

ASI CERTIFICATION PERFORMANCE STANDARD



PRESENTED TO

Nemak México, S.A. Melting Center

CERTIFICATE NUMBER
375

ASI STANDARD
**PERFORMANCE
STANDARD
(V3 2022)**

CERTIFICATION LEVEL
**FULL
CERTIFICATION**

ASI ACCREDITED
AUDITING FIRM
**DNV BUSINESS
ASSURANCE UK CO.
LTD**

DATE OF ISSUE
6 JUNE 2024

DATE OF EXPIRY
5 JUNE 2027

CERTIFIED SINCE
6 JUNE 2024

AUTHORISED BY

A handwritten signature in black ink, appearing to be 'J. H.', with a long horizontal line extending to the right.

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*Validity of this Certificate is subject to
continued conformance with the
applicable ASI Standard and can be
verified at
www.Aluminium-stewardship.org*

CERTIFICATION SCOPE

The Nemak Mexico production unit
Melting Center is located in Nuevo
León, a municipality adjacent to the
city of Monterrey, Mexico.

AUDIT REPORT PERFORMANCE STANDARD

OVERVIEW

MEMBER NAME	Nemak S.A.B de C.V
ENTITY NAME	Nemak México, S.A Melting Center
CERTIFICATION SCOPE	The Nemak Mexico production unit Melting Center is located in Nuevo León, a municipality adjacent to the city of Monterrey, Mexico.
SUPPLY CHAIN ACTIVITIES	<ul style="list-style-type: none">Aluminium Re-melting/Refining
ASI STANDARD	<ul style="list-style-type: none">Performance Standard V3 (April 2023)
AUDIT TYPE	<ul style="list-style-type: none">Initial Certification Audit
AUDIT FIRM	DNV Business Assurance Services UK Ltd
AUDIT DATE	<ul style="list-style-type: none">26 February – 1 March 2024
AUDIT REPORT SUBMISSION	<ul style="list-style-type: none">26 April 2024
AUDIT SCOPE	<p>The Audit Scope covers Nemak's Mexico Melting Center production unit located at García, Nuevo León, a municipality adjacent to the city of Monterrey, Nuevo León, Mexico. Supply chain activities included in the Audit Scope:</p> <ul style="list-style-type: none">Aluminium Re-melting/Refining <p>All relevant Criteria in the ASI Performance Standard were included in the Audit Scope.</p>
AUDIT OUTCOME	<ul style="list-style-type: none">Certification
AUDIT METHODOLOGY DECLARATION	<p>The Auditors confirm that:</p> <ul style="list-style-type: none"><input checked="" type="checkbox"/> The information provided by the Entity is true and accurate to the best knowledge of the Auditor(s) preparing this report.<input checked="" type="checkbox"/> The findings are based on verified Objective Evidence relevant to the time period for the Audit, traceable and unambiguous.<input checked="" type="checkbox"/> The Audit Scope and audit methodology are sufficient to establish confidence that the findings are indicative of the performance of the Entity's defined Certification Scope.<input checked="" type="checkbox"/> The Auditor(s) have acted in a manner deemed ethical, truthful, accurate professional, independent and objective.
CERTIFICATION PERIOD	30 May 2024 – 29 May 2027
NEXT AUDIT TYPE	Re-Certification Audit

NEXT AUDIT DATE 29 May 2027

CERTIFICATE NUMBER 375



If you have an inquiry or complaint about this Certification, go to the third-party EthicsPoint portal at: <https://Aluminium-stewardship.ethicspoint.com/>

EthicsPoint is a comprehensive and confidential reporting tool that enables complaints to be securely raised, managed and responded to. This enables anonymity to be maintained where desired by complainants, or as relevant to whistleblowing situations.

Information is available in five languages – English, French, Chinese, German and Portuguese (Brazil). Translation services provided by EthicsPoint enable complaints and correspondence to be managed in multiple languages.

ENTITY OVERVIEW

Nemak is a leading company in the automotive sector, dedicated to producing and developing innovative solutions for high-quality Aluminium components. is considered as a strategic partner for the leading automakers.

Nemak, S.A.B. de C.V. (the 'Entity') is noted as a leading provider of innovative lightweight solutions for the global automotive industry, specialising in developing and manufacturing Aluminium components for e-mobility, structure and chassis, and combustion engine (ICE) powertrain applications. Nemak currently employs approximately 24,000 people at 38 production facilities worldwide, with 1,000 at the Entity, which is located at Libramiento Arco Vial Km. 3.8, García Nuevo León in México.

MATURITY RATINGS

A rating of maturity (low, medium or high) determined by the Auditor that provides a general assessment in terms of systems, Residual Risk and performance assigned to a Sustainability Component.

