments, before conducting a company-wide assessment. While the scenario analysis provides additional context, it is primarily a supplementary exercise intended to confirm assumptions and ensure the company is generally moving in the right direction. Many of Nemak's risk mitigation processes and opportunity initiatives were already in place before the scenario analysis was introduced, and they can offer insight to support the long-term Climate Strategy. In the future, Nemak aims to make greater use of scenario analysis by more closely integrating it with existing risk management processes, enhancing its potential to inform strategic decision-making and reinforce the company's long-term Climate Strategy.

The following high level transition risks and opportunities were identified and evaluated in 2025, aligned with the risks and opportunities identified in Nemak's recent DMA. This assessment also included risks and opportunities that were previously identified as non-material through the DMA, supported with the quantitative results of this assessment.

To expand on the topic of electrification, by modelling trends under various climate scenarios (using Nemak's revenue data for Battery Electric Vehicles (BEV) and Internal Combustion Engine (ICE) components across Asia, Europe, and North America, combined with studies on regional BEV adoption through 2050, and assumptions on overall vehicle market growth and Nemak's BEV expansion rate, the Company can evaluate how shifts in adoption rates and market dynamics impact its revenue streams. This analysis highlights risks, such as slower EV uptake reducing BEV component demand and accelerating ICE market decline, and opportunities, such as rapid electrification driving demand for lightweight aluminum and new e-mobility solutions.

Due to the nature of its business, Nemak considers that all of its sites are exposed to the types of climate transition risks and opportunities identified through the climate risk assessment.

	Electrification	Energy	Materials (Aluminum)
RISKS	Effects from different development of EV / ICE sales & revenues per region	Increasing costs of natural gas and electricity & availability of renewable electricity	Increasing costs for primary aluminum, green primary & high-quality scrap
OPPORTUNITIES	Increased revenues from EV markets	Decreasing costs from energy savings and reduced emissions	Growing market for low carbon products

Nemak conducts climate risk assessments to identify and evaluate the potential physical and transition risks associated with climate change across its operations and value chain.

Scenario Selection

The climate-related scenario analysis assesses Nemak's resilience and strategic positioning under two distinct futures:

- 1.5°C Net Zero Pathway: Representing a rapid global transition toward net zero greenhouse gas emissions by 2050, driven by ambitious climate targets and comprehensive decarbonization policies (climate-related scenario aligned with the latest international agreement on climate change).
- Business-as-Usual (BAU): Reflecting a continuation of current stated policies as of 2024, without significant strengthening, resulting in higher emissions and temperature outcomes.

Both scenarios are based on internationally recognized scientific and industry sources to ensure methodological rigor and alignment with best practices. Key references include the International Energy Agency (IEA) World Energy Outlook 2024 (IEA, n. D.), the International Council on Clean Transportation (ICCT) report Vision 2050: Update on the global zero-emission vehicle transition in 2024 (ICCT, 2025), the Net Zero Roadmap: A Global Pathway to Keep the 1.5 °C Goal in Reach (IEA, 2023), and the Mission Possible Partnership report Making Net Zero Aluminium Possible (Mission Possible Partnership, 2023). These scenarios were selected as they provide comprehensive coverage of relevant climate-related risks and opportunities. They are applied in conjunction with Nemak's actual operational data and assumptions to assess the Company's resilience to potential climate-related changes, developments, and uncertainties.

Key Assumptions and Data Inputs

Nemak's climate risk assessment integrates external studies and internal data to model transition risks and opportunities across Nemak's regional markets. External reports from the ICCT, IEA, and the International Carbon Action Partnership (ICAP) provide scenario context aligned with global decarbonization pathways, while Nemak's internal operational data, including revenues, costs, and energy consumption, enable precise quantification of impacts and sensitivities.

Where uncertainties exist, such as future market growth or emissions subject to carbon pricing, reasonable assumptions are applied to maintain consistency and transparency. Climate-related policies in the jurisdictions where Nemak operates are aligned with projections from leading scenario reports, with regional differentiation applied for national and local variables. The analysis focuses solely on climate-related changes, excluding broader macroeconomic trends. Assumptions regarding energy usage and mix combine actual operational data, company targets, and scenario-based projections, while technological developments are modelled in line with scenario expectations, reflecting anticipated advancements in decarbonization technologies and vehicle electrification.

Scope and Coverage

The scope of the climate scenario analysis encompasses all Nemak operations, with a simplified focus on key components related to ICE and BEV technologies. The geographical coverage targets the principal market regions critical to Nemak's business, namely Asia (with a focus on China), Europe, and North America (with an emphasis on the United States and Mexico).

The analysis employs a time horizon spanning from 2025 through to 2050 to capture short, medium, and long-term impacts aligned with a planning horizon linked to global Net Zero targets. For this assessment, the short-term horizon is set at 2030, the medium-term at 2035, and the long-term at 2050.

As a result of this annual exercise, Nemak has a model where it can manipulate and change certain factors to better understand their impacts, and any associated exposure, on the Company's revenue and direct costs related to electrification, energy and materials.

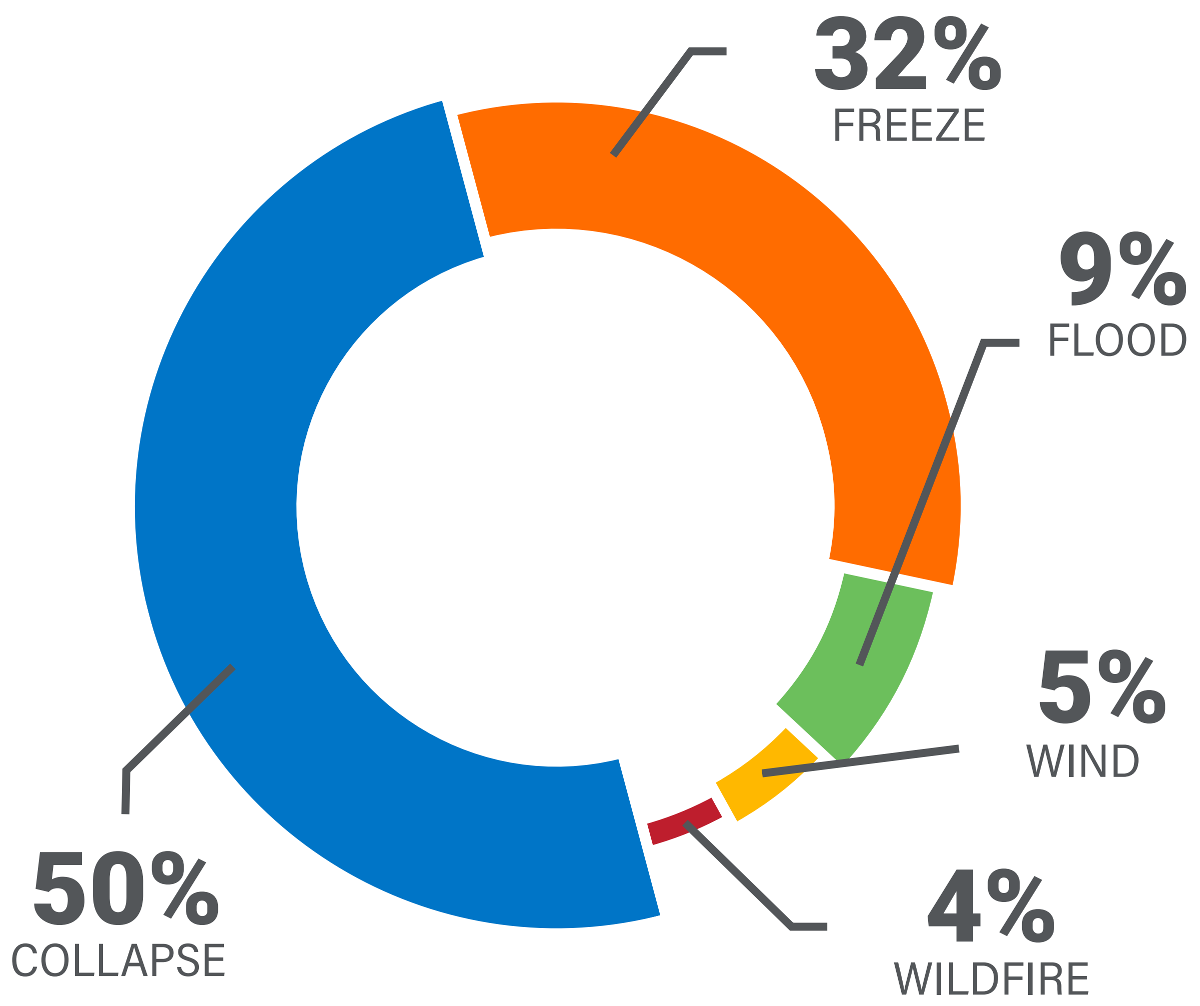
Due to reasons of confidentiality, Nemak does not disclose the results of its climate risk assessments.

Physical Risks

Nemak works together with its insurance provider to assess the likelihood, magnitude, and potential financial impact of physical risks on Nemak sites. To evaluate Nemak's exposure to physical climate hazards, Nemak relies on a combination of engineering data from site visits and the latest insights into climate change.

This includes a breakdown of Nemak's acute and chronic risks at its locations, specified by peril, according to three different climate scenarios, in both the short-term (by 2030) and the long-term (by 2050). The variables assessed include acute risk, chronic risk, extreme precipitations, wind, temperature, drought, and sea level rise. For all variables, Nemak evaluates the locations with the largest exposure to changes in each specific variable in the short term (by 2030), including a breakdown by property value (PV) and business interruption (BI), and an outlook for climate change impacts at those locations in the short term (by 2030). The results of these assessments are reviewed at a site level, and follow up actions agreed where deemed necessary.

Nemak's Physical Climate Risks by Peril



Examples of site-specific actions related to weather hazards undertaken in 2025 include:

- The Wisconsin and Wernigerode sites have evaulated a plan for roof snow removal and load ratings to ensure a low risk of structural failure.
- The Poland site has created, and had approved by insurers, a freeze prevention plan.

CURRENT CLIMATE RISK EXPOSURE:			
10/34 Engineered Locations Exposed	30% of Total Insured Value Exposed to Physical Risks	$3 million of Climate Risk Reduced to Date	5+ Recommendations Implemented or in Process

Financial Implications of Climate-related Risks & Opportunities

Nemak's Climate Strategy is integrated into its overall financial planning and capital allocation framework, guiding how the company positions itself for sustainable growth in the short, medium, and long term.

Short term (1- year): Nemak expects to maintain solid cash flows and profitability, supported by ongoing operational efficiencies and customer demand for lightweight, low-carbon aluminum solutions. Capital expenditures in this period will include certain decarbonization projects, such as energy efficiency upgrades, renewable electricity procurement, and R&D related to the application of secondary alloys, alongside integrating GF Casting Solutions' technologies and footprint to capture synergies and strengthen Nemak's position in sustainable mobility markets.

Medium term (2 - 4 years): As Nemak continues to implement its Climate Strategy, it considers investment in R&D a priority, particularly focusing on the development and application of next-generation alloys, circular economy innovations, and low-emission manufacturing processes. The integration of GF Casting Solutions enhances Nemak's capabilities and portfolio, expected to drive higher-margin innovation-led growth, and expanded market reach. Cash flow from operations is forecast to grow, supported by enhanced product offerings and cost savings from sustainable practices.

Long term (5 - 10 years): Nemak aims to achieve full alignment with its Net Zero ambition by 2050 or earlier, leaning heavily on transformational innovation, fuel switch, and circularity to decouple growth from carbon emissions. The company's financial strategy will balance continued investment in these areas with disciplined capital management to deliver sustainable shareholder value while supporting transition-related expenditures.

To fund these initiatives, Nemak plans to leverage a combination of internally generated cash flows, targeted green financing instruments, such as the two Sustainability Linked Bonds launched in 2021, and, where appropriate, strategic partnerships or asset divestitures aligned with its sustainability objectives. The Company's recent acquisition of GF Casting Solutions, accompanied by its strategic partnerships with suppliers such as Norsk Hydro, is also expected to enhance Nemak's access to financing aligned with sustainability frameworks.

Overall, Nemak's financial outlook reflects a pragmatic approach to integrating climate strategy with business performance, ensuring that investment decisions support both the company's sustainability ambitions and long-term financial health.

Circular Economy

GRI 3-3, GRI 306-2

Nemak is committed to the concept of circular economy, embedding relevant principles into its strategy, underlying processes, and products. The Company seeks to improve the design of its components, incorporating increasing percentages of recycled content into products, while maintaining the highest of safety standards.

Nemak's approach to circular economy principles take account of the following material impacts and opportunities identified in the recent DMA process. Emphasis is placed on the use of secondary or recycled aluminum and other materials, as well as minimization of waste and pollution.

With reference to manufacturing, the Company is also taking measures to reduce waste and water usage across its plants. Nemak adheres to all waste-related regulations.

Nemak recognizes all national and local waste regulations for its operations. In Europe, the Company complies with the EU Waste Framework Directive, in the US, aligns to US EPA regulations, in Mexico, follows the laws set by SEMARNAT, and in Brazil, Nemak follows the Brazilian law on Solid Waste. Nemak is committed to waste reduction by eliminating and substituting materials, recovering shop floor by-products for reuse in the manufacturing process, and collecting waste for recycling by third parties.

The Company has set qualitative targets for circularity topics in its Sustainability Roadmap 2030 and takes a more local approach to quantitative targets for waste management.

Due to Nemak producing semi-finished goods, the topic of resource outflow (as defined by the ESRS Standards) is considered as non-material & therefore not disclosed in the scope of this Report. For more information on Nemak's products, please refer to the Innovation, and the Product Quality sections of this Report.

IRO TYPE	IRO DESCRIPTION
Negative Impact	Mining in the value chain may cause negative environmental impacts such as deforestation and use of water
Opportunity	Circular economy designs of Nemak's products may improve customer and investor perceptions and potentially reduce costs of production

Resource Inflows

Nemak's primary material inflow is aluminum and aluminum alloys, contributing to approximately 84% of its total emissions from Purchased Goods and Services (Scope 3.1).

Nemak considers circularity and decarbonization to be closely interconnected, using Scope 3.1 emissions as a key indicator of progress. By enhancing material efficiency and increasing the use of low-carbon inputs, the company continues to reduce its environmental impact across the value chain.

As a result, Nemak's top priority in the topic of decarbonization and circularity is the reduction of the average footprint of alloys and ingots used to produce its products.

To do this, Nemak relies on a series of levers:

- Secure long term supplier partnerships with a decarbonization focus, to reduce Scope 3.1 emissions from primary aluminum;
- Increase use of secondary aluminum alloys to reduce reliance on energy-intensive primary aluminum, lower CO_2e emissions, and support a more circular, cost-efficient production process;
- Improved data reliability, allowing Nemak to accurately measure upstream emissions, make informed low-carbon sourcing decisions, and credibly track progress toward sustainability targets.

Targets related to Resource Inflows

GRI 3-3

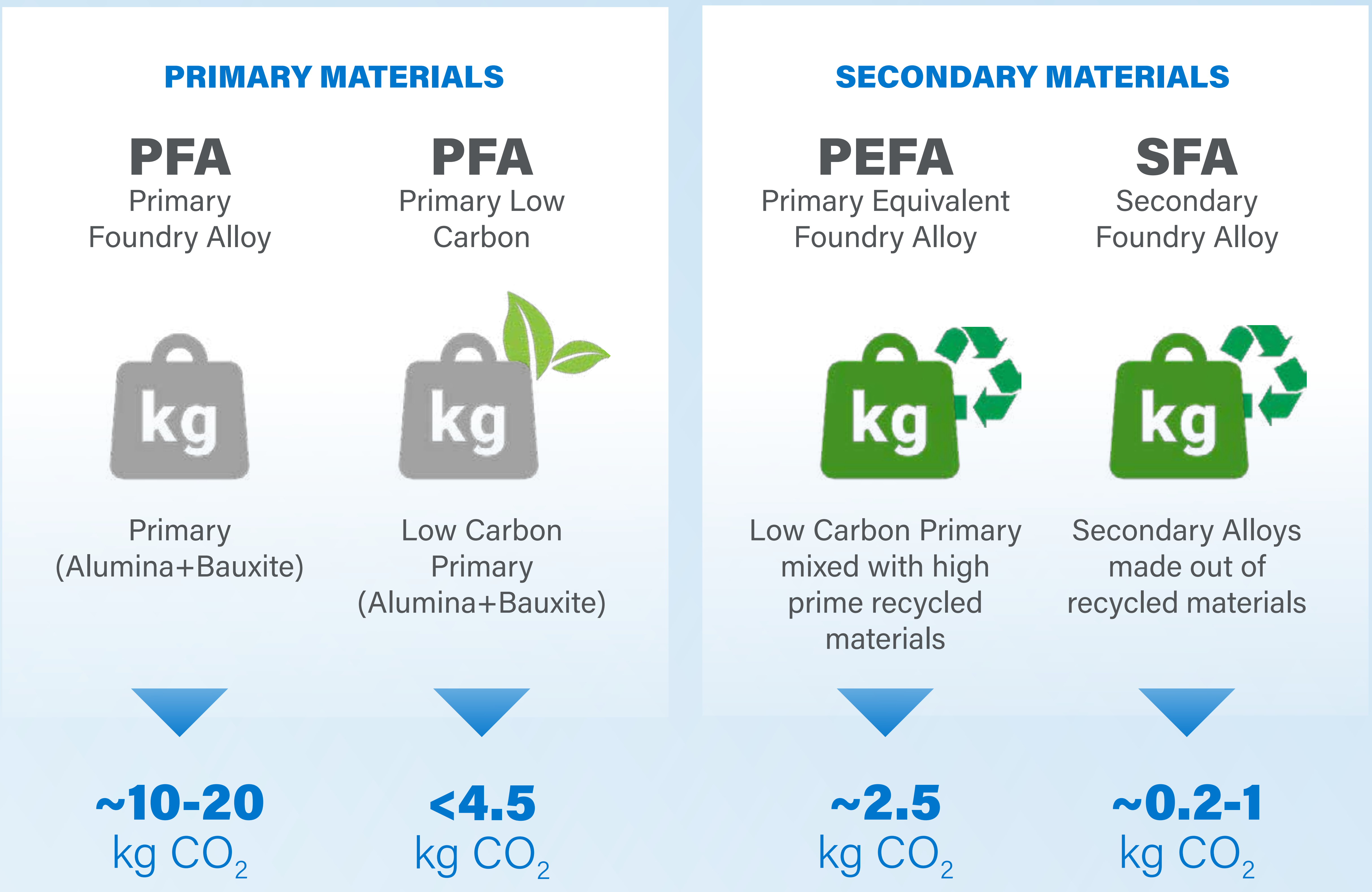
Nemak relies on its Scope 3 emissions targets to monitor progress in relation to material inflows due to Nemak's Scope 3.1 emissions being directly dependent on the share of secondary materials that the Company uses.

Nemak tracks the use of recycled aluminum materials in its products, which currently accounts for approximately 61%. Aligned with circular economy principles, the Company aims to increase the proportion of recycled content in new product lines, particularly those that serve the rapidly growing EV market. Additional investments are being made in R&D to ensure the usability and quality of Nemak products made from recycled alloys.

In addition, Nemak sites track their aluminum and sand recovery rates, with the aim to continuously increase recovery and recycling rates. Engineering and Process teams are consistently working to optimize and improve the use of materials within a closed loop system.

Nemak is committed to reusing and recycling all aluminum scraps arising as a result of its production processes. In Mexico, the Company recycles 100% of the aluminum scrap produced during its processes, whereas in Europe, Nemak resells the scrap further down the value chain, ensuring that the aluminum remains in a closed loop system.

Emissions factors for different types of aluminum used by Nemak (in kg CO_2/kg of material)



Action related to Resource Inflows

GRI 3-3

Nemak's Purchasing Team has established a Metals Decarbonization Roadmap, through which it lays out an action plan to reduce Nemak's Scope 3 emissions related to aluminum production and melting. The main aim of Nemak's Strategy is to increase the use of secondary alloys and scrap while meeting customer specifications.

In Europe and Asia, efforts in 2025 were concentrated on two key strategic pillars. The first was an operational initiative, involving close collaboration with manufacturing plants to optimize alloy tolerances and increase iron content in primary alloys. The second focused on sourcing, strengthening partnerships with suppliers to expand the use of scrap in primary alloys. In parallel, plants continued to remelt and reuse internally generated scrap within the casting process. In North America, scrap utilization remained a priority, alongside the development of low-carbon P1020 sources, achieved despite ongoing geopolitical challenges and market uncertainty.

Since signing the commitment letter with Norsk Hydro, meaningful progress has been made in securing sustainable aluminum volumes. Nemak continues to increase its supply of primary foundry alloy (PFA) secured through Hydro, maintaining an average CO_2 footprint below 5 kg CO_2/kg Al. In addition, significant volumes of Hydro's Low Carbon Aluminium (Reduxa) have been contracted, with specifications tailored to customer requirements. To support continuous improvement, workshops are planned to promote best practice in emission reductions and process optimization. These initiatives have also strengthened Nemak's commercial positioning and enhanced engagement and communication with key customers.

Objective	Secure long term supplier partnerships with a decarbonization focus to reduce Scope 3.1 emissions from primary aluminum	Increase use of secondary aluminum alloys to reduce reliance on energy-intensive primary aluminum, lower CO_2e emissions, and support a more circular, cost-efficient production process	Improved data reliability, allowing Nemak to accurately measure upstream emissions, make informed low-carbon sourcing decisions, and credibly track progress toward sustainability targets		
Action	Identify key aluminum suppliers and establish collaborations & mutual commitments	Collaborations with customers to negotiate wider product specifications	R&D into advanced secondary alloys	Encourage suppliers to obtain third party verification for PCF/LCA	Origin validation for primary aluminum
Result	Improved supplier relationships and increased opportunities to innovate together	Increased use and application of secondary alloys, therefore reducing the average footprint per product, while still meeting customer specifications	Improved emissions tracking and reliability, resulting in a lower carbon footprint. To date , 67% of Scope 3.1 Purchased Goods & Services emissions are calculated using primary data, an increase from 63% in the previous year		

Metrics related to Resource Inflows

GRI 301-1, GRI 301-2

For more details of other materials used in Nemak's production, please refer to the Nemak 2025 GRI Index.

Purchased Aluminum Alloys and Scrap (in tons)

	2025	2024	2023
Aluminum Alloys & Scrap (Total material purchased in tons)	659,068	692,434*	727,387*
% of secondary aluminum	61%	63%	64%
Primary Foundry Alloys	227,625	217,691	221,438
Recycled input	0	0	0
Non-recycled	227,625	217,691	221,438
Secondary Foundry Alloys	215,904	234,989	226,586
Recycled input	215,904	234,989	226,586
Non-recycled	0	0	0
Master Alloys	35,378	40,283	46,946
Recycled input	3,854	3,369	6,228
Non-recycled	31,524	36,915	40,718
Scrap	180,160	199,471	232,418
Recycled input	180,160	199,471	232,418
Non-recycled	0	0	0

*As part of data quality improvement, historical values have been recalculated based on new reporting standards.

Innovation and Research & Development

At Nemak, R&D and innovation play a central role in driving technological advancement, operational efficiency, and sustainable solutions. The R&D team continuously monitors emerging technologies, evaluates new materials, and explores alternative fuel and energy options to align with global decarbonization trends.

In collaboration with engineering, R&D contributes to process optimization, equipment modernization, and the implementation of advanced manufacturing technologies, ensuring that Nemak stays at the forefront of automotive innovation. By combining deep technical expertise with forward-looking market developments, the R&D function enables Nemak to deliver high-performance solutions that meet evolving customer and regulatory requirements.

The key focus areas of Nemak's R&D Agenda are to:

- Increase the application of secondary alloys while meeting customer requirements;
- Focus on the decarbonization and resource efficiency of Nemak's production processes;
- Investigate the end-of-life design and recyclability of Nemak's products; and
- Develop manufacturing processes that enable lighter products, focused on Electric Propulsion systems and Structural Components.

Nemak's Global Research and Development Director has overall responsibilities for innovation, with the broader process governed by the Innovation Steering Committee (ISC). In quarterly meetings with the ISC, the Global R&D team presents innovations for technical impact review, strategic value and prioritization. To ensure consistency of approach, the Nemak Research and Development System Handbook is applicable for the management of innovation across all regions. The Product Engineering Team, under the responsibility of the Product Development Director, place a significant emphasis on both product quality and product innovation, ensuring that high safety standards are always maintained.

One such example of how the two interplay, is in relation to material cards and the maintenance of the underlying database. Material cards provide information on how materials react when tested under specific conditions. This knowledge is a crucial enabler of lightweight design through advanced virtual simulation, particularly when increasing the share of secondary or recycled materials in line with circular design ambitions. This year, the Global R&D team, together with Product Engineering, expanded this line of research to target not only alloy material cards, but also selected joining technologies, enabling Nemak to optimize investments in assembly operations.

DRIVING RESULTS - INNOVATION

Nemak recognized at Leading Automotive Forum

On October 30th, 2025 Nemak was honored at the 7th Gasgoo Awards Ceremony in Shanghai, earning a place among the "Top 100 Players of China's New Automotive Supply Chain". The award highlights Nemaks' commitment to innovation and sustainability through its advanced chassis solution: the e-bracket.

The ISC meetings serve to inform the Executive Management Team on the value created by recent innovation projects. Every quarter, Operations Directors, Plant Managers and critical technical positions receive updates and use this knowledge to incorporate new technologies into their localized processes and operations. The Sales and Engineering teams attend regional and global R&D meetings to remain informed on how best to present the latest ideas to customers. During these regional meetings, technology roadmaps are reviewed to identify technology gaps and potential customer pain points. These roadmaps are essential to enabling an aligned R&D project portfolio, that meets both Business Strategy and automotive industry needs.

Finally, Nemak hosts an annual Company-wide Innovation Day to showcase innovative efforts and recognize innovative employees. At the latest Innovation Day, innovations were promoted and discussed amongst hundreds of attendees on a global level. One such initiative was the patent application of a new easy-to-cast, high strength alloy that does not require heat treatment for HPDC-manufactured structural components.

Targets related to Innovation and Research & Development

Nemak aims for at least 75% of all R&D portfolio projects to include sustainability-related targets. In 2025, the Company exceeded this ambition, with 82% of the portfolio incorporating sustainability elements designed to align with the broader Sustainability Strategy.

In the case of R&D, sustainability-related targets are defined on a project basis. Examples include:

- Gas consumption reduction within Europe, specifically through exploring alternative burners for liquid metal handling
- Enabling more than 90% of scrap secondary material usage for Structural Components
- Increased efficiency in recycling chips, small pieces of offcut aluminum, related to European operations
- Elimination of heat treatment in new high-performance products through novel alloy development

Nemak has defined KPIs to measure R&D progress, specifically against the R&D budget and R&D project portfolio. The Company quantifies the impact that its R&D projects have on Nemak's broader sustainability targets, and in 2025, its projects helped to reduce energy consumption in the Company's Sand Core manufacturing technologies and alloy manufacturing. Improving internal sand reclaiming processes and adopting new resins have enabled Nemak to reduce the energy necessary to recycle the sand used in casting operations in Mexico. In relation to alloy manufacturing, homologating critical chemical elements in the Company's alloys have allowed Nemak to switch off its reverb furnaces in the Melting Centre in Mexico.

Actions related to Innovation and Research & Development

Nemak continues to invest in designing, developing, and testing new lightweight components and casting technologies, with the ambition of reducing the environmental footprint of its product range. The Company conducts Life Cycle Assessments for each product category as part of its Sustainability Roadmap 2030.

Research and development spending accounted for 0.9% of the Companies revenue in 2025, representing an increase from 0.3% in the previous year.. The Company focused on ramping-up awarded programs in the EV/SC segment that had already concluded the development stage, which drives the vast majority of research and development expenses. Despite lower EV sales than anticipated, this continues to be seen as the key technology to decarbonize road transport, and the automotive industry is doubling down on their efforts to provide improved models, with a longer battery life and more sustainable credentials. Nemak forecasts that its total potential market within the EV/SC category alone will reach $26 - 30 billion by 2030. The transformation towards electric mobility is already evident in Nemak's business, as the Company has secured approximately $1.8 billion annually in EV/SC contracts.

Nemak's electromobility, structure and chassis applications support global efforts to transition towards sustainable mobility through producing castings, assembled battery housings, and highly integrated e-motor housings. These innovations reduce vehicle weight, helping automakers reach their CO_2e emission and fuel-efficiency targets. At the same time, lighter-weight vehicles enhance customer satisfaction by improving performance, increasing range, and reducing CO_2e emissions.

DRIVING RESULTS - INNOVATION

New materials data card generation has allowed Nemak to offer customers more "aggressive" Structural Component designs, that maximize lightweighting and enable systems integration. This supports Nemak's customers to meet their vehicle weight targets.

Metrics related to Innovation and Research & Development

In 2025, Nemak focused on initiatives relating to High Pressure Die Casting (HPDC) operations, completing and patenting a new alloy that does not require heat treatment. This has also enabled Nemak's HPDC process to manufacture lighter components through creating complex hollow structural components in aluminum. These initiatives make it possible for products made from aluminum alloys to contain at least 60% of recycled materials.

Nemak also analyzes inter-company cooperation with 85% of the Company's R&D projects executed at two or more locations, this enables leveraging of resources and local ecosystems, in addition to responding to local market needs. Any projects made with proprietary components are recorded, with patents and intellectual property monitored. In 2025, at the time of drafting this Report, a total of five innovations have been submitted for patent applications, including: Fire Protection for Battery Housings manufacturing, and Conformal Cooling for Tooling Application using 3D printed ceramic cores.

In terms of developing a greater understanding of fundamental corrosion mechanisms, Nemak has previously led collaborations with universities including ÖGI and McMaster University in Austria and Canada, respectively. These collaborations also included the participation of OEMs such as BMW. These research partnerships are still in progress, now including more alloy variants, in addition to a new research collaboration with the University of Waterloo. The primary objective is to validate and improve Nemak's materials data cards, a critical step in accelerating the adoption of the Company's low carbon alloys.

Summary of R&D Investment Values

YEAR	$ INVESTED (IN THOUSANDS OF $)	AS A % OF REVENUE
2025	42,257	0.86%
2024	15,959	0.33%
2023	48,166	0.96%

DRIVING RESULTS - INNOVATION

In 2025, Nemak participated in a publicly funded project called ReCalCor. The main goal of the project was to develop knowledge regarding the influence of elements present in the majority of scrap sources, such as Fe (iron) and Cu (copper), on the corrosion behavior of alloys for LPDC and HPDC. By the end of 2027 a complete picture of real-life fatigue performance affected by corrosion will be available for optimized designs.

Pollution

GRI 3-3

In addition to carbon dioxide emissions, Nemak's aluminum casting and machining operations generate non-CO_2 air pollutants associated with combustion and material processing activities.

These emissions primarily include nitrogen oxides (NO_x) and sulfur dioxide (SO_2) from fuel-fired furnaces and thermal treatment processes, particulate matter (PM) released during metal melting, casting, and finishing operations, and volatile organic compounds (VOCs) originating from the use of binders, resins, coatings, and solvents. Smaller quantities of carbon monoxide (CO) and other organic air contaminants may also be emitted, depending on the specific processes and technologies employed at each facility. Nemak monitors these non-CO_2 emissions in accordance with applicable regulatory requirements and implements filtration, ventilation, and process control measures to minimize their impact on local air quality.

In 2025, Nemak Mexico allocated $4.2 million for emissions treatment systems, material handling equipment, air quality monitoring devices, extraction and filtration systems and upgrading air pollution control (APC's).

The material impacts and risks associated with these emissions have been captured within the below pollution-related IROs deriving from Nemak's recent DMA:

IRO TYPE	IRO DESCRIPTION
Negative Impact	Air Pollutants released through normal operations may impact pollution levels of local communities and worker well-being
Risk	Pollution from Nemak's operations may result in reputational, financial, and legal risks
Negative Impact	Use of substances of concern may result in health risks for employees and potential impacts on human health and surrounding ecosystems

Within Nemak, the topic of pollution is managed at a regional or local level, with a global strategy and associated guidelines to be developed in the near future. Currently, the Pollution to Air Performance Standard is in development and set to be released in Q1 2026. Health, Safety, and Environment (HSE) departments support these activities by conducting routine environmental monitoring, such as air emissions measurements, wastewater sampling, and waste tracking, to ensure ongoing compliance with regulatory limits. HSE teams are also responsible for maintaining environmental permits, coordinating inspections, and acting as the primary interface with local and national regulatory authorities.

Pollution-related requirements are formally defined within site-specific operating licenses, which establish permissible emission limits, monitoring frequencies, and reporting obligations. Compliance with these licenses is subject to regular audits and inspections by external regulatory authorities, ensuring transparent and consistent environmental performance across Nemak's global footprint.

Air Pollution Management at Nemak's Monterrey Operation

The topic of air pollution was recognized to be most material at Nemak's largest location in Monterrey. At Nemak Mexico, the responsibility for managing pollution is shared across two organizational tiers: the Central Environmental, Sustainability and Energy team, and with plant-level Health, Safety and Environment (HSE) teams. Led by the Senior Manager of Environmental, Sustainability & Energy for Mexico, the Central Environmental, Sustainability and Energy Team is responsible for strategic planning aligned with global sustainability goals and corporate sustainability commitments. This specifically includes:

- Oversight of pollution and emissions reduction initiatives; and
- Coordination with external stakeholders, including government agencies, regulatory bodies, and environmental organizations to ensure compliance and proactive engagement on pollution related topics.

Since 2022, Nemak has been a member of a voluntary agreement, together with other leading companies in Nuevo Leon, focused on promoting cleaner air and advancing sustainable practices across the region.

Secondary to this, at a plant-level, each Nemak plant in Mexico operates under a dedicated HSE framework. The local HSE teams are responsible for:

- Daily compliance with environmental regulations and standards;
- Implementation of pollution control technologies, such as air filtration systems, emissions monitoring; and
- Data reporting and integrity, supporting internal audits, external reviews, and continuous improvement efforts.

Nemak Mexico has developed a comprehensive Pollution Management Strategy that integrates regulatory compliance, voluntary commitments, and technical innovation. This Strategy is executed through the aforementioned management structures and ensures alignment with both corporate sustainability goals and regional environmental frameworks, notably the "Comprehensive Air Quality Management Plan (PIGECA)" 2023–2033.

Nemak's participation in PIGECA complements its internal air pollution strategy through:

- Regulatory Compliance & Voluntary Action: Going beyond legal requirements by engaging in regional air quality initiatives;
- Clean Technology Adoption: Implementing advanced emission control systems and improving energy-efficiency in processes; and
- Participation in air quality forecasting, inspections, and enforcement mechanisms.

Since 2022, Nemak has been a member of voluntary agreement, together with other leading companies in Nuevo León, focused on promoting cleaner air and advancing sustainable practices across the region. This agreement, led by state and federal authorities, seeks to strengthen air quality management by encouraging companies to adopt best practices, implement emission-reduction technologies, and continuously monitor their environmental performance. By participating in this initiative, Nemak reaffirms its dedication to sustainability and its leadership in driving collaborative efforts that contribute to healthier communities and a cleaner environment in Nuevo León.

Nemak - Rest of the World

Nemak's operations in the United States, Europe, and Asia place day-to-day responsibility for pollution prevention and control with local HSE and operations teams. These teams implement process controls and engineering measures to minimize emissions to air, water, and soil.

In Europe, each site designates a qualified local representative responsible for pollution-related matters. The minimum education and experience requirements for this role are defined by local legislation and typically include an engineering background, specialized training in environmental management, and several years of relevant experience. These individuals are part of the HSE department and report to Plant Managers, with a dotted-line reporting structure to the Regional HSE Manager for Europe, who oversees compliance with pollution-related standards.

All European sites operate under the requirements of the Integrated Pollution Prevention and Control (IPPC) directive, which mandates permits to manage pollution to air, land, and water. Through the IPPC process, sites identify their most significant pollution sources, and a risk factor is assigned to determine the frequency of regulatory audits. Independent third parties conduct these audits, with results submitted directly to government authorities. Sites are also required to report emissions and releases to the European Pollutant Release and Transfer Register (E-PRTR), a central database that tracks pollution across the EU and supports ongoing environmental monitoring and policy development.

Targets related to Pollution

GRI 3-3, GRI 305-7

In line with ISO-certified management systems, Nemak establishes reduction targets related to pollution emissions.

These targets are tailored to each site, taking into account local regulatory limits and environmental conditions, ensuring that performance improvements are both compliant and meaningful in the local context. Given the differences in local regulations and operational conditions, Nemak does not currently maintain globally standardized targets for pollution reduction. Each site defines its own targets to ensure compliance and purposeful environmental impact. Nemak plans to further investigate the feasibility of establishing more consistent, global approaches to pollution reduction in the near future.

In Mexico, Nemak is actively participating in PIGECA 2023–2033, aiming to reduce Total Suspended Particles (TSP), specifically PM2.5 and PM10. The Company has a target to contribute to a significant reduction in particulate matter emissions amongst the top 20 industrial contributors by 2033.

Actions related to Pollution

GRI 305-7

At a global level, during Nemak's dedicated HSE month, the Company delivered a webinar hosted by NILU, a qualified research institute with leading competence in climate change, air quality, environmental contaminants, and health effect, dedicated to the topic of pollution for all employees.

In 2025, Nemak Mexico deployed its Environmental Strategy aimed at reducing impact, managing energy and enabling the implementation of integrated sustainability actions, including:

- Allocation of $4.2 million for emissions treatment systems, material handling equipment, air quality monitoring devices, extraction and filtration systems and upgrading air pollution control (APC's);
- Allocation of $1.9 million for energy metering and compress air modulation and metering systems;
- Implementation of a voluntary vehicle verification program for forklift, industrial and employee vehicles operating onsite, validating over 250 vehicles;
- Provided biodiversity support by donating approximately 500 trees for reforestation efforts; and
- Collaborated with Instituto para la Protección Ambienal (IPA), a local Environmental stakeholder, to promote environmental awareness and pollution prevention.

In parallel, Nemak Asia has implemented a transition from organic binder systems to inorganic casting technology as part of its broader sustainability and operational excellence strategy. Unlike organic processes that generate VOC emissions, smoke, and odor during casting, inorganic binders significantly reduce air pollutants and improve shop-floor conditions. This shift supports Nemak's environmental targets by lowering emissions, reducing waste residues, and improving overall process stability. In addition to environmental benefits, inorganic casting can enhance casting quality, decrease gas-related defects, and reduce tooling contamination, making it a best-practice approach aligned with Nemak's focus on cleaner, safer, and more efficient manufacturing.

Metrics related to Pollution

GRI 305-7

OTHER EMISSIONS IN TONS*	2025	2024	2023
NOx Emissions	960	526	578
SOx Emissions	16	20	137
Persistent organic pollutants (POP) Emissions	0	0	0
Volatile organic compounds (VOC) Emissions	153	132	170
Hazardous air pollutants (HAP) Emissions	91	5	4
Particulate matter (PM) Emissions	1,049	1,248	828

*Other emissions data is incomplete as not all sites report/have this information available. In the future, Nemak seeks to improve on its reporting capabilities related to this metric.

Waste Management

Targets related to Waste Management

GRI 3-3

Nemak adopts the precautionary principle to its waste management programs, where required by law. Each site is responsible for establishing their own waste reduction targets. For example, Nemak sites in Mexico, Dillingen, and Turkey have defined a 3% Year-over-Year waste reduction target. Other sites have established waste reduction targets for specific waste streams, such as sand. On the global level, Nemak has defined its qualitative waste management objectives as detailed in the waste hierarchy below.

Prevention

- Design products with reduced resource consumption
- Minimize energy consumption
- Establishing guidelines with suppliers to substitute plastic packaging with wood pallets
- Usage of secondary aluminum, resulting in fewer primary sources

Reuse

- Internal sand reclaims, recovering more than 90%
- Internal system to reuse the amine in processes
- Closed loop water reuse
- Reusable packaging for transport of parts

Recycling & Recovery

- Use of scrap aluminum as a primary resource for alloys and alloying agents such as copper (61% of aluminum come from recycled/secondary materials)
- Recycling of by-products of production such as aluminum chips
- Collaboration with other industries for the recycling of process by-products such as sand

Disposal

- Where possible, dispose to facilities with energy recovery
- Preference to direct waste to third parties who will recover/reuse the resources
- Limit the number of materials sent to landfill

Actions related to Waste Management

GRI 3-3, GRI 306-2

In 2025, Nemak deployed its Waste Management Performance Standard which outlines the minimum requirements and expectations for all global sites. This Standard aims to minimize the environmental and human health impacts of waste generated across the Company's operations through reducing waste at the source and ensuring its proper handling, treatment, and disposal.

The 2025 Waste Management Performance Standard introduced a globally harmonized waste categorization model designed to support consistent sustainability reporting and regulatory disclosure. This update established mandatory global waste categories (such as aluminum/metal-related waste, sand-related waste, chemicals, oils and lubricants, and other industrial or commercial waste), strengthened the distinction between hazardous and non-hazardous waste, and clearly differentiated waste diverted from disposal from waste directed to disposal, in line with the waste hierarchy. The revised standard also aligns with CSRD (ESRS E5) requirements by requiring a breakdown of waste by treatment type, including recycling, recovery, landfill, and incineration.

Approved at a global level, and then disseminated through to local production sites, HSE Managers are supported by regional and global teams in the execution of the Standard. Wherever possible, the disposal of waste and water is avoided, instead seeking opportunities to reuse and recycle resources. Nemak currently recycles aluminum scrap, which is recovered at a site level, before being sent for treatment.

Metrics related to Waste Management

GRI 306-3, GRI 306-4, GRI 306-5

Nemak's Waste Generated (Reported in metric tons)

WASTE GENERATED BY TYPE (IN METRIC TONS)	2025	2024	2023
Total waste generated (in metric tons)	**381,468**	**327,810**	**359,821**
Sand-related	229,943	162,452	185,479
Aluminum and metal	78,767	97,616	104,018
Water/ aqueous solutions or liquid	24,898	27,207	25,750
Oils/lubricants/emulsions	18,932	16,053	16,063
Industrial & commercial wastes not other classified	27,524	22,952	27,305
Chemicals	1,404	1,529	1,207
Waste diverted from disposal	106,871	184,425	172,469
Waste directed to disposal	274,598	143,385	187,352

*Due to these methodological changes, waste figures reported in 2024 were originally prepared using older reporting methodology, while the 2025 report applies the updated 2025 standard. To ensure consistency and comparability within the current reporting framework, all prior-year waste data was recalculated and reclassified in accordance with the new categorization and definitions. Consequently, previously published waste figures differ from those reported under the 2025 methodology; these differences reflect changes in classification and reporting methodology rather than changes in underlying operational waste generation or performance.

Water Management

GRI 3-3, GRI 303-1, GRI 303-2

Nemak uses water primarily for production cooling processes and sanitary facilities, drawing it from municipal sources, groundwater sources or wells. Each Nemak location has developed water management plans to reduce usage, and remove contaminants from discharge, that meet or exceed local standards.

The Company's local HSE managers are responsible for this topic at a site level. The sites carefully measure and monitor water use and discharge by volume, purity, and potential contamination, with all locations having implemented engineering controls to prevent water leakage.

Although water is only used for cooling or sanitary purposes, and not in large volumes, Nemak recognizes its role in promoting sustainable water management.

To mitigate the inherent risks that water scarcity poses to the economy and society, Nemak proactively minimizes its water consumption, and maximizes clean water discharge, aiming to protect, restore, and enhance the natural environment. The Company currently applies the precautionary principle when required by law, taking into account community and employee concerns, as well as other relevant information. While this approach is not yet a global standard, Nemak may consider making it a requirement in the future.

Across its global facilities, Nemak operates 21 wastewater treatment plants and filtration mechanisms designed to purify wastewater by removing contaminants before it is discharged into local networks. Any wastewater that has not been subject to treatment, is sent directly to local third-party facilities, while a small volume of water is included in other regulated waste and collected and shipped for treatment and disposal. Water used but not discharged is lost to evaporation in the manufacturing process.

Targets related to Water

In line with the Company's Environmental Management System, local water reduction targets have been established. For example, all sites in Nemak Garcia have established yearly 2% reduction targets. Other sites have established water-use targets based on volume of water consumed per gross casted ton. To lower discharge rates, some locations recover wastewater for internal reuse, whereas others use natural green spaces to manage surface water runoff.

Metrics related to Water

GRI 303-3, GRI 303-4, GRI 303-5

Nemak conducts a water risk assessment through use of the Aqueduct tool, developed by the World Resources Institute, to identify any water stressed zones in which the Company has operations.

The Aqueduct Tool assesses water stress levels in specific locations by examining several factors, including the balance between total water demand and available renewable surface and groundwater resources. It takes into account various water usage sectors such as domestic, industrial, irrigation, and livestock, as well as factors like upstream consumptive water use and the influence of large dams on downstream water availability. Based on these analyses, the tool generates a water stress index, with higher values indicating greater competition for water resources in the area.