Maturity ratings are not a direct assessment of conformance to the Standard.

	GOVERNANCE	ENVIRONMENT	SOCIAL	COMBINED RATING
SYSTEMS	High	High	High	HIGH
RISKS	High	High	High	HIGH
PERFORMANCE	High	High	High	HIGH
OVERALL		HIGH		

FINDINGS

CRITERION	RATING	COMMENT
1. BUSINESS INTEGRITY		
1.1 Legal Compliance	Conformance	The Entity has systems in place to maintain knowledge and ensure Compliance with Applicable Legislation, and it is clear that legal compliance requirements are assessed through external audits by a contracted company and that the legal requirements applicable to each unit are monitored through the system for monitoring legal requirements.
1.2 Anti-Corruption	Conformance	<p>The Entity acts against Corruption in all its forms, including Extortion and Bribery, under applicable legislation and current international standards through implementing the Anti-Corruption Policy. https://nepak.com/media/2577/anti-corruption-policy-public.pdf</p> <p>The Entity also has developed and implemented an Anti-Money Laundering Policy: https://nepak.com/media/2578/anti-money-laundering-and-sanctions-compliance-policy.pdf The Entity engages an external auditor annually to verify its financial transactions.</p>
1.3a-e Code of Conduct	Conformance	<p>The Entity has implemented a Code of Conduct that includes principles relevant to environmental, social and governance performance, available at: https://nepak.com/media/3031/code-of-conduct-esp%C3%B1ol.pdf</p> <p>The Entity has demonstrated that all Workers receive training on the Code of Conduct in the Entity's induction process through the onboarding process for new Workers as well as annually during compliance campaigns. For more information, refer to: https://investorcloud.s3.amazonaws.com/nepak/InformacionFinanciera/ReportesAnuales/IA-2023-en.pdf (page 69).</p>
2. POLICY AND MANAGEMENT		
2.1a-f Environmental, Social, and Governance Policy	Conformance	<p>The Entity has developed a Management Policy, which includes environmental, social, and governance practices, and has been approved by Management. The Entity has implemented and maintains its Environmental, Social and Governance Policies. The policies are communicated internally, through employee display boards, and externally through its website: https://nepak.com/sustainability/?sc=0#sustainabilityPolicies</p>
2.2a-c Leadership	Conformance	The Entity's plant manager takes overall responsibility for the implementation of ASI requirements and leads the Policy communication. He is supported by a local ASI and a central sustainability team. Roles are clearly defined in the ASI Certification Procedure.
2.3a Environmental and Social Management Systems - Environmental	Conformance	The Entity has documented and locally implemented an integrated Environmental Management System and holds a valid ISO 14001 Certificate.
2.3b Environmental and Social Management Systems - Social	Conformance	The Entity has documented and implemented an Integrated Social Management System through corporate division governance procedures, the Code of Conduct framework, and Corporate Social Responsibility initiatives.

CRITERION	RATING	COMMENT
2.4a-e Responsible Sourcing	Conformance	<p>The Entity has implemented and maintains a Responsible Procurement Policy covering environmental, social, and governance issues as per the ASI Performance Standard. The Entity has also implemented the Global Business Code for Suppliers, which covers environmental, social, and governance issues. It has been communicated to all relevant suppliers, and it is publicly available at: https://nepak.com/media/2609/nepak-business-code-for-suppliers_public.pdf</p> <p>Purchasing Policy: https://nepak.com/media/2842/sustainable-purchasing-policy.pdf</p>
2.5a-g Environmental and Social Impact Assessments	Not Applicable	<p>Since the Entity became an ASI member in 2022, no New Projects or Major Changes have occurred. The environmental, social, cultural, and Human Rights Impact Assessments are implemented in each of the Entity's various departments. The identified risks to social, environmental, OH&S, and governance were assessed, and the associated control measures were established and implemented.</p>
2.6a-h Human Rights Impact Assessment	Not Applicable	<p>Since the Entity became an ASI member in 2022, no New Projects or Major Changes have occurred. The environmental, social, cultural, and Human Rights Impact Assessments are implemented in each of the Entity's various departments. The identified risks to social, environmental, OH&S, and governance were assessed, and the associated control measures were established and implemented.</p>
2.7a-f Emergency Response Plan	Conformance	<p>The Entity has established an Emergency Response Planning Management process and Emergency Response Plans, in collaboration with potentially affected Stakeholder groups. The Entity has also conducted comprehensive environmental and safety plan exercises.</p>
2.8a-d Suspended Operations	Conformance	<p>The Entity has established a procedure for suspending operations, including a Business Resilience Plan to address situations where it may have to suspend or significantly alter operations due to factors outside its control. This procedure considers Material adverse environmental, social, and governance impacts.</p>
2.9a-b Mergers and Acquisitions	Conformance	<p>The Entity has established a Procedure for Mergers and Acquisitions (Investment and Construction Projects Management Procedure). Senior management commits to conducting Due Diligence processes for Mergers and Acquisitions if such an event occurs in the future and reviewing its environmental, social, and governance practices. This includes those associated with Historic Aluminium Operations. No such activities have occurred within the last two years.</p>
2.10a-b Closure, Decommissioning and Divestment	Conformance	<p>No plan for closure, decommissioning, or divestment of the Entity was announced at the time of the Audit. The site systematically reviews environmental, social, and governance issues as part of the Entity's planning and due diligence processes. Closure, decommissioning, and divestments are not managed on a local level but by the Entity's corporate headquarters, where both a process and procedure are in place.</p>