In the reporting year, Nemak flagged the following water stress levels within its regions:

- Extremely high (>80%): Saltillo and Monclova (Mexico), Izmir (Turkey), and Chennai (India)
- High (40-80%): Garcia (Mexico), Wernigerode (Germany), and Tennessee (USA)
- Medium-high (20-40%): Etxebarría (Spain), Dillingen (Germany), and Wisconsin (USA)
- Low-medium (10-20%): Most and Podbořany (Czech Republic) and Alabama (USA)
- Low (<10%): Žiar nad Hronom (Slovakia), Győr (Hungary), Linz (Austria), Pilsting (Germany), Nanjing and Chongqing (China), Betim (Brazil), San Agustín (Argentina), Bielsko-Biala (Poland), and Kentucky (USA)

In 2025, water withdrawals from very high and high water-stressed zones represented 13% of the Company's total withdrawals, based on their geographic location. Sites in very high and high water-stress areas actively monitor water-related metrics and continue to find optimal solutions to reduce withdrawals and improve efficiency, despite processes not being water intensive. In Spain, $415k in Capex was invested in a new treatment plant and tank to facilitate internal water treatment processes. In addition, through its wastewater treatment plant, Nemak Mexico is recycling 95% of the water used in its processes, significantly reducing water discharge and protecting local water bodies.

ABOUT NEMAK'S WATER USAGE (IN MEGALITRES)

	2025	2024	2023
Total water withdrawals	8,283	8,603	9,088
% withdrawals from areas of high & very high water stress	13%	13%	12%
Total water discharge	6,953	7,483	7,805
Total water consumption	1,228	1,287	1,283

Biodiversity

GRI 3-3, GRI 101-1, GRI 101-4

Nemak is committed to conserving and promoting biodiversity across all global sites. Biodiversity principles are a critical component of the Company's Environmental Management System, with associated metrics and targets to monitor progress.

A Global Biodiversity Policy is in force, approved by the VP of Manufacturing and Product Development, in addition to the CEO. The Policy, published in early 2023, meets the requirements of international standards for biodiversity, including Global Reporting Initiative (GRI) disclosure 304. A supporting Biodiversity Standard 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. By integrating biodiversity considerations into its operations and supply chain, Nemak contributes to preserving and protecting biodiversity for future generations.

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

Leading Change

This pillar addresses the need for transparency and accountability in corporate governance, as well as the development of a reliable, sustainable, and responsible supply chain. Through its focus on Responsible Supply Chain Management and Business Ethics, Nemak goes beyond mere compliance to ensure that the rights of its stakeholders are respected, and its practices and principles lead the change within the industry.

Responsible Supply Chain & Business Ethics

GRI 3-3, GRI 204

Nemak is taking measures to steadily expand its portfolio of assembled components and products, and therefore supply chain stability and transparent business relationships are priorities. In light of the increased demand for sustainable mobility within the automotive industry, shareholders and investors are placing greater scrutiny on the effectiveness of, and any potential weaknesses within supply chains.

Respect for human rights throughout the entire value chain is a cornerstone of Nemak's operations, as outlined in Nemak's Global Business Code for Suppliers, Code of Conduct, and Sustainable Purchasing Policy. Nemak aims to ensure that 100% of its suppliers commit to respecting human rights by signing and adhering to its Global Business Code for Suppliers. Further information on these policies is available in the policies section of this chapter, while a comprehensive overview of Nemak's Value Chain can be found in the section titled 'Nemak's Value Chain.'

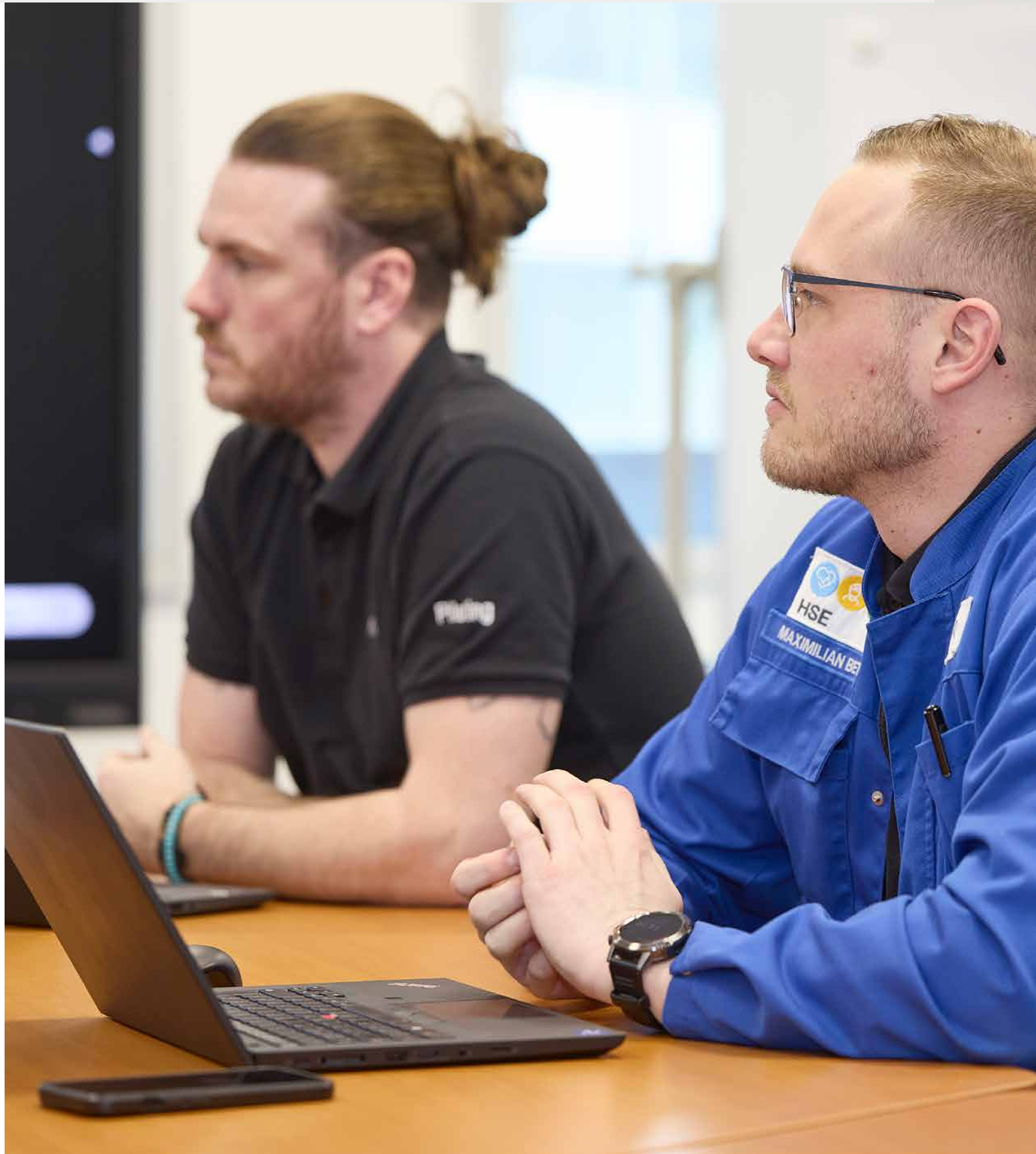
Nemak is committed to working with suppliers who share and actively uphold similar values. To achieve this commitment, the Company employs screening mechanisms, regular stakeholder engagement, and third-party assessments. The Company's comprehensive screening process evaluates a wide range of sustainability criteria including the environment, labor and human rights, ethics, and sustainable procurement.

Policies related to Responsible Supply Chain Management & Business Ethics

GRI 2-23, GRI 2-24, GRI 3-3

Human rights, within the Company and throughout its value chain, represent a foundational commitment for Nemak. To support this, the Company has established a comprehensive framework of policies for responsible business conduct:

POLICY	TOPICS COVERED
Global Code of Conduct	Diversity & Inclusion, Anti-Harassment, Health & Safety, Child and Forced Labor, Compensation, Freedom of Association
Global Business Code for Suppliers	Supplier compliance with internationally accepted human rights: Child Labor, Forced Labor, Principle of Non-Discrimination, Diversity & Inclusion, Safe Workplace, Conflict Affected & High-Risk Areas, Working Conditions: Occupational Health & Safety, Freedom of Association & Collective Bargaining, Fair Wages, Working Hours
Global Human Rights Policy	Violence & Harassment, Child Labor, Modern Slavery, Forced Labor & Human Trafficking, Health & Safety, Working Conditions, Working Hours, Wages and Benefits, Freedom of Association & Collective Bargaining, Privacy, Vulnerable Groups, Human Rights Management & Due Diligence
Global Sustainable Purchasing Policy	Responsible sourcing of raw materials, including complete avoidance of raw materials containing Conflict Minerals, compliance with Human Rights, Well-being of local communities
Global Diversity and Inclusion Policy	Workplace Diversity, Recruitment & Selection, Career Opportunities, Learning & Development, Communication, Compensation & Benefits, Avoiding Complicity
Global Violence and Harassment Policy	Workplace Violence & Harassment, Physical Violence, Psychological Violence & Harassment, Gender-based Violence & Harassment, Sexual Violence & Harassment
Anti-Corruption Policy	Anti-Corruption, Bribery, Conflicts of Interest
Anti-Trust & Fair Trade Policy	Anti-Trust Laws
Anti-Money Laundering & Sanction Compliance Policy	Anti-Money Laundering Laws



Approved by the CEO, Nemak's Global Human Rights Policy reflects the best practice principles set out in the International Bill of Human Rights, the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work, the United Nations Global Compact (UNGC), the UN Sustainable Development Goals (SDGs), the UN Guiding Principles on Business and Human Rights, and the OECD Guidelines for Multi-National Enterprises (2023).

Human Rights

The Global Human Rights Policy places particular emphasis on the treatment of vulnerable people, such as women, children, refugees, internally displaced people, stateless persons, national minorities, indigenous people, migrant workers, disabled and elderly persons, people living with HIV and AIDS, members of the LGBTQ+ community, as well as low-income communities, illiterate people, and religious groups. Applicable to all suppliers, contractors, employees, and joint venture employees over which Nemak has management control, the Global Human Rights Policy mandates Nemak to conduct comprehensive human rights due diligence.

When it comes to wrongful acts by others that violate international norms of behavior or local laws, Nemak takes a zero-tolerance approach. The Company also proactively employs preventive measures to mitigate the risk of complicity in such acts through its association with third parties. The Company's Global Business Code for Suppliers mandates all suppliers to adhere to internationally recognized human rights standards. Under Nemak's terms and conditions, all suppliers are required to sign the Code, and ensure that their own suppliers make similar commitments. A monthly internal audit is conducted to ensure that Nemak's current category 1 & 2 suppliers have signed the Code.

Nemak's Global Business Code for Suppliers outlines the minimum standards for working practices, human rights, ethics, anti-corruption, anti-money laundering, and environmental performance expected from its suppliers. Signing the Global Business Code is a mandatory requirement for doing business with the Company. Any instances of non-compliance are subject to a thorough investigation and the development of an action plan, which may involve remediation, mitigation or compensation measures. Currently, all suppliers with identified potential risks have a corrective action plan in place. Although Nemak collaborates with suppliers to support the implementation of the action plan, non-compliance may result in termination of the business relationship.

The Company's Global Code of Conduct, last updated in 2025, reflects its commitment to Business Integrity, outlining the basic principles, behaviors, and policies that employees are expected to uphold. Nemak's Sustainable Purchasing Policy is aligned to the values stated in both the Global Business Code for Suppliers and the Code of Conduct. The Policy applies to suppliers, contractors, employees, and joint venture employees over which Nemak has management control. The Company is committed to ensuring the responsible sourcing of raw materials and sets clear expectations for its suppliers to comply with all legal regulations, applicable laws, and Nemak policies.

Suppliers are required to adhere to international sustainability standards, and to actively work in favor of developing sustainable business practices in relation to the following key areas:

- **Environment:** track and report environmental practices in relation to waste management, carbon footprint reduction, and conservation of natural resources;
- **Human rights:** provide a safe and legal work environment, with strict compliance to the prohibition of forced and child labor, or discrimination, foster a culture of inclusion, demonstrating dignity and respect at all times;
- **Community:** strengthen social responsibility and undertake activities to promote well-being in the communities of operation; and
- **Responsible economic growth:** establish and maintain ethical internal business practices, confidential channels to report instances of concern, and demonstrate continuous efforts to combat corruption and bribery.

With regards to the broader supply chain, Nemak embraces any opportunity to engage with this group of stakeholders, with shared values and ambitions forming the bedrock of these relationships. In an industry rapidly accelerating towards making sustainable mobility a reality for all, maintaining a responsible supply chain is crucial to sustaining progress.

Guided by its internal Global Sustainable Purchasing Policy, the Company commits to the following:

- Complying with applicable law in its supplier relationships;
- Enforcing mandatory sustainability requirements during supplier onboarding through the Purchasing Department. These requirements include, but are not limited to, acceptance and adherence to Nemak's Global Business Code for Suppliers, Global Human Rights Policy, Global Anti-Corruption Policy, Diversity & Inclusion Policy and other applicable supplier policies;
- Considering sustainable aspects such as economic, social, ethical, and environmental practices when selecting suppliers, including a review of suppliers' CO_2e emissions, how these are tracked and reported, and associated reduction targets;
- Setting annual objectives to improve the sustainability practices of Nemak and its suppliers;
- Conducting annual assessments of suppliers' sustainability performance based on critical analyses and priorities outlined in the supplier management process;
- Identifying, monitoring, and addressing potential risks through the supplier risk management process; and
- Supporting locally based community suppliers whenever feasible.

Responsible Supply Chain

GRI 414-2

Nemak recognizes its shared responsibility with suppliers and partners to uphold sustainable and responsible business practices. As highlighted throughout this Report, the Company has clear guidelines and policies on topics including responsible purchasing, respecting human rights, and sustainable supplier management.

The following material impacts were identified through Nemak's recent DMA. The Company recognizes that specific groups within its value chain are more vulnerable to the impacts occurring, more information on these groups is detailed below.

IRO TYPE	IRO DESCRIPTION
Negative Impact	Negative impact on supply chain workers due to poor human rights and health & safety practices
Positive Impact	Fair wages and economic benefit to the workers via creation of jobs and a stable work environment

ON-SITE WORKERS (NON-OFFICIAL EMPLOYEES)

- **Contractors:** Temporary or seasonal workers hired to meet production demands during peak times. These workers often perform tasks related to assembly, machining, or maintenance, and may lack access to the full benefits of official employees.
- **Third-Party Service Providers:** Individuals employed by subcontractors but working on Nemak premises, such as cleaners, security personnel, and cafeteria staff.

WORKERS INVOLVED IN UPSTREAM ACTIVITIES

- **Raw Material Suppliers:** Employees at companies providing raw materials such as aluminum, where mining and refining operations may have significant environmental and social implications.
- **Foundries and Sub-Suppliers:** Workers involved in processing or preparing metals and other components, potentially in countries with lower labor standards or labor standards enforcement.

PARTICULARLY VULNERABLE WORKERS

- **Women and Minority Groups:** These groups may face wage disparities or limited opportunities for advancement in a traditionally male-dominated manufacturing industry.
- **Migrant Workers:** In certain regions, workers who have migrated for employment may lack proper documentation or face discriminatory practices.
- **Low-Skilled Workers:** These workers may face job insecurity and lack of training opportunities, making them more susceptible to the impacts of automation or shifts in the industry.

Nemak's Supplier Risk Committee is tasked with monitoring critical suppliers, with consideration for adverse media, sustainability ratings, financial reporting and business continuity, in order to identify and mitigate risks in the value chain.

Organization & Responsibilities

GRI 3-3

Responsibilities for the implementation of sustainable purchasing practices, and the management of human rights within the Company and its value chain, sit with Nemak's VP of Purchasing and Sustainability and the Purchasing Business Support Team. The VP of Purchasing and Sustainability is updated on the topic each month during the Supplier Risk Committee to discuss progress, action plans, and address sustainable purchasing decisions.

The Purchasing Department operates through local, regional, and global channels to manage all procurement processes. Category Management, organized at regional and global levels, defines overall category strategies, manages supplier portfolios, negotiates and contracts with suppliers, and ensures cost targets and savings compliance. It also oversees RFQs and escalates supplier issues. Plant Purchasing acts as the single point of contact for plant operations, handling local bidding and negotiations in alignment with Category Management, leading new program activities, managing P2P processes, and driving cost improvement initiatives. Additionally, Plant Purchasing ensures technical validation, complete handovers, and leads savings project implementation at the plant level. Project Purchasing serves as the dedicated point of contact for program teams, ensuring program cost targets are met before transitioning to series production. It manages requests for quotations based on pre-approved suppliers, secures feasibility and scope of work signoffs, and co-leads product quality planning and development. Nemak's Supplier Quality Assurance Team focuses on supplier performance and quality compliance, conducting feasibility analyses, audits, and managing production part approval processes for new programs and serial production. It also supports technological development, oversees engineering changes, and maintains quality systems.

Nemak's Supplier Risk Committee is tasked with monitoring critical suppliers, with consideration for adverse media, sustainability ratings, financial reporting and business continuity, in order to identify and mitigate risks in the value chain. Critical suppliers are defined as suppliers that provide critical materials and services such as direct material, aluminum, alloys, and manufacturing services, in addition to onsite suppliers performing services within Company facilities. The classification also considers additional parameters, including Nemak's annual spend on such suppliers, as well as the supplier industry, location, and profile.

Nemak's Purchasing Committee applies similar criteria when awarding new business to suppliers. Before considering a supplier as part of Nemak's supplier roster, the assigned buyer is responsible for evaluating the supplier capabilities in terms of required certifications, price, quality, delivery, financial capacity, facilities, warranties, technology, honoring commitment history, business ethics, sustainability and continuity.

If required, a visit to supplier facilities is conducted, according to the criteria established in Nemak's supplier onboarding process.

Nemak's Due Diligence and Supplier Risk Management Process

GRI 414

Nemak has developed a Global Human Rights Due Diligence Process. The due diligence process is based on key frameworks and regulations that define human rights principles for businesses:

- The UN Global Compact's Ten Principles
- UN Guiding Principles on Business and Human Rights
- OECD Due Diligence Guidelines for Responsible Business Conduct (2023)
- German Due Diligence Act (LkSG)

Nemak's Supplier Risk Management Process was initially created to identify and evaluate supplier risks such as quality, product, financial and business continuity, and later expanded to include additional risks including sustainability performance, compliance with the law, human rights, and environmental regulations amongst other potential critical situations. To manage supplier risk, the Company's Purchasing department performs two key activities:

1. Supplier Risk Assessment: Mandatory for Category 1 & 2 suppliers, and applicable to Category 3 & 4. This evaluation of risk includes product, quality, financial and business continuity analysis, and must be performed at least every 12 months utilizing the Company's global Supplier Risk Assessment tool. This is updated when any new risks are identified, with corresponding corrective action plans and documentation.

2. Ongoing Risk Monitoring/Due Diligence: This process is applicable for all critical suppliers and is performed based on continuous screening of external data, including but not limited to social media and news, financial scores, and sustainability assessments, to identify any further risks related to suppliers or other relevant external conditions.

Suppliers are grouped into four categories based on their impact on Nemak's products and operations. Category 1 includes direct production materials and manufacturing services, while Category 2 covers services and materials that influence product quality. Category 3 consists of equipment, infrastructure, and operational supplies, and Category 4 includes all remaining suppliers not covered by the first three categories.

Based on the identified risk factors, suppliers are scored and identified as low, medium or high risk. Low and medium risk rated suppliers are documented and stored with no further action. For suppliers identified as high risk, a mitigation plan is developed, communicated to the supplier, and regularly reviewed through ongoing supplier risk monitoring activities.

Under this process, on an annual basis the Purchasing Team defines a list of critical suppliers determined using the following parameters:

- Suppliers with annual spend >$1M that comply with at least one of the following criteria:
  - Category 1 & 2 Suppliers (Business Awarded)
  - Onsite suppliers performing activities on a permanent basis at Nemak facilities (not limited to sorting, inspection, facility management, security and manpower, canteen)
  - High risk country (Based on UN and Euler Hermes)
  - High risk industry (Based on UN and other sources, closely related to human rights issues, corruption, security and others)

For identified critical suppliers, a continuous monitoring system is applied. This activity is performed by the regular collection of information from a variety of data sources, including but not limited to:

- Supplier sustainability assessments: Available for suppliers that are subscribed to sustainability assessment programs. External third-party assessments are based on supporting evidence which scores supplier performance with regards to environmental, human rights and social indicators
- Social media & news: Artificial Intelligence screening of critical suppliers to identify and report critical information from social media & news reports
- Financial data: Financial information derived from third-party assessment

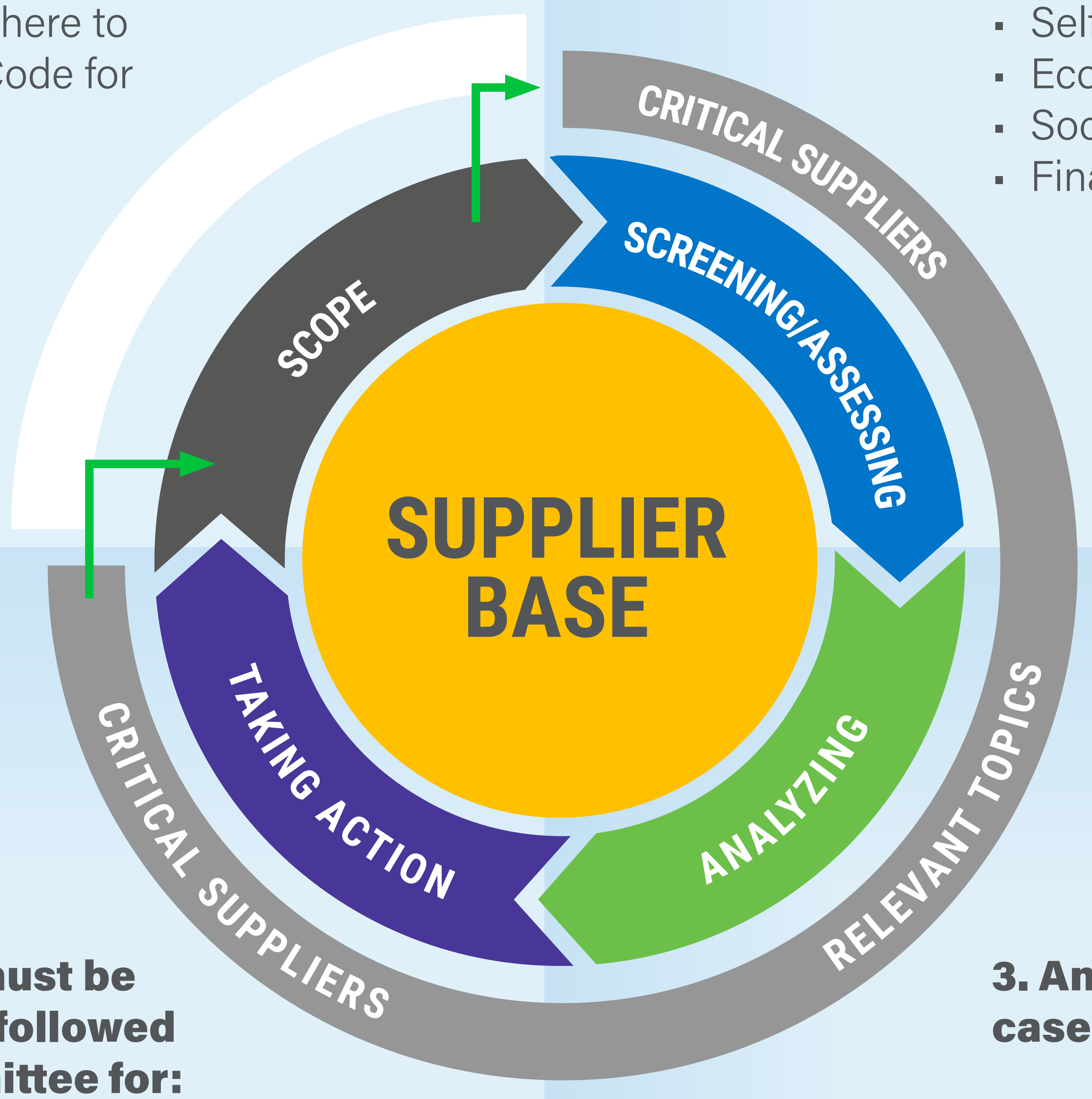
As a result of this ongoing exercise, risk criteria are applied to each supplier, with an automated alert and monitoring system for the Purchasing team to analyze available information, confirm risk existence, create risk mitigation action plans and define follow up actions. In 2025, Nemak had more than 2000 active suppliers with an annual spend of over $100k, 32% of which were identified as criticial and therefore subject to the due diligence process.

On a monthly basis, the Supplier Risk Committee meets to discuss supplier risk status, action plans and potential strategic and/or business decisions. The Committee has a global remit and includes the VP of Purchasing and Sustainability, Regional Purchasing Director and additional management members of the Purchasing team.

Nemak's Due Diligence Process

1. Critical suppliers and list of relevant topics are identified
Suppliers must adhere to Global Business Code for Suppliers

2. Critical suppliers are monitored and assessed for risk identification
- Self-assessment
- EcoVadis assessment
- Social media & news screening
- Financial score



4. Action plan must be performed and followed up in risk committee for:
- Mitigation
- Remediation
- Compensation

3. Analyzing resulting data, cases are classified as:

Critical: confirmed issue or high level of exposure, being directly linked to Nemak

Not Critical: potential risk/issue, indirectly linked to Nemak

Channels for Suppliers to Raise Concerns

GRI 2-26

EthicsPoint is a platform through which all instances of known or suspected non-compliance can be anonymously reported to Nemak. This platform is available to all stakeholders, both internal and external, through the Nemak website, where all allegations are thoroughly investigated to ensure compliance with the Global Code of Conduct and Nemak's values.

To ensure accessibility, a variety of contact mechanisms are available for use, including a web form, email address and contact numbers. From here, all incidents are directed to Nemak's Global Process Assessment and Governance Senior Manager, and the Senior Management Team. Investigations into violations will be raised if deemed necessary, and all findings will be brought to the attention of the Executive Management Team and the Legal and Compliance Department. To promote and support the use of the service, Nemak strictly prohibits retaliation against any individual who accesses EthicsPoint. The effectiveness of the platform is monitored by Nemak's Ethics Committee, which includes representatives from different departments, such as Legal and Compliance, Human Resources, and Operations.

The Company's Global Business Code for Suppliers, along with other contracts and purchase orders, includes a clause requiring suppliers to ensure their employees are granted the same rights and freedoms. Suppliers must provide a mechanism for employees to raise any concerns in locations where these rights do not exist due to legal constraints, similar to the Nemak EthicsPoint platform. In addition, the Code mandates that all participants in the production chain must acknowledge and state adherence to the ten principles of the UN Global Compact.

The Company reserves the right to audit and verify suppliers' compliance with the Global Business Code for Suppliers and take appropriate action in the event of violations. Where non-compliance is identified, a thorough supplier investigation is conducted, and an action plan is developed, offering options for mitigation, remediation or compensation. As a final resort, Nemak may phase out or terminate a supplier contract.

Nemak strictly prohibits retaliation against anyone who raises concerns in good faith regarding actual or suspected misconduct, or who cooperates in any investigation. Any retaliation will be grounds for disciplinary action, including potential termination of employment, against those responsible.

Currently, 95% of suppliers are signatories to Nemak's Global Business Code for Suppliers, with any non-compliant suppliers now prohibited from engaging in new business with the Company. In instances where suppliers have their own codes or clauses, Nemak conducts a thorough review of the relevant documents to ensure full alignment with all requirements listed in Nemak's own Code.

Actions related to Responsible Supply Chain Management

GRI 3-3

Nemak believes that regular communication is key to building and maintaining transparent relationships within the supply chain. Yearly supplier roundtables act as an opportunity to take part in face-to-face sessions, benchmark progress, learn from one another, and consider solutions to shared challenges.

The Company hosts dedicated supplier webinars to clarify requirements, align expectations, and hear from selected subject matter experts. In addition, the VP of Purchasing and Sustainability actively engages with suppliers, communicates Nemak's expectations, and discusses sustainability benchmarks as a member of some customers' Sustainability Committees. In these roles, the Vice President gains valuable insights into how the Company can best address and support its customers on current and emerging sustainability issues.

To evaluate and manage supply chain related risks, EcoVadis, an external third-party assessment tool, is utilized to monitor supplier performance. 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. EcoVadis allows Nemak access to each supplier's corrective action plan, including identified opportunities for improvement, therefore allowing a valuable insight into the ambitions and potential for each organization. The Company considers supplier engagement to be successful when the organization accomplishes 100% of its annual evaluation plan. Nemak also closely monitors global compliance and the results of external third-party assessments for its active supply base. Leveraging the outputs of Nemak's providers of third-party assessments, the Company takes a proactive and collaborative approach to working with suppliers to better understand the scoring process, clarify any concerns, and create progress pathways.

In 2025, Nemak continued its alliance with the Aluminium Stewardship Initiative (ASI), a global, multi-stakeholder, non-profit standard setting and certification organization. Nemak is using the certification to foster responsible production practices, sourcing, and aluminum stewardship.

To maintain high standards within its supply chain, Nemak requires critical aluminum suppliers to obtain ASI certification, as well as to align their own commitments with those of the Company, adopt an ISO 50001 compliant energy certification program, and adhere to the principles of the Science Based Targets initiative (SBTi). To date, 17 of Nemak's key Aluminum Suppliers have ASI Performance Standard certification, covering 30% of aluminium purchased (spend based). The Supplier Risk Committee regularly monitors suppliers' progress against these commitments and develops action plans to address any instances of non-compliance.

As a signatory to the UN Global Compact, Nemak has previously participated in their Business and Human Rights Accelerator, a six-month program that facilitates participating companies to move from commitment, to action, in relation to human and labor rights. Through identifying salient human rights impacts, establishing an ongoing due diligence process, and developing an action plan, the Business & Human Rights Accelerator empowered Nemak to advance its human rights ambitions. Harnessing this learning, the Company undertook a review of its Human Rights Policy, strengthening Nemak's commitment to maintaining and promoting the human rights of all individuals and groups who may be affected by its activities, including employees, contractors, suppliers, agencies, partners and local communities.

As the industry shifts towards electrification, and the supply chain becomes more complex, Nemak's positive relationships with existing suppliers are critical in meeting customer demand. Should a supplier approach Nemak and request financial support, the Company offers a Supply Financing Program. In these cases, suppliers approved for the Program are able to collect invoice payments prior to the contracted payment terms.

Nemak strictly prohibits the use, sourcing and procurement of conflict minerals, as defined by the OECD as tin, tungsten, gold and tantalum. It is also committed to not sourcing aluminum from conflict countries, as defined by the OECD and the U.S. regulations, except where otherwise permitted under applicable law. The Purchasing Department is responsible for ensuring that suppliers comply with all applicable legal requirements, maintain up-to-date permits, and adhere to all guidelines outlined in Nemak's Global Business Code for Suppliers.

263

suppliers screened via EcoVadis

9 suppliers

identified with a score below 25 in environmental or social topics, representing a 70% reduction from the previous reporting year.

352

supplier audits conducted as a result of the Due Diligence process

Progress in Responsible Supply Chain Management

GRI 308-1, GRI 414-1

Nemak targets 100% of critical suppliers to undertake EcoVadis assessment. To date, 84% of critical suppliers have completed this, representing 64% of total supplier spend.

The Purchasing Team has identified critical suppliers with the greatest impact in terms of their carbon emissions. In line with Nemak's ambition to reduce carbon emissions throughout the supply chain, the Company has issued letters of intent to these suppliers, requesting that they measure emissions and implement a reduction roadmap in keeping with Nemak's targets. Suppliers have reacted well to Nemak's request, with the Company continuing to receive signed letters from a growing number, and many now disclosing climate-related KPIs as a matter of course. The result now enables Nemak to more accurately track its own Scope 3 emissions. Refer to the Climate Change Chapter for more information about Nemak's carbon emissions.

In relation to the ASI, Nemak demonstrated its continued commitment to responsible sourcing and sustainability continually increasing the number of sites certified against the ASI Chain of Custody (CoC) Standard. To date, 17 suppliers are ASI Performance Standard Certified (covering 30% of spend on aluminum), and 9 are ASI Chain of Custody Certified (covering 17% of spend on aluminum). This ASI standard strengthens the requirements covered in the ASI Performance Standard in relation to supply chain due diligence, focusing specifically on aluminum suppliers (in alignment with Chapter 7 of the ASI CoC standard) and manufacturing services suppliers (in alignment with Chapter 2 of the ASI CoC standard). The due diligence requirements in the ASI CoC specifically address Anti-Corruption, Responsible Sourcing, Human Rights Due Diligence, Conflict-Affected and High-Risk Areas, and the cascading of due diligence requirements to the Company's own aluminum suppliers. In all cases, the ASI Certification entails on site third party audits, occurring on a three year basis or more often if required, including audits of the a Companies ethical standards.

For more information on Nemak's progress related to ASI, please refer to opening chapter of this report.

Nemak maintains regular contact with its supply chain, and hosts several in-person and virtual events for its stakeholders throughout the year. In 2025, two face-to-face roundtables took place, one session geared towards European and Asian suppliers, and one for Mexico. Within these roundtables, the Company discussed sustainability-related sourcing requirements in relation to Nemak's carbon emission reduction targets, and reinforced requirements aligned with the UN Global Compact in relation to Diversity & Inclusion and having a robust human rights due diligence process.

During the reporting period, no risks of violations related to freedom of association, collective bargaining, or forced and child labor were identified, in addition, no severe human rights violations were identified in the value chain.

Product Quality

Nemak is committed to delivering world class sustainable procurement solutions that meet its customer needs. This requires an associated commitment from the Company's suppliers to provide the same service towards Nemak.

All Nemak locations are certified according to the Automotive IATF 16949 standard, while a Quality Management System allows the Company to demonstrate its ability to consistently provide products that meet customer, and applicable statutory, regulatory and product safety requirements. Regular internal audits ensure full compliance with the standard.

Nemak's Product Safety and Conformity Representative's (PSCR's) are responsible for ensuring product safety. In place at a plant level throughout the Company, the PSCR's ensure that products are safe for consumers or users, that there is full compliance with legal and regulatory requirements, and they have responsibilities for determining and minimizing the risks of liability throughout the product development process.

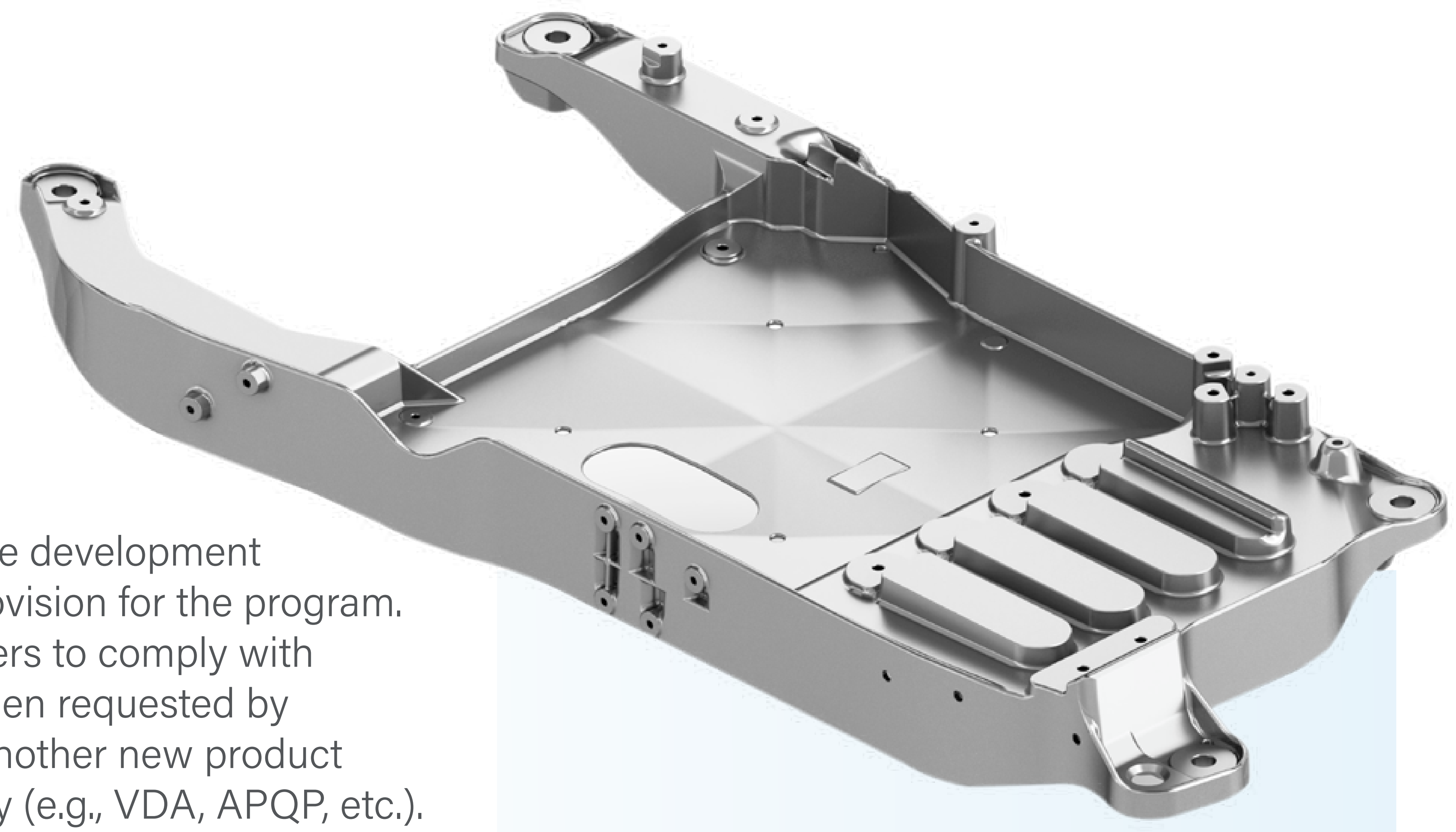
The Company requires its suppliers to maintain the certifications relevant to the products or services that they provide. The requirements can be found within Nemak's Supplier Quality Manual, and due to the degree of importance placed on the topic of product quality, a regular review of the validity of these certifications is undertaken via Jaggaer, Nemak's supplier purchasing portal.

Dependent on the service provided, each supplier is required to adhere to the relevant identified best practice standard. Suppliers for components, services and material must have a certification in accordance with ISO 9001/VDA 6.1 as a minimum, and these requirements must be held throughout the entire supply chain. This implies that Nemak's Tier 1, Tier 2, and Tier 3 Suppliers for components, services and material are therefore also required to implement and maintain a comparable quality management system (QMS).

Suppliers that provide materials or services that are directly part of the customer product (Category 1 suppliers), shall have Supplier Development activities towards IATF 16949 accreditation. Due to the critical impact on product quality, certain suppliers that are not formally classified as Category 1 are also managed under the same requirements and criteria as Category 1. As part of Nemak's Supplier Development Plan for 2025, the following progress and results were achieved:

SUPPLIER CATEGORY	TOTAL OF SUPPLIERS AS OF YEAR-END 2025	REQUIRED QUALITY STANDARD	% COMPLIANCE
Directly part of customer product	327	IATF 16949 (mandatory)	65%
		ISO 9001 (minimum)	100%

In 2025, Nemak's annual supplier audit plan included 156 supplier audits related to product quality.



Suppliers for calibration of measurement equipment, and measurement of products, must have an accreditation according to ISO 17025 or national equivalent, and these requirements must be held throughout the entire supply chain. Finally, suppliers with internal or outsourced "Special Processes" as identified by the Automotive Industry Action Group (AIAG), may be required to show conformance with relevant AIAG Special Process documentation.

In addition, Nemak requires that suppliers producing parts with special characteristics ensure that proper training is provided to its personnel. All of Nemak's suppliers are also required to create work instructions for any operations that impact product quality; the work instructions are to be used for employee training and should be always accessible to the entity's employees. Looking to the value chain, all suppliers to Nemak are responsible for the management and control of their own suppliers. Sub-contractors that provide materials or services with control characteristics must implement appropriate documented controls.

Suppliers are also obligated to establish an annual audit program (product and process audits) that includes internal production and subcontracting, to verify compliance related to Nemak contracts. The audit program is prioritized based on the subcontractors, product, and process risk. Nemak and their customers are authorized to check whether the quality assurance measures of the supplier guarantee the Nemak requirements with advance notification through a process, product, or system audit. In case of quality problems, which have been caused by the services and/or deliveries by subcontractors of the supplier, the supplier is required to, on the request of Nemak, carry out an audit at the subcontractor site (if necessary, with participants from Nemak and their customers) and disclose the results to Nemak.

The APQP (Advanced Product Quality Planning) or VDA standard provides guidelines for the development of new products and / or new processes. These guidelines establish requirements which, if they are met with discipline, provide support for the delivery of a quality product, service or process that satisfies the final customer in accordance with the established technical requirements, the development schedule, and the cost provision for the program. Nemak requires its suppliers to comply with all APQP steps, except when requested by the customer, the use of another new product development methodology (e.g., VDA, APQP, etc.).

Nemak Supplier Quality Assurance (SQA) Team may request evidence from the Supplier that they have verified the effectiveness of their subcontractors QMS, including APQP, problem solving and performance monitoring. All suppliers to Nemak are responsible for the management and control of their own suppliers. This includes ensuring that sub-contractors providing materials or services implement appropriate documented controls.

Finally, on-site Quality Managers regularly check the quality of the raw materials arriving at Nemak sites. Final product testing is done postproduction to validate that Nemak products meet the customer requirements. These include functional testing, mechanical testing, appearance testing, gauging, and visual inspections among other checks.

100%

of the suppliers providing components that are a part of Nemak's sold products are IATF 16949 certified.

Progress in Product Quality

Nemak's annual supplier audit plan included 156 supplier audits during 2025. Conducted by Nemak qualified auditors, the identified non-conformities were documented, systematically processed, and monitored. Furthermore, annual requalification tests are carried out at product level to ensure the continued conformity of the products and services supplied.

In September 2025, Nemak rolled out an update to its Supplier Quality Notification Interface via SAP ARIBA. This global centralized communication tool allows Nemak and its suppliers to engage in live interactions, resulting in a decrease in supplier quality queries and potential issues. The tool supports enhanced reporting functionality, cost monitoring, and greater analysis through dashboard presentation.

Nemak's Supplier Development Strategy aims to increase the operational effectiveness and efficiency of the supply chain, and is performed following a risk-based model using the Company's Supplier Performance Scorecard. The Supplier Performance Scorecard takes account of qualitative and quantitative metrics, with a significant weighting placed on product quality metrics and certifications, therefore the Scorecard acts to support Nemak's SQA Team to identify opportunities and potential areas of development and training for suppliers. Identified opportunities can encompass various development pathways, including but not limited to, supporting suppliers in progressing towards IATF 16949 certification (mandatory for Category 1 suppliers), ensuring compliance with Nemak's requirements, improving supplier performance, and preventing recurrence of claims through effective containment actions.

Due to the nature of the review process, supplier training is implemented on a case-by-case basis. Further to the Scorecard, as per the IATF 16949 requirements, Nemak actively engages with suppliers in relation to QMS development.

When suppliers do not comply with Nemak's required quality standards and there are adverse effects, Nemak has implemented a Supplier Escalation Process that works to implement actions at the supplier level so that products, material and services delivered meet both Nemak and customer requirements.

Nemak's Supplier Escalation Process is divided into three stages that can be deployed dependent on the duration and extent of the identified deficiency. Nemak can trigger an escalation at any point depending on customer requirements.

ESCALATION LEVEL	WHEN THIS LEVEL IS APPLIED	ACTIONS TO BE TAKEN
Level 1 – Performance Improvement Required	▪ Quality or delivery performance falls below expected levels over a six-month period ▪ Unsatisfactory audit results ▪ Repeated customer complaints	The supplier is required to analyze the issues, define corrective actions and present an improvement plan to Nemak's Quality and Purchasing departments.
Level 2 - Enhanced Monitoring and Control	▪ Limited or no improvement after Level 1 actions ▪ Improvement actions are delayed beyond three months ▪ Ongoing quality or delivery issues	Nemak applies additional controls to ensure product conformity. Products that may not meet requirements are clearly identified, separated from normal production, and reviewed before release. The supplier must demonstrate effective tracking and approval processes for these products.
Level 3 – Business Restriction	▪ Continued lack of improvement after Level 2 ▪ Improvement actions delayed beyond six months ▪ Expired or invalid quality management certification	The supplier is temporarily restricted from receiving new business for new projects. Nemak formally notifies the supplier's Executive Management and defines the conditions that must be met before normal business relations can resume.

As a supplier of components - not finished goods - product recalls related to end products are managed by OEMs. However, Nemak acknowledges that product recalls are an inherent risk within the automotive industry. The company has comprehensive protocols in place to promptly investigate and address any potential quality concerns in respect of its components.

Business Ethics

GRI 3-3, GRI 2-15, GRI 2-23, GRI 2-27

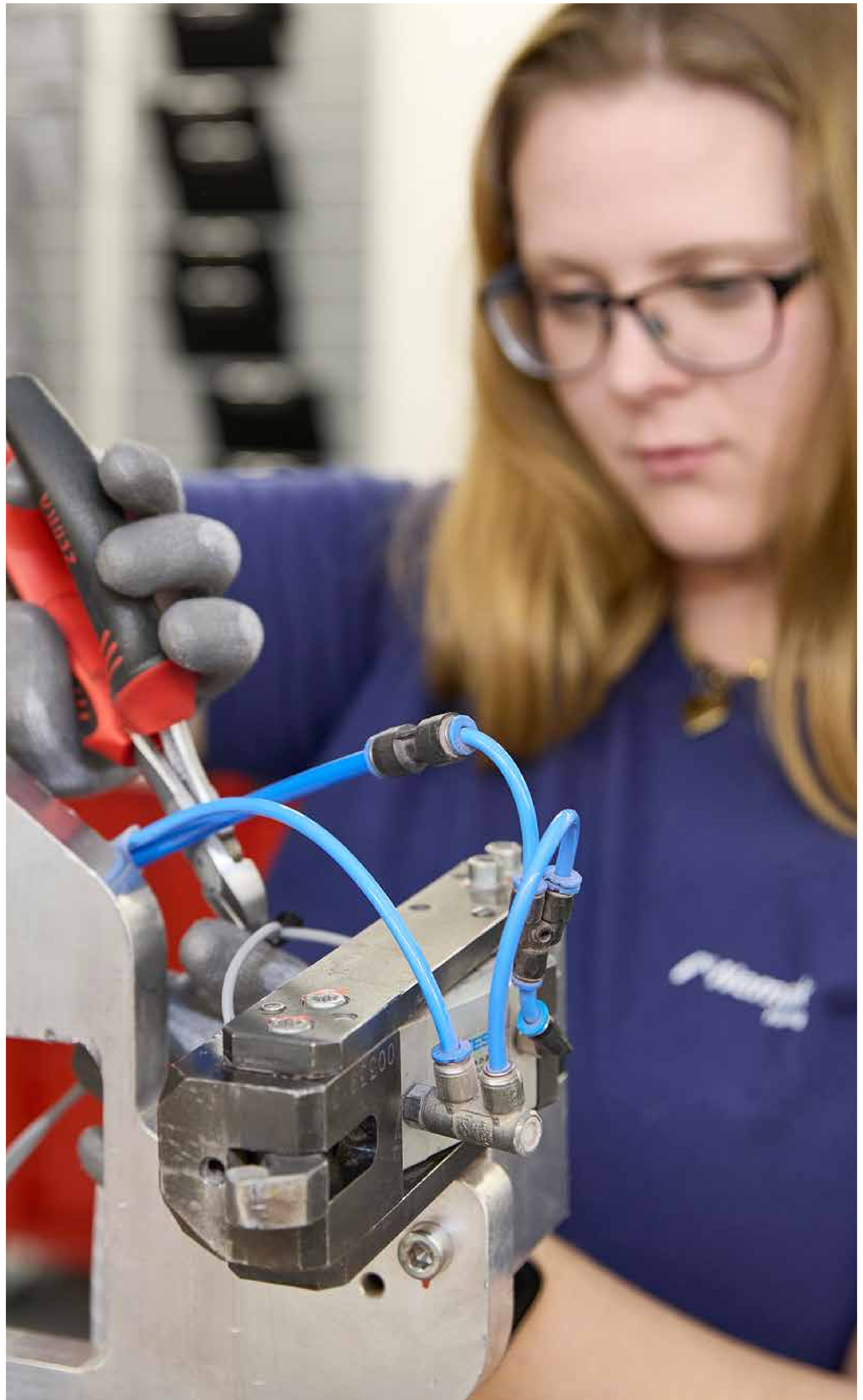
Nemak defines Business Integrity as operating with ethics, honesty, and accountability, while continuously pursuing improved corporate governance and sustainability practices. The Company has several policies in place to support the practical adoption of these values, including its Global Code of Conduct, Global Business Code for Suppliers, Antitrust and Fair-Trade Policy, Anti-Money Laundering and Sanctions Compliance Policy and Anti-Corruption Policy.

Nemak's policies and procedures are subject to regular review and updates, in accordance with any changes in laws and regulations of countries in which the Company conducts business. Nemak highly values the trust that its stakeholders place in the Company, and as such, promoting and upholding ethical business practices across the value chain is of critical importance.

The Global Code of Conduct and Global Business Code for Suppliers serve as the foundation of the Company's commitment to business integrity. While these Codes set clear expectations, the risk of non-compliance is acknowledged. All employees are required to sign the Global Code of Conduct, and all suppliers, vendors and contractors are required to sign the Global Business Code for Suppliers.

In 2025, 64% of Nemak sites underwent audits in relation to the topic of business ethics. As of year end, 67% of Nemak sites were covered by a certifications such as ISO 27001 or ISO 37001.

Additionally, under the ASI Performance Ceritifcation process, a total of 13 Nemak sites have undergone onsite audits, including auditing of ethics related policies, practices and metrics. Nemak sites undergo these audits on an annual or three year basis, depending on the audit results.



Organization & Responsibilities

Nemak's CEO and CFO play a central role in embedding ethics into the Company's decision-making, governance, and risk management frameworks.

Each of the Legal and Compliance and Internal Control (Audit and Governance) Departments report all ethics and compliance topics to the CFO on a periodic and needs-based basis. This structure ensures that all relevant findings, whether from internal investigations, incidents, audits, or regulatory matters, are escalated promptly to the CFO, who then has the authority to act and allocate resources for resolution. By receiving reports from these departments, the CFO ensures that ethical risks are identified, assessed, and addressed in alignment with financial and operational priorities. This includes the oversight of anti-corruption, anti-money laundering, and internal control frameworks.

The CFO is involved in the approval process of key policies as well as in compliance awareness campaigns and training. The CFO reports all ethics and compliance topics to the CEO on a needs-based and periodic basis. Through this reporting structure, the CEO remains informed of all significant ethics-related matters and ensures that Nemak's culture of integrity is upheld at the highest level.

The CEO sets the tone for the entire organization, ensuring that Nemak's values and ethical principles are not just policies, but part of Nemak's identity. By integrating ethics into corporate strategy, stakeholder engagement, and sustainability goals, the CEO ensures that integrity guides every major decision. The CEO is involved in the approval process of key internal policies such as the Global Code of Conduct, the Global Business Code for Suppliers and the Global Human Rights Policy.

Audit and Corporate Governance Committee

The Audit and Corporate Governance Committee supports the Board of Directors in overseeing the integrity of Nemak's financial reporting, internal control systems, and compliance with applicable regulations. Its responsibilities include ensuring the effectiveness of internal audit procedures, evaluating the performance of external auditors, and reviewing the Company's financial statements and accounting policies. The Committee plays a key role in promoting transparency, accountability, and sound governance practices across the organization.

Nemak's Audit and Corporate Governance Committee is composed of independent members elected by the Board of Directors, except for the Chairman, who is appointed by Nemak's shareholders. The current members of the Audit and Corporate Governance Committee are:

- Eugenio Garza Herrera – Chairman
- Adrián G. Sada Cueva – Member
- José Antonio Meade Kuribreña – Member

The Committee meets quarterly to address matters within its scope of responsibility, and is required to prepare an annual report for submission to the Board of Directors. This report must include:

- A report of the internal control systems and internal audit procedures and any deficiencies;
- The evaluation of Nemak's external auditors;
- The results arising from the review of financial statements; and
- Any amendments to Nemak's accounting policies.

Other main duties of this Committee include:

- Overseeing transactions with related parties and those representing 20% or more of consolidated assets, in accordance with applicable laws;
- Requesting reports from relevant officers or independent third parties when deemed appropriate;
- Investigating and reporting to the Board of Directors any irregularities identified;
- Receiving and analyzing recommendations and observations from shareholders, Board members, relevant officers, or any other third party, and take necessary actions;
- Calling shareholders' meetings;
- Overseeing compliance by the CEO or general directors with instructions issued by the Board or shareholders;
- Submitting an annual report regarding accounting policies, their sufficiency, adequacy, and consistency; and
- Overseeing and reporting on the performance of key officers.

Ethics Committee

Nemak's Ethics Committee meets on a monthly basis and includes representatives from different departments, including Legal and Compliance, Human Resources and Operations. It monitors the effectiveness of reporting channels (including EthicsPoint) and ensures proper escalation.

Legal and Compliance Department

It is the responsibility of Nemak's Legal and Compliance Department to:

- Design, update and improve compliance policies;
- Advise all other teams in relation to the application of compliance regulations and company policies in different scenarios;
- Implement corrective actions to resolve any identified breaches; and
- Prepare and regularly update Nemak's risk matrix.

With this guidance, each department is therefore equipped to ensure that policies are embedded into daily working practices. In the event of the identification of any concerns, it is an employee's duty to approach the Legal and Compliance Department, Process Assessment and Governance Department, or their Human Resources Manager for guidance on the legality of specific practices or activities. During annual audits, external auditors also assess the Company's compliance with specific legal aspects, such as taxes, accounting, and fraud. All significant instances of non-compliance are reported to the CEO and CFO, who have ultimate oversight over ethics-related matters.

Looking to the value chain, Nemak rigorously examines both new and existing suppliers to ensure ethical and legal alignment. In 2025, Nemak screened 100% of its suppliers to verify that they were not on the EFOS (Fictitious Invoicing Companies) list under Article 69 of the Mexican Tax Administration Service (SAT), the Designated Nationals and Blocked Persons (SDN) list and non-SDN lists issued by the Office of Foreign Assets Control (OFAC), the European Union Consolidated List of Sanctions maintained by the European External Action Service (EEAS), and the United Kingdom's Financial Sanctions Target List.

Prior to contracting with new suppliers, Nemak's Purchasing Team performs a thorough onboarding process. This involves collecting specific information dependent on the supplier's category and includes, but is not limited to, business background, technical expertise, financial statements, certifications, quality audits, and logistics information. After assessing and analyzing this information, the team will take a decision on whether to move forward with such supplier. At least once per year, Nemak's Purchasing team performs an internal risk assessment on all category 1 suppliers, those with goods directly incorporated into customer products such as alloy components, liners, plugs, inserts and resin, and other critical suppliers, to monitor product, quality, financial or business continuity risks. For more information about these processes, please refer to the Due Diligence and Supplier Risk Management section.

Business Ethics Policies

Compliance

Nemak's Global Code of Conduct, approved by the CEO, reflects its commitment to Business Integrity, and outlines the basic principles and values that all employees are expected to follow. Additionally, this Code helps its employees put these principles and values into practice, by providing guidance on actions and behaviors that support the Company's values. The Company provides regular training to all employees to ensure that they are familiar with, and understand, Nemak's expectations regarding upholding its values and principles, as outlined in the Global Code of Conduct. All employees are expected to act with integrity, honesty, and accountability in accordance with the Global Code of Conduct, and to comply with the laws and regulations that are applicable in the countries where Nemak operates.

The Global Code of Conduct is a comprehensive document, incorporating all principles and behaviors that Nemak expects its employees to demonstrate as responsible corporate citizens, and to ensure safe, fair and equitable conduct throughout all business activities. Areas included are human rights, global purchasing, diversity and inclusion, anti-corruption, anti-bribery and fraud, antitrust, fair trade, anti-money laundering, occupational health and safety, conflict of interest, environment, confidential information, and sanctions compliance. Employees and contractors are prohibited from directly, or indirectly, engaging in, ordering, approving, promising, conspiring to, or inducing, corrupt and fraudulent practices.

The Company also has policies addressing data privacy and confidentiality, along with accounting policies based on international financial reporting standards and auditing procedures. Should any employee have any queries upon reviewing the Code of Conduct, or supporting policies, each document details contact information for Nemak's Process Assessment and Governance Department, as well as Human Resources Department.

Compliance Awareness & Training

Nemak employs a Learning Management System (LMS), with one of its functions being to issue, and require an electronic signature of, the Code of Conduct. In addition to this being a requirement of the employee onboarding process, every two years, all salaried employees receive this electronic communication to reconfirm their commitment. In 2025, 94% of salaried employees completed the Code of Conduct training, including a signatory and commitment process.

Nemak provides regular training to all employees to ensure that they are familiar with, and understand, Nemak's expectations regarding upholding its values and principles, as outlined in the Global Code of Conduct. The Company has implemented an alternating training schedule for compliance: in the first year, employees complete Module I, which includes topics such as the Code of Conduct, Anti-Bribery, Avoiding Retaliation, and Gifts, Courtesies and Business Integrity. The following year, employees complete Module II, which covers Human Rights, Conflict of Interest, Anti-Money Laundering, Global Trade Control, Insider Trading and Anti-Trust and Fair Trade. To reinforce the importance of completing such training, Nemak's CFO has personally participated in awareness campaigns. In 2025, employees completed training on "Making Ethical Decisions at Nemak - Module 1", with 93% of all salaried employees completing it, ensuring a wide-reaching understanding of these fundamental areas across the Company.

All employees are expected to act with integrity, honesty, and accountability in accordance with the Global Code of Conduct, and to comply with the laws and regulations that are applicable in the countries where Nemak operates.

Anti-Corruption and Bribery

GRI 2-26, GRI 205-2

Nemak does not condone corruption at any level, adopting a zero-tolerance approach in all interactions, including its relationships with other companies, institutions and governmental authorities. The Company has a Global Anti-Corruption Policy, last updated in May 2025, aligned with international anti-corruption and anti-bribery legislation, including the Foreign Corrupt Practices Act and the U.K. Anti-Bribery Act, that outlines the basic principles and frameworks for preventing, detecting, investigating, remedying and, if applicable, applying penalties to any employee that accepts bribes or engages in corrupt behavior. Instances of known or suspected non-compliance can be anonymously reported to Nemak's EthicsPoint platform.

Interactions with suppliers or clients that appear legitimate on the face of the interaction, but due to a lack of understanding, fall under the scope of bribery, are likely to be the most common causes of violation. Since 2022, anti-bribery and corruption has been incorporated into Nemak's internal audit program.

Similarly to other Company policies, dedicated training is provided to facilitate the use and understanding of Nemak's Global Anti-Corruption Policy. This training, available in native languages, is rolled out every second year and made available to all salaried employees, including the Executive Management Team and the Board of Directors. In order to consolidate their learning, participants are required to undertake a short test which also serves as formal acceptance of the Policy.

Through the Aluminium Stewardship Initiative (ASI) certification process, Nemak sites undergo independent third-party verification of all ethics principles and responsible business practices, including comprehensive anti-corruption measures. The certification process evaluates not only Nemak's anti-corruption policies, but also the implementation, enforcement, and compliance of these policies at each site. This includes verification of monitoring and detection systems, review of incident response procedures, and evidence of corrective actions taken, providing robust assurance that Nemak upholds high ethical standards and operates in accordance with globally recognized sustainability and governance principles.

Anti-Competitive Behavior

GRI 2-23, GRI 206-1

Nemak conducts its business in adherence with fair trade principles and all applicable anti-trust laws. Nemak's Legal and Compliance departments are responsible for the review of all activities deemed at risk of exposing Nemak to anti-competitive behavior. These interactions can range from exclusivity provisions and buying groups, to the sharing of sensitive information, and mergers and acquisitions. The Business Development, Commercial, Legal and Compliance, and Process Assessment and Governance Departments work closely with the Executive Management Team in any instances where doubts may exist, with resultant action plans created to ensure violations of anti-trust or anticompetitive laws do not occur.

Nemak's Global Code of Conduct, along with the Company's Antitrust and Fair-Trade Policy, both cover the topic of anti-competitive conduct. The Antitrust and Fair-Trade Policy, last updated in 2021, assists stakeholder understanding of the situations in which Nemak and/or its employees might intentionally or unintentionally engage in anti-competitive behavior, and establishes the basic principles and framework for preventing, detecting, investigating, remedying, and, if applicable, applying the appropriate penalties to any antitrust violation. These scenarios are then supported with comments from the Legal and Compliance Department, providing advice to ensure that appropriate safeguards are in place to avoid even the perception of anti-competitive behavior.

EthicsPoint is accessible to all stakeholders via the Nemak website, and to ensure accessibility, a variety of contact mechanisms are available for use, including a web form, email address and contact numbers.

Whistleblower Protection

GRI 2-25, GRI 2-26

Nemak has established the use of EthicsPoint, a secure and trusted channel for all employees, stakeholders, directors, officers, suppliers, contractors, customers and other third parties, to report any situation that is not aligned with, or that may be a violation of, any applicable law or regulation, Nemak's Code of Conduct, or any other of Nemak's values, procedures or policies.

EthicsPoint is accessible to all stakeholders via the Nemak website, and to ensure accessibility, a variety of contact mechanisms are available for use, including a web form, email address and contact numbers. All incidents are directed to Nemak's Process Assessment and Governance Senior Manager, and the Senior Management Team. Investigations into violations will be raised if deemed necessary, and all findings will be brought to the attention of the Executive Management Team and the Legal and Compliance Department.

Any employees found in violation of the Policy are subject to disciplinary actions and termination of their employment contract.

The Company reserves the right to audit and verify suppliers' compliance and take appropriate action in the event of violations. Where non-compliance is identified, a full supplier investigation is conducted, and a resulting action plan created with options for mitigation, remediation or compensation. As a final resort, Nemak will phase out or terminate a supplier contract.

Nemak strictly prohibits retaliation against anyone who raises concerns in good faith regarding actual or suspected misconduct, or who cooperates in any investigation. Such retaliation would be grounds for discipline, against whoever intends to exercise it, including potential termination of employment. This is in line with the terms of the Global Code of Conduct, and in adherence with all international whistleblower protection laws and standards.

Incidents of Non-compliance, Corruption or Bribery

GRI 205-3

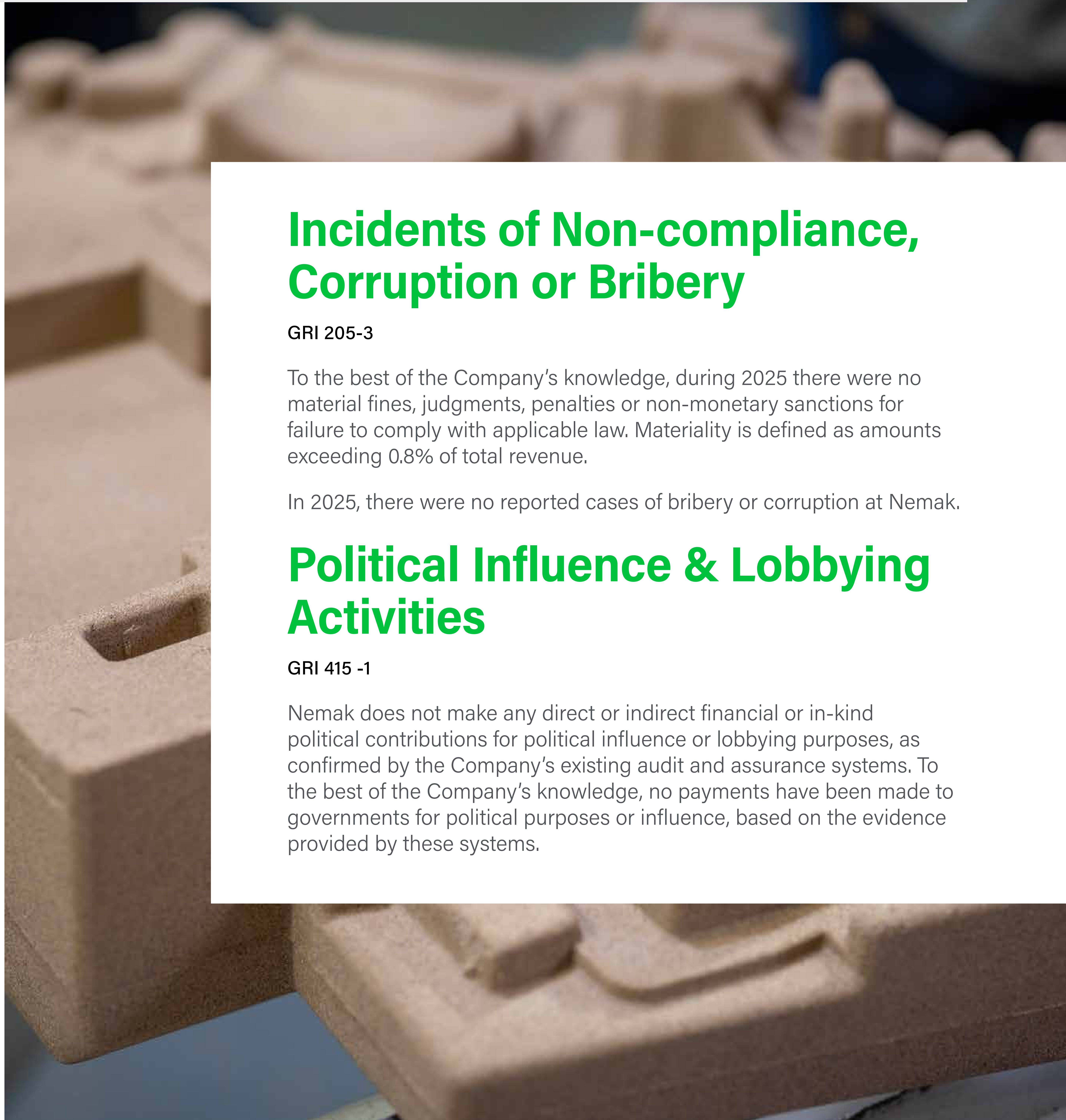
To the best of the Company's knowledge, during 2025 there were no material fines, judgments, penalties or non-monetary sanctions for failure to comply with applicable law. Materiality is defined as amounts exceeding 0.8% of total revenue.

In 2025, there were no reported cases of bribery or corruption at Nemak.

Political Influence & Lobbying Activities

GRI 415 -1

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.



Information and Cybersecurity

Protecting intellectual property, and employee and customer information, is essential to the Company's success. Therefore, Nemak has established a robust set of policies and procedures in an Information Security Management System (ISMS) to frame the efforts to safeguard the confidentiality, integrity, and availability of information, specifying how Nemak evaluates and mitigates Information Security risks.

Nemak established an Information Security Steering Committee in 2019, recognizing the critical need for robust Information Security throughout the Company. Steering Committee members include the Executive Management Team and functional Vice Presidents. Direction of, and updates to, the Information Security Strategy is provided by the Steering Committee, overseen by the Chief Financial Officer (CFO). The CFO also has responsibility for the allocation of funding to cyber protection technology and services, in addition to supporting employee Information Security awareness raising initiatives.

The Information Security Steering Committee meets regularly to assess Nemak's short and long-term strategy and performance. It is within these regular meetings that upgrades or changes to the ISMS are discussed and prioritized, in addition to addressing vulnerabilities and security incidents. Any instances of non-conformity or concern are escalated through Nemak's Board of Directors and reviewed by the Audit and Corporate Governance Committee. The Company's IT Security System is ISO 27001 compliant, and includes a robust risk measurement and management system, with an in-built dashboard and reporting mechanism to support continual monitoring and improvement.

Recognizing the importance of promoting Information Security within Nemak, the Steering Committee regularly shares its IT security directives with IT departments around the globe.

Progress in Information and Cybersecurity

Nemak has a comprehensive Information Security training program, including awareness raising campaigns, that are provided to employees as part of their onboarding process, in addition to regular reinforcement throughout the year.

On an annual basis, all Nemak employees are enrolled into mandatory training on Information Classification, ISMS, ISO 27001 and TISAX concepts. The Company also promotes regular communication to provide awareness around cybersecurity threats and phishing. Nemak operates with a Security Operations Center (SOC), a vital component of the Company's Cybersecurity Strategy. The primary function of the SOC is to monitor, detect, analyze and respond to cybersecurity incidents. With dedicated specialists, the SOC enables a more proactive and agile approach to incident investigation and reduces containment time. Since 2022, Nemak has conducted a monthly phishing testing program. The purpose of the program is to send generated phishing emails to all employees, with the aim of identifying employees that need training reinforcement to avoid falling victim of phishing in the future. Employees that fall victim to the testing are automatically enrolled in cybersecurity training. The program was updated in 2025 with more strict guidelines, and has been a success to date, contributing to significantly reduce the level of employee instances that require training reinforcement.

In addition to Information Security training programs, Nemak issues monthly newsletters covering topics such as identifying phishing, using strong passwords, securely sharing files, reporting information security incidents, and providing alerts on recent cyber threats.

Further to the education of employees on their role in supporting Information Security, Nemak has also taken action to implement a Cybersecurity Strategy for Incident Detection and Mitigation. The program utilizes state of the art technology to automatically identify cybersecurity incidents and mitigate them without human intervention when possible. The objective being to identify, detect, and protect before an incident occurs.

The Information Security program includes ISO 27001 internal and external audits, TISAX certifications to comply with customer's requirements, and regular cyber security penetration tests. These are conducted to identify risk mitigation requirements, and opportunities to improve the overall IT infrastructure and systems.

DRIVING RESULTS - CYBERSECURITY

Nemak's 2025 Cybersecurity Month

Since 2022, Nemak has been fostering a culture of cybersecurity awareness through its annual Cybersecurity Month initiative, designed for all employees across the organization. The 2025 edition continued this commitment by encouraging active engagement in learning opportunities that strengthen the ability to recognize and respond to evolving cyber threats. Through interactive sessions and practical insights, employees embraced the shared responsibility of staying informed, vigilant, and proactive, helping ensure a safer and more resilient digital environment for the Company.

Since 2022, the results of the audits have been incredibly positive, and Nemak has identified only minor potential threats that were swiftly mitigated. To date, Nemak have achieved more than 25 Information Security certifications, demonstrating the Company's commitment to employ best practices and controls.

Nemak prides itself on maintaining a high standard of IT Security, therefore often works closely with leading international security firms to bring in additional expertise and perspective. Through doing so, Nemak shares its knowledge with peer organizations and remains ahead of any emerging security threats.

Accelerating Equity

The current pace of innovation in the automotive industry is unprecedented, with the transition toward sustainable mobility requiring advanced applications of technology, and, consequently, a greater demand for employees with exceptional skill sets.

Nemak recognizes both its responsibility and its opportunity to drive positive change for its employees and the communities in which it operates. Nemak aims to develop its teams, through training and development programs available across its global production facilities, while upholding its core corporate values of Trust and Collaboration, Respect and Responsibility, Innovation, and Customer Focus, in all interactions.

Organization & Responsibilities

GRI 3-3

The Human Resources Leadership Team holds overall responsibility for all employee-related matters, including well-being and talent development, under the oversight of the Global HR Director.

The Global HR Function, via its Centre of Excellence, define the Company's Human Resources Strategy, processes and related technologies, facilitates knowledge-sharing and best practice, and provides functional governance. At a country level, regional and local HR teams are responsible for implementing Nemak's Global Human Resources Strategy within each individual geography. The local Human Resources teams are responsible for reviewing and implementing employee well-being programs and identifying opportunities for improvement. Policies are regularly reviewed to ensure the removal of unconscious bias, and to protect employee health, well-being and satisfaction. These teams work in proximity with Plant Managers to make decisions related to talent development, well-being, and training, in order to meet local needs and challenges.

In parallel, it is the responsibility of Nemak's Human Resources Department to oversee all measures related to diversity and inclusion, alongside Nemak's CEO as the main sponsor. All strategic initiatives are defined and structured by Nemak's Centre of Expertise of Talent Attraction and Diversity and Inclusion. Supporting and promoting diversity and inclusion at a local level, the Company has established a Global D&I Champion network.

The Global HSE Department is responsible for developing a strategy to achieve company objectives for a safe work environment. The strategy relies on the implementation of the industry's best practices through employee engagement, performance standards, learning, and employee development. At Nemak, local Health and Safety teams proactively address any safety concerns or issues raised by employees or their unions. Local teams identify opportunities for improvement through risk assessments of equipment, machinery, and processes at Nemak facilities.

Policies related to Own Workforce and Affected Communities

GRI 2-23, GRI 2-24, GRI 3-3, GRI 408-1, GRI 409-1

In terms of its workforce, Nemak defines vulnerable groups in accordance with United Nations guidelines. This includes, but is not limited to, women, children, refugees, internally displaced people, stateless persons, national minorities, indigenous people, migrant workers, disabled and elderly persons, people living with HIV and AIDS, members of the LGBTQ+ community, as well as low-income communities, illiterate people, and religious groups.

To protect and promote the rights of workers, both within the Company and across its value chain, Nemak has established a comprehensive set of policies designed to ensure responsible business conduct:

POLICY	TOPICS ADDRESSED WITHIN THE POLICY
Global Code of Conduct	Child Labor, Forced Labor, Compensation, Working Hours, Freedom of Association, Diversity & Inclusion, Anti-Harassment, Health & Safety, Political Activities, Protection of Personal Data
Global Human Rights Policy	Protection of Identified Salient Human Rights: Violence & Harassment, Child Labor, Modern Slavery, Forced Labor & Human Trafficking, Health & Safety, Working Conditions, Working Hours, Wages and Benefits, Freedom of Association & Collective Bargaining, Privacy, Vulnerable Groups, Human Rights Management & Due Diligence
Global Diversity and Inclusion Policy	Workplace Diversity, Recruitment & Selection, Career Opportunities, Learning & Development, Communication, Compensation & Benefits, Avoiding Complicity
Global HSE Policy	Safe Workplace, Compliance with All Legal Requirements for Organizational Health and Safety – Covering Employee Well-Being and Occupational Health
Global Business Code for Suppliers	Supplier Compliance with Internationally Accepted Human Rights: Child Labor, Forced Labor, Principle of Non-Discrimination, Diversity & Inclusion, Safe Workplace, Conflict-Affected & High-Risk Areas; Working Conditions: Occupational Health & Safety, Freedom of Association & Collective Bargaining, Fair Wages, Working Hours
Global Violence and Harassment Policy	Workplace Violence & Harassment, Physical Violence, Psychological Violence & Harassment, Gender- Based Violence & Harassment, Sexual Violence & Harassment
Global Maternity and Paternity Leave Policy	Global Eligibility, Criteria, and Length of Leave, Benefits, Working Arrangements, Return to Work and Other Conditions Related to Maternity and Paternity Leave
Corporate Citizenship Policy	Corporate Citizenship Activities: Donations, Volunteering, and Activities Related to Supporting Communities; Human Rights, Social Responsibility, Respect of Rights and Interests of Affected Populations and Organizations, Rights of Indigenous People
Leave of Absence Policy	Leave of Absence and Absence Conditions
Global Well-being Policy	Mental, work, financial, social and physical well-being

These policies are implemented through a structured approach that incorporates training, operational procedures, and ongoing monitoring to ensure compliance at all levels within the Company, including:

- Integration of each policy by all relevant departments within the Company;
- Communication of policies and any updates via email and publication on Nemak's corporate website, ensuring all employees are informed. New employees are introduced to these policies during their onboarding process;
- Corporate periodic training for employees on topics covered within such policies;
- Regular internal and external audits, coupled with a mechanism to report potential misconduct through the Company's whistleblowing platform, the EthicsPoint. These audits and reports support Nemak in identifying any gaps in compliance, and inform future adjustments to policies and controls; and
- Ongoing monitoring of relevant applicable laws to ensure that policies are kept up to date and aligned with legal requirements.

All policies are subject to approval by the CEO and reflect the best practice principles set out in the International Bill of Human Rights, the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work, the United Nations Global Compact (UNGC), the UN Sustainable Development Goals (SDGs), the UN Guiding Principles on Business and Human Rights, and the OECD Guidelines for Multi-National Enterprises (2023).

Nemak's Global Code of Conduct was updated in May 2025, with most changes directed at improving its format and clarity for readers. The Company considers the useability of all policy documents a priority, in order to better support and enhance the user experience for employees, thereby facilitating policy adoption.

The Global Human Rights Policy places particular emphasis on the treatment of vulnerable people, as defined above. Nemak respects the rights and interests of Indigenous Peoples, consistent with international standards, including the ILO Convention 169 and the UN Declaration on the Rights of Indigenous People. Applicable to all suppliers, contractors, employees, and joint venture employees over which Nemak has management control, the Global Human Rights Policy requires that Nemak performs comprehensive due diligence in relation to human rights.

As stated in the Human Rights Policy and Code of Conduct, Nemak strictly prohibits forced or child labor. While the Company does not employ any person under the age of 18 on full-time contracts, Nemak recognizes the need for young people to gain credible work experience and therefore offers younger workers, above the age of 15 (or the legal minimum age if higher in the country in question), approved short-term internships, apprenticeships, or work experience programs. By signing and accepting the Global Business Code for Suppliers, suppliers confirm that, to maintain business with Nemak, they will not engage in or tolerate any form of forced or compulsory labor. Employment of individuals under the age of 15 (or the legal minimum age if it is higher in the country in question) is strictly prohibited.

Nemak has a zero-tolerance approach when it comes to wrongful acts by others that are inconsistent with its Human Rights Policy, or disrespectful of international norms of behavior or local laws.

A new Global Well-being Policy was launched in 2025. This Policy is centered around the well-being model, and is comprised of five pillars. Nemak's Global Well-being Policy commits the company to promoting employees' physical, mental, social, work, and financial well-being through a shared responsibility between leadership and employees, aligned with global standards and local laws. It establishes a global framework for well-being initiatives, accountability, and reporting while allowing local implementation and emphasizing prevention, balance, and a supportive workplace culture. The Policy has been launched internally, and is also available externally via the Nemak website.

Nemak is committed to maintaining and promoting the fundamental human rights of employees by operating under a Global Code of Conduct that:

- Promotes a workplace that is free of discrimination and harassment;
- Strictly prohibits child labor, forced labor, and human trafficking;
- Guarantees fair and equitable wages, benefits, and other conditions of employment in compliance with local regulations;
- Provides humane and safe working conditions; and
- Recognizes and respects employees' rights to freedom of association and collective bargaining.

Processes for Engaging with Own Workforce and Workers' Representatives

GRI 2-29

To engage with its own workforce, and to better understand their perspectives, Nemak utilizes the following engagement forms to receive direct feedback from employees:

The results of Nemak's most recent Employee Survey (2025), YOUR VOICE, demonstrate that the Company is outperforming the automotive industry's norm in 14 out of 17 assessed categories. Nemak relies on this employee engagement survey 'YOUR VOICE,' where individuals, including those in vulnerable groups, can communicate their concerns. All responses are processed by an independent consulting firm to guarantee confidentiality for participants. In parallel, the EthicsPoint platform provides a secure communication channel for all stakeholders, including employees exposed to greater risks. Specifically for women, Nemak has established the Business Resource Group "Women Belong", which provides opportunities for individuals across the organization to connect, discuss, and continue promoting gender equity at Nemak.

Nemak is proud to have achieved the 'Top Employer' recertification in the US, Mexico, Brazil, Germany and Poland while earning the certification in the Czech Republic for the first time. To qualify for Top Employer Certification, Nemak must demonstrate robust practices across 20 different topics like People Strategy, Work Enviornment, Talent Acquisition, Onboarding, Wellbeing, Rewards and Recognition, Purpose and Vales, Diversity Equity and Integrity. A critical evaluation of submitted evidence is then undertaken, with the Company's practices compared against an international Top Employer benchmark. This recognition reflects the Company's commitment to excellence in human resources practices.

TYPE OF ENGAGEMENT WITH THE WORKFORCE	FREQUENCY OF ENGAGEMENT	MOST SENIOR ROLE RESPONSIBLE FOR THE ENGAGEMENT	ASSESSMENT OF THE EFFECTIVENESS OF ENGAGEMENT
Employee Survey	Every 2-3 years	Global Talent Development and Learning Manager	% completion rates
Yearly performance reviews with direct mangers (facilitation of conversation & the opportunity for employees to raise any potential issues)	Twice a year (mid-year and year-end reviews)	Dependent on employee	% completion rates
Employee training, events & initiatives	Quarterly	Human Resources Director	Participation rates in training and events
Human Resource teams as open line of communication	As needed (incident- based)	Depending on severity of incident, could be escalated to CEO	Resolution of incident
Transparency Helpline			

Characteristics of Nemak's Workforce

GRI 2-7, GRI 401-1

Total Employees (HC)
23,388

Total Permanent Contract	Total Temporary Contract
23,194	194

Mexico
12,357

Permanent Contract	Temporary Contract
12,357	0

Europe
6,854

Permanent Contract	Temporary Contract
6,800	54

USA
1,890

Permanent Contract	Temporary Contract
1,836	54

Asia
972

Permanent Contract	Temporary Contract
886	86

South America
1,315

Permanent Contract	TTemporary Contract
1,315	0

Male
19,860

Permanent Contract	Temporary Contract
19,715	145

Female
3,528

Permanent Contract	Temporary Contract
3,479	49

Nemak's headcount increased by 336 employees, representing a 1.5% growth year-over-year. This expansion was primarily driven by the addition of 467 permanent positions, alongside a 40% reduction in temporary contracts. Regionally, Mexico experienced significant growth, adding 1,107 employees and increasing its share of the workforce by 4 percentage points, while Europe and the United States saw declines of 516 and 259 employees, respectively. In Asia, the workforce composition shifted notably from temporary to permanent roles. Female representation improved from 13.8% to 15.1%, entirely within permanent positions.

Channels for Own Workforce to Raise Concerns

GRI 2-26

Nemak expects full compliance with its policies from all employees, contractors, and joint venture employees under Nemak's management control. Any known or suspected breaches must be reported, and the Company provides multiple channels for doing so:

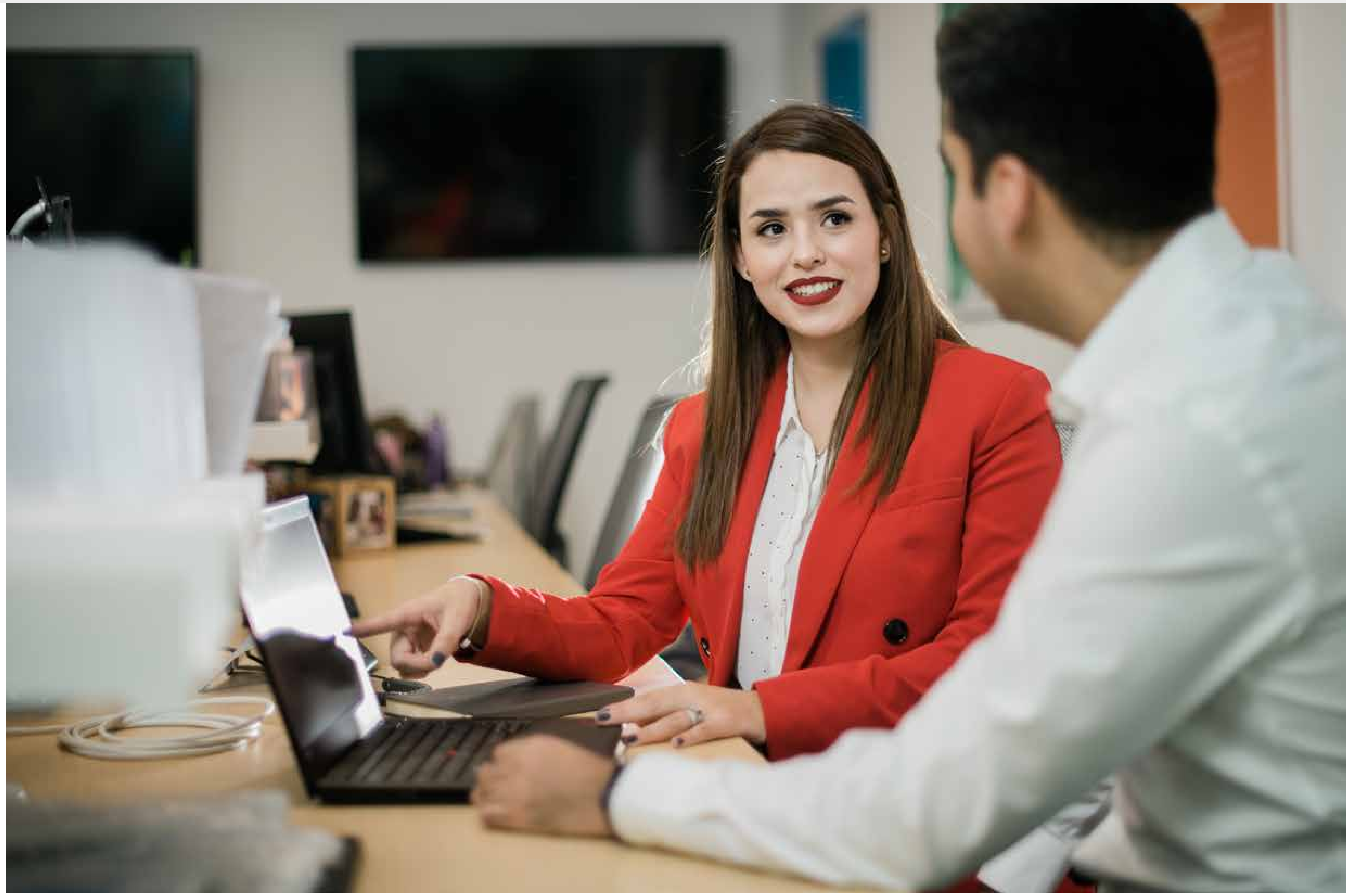
- Direct Manager or next-level Manager
- Human Resources Manager or Director
- Nemak's Legal and Compliance Department
- EthicsPoint (accessible via the website)

Nemak adheres to international whistleblower protection standards and laws, and strictly prohibits retaliation against individuals who report concerns in good faith. Retaliation is a violation of Nemak's Global Code of Conduct.

In 2025, Nemak adopted a new whistleblowing platform, EthicsPoint, which provides a secure and trusted channel for all employees, stakeholders, directors, officers, suppliers, contractors, customers and other third parties, to report any situation that is not aligned with, or that may be a violation of, any applicable law or regulation, Nemak's Code of Conduct, or any other of Nemak's values, procedures or policies.

EthicsPoint is accessible to all stakeholders via the Nemak website, with all allegations thoroughly investigated to ensure the Global Code of Conduct and Nemak's values are followed. To ensure accessibility, a variety of contact mechanisms are available for use, including a web form, email address and contact numbers. The new platform also has a capability that enables anonymous messaging back and forth between those raising concerns and those responsible for reviewing and escalating cases as appropriate. Employees are informed of EthicsPoint upon commencing their employment, and reminded of EthicsPoint on a regular basis through Compliance Training & email messages. To promote and support the use of this channel, Nemak strictly prohibits retaliation against any individual who accesses EthicsPoint, as stated in the accompanying Policy. Such retaliation would be grounds for discipline, against whoever intends to exercise it, including potential termination of employment. The effectiveness of the EthicsPoint is monitored by Nemak's Ethics Committee, which includes representatives from different departments, such as Legal and Compliance, Human Resources, and Operations.

All incidents are directed to Nemak's Process Assessment and Governance Senior Manager, and the Senior Management Team. Investigations into violations will be raised if deemed necessary, and all findings will be brought to the attention of the Executive Management Team and the Legal and Compliance Department. Any employees found in violation of the Policy are subject to disciplinary actions and/or termination of their employment



contract. The Company reserves the right to audit and verify compliance and take appropriate action in the event of violations. Where non-compliance is identified, a full investigation is conducted, and a resulting action plan created with options for mitigation, remediation, or compensation. As a final resort, Nemak will phase out or terminate an employee or supplier contract.

Nemak's remediation process incorporates several steps to ensure that whenever a potential issue is identified, it is addressed promptly and effectively. When a potential issue is identified, whether through an audit, an employee report, or routine monitoring, it is first assessed to determine its severity and scope. If there is any significant risk, immediate corrective actions are taken. A remediation plan to mitigate the identified issue is developed by the relevant departments, inclusive of clear actions, timelines and responsibilities. The remediation plan is then implemented, and the designated departments are responsible for ensuring that such actions and timelines are completed, and to monitor its ongoing progress.

Incidents,Complaints & Severe Human Rights Impacts

GRI 406-1

Nemak firmly rejects any type of discrimination and is dedicated to providing employees with equal employment opportunities per its policies.

Discrimination involves any distinction, exclusion or preference that has the effect of nullifying equality of treatment or opportunity, where that consideration is based on prejudice rather than a legitimate ground. Nemak supports work environments that are free of hostility, and physical or verbal harassment, and does not tolerate under any circumstance, harassment of any kind: sexual, workplace, and or physical, among others. Nemak's Global Diversity and Inclusion Policy and its Global Human Rights Policy make explicit statements against any types of discrimination.

In 2025, Nemak did not have any severe human rights incidents connected to Nemak's workforce.

Nemak supports work environments that are free of hostility, and physical or verbal harassment, and does not tolerate harassment of any kind, under any circumstances.

DISCRIMINATION	2025	2024
Total number of incidents of discrimination	8	6
Number of incidents related to gender discrimination	2	2
Number of incidents involving external employees	0	0
Number of remediation plans being implemented	0	0
Number of remediation plans that have been implemented , with results reviewed through routine internal management review process	1	3
Number of incidents no longer subject to action	7	3

Health & Safety

GRI 3-3, GRI 403-1, GRI 403-3, GRI 403-8

Nemak is committed to producing and providing aluminum components for the automotive industry whilst simultaneously maintaining the highest standards of occupational health and safety, and harnessing innovation to minimize environmental impacts. By applying the principles of Operational Discipline, the Company operates in a safe, responsible manner, respecting the environment and the health of its employees, contractors, customers, and the communities where it operates.

As a manufacturer, the Company recognizes that its business activities pose inherent dangers, and therefore, occupational health and safety is integrated into every aspect of its operations. Nemak's comprehensive Occupational Health and Safety Management System (OHSMS) acts to mitigate these risks, and minimize the probability of injury and illness. Everyone has a role and associated responsibilities within the Occupational Health and Safety Program. At Nemak, working safely is the Company's highest priority, and this is reflected in the below material impacts and risks identified in the recent DMA process.

IRO Type	IRO description
Negative Impact	Negative health impacts to employees / contractors from injury & illness and / or fatalities (including mental health impacts)
Negative Impact	Challenging working conditions for Nemak employees resulting in health-related issues
Risk	Sub-standard health and safety practices in the workplace may pose financial, legal and reputational risks to Nemak

The Global HSE Department is responsible for developing a strategy to achieve company objectives for a safe work environment. The strategy relies on the implementation of industry best practice through employee engagement, performance standards, learning, and employee development. At Nemak, local health and safety teams proactively address any safety concerns or issues raised by employees or their unions. These local teams work with key staff to create opportunities for improvement by investigating and analyzing the root causes of any work-related incidents at Nemak's facilities. A dedicated team is responsible for investigation in the event of a work-related incident; the HSE Manager and other key personnel determine the root cause and corrective actions to prevent recurrence.

Nemak's Occupational Health and Safety Management System covers all Nemak employees. The comprehensive System monitors work-related health issues, identifies and mitigates risks, promotes safe working practices, trains employees, and meets legal obligations. On the date of this Report, 68% of the Company's locations are certified against ISO 45001. The remaining locations will be certified within the next three years, with plans in place for additional sites within the US to be considered for certification in early 2026.

A dedicated team is responsible for investigation in the event of a work-related incident; the Direct Supervisor, HSE Manager, and other key personnel determine the root cause and corrective actions to prevent recurrence. Throughout 2025, the Company continued to promote and utilize a global HSE Data Management System to achieve improved levels of analysis, data sharing, and performance tracking. The data from this System now directly feeds into Nemak's global Monthly Operations Report (MORe), which is the main input source for several local dashboards, and provides monthly analyses for the Company's global HSE Report for key personnel. Always seeking to create quality and decision-useful information, Nemak is now exploring the use of AI solutions to implement a pre-defined HSE chat solution integrated with the Company's HSE data to improve real-time decision making and support predictive analytics for safety performance.

Targets related to Health & Safety

GRI 3-3

Safety performance is measured using the Total Recordable Incident Rate (TRIR), tracking incidents that require medical treatment beyond first aid for every 100 employees.

Nemak seeks to deliver continuous improvement each year, with all locations setting annual targets for, and striving to demonstrate improvement against, the TRIR, Lost Time Case Rate (LTC) and Days Away, Restricted or Transferred (DART). The final metric refers to injuries that result in days away from work, job restrictions or job transfers. Nemak's global aim is to reduce the frequency and severity of incidents, measured in year-over-year reduction of Total Recordable Incident Rate, including incidents that result in lost work days or work restrictions.

In addition, the Company prioritizes proactive indicators, including the number of WOCs (Walk, Observe, Communicate), the number of risk assessments conducted, reported unsafe acts, number of audits performed, and corrective actions derived from incidents, to further strengthen its preventive safety culture.

Actions related to Health & Safety

GRI 3-3, GRI 403-2, GRI 403-7

While the OHSMS covers all Nemak employees, the requirements stipulated within the system have a broader reach.

In order to maintain a safe working environment, it is mandatory for all employees, visitors and contractors, including those working offsite and during business travel, to adhere to the guidelines. Any incidents or risks must be reported immediately to ensure prompt medical care for any injured workers, and to contain the hazard that caused the incident. Nemak requires workers to report unsafe conditions and remove themselves from dangerous situations without retaliation. Weekly training is provided to all employees and contractors, in order to increase knowledge and improve the skills necessary to identify potential risks, unsafe acts and hazardous conditions.

To mitigate against potential health and safety concerns, quantitative risk assessments are undertaken by qualified individuals at all Company facilities. Machine safety risk assessments are conducted by the machine manufacturer, contracted machine safety engineers or by Nemak engineers qualified to conduct Functional Machine Safety Risk Assessments based on international engineering standards. Nemak's Walk Observe Communicate (WOC) standard is an auditing program used to report and mitigate unsafe conditions and promote sustainable working practices.

The following key elements are included in the OHSMS:

- Risk Assessment and Corrective Actions
- Internal and external third-party audits and certifications
- Management reviews
- Union, Works Council, and Health and Safety Committee collaboration
- Incident Management
- Employee learning and development
- Personal health screening and medical examinations
- On-site medical services
- Work-related industrial hygiene, psychosocial, and working condition measurements

All employee health-related information is managed in a private and strictly confidential manner. The Nemak OHSMS complies with international law governing employee privacy, including the Health Insurance Portability and Accountability Act (HIPAA) and the Americans with Disabilities Act (ADA) in the US, and the General Data Protection Regulation (GDPR) in the European Union.

In 2025, Nemak's Global HSE Policy was updated, translated in all languages, and delivered to all salaried employees. For hourly employees, a version of the Essential Safety Rules was issued to global team members. Complimenting the new Policy, other initiatives within the year include the development of an assessment tool for sites to evaluate themselves against Lock Out, Tag Out (LOTO), local training on evacuation routes and the proper use of a fire extinguisher, and leadership sessions to support awareness of health, safety and environmental practices through the Plant Manager Journey program.

DRIVING RESULTS - HEALTH & SAFETY

In 2025, Nemak India was awarded two prizes at the 'CII Southern Region EHS Excellence Awards' in recognition of EHS excellence. Achieving 1st place for 'EHS Engagement in the Workforce' and receiving the Silver Award for 'CII EHS Maturity,' these awards acknowledge Nemak's established EHS practices and commitment to risk management and robust safety protocols.

Employee Participation in Occupational Health & Safety

GRI 403-4, GRI 403-5, GRI 403-6

At Nemak, employees are not permitted to start operational work until they are trained to perform work safely and have reviewed the Safe Work Instructions.

The Company has also appointed formal joint management-worker Health and Safety Committees, which are managed at a local level. These committees, which are staffed by members from different departments, visit facilities to identify unsafe actions and conditions, and provide corrective steps.

All Nemak employees receive job-specific occupational health, safety, and environmental management training. These training sessions include:

- Risk assessments
- Lock Out Tag Out and control of hazardous energy
- Fire protection
- Mobile equipment, including the use of forklifts
- Principles of organizational safety
- My Commitment to Safety Reinforcement eLearning
- The preventive and correct use of chemicals
- Worker stress and mental health
- Ergonomics and physical health

Nemak hosts an annual HSE month dedicated to actively engaging employees in the topic of Health and Safety. In 2025, three bespoke webinars were delivered:

1) A ‘Motivation’ webinar featuring Todd Henry, an international speaker and author of 7 books. The webinar covered topics including what truly drives humans, how to sustain motivation over time, and practical strategies that everyone can apply to fuel performance and creativity.

2) In collaboration with the Diversity & Inclusion department, the Company delivered valuable content on well-being, employee engagement and organizational performance, presented by Jake Canull from Top Employers

3) A ‘Safety with our Leaders’ webinar, where Nemak employees reinforced concepts related to Safety, whilst also having the opportunity to engage with members of the Executive Management Team

In addition to HSE month, Nemak takes actions to promote Health and Safety year-round. Notably, 2025 saw the first HSE Skills Feedback exercise for functional HSE staff, where approximately 90 HSE professionals participated. The Skills Feedback exercise is an institutional assessment designed to identify strengths and opportunities related to expected common standards for different HSE positions, and to support development conversations for employees sitting within the HSE function. The overarching aim is to support potential learning paths for global groups of functional positions, and to be used as a starting point of conversations between managers and their direct reports to further complement career development plans.

All team members are empowered at Nemak, to report health and safety concerns via the EthicsPoint platform, methods outlined within the OHSMS, or via on-site conversations.

Crisis Management

Nemak recognizes the importance of maintaining the highest health and safety standards for its employees, their families, and local communities.

The topic of Crisis Management had previously been paused following the significant updates during the COVID-19 pandemic. This year, efforts were reactivated, beginning with a comprehensive analysis led by Global HSE and Global Manufacturing teams to assess available resources related to risk management, crisis response, and business continuity within global functional departments.

As part of this initiative, over 20 global leaders participated in Crisis Management Fundamentals training. In parallel, the primary objective for 2025 has been to organize and assess Nemak's current practices against relevant standards in emergency management, crisis response, and business continuity. This assessment will serve as the foundation for an update to, and alignment of, the Crisis Management Manual with Nemak's operational context. Looking ahead to 2026, the Company plans to deliver targeted training based on this content to key audiences across the organization.

Metrics related to Health & Safety

GRI 403-9, GRI 403-10

Nemak's Occupational Health and Safety Management System covers all Nemak employees. The comprehensive System monitors work-related health issues, identifies and mitigates risks, promotes safe working practices, trains employees, and meets legal obligations.

Unfortunately, in 2025, a Nemak employee suffered a fatality at the company's facility in Hungary. Subsequent to the event, corrective protocols were followed, and a multi-disciplinary team participated in the investigation. Around 120 local corrective actions were assigned to tackle the root causes in both a short and long-term manner, with multiple departments involved in the investigation: HSE, Maintenance, Engineering, Operations, HR and other relevant teams, both at a regional and local level. As a result, the Lock Out Tag Out program was reinforced throughout all Nemak facilities, and independent assurance, from an external Machine Safety certifier, was obtained for Functional Machine Risk Assessments. In response, the Executive Management Team clearly reinforced the importance of safe behavior throughout Nemak sites. Nemak is committed to taking all necessary preventative steps to mitigate the risk of workplace accidents, and to reaching and maintaining its goal of zero fatalities.

HEALTH & SAFETY CASES FOR NEMAK EMPLOYEES	2025	2024	2023
Number of recordable injuries at the workplace - employees	248	326	335
recordable injuries with serious consequences (excl. fatalities)	0	1	50
recordable injuries with lost time	79	113	148
fatalities	1	0	1
recordable injuries involving women	50	41	32
Number of days lost due to work-related incidents	2,672	2,821	4,866
Number of work-related illness reported	65	19	18
thereof illness that resulted in fatalities	0	0	0
Lost time case rate (per 100 employees)	0.34	0.47	0.55
Recordable Incident Rate for employees (per 100 employees)	1.11	1.42	1.24

Working Conditions & Employee Well-being

GRI 3-3, GRI 2-23, GRI 2-30, GRI 401-2

Nemak understands that when employees' expectations are acknowledged and met, employees are empowered to give their best to the Company. The Company, as a responsible business, prides itself on creating a work environment that at a minimum, complies with all occupational health and safety legal requirements.

Beyond physical safety, Nemak also implements programs that promote the importance of safeguarding, and the protection and maintenance of both the physical and mental health of employees and their families.

Looking further ahead, Nemak's long-term goal is to benchmark itself in line with the Top- Performing Companies result.

Targets related to Working Conditions & Employee Well-Being

A compelling Employee Value Proposition, balancing the employee's experience with the employer's expectations, and the collection and response to regular feedback, are crucial to maintaining an engaged workforce. In 2025, Nemak conducted its most recent 'YOUR VOICE' Global Engagement Survey to measure progress in strengthening its Employee Value Proposition.

Encompassing 18 categories of employee engagement, the survey incorporates global benchmarks from the automotive industry and other top performing organizations. The Company handles all results and related data with the strictest confidentiality.

The survey maintained a record participation rate of 93%, and the Company's key metric, the Sustainable Engagement score, also remained stable at 74%. Despite industry challenges, Nemak consistently outperforms the external norm for both Auto & Transportation and Equipment Manufacturing, nevertheless, Nemak recognizes the opportunity for continual improvement.

As in previous years, survey results are shared with Nemak's Executive Management Team, before cascading throughout the Company. Based on the new survey results, dedicated action plans, at plant and regional levels, will now be designed to ensure targeted progress and the continued improvement of employee experience. It is through these action plans that the Company demonstrates the value it places on employee feedback. The 2024 - 2025 Plan included a total of 232 actions, with 97% of these actions now either completed or in progress.

Actions related to Working Conditions & Employee Well-Being

GRI 401-2

In addition to offering a suite of on-demand services, Nemak is committed to promoting regular health and well-being initiatives throughout the year, such as its HSE Month and vaccination campaigns. During these periods, employees can receive annual health checks and strengthen their immunity against seasonal diseases. All Nemak employees have direct access to medical services, either through public providers or those paid for by the Company.

This year, during HSE Month, Nemak launched its new Well-being Journey and Model, including the new Global Well-being Policy. Aligned with the Company's values, organizational competencies and other existing policies, the Policy demonstrates the Company's voluntary commitment to foster employees' well-being as a key enabler for business performance by enhancing collaboration and innovation.

In addition to the new Well-being Policy, Nemak has also recently launched its Flexible Work Guidelines, providing visibility and further support to employees on the opportunities available in relation to flexible working.

Individual sites promote well-being through localized initiatives such as nutritional services and healthy canteen meals, fresh fruit deliveries, funds for social activities, recreation and rehabilitation, gym discounts, campaigns on first aid and occupational diseases, initiatives to improve breast cancer awareness, and psychological support.

Well-being programs in Mexico in 2025

Nemak offers a variety of programs designed to improve the quality of life of its employees. These initiatives aim to create a better working environment, foster integration among employees, and enhance overall well-being for employees and their families, and include:

Nemak's set of programs aims to improve the quality of life of its employees. These programs are intended to improve the working environment and strengthen integration among employees, as well as to enhance the well-being of employees, including their families.

WELLBEING, SOCIAL DEVELOPMENT & PEOPLE SERVICES

Financial	Social	Physical	Intellectual	Emotional	Occupational
4 entrepreneurship fairs impacting 25 small businesses	10 activities to promote family integration with +11,250 impacted employees & families 5 volunteering activities with +1,100 participants 6 recognition events with +10,070 participants 2 open houses with 350 employees & families	2 soccer tournaments impacting 1,700 employees 1 volleyball & 1 basketball tournament with 87 participants 1 running club event to recognize 71 runners 10 races with 2,700 participants 2 healthy contests with +150 participants +400 nutritional orientations	12 bookshelves impacting 200 collaborators 3 entrepreneurship workshops with 85 participants	11 emotional Wellbeing talks with 1500 participants +1300 psychological sessions for employees and families 8th generation of retirement program with 25 participants emotional telephone counseling with +2,000 benefited YTD	5 healthy Corners 1 food truck activity with 200 participants New spaces to eat Canteens revamp

Adequate Wages, Social Protection & Work-Life Balance

GRI 401-2

Nemak is committed to promoting fairness and equality, a sentiment that is reflected in its consistent approach to compensation. A standardized job valuation methodology is in place across all regions, therefore ensuring fair pay amongst employees, while a Compensation Policy guarantees competitive remuneration that provides for a decent standard of living.

Nemak is committed to maintaining fair working conditions that meet or exceed applicable laws and industry standards, including employment terms, working hours, compensation, and leave policies. We ensure 100% of our employees receive a living wage higher than the minimum wage defined by each local authorities to support a decent standard of living. The Company also offers performance-related remuneration, awarded through a formal performance management process that includes feedback and support to achieve targeted objectives, as well as embodying corporate values. The below material impacts and risks identified through Nemak's recent DMA process reinforce the Company's awareness of fairness and equality in compensation.

Regarding Nemak's ambition to support and improve the well-being of its employees and their families, the Company offers employee benefits that exceed the minimum regulations and requirements. Benefits packages vary dependent on jurisdiction, however, could include the provision of daycare, lactation rooms, parental leave, provision of a company car, meal allowances and flexible work schedules for employees caring for family members.

Each year, Nemak conducts a Global Annual Review of Compensation and Benefits to gain a deeper understanding of the Company's value proposition in each geography, benchmark against market standards, and ensure equity for its employees. In line with its corporate values, the Company is committed to supporting employees' well-being by fostering, cultivating and preserving a culture of balance and health, focused on creating long-term value for its employee base and society.

Nemak is committed to ensuring fair and equitable compensation and strives to align its wage practices with the principle of a living wage. The Company regularly reviews its pay structures to ensure employees receive compensation that meets or exceeds local living standards, taking into account the cost of basic necessities, housing, healthcare, and education. This approach is part of Nemak's broader human capital management strategy, promoting employee well-being, retention, and engagement, while supporting responsible and sustainable business practices across all its global operations

IRO TYPE	IRO DESCRIPTION
Positive Impact	Payment of competitive and fair wages benefits Nemak employees
Risk	Unstable market conditions could result in plant shutdowns and lay-offs leading to tensions with trade unions

In 2025, as part of Nemak's UN Women Empowerment Principles initiatives, the Company's Diversity and Inclusion Champions launched local Flexible Working Guidelines. These guidelines outline the Company's support for employees wishing to take advantage of mobile working, flexible hours and caregiver support.

Following the launch of the Global Maternity and Paternity Policy last year, during 2025 Nemak implemented various focus groups with both users and supervisors of the Policy to better understand and gain deeper insights into the development of resources required from HR teams to effectively guide these audiences in using parental leave. As part of this initiative, the Company developed a proof of concept in collaboration with the Global HR Business Partners including step-by-step guides and expectation setting.

Nemak actively demonstrates its dedication to employee health and well-being by providing comprehensive occupational health services. The Company provides medical departments staffed by occupational health service experts, medical attention for the injured, and other specific consultations.

Collective Bargaining Coverage and Social Dialogue

GRI 407-1, GRI 2-30

The rights to freedom of association and collective bargaining are respected by Nemak, with 80% of the Company's employees covered by collective bargaining agreements in 2025. Nemak expects a total of 4 Collective Bargaining Agreement negotiations expected in 2025.

EMPLOYEES COVERED BY TRADE UNION AGREEMENTS	2025	PERCENTAGE (OF ALL EMPLOYEES IN REGION)
In Mexico	10,960	89%
In Europe	5,551	81%
In Asia	0	0%
In South America	1,318	100%
In the US	972	51%
Total	**18,801**	**80%**

All of Nemak's employees are covered by social protection programs that safeguard against loss of income due to sickness, unemployment, work related injuries or disabilities, parental leave, and retirement.

Diversity & Inclusion

GRI 3-3, GRI 2-23, GRI 405

As a key player for the automotive industry, Nemak services a wide variety of customers across the globe, facing an exceptionally diverse business environment. Diversity drives the Company forwards, leading to a competitive advantage that allows Nemak to exceed the expectations of its stakeholders.

It is the responsibility of Nemak's Human Resources Department to oversee all measures related to diversity and inclusion, alongside Nemak's CEO as the main sponsor. All strategic initiatives are defined and structured by Nemak's Center of Expertise of Talent Attraction and Diversity and Inclusion.

Supporting and promoting diversity and inclusion at a local level, the Company has established a Global D&I Champion network. On the ground, these Champions bring together employees from different disciplines across Nemak's regions, aligning local perspectives and objectives with the global strategy, creating accountability, and ultimately extending the sense of belonging and ownership to all team members. The D&I Champion network is critical to building an inclusive network across Nemak's teams at a grassroots level. Recent D&I Champion initiatives have included the launch of Flexible Working Guidelines, focus groups on the Maternity and Paternity Leave Policy, and the launch of a Knowledge Transfer Opportunity with previous participants of the Female Talent Leadership Journey through the Business Resource Group Women Belong. Further to the new initiatives, the Company continues to promote key dates within the diversity and inclusion calendar such as Women in Engineering and International Women's Day.

Nemak's Global Diversity and Inclusion Policy strives to make the Company more diverse, equitable and inclusive. The Policy contains guidelines regarding recruitment and selection, career opportunities, learning and development, communication, and compensation and benefits. Underpinning all of these, the Policy also defines Nemak's unwavering commitment to providing equal opportunities, to not perpetuate gender or other stereotypes, and avoiding bias.

Targets related to Diversity & Inclusion

Nemak's Diversity & Inclusion Strategy highlights the importance of creating an inclusive and diverse workplace, supporting the achievement of the Company's 2030 Strategy: Driving Mobility Forward. Nemak's strategic concept, 'I Belong,' encapsulates its diversity and inclusion efforts.

The Company is an Early Mover of the UN Global Compact Forward Faster initiative, and is committed to equal pay for work of equal value by 2030, and equal representation, participation and leadership across all levels of management by 2030. These two targets are in step with Nemak's moves to eliminate barriers that female employees encounter within the automotive industry, particularly in heavy manufacturing roles, as reflected in the below material impact identified through the Company's recent DMA process. Nemak is also a signatory of the UN Women Empowerment Principles (WEPs) and have committed to work on an agenda based on the UN Women's Gender Gap Analysis Tool Assessment.

Nemak's diversity and inclusion ambitions for the years ahead center around five milestones:

- building foundations and basics;
- creating a common awareness;
- focusing on integrating diversity and inclusion into the Company's culture, processes, and systems; and
- implementing diversity and inclusion as a core element of Nemak's sustainable performance and innovation.

Through embodying these ambitions at a corporate level, Nemak strives to provide a safe and appealing working environment for all employees and celebrate an increasingly diverse workforce each year.

Nemak is committed to the guideline of equal pay for work of equal value by 2030, and equal representation, participation and leadership across all levels of management by 2030.

IRO TYPE	IRO DESCRIPTION
Positive Impact	Encouraging female talent development in a male dominated industry benefits women in the workforce

Actions related to Diversity & Inclusion

Nemak has set solid foundations for its Diversity and Inclusion Strategy and implementation roadmap for the years ahead, establishing clear milestones, and ensuring steady and meaningful progress towards its goals.

The Company continues to grow and evolve its first Business Resource Group, 'Women Belong.' With 198 members, and representation at all Company locations, 'Women Belong' has its own multidisciplinary structure and agenda, with sponsorship from the Global HR Director.

DRIVING RESULTS - D&I

Nemak is honored to have been selected to receive the CADIA (Center for Automotive Diversity, Inclusion and Advancement) "Power of One" Award 2025. A recognition that celebrates exceptional leadership and lasting impact in Diversity, Equity, and Inclusion (DEI) across the automotive and transportation industry.

As part of this agenda, Women Belong has held numerous sessions including local coffee breaks, discussion panels, sponsor meetings, webinars, and learning and discovery sessions with members and allies.

DRIVING RESULTS - D&I

Throughout the year, Women Belong has held local Coffee Breaks and Lean In Circles, in addition to Global Leadership Panels. In 2025, Coffee Breaks were held in March for International Women's Day and again during October - November, impacting over 100 female employees across various locations. Topics discussed included self-care, breast cancer awareness, and how to be an ally to women at work through Lean in Circles. Through alumni of previous waves of the Female Talent Leadership Journey, Women Belong delivered a Knowledge Transfer session to share and connect participants with the program's key learnings.

Leveraging its membership to the UN Global Compact, Nemak is a participant to the Target Gender Equality Program, and is designated as an Early Mover of their Forward Faster initiative. Nemak also remains a signatory of the UN Women's Empowerment Principles (WEPs). The Company has committed to creating a set of action plans aligned with the WEPs to promote gender equality and female empowerment at work, in the market, and in the community. This year, as part of its WEP initiatives, Nemak launched its Flexible Working Guidelines outlining the Company's support for employees wishing to take advantage of mobile working, flexible hours and caregiver support.

From August to October 2025, through the Company's strategic concept 'I Belong,' Nemak celebrated a campaign aimed at strengthening employees' sense of belonging, supporting Nemak's D&I efforts, and providing a set of activities and resources to help key stakeholders move from awareness to action. The campaign featured D&I Journey Capsules and a 'Moments of Belonging' video, where 21 employees across 13 locations shared personal stories of belonging. Additionally, key stakeholders were invited to a 'I Belong' Allies Workshop, designed to empower allies through a meaningful learning experience that included interactive workshops, allyship circles, and formal recognition as an 'I Belong' Ally.

In 2025, the Nemak Mentoring Program for Female Talent started its third wave. The program continues to reinforce the Company's commitment to developing and empowering women within the organization, while embracing a culture of knowledge transfer and social learning. In February, the program was launched with 17 mentors and 19 mentees across all Nemak regions, continuing to address key challenges faced by women in the workplace, such as Unconscious Bias and Imposter Syndrome. Mentoring sessions officially began in March, complemented by regular checkpoints with local talent development and learning teams, as well as ongoing support from D&I Champions. The Mentoring Program for Female Talent remains a key milestone within Nemak's D&I Strategy, and aligns with our commitments under the Women's Empowerment Principles (WEPs) and UN's Forward Faster initiative.

This year, the second wave of the Coaching Program for Female Talent continued to strengthen the development of interpersonal and leadership skills for women in leadership positions. This tailored program, designed to support female leaders in realizing their full potential through behavior change and skill optimization, included 8 individuals from different Nemak regions. The Company continued to work with certified coaching professionals from a globally recognized external organization. The 6-month process consists of at least 10 virtual sessions, ensuring equal development opportunities regardless of the location of the individual.

The program remains aligned with Nemak's WEPs Action Plan on Gender-Equal Corporate Leadership, focusing on closing promotion gaps, and reinforcing the female leadership pipeline. Each participant works towards precise individual objectives, with progress measured against their specific development needs to ensure meaningful and sustainable growth.

Since the publication of Nemak's Global Diversity and Inclusion Policy, the company has integrated mandatory training for all of its new hires as part of their onboarding process, in 14 countries and 11 languages. The learning objectives are centered on strengthening the link between diversity and inclusion and Nemak's corporate values, communicating the Company's policies and commitments regarding the topic, uncovering employees' unconscious biases, and broadening their horizons. In 2025, Nemak worked on preparations for a global compliance campaign due to launch in early 2026. This campaign targets two key audiences: employees who have not completed the mandatory training, and those scheduled for a refresher. Each training course will be delivered in a short, engaging format, to maintain employee interest and ensure adoption.

In line with Nemak's commitment to a fair and equitable recruitment process, the Company continued additional training for HR and key supervisors across all regions. During this process, the concept of potential bias in the recruitment process was reinforced, and the importance of the connection to competencies during the interview process.

Other new resources include the introduction of an HR Managers Toolkit, a set of impactful materials aligned to local needs, and certifications such as Top Employers and ASI, with adapted content for hourly employees. All resources were recommended based on a Global D&I Self-Assessment, where HR Managers could evaluate their plant, department, or a sample of employees, leading to a commitment to an action plan. This process was followed by touchpoints with the Global Talent Attraction and D&I team, along with the corresponding D&I Champion support.

As a member of the Center for Automotive Diversity, Inclusion and Advancement (CADIA), Nemak collaborates with other stakeholders on suitable roadmaps and action plans. The Company is involved in the Diversity, Equity & Inclusion Council of the Original Equipment Suppliers Association (OESA) and is also a Global Catalyst supporter.

Metrics related to Diversity & Inclusion

GRI 2-7, GRI 405-1

Through Nemak's global D&I dashboard, the Company can track data, metrics and targets for all geographies related to gender ratios across company levels. This degree of granularity allows the Company to take bespoke and targeted actions to improve diversity and inclusion in real time, and to make tangible progress towards Nemak's targets of equal pay for work of equal value by 2030, and equal representation, participation and leadership across all levels of management by 2030.

Female representation is gradually improving across Nemak's workforce, driven by higher hiring rates, modest reductions in turnover, and increased promotion activity. While women currently make up circa 15% of the overall workforce, their proportion of new hires rose from 20.6% in 2024 to 21.0% in 2025, with total female hires increasing by ~25% year-on-year (1,188 ~ 1,488), reflecting a recruitment effort above current workforce representation. Turnover rates for women improved notably from 37% in 2024 to 31% in 2025, supporting retention of female talent. Promotion activity also shows progress of employees promoted to management and above, where women accounted for 17 out of 77 management-level promotions, and 1 out of 8 top-management promotions. While challenges remain in advancing women into senior leadership, these combined trends in hiring, retention, and promotions indicate a steady, positive movement toward greater gender balance across the organization.

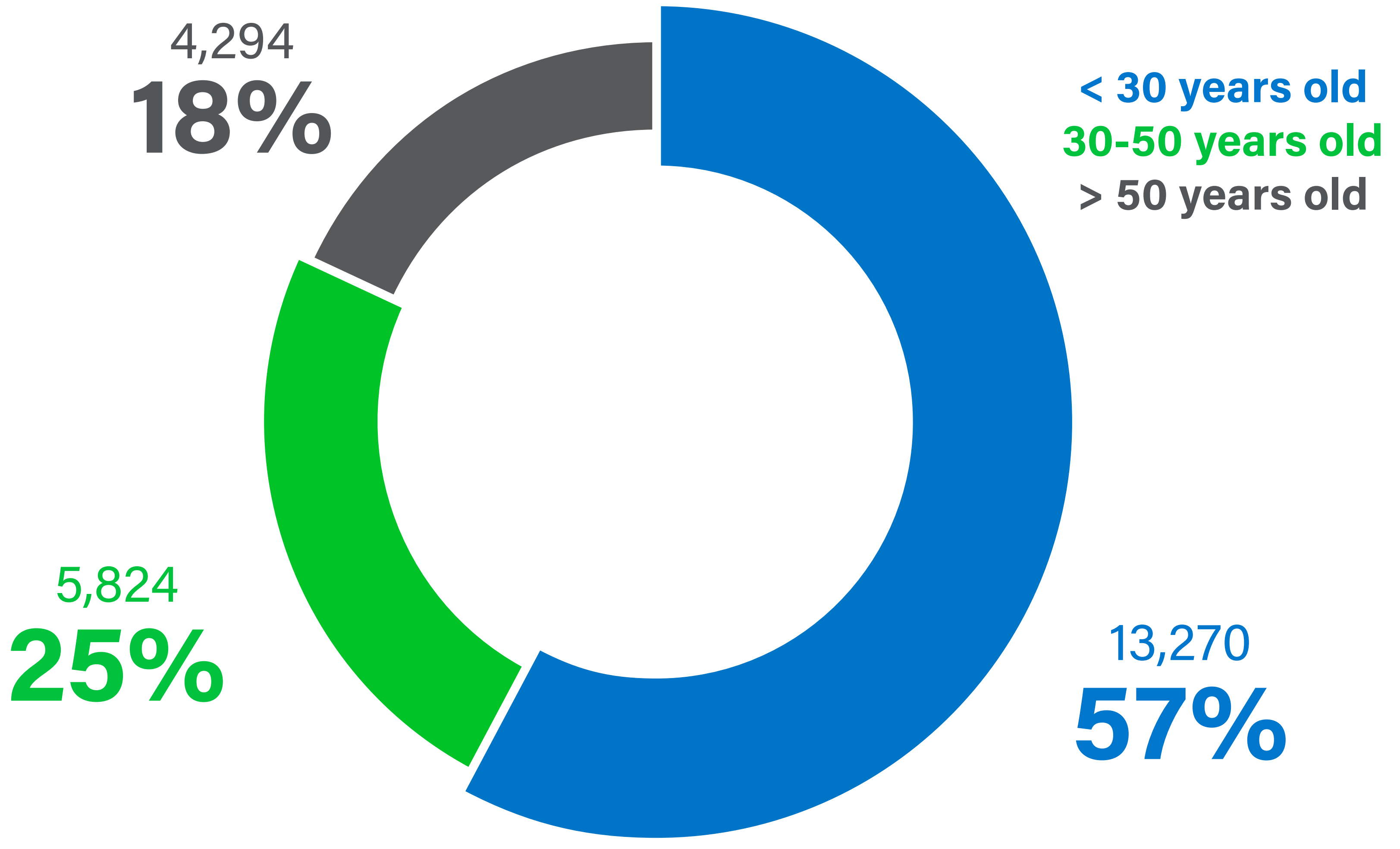
In 2025, Nemak's gender pay gap decreased from 4% in 2024 to 2.7% in 2025, lead by the efforts of global and local HR teams. This achievement highlights Nemak's commitment to transparency and ongoing progress towards pay equity. Nemak does not provide information on the remuneration of its employees to external bodies in compliance with its Corporate Policy.

Nemak is currently working on a global integration exercise for information, systems and records in alignment with local regulations and European GDPR. Once complete, the Company aims to report on the topic of gender pay gap and its progress in this area.

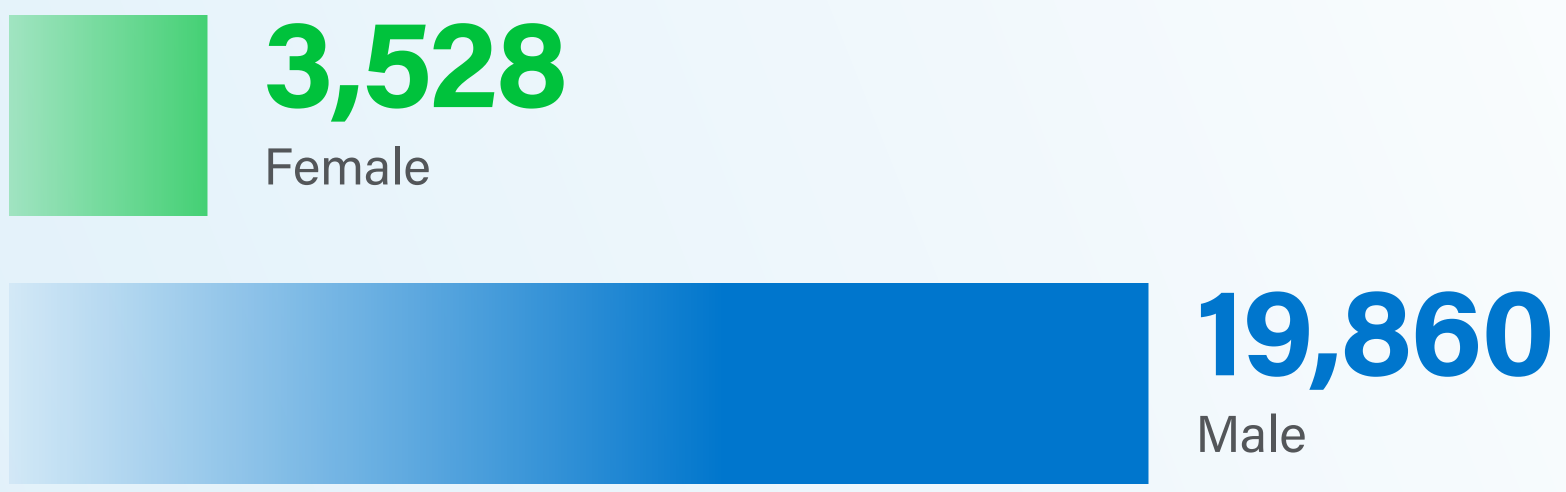
In 2025, Nemak employed 87 people with disabilities, representing 0.4% of the entire organization. Please note that this number is subject to uncertainty due to the legal restrictions related to data security.

In 2025, there were 8 reported incidents of discrimination at the Company, 2 of which were related to gender discrimination.

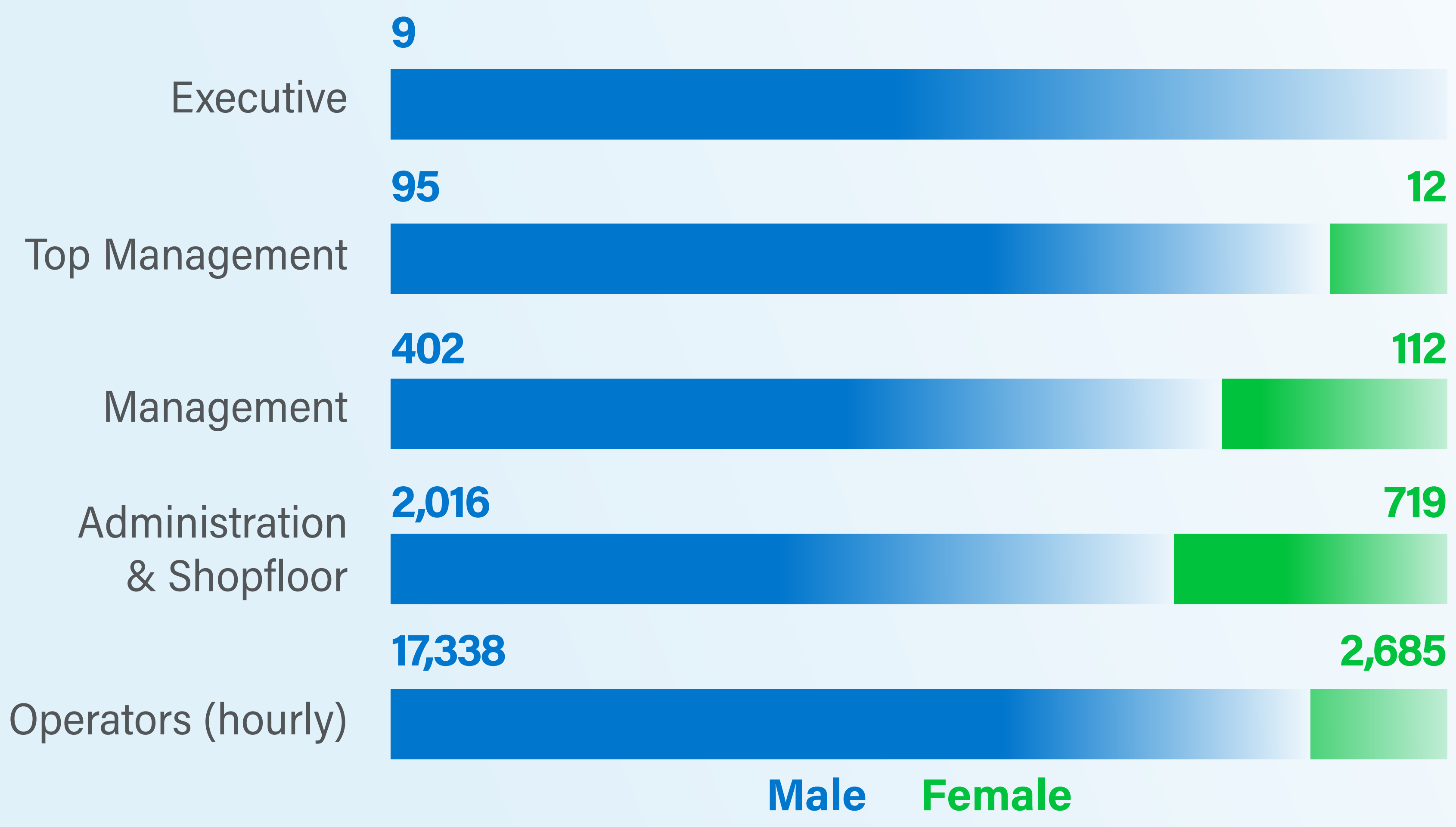
Nemak's Workforce by Age



Nemak Employees by Gender



Breakdown of Nemak's Workforce by gender & function Headcount for Better understanding



Learning & Development

GRI 3-3, GRI 404

As technology advances at an unprecedented pace, Nemak is proactively investing in talent development to secure its competitive edge. Initiatives focus on strengthening leadership capabilities and technical expertise in topics critical to operational excellence and innovation. Such areas include capabilities related to Health, Safety and Environment (HSE) and legal compliance; core manufacturing, engineering, maintenance, and quality assurance disciplines; product and process development capabilities, including Automotive Core Tools and R&D; and interpersonal and leadership capabilities that support effective collaboration and people management. This is noted in the below corresponding material impact identified in Nemak's recent DMA process.

IRO TYPE	IRO DESCRIPTION
Positive Impact	Employee development through training & development opportunities, building up the competence of the workforce

For example, Nemak has been heavily investing in developing in-house skills in artificial intelligence, recognizing its pivotal role in future industrial applications. This includes achieving 4 certifications in AI and Data Analytics with a highly ranked university, participating in 10 software engineering courses for Generative AI development and integration, and empowering over 70 personnel in Generative AI for Productivity.

The Company's Learning and Development department have overall responsibility for overseeing employee development.

Targets related to Learning & Development

Nemak's primary global metric is the completion rate of the Global Corporate Training Agenda, with a target set above 90%. Additional local targets according to training compliance regulations are in place across Company locations.

Actions related to Learning & Development

Nemak's development programs are a key enabler of organizational performance, addressing critical industry challenges while driving productivity and long-term talent retention. In 2025, Nemak invested over $3.4 million in training its employees in the Company's core processes and strategic areas. This investment strengthens functional excellence, accelerates leadership development, and reinforces collaboration across the organization.

In 2025, Nemak delivered its Global Corporate Training Agenda for employees in scope. The agenda establishes a common baseline of required knowledge across the organization, ensuring a consistent understanding of key topics related to compliance, safety, and responsible business conduct.

The mandatory training focused on areas such as Cybersecurity, Compliance and Legal, Ethical Decision-Making, Code of Conduct, Health, Safety and Environment (HSE), and Cost Consciousness. Together, these topics define the core learning expectations applicable across regions and functions, through digital learning solutions.

Building on this common baseline, Nemak further strengthened workforce capabilities through Functional Academies, which take a focused and structured approach to role-specific development. Based on the learning needs identified through skill assessments and other analyses, the Academies support the systematic closing of skills gaps. The courses provide specialized training in disciplines such as Engineering, Finance, Human Resources, Purchasing, and IT, complemented by virtual learning paths aligned to role-specific capabilities and delivered through the Nemak University platform, which was relaunched in 2025 to support a more standardized and consistent learning experience.

Throughout the year, Nemak delivered targeted initiatives addressing plant management, project execution, and quality disciplines. In North America, programs such as the Plant Manager Journey focused on strengthening plant-level management practices, operational execution, and alignment on core processes across manufacturing sites. In Europe and Asia, initiatives including the Project Management Learning Journey and the Quality Training Program supported structured project execution, cross-functional coordination, and the consistent application of quality standards through targeted learning experiences.

To build the next generation of leaders, Nemak delivers Leadership Development Journeys tailored to the specific challenges faced at different organizational levels. These journeys are designed to reinforce the Nemak Leadership Competencies Framework and to ensure consistent demonstration of the Company's values in day-to-day leadership practices.

To ensure accountability and consistency, these leadership expectations are embedded in the Company's Performance Management cycle. In 2025, the Nemak Leadership Competencies Framework was integrated into performance evaluations, enabling leaders to be assessed against clear and consistent expectations aligned with the behaviors reinforced through leadership development initiatives.

As part of its leadership development programs, Nemak uses 360-degree feedback to provide leaders with comprehensive insights into their demonstration of leadership competencies. This process supports self-awareness and targeted development actions. In 2025, 1,842 employees provided feedback to 171 participants in a 360-degree feedback process.

A key milestone during the year was the global activation of Nemak's Leadership Competencies across regions. Delivered through a combination of face-to-face sessions and digital learning, the initiative focused on establishing a common leadership baseline across the organization.

At a regional level, leadership development initiatives complemented the global activities through addressing specific organizational contexts. In the Americas region, in 2025, the Boost Leadership Programs (NEXT+, FLM+, MLM+) engaged 51 employees.

Leadership skills at the shopfloor level were also developed through programs such as the Heads Development Program, and Group & Team Leader Development Program in Mexico, with 770 participants. In the United States, Nemak plants implemented leadership development initiatives within operations teams, targeting Team Leaders, Supervisors, and Superintendents, with 32 participants. South America deployed regional leadership initiatives tailored to local operational needs including NEXT Mode ON, a

DRIVING RESULTS - TALENT DEVELOPMENT

In 2025, Nemak inaugurated a Technical Training Center at its García facility in Mexico, strengthening hands-on learning through a controlled environment that replicates real operational scenarios. The center supports faster skill development, deeper technical expertise, and the consistent application of best practices across manufacturing operations.

program focused on the preparation of future leaders and engaging 26 mid-level leaders, and ACELERA, designed for the development of first-time leaders with 34 Senior Analysts, Specialists, and Supervisors, contributing to a consistent leadership baseline across teams.

In Europe and Asia, leadership development included the Leadership Milestones program for mid-level managers. In 2025, 27 participants from multiple locations engaged in this structured journey, which combined classroom-based learning and virtual reinforcement to support the practical application of leadership and business acumen.

Nemak has reinforced its commitment to frontline workforce development by strengthening its training programs to meet the needs of a growing and dynamic workforce. In 2025, this commitment resulted in programs such as the Technical Trainee and Technical Academy Programs reaching 295 employees in Mexico, strengthening technical capability and operational readiness. South America complemented these efforts through regionally tailored frontline development initiatives, including the Maintenance School – Trainee Level 1 SPM, which aimed to strengthen technical know-how for operational growth through four specialized courses delivered to technical maintenance personnel, reinforcing operational capability across plants.

Continuing Nemak's commitment to workforce development, in Mexico, the Company continued advancing shopfloor development through formal education and hands-on learning initiatives that complement existing training efforts. In 2025, circa 90 shopfloor team leaders and supervisors participated in structured education pathways, including the Preparatoria DUAL – Technical High School, which completed its first graduating generation, the Preparatoria – Regular High School, which completed its final generation under this model, and ongoing university degree programs supporting longer-term professional development.

In addition, Nemak inaugurated a Technical Training Center at its García facility, building on a collaboration initiated in 2023. The center provides a structured, hands-on learning environment with specialized laboratories that replicate real operational scenarios, supporting faster skill acquisition, stronger technical expertise, and the consistent application of best practices across operations.

Metrics related to Learning & Development

GRI 404-1, GRI 404-2, GRI 404-3

The Company has established a performance management process with structured objective-setting, mid-term reviews, and year-end performance evaluations. In 2025, all Company's administrative personnel participated in the Performance Management process.

AVERAGE TRAINING HOURS BY EMPLOYEE CATOGORY	
Executives & Top Management	11.6
Management	34.4
Administration & shopfloor	21.5
Operators	33.5
Average (All employees)	32.0

AVERAGE TRAINING HOURS BY GENDER	
Male	30.2
Female	42.0

32 hours
the average number of training hours employees received in 2025. A total of 690 hours were dedicated towards Human Rights training.

100%
of salaried employees participate in regular performance reviews, which represents 14% of the entire workforce.

215
employees received scholarships from Nemak, including those for bachelors, masters and technical degrees.

Communities & Corporate Citizenship

GRI 3-3, GRI 2-23

Nemak actively engages in social, cultural, and community projects, with the goal of becoming a trusted local contributor to community development and education, promoting equal employment opportunities and economic empowerment, and supporting the general well-being of the community. Nemak's regional Human Resource Departments have overall responsibility for overseeing associated programs, goals, and progress.

Nemak has an established Global Corporate Citizenship Program with responsibilities for the development, and management of, a Global Corporate Citizenship Strategy.

Acting to inform this strategy, in 2023 Nemak concluded a corporate citizenship materiality assessment , which were subsequently reviewed and updated in 2025. This involved engaging with internal stakeholders from different departments and hierarchical levels, as well as external stakeholders including suppliers, customers, NGOs, Associations, and community representatives. Stakeholder interviews provided feedback regarding the relevance of focus topics across 4 social impact categories: Economic empowerment, Circularity, Well-being and Education, in addition to providing a ranking of associated risks and opportunities. The corporate citizenship assessment, and more than 80 stakeholder interviews, were conducted across all regions in which Nemak operates.

As a result of this exercise, materiality matrixes were created at a regional level, providing Nemak with insights on the variability of its impacts across the globe. Through these conversations, Nemak has become more aware of the community needs specific to each location, and continues to encourage the local communities to provide feedback to the Company. The results of the assessment have been used to develop a Global Corporate Citizenship Policy that has been communicated to all Nemak regions, therefore ensuring global alignment, in addition to informing the generation of regional action plans, guidelines and procedures. When developing any strategies or policies, Nemak understands the importance of gathering stakeholder feedback prior to implementation, including internal and external stakeholders, extended to local communities.

Nemak's Social Impact categories

Processes for Engaging with Communities

GRI 413-1

The responsibility for coordinating engagement with affected communities is as follows:

- The Human Resources Department of each Nemak region is responsible for managing donations, volunteering, and activities related to supporting communities;
- The Corporate Citizenship Committee, comprised of HR representatives across Nemak regions, regularly reviews the applicability and feasibility of the global strategy and processes, as well as the progress of regional action plans;
- The Global Finance Department has approval responsibility for the global budget;
- The Finance Department in each Nemak region supports Human Resources, and ensures fiscal transparency according to applicable laws;
- The HSE Department manages regional environmental permits, and ensures that activities to be carried out are in accordance with the environmental regulations of each country; and
- The Communications Department ensures that the information is shared correctly and in the correct channels, to ensure that all stakeholders have full visibility.

Engagement with communities occurs directly with legitimate representatives of the local communities, as identified by Nemak's local HR departments.

Targets related to Corporate Citizenship

Nemak has a target for 100% of the Company's sites to execute initiatives aligned with the Corporate Citizenship Strategy.

Process to Remediate Negative Impacts

GRI 2-25

Nemak's EthicsPoint platform provides a secure and trusted channel for all employees, stakeholders, directors, officers, suppliers, contractors, customers and other third parties, to report any situation that is not aligned with, or that may be a violation of, any applicable law or regulation, Nemak's Code of Conduct, or any other of Nemak's values, procedures or policies. Further information on EthicsPoint and associated remediation processes can be found in the Business Ethics part of this report.

Actions towards Corporate Citizenship

Following the conclusion of Nemak's corporate citizenship materiality assessment in 2023 and 2025 update, Nemak has prioritized the development of regional action plans.

Driven at a local level, Nemak has continued its engagement with local development programs, including community support, environmental campaigns, and educational programs. Each sites' engagement program is tailored to the needs of their local communities, identified through community engagement and the corporate citizenship materiality assessment. Some of the initiatives that have been carried out in 2025 include:

	MEXICO	ASIA	USA	EUROPE	SOUTH AMERICA
Environmental	• Can recycling campaign "Dame Lata" • Reforestation of 500 trees in Arteaga, Coahuila	• Cleaning of mountain trails by employees • Bottle caps collection for charity	• Employees received trees to plant at home • Park cleanup and enhancement on Earth Day	• Volunteers reforested 480 trees in Poland, Slovakia, Linz, and Czech Republic	
Wellbeing	• Charity race • Donations to autism and breast cancer organizations • Donated computers to Alfa Fundación students • Built a home for a vulnerable family • Food donations for 2,000+ vulnerable people	• Women Power" initiative: Female communication meetings & boxing • Diagnostic facility maintenance and subsidies for testing	• Donations for athletic programs & sports tournaments • Volunteering: shop, cook, and serve meals for 1,000+ people	• Support for cancer care, patient rehabilitation, and donations • Support for diabetic women in lower-income groups • Support for elders with dementia • Football club charitable contribution • Charity support for chronically ill children	• Donations for flood victims in RS • 477 packages of diapers donated to a cancer support institution
Economic Empowerment	• Local business support in events • In-kind donations	• Donations for forest, water, and tree projects • Awareness programs on environmental conservation	• Financial support and participation in local Chambers of Commerce • Support for Dickson County Chamber • Donations to civic organizations	• Membership fee payment for the Hungarian Foundry Association	
Education	• "Nemak in Your School" initiative - School for parents • 93 scholarships awarded for college studies (UANL, UDEM, Tecnológico de Monterrey)	• Installation of 15 KW solar power plant • Scholarships for local students • Collaboration with universities for internships and lectures	• Nemak Dual Enrollment Program • Nemak Achiever Scholarships • Support for local schools • Donations for annual school fire prevention	• Donations of educational materials (science equipment, maps, sports gear) • Cash donations for kindergartens' year-end festivals	• Student visits to Nemak Argentina to learn about production processes

Metrics related to Corporate Citizenship

Each initiative is logged on Nemak's dedicated Corporate Citizenship dashboard, tracking the effectiveness of each project through collection of the following data: type of project, investment, impact category, number of benefited people, number of vulnerable groups benefited, number of women benefited. The local sites are responsible for inputting the relevant information, with the regional Corporate Citizenship leaders managing overall progress.

In addition to dedicating time to support local initiatives, Nemak also continues to support philanthropic activities through monetary investments and through the provision of paid leave for employees who wish to volunteer for local projects.

INVESTMENTS IN PHILANTROPHIC ACTIVITIES	2025	2024	2023
Monetary investments in citizenship/ philantrophic activities total (in $)	2,135,431	2,462,965	2,166,881
thereof cash contributions	1,983,865	2,307,573	2,077,294
thereof monetary contributions to projects/partnerships	60,976	58,895	56,913
thereof products/services	0	0	0
thereof inkind giving	90,590	96,497	32,674
thereof others	0	0	0
Time investments in citizenship / philantrophic activities total in hours	4,713	2,165	3,734
thereof for projects/partnerships	1,672	1,292	2,490
Total number of benefited people in HC	72000+	70,000+	75,000+
thereof males	5500+	5,000+	
thereof females	5000+	5,000+	

Operating Summary

In 2025, the global automotive industry saw stable performance across major markets, with light-vehicle sales increasing 3% to 91.7 million vehicles, and production rising 4% to 92.9 million units. The transition between ICE and electric powertrains continued at a measured pace, with declining e-mobility adoption rates shaping the competitive landscape.

As these dynamics unfolded, Nemak continued to prioritize free cash flow generation through sustainable margin improvements and disciplined capital allocation. The Company navigated alongside its customers the ongoing powertrain transition, leveraging its talent, global footprint, and technology to deliver solutions independently of the propulsion system. Nemak's e-mobility, structure and chassis (EV/SC) applications segment accounted for 9% of total revenue, highlighting the Company's ability to adapt across different electrification scenarios.

In a significant strategic move, Nemak successfully concluded the acquisition of GF Casting Solutions' automotive business for an enterprise value of US$336 million. This acquisition brings growth opportunities and an improvement in the Company's overall business profile. Nemak will begin consolidating GF Casting Solutions' operations effective February 1, 2026.

In the United States, light-vehicle sales increased 2% for the full year to 16.4 million units, as consumers continued showing resilience amidst affordability concerns, partially offset by OEM incentives. Light-vehicle production in North America was 15.2 million units, 1% below the 15.5 million units in 2024, amid cautious production schedules and certain supply chain disruptions.

In Europe, light-vehicle sales were 16.4 million units, up 2% year-over-year, driven by increased imports and higher sales of entry-level vehicles, supported by stable macroeconomic conditions. Light-vehicle production totaled 15.4 million units, 2% lower than the previous year, due to reduced export demand, as well as supply chain constraints, particularly microchip shortages.

During 2025, Nemak's volume decreased 3% year-over-year to 38.4 million equivalent units, due mainly to customer inventory management strategies associated with geopolitical pressures and declining e-mobility adoption rates. Despite this, full-year volume exceeded the high end of Nemak's guidance of 37 million units. Revenues were US$4.9 billion, stable year-over-year; lower volume was partially offset by higher aluminum prices, the carryover effect from repricing achieved in previous years, and the favorable effect from the euro appreciation. EBITDA decreased 7% to US$591 million, impacted by extraordinary launching expenses and currency effects in North America, in addition to having a high comparison basis in 2024 due to one-time commercial negotiations. EBITDA per equivalent unit was US$15.4. Operating income was US$97 million, compared to US$145 million in 2024, due to impairments and reorganization expenses. Net result for the year was a US$116 million loss, compared to a US$25 million profit in 2024, mainly due to the combination of the aforementioned effects and non-cash foreign exchange losses. Capex was US$306 million in 2025, a 21% reduction compared to 2024, reflecting the Company's commitment to streamlining capital investments.

Regional Operations

North America

Light-vehicle sales in the US increased 2% for the full year to 16.4 million units, as consumers continued showing resilience amidst affordability concerns, partially offset by OEM incentives. Light-vehicle production in North America was 15.2 million units, 1% below the 15.5 million units in 2024, amid cautious production schedules and certain supply chain disruptions.

Nemak's volume in North America increased 1.7% to 20.4 million units, while revenue grew 2.0% y-o-y to US$2,632 million, supported by higher aluminum prices, improved pricing dynamics, and a more favorable product mix. EBITDA declined 18.5% to US$267 million, mainly due to a high comparison base from one-time commercial negotiations in 2024, extraordinary operating expenses related to increased production at certain facilities, and the appreciation of the Mexican peso against the U.S. dollar.

Europe

In Europe, light-vehicle sales were 16.4 million units, up 2% year-over-year, driven by increased imports and higher sales of entry-level vehicles, supported by stable macroeconomic conditions. Light-vehicle production totaled 15.4 million units, 2% lower than last year, due to reduced export demand, as well as supply chain constraints, particularly microchip shortages.

Nemak's volume in Europe decreased 10.8% to 11.9 million units, impacted by tighter OEM production schedules and lower export activity. Revenue dropped 3.4% y-o-y to US$1,636 million, driven by the same factors, partially offset by the favorable translation effect from the euro appreciation and inflation recovery-driven product price increases. EBITDA increased 3.9% to US$233 million, as sustained operating efficiencies and the continued effect of commercial terms negotiated in prior years more than offset the impact of lower volume.

Rest of the World

In China, light-vehicle sales increased 6% for the full year to 27.1 million units, attributed to intense competition among local OEMs and government trade-in incentives, as well as export activity. Light-vehicle production in China posted a 10% year-over-year increase for the full year 2025, amounting to 32.7 million units, driven by domestic and export demand.

In Brazil, light-vehicle sales were 2.6 million units, reflecting a 3% year-over-year increase for 2025, on resilient consumer behavior. South America's light-vehicle production increased 2% year-over-year to 3.0 million units, due mainly to stable local demand and higher exports.

Nemak's results in the Rest of the World were solid, as volume grew 0.6% to 6.1 million units, revenues increased 5.0% to US$664 million, and EBITDA rose 13.6% to US$91 million, y-o-y. These results reflect the Company's ongoing operating efficiencies, an enhanced product mix, and improved operating scale across the region.

Board of Directors

GRI 2-9

This section contains information on each member of the Board of Directors, highlighting their relevant experience and designation as independent, proprietary, or related proprietary member.

The members of the Audit and Corporate Governance Committee are also included, noting whether or not they are independent. Members are classified according to the following criteria:

1. Independent Board Member
A. Audit and Corporate Governance Committee

Member	Experience	Automotive Industry	Innovation	Global	ESG	Audit & Risk Management	Operations	Finance	Public Policy	Strategic Planning
Álvaro Fernandez Garza (1) Chairman of the Board of Directors of Nemak	CEO and Chairman of the Board of Directors of Sigma Foods (previously Alfa), Co-Chairman of the Board of Directors of Axtel, and Chairman of the Board of Directors of Alpek, Controladora Axtel, and Universidad de Monterrey (UDEM). Member of the Board of Directors of Cydsa, Vitro and the Mexican Business Council.	✓		✓	✓			✓	✓	✓
Mónica Aspe Bernal (1) CEO of AT&T México and Member of the Board of Directors of Volaris and Banamex	Former Mexican Ambassador to the Organization for Economic Cooperation and Development (OECD), and the International Energy Agency (IEA). Former Undersecretary of Communications in Mexico's Ministry of Communications and Transportation.			✓			✓		✓	✓
Juan Carlos Calderón Rojas (1) Investor	Member of the Board of Directors of Coparmex Nuevo León, Grupo Franca y Movimiento Congruencia, Casino de Monterrey, and UDEM.		✓		✓			✓		✓
Antón Fernández Zambrano (1) Commercial VP of Sigma Foodservice	Former Member of the Board of Directors of the National Chemicals Association (ANIQ).		✓	✓	✓	✓		✓		✓
Eugenio Garza Herrera (1A) Chairman of the Board of Directors of Xignux and Pak2Go	Member of the Board of Directors of Corporación EG, Cydsa, Bancrea, México Evalúa, the Regional Board of Banco de México, and the Roberto Garza Sada Center for Art, Architecture and Design of the University of Monterrey (UDEM). Member of the Managing Board of Tec de Monterrey.	✓					✓	✓		✓
Armando Garza Sada (1) Investor	Member of the Board of Directors of Sigma Foods (previously Alfa), Alpek, Controladora Axtel, Axtel, BBVA México, Banco de México (Regional Member), Lamosa, and Liverpool.	✓	✓	✓			✓	✓	✓	✓
Fabiola Garza Sada (1) Investor	Member of the Board of Directors of Alfa Fundación.	✓			✓					
Gary Lapidus (1) Independent Investor and Advisor	Former Institutional Investor-ranked automobile and auto parts Senior Research Analyst at Goldman Sachs Co. and Sanford C. Bernstein & Co. Former Director at Booz-Allen Hamilton.	✓		✓		✓		✓		✓
José Antonio Meade Kuribreña (1A) Independent Advisor	Member of the Board of Directors of Fibra Uno, US-MX of UCSD, HSBC Holdings, Grupo Chedraui, UNICEF México and Global Adaptation Center. He is also a member of the Global Adaptation Commission and serves as Senior Advisor to Emant Consulting.			✓	✓			✓	✓	✓
Alejandra Palacios Prieto (1) Independent Advisor on Business Strategy, M&A, and Regulatory Compliance	Member of the Board of Directors of Sigma Foods (previously Alfa), Grupo Aeroportuario del Pacífico, Banco Bilbao Vizcaya Argentaria (BBVA) Mexico, School of Social Sciences and Government of Tecnológico de Monterrey, and International Women's Forum (IWF), Mexico chapter.			✓	✓			✓	✓	✓
Adrián G. Sada Cueva (1A) CEO and Chairman of the Board of Directors of Vitro	Member of the Board of Directors of Sigma Foods (previously Alfa), Mexican Business Council, Organización Vida Silvestre and Universidad de Monterrey (UDEM). Former President of the Transformation Industry Chamber of Nuevo León (CAINTRA)	✓	✓	✓	✓	✓	✓	✓	✓	✓

Management Team

GRI 2-9

ARMANDO TAMEZ
CEO

ERNESTO SÁENZ
Vice President México

KLAUS LELLIG
Vice President Europe & Asia

DARÍO FORNASERO
Vice President South America

ALBERTO SADA
Chief Financial Officer

DIRK BARSCHKETT
Vice President of Sales and Marketing

MARC WINTERHALTER
Vice President of Purchasing & Sustainability

MARCELO ORTIZ
Vice President Business Development & Transformation

EDGAR NOYOLA
Global Human Resources Director

Corporate Governance

Nemak operates in accordance with the Mexican Code of Principles and Best Corporate Governance Practices (Código de Principios y Mejores Prácticas de Gobierno Corporativo), which seeks to enhance investor confidence in Mexican companies.

The Code, established in 1999, provides a framework for promoting effective corporate governance practices in Mexican companies, ultimately enhancing investor confidence.

All entities listed on the Mexican Stock Exchange (Bolsa Mexicana de Valores, S.A.B. de C.V.) (BMV) must annually disclose their compliance with the Code. This disclosure requirement is fulfilled by completing a questionnaire available on the BMV's official website.

The questionnaire serves as a standardized tool for listed companies to demonstrate their adherence to the Code's principles and best practices. This transparency initiative promotes accountability and enables stakeholders, including investors, to assess a company's commitment to sound corporate governance. Below is a summary of Nemak's corporate governance practices, categorized by the key areas addressed in the questionnaire submitted in May 2025:

1. Nemak's Board of Directors comprises eleven members, all of whom are independent. Information on individual directors, their independence status, and participation in the Audit and Corporate Governance Committee is available in this report.
2. The Board of Directors is advised by the Audit and Corporate Governance Committee, chaired by an independent member and composed entirely of independent members.
3. The Board convenes regularly (four times a year), with additional meetings held upon request by the Chairman of the Board, the Chairman of the Audit and Corporate Governance Committee, the Secretary of the Board, or at least 25% of its members. At least one meeting each year focuses on medium- and long-term strategic planning.
4. Board members are required to inform the Chairman of the Board of any potential conflicts of interest and abstain from relevant discussions. In 2025, the average attendance at Nemak's Board meetings was 93%.
5. Board and Committee meetings were held in a hybrid format (in-person and virtual) during 2024. The videoconferences allowed the board members to interact with each other effectively through the available audio and video formats.
6. Nemak's Audit and Corporate Governance Committee evaluates and recommends on various matters, including external auditor fees, internal audit coordination, accounting policies, and environmental, social, and governance considerations.
7. Nemak's Audit and Corporate Governance Committee also recommends on executive compensation policies, employment terms, severance payments, and succession planning.
8. Nemak maintains internal control systems with general guidelines reviewed by the Audit and Corporate Governance Committee and validated by the external auditor.
9. Nemak's Board of Directors receives guidance from the Administration and Finance Department regarding investment feasibility, strategic positioning, financing alignment, and project review.
10. Nemak has an investor relations department responsible for maintaining the Company's communication with its shareholders and investors, with the purpose of ensuring that they have the financial and any other information necessary to evaluate the Company's performance. To carry out this function, Nemak uses press releases, notices of relevant events, conference calls to present its quarterly results, stock-market events, and its website, among other communication mechanisms.
11. Nemak promotes corporate social responsibility through its mission, vision, values, and code of ethics.

Financial Section

Independent Auditors' Report and Consolidated Financial Statements as of and for the Years Ended December 31, 2025, 2024 and 2023

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Management Discussion and Analysis (MD&A)

2025

This MD&A should be read in conjunction with the Letter to Shareholders (pages X-Y), and the Audited Consolidated Financial Statements (pages X-Y). Unless otherwise indicated, numbers are stated in millions of US dollars. Percentage variations are presented in nominal terms. Additionally, some numbers are stated in millions of United States dollars (US$), and some in millions of euros (€). The financial information in this MD&A is for the results of the last three years (2025, 2024, and 2023) and has been prepared in accordance with International Financial Reporting Standards (IFRS Accounting Standards). Similarly, the information in this analysis is in accordance with the General Provisions applicable to Securities Issuers and other Securities Market Participants issued by the National Banking and Securities Commission (CNBV), as of December 31, 2025. This report may contain forward-looking statements and estimates, which are inherently uncertain. Management may make judgments with respect to certain future market conditions. Consequently, results may vary from what is stated in this document. San Pedro Garza García, Nuevo León, Mexico, on January 31, 2026.

Economic Environment

During 2025, Mexico and the rest of the world experienced downward inflationary pressures and declining interest rates, alongside geopolitical tensions in the Middle East and rising trade tensions between the U.S. and China. Both in Mexico and across the world's major economies, inflation levels decreased. In Mexico, inflation closed at 3.69% as of December 2025.

In 2025, global attention was focused on the U.S. Federal Reserve's monetary policy, which saw periods of uncertainty driven by macroeconomic indicators such as employment, tariff policy, and U.S. inflation.

Confident that inflationary pressures could be brought under control and seeking to avoid hindering growth, central banks lowered interest rates in line with their monetary policies. In Mexico, Banxico reduced its benchmark rate from 10% to 7% during 2025. In the U.S., the Federal Reserve cut its rate by 0.75% over the course of 2025.

The performance of some of the key variables in Mexico, the U.S., and Europe—critical to understanding Nemak results—is as follows:

MEXICO	2025	2024	COMMENTS
Gross Domestic Product [a]	0.8%	1.2%	Lower private consumption and investment; uncertainty over trade and tariff policies between the U.S. and Mexico reduced export activity.
Inflation Rate [a]	3.7%	4.2%	Headline inflation continued to moderate in 2025 vs. 2024. Core inflation remained under pressure. Banxico's more restrictive monetary stance contributed to the inflationary slowdown.
Interest Rates – TIIE 28-day, nominal avg. [b]	8.7%	11.1%	Banxico continued with an aggressive cutting cycle during 2025, bringing the target rate to the 7–8% range.

US	2025	2024	COMMENTS
Gross Domestic Product [c]	2.2%	2.8%	Growth slowed due to the lagged impact of high rates on consumption and investment. Private investment moderated and the labor market lost some momentum. Still, consumption continued to sustain growth, preventing a sharper slowdown, under Federal Reserve (Fed) monitoring.
Inflation Rate [c]	2.7%	2.9%	The Fed implemented gradual cuts amid controlled inflation and softer economic momentum; inflationary risks persisted due to fiscal and tariff policies.
Interest Rates – SOFR 3M, nominal avg. (c)	4.2%	5.1%	
USD/MXN Exchange Rate – Annual avg. [b]	19.23	18.33	The relative strength of the dollar and Banxico's aggressive cuts reduced the peso's appeal.

EUROPE	2025	2024	COMMENTS
Gross Domestic Product [c]	1.4%	0.7%	The economy expanded moderately despite global tensions, supported by stronger domestic demand, a gradual recovery in consumption, and moderate investment.
Inflation Rate [c]	2.1%	2.4%	The European Central Bank (ECB) maintained a more accommodative stance in 2025, with stable or slightly lower rates given reduced inflationary momentum. The combination of low inflation and moderate growth allowed the ECB to hold rates without additional upward pressure.
Interest Rates [c]	2.2%	3.0%	
EUR/MXN Exchange Rate – Annual avg. [c]	21.66	19.83	The peso lost its rate differential and the euro stabilized following the ECB's orderly rate cuts.

Sources:
[a] National Institute of Statistics, Geography, and Informatics (INEGI). As of January 31, 2026.
[b] Bank of Mexico ("Banxico").
[c] Bloomberg.

Results 2025

2025 vs 2024

(Amounts are presented in Thousands of U.S. dollars, unless otherwise indicated)

In 2025, the automotive industry showed resilience amid stable economic conditions and a volatile global trade environment. Customers' cautious production schedules amid geopolitical pressures, as well as declining e-mobility adoption by end consumers, impacted light-vehicle production, particularly in Europe. Despite these headwinds, Nemak's top line remained stable year-over-year, supported by higher aluminum prices, the carryover effect from prior years' repricing, and the favorable effect from the euro appreciation.

Revenue in 2025 amounted to US$4,931, in line with the US$4,907 reported in 2024. The stability in revenue was supported by higher aluminum prices the carryover effect from repricing achieved in previous years, and the appreciation of the euro, which offset the impact of a 3% decline in volume.

Cost of Goods Sold (COGS), which includes depreciation of fixed assets, increased 2% over 2024 and closed the year at US$4,416. The increase was driven by extraordinary launch expenses, currency effects in North America, and higher aluminum prices, partially offset by operating efficiencies. Gross profit was US$515, an 11% decrease from the US$580 reported in 2024.

Sales, General and Administrative Expenses (SG&A) were US$333, decreasing 5% compared to the US$351 reported in 2024. This reduction reflects the Company's continued focus on cost discipline and expense management across the organization.

Operating Income in 2025 was US$97, a decrease of 33% from US$145 reported in 2024. This reduction was mainly due to impairment charges, including asset write-offs and reorganization expenses, as well as lower gross profit driven by extraordinary launch expenses and currency effects.

EBITDA decreased 7% y-o-y, to US$591, in line with Guidance. This decline was mainly due to extraordinary launch expenses and currency effects in North America, in addition to a high comparison base in 2024 driven by one-time commercial negotiations. EBITDA per equivalent unit was US$15.4, compared to US$16.0 in 2024.

In 2025, the Company recorded a Net Financial Loss of US$211, compared to a loss of US$93 reported in 2024. While interest expenses decreased 22% to US$123, reflecting lower interest rates and reduced debt levels, this improvement was more than offset by a non-cash foreign exchange loss of US$103, compared to a foreign exchange gain of US$38 in 2024, mainly driven by the appreciation of the euro on euro-denominated liabilities.

Income taxes expense was US$4 during 2025, compared to US$30 recorded in 2024, an 86% reduction due mainly to the effect of foreign exchange fluctuations on deferred income taxes.

Net Loss in 2025 was US$116, compared to Net Income of US$25 reported in 2024. This decline was mainly due to the combination of non-cash foreign exchange losses and impairment charges.

Capital Expenditures during the year were US$306, a 21% reduction from the US$389 reported for 2024, as the Company continued to streamline its investments, prioritizing capital allocation towards projects that support strategic objectives and operational efficiency, while leveraging existing assets.

Net Debt was US$1,402 at year-end 2025, 9% below the US$1,532 reported in 2024, a US$130 million reduction driven by cash flow generation and disciplined capital allocation, as the Company remains committed to reducing its leverage.

The ratio of Net Debt to last twelve months (LTM) EBITDA was 2.4 times, stable compared to 2.4 times at the end of 2024. Meanwhile, Interest Coverage improved to 5.5 times, up from the 4.9 times reported at year-end 2024, reflecting the benefit of lower interest expenses.

Highlights 2025

Acquisition of GF Casting Solutions Automotive Business

In July, Nemak announced the definitive agreement to acquire of GF Casting Solutions' automotive business, a transaction with an enterprise value of US$336 million. This strategic acquisition broadens Nemak's high-pressure die casting capabilities, diversifies its product portfolio, and expands its customer base and geographic presence across Europe, China, and the United States. The acquired operations include nine production facilities and an R&D center in Switzerland, welcoming approximately 2,500 employees. The acquisition was successfully closed on February 2026.

Awarded Business

During 2025, Nemak secured new business worth approximately US$440 million in annual revenue, with 85% allocated to the ICE powertrain segment and the remaining 15% to the EV/SC segment. The majority of these awards will leverage existing assets, supporting the Company's objective of reducing capital expenditures.

Czech Republic facility ramp-up

The Company ramped up production at its new Czech Republic facility, supplying complex components for electric vehicles incorporating advanced joining and assembly technologies. Additionally, Nemak successfully launched an e-motor housing for a high-end vehicle of a premium OEM at one of its facilities in Germany, the first component of its class to be produced with Rotacast® technology.

Awards and Recognition

CDP

Nemak achieved an "A-" rating from CDP, the Carbon Disclosure Project, for the Third consecutive year, placing the Company in the Leadership band, the highest tier within CDP's scoring system. Additionally, the Company obtained an "A" rating from CDP's Supplier Engagement Assessment, reflecting strong governance, transparent reporting, and direct collaboration with suppliers to reduce environmental impact.

ASI

The Company achieved new certifications under the Aluminum Stewardship Initiative (ASI) in Europe, México and Asia, further advancing its sustainability roadmap and reinforcing its commitment to responsible manufacturing and the integration of sustainable practices across its value chain.

Top Employer

Nemak was recognized as a Top Employer in Brazil, the Czech Republic, Germany, Mexico, Poland, and the United States, underscoring its commitment to top-tier people practices, talent development, and fostering a purpose-driven workplace across its global footprint.

Wards Auto Best Engines & Propulsion Systems

Nemak was recognized in four of ten vehicles honored in the 2025 Wards Auto Best Engines & Propulsion Systems awards, highlighting the trust leading OEMs place in the Company's technology and components.

Results 2024

2024 VS. 2023

(Amounts are presented in Thousands of U.S. Dollars unless otherwise indicated) Nemak's top line continued to grow in 2023 due to the industry recovery in light-vehicle production, which the Company capitalized on, as well as new product launches in the EV/SC segment, which resulted in volume growth compared to 2022. Aluminum prices were lower than the previous year, however, higher volume and improved product mix enabled revenue growth; whilst negotiations with customers that helped to offset inflationary pressures during the year, the impact of the Mexican Peso appreciation against the U.S. dollar also weighed on EBITDA. Therefore, Volume, Revenue and EBITDA exceeded full-year guidance for 2023.

Revenue in 2023 amounted to US$4,993, representing a 7% increase from the US$4,667 reported in 2022. This growth can be attributed primarily to higher volume and an improved product mix. Additionally, the decrease in aluminum prices throughout the year and the appreciation of the euro against the U.S. dollar contributed to this positive financial performance.

Cost of Goods Sold (COGS), which includes depreciation of fixed assets, increased 7% over 2022 and closed the year at US$4,456. The variation was in line with revenue growth, including incremental launching expenses and inflation, which were partially offset by customer negotiations.

Sales, General and Administrative Expenses (SG&A) were US$344, increasing 17.8% compared to the $292 reported in 2022. This was mainly due to higher volume, the effect from the appreciation of the Mexican Peso vs U.S. dollar, as well as inflation-related effects.

Operating Income in 2023 was US$177, a decrease of 4.8% from US$186 reported in 2022. This reduction was mainly due to the combined impacts of the appreciation of the Mexican Peso against the U.S. dollar, higher depreciation and the impairment of non-operative assets, which more than offset the benefits of higher volume and an improved product mix.

EBITDA grew by 6.6% y-o-y, to US$578. This was partly due to the stronger volume, the launch of new higher value-added products, despite the appreciation of the Mexican peso against the U.S. dollar and expenses related to new product launches. Customer negotiations helped offset the impact of inflation.

In 2023, the Company recorded a Net Financial Loss of US$179, compared to a loss of US$79 reported in 2022. This was due to higher interest expenses reflecting the increase in interest rates as well as adverse currency effects of the euro and Mexican peso against the U.S. dollar.

Income taxes were US$3 positive during 2023, compared to US$56 negative recorded in 2022, primarily due to a favorable accounting adjustment to deferred income taxes.

Net Income in 2023 was US$4, down compared to US$51 reported in 2022. This reduction was primarily due to an increase in financial expenses, foreign exchange effects, and the write-off of non-operative assets, which more than offset a favorable accounting income tax adjustment.

Capital Expenditures during the year totaled US$537, up from the US$468 reported for 2022. New product launches in the EV/SC segment remained the primary focus for investments, as Nemak continued to transition existing capacity traditionally used for combustion-engine (ICE) applications to manufacture higher value-added parts for the electric vehicle market. Additionally, the Company continued with the installation of three new plants in Mexico, Germany, and the Czech Republic, where it will focus on delivering cutting-edge lightweighting solutions for fully electric vehicles.

Net Debt was US$1,556 at year-end 2023, up 25.9% from the US$1,236 reported in 2022, mainly due to the aforementioned Capex intensity during 2023. The ratio of Net Debt to last twelve months (LTM) EBITDA was 2.7 times, compared to 2.3 times at the end of 2022. Meanwhile, Interest Coverage was 4.8 times, up from the 7.9 times reported at year-end 2022.

Highlights 2024

CONTINUOUS GROWTH IN THE E-MOBILITY, STRUCTURE AND CHASSIS SEGMENT

Nemak continued its transition into electrification, marking key milestones throughout the year as it secured new contracts to produce parts for electric vehicles, and ramped up production to meet the increased demand. The Company also harnessed newly awarded business to further scale its capabilities in highly specialized joining and assembly processes used in its EV/SC segment.
The year's highlights included:

- EV/SC segment generated approximately US$575 million, representing 12% of the Company's revenue.
- During the year, the Company's accumulated order book to produce EV/SC applications grew from US$1.60 to US$1.75 billion annually.
- Nemak continued with the setup of three new plants in Mexico, Germany, and the Czech Republic. These will be dedicated to the production of battery housings for fully electric vehicles, featuring state-of-the-art joining and assembly.

Awards and Recognition

Top Employers Institute Certification Program

In January 2023, Nemak operations garnered the Top Employer certification for their steadfast commitment to implementing human resources policies and practices that prioritize employee well-being. This esteemed recognition, awarded by the Top Employers Institute, represents the second time in the USA and Mexico and the first time in Germany. Building on this success, Nemak has expanded its accolades by achieving the Top Employer certification in Poland, enhancing its esteemed status alongside certified facilities in Brazil, Germany, Mexico, the United States, and now Poland.

CDP climate change assessment Nemak maintained a score of "B" in the CDP's annual, internationally recognized climate change assessment. This score places Nemak above the North American regional average, and above the average for the Company's sector in this area of reporting.

Dow Jones Sustainability MILA Pacific Alliance Index For the fifth consecutive year, Nemak proudly maintains its position as a distinguished member of the Dow Jones Mila Pacific Sustainability Index. Notably, we stand out as the sole automotive company to be included in this prestigious index.

Enlighten Awards

Enlighten Awards in association with the Center for Automotive Research (CAR), Altair, distinguished Nemak as runner up in the Module Lightweighting category. This award recognizes the development of the FAAR-WE E-Bracket for BMW through the development of a new alloy material, reducing the component weight by 30%.

PACE Awards

PACE Awards are given to automotive suppliers in recognition of a technological innovation in product or process that has reached the commercial market. Nemak was recognized on it's 29th edition, as a finalist for its novel lightweighting design.

In the same PACE Awards, in the category of 'Pilot', an additional example of finalist innovation is the design of an all-aluminum single piece sub-frame. This proprietary design saves close to 30% of the original weight of the design manufactured by assembling individual steel sub-components, using ca.60% of recycled materials.

Independent Auditors' Report to the Board of Directors and Stockholders of Nemak, S.A.B. de C.V. and Subsidiaries

Opinion

We have audited the consolidated financial statements of Nemak, S.A.B. de C.V. and Subsidiaries (the "Group" or "Nemak" or the "Company"), which comprise the consolidated statements of financial position as of December 31, 2025, 2024, and 2023, the consolidated statements of income, the consolidated statements of comprehensive income, the consolidated statements of changes in stockholders' equity and the consolidated statements of cash flows for the years then ended, and the explanatory notes to the consolidated financial statements, that include information on material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Nemak, S.A.B. de C.V. as of December 31, 2025, 2024, and 2023, as well as their consolidated financial performance and their cash flows for the years then ended, in accordance with IFRS Accounting Standards, as issued by the International Accounting Standards Board ("IASB").

Basis for Opinion

We conducted our audits in accordance with International Standards on Auditing ("ISA"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code") together with the Code of Ethics issued by the Mexican Institute of Public Accountants, A.C. ("IMCP Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and with the IMCP Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matters

The accompanying consolidated financial statements have been translated from Spanish to English for the convenience of readers.

This matter has not changed our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the 2025 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that the issues described below are the key audit matters that should be communicated in our report.

Assessment of impairment tests of goodwill and long-lived assets

As described in Notes 3 l., 11, and 13 to the consolidated financial statements, the Company performs annual impairment tests to its goodwill and its intangible assets with indefinite useful lives. We have identified the recoverable value calculation of long-lived assets and goodwill as a key audit matter, primarily because the calculation involves the application of significant judgments and estimates by the Company's management in projecting revenues and estimated gross margins in the discounted cash flow model and the selection of discount rates used to estimate the recoverable value of cash-generating units ("CGUs"). This requires a high degree of judgment, a significant increase in the degree of audit effort and the involvement of our expert valuation specialists. We performed the following audit procedures on the significant assumptions and data mentioned in the previous paragraph:

- We tested the design and implementation of controls in the determination of the recoverable value and the relevant assumptions and data used.
- With the assistance of our valuation specialists, we evaluated the reasonableness of the methodology for determining the recoverable value of tangible assets, intangible assets with indefinite useful lives and goodwill and challenged the financial projections, including the impacts of negotiations with customers on product prices and other macroeconomic assumptions that impact the recoverable value by comparing it to historical performance and trends and corroborated the explanations for the variations with Management. We also evaluated whether the revenue and the estimated gross margin projections were reasonable with respect to the budgets approved by the Board of Directors.

- We analyzed the projection assumptions used in the recoverable value, including the estimated gross margin and the long-term revenue growth assumption. We tested the mathematical accuracy, completeness and correctness of the discounted cash flow model to determine the recoverable value. Valuation specialists performed an independent sensitivity analysis to assess whether the relevant assumptions and data used by Management were reasonable.
- We performed an independent evaluation on the discount rates and compared such rates with those used by Management.

Information other than the Consolidated Financial Statements and Auditors' Report thereon

The Group's management is responsible for the additional information. Additional information includes: i) the sustainability information that the Group is required to prepare pursuant to Article 33, Section I, subsection a); ii) the information that will be incorporated in the Annual Report that the Company is required to prepare in accordance with Article 33, section I, subsection b) of Title Four, Chapter One of the General Provisions Applicable to Issuers and other Participants of the Stock Market in Mexico and the Instructions that accompany these provisions (the "Provisions"). The sustainability information and the Annual Report are expected to be available for our perusal after the date of this audit report; and iii) the other additional information, which is a measure that is not required by IFRS Accounting Standards and has been incorporated to provide an additional explanation to its investors and main readers of its consolidated financial statements to evaluate the performance of each of the operating segments and other indicators on the capacity to meet obligations regarding the earnings before interest, taxes, depreciation, amortization and impairment of assets (adjusted "EBITDA") of the Company; this information is presented in Note 28.

Our opinion on the consolidated financial statements will not cover the additional information and we will not express any form of assurance about it.

In relation to our audit of the consolidated financial statements, our responsibility will be to read the additional information when it becomes available, and when we do so, consider whether the additional information contained therein is materially inconsistent with the consolidated financial statements or with our knowledge obtained during the audit, or that seems to contain a material error. When we read the Annual Report, we will issue the legend about reading the Annual Report, required in Article 33 Section I, subsection b) number 1.2. of the Provisions. Additionally, and in relation to our audit of the consolidated financial statements, our responsibility is to read and recalculate the other additional information, which in this case, is a measure not required by IFRS Accounting Standards and in doing so consider whether the other information contained therein is materially inconsistent with the consolidated financial statements or with our knowledge obtained during the audit, or that seems to contain a material error. If, based on our work, we conclude that the additional information contains a material error, we are obligated to report this fact. We have nothing to report in this regard.

Responsibilities of Management and those charged with Group's Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, as issued by the IASB, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to Group's going concern and using the going concern basis of accounting, unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with Group's governance are responsible for overseeing the Group's consolidated financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain knowledge of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision, and review of the work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with Group's governance regarding, among other matters, the scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance of the Group with a statement that we have complied with applicable ethical requirements regarding independence and have communicated with them all relationships and other matters that may reasonably be expected to affect our independence, and where applicable, the appropriate safeguards.

From the matters communicated with those charged with governance of the Group, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Galaz, Yamazaki, Ruiz Urquiza, S.C.
Affiliated of a Member Firm of Deloitte Touche Tohmatsu Limited

C. P. C. Jaime Núñez Valdés
Monterrey, Nuevo Leon, Mexico
January 31, 2026

Consolidated Statements of Financial Position

As of December 31, 2025, 2024 and 2023
In thousands of U.S. dollars

		As of December 31,		
	Note	2025	2024	2023
Assets				
Current assets:				
Cash and cash equivalents	6	$ 517,321	$ 342,077	$ 322,606
Restricted cash	7	422	664	1,039
Trade and other accounts receivable, net	8	614,798	580,174	605,658
Inventories	9	818,772	820,831	904,049
Assets held for sale	10	26,535	-	10
Prepaid expenses		39,258	29,759	28,819
Total current assets		2,017,106	1,773,505	1,862,181
Non-current assets:				
Property, plant and equipment, net	11	2,795,339	2,814,212	2,867,818
Right-of-use assets, net	12	92,324	89,861	98,581
Goodwill and intangible assets, net	13	488,820	471,154	549,273
Deferred income tax	26	112,266	57,800	94,173
Other non-current assets	14	44,190	34,423	35,521
Total non-current assets		3,532,939	3,467,450	3,645,366
Total assets		**$ 5,550,045**	**$ 5,240,955**	**$ 5,507,547**

		As of December 31,		
	Note	2025	2024	2023
Liabilities and Stockholders' Equity				
Liabilities				
Current liabilities:				
Debt	16	$ 69,857	$ 83,525	$ 303,806
Lease liability	17	30,860	28,931	27,665
Trade and other accounts payable	15	1,718,439	1,507,351	1,602,056
Income taxes payable		25,405	11,436	27,327
Other current liabilities	18	29,379	24,061	25,856
Total current liabilities		1,873,940	1,655,304	1,986,710
Non-current liabilities:				
Debt	16	1,739,329	1,679,836	1,453,628
Lease liability	17	77,004	76,149	86,150
Employee benefits	19	98,997	91,051	89,866
Deferred income taxes	26	76,449	67,923	103,568
Other non-current liabilities	18	15,008	14,859	16,996
Total non-current liabilities		2,006,787	1,929,818	1,750,208
Total liabilities		3,880,727	3,585,122	3,736,918
Stockholders' equity	20			
Capital stock		413,123	420,535	431,734
Share premium		641,092	641,092	641,092
Retained earnings		812,965	960,541	962,516
Other reserves		(197,862)	(366,335)	(264,713)
Total stockholders' equity		1,669,318	1,655,833	1,770,629
Total liabilities and stockholders' equity		**$ 5,550,045**	**$ 5,240,955**	**$ 5,507,547**

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statements of Income

For the years ended December 31, 2025, 2024 and 2023
In thousands of U.S. dollars, except for earnings per share amounts

	Note		2025		2024		2023
Revenues	28	$	4,931,438	$	4,906,656	$	4,993,358
Cost of sales	22		(4,416,880)		(4,326,307)		(4,456,287)
Gross profit			514,558		580,349		537,071
Administrative and sales expenses	22		(332,595)		(351,777)		(344,181)
Other (expenses) income, net	23		(84,939)		(83,298)		(16,288)
Operating income			97,024		145,274		176,602
Financial income	24		15,306		26,681		7,399
Financial expenses	24		(123,318)		(156,861)		(128,870)
Exchange fluctuation (loss) profit, net	24		(102,910)		37,391		(56,377)
Financial results, net	24		(210,922)		(92,789)		(177,848)
Equity in income of associates recognized using the equity method	14		2,296		2,865		2,486
(Loss) income before income taxes		$	(111,602)	$	55,350	$	1,240
Income taxes	26		(4,333)		(30,301)		3,133
Net consolidated (loss) income		**$**	**(115,935)**	**$**	**25,049**	**$**	**4,373**
Basic and diluted (loss) income earnings per share, in U.S. dollars		**$**	**(0.0404)**	**$**	**0.0085**	**$**	**0.0014**
Weighted average outstanding shares (thousands)	20		**2,872,602**		**2,940,877**		**3,037,820**

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2025, 2024 and 2023
In thousands of U.S. dollars

	Note	2025	2024	2023
Net consolidated (loss) income		$ (115,935)	$ 25,049	$ 4,373
Other comprehensive (loss) income for the year:				
Items that will not be reclassified to the consolidated statements of income:				
Remeasurement of employee benefit obligations, net of taxes	26	(3,723)	(2,399)	(2,334)
Items that could be reclassified to the consolidated statements of income:				
Effect of derivative financial instruments contracted as cash flow hedges, net of taxes	26	147	1,259	2,087
Cumulative translation effect of foreign entities	26	168,908	(104,451)	38,489
Total comprehensive income (loss) of the year		165,332	(105,591)	38,242
Consolidated comprehensive income (loss)		**$ 49,397**	**$ (80,542)**	**$ 42,615**

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statements of Changes in Stockholders' Equity

For the years ended December 31, 2025, 2024 and 2023
In thousands of U.S. dollars

	Capital stock	Share premium	Retained earnings	Other reserves	Total stockholders' equity
Balances as of January 1, 2023	$ 433,816	$ 641,092	$ 961,659	$ (308,581)	$ 1,727,986
Transactions with stockholders:					
Others	(2,082)	-	(3,516)	5,626	28
	431,734	641,092	958,143	(302,955)	1,728,014
Net income	-	-	4,373	-	4,373
Total other comprehensive income of the year	-	-	-	38,242	38,242
Comprehensive income	-	-	4,373	38,242	42,615
Balances as of December 31, 2023	431,734	641,092	962,516	(264,713)	1,770,629
Transactions with stockholders:					
Others	(11,199)	-	(27,024)	3,969	(34,254)
	420,535	641,092	935,492	(260,744)	1,736,375
Net income	-	-	25,049	-	25,049
Total other comprehensive loss of the year	-	-	-	(105,591)	(105,591)
Comprehensive loss	-	-	25,049	(105,591)	(80,542)
Balances as of December 31, 2024	420,535	641,092	960,541	(366,335)	1,655,833
Transactions with stockholders:					
Others	(7,412)	-	(31,641)	3,141	(35,912)
	413,123	641,092	928,900	(363,194)	1,619,921
Net loss	-	-	(115,935)	-	(115,935)
Total other comprehensive income of the year	-	-	-	165,332	165,332
Comprehensive income	-	-	(115,935)	165,332	49,397
Balances as of December 31, 2025	**$ 413,123**	**$ 641,092**	**$ 812,965**	**$ (197,862)**	**$ 1,669,318**

The accompanying notes are an integral part of these consolidated financial statements.

NEMAK, S.A.B. DE C.V. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the years ended December 31, 2025, 2024 and 2023
In thousands of U.S. dollars

	2025	2024	2023
Cash flows from operating activities			
(Loss) income before income taxes	$ (111,602)	$ 55,350	$ 1,240
Depreciation and amortization	396,119	383,583	369,966
Gain on sale of property, plant and equipment	(1,295)	(1,386)	(11,330)
Impairment of property, plant and equipment and intangible assets	88,552	103,790	31,568
Gain on sale of shares	-	(11,971)	-
Unrealized exchange fluctuation, net	102,910	(37,391)	56,377
Interest expense, net	88,945	102,134	90,073
Other	299	(14,393)	4,800
Movements in working capital:			
Trade receivables and other accounts receivable	(12,779)	20,096	71,593
Inventories	24,453	(5,808)	(57,720)
Trade and other accounts payable	118,123	(48,230)	(32,795)
Income taxes paid	(35,618)	(81,206)	(145,196)
Net cash flows generated by operating activities	658,107	464,568	378,576
Cash flows from investing activities			
Interest collected	14,180	24,659	6,438
Cash flow in acquisitions of property, plant, and equipment	(260,881)	(343,741)	(488,202)
Cash flow in acquisition of intangible assets	(43,313)	(17,177)	(52,440)
Dividends received	1,169	1,436	1,104
Restricted cash	101	249	3,018
Other assets	(7,495)	21,508	2,084
Net cash flows used in investing activities	(296,239)	(313,066)	(527,998)
Cash flows from financing activities			
Proceeds from debt	1,231,592	881,437	1,890,477
Payments of debt	(1,228,453)	(811,550)	(1,699,807)
Lease payments	(79,051)	(67,844)	(41,924)
Interest paid	(99,494)	(112,039)	(84,729)
Repurchase of shares and others	(12,281)	(11,884)	(1,587)
Dividends paid	-	(402)	-
Net cash flows (used in) generated by financing activities	(187,687)	(122,282)	62,430
Net increase (decrease) in cash and cash equivalents	174,181	29,220	(86,992)
Exchange fluctuation of cash and cash equivalents	1,063	(9,749)	(6,956)
Cash and cash equivalents at the beginning of the year	342,077	322,606	416,554
Cash and cash equivalents at the end of the year	**$ 517,321**	**$ 342,077**	**$ 322,606**

The accompanying notes are an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

As of and for the years ended December 31, 2025, 2024 and 2023
In thousands of U.S. dollars, except where otherwise indicated

1. General information

Nemak, S.A.B. de C.V. and subsidiaries ("Nemak" or the "Company"), 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 and chassis, and internal combustion engine ("ICE powertrain") applications. Nemak's main offices are located at Libramiento Arco Vial Km. 3.8, García, Nuevo León, 66017, Mexico.

When reference is made to the controlling entity Nemak, S.A.B. de C.V. as an individual legal entity, it will be referred to as "Nemak SAB".

Nemak SAB is a publicly traded corporation whose shares are listed on the Mexican Stock Exchange. The entire subscribed and paid-in capital of Nemak is represented by Class "I" shares in the "A" Series, common, registered, and without par value, which are listed under the ticker symbol "NEMAK".

In the following notes to the consolidated financial statements, reference to "USD", dollars, or "$" refers to thousands of U.S. dollars. Reference to "MXN" or pesos is in relation to thousands of Mexican pesos. Finally, reference to "EUR" or euros will refer to thousands of euros.

2. Significant events

2025

a. Agreement to acquire GF Casting Solutions' automotive business

On July 30, 2025, Nemak announced that one of its subsidiaries entered into a definitive agreement to acquire the automotive business of GF Casting Solutions, a Swiss-based company in lightweight casted components. This transaction implies an enterprise value of US$336 million and includes a research and development center located in Switzerland and nine production facilities strategically located in Austria, China, Romania, Germany, and the United States, with approximately 2,500 employees. Completion of this transaction is subject to regulatory approvals and other standard conditions.

The initial disbursement of US$160 million, payable in cash at completion of the acquisition, will be financed through long-term credit lines. The remaining amount includes the assumption of operating and financial liabilities, as well as deferred amounts, such as seller financing and contingency-based holdbacks, which will be released over a five-year period.

The acquisition is expected to close during 2026, subject to regulatory approvals and other standard conditions and, therefore, has not been reflected in the consolidated financial statements for the year then ended. The transaction is expected to be accounted for as a business combination under IFRS Accounting Standards ("IFRS").

Further details of the acquisition, including the purchase price allocation, will be disclosed in the Company's financial statements for the year ending December 31, 2026.

2024

b. Debt transaction for $200 million

On December 17, 2024, Nemak announced the closing of a $200,000 green loan facility, which proceeds will be used to refinance existing debt in the same amount. This transaction extends the loan's maturity from 2027 to 2030. The refinancing was structured as a club deal green loan involving the same two financial institutions that participated in the original 2022 agreement. The facility maintains a 5-year bullet maturity and a variable SOFR-based interest rate.

c. Debt transaction for $250 million

On September 2, 2024, Nemak announced the completion of a $250,000 long-term debt transaction. The proceeds of this transaction will be used to refinance short-term debt, extending the maturity of its total debt profile to five years. The transaction was structured as a club deal loan among four financial institutions with a variable SOFR-based interest rate.

2023

d. Change of presentation currency of the consolidated financial statements

As of January 1, 2023, and for each subsequent reporting date, in accordance with the provisions of IAS 21, The Effects of Changes in Foreign Exchange Rates ("IAS 21") under IFRS Accounting Standards ("IFRS"), the Company changed its presentation currency of its consolidated financial statements from Mexican pesos to U.S. dollars. This change was made primarily considering the following factors and objectives:

- The Company operates in a globalized economic environment and uses the U.S. dollar as its reporting and monitoring currency.
- The change in currency to U.S. dollars aligns the Company's global strategy and facilitates the understanding of its financial information by international investors and creditors.

The consolidated financial statements, including the comparative amounts and the notes accompanying the consolidated financial statements, are shown as if the new presentation currency had always been the presentation currency of the Company, based on the requirements of IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors. Currency translation adjustments were adjusted as of January 1, 2011, the date on which the Company transitioned to IFRS.

The translation effects for the year and the cumulative translation effects have been presented as if the Company had used the U.S. dollar as its presentation currency since January 1, 2011.

The comparative consolidated financial statements and their notes were notified by the change in the presentation currency applying the methodology established by IAS 21, using closing exchange rates for the consolidated statements of financial position and the exchange rates on the date they were accrued for the consolidated statements of income, consolidated statements of comprehensive income and consolidated statements of cash flow.

Historical capital transactions were converted at the exchange rates on the transaction date and subsequently held at historical value.

3. Summary of material accounting policies

The following are the material accounting policies followed by Nemak and its subsidiaries, which have been consistently applied in the preparation of the financial information in the years presented, unless otherwise specified:

a. Basis for preparation

The accompanying consolidated financial statements of Nemak have been prepared in accordance with IFRS Accounting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"). IFRS include all International Financial Reporting Standards, International Accounting Standards ("IAS") in effect and all related interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"), including those previously issued by the Standing Interpretations Committee ("SIC").

The consolidated financial statements have been prepared by Management under the assumption that the Company will continue as a going concern.

The consolidated financial statements have been prepared on a historical cost basis, except for the cash flow hedges, which are measured at fair value and the net assets and the results of the operations of the Company in Argentina, an economy that is considered hyperinflationary, which are expressed in terms of the unit of current measurement as of the closing date of the reporting period.

The preparation of the consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates. Additionally, it requires Management to exercise judgment in the process of applying the Company's accounting policies.

The areas involving a higher degree of judgment or complexity, or areas where judgments and estimates are significant to the consolidated financial statements are disclosed in Note 5.

b. Consolidation

i. Subsidiaries

The subsidiaries are all the entities over which the Company has control. The Company controls an entity when it is exposed or has the right to variable returns from its interest in the entity and has the ability to use its power over the entity to affect returns. When the Company's participation in subsidiaries is less than 100%, the share attributed to outside shareholders is reflected recorded as non-controlling interest. The gain or loss of the subsidiaries, as well as their assets and liabilities, are fully consolidated from the date on which control is transferred to the Company and up to the date it loses such control.

The accounting method used by the Company for business combinations is the acquisition method. The Company defines a business combination as a transaction in which it gains control of a business, and through which it is able to direct and manage the relevant activities of the set of assets and liabilities of such business with the purpose of providing a return in the form of dividends, smaller costs, or other economic benefits directly to stockholders.

The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred, and the equity interests issued by the Company. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable acquired assets and liabilities and contingent liabilities assumed in a business combination are initially measured at their fair values at the acquisition date. The Company recognizes any non-controlling interest in the acquiree based on the share of the non-controlling interest in the net identifiable assets of the acquired entity.

The Company accounts for business combinations using the predecessor method in a jointly controlled entity. The predecessor method involves the incorporation of the carrying amounts of the acquired entity, which includes the goodwill recognized at the consolidated level with respect to the acquiree. Any difference between the carrying value of the net assets acquired at the level of the subsidiary and its carrying amount at the level of the Company are recognized in stockholders' equity.

The acquisition-related costs are recognized as expenses when incurred.

Goodwill is initially measured as excess of the sum of the consideration transferred and the fair value of the non-controlling interest over the net identifiable assets and liabilities assured. If the consideration transferred is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognized directly in the consolidated statement of income.

If the business combination is achieved in stages, the value in books at the acquisition date of the equity previously held by the Company in the acquired entity is remeasured at its fair value at the acquisition date. Any loss or gain resulting from such remeasurement is recorded in income of the year.

Transactions and intercompany balances and unrealized gains on transactions between Nemak companies are eliminated in preparing the consolidated financial statements. In order to ensure consistency with the policies adopted by the Company, the accounting policies of subsidiaries have been changed where deemed necessary.

As of December 31, 2025, 2024 and 2023 the subsidiaries included in the consolidated financial statements of Nemak were as follows:

	Country (1)	Percentage of ownership (%) (2)	Functional currency
Nemak, S.A.B. de C.V. (Holding)	Mexico		U.S. dollar
Nemak Mexico, S.A.	Mexico	100	U.S. dollar
Modellbau Schönheide GmbH	Germany	100	Euro
Nemak Canada, S.A. de C.V. (Holding)	Mexico	100	U.S. dollar
Nemak of Canada Corporation	Canada	100	Canadian dollar
Camen International Trading, Inc.	USA	100	U.S. dollar
Nemak Europe GmbH	Germany	100	Euro
Nemak Exterior, S.L. (Holding)	Spain	100	Euro
Nemak Dillingen GmbH	Germany	100	Euro
Nemak Saarlouis GmbH	Germany	100	Euro
Nemak Dillingen Casting GmbH & Co. KG	Germany	100	Euro
Nemak Wernigerode GmbH	Germany	100	Euro
Nemak Wernigerode GmbH & Co. KG	Germany	100	Euro
Nemak Werkzeug Beteiligungs GmbH (5)	Germany	100	Euro
Nemak Linz GmbH	Austria	100	Euro
Nemak Györ Kft	Hungary	100	Euro
Nemak Poland Sp. Z.o.o.	Poland	100	Euro
Nemak BSEU Sp. Z.o.o.	Poland	100	Euro
Nemak Slovakia, S.r.o.	Slovakia	100	Euro
Nemak Czech Republic, S.r.o.	Czech Republic	100	Euro
Nemak Spain, S.L.	Spain	100	Euro
Nemak Rus, LLC. (3)	Russia	100	Russian ruble
Nemak Pilsting GmbH	Germany	100	Euro
Nemak Alumínio do Brazil Ltda.	Brazil	100	Brazilian real
Nemak Argentina, S.R.L.	Argentina	100	Argentinean peso
Nemak Nanjing Automotive Components Co., Ltd.	China	100	Chinese renminbi yuan
Nemak Chongqing Automotive Components Co, Ltd.	China	100	Chinese renminbi yuan
Nemak Shanghai Management Co., Ltd.	China	100	Chinese renminbi yuan
Nemak Aluminum Casting India Private, Ltd.	India	100	Indian rupee
Nemre Insurance Pte Ltd. (4)	Singapore	100	U.S. dollar
Nemak Commercial Services, Inc.	USA	100	U.S. dollar
Nemak USA, Inc.	USA	100	U.S. dollar
Nemak USA Services, Inc.	USA	100	U.S. dollar
Nemak Automotive Castings, Inc.	USA	100	U.S. dollar
Nemak Izmir Döküm Sanayi A.S.	Turkey	100	Euro
Nemak Izmir Dis Ticaret A.S.	Turkey	100	Euro

(1) Country of incorporation.
(2) Direct and indirect ownership percentage of Nemak SAB as of December 31, 2025, 2024 and 2023.
(3) During 2024, the Company sold its entire stake in Nemak Rus, LLC.
(4) During 2024, the Company liquidated its entire stake in Nemre Insurance Pte, Ltd.
(5) Company incorporated in 2025.

As of December 31, 2025, 2024 and 2023, there are no significant restrictions on investment in shares of the subsidiary companies mentioned above.

ii. Absorption (dilution) of control in subsidiaries

The effect of absorption (dilution) of control in subsidiaries, in example, an increase or decrease in the percentage of control, is recorded in stockholders' equity, directly in retained earnings, in the period in which the transactions that cause such effects occur. The effect of absorption (dilution) of control is determined by comparing the book value of the investment before the event of dilution or absorption against the book value after the relevant event. In the case of loss of control, the dilution effect is recognized in income.

iii. Sale or disposal of subsidiaries

When the Company ceases to have control any retained interest in the entity is re-measured at fair value, and the change in the carrying amount is recognized in the consolidated statement of income. The fair value is the initial carrying value for accounting purposes for any subsequent retained interest in the associate, joint venture, or financial asset. Any amount previously recognized in comprehensive income in respect of that entity is accounted for as if the Company had directly disposed of the related assets and liabilities. This implies that the amounts recognized in comprehensive income are reclassified to income for the year.

iv. Associates

Associates are all entities over which the Company has significant influence but not control, generally, an investor must hold between 20% and 50% of the voting rights in an investee for it to be an associate. Investments in associates are accounted for using the equity method and are initially recognized at cost. The Company's investment in associates includes goodwill identified at acquisition, net of any accumulated impairment loss.

If the equity in an associate is reduced but significant influence is maintained, only a portion of the amounts recognized in comprehensive income are reclassified to income for the year, where appropriate.

The Company's share of profits or losses of associates, post-acquisition, is recognized in the consolidated statement of income and its share in other comprehensive income of associates is recognized as other comprehensive income. When the Company's share of losses in an associate, equals or exceeds its equity in the associate, including unsecured receivables, the Company does not recognize further losses unless it has incurred obligations or has made payments on behalf of the associate.

Each reporting date, the Company assesses whether there is objective evidence that the investment in the associate is impaired.

Unrealized gains on transactions between the Company and its associates are eliminated to the extent of the Company's equity in such gains. Unrealized losses are also eliminated unless the transaction provides evidence that the asset transferred is impaired. In order to ensure consistency with the policies adopted by the Company, the accounting policies of associates have been modified. When the Company ceases to have significant influence over an associate, any difference between the fair value of the remaining investment, including any consideration received from the partial disposal of the investment and the book value of the investment is recognized in the consolidated statement of income.

c. Foreign currency translation

i. Functional and presentation currency

The amounts included in the financial statements of the Company should be measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in thousands of U.S. dollars.

When there is a change in the functional currency of one of the subsidiaries, according to IAS 21, this change is accounted for prospectively, translating at the date of the change of functional currency, all assets, liabilities, equity, and income items to the exchange rate on that date.

ii. Transactions and balances

Transactions in foreign currencies are translated into the functional currency using the foreign exchange rates prevailing at the transaction date or valuation date when the amounts are re-measured. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing exchange rates are recognized as foreign exchange gain or loss in the income statement, except for those which are deferred in comprehensive income and qualify as cash flow hedges.

Changes in the fair value of securities or monetary financial assets denominated in foreign currency classified as available for sale are divided between fluctuations resulting from changes in the amortized cost of such securities and other changes in value. Subsequently, currency fluctuations are recognized in income and changes in the carrying amount arising from any other circumstances are recognized as part of comprehensive income.

Conversion differences of non-monetary assets, for example, investments classified as available for sale, are included in other comprehensive income.

Exchange differences of monetary assets classified as financial instruments at fair value through profit or loss are recognized in the consolidated statement of income as part of the gain or loss of fair value.

Translation of recording currency other than the functional currency

The financial statements of the Company having a recording currency different from their functional currency were translated into the functional currency in accordance with the following procedure:

a. The balances of monetary assets and liabilities denominated in the recording currency were translated at the closing exchange rates.

b. To the historical balances of monetary assets and liabilities and stockholders' equity translated into the functional currency there were added the movements occurred during the period, which were translated at historical exchange rates. In the case of the movements of non-monetary items recognized at fair value, which occurred during the period, stated in the recording currency, these were translated using the historical exchange rates in effect on the date when the fair value was determined.

c. Income, costs, and expenses of the periods, expressed in the recording currency, were translated at the historical exchange rate of the date they were accrued and recognized in the income statement, except when they arose from non-monetary items, in which case the historical exchange rate of the non-monetary items was used.

d. The exchange differences were recognized in the consolidated statement of income in the period they arose.

Translation of functional currency other than the presentation currency.

The results and financial position of all Nemak entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows, depending on whether the functional currency comes from a non-hyperinflationary or hyperinflationary environment:

Non-hyperinflationary environment

a. Assets and liabilities for each statement of financial position presented are translated at the closing exchange rate at the closing date;

b. Stockholders' equity of each consolidated statement of financial position are translated at historical rates.

c. Income and expenses for each statement of income are translated at an average exchange rate (when the average exchange rate is not a reasonable approximation of the cumulative effect of the rates of the transaction, to the exchange rate at the date of the transaction is used); and

d. The resulting exchange differences are recognized in the consolidated statement of other comprehensive income.

Hyperinflationary environment

a. Assets, liabilities, and equity in the statement of financial position, as well as income and expenses in the income statement, are translated at the closing exchange rate of the statement of financial position, after being restated in its functional currency (Note 3 d.); and

b. Assets, liabilities, equity, income, and expenses of the comparative period are maintained according to the amount obtained in the translation of the year in question, that is, the financial statements of the preceding period. These amounts are not adjusted to subsequent exchange rates because the Company presents its financial information in U.S. dollars, which correspond to a currency of a non-hyperinflationary environment.

Goodwill and fair value adjustments arising on the acquisition date of a foreign transaction to measure them at their fair value are recognized as assets and liabilities of the foreign entity and are converted to the closing exchange rate. The exchange differences that arise are recognized in the consolidated statement of comprehensive income.

The primary exchange rates in the various translation processes are listed below:

		Currencies to U.S. dollars					
		Closing exchange r ate at December 31,			Average exchange for he year ended December 31,		
Country	Local currency	2025	2024	2023	2025	2024	2023
Canada	Canadian dollar	0.7295	0.6954	0.7585	0.7143	0.7344	0.7389
Mexico	Mexican peso	0.0556	0.0493	0.0592	0.0519	0.0546	0.0563
Brazil	Brazilian real	0.1823	0.1619	0.2061	0.1785	0.1858	0.1990
Argentina	Argentinean peso	0.0007	0.0010	0.0012	0.0008	0.0011	0.0039
Czech Republic	Euro	1.1743	1.0354	1.1049	1.1265	1.0838	1.0796
Germany	Euro	1.1743	1.0354	1.1049	1.1265	1.0838	1.0796
Austria	Euro	1.1743	1.0354	1.1049	1.1265	1.0838	1.0796
Hungary	Euro	1.1743	1.0354	1.1049	1.1265	1.0838	1.0796
Poland	Euro	1.1743	1.0354	1.1049	1.1265	1.0838	1.0796
Slovakia	Euro	1.1743	1.0354	1.1049	1.1265	1.0838	1.0796
Spain	Euro	1.1743	1.0354	1.1049	1.1265	1.0838	1.0796
China	Chinese renminbi yuan	0.1431	0.1370	0.1408	0.1391	0.1399	0.1409
India	Indian rupee	0.0111	0.0117	0.0120	0.0115	0.0120	0.0121
Russia	Russian ruble	0.0126	0.0088	0.0111	0.0119	0.0108	0.0119
Turkey	Euro	1.1743	1.0354	1.1049	1.1265	1.0838	1.0796

d. Hyperinflationary effects on financial statements

As of July 1, 2018, the cumulative inflation from the prior 3 years in Argentina exceeded 100%; consequently, the Argentine peso was classified as a currency of a hyperinflationary economic environment. As a result, the financial statements of the subsidiaries located in that country, whose functional currency is the Argentine peso, have been restated and adjusted for inflation in accordance with the requirements of the International Accounting Standard 29, Financial Information in Hyperinflationary Economies ("IAS 29"), and have been consolidated in compliance with the requirements of IAS 21.

The purpose of applying these requirements is to consider changes in the general purchasing power of the Argentine peso in order to present the financial statements in the measuring unit effective at the date of the statement of financial position. The financial statements, before including any inflation adjustments, were prepared using the historical cost method. The Company determined the inflation adjustments in its consolidated financial statements in the following manner:

a. The amounts corresponding to non-monetary items of each statement of financial position, which are not measured at the date of the statement of financial position at their fair value or net realizable value, as the case may be, are restated by applying to their historical cost the change of a general price index from the date of acquisition or the date of its last measurement at fair value, to the date of the statement of financial position;

b. The amounts corresponding to monetary items of the statement of financial position are not restated;

c. The components of stockholders' equity of each statement of financial position are restated:

   1) At the beginning of the first period of application of IAS 29, except for retained earnings, by applying the change of a general price index from the dates the components were originated to the date of restatement. Restated retained earnings are derived from all the other balances in the statement of financial position;

   2) At the end of the first period and in subsequent periods, all components of stockholders' equity are restated by applying a general price index from the beginning of the period or the date of contribution, if later.

d. Revenues and expenses are restated by applying the change in the general price index, from the date on which the expenses and revenues were recognized, up to the reporting date.

e. Gains or losses arising from the net monetary position are recognized in the consolidated statement of income.

The Company reflects the effects of hyperinflation on the financial information of its subsidiary in Argentina using price indexes that are considered appropriate in accordance with Resolution 539/19 JG (the "Resolution") of the Argentine Federation of Professional Councils of Economic Sciences. This resolution establishes that a combination of price indices should be used in the calculation of the effects of restatement of financial statements. Therefore, the Company has decided to use the Consumer Price Index ("CPI") to restate balances and transactions.

The effects of the restatement of the financial statements of the subsidiary located in Argentina were not material, and they were included in the "Financial result, net" line item of the year ended December 31, 2024.

e. Cash and cash equivalents

Cash and cash equivalents include cash on hand, bank deposits available for operations and other short-term investments of high liquidity with original maturities of three months or less, all of which are subject to insignificant risk of changes in value and maintain a high credit quality. Bank overdrafts are presented as loans as a part of the current liabilities.

f. Restricted cash

Cash and cash equivalents whose restrictions cause them not to comply with the definition of cash and cash equivalents given above, are presented in a separate line in the consolidated statement of financial position and are excluded from cash and cash equivalents in the consolidated statement cash flows.

g. Financial instruments

Financial assets

The Company classifies and measures its financial assets based on the Company's business model to manage financial assets, and on the characteristics of the contractual cash flows of such assets. This way financial assets can be classified at amortized cost, at fair value through other comprehensive income, and at fair value through profit or loss. Management determines the classification of its financial assets upon initial recognition. Purchases and sales of financial assets are recognized at settlement date.

Financial assets are entirely written off when the right to receive the related cash flows expires or is transferred, and the Company has also substantially transferred all the risks and rewards of its ownership, as well as the control of the financial asset.

Classes of financial assets

i. Financial assets at amortized cost

Financial assets at amortized cost are financial assets that i) are held within a business model whose objective is to hold said assets in order to collect contractual cash flows; and ii) the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the amount of outstanding principal.

ii. Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss, are financial assets that do not meet the characteristics to be measured at amortized cost or fair value through other comprehensive income, since i) they have a business model different to those that seek to collect contractual cash flows or collect contractual cash flows and sell the financial assets, or otherwise ii) the generated cash flows are not solely payments of principal and interest on the amount of outstanding principal.

Impairment of financial assets

The Company uses a new impairment model based on expected credit losses rather than losses incurred, applicable to financial assets subject to such assessment (i.e. financial assets measured at amortized cost and at fair value through other comprehensive income), as well as lease receivables, contract assets, certain written loan commitments, and financial guarantee contracts. The expected credit losses on these financial assets are estimated from the origin of the asset at each reporting date, taking as a reference the historical experience of the Company's credit losses, adjusted for factors that are specific to the debtors or groups of debtors, the general economic conditions, and an evaluation of both the current direction and the forecast of future conditions.

a. Trade receivables

The Company adopted the simplified expected loss calculation model, through which expected credit losses during the asset's lifetime are recognized.

The Company carries out an analysis of its portfolio of accounts receivable from clients, in order to determine if there are significant clients for whom it requires an individual evaluation; on the other hand, customers with similar characteristics that share credit risks (participation in the portfolio of accounts receivable, market type, sector, geographic area, etc.), are grouped to be evaluated collectively.

For the impairment assessment, the Company may include indications that the debtors or a group of debtors are experiencing significant financial difficulties; increase in the probability of debtors entering into bankruptcy or a financial restructuring, as well as observable data indicating that there is a considerable decrease in the estimate of the cash flows to be received, including arrears.

For purposes of the previous estimate, the Company considers that the following constitutes an event of default, since historical experience indicates that financial assets are not recoverable when they meet any of the following criteria:

- The debtor fails to meet the financial covenants; or
- Information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in its entirety (without considering any guarantee held by the Company).

The Company defined as the default threshold, the period from which the recovery of the account receivable subject to analysis is marginal; in this case, 271 days of delay, which is in line with internal risk management.

b. Other financial instruments

The Company recognizes credit losses expected during the asset's lifetime of all financial instruments for which credit risk has significantly increased since its initial recognition (assessed on a collective or individual basis), considering all the reasonable and sustainable information, including the one referring to the future. If as of the date of presentation of the credit risk a financial instrument has not significantly increased since its initial recognition, the Company calculates the loss allowance for that financial instrument as the amount of expected credit losses in the following 12 months.

In both cases, the Company recognizes in profit or loss of the period the decrease or increase in the expected credit loss allowance at the end of the period, as an impairment gain or loss.

The Company calculates expected credit losses of a financial instrument in such a way that reflects:

a. an amount of weighted probability, not biased, which is determined by the assessment of a range of possible results;

b. the time value of money; and

c. the reasonable and sustainable information that is available without cost or disproportionate effort at the date of presentation on past events, current conditions and forecasts of future economic conditions.

In measuring the expected credit losses, the Company does not necessarily identify all the possible scenarios. However, it considers the risk or probability that a credit loss occurs, reflecting the possibility that the payment default occurs and does not occur, even if that possibility is very low. In addition, the Company determines the period for the default to occur, and the recoverability rate after default.

Management assesses the impairment model, and the inputs used therein at least once every 3 months, in order to ensure that they remain in effect based on the current situation of the portfolio.

Financial liabilities

Financial liabilities that are not derivatives are initially recognized at fair value and subsequently are valued at the amortized cost using the effective interest method. Liabilities in this category are classified as current liabilities when they must be settled within the next 12 months; otherwise, they are classified as non-current liabilities.

Accounts payable are obligations to pay for goods or services that have been acquired or received by suppliers in the ordinary course of business. Loans are initially recognized at their fair value, net of transaction costs incurred. The loans are subsequently recognized at amortized cost; any difference between the resources received (net of transaction costs) and the settlement value is recognized in the consolidated statement of income over the term of loan using the effective interest method.

Derecognition of financial liabilities

The Company derecognizes financial liabilities if, and only, the Company's liabilities are met, cancelled, or expired. The difference between the book value of the financial liabilities derecognized and the consideration, is recognized in the consolidated statement of income.

Additionally, when the Company incurs a refinancing transaction and the previous liability qualifies to be derecognized, the incurred costs of refinancing are recognized immediately in the consolidated statement of income at the extinction date of the past financial liability.

Compensation of financial assets and liabilities

Financial assets and liabilities are offset, and the net amount is presented in the consolidated statement of financial position when the right to offset the amounts recognized is legally enforceable and there is an intention to settle them on a net basis or to realize the asset and pay the liability simultaneously.

h. Derivative financial instruments and hedging activities

All derivative financial instruments are identified and classified as fair value hedges or cash flow hedges, for trading or hedging market risks and are recognized in the consolidated statement of financial position as assets and/or liabilities at fair value and subsequently measured at fair value. The fair value is determined based on recognized market prices and using valuation techniques accepted in the financial sector.

The fair value of hedging derivatives is classified as a non-current asset or liability if the remaining maturity of the hedged item is more than 12 months and as a current asset or liability if the remaining maturity of the hedged item is less than 12 months.

Derivative financial instruments classified as hedges are contracted for risk hedging purposes and meet all hedging requirements; their designation at the beginning of the hedging operation is documented, describing the objective, primary position, risks to be hedged and the effectiveness of the hedge relationship, characteristics, accounting recognition and how the effectiveness will be measured, applicable to this transaction.

Cash flow hedges

The changes in the fair value of derivative instruments associated to cash flow hedges are recorded in stockholders' equity. The effective portion is temporarily recorded in comprehensive income, within stockholders' equity and is reclassified to profit or loss when the hedged position affects them, the ineffective portion is immediately recorded in income.

Net investment hedge in a foreign transaction

The Company applies hedge accounting to currency risk arising from its investments in foreign transactions for variations in exchange rates arising between the functional currency of such transaction and the functional currency of the holding entity, regardless of whether the investment is maintained directly or through a sub-holding entity. Variation in exchange rates is recognized in the other items of comprehensive income as part of the translation effect when the foreign transaction is consolidated.

To this end, the Company designates the debt denominated in a foreign currency as a hedging instrument; therefore, the exchange rate effects caused by the debt are recognized in other components of comprehensive income, on the translation effects line item, to the extent that the hedge is effective. When the hedge is not effective, exchange differences are recognized in profit or loss.

Suspension of hedge accounting

The Company suspends hedge accounting when the derivative financial instrument or the non-derivative financial instrument has expired, is cancelled, or exercised, when the derivative or non-derivative financial instrument is not highly effective to offset the changes in the fair value or cash flows of the hedged item. The replacement or successive renewal of a hedging instrument for another one is not an expiration or resolution if such a replacement or renewal is part of the Company's documented risk management objective, and it is consistent with this.

On suspending hedge accounting, in the case of fair value hedges, the adjustment to the carrying amount of a hedged amount for which the effective interest rate method is used, is amortized to income over the period to maturity, in the case of cash flow hedges, the amounts accumulated in equity as a part of comprehensive income, remain in equity until the effects of the forecasted transaction affect income. In the event the forecasted transaction is not likely to occur, the income or loss accumulated in comprehensive income is immediately recognized in the consolidated statement of income. When the hedge of a forecasted transaction is satisfactory and subsequently does not meet the effectiveness test, the cumulative effects in comprehensive income in stockholders' equity are proportionally transferred to the consolidated statement of income, to the extent the forecasted transaction impacts it.

The fair value of derivative financial instruments reflected in the consolidated financial statements of the Company, is a mathematical approximation of their fair value. It is computed using proprietary models of independent third parties using assumptions based on past and present market conditions and future expectations at the closing date.

i. Inventories

Inventories are stated at the lower of cost or net realizable value. Cost is determined using the average cost method. The cost of finished goods and work-in-progress includes the cost of product design, raw materials, direct labor, other direct costs and production overheads (based on normal operating capacity), it excludes borrowing costs. The net realizable value is the estimated selling price in the normal course of business, less the applicable variable selling expenses. Costs of inventories include any gain or loss transferred from other comprehensive income corresponding to raw material purchases that qualify as cash flow hedges.

j. Property, plant and equipment

Items of property, plant and equipment are recorded at cost less the accumulated depreciation and any accrued impairment losses. Costs include expenses directly attributable to the asset acquisition.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be reliably measured. The carrying amount of the replaced part is derecognized. Repairs and maintenance are recognized in the consolidated statement of income during the year they are incurred. Major improvements are depreciated over the remaining useful life of the related asset.

When the Company carries out major repairs or maintenance of its property, plant and equipment assets, and the cost is recognized in the book value of the corresponding asset as a replacement, provided that the recognition criteria are met, the remaining portion of any major repair or maintenance is derecognized. The Company subsequently depreciates the recognized cost in the useful life assigned to it, based on its best estimate of useful life.

Depreciation is calculated using the straight-line method, considering each of the asset's components separately, except for land, which is not subject to depreciation. The estimated useful lives of asset classes are as follows:

Buildings and constructions	20 to 50 years
Machinery and equipment	10 to 30 years
Vehicles	4 to 20 years
Furniture and office equipment	6 to 15 years
Other assets	10 to 20 years

The spare parts to be used after one year and attributable to specific machinery are classified as property, plant and equipment in other fixed assets.

Borrowing costs related to financing of property, plant and equipment whose acquisition or construction takes a substantial period to be ready for its use (nine months or more), are capitalized as part of the cost of acquiring such qualifying assets, up to the moment when they are suitable for their intended use or sale.

Assets classified as property, plant and equipment are subject to impairment tests when events or circumstances occur indicating that the carrying amount of the assets may not be recoverable. An impairment loss is recognized in the consolidated statement of income in other expenses, net, for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of fair value less costs to sell and value in use.

The residual value and useful lives of assets are reviewed at least at the end of each reporting period and, if expectations differ from previous estimates, the changes are accounted for as a change in accounting estimate.

Gains and losses on disposal of assets are determined by comparing the sale value with the carrying amount and are recognized in other expenses, net, in the consolidated statement of income.

k. Leases

The Company as lessee

The Company evaluates whether a contract meets the criteria for being classified as a lease agreement at the start of the agreement's term. A lease is defined as an agreement or part of an agreement that conveys the right to control the use of an identified asset for a period of time in exchange for a consideration. The Company recognizes a right-of-use asset and the corresponding lease liability, for all lease agreements in which it acts as lessee, except in the following cases: short-term leases (defined as leases with a lease term of less than 12 months); leases of low-value assets (defined as leases of assets with an individual market value of less than $5; and lease agreements whose payments are variable (without any contractually defined fixed payment). In these cases, the Company recognizes the rent payments as an operating expense in a straight-line method over the lease period.

The right-of-use asset comprises all lease payments discounted at present value; the direct costs to obtain a lease; the advance lease payments; and the obligations of dismantling or removal of assets. The Company depreciates the right-of-use asset over the shorter of the lease term or the useful life of the underlying asset; therefore, when the lessee will exercise a purchase option, the lessee shall depreciate the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Depreciation begins on the lease commencement date.

The lease liability is initially measured at the present value of the future minimum lease payments that have not been paid at that date, using a discount rate that reflects the cost of obtaining funds for an amount similar to the value of the lease payments, for the acquisition of the underlying asset, in the same currency and for a similar period to the corresponding contract (incremental borrowing rate). When lease payments contain non-lease components (services), the Company has chosen, for some class of assets, not to separate them and measure all payments as a single lease component; however, for the rest of the class of assets, the Company measures the lease liability only considering lease payments, while all of the services implicit in the payments, are recognized directly in the consolidated statement of income as operating expenses.

To determine the lease term, the Company considers the non-cancellable period, including the probability of exercising any right to extend and/or terminate the lease term.

Subsequently, the lease liability is measured increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and reducing the carrying amount to reflect the lease payments made.

When there is a modification in future lease payments resulting from changes in an index or a rate used to determine those payments, the Company measures the lease liability when the adjustment to the lease payments takes effect, without reassessing the discount rate. However, if the modifications are related to the lease term or exercising a purchase option, the Company reassesses the discount rate during the liability's remeasurement. Any increase or decrease in the value of the lease liability subsequent to this remeasurement is recognized as an adjustment to the right-of-use asset to the same extent.

Finally, the lease liability is derecognized when the Company fulfills all lease payments. When the Company determines that it is probable that it will exercise an early termination of the contract that leads to a cash disbursement, such disbursement is accounted as part of the liability's remeasurement mentioned in the previous paragraph; however, in cases in which the early termination does not involve a cash disbursement, the Company cancels the lease liability and the corresponding right-of-use asset, recognizing the difference immediately in the consolidated statement of income.

l. Goodwill and intangible assets

Intangible assets are recognized in the consolidated statement of financial position when they meet the following conditions: they are identifiable, provide future economic benefits and the Company has control over such benefits.

Intangible assets are classified as follows:

(i) indefinite useful life

These intangible assets are not amortized and are subject to annual impairment assessment. As of December 31, 2025, 2024 and 2023, no factors have been identified limiting the life of these intangible assets.

a. Goodwill

Goodwill represents the excess of the acquisition cost of a subsidiary over the Company's equity in the fair value of the identifiable net assets acquired, determined at the date of acquisition, and is not subject to amortization. Goodwill is shown under goodwill and intangible assets and is recognized at cost less accumulated impairment losses, which are not reversed. Gains or losses on the disposal of an entity include the carrying amount of goodwill related to the entity sold.

(ii) Finite useful life

These assets are recognized at cost less accumulated amortization and impairment losses recognized. They are amortized on a straight-line basis over their estimated useful life, determined based on the expectation of generating future economic benefits, and are subject to impairment tests when triggering events of impairment are identified.

The estimated useful lives of intangible assets with finite useful lives are summarized as follows:

Development costs	5 to 10 years
Relationships with customers	5 to 17 years
Software and licenses	3 to 11 years
Trademarks and patents	15 to 20 years

b. Development costs

Research costs are recognized in income as incurred. Expenditures on development activities are recognized as intangible assets when such costs can be reliably measured, the product or process is technically and commercially feasible, potential future economic benefits are obtained, and the Company intends and also has sufficient resources to complete the development and to use or sell the asset. Their amortization is recognized in income using straight-line method over the estimated useful life of the asset. Development expenditures that do not qualify for capitalization are recognized in income as incurred.

c. Other relationships with customers

The Company has recognized certain relationships with customers corresponding to the costs incurred to obtain new agreements with certain OEMs (Original Equipment Manufacturers), and which will be recognized as a revenue reduction over the term of these agreements. The amortization method used is based on the volume of units produced. As of December 31, 2025, 2024 and 2023, the Company recorded a reduction in revenues associated with the amortization of these assets of $7,050, $5,801 and $7,067 for this item, respectively.

m. Impairment of non-financial assets

Assets that have an indefinite useful life, for example goodwill, are not depreciable or amortizable and are subject to annual impairment tests. Assets that are subject to amortization are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels at which there are separately identifiable cash flows (cash generating units). Non-financial long-term assets other than goodwill that have suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

n. Income tax

The amount of income taxes in the consolidated statements of income represents the sum of the current and deferred income taxes.

The amount of income taxes included in the consolidated statements of income represents the current tax and the effects of deferred income tax assets determined in each subsidiary using the asset and liability method, applying the rate established by the legislation enacted or substantially enacted at the consolidated statement of financial position date, wherever the Company operates and generates taxable income. The applicable rates are applied to the total temporary differences resulting from comparing the accounting and tax bases of assets and liabilities, and that are expected to be applied when the deferred tax asset is realized or the deferred tax liability is expected to be settled, considering, when applicable, any tax-loss carryforwards, prior to the recovery analysis. The effect of the change in current tax rates is recognized in current income of the period in which the rate change is determined.

Management periodically evaluates positions taken in tax returns with respect to situations in which the applicable law is subject to interpretation. Provisions are recognized when appropriate based on the amounts expected to be paid to the tax authorities.

Deferred tax assets are recognized only when it is probable that future taxable profits will exist against which the deductions for temporary differences can be taken.

The deferred income tax on temporary differences arising from investments in subsidiaries and associates is recognized unless the period of reversal of temporary differences is controlled by Nemak, and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset only when a legal right exists and offset exists when taxes are levied by the same tax authority.

o. Employee benefits

i. Pension plans

Defined contribution plans:

A defined contribution plan is a pension plan under which the Company pays fixed contributions to a separate entity. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to their service in the current and past periods. Contributions are recognized as employee benefit expense on the date the contribution is required.

Defined benefit plans:

A defined benefit plan is a plan, which specifies the amount of the pension an employee will receive at retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognized in the consolidated statement of financial position in respect of defined benefit plans is the present value of the defined benefit obligation at the consolidated statement of financial position date less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using discount rates in conformity with the IAS 19, Employee Benefits, that are denominated in the currency in which the benefits will be paid and have maturities that approximate the terms of the pension liability.

Actuarial gains and losses from adjustments and changes in actuarial assumptions are recognized directly in other comprehensive income in the year they occur.

The Company determines the net finance expense (income) by applying the discount rate to the liabilities (assets) from net defined benefits.

Past-service costs are recognized immediately in the consolidated statements of income.

ii. Post-employment medical benefits

The Company provides medical benefits to retired employees after termination of employment. Eligibility for these benefits usually depends on the employee having worked up to the retirement age and having completed a minimum number of years of service. The expected costs of these benefits are accrued over the period of employment using the same criteria as those described for defined benefit pension plans.

iii. Termination benefits

Termination benefits are payable when the Company terminates the employment contract before the normal retirement date or when the employee accepts voluntary severance in exchange for these benefits. The Company recognizes termination benefits in the first of the following dates: (a) when the Company can no longer withdraw the offer of these benefits, and (b) when the Company recognizes the costs from restructuring within the scope of the IAS 37, Provisions, Contingent Liabilities and Contingent Assets and it involves the payment of termination benefits. If there is an offer that promotes the termination of the employment relationship voluntarily by employees, termination benefits are valued based on the number of employees expected to accept the offer. Benefits that will be paid in the long-term are discounted at their present value.

iv. Short-term benefits

The Company provides benefits to employees in the short-term, which may include wages, salaries, annual compensation, and bonuses payable within 12 months. Nemak recognizes an undiscounted provision when it is contractually obligated or when past practice has created an obligation.

v. Employee participation in profit and bonuses

The Company recognizes a liability and an expense for bonuses and employee profit sharing when it has a legal or assumed obligation to pay these benefits and determines the amount to be recognized based on the profit for the year after certain adjustments.

p. Provisions

Liability provisions represent a present legal obligation or a constructive obligation as a result of past events where an outflow of resources to meet the obligation is likely and where the amount has been reliably estimated. Provisions are not recognized for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the value of money over time and the risks specific to the obligation. The increase in the provision due to the passage of time is recognized as an interest expense.

When there are a number of similar obligations, the likelihood that an outflow will be required for settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any item included in the same class of obligations may be remote.

Provisions for legal claims are recognized when the Company has a present obligation (legal or assumed) as a result of past events, it is likely that an outflow of economic resources will be required to settle the obligation, and the amount can be reasonably estimated.

A restructuring provision is recorded when the Company has developed a formal detailed plan for the restructure, and a valid expectation for the restructure has been created between the people affected, possibly for having started the plan implementation or for having announced its main characteristics to them.

q. Share-based payments

The Company has compensation plans based on the market value of Nemak's shares in favor of certain senior executives and subsidiaries (Note 21). The conditions for granting such compensation to the eligible executives include compliance with certain financial metrics such as the level of profit achieved and remaining in the Company for up to 5 years, among other requirements. The Board of Directors has appointed a technical committee to manage the plan, and it reviews the estimated cash settlement of this compensation at the end of the year. The payment plan is always subject to the discretion of the senior management of Nemak. Adjustments to this estimate are charged or credited to the consolidated statement of income.

The fair value of the amount payable to employees in respect of share-based payments which are settled in cash is recognized as an expense, with a corresponding increase in liabilities, over the period of service required. The liability is included within other liabilities and is adjusted at each reporting date and the settlement date. Any change in the fair value of the liability is recognized as a compensation expense in the consolidated statement of income.

r. Capital stock

Nemak SAB's common shares are classified as capital stock within stockholders' equity. Incremental costs directly attributable to the issuance of new shares are included in equity as a reduction from the consideration received, net of tax. Upon the occurrence of a repurchase of its own shares, they become treasury shares, and the amount is presented as a reduction to stockholders' equity at the purchase price. These amounts are stated at their historical value. As of December 31, 2025, 2024 and 2023, $7,695, $11,199 and $2,082 were repurchased, respectively.

s. Revenue recognition

Revenues comprise the fair value of the consideration received or to receive for the sale of goods in the ordinary course of the transactions, and are presented in the consolidated statements of income, net of the amount of variable considerations, which comprise the estimated amount of returns from customers, rebates and similar discounts.

To recognize revenues from contracts with customers, the comprehensive model for revenue accounting is applied, which is based on a five-step approach consisting of the following: (1) identify the contract; (2) identify performance obligations in the contract; (3) determine the transaction price; (4) allocate the transaction price to each performance obligation in the contract; and (5) recognize revenue when the company satisfies a performance obligation.

Contracts with customers are given by commercial agreements with the OEM and complemented by purchase orders, whose costs comprise the promises to produce, distribute and deliver goods based on the contractual terms and conditions set forth, which do not imply a significant judgment to be determined. When there are payments related to obtaining new contracts, they are capitalized and amortized over the term of the contract obtained.

The Company evaluates whether the agreements signed for the development of tooling, in parallel with a production contract with the OEMs, should be combined as a single contract. In cases where the two contracts meet the characteristics to be combined, the Company's Management evaluates whether the development of tooling represents a performance obligation, or a cost to fulfill a contract.

Based on the above, when determining the existence of separable performance obligations in a contract with customers, Management evaluates the transfer of control of the good or service to the customer, for the purpose of determining the moment of revenue recognition related to each performance obligation.

When there are modifications to the transaction price, it is recognized as an adjustment to income (increase or reduction) on the date of the contract modification, that is, the adjustment to income is made on a difference recovery basis with the accumulated figures.

Prices assigned to production are based on prices set forth in our customers' purchase orders that represent the stand-alone selling price. Prices are subject to adjustment for changes in aluminum raw material prices.

Changes in raw material prices are monitored, and revenues are adjusted as changes in the raw material price occur. Raw material prices are based on the raw material index at the start of the contract. Price changes are monitored, and revenues are adjusted as changes in the raw material index occur.

Revenues from changes in energy costs, labor costs, inflation, as well as compensations for not meeting consumption volume are recognized as they are negotiated with customers.

If the products have not been delivered by the date of the modification to the transaction price, the Company accounts for the effects of the modification on unsatisfied performance obligations. The Company accounts for the modification of the contract as if it were the termination of an existing one and the creation of a new one, if the pending products are different from those transferred on the date of its modification or before.

Moreover, the payment terms identified in the majority of the sources of revenue are in the short-term, with variable considerations primarily focused on discounts and rebates of goods given to customers, without financing components or significant guarantees. These discounts and incentives to customers are recognized as a reduction to income; therefore, the allocation of the price is directly on the performance obligations of production, including the effects of variable considerations.

The Company recognizes revenue from the sale of goods at a point in time when the goods have been transferred to the customer. The transfer of control occurs at the time of delivery and acceptance of the promised goods to the customer, according to the negotiated contractual terms, which mostly occurs upon delivery of the goods at the Company's facilities. Therefore, an account receivable is recognized when the performance obligations have been met, recognizing the corresponding revenue.

The Company recognizes revenue from tooling (when identified as a performance obligation) at a point in time when the tooling is contractually accepted by the OEM. At the point when the OEM agrees to the performance of the tooling, a payment right is created for the Company to receive the consideration attributable to the investment incurred by the Company. At that point, when the production stage has been initiated, the primary beneficiary of the tooling output is the OEM, and this indicates that control has been transferred, and gross profit is recognized in cost of sales.

t. Advanced payments

Advanced payments mainly comprise insurance and the corporate fee paid to suppliers. These amounts are recorded based on the contractual value and are carried to the consolidated statement of income on a monthly basis during the life to which each advanced payment corresponds: the amount that corresponds to the portion to be recognized within the next 12 months is presented in current assets and the remaining amount is presented in non-current assets.

u. Assets held for sale

Assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

Assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable, and the asset (or disposal group) is available for immediate sale in its present condition and Management must be committed to the sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

v. Earnings per share

Earnings per share are calculated by dividing the profit attributable to the stockholders of the parent by the weighted average number of common shares outstanding during the year. As of December 31, 2025, 2024 and 2023, there are no dilutive effects from financial instruments potentially convertible into shares.

w. Changes in accounting policies and disclosures

i. New standards and changes adopted.

In the current year, the Company has applied a number of amendments to IFRS issued by the IASB that are mandatorily effective for an accounting period that begins on or after January 1, 2025. The conclusions related to their adoption are described as follows:

Amendments to IAS 21 – Lack of Exchangeability

The amendments specify when a currency is exchangeable for another currency and when it is not. A currency is exchangeable when an entity is able to exchange that currency for the other currency through markets or exchange mechanisms that create enforceable rights and obligations without undue delay at the measurement date and for a specified purpose. A currency is not exchangeable into the other currency if an entity can only obtain an insignificant amount of the other currency.

The amendments specify how an entity determines the exchange rate to apply when a currency is not exchangeable.

The amendments require additional disclosures that enable users of its financial statements to evaluate how a currency's lack of exchangeability affects, or is expected to affect, its financial performance, financial position and cash flows.

The Company evaluated the amendments to IAS 21 and determined that the implementation of these amendments had no effect on its financial information.

ii. New, revised and issued IFRS, but not yet effective.

As of the date of these consolidated financial statements, the Company had not applied the following amendments to the IFRS that have been issued, but are not yet effective, and the adoption of these amendments, except for IFRS 18, is not expected to have a material impact on the consolidated financial statements in future periods, considering that they are not of significant applicability. The amendments to the IFRS are included below:

- Amendments to IFRS 7 and IFRS 9 – Classification and Measurement of Financial Instruments (1)
- Amendments to IFRS 7 and IFRS 9 – Nature-dependent Electricity Contracts (1)
- Annual Improvements to IFRS Standards – Volume 11 – Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 7 Financial Instruments: Disclosures and its Implementation Guidance, IFRS 9 Financial Instruments, IFRS 10 Consolidated Financial Statements and IAS 7 Statement of Cash Flows (1)
- IFRS 19 – Subsidiaries without Public Accountability: Disclosures (2)
- IAS 21 – Translation to a presentation currency in a hyperinflationary environment (2)

(1) Effective for annual reporting periods beginning on January 1, 2026
(2) Effective for annual reporting periods beginning on January 1, 2027

IFRS 18 – Presentation and Disclosure in Financial Statements

IFRS 18 replaces IAS 1, carrying forward many of the requirements in IAS 1 unchanged and complementing them with new requirements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Furthermore, the IASB has made minor amendments to IAS 7 and IAS 33.

IFRS 18 introduces new requirements to:

- Present specified categories and defined subtotals in the statement of profit or loss
- Provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements
- Improve aggregation and disaggregation

The IFRS 18 is effective for annual periods beginning on or after 1 January 2027. Early adoption is permitted. The amendments to IAS 7, IAS 33, IAS 8 and IFRS 7 are effective when an entity first adopts IFRS 18. An entity is required to apply IFRS 18 retrospectively by applying the temporary specific terms.

The Company is conducting an analysis to determine the applicable amendments to the presentation of the consolidated income statement and the consolidated statement of cash flows, and to identify the MPMs to be disclosed within its consolidated financial statements.

4. Financial instruments and financial risk management

The Company's activities expose it to various financial risks; market risk (including exchange rate risk, price risk, and interest rate variation risk), credit risk and liquidity risk.

The Company has a general risk management program focused on the unpredictability of financial markets and seeks to minimize the potential adverse effects on its financial performance. The objective of the risk management program is to protect the financial health of its business, considering the volatility associated with foreign exchange and interest rates. The Company uses derivative financial instruments to hedge certain exposures to risks, including hedges of input prices.

The proposed transactions must meet certain criteria, including hedges that are lower than established risk parameters, and that they are the result of a detailed analysis and are properly documented. Additionally, sensitivity analysis and other risk analyses should be performed before the operation is conducted.

The Company's risk management policy indicates that the hedging positions should always be lower than the projected exposure to allow an acceptable margin of uncertainty. Unhedged operations are expressly prohibited. The Company's risk management policy indicates the maximum percentages must be hedged with respect to the projected exposure:

	Maximum coverage (as a percentage of the projected exposure) Current year
Commodities	100
Energy costs	75
Exchange rate for operating transactions	80
Exchange rate for financial transactions	100
Interest rates	100

Capital management

The Company's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can continue to provide returns to stockholders and benefits to other stakeholders, as well as maintaining an optimal capital structure to reduce cost of capital.

To maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to stockholders, return equity to stockholders, issue new shares or sell assets to reduce debt.

Nemak monitors capital based on a leverage ratio. This percentage is calculated by dividing total liabilities by total equity.

The financial ratio of total liabilities / total equity was 2.32, 2.17 and 2.11 and as of December 31, 2025, 2024 and 2023, respectively, resulting in a leverage ratio that complies with the Company's management and risk policies.

Financial instruments by category

Below are the Company's financial instruments by category:

As of December 31, 2025, 2024 and 2023, financial assets and liabilities consist of the following:

	2025	2024	2023
Cash and cash equivalents	$ 517,321	$ 342,077	$ 322,606
Restricted cash	4,814	4,439	5,657
Financial assets measured at amortized cost:			
Trade and other accounts receivable	545,635	508,750	564,275
	$ 1,067,770	**$ 855,266**	**$ 892,538**
Financial liabilities measured at amortized cost:			
Debt	$ 1,809,186	$ 1,763,361	$ 1,757,434
Lease liability	107,864	105,080	113,815
Trade and accounts payable to related parties	1,121,650	1,009,673	1,125,662
	$ 3,038,700	**$ 2,878,114**	**$ 2,996,911**

Fair value of financial assets and liabilities measured at amortized cost

The amount of cash and cash equivalents, restricted cash, customers and other accounts receivable, other current assets, trade and other accounts payable, current debt, other current liabilities approximate their fair value, because their maturity date is less than twelve months. The net carrying amount of these accounts represents the expected cash flows to be received as of December 31, 2025, 2024 and 2023.

The carrying amount and estimated fair value of non-current financial assets and liabilities valued at amortized cost is presented below:

	As of December 31, 2025		As of December 31, 2024		As of December 31, 2023	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Financial liabilities:						
Non-current liabilities before issuance and obtaining costs	$1,755,950	$1,655,970	$1,693,966	$1,537,217	$1,495,464	$1,353,666

Estimated fair values as of December 31, 2025, 2024 and 2023, were determined based on a discounted cash flow basis. Measurement at fair value for the financial debt is considered within levels 1 and 2 of the hierarchy.

Market risks

(i) Exchange rate risk

The Company operates internationally, and is exposed to foreign exchange risk, primarily derived from the transactions and balances that the subsidiaries conduct and have in foreign currency, respectively. A foreign currency is that which is different from the functional currency of an entity. In addition, the Company is exposed to changes in the value of financial instruments arising from foreign exchange variations.

The respective exchange rates of the U.S. dollar, the Mexican peso and the Euro are very important factors for the Company due to the effect they have on its consolidated results. Nemak estimates that approximately 53% of its sales are U.S. dollars denominated, 33% in Euros, and the remaining 14% in other currencies since the price of its products is set based on such currencies.

The main risk of the Company associated with its financial instruments comes from its debt in foreign currency, mainly in euros, held by entities whose functional currency is the U.S. dollar. In addition, the Company maintains assets and liabilities denominated in foreign currency in relation to the functional currency of the subsidiaries in Mexican pesos and Euros. The monetary position in Euros and Mexican pesos have been converted to thousands of U.S. dollars at the closing exchange rate of December 31, 2025:

	EUR	MXN
Financial assets	$ 126,364	$ 549
Financial liabilities	(68,195)	(115,399)
Financial position in foreign currency	$ 58,169	$ (114,850)

The exchange rate used to convert the financial position in foreign currency from EUR and MXN to USD is described on Note 3c.

Based on the monetary positions in foreign currencies that the Company maintains, a hypothetical variation of 10% in the exchange rate MXN/USD and EUR/USD, maintaining all the other variables constant, will result in an effect of $44,326 in the consolidated statement of income and of $5,668 in equity.

Financial instruments to hedge net investments in foreign transactions

The Company designates certain non-current debt instruments as hedges to net investments in foreign transactions in order to mitigate the variations in exchange rates arising between the functional currency for such transactions and the functional currency of the holding or sub-holding company that maintains these investments.

The Company formally designated and documented each hedging relationship establishing objectives, Management's strategy to cover the risk, the identification of the hedging instrument, the hedged item, the nature of the risk to be hedged, and the methodology to assess the effectiveness. Given that the exchange rate hedging relationship is clear, the method that the Company used to assess the effectiveness consisted of a qualitative effectiveness test by comparing the critical terms between the hedging instruments and the hedged items. The hedging effectiveness results confirm that the hedging relationships are highly effective due to the economic relationship between hedging instrument and hedged items. For its part, when the value of the net assets of the foreign transaction is less than the notional value of the designated debt, the Company performs a rebalancing of the hedging relationship and recognizes ineffectiveness in the statement of income.

The Company maintains the following hedging relationships:

As of December 31, 2025

Holding	Functional Currency	Hedging Instrument	Notional Value (millions of Euros)	Covered item	Net assets of the hedged item (millions of Euros)
Nemak, S.A.B. de C.V.	USD	Sustainability-Linked Bonds	EUR 426	Nemak Dillingen GmbH	EUR 208
				Nemak Linz GmbH	53
				Nemak Gyor Kft.	144
				Nemak Slovakia, S.r.o.	106
				Nemak Wernigerode GmbH	77
				Nemak Czech Republic, S.r.o.	47
				Nemak Poland Sp.z.o.o.	33
				Nemak Spain, S.L.	33
				Nemak Pilsting GmbH	13
				Nemak Izmir Dokum Sanayi A.S.	74
			EUR 426		**EUR 788**

As of December 31, 2024

Holding	Functional Currency	Hedging Instrument	Notional Value (millions of Euros)	Covered item	Net assets of the hedged item (millions of Euros)
Nemak, S.A.B. de C.V.	USD	Sustainability-Linked Bonds	EUR 329	Nemak Dillingen GmbH	EUR 194
				Nemak Linz GmbH	42
				Nemak Gyor Kft.	135
				Nemak Slovakia, S.r.o.	97
				Nemak Wernigerode GmbH	71
				Nemak Czech Republic, S.r.o.	55
				Nemak Poland Sp.z.o.o.	35
				Nemak Spain, S.L.	33
				Nemak Pilsting GmbH	14
				Nemak Izmir Dokum Sanayi A.S.	78
			EUR 329		**EUR 753**

As of December 31, 2023

Holding	Functional Currency	Hedging Instrument	Notional Value (millions of Euros)		Covered item	Net assets of the hedged item (millions of Euros)	
Nemak, S.A.B. de C.V.	USD	Sustainability-Linked Bonds	EUR	275	Nemak Dillingen GmbH	EUR	179
					Nemak Linz GmbH		38
					Nemak Gyor Kft.		138
					Nemak Slovakia, S.r.o.		85
					Nemak Wernigerode GmbH		75
					Nemak Czech Republic, S.r.o.		57
					Nemak Poland Sp.z.o.o.		45
					Nemak Spain, S.L.		29
					Nemak Pilsting GmbH		14
					Nemak Izmir Dokum Sanayi A.S.		75
			EUR	**275**		**EUR**	**735**

The average coverage ratio of the Company amounted to 42.64%, 31.97% and 32.44% and for the years ended December 31, 2025, 2024 and 2023, respectively. Therefore, the exchange rate fluctuation generated by the hedging instruments for the years ended December 31, 2025, 2024 and 2023 represented a net (loss) profit of $(47,185), $17,803 and $13,509, respectively, which was recognized in other comprehensive income compensating the translation effect by each foreign investment. The results of the effectiveness of each hedging instrument confirm that the hedging relationships are highly effective due to the economic relationship between the hedging instruments and the hedging items.

(ii) Price risk commodities

a. Aluminum

Nemak utilizes significant amounts of aluminum in the form of scrap, as well as ingots as its main raw material. In order to mitigate the risks related to the volatility of the prices of this commodity, the Company has entered into agreements with its customers, whereby the variations of aluminum prices are transferred to the sales price of the products through a pre-established formula.

However, there is a residual risk since each OEM uses its own formula to estimate aluminum prices, which normally reflects market prices based on an average term that may range from one to three months. As a result, the basis used by each OEM to calculate the prices of aluminum alloys may differ from the ones used by the Company to buy aluminum, which could negatively or positively impact its business, financial position, and the results of its operations.

b.Natural gas

Nemak is an entity that uses natural gas to carry out its operating processes and develop its products. This consumption has grown as the volume of their end products increases, which causes that an increase in the price of natural gas creates negative effects on the operating cash flows. In order to mitigate its exposure to the price of this material, the Company conducts some natural gas hedging transactions using derivative instruments. Therefore, according to its risk management program, the Company enters into hedges against the exposure to the increase in natural gas prices, for future purchases by entering into swaps where variable prices are received, and a fixed price is paid. A strategy called roll-over has been implemented, through which it is analyzed each month if more derivatives should be contracted to extend the time or the amount of hedging. Given the volatility of gas prices, in November 2023, the Company entered into hedges for Mexico and the USA, that represented on average 32% of its consumption of 2024; during 2024, the Company also entered into hedges for both regions, that represented 35% of its consumption of 2025. As of December 31, 2025, the Company did not hold this type of instrument. As of December 31, 2024 and 2023, the fair value of the derivative financial instruments was $416 and $1,971, respectively.

Interest rate risk

The Company is exposed to interest rate risk mainly for long-term loans bearing interest at variable rates. Fixed-interest loans expose the Company to interest rate risk at fair value, which implies that Nemak might be paying interest at rates significantly different from those of an observable market.

As of December 31, 2025, if interest rates on variable rate are increased or decreased by 100 basis points in relation to the rate in effect, the income and stockholders' equity of the Company would change by $19,171.

Credit risk

Credit risk represents a potential loss due to non-compliance of counterparts in their payment obligations. Credit risk is generated by cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposure to customers, including receivables and committed transactions.

The Company is managed on a group basis and credit risk profile, the significant clients with whom it maintains a receivable, distinguishing those that require an individual credit risk assessment. For the rest of the clients, the Company carries out its classification according to the type of market in which they operate, according with the business management and the internal risk management. Each subsidiary is responsible for managing and analyzing credit risk for each of its new customers before setting the terms and conditions of payment. If wholesale customers are qualified independently, these are the qualifications used. If there is no independent qualification, the Company's risk control assesses the customer's credit quality, taking into account its financial position, previous experience and other factors. The maximum exposure to credit risk is given by the balances of these items as presented in the consolidated state of financial position.

Individual risk limits are determined based on internal and external ratings in accordance with limits set in the financial risk management policy. The use of credit risks is monitored regularly. During 2025, 2024 and 2023, credit limits were not exceeded.

In addition, the Company performs a qualitative evaluation of economic projections, with the purpose of determining the possible impact on probabilities of default and the rate of recovery that it assigns to its clients.

During the year ended December 31, 2025, there have been no changes in the techniques of estimation or assumption.

Liquidity risk

Projected cash flows are determined at each operating subsidiary of the Company and subsequently the finance department consolidates this information. The finance department of the Company continuously monitors the cash flow projections and liquidity requirements of the Company ensuring that sufficient cash and liquid investments are maintained to meet operating needs, and that some flexibility is maintained through unused uncommitted and committed credit lines.

The Company regularly monitors and makes decisions to ensure that the limits or covenants set forth in credit agreements are not breached. Projections consider the financing plans of the Company, compliance with covenants, compliance with minimum liquidity ratios and internal legal or regulatory requirements.

The Company's treasury department invests those funds in time deposits, with high credit quality whose maturities or liquidity allow flexibility to meet the cash flow needs of the Company.

The following table analyzes the non-derivative financial instruments, grouped according to their maturity, from the date of the consolidated statement of financial position to the contractual maturity date. The amounts disclosed in the table are contractual undiscounted cash flows, including future non-accrued interests and sustainability-linked bonds.

	Less than a year	From 1 to 5 years	More than 5 years
As of December 31, 2025			
Trade and accounts payable to related parties	$ 1,121,650	$ -	$ -
Debt (excluding debt obtaining costs)	104,618	321,285	103,983
Lease liability	30,860	58,569	18,435
Sustainability-linked bond (excluding issuance costs)	32,950	694,498	500,000
Interest payable	7,268	-	-

As of December 31, 2024

	Less than a year	From 1 to 5 years	More than 5 years
Trade and accounts payable to related parties	$ 1,009,673	$ -	$ -
Debt (excluding debt obtaining costs)	92,352	734,543	74,273
Lease liability	28,931	73,013	3,136
Sustainability-linked bond (excluding issuance costs)	32,129	128,696	1,027,254
Interest payable	10,684	-	-

As of December 31, 2023

	Less than a year	From 1 to 5 years	More than 5 years
Trade and accounts payable to related parties	$ 1,125,662	$ -	$ -
Debt (excluding debt obtaining costs)	325,101	360,945	223,603
Lease liability	27,665	56,001	30,149
Sustainability-linked bond (excluding issuance costs)	32,129	141,766	1,081,014
Interest payable	10,545	-	-

The Company expects to meet its obligations with cash flows generated by operations. Additionally, Nemak has access to credit lines with various banks to meet possible requirements.

As of December 31, 2025, 2024 and 2023, the Company has uncommitted short-term credit lines unused of more than $644,488, $688,126 and $423,856, respectively. Additionally, as of December 31, 2025, 2024 and 2023, Nemak has committed medium-term credit lines available of $413,069, $402,660 and $422,800, respectively.

Supplier finance arrangements

The Company operates the following types of supplier finance arrangements:

In order to ensure easy access to credit for its suppliers and facilitate early settlement, the group has entered into supplier finance arrangements that permit the suppliers to obtain payment from the banks for the amounts billed up to 7 days before the invoice due date subject to a discount between 5% and 12%. The arrangements permit the banks to early settle invoices up to the total amount published. The discount represents less than the trade discount for early repayment commonly used in the market. The group repays the banks the full invoice amount on the scheduled payment date as required by the invoice. As the arrangements do not permit the group to extend finance from the banks by paying them later than the group would have paid its suppliers, the group considers amounts payable to the banks should be presented as part of trade and other accounts payables. As of 31 December 2025, 18% of trade payables were amounts owed under these arrangements.

Below is a detailed account of supplier financing agreements and their presentation within the consolidated statement of financial position:

	December 31,	
	2025	2024
Presented as part of "Trade and other accounts payables":	$ 460,278	$ 417,683
Trade payables for which suppliers have already received payment from the finance provider	$ 378,070	$ 347,190

Below is a breakdown of the payment date ranges for supplier financing agreements as of December 31, 2025:

	Days
For liabilities presented as part of "Trade and other accounts payables":	
Liabilities that are part of supplier finance arrangements	99
Comparable trade payables that are not part of supplier finance arrangements	96

Below is a breakdown of the payment date ranges for supplier financing agreements as of December 31, 2024:

	Days
For liabilities presented as part of "Trade and other accounts payables":	
Liabilities that are part of supplier finance arrangements	96
Comparable trade payables that are not part of supplier finance arrangements	86

Changes in liabilities that are subject to supplier finance arrangements are primarily attributable to additions resulting from purchases of goods and services and subsequent cash settlements. There were no material non-cash changes in these liabilities.

The Company does not face a significant liquidity risk as a result of its supplier finance arrangements given the limited amount of liabilities subject to supplier finance arrangements and the group's access to other sources of finance on similar terms.

Fair value hierarchy

The following is an analysis of financial instruments measured in accordance with the fair value hierarchy. The 3 different levels of the fair value hierarchy are presented below:

- Level 1: Quoted prices for identical instruments in active markets.
- Level 2: Other valuations including quoted prices for similar instruments in active markets, which are directly or indirectly observable.
- Level 3: Valuations made through technics where one or more of their significant data inputs are unobservable.

The Company's assets and liabilities that are measured at fair value as of December 31, 2025, 2024 and 2023, are classified within the level 2 of the fair value hierarchy.

There were no transfers between Levels 1 and 2 or between Level 2 and 3 during the period.

The specific valuation techniques used to value financial instruments include:

- Market quotations or trader quotations for similar instruments.
- The fair value of interest rate swaps is calculated as the present value of estimated future cash flows based on observable yield curves.
- The fair value of forward exchange agreements is determined using exchange rates at the closing balance date, with the resulting value discounted at present value.
- Other techniques such as the analysis of discounted cash flows, which are used to determine fair value of the remaining financial instruments.

5. Critical accounting estimates and judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

a. Estimated impairment of goodwill

The Company conducts annual tests to determine whether goodwill and intangible assets with indefinite useful lives have suffered any impairment (Note 13). For impairment testing, goodwill and intangibles assets with indefinite lives are allocated to those cash generating units ("CGU") for which the Company has considered that economic and operational synergies of the business combinations are generated. The recoverable amounts of the groups of CGUs were determined based on the calculations of their value in use, which require the use of estimates, within which, the most significant are the following:

- Future gross and operating margins according to the historical performance and expectations of the industry for each CGU group.
- Discount rate based on the weighted cost of capital ("WACC") of each CGU or CGU group.
- Long-term growth rates.

b. Recoverability of deferred tax assets

The Company has tax losses to be utilized, derived mainly from significant foreign exchange losses, which may be used in the subsequent years (Note 26). Based on income and tax revenue projections Nemak will generate in subsequent years through a structured and robust business plan, which includes the sale of non-strategic assets, new services to be provided to its subsidiaries, among others, the Company's Management has considered that its tax loss carryforwards will be used before they expire and therefore it has been deemed appropriate to recognize a deferred tax asset for such losses.

c. Contingent liabilities

Management also makes judgments and estimates in recording provisions for matters relating to claims and litigation. Actual costs may vary from estimates for several reasons, such as changes in cost estimates for resolution of complaints and disputes based on different interpretations of the law, opinions and evaluations concerning the amount of loss.

Contingencies are recorded as provisions when it is likely that a liability has been incurred, and the amount of the loss is reasonably estimable. It is not practical to estimate sensitivity to potential losses if other assumptions were used to record these provisions, due to the number of underlying assumptions and the range of possible reasonable outcomes regarding potential actions by third parties, such as regulators, both in terms of loss probability and estimates of such loss.

d. Long-lived assets

The Company estimates the useful lives of long-lived assets in order to determine the depreciation and amortization expenses to be recorded during the reporting period. The useful life of an asset is calculated when the asset is acquired and is based on past experience with similar assets, considering anticipated technological changes or any other type of changes. Were technological changes to occur faster than estimated, or differently than anticipated, the useful lives assigned to these assets could have to be reduced. This would lead to the recognition of a greater depreciation and amortization expense in future periods. Alternatively, these types of technological changes could result in the recognition of a charge for impairment to reflect the reduction in the expected future economic benefits associated with the assets.

The Company reviews the impairment indicators for depreciable and amortizable assets annually, or when certain events or circumstances indicate that the book value may not be recovered in the remaining useful life of those assets. On the other hand, intangible assets with an indefinite useful life are subject to impairment tests at least every year and provided there is an indication that the asset could have been impaired.

To evaluate the impairment, the Company uses cash flows, which consider the administrative estimates for future transactions, including estimates for revenues, costs, operating expenses, capital expenses and debt service. In accordance with IFRS, discounted future cash flows associated with an asset or CGU would be compared to the carrying amount of the asset or CGU in question to determine whether an impairment or a reversal of impairment exists whenever such discounted future cash flows are less than their carrying amount. In such case, the carrying amount of the asset or group of assets is reduced to its recoverable amount.

e. Estimation of default probabilities and recovery rate to apply the model of expected losses in the calculation of impairment of financial assets

The Company assigns to customers with whom it maintains an account receivable at each reporting date, either individually or as a group, an estimate of the probability of default on the payment of accounts receivable and the estimated recovery rate, with the purpose of reflecting the cash flows expected to be received from the outstanding balances on such date.

f. Estimation of the discount rate to calculate the present value of future minimum income payments

The Company estimates the discount rate to be used in determining the lease liability, based on the incremental loan rate ("IBR").

The Company uses a three-tier model, with which it determines the three elements that make up the discount rate: (i) reference rate, (ii) credit risk component and (iii) adjustment for characteristics of the underlying asset. In this model, Management also considers its policies and practices to obtain financing, distinguishing between that obtained at the corporate level (that is, by the holder), or at the level of each subsidiary. Finally, for the real estate leases or in which there is significant and observable evidence of its residual value, the Company estimates and evaluates an adjustment for the characteristics of the underlying asset, taking into account the possibility that said asset be granted as collateral or guarantee against the risk of default.

g. Estimate of the lease term

The Company defines the term of the leases as the period for which there is a contractual payment commitment, considering the non-cancelable period of the contract, as well as the renewal and early termination options that are likely to be exercised. The Company participates in lease agreements that do not have a definite forced term, a defined renewal period (if it contains a renewal clause), or automatic annual renewals, therefore, to measure the lease liability, it estimates the term of the contracts considering their contractual rights and limitations, their business plan, as well as the administration's intentions for the use of the underlying asset. Additionally, the Company considers the early termination clauses of its contracts and the probability of exercising them, as part of its estimate of the lease term.

6. Cash and cash equivalents

Cash and cash equivalents presented in the consolidated statements of financial position consist of the following:

	December 31,		
	2025	2024	2023
Cash on hand and in banks	$ 142,548	$ 158,482	$ 149,735
Short-term bank deposits	374,773	183,595	172,871
Total cash and cash equivalents	**$ 517,321**	**$ 342,077**	**$ 322,606**

7. Restricted cash

The value of restricted cash is composed as follows:

	December 31,		
	2025	2024	2023
Current	$ 422	$ 664	$ 1,039
Non-current (Note 14)	4,392	3,775	4,618
Restricted cash [1]	**$ 4,814**	**$ 4,439**	**$ 5,657**

[1] In accordance with the provisions of a credit agreement, the Company has made long-term cash deposit pursuant to a preferential loan arranged in order to participate in a financing by a United States agency to promote investment in rural / low-development regions in the USA.

8. Trade and other accounts receivables, net

	December 31,		
	2025	2024	2023
Trade accounts receivable	$ 403,907	$ 382,603	$ 416,631
Due from related parties (Note 27)	13,742	9,979	11,323
Recoverable taxes	69,163	71,424	41,383
Sundry debtors	131,837	122,417	150,142
Allowance for impairment of trade accounts receivable and related parties	(3,851)	(6,249)	(13,821)
	$ 614,798	**$ 580,174**	**$ 605,658**

Movements in the allowance for impairment of trade accounts receivable are as follows:

	2025	2024	2023
Opening balance as of January 1	$ (6,249)	$ (13,821)	$ (12,404)
Allowance for impairment of trade and related parties	(323)	(2,886)	(854)
Receivables written off during the year	2,756	10,063	739
Other	(35)	395	(1,302)
Final balance as of December 31	**$ (3,851)**	**$ (6,249)**	**$ (13,821)**

The net change in the estimate of impairment of accounts receivable for the years ended December 31, 2025, 2024 and 2023 were $2,398, $7,572 and $1,417, respectively, it was mainly due to changes in the estimation of probabilities of default and the percentage of recovery, allocated to different customer groups in which the Company operates, which reflected an increase in credit risk over these financial assets.

The following describes the probability of default ranges and recovery rates allocated to the main customer segments with which the company has balances receivable in its different businesses:

As of December 31, 2025		
Clients or group of clients	Probability of default range	Severity of loss
Automotive	0.0% - 1.41%[1]	99.44%
Related parties	0.0% - 0.16%	99.94%

As of December 31, 2024		
Clients or group of clients	Probability of default range	Severity of loss
Automotive	0.0% - 1.27%[1]	99.04%
Related parties	0.0% - 0.51%	99.94%

As of December 31, 2023		
Clients or group of clients	Probability of default range	Severity of loss
Automotive	0.0% - 1.18%[1]	99.29%
Related parties	0.0% - 0.36%	99.84%

[1] As of December 31, 2025, 2024, and 2023, the maximum probability of default range belongs to a single client. All the other clients of the Company maintain a maximum probability of default of 0.27%, 0.22% and 0.59%, respectively

Increases and decreases in customer impairment estimation, when they do not imply the legal loss of an account receivable, are recognized in the consolidated statement of income within the heading of sales costs. On the other hand, when collection rights are legally lost, the Company cancels the accumulated doubtful collection estimate, with the gross amount of the account receivable.

The company does not maintain any significant collateral or guarantees that mitigate exposure to the credit risk of its financial assets.

9. Inventories

	December 31,		
	2025	2024	2023
Raw material and other consumables	$ 425,812	$ 410,714	$ 502,910
Work in process	284,977	289,643	278,741
Finished goods	107,983	120,474	122,398
	$ 818,772	**$ 820,831**	**$ 904,049**

For the years ended on December 31, 2025, 2024 and 2023, damaged, slow-moving and obsolete inventory was charged to cost of sales in the amount of $968, $726 and $1,798, respectively.

As of December 31, 2025, 2024 and 2023, there were no inventories pledged as collateral.

10. Assets held for sale

The assets classified as held for sale are detailed below:

	December 31,		
	2025	2024	2023
Current assets:			
Inventories	$ 4,821	$ -	$ -
Non-current assets:			
Property, plant and Equipment	21,714	-	10
Total assets held for sale	**$ 26,535**	**$ -**	**$ 10**

During 2025, the Company decided to put up for sale the fixed assets corresponding to one of its production plants located in Monclova, as part of a commercial strategy aimed at optimizing its operating structure and redefining its strategic focus. The facts and circumstances that led to this decision include the reassessment of the performance of such plant and the identification of opportunities to redirect resources toward operations more closely aligned with the corporate strategy. Management expects the disposal of these assets to occur through a direct sale to a third party and for the transaction to be completed within a period of less than 12 months from the date they were classified as held for sale.

When the production plants were reclassified as assets held for sale as of December 31, 2025, an impairment was identified and allocated on a pro-rata basis to the non-current assets. For the year ended December 31, 2025, the impairment recognized within other (expenses) income, net amounted to $(25,000). There are no liabilities classified as held for sale related to this disposal group.

11. Property, plant, and equipment, net

	Land	Buildings and constructions	Machinery and equipment	Vehicles	Furniture and equipment	Constructions in progress	Other fixed assets	Total
For the year ended December 31, 2022								
Opening balance, net	$ 80,162	$ 417,322	$ 1,606,948	$ 1,729	$ 29,725	$ 436,692	$ 58,382	$ 2,630,960
Translation effect	1,107	(15,267)	33,161	591	978	42,820	1,118	64,508
Additions	-	86	29,823	56	504	441,309	12,472	484,250
Disposals	(1,162)	(2,281)	(5,447)	(15)	(17)	-	-	(8,922)
Impairment charge recognized in the year	-	(4,487)	(18,942)	-	(49)	(6,346)	(360)	(30,184)
Depreciation charge recognized in the year	-	(25,332)	(235,812)	(694)	(8,909)	-	(2,047)	(272,794)
Transfers	97	38,673	311,298	237	13,768	(364,901)	828	-
	$ 80,204	**$ 408,714**	**$ 1,721,029**	**$ 1,904**	**$ 36,000**	**$ 549,574**	**$ 70,393**	**$ 2,867,818**
As of December 31, 2023								
Cost	$ 80,204	$ 813,646	$ 4,745,688	$ 12,586	$ 156,884	$ 549,574	$ 80,095	$ 6,438,677
Accumulated depreciation	-	(404,932)	(3,024,659)	(10,682)	(120,884)	-	(9,702)	(3,570,859)
Net carrying amount as of December 31, 2023	**$ 80,204**	**$ 408,714**	**$ 1,721,029**	**$ 1,904**	**$ 36,000**	**$ 549,574**	**$ 70,393**	**$ 2,867,818**
For the year ended December 31, 2024								
Opening balance, net	$ 80,204	$ 408,714	$ 1,721,029	$ 1,904	$ 36,000	$ 549,574	$ 70,393	$ 2,867,818
Translation effect	(2,587)	(16,249)	(11,767)	(97)	(2,323)	9,680	(5,414)	(28,757)
Additions	-	196	5,166	121	588	358,088	7,446	371,605
Disposals	-	(640)	(13,520)	(14)	(9)	-	(17)	(14,200)
Impairment charge recognized in the year (Note 28)	-	-	(90,838)	-	(1,415)	-	(1,228)	(93,481)
Depreciation charge recognized in the year	-	(27,189)	(248,637)	(740)	(10,455)	-	(1,752)	(288,773)
Transfers	1,827	36,176	402,899	758	16,426	(458,795)	709	-
	$ 79,444	**$ 401,008**	**$ 1,764,332**	**$ 1,932**	**$ 38,812**	**$ 458,547**	**$ 70,137**	**$ 2,814,212**
As of December 31, 2024								
Cost	$ 79,444	$ 811,588	$ 4,888,621	$ 12,735	$ 165,768	$ 458,547	$ 80,561	$ 6,497,264
Accumulated depreciation	-	(410,580)	(3,124,289)	(10,803)	(126,956)	-	(10,424)	(3,683,052)
Net carrying amount as of December 31, 2024	**$ 79,444**	**$ 401,008**	**$ 1,764,332**	**$ 1,932**	**$ 38,812**	**$ 458,547**	**$ 70,137**	**$ 2,814,212**
For the year ended December 31, 2025								
Opening balance, net	$ 79,444	$ 401,008	$ 1,764,332	$ 1,932	$ 38,812	$ 458,547	$ 70,137	$ 2,814,212
Translation effect	3,961	19,750	91,903	195	4,674	8,329	23,529	152,341
Additions	-	2,452	58,874	147	1,218	198,217	1,616	262,524
Disposals	-	(297)	(19,849)	(220)	(1,528)	-	-	(21,894)
Impairment charge recognized in the year (Note 28)	-	-	(87,834)	-	(3)	-	-	(87,837)
Depreciation charge recognized in the year	-	(27,843)	(261,029)	(675)	(12,044)	-	(702)	(302,293)
Transfer of assets held for sale (Note 10)	(1,562)	(13,965)	(6,116)	-	(71)	-	-	(21,714)
Transfers	-	71,672	339,102	626	14,909	(372,330)	(53,979)	-
	$ 81,843	**$ 452,777**	**$ 1,879,383**	**$ 2,005**	**$ 45,967**	**$ 292,763**	**$ 40,601**	**$ 2,795,339**
As of December 31, 2025								
Cost	$ 81,843	$ 896,858	$ 5,179,187	$ 13,306	$ 185,742	$ 292,763	$ 50,848	$ 6,700,547
Accumulated depreciation	-	(444,081)	(3,299,804)	(11,301)	(139,775)	-	(10,247)	(3,905,208)
Net carrying amount as of December 31, 2025	**$ 81,843**	**$ 452,777**	**$ 1,879,383**	**$ 2,005**	**$ 45,967**	**$ 292,763**	**$ 40,601**	**$ 2,795,339**

As of December 31, 2025, 2024 and 2023, the Company capitalized borrowing costs to qualifying assets for $6,090, $9,042 and $7,470, respectively, which were not significant.

Of the total depreciation expense, $292,502, $275,321 and $258,897 were charged to cost of sales, $84, $129, and $131, to selling expenses and $9,707, $13,323 and $13,766, to administrative expenses in 2025, 2024 and 2023, respectively.

As of December 31, 2025, there were no property, plant and equipment pledged as collateral. As of December 31, 2024 and 2023, there were property, plant and equipment pledged as collateral (Note 16).

The other fixed assets are mainly made up of spare parts and long-term improvements.

12. Right-of-use assets, net

The Company leases a different set of fixed assets including buildings, machinery and equipment, vehicles, and computer equipment. The average term of the lease contracts as of December 31, 2025 is 3 years.

a) The right of use recognized in the consolidated statement of financial position as of December 31, 2025, 2024 and 2023, and in the consolidated statements of income for the years ended December 31, 2025, 2024, 2023, are as follows:

	Buildings	Machinery and equipment	Vehicles	Other fixed assets	Total
Final balances as of December 31, 2023	$ 74,160	$ 5,388	$ 15,729	$ 3,304	$ 98,581
Final balances as of December 31, 2024	$ 65,354	$ 5,800	$ 16,305	$ 2,402	$ 89,861
Final balances as of December 31, 2025	$ 69,607	$ 6,616	$ 13,598	$ 2,503	$ 92,324
Depreciation expense 2023	$ (14,408)	$ (3,062)	$ (15,303)	$ (2,331)	$ (35,104)
Depreciation expense 2024	$ (13,269)	$ (3,333)	$ (14,793)	$ (2,417)	$ (33,812)
Depreciation expense 2025	$ (12,897)	$ (3,813)	$ (15,785)	$ (2,114)	$ (34,609)

The additions to the net book value of the right of use assets for the years ended December 31, 2025, 2024 and 2023 amounted $37,574, $28,947 and $44,041, respectively.

b) Expenses recognized in the consolidated statements of income for the years ended December 31, 2025, 2024 and 2023, are as follows:

	December 31,		
	2025	2024	2023
Rent expenses from short-term and low-value asset leases	$ 15,670	$ 16,701	$ 16,749

The Company has not signed lease contracts, which at the date of the consolidated financial statements have not started.
During the year, the Company did not make significant extensions to the term of its lease contracts.

13. Goodwill and intangible assets, net

	Development costs	Relationships with customers	Software and licenses	Intellectual property rights	Goodwill	Others	Total
Cost							
As of January 1, 2023	$ 602,247	$ 118,348	$ 16,923	$ 5,400	$ 284,411	$ 25,480	$ 1,052,809
Translation effects	5,854	2,012	235	-	6,351	(237)	14,215
Additions	48,166	3,269	595	-	-	410	52,440
Disposals	(2,676)	-	(113)	-	-	(298)	(3,087)
As of December 31, 2023	$ 653,591	$ 123,629	$ 17,640	$ 5,400	$ 290,762	$ 25,355	$ 1,116,377
Translation effects	(12,891)	(2,023)	(1,253)	-	(11,571)	(369)	(28,107)
Additions	15,959	-	798	-	-	420	17,177
Disposals	(6,046)	(3,762)	(209)	-	-	(533)	(10,550)
As of December 31, 2024	$ 650,613	$ 117,844	$ 16,976	$ 5,400	$ 279,191	$ 24,873	$ 1,094,897
Translation effects	30,774	13,899	1,786	-	23,125	516	70,100
Additions	42,257	-	668	-	-	388	43,313
Disposals	(9,215)	(3,124)	(605)	-	-	(466)	(13,410)
As of December 31, 2025	$ 714,429	$ 128,619	$ 18,825	$ 5,400	$ 302,316	$ 25,311	$ 1,194,900
Accumulated amortization							
As of January 1, 2023	$ (366,385)	$ (86,380)	$ (14,711)	$ (5,400)	$ -	$ (21,728)	$ (494,604)
Amortizations	(60,868)	(7,046)	(749)	-	-	(472)	(69,135)
Impairment	(1,374)	-	(10)	-	-	-	(1,384)
Disposals	2,450	-	93	-	-	299	2,842
Translation effects	(2,183)	(2,534)	(197)	-	-	91	(4,823)
As of December 31, 2023	$ (428,360)	$ (95,960)	$ (15,574)	$ (5,400)	$ -	$ (21,810)	$ (567,104)
Amortizations	(59,774)	(5,801)	(756)	-	-	(468)	(66,799)
Impairment (Note 28)	(10,309)	-	-	-	-	-	(10,309)
Disposals	2,587	1,719	209	-	-	533	5,048
Translation effects	8,650	5,593	929	-	-	249	15,421
As of December 31, 2024	$ (487,206)	$ (94,449)	$ (15,192)	$ (5,400)	$ -	$ (21,496)	$ (623,743)
Amortizations	(58,504)	(6,668)	(685)	-	-	(410)	(66,267)
Impairment (Note 28)	(715)	-	-	-	-	-	(715)
Disposals	8,376	3,124	605	-	-	466	12,571
Translation effects	(14,776)	(11,096)	(1,594)	-	-	(460)	(27,926)
As of December 31, 2025	$ (552,825)	$ (109,089)	$ (16,866)	$ (5,400)	$ -	$ (21,900)	$ (706,080)
Net carrying amount							
Cost	653,591	123,629	17,640	5,400	290,762	25,355	1,116,377
Accumulated amortization	(428,360)	(95,960)	(15,574)	(5,400)	-	(21,810)	(567,104)
As of December 31, 2023	**$ 225,231**	**$ 27,669**	**$ 2,066**	**$ -**	**$ 290,762**	**$ 3,545**	**$ 549,273**
Cost	650,613	117,844	16,976	5,400	279,191	24,873	1,094,897
Accumulated amortization	(487,206)	(94,449)	(15,192)	(5,400)	-	(21,496)	(623,743)
As of December 31, 2024	**$ 163,407**	**$ 23,395**	**$ 1,784**	**$ -**	**$ 279,191**	**$ 3,377**	**$ 471,154**
Cost	714,429	128,619	18,825	5,400	302,316	25,311	1,194,900
Accumulated amortization	(552,825)	(109,089)	(16,866)	(5,400)	-	(21,900)	(706,080)
As of December 31, 2025	**$ 161,604**	**$ 19,530**	**$ 1,959**	**$ -**	**$ 302,316**	**$ 3,411**	**$ 488,820**

Of the total amortization expense, $77,770, $79,337 and $80,278, were charged to cost of sales, $15,841, $15,239 and $16,678, to administrative expenses, $215, $234 and $216 to selling expenses, and $7,050, $5,801 and $7,067 decreasing the revenues to costs incurred to obtain new agreements with clients in 2025, 2024 and 2023, respectively.

Impairment testing of goodwill

Goodwill is allocated to operating segments that are expected to benefit from the synergies of the business combination, irrespective of whether other assets or liabilities of the acquirer are assigned to those units or groups of units, as follows:

	North America	Europe	Total
Balance as of January 1, 2023	$ 106,830	$ 177,581	$ 284,411
Translation effect	(18)	6,369	6,351
Balance as of December 31, 2023	$ 106,812	$ 183,950	$ 290,762
Translation effect	-	(11,571)	(11,571)
Balance as of December 31, 2024	$ 106,812	$ 172,379	$ 279,191
Translation effect	-	23,125	23,125
Balance as of December 31, 2025	**$ 106,812**	**$ 195,504**	**$ 302,316**

The estimated gross margin has been budgeted based on past performance and market development expectations. The growth rate used is consistent with the projections included in the industry reports. The discount rate used is before taxes and it reflects the inherent risk in future cash flows.

The recoverable amount of all cash generating units has been determined based on fair value less costs of disposal considering a market participant's perspective. These calculations use cash flow projections based on pre-tax financial budgets approved by Management covering a 5-year period. Cash flows beyond the 5-year period are extrapolated using the estimated growth rates stated below.

The key assumptions used in calculating the value in use in 2025, 2024 and 2023 were as follows:

	2025		
	North America	Europe	Rest of the World
Estimated gross margin	13.94%	13.21%	13.14%
Growth rate	2.00%	2.00%	2.50%
Discount rate	8.89%	8.66%	9.58%

	2024		
	North America	Europe	Rest of the World
Estimated gross margin	15.59%	12.61%	15.68%
Growth rate	2.00%	1.50%	2.50%
Discount rate	11.60%	10.85%	12.96%

	2023		
	North America	Europe	Rest of the World
Estimated gross margin	15.86%	14.02%	13.38%
Growth rate	1.50%	1.50%	2.50%
Discount rate	14.64%	12.24%	16.01%

The Company performed sensitivity analyses considering a potential change individually in the key assumptions, increasing the discount rate by 100 basis points, decreasing the long-term growth rate and reducing the estimated gross margin. As a result, the sensitivity analyses did not indicate a potential risk that the carrying value would exceed the recoverable value as of December 31, 2025.

14. Other non-current assets

	December 31,		
	2025	2024	2023
Restricted cash (Note 7)	$ 4,392	$ 3,775	$ 4,618
Investments in associates	26,672	23,903	22,276
Other assets	13,126	6,745	8,627
Total other non-current assets	**$ 44,190**	**$ 34,423**	**$ 35,521**

The accumulated summarized financial information for investments in associates accounted for under the equity method and that are not considered material, is as follows:

	2025	2024	2023
Net income (loss), recognized using the equity method	$ 2,296	$ 2,865	$ 2,486

There are no contingent liabilities or commitments related to the Company's investments in associates.

15. Trade and other accounts payable

	December 31,		
	2025	2024	2023
Trade account payable	$ 1,117,590	$ 1,001,421	$ 1,120,172
Advances from customers	57,634	31,196	44,799
Other social security fees and benefits	124,390	102,033	108,248
Related parties (Note 27)	4,060	8,252	5,490
Other payables	414,765	364,449	323,347
	$ 1,718,439	**$ 1,507,351**	**$ 1,602,056**

16. Debt

	December 31,		
	2025	2024	2023
Current:			
Bank loans (1) (2)	$ 53,342	$ 68,874	$ 264,145
Current portion of non-current debt	9,247	3,967	29,116
Interest payable (1)	7,268	10,684	10,545
Total current debt	**$ 69,857**	**$ 83,525**	**$ 303,806**
Non-current debt:			
Secured bank loans	$ -	$ 4	$ 73
Unsecured bank loans	668,825	676,237	442,966
In U.S dollars:			
Sustainability-linked bonds / Senior Notes	500,000	500,000	500,000
In Euros:			
Sustainability-linked bonds / Senior Notes	587,125	517,725	552,425
Non-current debt before debt issuance and obtaining costs	1,755,950	1,693,966	1,495,464
Less: Debt issuance and obtaining costs	(7,374)	(10,163)	(12,720)
Less: current portion of other debts	(9,247)	(3,967)	(29,116)
Non-current debt	**$ 1,739,329**	**$ 1,679,836**	**$ 1,453,628**

(1) As of December 31, 2025, 2024 and 2023, short-term bank loans bore interest at an average rate of 4.35%, 4.65% and 5.87%, respectively. The short-term interest payable as of December 31, 2025, 2024, and 2023 amounted to $613, $801 and $741.
(2) The fair value of bank loans approximates their current book value, due to their short maturity.

The carrying amounts, terms and conditions of non-current debt were as follows:

Description	Contractual currency	Value (USD)	Debt issuance and obtaining costs	Interest payable	Balance as of December 31, 2025	Balance as of December 31, 2024	Balance as of December 31, 2023	Inception date MM/DD/YYYY	Maturity date MM/DD/YYYY	Interest rate
Brazil	BRL	$ -	$ -	$ -	$ -	$ 5	$ 74	12/15/2020	01/25/2025	6.00%
Total secured bank loans		-	-	-	-	5	74			
Bancomext LP 2023 (1)	USD	194,640	837	2,925	196,728	200,829	202,422	04/11/2023	04/11/2033	7.75%
Club Loan 2024 (2)										
The Bank of Nova Scotia	USD	62,500	293	-	62,207	61,154	-	08/16/2024	08/15/2029	SOFR 3M + 2.10%
Scotiabank Inverlat	USD	-	-	-	-	996	-	08/16/2024	08/15/2029	SOFR 3M + 2.10%
BBVA Mexico	USD	100,000	469	-	99,531	62,150	-	08/16/2024	08/15/2029	SOFR 3M + 2.10%
Bank of America	USD	62,500	293	-	62,207	62,150	-	08/16/2024	08/15/2029	SOFR 3M + 2.10%
Sumitomo	USD	62,500	293	-	62,207	62,150	-	08/16/2024	08/15/2029	SOFR 3M + 2.10%
Green Loan 2024 (3)										
The Bank of Nova Scotia	USD	100,000	469	-	99,531	94,697	-	12/17/2024	01/13/2030	SOFR 3M + 2.10%
Scotiabank Inverlat	USD	-	-	-	-	4,984	-	12/17/2024	01/13/2030	SOFR 3M + 2.10%
BBVA Mexico	USD	62,500	-	-	62,500	99,681	-	12/17/2024	01/13/2030	SOFR 3M + 2.10%
The Bank of Nova Scotia (3)	USD	-	-	-	-	-	98,914	12/22/2022	12/19/2027	SOFR 1M + 2.15%
BBVA México (3)	USD	-	-	-	-	-	98,784	12/22/2022	12/19/2027	SOFR 1M + 2.15%
Scotiabank Turkey	EUR	17,615	-	-	17,615	12,425	6,917	12/27/2024	12/27/2028	0.50%
Spain	EUR	1,400	-	20	1,420	1,688	2,305	12/02/2020	02/01/2028	1.50%
USA	USD	5,170	1,434	-	3,736	11,472	29,309	10/31/2020	12/21/2025	1.31%
Total unsecured bank loans		668,825	4,088	2,945	667,682	674,376	438,651			
Total bank loans		668,825	4,088	2,945	667,682	674,381	438,725			
Sustainability-linked bond / Senior Notes	USD	500,000	1,822	3,710	501,888	497,612	498,254	06/28/2021	06/28/2031	3.63%
Sustainability-linked bond / Senior Notes	EUR	587,125	1,464	-	585,661	521,687	555,570	07/20/2021	07/20/2028	2.25%
Total Senior Notes		1,087,125	3,286	3,710	1,087,549	1,019,299	1,053,824			
Total		1,755,950	7,374	6,655	1,755,231	1,693,680	1,492,549			
Less: current portion of non-current debt		(9,247)	-	-	(9,247)	(3,967)	(29,116)			
Non-current debt (including non-current interest debt payable)		**$ 1,746,703**	**$ 7,374**	**$ 6,655**	**$ 1,745,984**	**$ 1,689,713**	**$ 1,463,433**			

(1) In 2023, the Company secured a financing with Bancomext for $200,000 for a 10-year term at a variable rate of SOFR + 2.50. The funds received were used to prepay the unpaid balance of a loan contracted with the same institution.
(2) In 2024, the Company secured a club loan for $250,000 with a 5-year term at a variable rate of SOFR 3M + 2.10. The proceeds from this loan were used to repay the balance of uncommitted credit facilities.
(3) In 2024, the Company secured a green loan for $200,000 with a 5-year term at a variable rate of SOFR 3M + 2.10. The proceeds from this loan were used to pay off the loans of the same amount from BBVA and The Bank of Nova Scotia secured during 2022.

As of December 31, 2025, the annual maturities of non-current debt, gross of debt issuance and obtaining costs are the following:

	2026	2027	2028	2029	2030	2031 and thereafter	Total
Bank loans [1]	$ 9,247	$ 14,122	$ 21,645	$ 272,770	$ 200,000	$ 151,041	$ 668,825
Sustainability-linked bonds [2]	-	-	587,125	-	-	500,000	1,087,125
	$ 9,247	**$ 14,122**	**$ 608,770**	**$ 272,770**	**$200,000**	**$ 651,041**	**$1,755,950**

[1] Interest on bank loans will be paid quarterly.
[2] Interest on Sustainability-linked bonds will be paid semiannually.

Some of the loan contracts and debt agreements contain restrictions, primarily regarding the compliance with certain financial ratios, including:

a. Interest coverage ratio: which is defined as EBITDA (Note 28) for the period of the last four complete quarters divided by financial expenses, net, for the last four quarters, which shall not be less than 3.0 times.

b. Leverage ratio: which is defined as consolidated debt at that date, being the gross debt or net debt appropriate, divided by EBITDA (Note 28) for the period of the last four complete quarters (1), which shall not be more than 3.5 times.

During 2025, 2024 and 2023, the financial ratios mentioned above were calculated in accordance with the established formulas in the credit agreements.

In 2021, the Company issued two Senior Notes with the characteristic of "Sustainability-Linked Bonds":

The first one was issued in June for $500,000 with a fixed rate of 3.625% and a 10-year maturity, and its use was to prepay the Senior Notes issued for the same amount in January 2018.

The second one was issued in July for EUR 500,000 with a fixed rate of 2.25% and a 7-year maturity, and its use was to prepay the Senior Notes issued for the same amount in March 2017.

Both issuances were contracted without financial obligations and without joint and several obligors under an investment grade structure.

Both issuances incorporate a measurement for the year concluding December 31, 2026 to achieve at least an 18% reduction of CO_2 emissions, if the goal is not achieved, the interest coupons shall increase 25 basis points as of June 28, 2027, with respect to the Sustainability-Linked Bonds in dollars and as of July 20, 2027, with respect to the Sustainability-Linked Bond in euros. This goal is consistent with our sustainability commitment to reduce GHG emissions in 28% by 2030, which were approved by the Science-Based Targets initiative ("SBTi") in 2021.

In August 2024, the Company secured a term loan with four banks for $250,000 over five years with a single payment at maturity. In this credit facility, each bank contributed $62,500. The proceeds were mainly used to pay short-term debt.

In December 2024, the Company secured a green loan from two banks in the amount of $200,000 for a term of five years, repayable in a single payment upon maturity. In this credit facility, each bank contributed $100,000. The proceeds from this loan were used to pay a green loan for the same amount secured in 2022, which had been used for the installation of new plants dedicated to the production of components for electric vehicles for global customers, located in Mexico, Germany and the Czech Republic.

As of December 31, 2025, 2024 and 2023 and the date of issuance of these consolidated financial statements, the Company is in compliance with all obligations and affirmative and negative covenants contained in its credit agreements; such obligations, among other conditions are subject to certain exceptions, and require or limit the ability of the Company to:

- Provide certain financial information;
- Maintain books and records;
- Maintain assets in appropriate conditions, except for those that cannot be expected to have a substantially adverse effect;
- Comply with applicable laws, rules and regulations, whose compliance may have a substantially adverse effect;
- Incur additional indebtedness, except if it is in compliance with affirmative and negative covenants in credit agreements;
- Pay dividends (only applicable to Nemak SAB), except if it is in compliance with affirmative and negative covenants in credit agreements;
- Grant liens on assets when the amount of secured obligations exceeds a percentage of total consolidated assets, as defined in each case;
- Enter into certain transactions with affiliates that are not in market conditions;
- Perform a consolidation or merger, except if the Company is the surviving one, and
- Carry out sale of assets, including sale and leaseback operations, whose value exceeds the amount determined in each case, except if it involves obsolete or abandoned assets, or such sale is performed according to ordinary course of business, fair market price and market conditions.

As of December 31, 2025, 2024 and 2023, there are no assets pledged as collateral for any of the subsidiaries, except for some assets, pledged as collateral in a long-term debt granted by a Brazilian government entity to promote investment (by its acronym in Portuguese, "BNDES"). As of December 31, 2025, the outstanding balance was settled. As of December 31, 2024, the outstanding balance and the value of the pledged assets are approximately $4 and $253, respectively. As of December 31, 2023, the outstanding balance and the value of the pledged assets are approximately $73 and $307.

17. Lease liability

	December 31,					
Current portion:		2025		2024		2023
USD	$	14,593	$	14,974	$	13,114
EUR		9,554		10,082		9,282
Other currencies		6,713		3,875		5,269
Current lease liability	$	**30,860**	$	**28,931**	$	**27,665**

Non-current portion:		2025		2024		2023
USD	$	52,997	$	38,532	$	41,411
EUR		29,471		49,437		52,380
Other currencies		25,396		17,111		20,024
		107,864		105,080		113,815
Less: Current portion of lease liability		(30,860)		(28,931)		(27,665)
Non-current lease liability	$	**77,004**	$	**76,149**	$	**86,150**

As of December 31, 2025, 2024 and 2023, changes in the lease liability related to the financing activities in accordance with the statement of cash flows consist of the following:

		2025		2024		2023
Beginning balance	$	105,080		$113,815	$	100,765
New contracts		37,574		28,947		44,041
Write-offs		(7,914)		(72)		(281)
Interest expense from lease liability		6,074		6,779		7,234
Lease payments		(79,051)		(67,844)		(41,924)
Exchange loss		46,101		23,455		3,980
Ending balance	$	**107,864**	$	**105,080**	$	**113,815**

The maturity of the lease liability that include non-accrued interest is analyzed as follows:

		December 31, 2025
Less than 1 year	$	30,860
Over 1 year and less than 3 years		46,767
Over 3 year and less than 5 years		11,802
Over 5 years		18,435
Total	$	**107,864**

18. Other liabilities

	December 31,					
		2025		2024		2023
Current:						
Other taxes and withholdings	$	13,669	$	10,889	$	11,233
Statutory employee profit sharing		14,829		12,289		11,841
Share-based payment (Note 21)		870		373		775
Derivative financial instruments (Note 4)		-		416		1,971
Others		11		94		36
Total	$	**29,379**	$	**24,061**	$	**25,856**
Non-current:						
Other(1)	$	15,008	$	14,859	$	16,996
Total	$	**15,008**	$	**14,859**	$	**16,996**

(1) It includes share-based payments (Note 21).

19. Employee benefits

The valuation of employee benefits for retirement plans is based primarily on their years of service, current age, and estimated salary at retirement date.

Subsidiaries of the Company have established funds for the payment of retirement benefits through irrevocable trusts.

Employee benefit obligations recognized in the consolidated statement of financial position are shown below:

	December 31,		
Country	2025	2024	2023
Mexico	$ 64,705	$ 54,321	$ 52,809
Canada	5,016	4,807	4,992
Poland	6,975	11,655	12,314
Austria	9,770	9,653	10,259
Germany	8,396	6,820	6,569
Other	4,135	3,795	2,923
Total	**$ 98,997**	**$ 91,051**	**$ 89,866**

Below is a summary of the primary financial data of these employee benefits:

	December 31,		
	2025	2024	2023
Obligations in the consolidated statement of financial position:			
Pension benefits	$ 94,519	$ 85,894	$ 84,511
Post-employment medical benefits	4,478	5,157	5,355
Liability recognized in the consolidated statement of financial position	98,997	91,051	89,866
Charge in the consolidated statements of income for:			
Pension benefits	4,946	2,536	5,531
Post-employment medical benefits	(197)	(206)	241
	4,749	2,330	5,772
Remeasurements from employee benefit obligations recognized in other comprehensive income (loss) for the year			
Pension benefits	(5,363)	(3,366)	(3,176)
Post-employment medical benefits	146	22	65
	(5,217)	(3,344)	(3,111)
Remeasurements accumulated in stockholders' equity	**$ (17,933)**	**$ (12,716)**	**$ (9,372)**

The Company manages post-employment medical benefits, primarily in Mexico and Canada. The accounting method, assumptions and frequency of valuations are similar to those used for benefits defined in pension schemes.

Amounts recognized in the consolidated statement of financial position are determined as follows:

	December 31,		
	2025	2024	2023
Present value of the obligations	$ 129,628	$ 120,826	$ 119,070
Fair value of plan assets	(30,631)	(29,775)	(29,204)
Net liabilities in the consolidated statement of financial position	**$ 98,997**	**$ 91,051**	**$ 89,866**

The movement in the defined benefit obligation during the year was as follows:

	2025	2024	2023
As of January 1	$ 120,826	$ 119,070	$ 101,108
Current service cost	7,237	7,556	6,689
Interest cost	5,651	4,022	5,457
Contributions from plan participants	26	24	28
Remeasurements:			
Actuarial remeasurements	1,839	11,407	3,216
Settlements	(10,650)	(2,109)	946
Benefits paid	(6,623)	(20,525)	(7,825)
Exchange differences	11,322	1,381	9,451
As of December 31	**$ 129,628**	**$ 120,826**	**$ 119,070**

The movement in the fair value of plan assets for the year was as follows:

	2025	2024	2023
As of January 1	$ (29,775)	$ (29,204)	$ (26,804)
Interest income	(1,032)	(1,062)	(1,129)
Remeasurements – return from plan assets, net	(25)	(974)	(1,230)
Exchange differences	1,221	(34)	(1,459)
Contributions from plan participants	(1,084)	(799)	(872)
Employee contributions	(2,261)	24	(28)
Benefits paid	2,325	2,274	2,318
As of December 31	**$ (30,631)**	**$ (29,775)**	**$ (29,204)**

The primary actuarial assumptions were as follows:

	December 31,		
	2025	2024	2023
Mexico:			
Inflation rate	3.69%	4.21%	4.66%
Wage increase rate	6.00%	6.00%	5.50%
Future wage increase	3.75%	3.75%	5.50%
Medical inflation rate	7.00%	7.00%	7.00%
Discount rate:			
Mexico	9.50%	10.50%	9.75%
Canada	4.84%	4.65%	4.62%
Austria	3.55%	4.25%	4.45%
United States	5.10%	5.15%	5.50%
Germany	2.45%	3.62%	3.68%
Poland	5.50%	5.30%	5.20%

The sensitivity analysis of the main assumptions for defined benefit obligations discount rate were as follows:

	Impact on defined benefit obligations		
	Change in assumptions	Increase in assumptions	Decrease in assumptions
Discount rate	1%	$(53,804)	$65,333

Pension benefit assets

Plan assets are comprised of the following:

	2025	2024	2023
Equity instruments	$ 4,945	$ 5,330	$ 8,387
Short and long-term fixed-income securities	25,686	24,445	20,817
	$ 30,631	**$ 29,775**	**$ 29,204**

20. Stockholders' equity

As of December 31, 2025, 2024 and 2023, the fixed, capital stock of $413,123, $420,535 and $431,734, respectively, was represented by 2,872,602, 2,940,877 and 3,037,820 thousand registered common shares, "Class I" of the Series "A", without face value, fully subscribed and paid, respectively.

As of December 31, 2023, the shares were represented as follows:

	Number of shares	
Stockholder	(In thousands)	Amount
Public investors	3,054,812	$ 433,816
Repurchase of shares	(16,992)	(2,082)
Balances as of December 31, 2023	**3,037,820**	**$ 431,734**

As of December 31, 2024, the shares were represented as follows:

	Number of shares	
Stockholder	(In thousands)	Amount
Public investors	3,037,820	$ 431,734
Repurchase of shares	(96,943)	(11,199)
Balances as of December 31, 2024	**2,940,877**	**$ 420,535**

As of December 31, 2025, the shares were represented as follows:

	Number of shares	
Stockholder	(In thousands)	Amount
Public investors	2,940,877	$ 420,535
Repurchase of shares	(68,275)	(7,695)
Others	-	283
Balances as of December 31, 2025	**2,872,602**	**$ 413,123**

The movement in outstanding shares for the year was as follows:

	Number of shares(In thousands)
Shares as of January 1, 2023	3,054,812
Repurchase of shares	(16,992)
Shares as of December 31, 2023	3,037,820
Repurchase of shares	(96,943)
Shares as of December 31, 2024	2,940,877
Repurchase of shares	(68,275)
Shares as of December 31, 2025	**2,872,602**

The profit for the period is subject to the legal provision requiring at least 5% of the profit for each period to be set aside to increase the legal reserve until it reaches an amount equivalent to 20% of the capital stock. As of December 31, 2025, 2024 and 2023, the legal reserve amounted to $69,933 (MXN $1,256,471) ,$61,992 (MXN 1,256,471) and $73,766 (MXN 1,246,171), respectively, which is included in retained earnings.

Dividends paid are not subject to ISR tax if paid from Net Tax Profit Account ("CUFIN", for its acronym in Spanish). Any dividends paid in excess of this account will cause a tax equivalent to 42.86% if they are paid in 2025. This tax is payable by the Company and may be credited against its income tax in the same year or the following two years or, if applicable, against the flat tax of the period. Dividends paid from profits, which have previously paid income tax are not subject to tax withholding or to any additional tax payment. As of December 31, 2025, the tax value of the consolidated CUFIN and value of the Capital Contribution Account ("CUCA") amounted to $1,705,160 (MXN 30,636,098) and $627,113 (MXN 11,267,145), respectively.

In accordance with the Mexican Income Tax Law ("LISR") becoming effective on January 1, 2014, a 10% tax on income generated starting 2014 on dividends paid to foreign residents and Mexican individuals when these correspond to taxable income. It also establishes that for fiscal years 2001 to 2013, the net tax on profits will be determined as established in the Income Tax Law effective in the corresponding fiscal year.

The incentive is applicable provided that such dividends or profits were generated in 2014, 2015 and 2016 and are reinvested in the legal entity that generated such profits, and consists of a tax credit equal to the amount obtained by applying the dividend or profits distributed, which corresponds to the year in which such amounts are distributed as follows:

Year of distribution of dividend or profit	Percentage of application to the amount of dividend or profit distributed.
2023	5%
2024	5%
2025 onwards	5%

The tax credit will be used against the additional 10% income tax that the Company must withhold and pay.

To apply the tax credit, the Company must meet the following requirements:

- Must identify in its accounting records the corresponding records to the profits or dividends generated in 2014, 2015 and 2016 and the respective distributions.
- Present in the notes to the consolidated financial statements information for the period in which profits were generated, dividends that were reinvested or distributed.

Entities distributing dividends or profits in respect of shares placed among the investing public should inform brokerage firms, credit institutions, investment firms, the people who carry out the distribution of shares of investment companies, or any other intermediary, the necessary details for these brokers to be able to make the corresponding withholding. For the years ended December 31, 2024 and 2023, the Company generated taxable income of $25,049 and $4,373, respectively, which may be subject to this withholding.

In the case of a capital reduction, Mexican tax law establishes that any excess of stockholders' equity over capital contributions be given the same tax treatment as applicable to dividends.

21. Share-based payments

The Company has a compensation plan relating to the value of its shares for senior executives of Nemak and its subsidiaries. According to the terms of the plan, eligible executives will receive a cash payment conditional on the achievement of certain quantitative and qualitative metrics based on the following financial measures:

- Improved share price
- Improvement in net income
- Tenure of the executives in the Company

The bonus will be paid in cash over the next five years, i.e. 20% each year based on the average price per share for the month of December of each year. The average share's price considered for the compensation's measurement in U.S. dollars in 2025, 2024 and 2023 was $0.21 (MXN 3.76), $0.11 (MXN 2.32) and $0.25 (MXN 4.19), the measurement is considered to be within level 1 of the fair value hierarchy.

Short and long-term liability are included in Other liabilities (Note 18) and are integrated as follows:

	December 31,		
	2025	2024	2023
Short-term	$ 870	$ 373	$ 775
Long-term	2,579	983	1,907
Total carrying amount	**$ 3,449**	**$ 1,356**	**$ 2,682**

22. Expenses classified by nature

The total cost of sales and administrative and sales expenses, classified by nature, were as follows:

	December 31,		
	2025	2024	2023
Raw materials	$ (2,139,325)	$ (2,057,701)	$ (2,156,650)
Maquila (production outsourcing)	(294,073)	(301,881)	(316,057)
Employee benefit expenses (Note 25)	(1,065,485)	(1,077,313)	(1,043,245)
Personnel expenses	(3,315)	(3,308)	(5,972)
Maintenance	(250,439)	(257,917)	(245,537)
Depreciation and amortization	(396,119)	(383,583)	(369,966)
Freight charges	(55,740)	(45,154)	(47,221)
Advertising expenses	(671)	(529)	(780)
Consumption of energy and fuel	(217,125)	(222,240)	(296,903)
Travel expenses	(8,457)	(8,518)	(11,030)
Operating leases	(15,670)	(16,701)	(16,749)
Technical assistance, professional fees and administrative services	(108,522)	(114,363)	(129,667)
Other	(194,534)	(188,876)	(160,691)
Total	**$ (4,749,475)**	**$ (4,678,084)**	**$ (4,800,468)**

23. Other (expenses) income, net

	2025	2024	2023
Gain on sale of property, plant, and equipment [1]	$ 1,295	$ 1,386	$ 11,330
Impairment of property, plant, and equipment (Note 28)	(88,552)	(103,790)	(31,568)
Other income	2,318	19,106	3,950
Total other (expenses) income, net	**$ (84,939)**	**$ (83,298)**	**$ (16,288)**

[1] For the year ended as of December 31, 2023, the gain on sale of property, plant and equipment corresponds mainly to the sale of building of the subsidiary Nemak of Canada Corporation.

24. Financial results, net

	2025	2024	2023
Financial income:			
Interest income in short-term bank deposits	$ 3,735	$ 4,559	$ 5,116
Financial income with related parties (Note 27)	524	406	507
Other financial income [1]	11,047	21,716	1,776
Total financial income	$ 15,306	$ 26,681	$ 7,399
Financial expenses:			
Interest expense on bank loans [3]	$ (89,946)	$ (108,372)	$ (84,911)
Other financial expenses [2]	(33,372)	(48,489)	(43,959)
Total financial expense	$ (123,318)	$ (156,861)	$ (128,870)
Exchange fluctuation (loss) gain, net:			
Exchange fluctuation gain	$ 404,272	$ 322,764	$ 112,851
Exchange fluctuation loss	(507,182)	(285,373)	(169,228)
Total exchange fluctuation (loss) gain, net	$ (102,910)	$ 37,391	$ (56,377)
Financial results, net	**$ (210,922)**	**$ (92,789)**	**$ (177,848)**

[1] It includes interest on plan assets (Note 19) and other items.
[2] It includes the financial cost of employee benefits (Note 19).

25. Employee benefit expenses

	2025	2024	2023
Salaries, wages and benefits	$ 886,602	$ 906,438	$ 890,828
Contributions to social security	160,649	152,003	142,075
Employee pension benefits (Note 19)	7,237	7,556	6,689
Other contributions	10,997	11,316	3,653
Total	**$ 1,065,485**	**$ 1,077,313**	**$ 1,043,245**

Holiday Labor Reform

On December 27, 2022, the amendments to articles 76 and 78 of the Federal Labor Law ("LFT", by its acronym in Spanish) were published in Mexico and are effective as of January 1, 2023. The amendments resulting from this labor reform include the increase in the minimum annual vacation period for workers with more than one year of service.

The Company evaluated the accounting impacts generated by this labor reform and determined that the increases in the vacation and vacation premium provision, as a result of the increase of vacation days, were not significant as of December 31, 2025, 2024 and 2023.

26. Income taxes

The Company is subject to income tax, whose rate is 30% in Mexico. The statutory income tax rates applicable to the main foreign subsidiaries were as follows:

	2025	2024	2023
Germany	30%	30%	30%
Austria	23%	23%	24%
Brazil	34%	34%	34%
China	25%	25%	25%
Spain	24%	24%	24%
Slovakia	24%	21%	21%
United State of America	21%	21%	21%
Hungary	9%	9%	9%
Poland	19%	19%	19%
Turkey	25%	25%	20%

a) Income tax recognized in the consolidated statements of income:

		2025		2024		2023
Current tax	$	(52,754)	$	(23,261)	$	(75,304)
Deferred tax		48,421		(7,040)		78,437
Income tax expensed	**$**	**(4,333)**	**$**	**(30,301)**	**$**	**3,133**

The Company adopted in 2023 the amendments to IAS 12, Income Taxes, applicable to income taxes arising from tax laws enacted or substantially enacted to implement the Pillar Two model rules published by the Organization for Economic Cooperation and Development ("OECD"), including tax laws implementing qualified national minimum taxes described in those standards.

The Company continues to apply the temporary exception to the accounting requirements for deferred taxes in IAS 12, so the Company does not recognize or disclose information about deferred tax assets and liabilities related to Pillar Two model income taxes.

The Company does not estimate material effects; however it will continue to evaluate the impact of the Pillar Two model income tax legislation on its future financial performance.

b) The reconciliation between the statutory and effective income tax rates was as follows:

		2025		2024		2023
(Loss) income before taxes	$	(111,602)	$	55,350	$	1,240
Equity in losses of associates recognized through the equity method		(2,296)		(2,865)		(2,486)
(Loss) income before interests in associates		(113,898)		52,485		(1,246)
Statutory rate		30%		30%		30%
Taxes at statutory rate		34,169		(15,746)		374
(Add) less tax effect on:						
Inflation adjustments		(24,743)		(7,423)		(4,826)
Non-deductible expenses		(5,597)		(19,613)		(23,255)
Non-taxable exchange effects		19,045		(1,970)		18,299
Other		(27,207)		14,451		12,541
Total income tax expense (benefit)	**$**	**(4,333)**	**$**	**(30,301)**	**$**	**3,133**
Effective rate		**4%**		**58%**		**251%**

c) The detail of the deferred income tax asset and liability is as follows:

		December 31				
		2025		2024		2023
Inventories	$	(10,939)	$	(1,730)	$	1,044
Property, plant and equipment		170		(44,675)		78,234
Intangible assets		(33,789)		(36,846)		(34,337)
Provisions		69,031		54,863		48,528
Tax loss carryforwards		24,686		34,324		(2,674)
Other temporary differences, net		63,107		51,864		3,378
Deferred tax asset	**$**	**112,266**	**$**	**57,800**	**$**	**94,173**
Inventories	$	195	$	296	$	(516)
Property, plant and equipment		(93,999)		(69,901)		(130,120)
Intangible assets		(12,824)		(12,811)		(32,528)
Provisions		41,667		42,318		44,652
Tax loss carryforwards		4,330		494		3,184
Other temporary differences, net		(15,818)		(28,319)		11,760
Deferred tax liability	**$**	**(76,449)**	**$**	**(67,923)**	**$**	**(103,568)**

Tax losses as of December 31, 2025 expire in the following years:

Expiration year	Amount
2026	$ -
2027	-
2028	13,239
2029	11,932
2030 and thereafter	71
No maturity	78,721
	$ 103,963

Additionally, as of December 31, 2025, the Company holds tax loss carryforwards of $7,243 and has decided to reserve the total amount.

d) The tax charge/(credit) related to comprehensive income (loss) is as follows:

	2025			2024			2023		
	Before taxes	Tax charged/ (credited)	After taxes	Before taxes	Tax charged/ (credited)	After taxes	Before taxes	Tax charged/ (credited)	After taxes
Translation effect of foreign entities	$ 168,908	$ -	$ 168,908	$(104,451)	$ -	$(104,451)	$ 38,489	$ -	$ 38,489
Remeasurements of obligations for employee benefits	(5,217)	1,494	(3,723)	(3,344)	945	(2,399)	(3,111)	777	(2,334)
Derivative financial instruments designated as cash flow hedges	206	(59)	147	1,766	(507)	1,259	2,942	(855)	2,087
Other comprehensive income (loss) items	**$163,897**	**$ 1,435**	**$165,332**	**$(106,029)**	**$ 438**	**$(105,591)**	**$ 38,320**	**$ (78)**	**$ 38,242**

27. Transactions with related parties

Transactions with related parties during the years ended December 31, 2025, 2024 and 2023, which were carried out at market values, were as follows:

	2025	2024	2023
Interest revenue:			
Sigma Foods [1]	$ 286	$ 318	$ 388
Associates	238	88	119
Other revenue:			
Associates	20,266	18,982	17,541
Affiliates	826	889	863
Total	**$ 21,616**	**$ 20,277**	**$ 18,911**
Administrative services expenses:			
Sigma Foods [1]	$ 12,230	$ 9,324	$ 11,074
Affiliates	2,905	2,898	2,960
Associates	-	13	-
Other expenses:			
Affiliates	3,783	2,620	1,687
Total	**$ 18,918**	**$ 14,855**	**$ 15,721**

[1] Sigma Foods, S.A.B. de C.V. and Subsidiaries (formerly 'Alfa, S.A.B. de C.V. and Subsidiaries')

For the years ended December 31, 2025, 2024 and 2023, wages and benefits received by senior management of the Company were $6,945, $8,403 and $9,400, respectively, an amount comprising base salary and other benefits associated with the Company's share-based payment plans.

As of December 31, 2025, 2024, and 2023, the balances with related parties are as follows:

	December 31, 2025 Loans with related parties					
	Accounts receivable	Capital and Interest	Currency	Maturity date MM/DD/YYYY	Interest rate	Accounts payable
Sigma Foods [1]	$ -	$ 5,859	MXN	12/31/2026	9.70%	$ 2,389
Associates	4,648	2,066	EUR	08/03/2026	4.35%	1,671
Affiliates	279	890	MXN			-
Total	**$ 4,927**	**$ 8,815**				**$ 4,060**

December 31, 2024
Loans with related parties

	Accounts receivable	Capital and Interest	Currency	Maturity date MM/DD/YYYY	Interest rate	Accounts payable
Sigma Foods [1]	$ -	$ 4,920	MXN	12/31/2025	12.10%	$ 6,333
Associates	2,734	2,061	EUR	08/03/2025	4.35%	1,170
Affiliates	257	7	MXN			749
Total	**$ 2,991**	**$ 6,988**				**$ 8,252**

December 31, 2023

	Accounts receivable	Capital and Interest	Currency	Maturity date MM/DD/YYYY	Interest rate	Accounts payable
Sigma Foods [1]	$ -	$ 5,565	MXN	12/31/2024	12.50%	$ 4,706
Associates	3,112	2,242	EUR	08/03/2025	4.25%	784
Affiliates	339	65	MXN			-
Total	**$ 3,451**	**$ 7,872**				**$ 5,490**

[1] Sigma Foods, S.A.B. de C.V. and Subsidiaries (formerly 'Alfa, S.A.B. de C.V. and Subsidiaries')

28. Segment financial information

Segment information is presented consistently with the internal reporting provided to the chief executive officer who is the highest authority in operational decision-making, resource allocation and assessment of operating segment performance.

The Company manages and evaluates its operation through its primary operating segments, which are:

- North America, in which Mexican and United States operations are grouped.
- Europe operations include the plants in Germany, Spain, Hungary, Czech Republic, Austria, Poland, Slovakia, and Turkey.
- Operating segments that do not meet the threshold established by the standard itself to be reported separately, such as Asia (including plants in China and India), South America (including plants in Brazil and Argentina), and other less significant operations, are added and shown under the "rest of the world".

Transactions between operating segments are performed at market value and the accounting policies with which the financial information by segments is prepared are consistent with those described in Note 3.

The Company evaluates the performance of each of the operating segments based on income before financial results, income taxes, depreciation and amortization ("EBITDA"), considering that this indicator is a good metric to evaluate operating performance and the ability to meet principal and interest obligations with respect to indebtedness, and the ability to fund capital expenditures and working capital requirements. Nevertheless, EBITDA is not a measure of financial performance under IFRS and should not be considered as an alternative to net income as a measure of operating performance or cash flows as a measure of liquidity.

The Company has defined Adjusted EBITDA to also reflect adjustments relating to asset impairment impacts.

Below is the condensed financial information on these operating segments as of and for the years ended December 31, 2025, 2024 and 2023:

For the year ended December 31, 2025

	North America	Europe	Rest of the world	Eliminations	Total
Statement of income					
Income by segment	$ 2,672,806	$ 1,692,691	$ 669,392	$ (103,451)	$ 4,931,438
Inter-segment income	(40,876)	(56,898)	(5,677)	103,451	-
Income from external customers	$ 2,631,930	$ 1,635,793	$ 663,715	$ -	$ 4,931,438
EBITDA					
Operating income	$ (16,983)	$ 55,637	$ 58,370	$ -	$ 97,024
Depreciation and amortization	229,405	134,279	32,435	-	396,119
Impairment [1]	53,051	34,902	599	-	88,552
Others	1,601	8,182	-	-	9,783
Adjusted EBITDA	$ 267,074	$ 233,000	$ 91,404	$ -	$ 591,478
Capital investments (Capex and intangibles)	**$ 160,470**	**$ 119,476**	**$ 24,248**	**$ -**	**$ 304,194**

[1] Nemak recognized an impairment charge of $25,000 and $23,698 at its operations in Monclova, Mexico, and Most, Czech Republic, in line with a strategy aimed at optimizing its operating structure and redefining its strategic focus across business lines.

For the year ended December 31, 2024

	North America	Europe	Rest of the world	Eliminations	Total
Statement of income					
Income by segment	$ 2,610,290	$ 1,756,181	$ 633,642	$ (93,457)	$ 4,906,656
Inter-segment income	(29,363)	(62,771)	(1,323)	93,457	-
Income from external customers	$ 2,580,927	$ 1,693,410	$ 632,319	$ -	$ 4,906,656
EBITDA					
Operating income	$ 71,442	$ 28,325	$ 45,507	$ -	$ 145,274
Depreciation and amortization	225,731	124,895	32,957	-	383,583
Impairment (1)	30,651	71,136	2,003	-	103,790
Adjusted EBITDA	$ 327,824	$ 224,356	$ 80,467	$ -	$ 632,647
Capital investments (Capex and intangibles)	**$ 201,081**	**$ 132,766**	**$ 27,072**	**$ -**	**$ 360,919**

(1) As part of a strategic adjustment in its operations during 2024, the Company decided to postpone the launch of its new production facilities, originally intended to support the production of battery housings for fully electric vehicles. Nemak recognized an impairment charge of $69,866, $18,733, $11,918 and $3,273 in the operations in Germany, the United States, Mexico and other countries, respectively.

For the year ended December 31, 2023

	North America	Europe	Rest of the world	Eliminations	Total
Statement of income					
Income by segment	$ 2,736,969	$ 1,764,320	$ 578,668	$ (86,599)	$ 4,993,358
Inter-segment income	(23,281)	(62,314)	(1,004)	86,599	-
Income from external customers	$ 2,713,688	$ 1,702,006	$ 577,664	$ -	$ 4,993,358
EBITDA					
Operating income	$ 64,814	$ 69,968	$ 41,820	$ -	$ 176,602
Depreciation and amortization	228,346	113,409	28,211	-	369,966
Impairment	6,073	25,495	-	-	31,568
Adjusted EBITDA	$ 299,233	$ 208,872	$ 70,031	$ -	$ 578,136
Capital investments (Capex and intangibles)	$ 316,089	$ 200,857	$ 23,695	$ -	$ 540,641

The reconciliation between "Adjusted EBITDA" and income before tax is as follows:

	2025	2024	2023
Adjusted EBITDA	$ 591,478	$ 632,647	$ 578,136
Depreciation and amortization	(396,119)	(383,583)	(369,966)
Impairment	(88,552)	(103,790)	(31,568)
Other	(9,783)	-	-
Operating income	97,024	145,274	176,602
Financial results, net	(210,922)	(92,789)	(177,848)
Equity in associates	2,296	2,865	2,486
Income before taxes	**$ (111,602)**	**$ 55,350**	**$ 1,240**

For the year ended December 31, 2025

	Property, plant and equipment, net	Goodwill	Intangible assets and right of use
North America	$ 1,614,029	$ 106,812	$ 104,588
Europe	980,977	195,503	142,067
Rest of the World	200,333	-	32,174
Total	**$ 2,795,339**	**$ 302,315**	**$ 278,829**

For the year ended December 31, 2024

	Property, plant and equipment, net	Goodwill	Intangible assets and right of use
North America	$ 1,703,088	$ 106,812	$ 145,036
Europe	918,936	172,379	111,267
Rest of the World	192,188	-	25,521
Total	**$ 2,814,212**	**$ 279,191**	**$ 281,824**

For the year ended December 31, 2023

	Property, plant and equipment, net	Goodwill	Intangible assets and right of use
North America	$ 1,646,128	$ 106,812	$ 183,927
Europe	1,014,421	183,950	140,098
Rest of the World	207,269	-	33,067
Total	**$ 2,867,818**	**$ 290,762**	**$ 357,092**

Nemak's clients are automotive companies, known as OEMs, some of which are part of major automotive groups. The Company has the following global clients whose transactions represent more than 10% of the consolidated sales: Ford 27%, 28% and 24%, General Motors 18%, 15% and 15%, Stellantis 11%, 10% and 10%, and Volkswagen Group 11%, 11% and 13%, each in 2025, 2024 and 2023, respectively.

29. Commitments and contingencies

In the normal course of its business, the Company is involved in disputes and litigation. While the outcomes of these disputes cannot be predicted, as of December 31, 2025, the Company does not believe that there are any current or threatened actions, claims or legal proceedings against it or affecting the Company that, if determined adversely to the Company, would significantly damage its individual or overall results of operations and/or financial position.

As of December 31, 2023, the Company had the following contingency:

Nemak México, S.A. received a claim from the Canada Revenue Agency ("CRA") for a tax credit for approximately $77,800 (including interest) related to alleged Goods and Services Tax ("GST") and the Harmonized Sales Tax ("HST") liabilities on certain assets delivered in Canada. However, the Company disputed the claim before the CRA's Audit Division arguing that its clients in Canada acted as importers and that the deliveries occurred outside Canadian territory. As of December 31, 2024, the contingency with the CRA has been resolved favorably for Nemak, and it is no longer an active contingency.

As of December 31, 2024, the Company had the following contingency:

The Brazilian Federal Tax Authority issued a notice stating that Nemak Alumínio do Brasil Ltda. Made incorrect deductions of costs (fictitious purchases of aluminum) for the calculation of income tax and improperly claimed value-added tax credits for $60,000. At the request of the Tax Authority, the Company provided all supporting documentation to prove that the transactions are legitimate and in compliance with the law. The procedure is still in the administrative phase and the Company has already submitted its response. Nemak, together with its legal advisors, believes the case will conclude favorably, and therefore, no provision has been recognized in its statement of financial position as of December 31, 2025.

As of December 31, 2025, the Company has the following contingency:

Regulatory compliance audit (Trade Regulatory Audit) by the U.S. Customs and Border Protection, Office of Trade, whose main purpose is to determine whether Nemak México, S.A. imported primary aluminum of Russian origin or content into the United States during the period from March 10, 2023 to September 30, 2024, and, if applicable, to determine the amount payable in tariffs. The initial questionnaire provided on March 20, 2025 was answered, and subsequently, a second questionnaire received on August 26, 2025 was also addressed. The audit remains ongoing, and there is not yet a definitive resolution from the authority.

30. Subsequent events

In preparing the consolidated financial statements the Company has evaluated the events and transactions for recognition or disclosure subsequent to December 31, 2025, and through January 31, 2026, (issuance date of the consolidated financial statements), and except for the matters mentioned in the following paragraph, no additional significant subsequent events have been identified:

On January 16, 2026, Nemak announced that its Board of Directors approved the succession plan for the position of Chief Executive Officer. After 42 years of dedicated service at Nemak, including 13 years serving as Chief Executive Officer, Armando Tamez Martínez will conclude his tenure effective March 31, 2026. This transition is part of a carefully structured succession process, reaffirming the Company's commitment to continuity and long-term strategic growth.

The Board of Directors has appointed Hervé Boyer as Chief Executive Officer, effective as of April 1, 2026. The Company will initiate an orderly transition process to ensure continuity in leadership, operations, and Nemak's commitments to its customers, employees, and other stakeholders.

31. Authorization to issue the consolidated financial statements

The issuance of the consolidated financial statements was authorized on January 31, 2026, by Armando Tamez Martínez, as Chief Executive Officer and Alberto Sada Medina, as Chief Financial Officer.

These consolidated financial statements are subject to the approval of the Company's shareholders' meeting.

For more information visit us at

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Stock exchange and ticker

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