3. TRANSPARENCY

CRITERION	RATING	COMMENT
3.1a-b Sustainability Reporting	Conformance	The Entity has prepared and issued a Sustainability Report that addresses Governance, Performance (Environment & Energy, Labour & Human Rights, Work Conditions, Occupational Health and Safety (OH&S), Responsible Sourcing, Corporate Citizenship and Public Charity). It is publicly available at: https://investorcloud.s3.amazonaws.com/nemak/InformacionFinanciera/ReportesAnuales/IA-2023-en.pdf
3.2 Non-compliance and Liabilities	Conformance	The Entity publicly discloses information annually on Material fines, judgments, penalties and non-monetary sanctions for non-compliance with Applicable Law through the 2023 Annual Report: https://investorcloud.s3.amazonaws.com/nemak/InformacionFinanciera/ReportesAnuales/IA-2023-en.pdf - pages 103 to 106. The Entity has not received notification, warnings, or economic or operational sanctions for non-compliance with legal requirements applicable to its operations. Nemak has included a statement in its global annual report: Quote "To the best of the Company's knowledge, there was no non-compliance with laws or regulations in 2023 that had economic impacts relevant to its business, operations, and/or results. (https://investorcloud.s3.amazonaws.com/nemak/InformacionFinanciera/ReportesTrimestrales/2023-4T23-BMV.pdf).
3.3a-c Payments to Governments	Conformance	The Entity has demonstrated that it pays its taxes appropriately, observing the tax assessments issued by the Council and Federal and State taxation bodies; payments are made only in the Entity's name, and it does not make party financial contributions made directly or indirectly through intermediaries. The Entity annually engages an independent financial auditor and has established an Anti-Corruption Policy: https://nemak.com/media/2577/anti-corruption-Policy-public.pdf https://investorcloud.s3.amazonaws.com/nemak/InformacionFinanciera/ReportesAnuales/IA-2023-en.pdf (page 71).
3.4a-f Stakeholder Complaints, Grievances and Requests for Information	Conformance	The Entity has established a Transparency Hotline, which is available on its website, bulletin boards, intranet, and site entrance. Direct and indirect Workers, suppliers, the community, and other Stakeholders can anonymously submit reports to the Transparency Channel or indicate how they wish to be contacted. Nemak Transparency Helpline: https://www.nemak.com/pt/linha-de-ajuda-de-transpar%C3%Aancia/ Integrity and Transparency Helpline – Alfa: https://www.alfa.com.mx/buzon/english/ or transparency@alfa.com.mx
4. MATERIAL STEWARDSHIP		
4.1a Environmental Life Cycle Assessment	Conformance	The Entity has conducted a Life Cycle Assessment (LCA) on the impacts of its main products for which Aluminium is considered or used through the Corporate Procedure, which defines the Product Life Cycle assessment methodology. In 2022, the Entity prepared the Life Cycle Assessment Report resulting from the survey of approximately 70% of its products. All major product lines were evaluated.
4.1b-c Environmental Life Cycle Assessment - Disclosure	Conformance	The Entity has defined in the Corporate Life Cycle Procedure the method of disclosing data when requested by customers; however, there have been no formal customer requests to date. The Entity hired

CRITERION	RATING	COMMENT
		the Sphera platform to validate the data and publicly disseminate the Life Cycle Assessment report.
4.2 Product Design	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
4.3a-b Aluminium Process Scrap	Conformance	The Entity has established a Quality Management System certified by ISO 14001 and ISO 9001, with an approach to defining Scrap reduction targets. All products rejected by the Entity are 100% recycled (separated by alloy composition) and reused in production. Furthermore, the Entity has demonstrated that the chips generated in Foundry and Machining are directed to the Melting Center area and returned to the production process as liquid Aluminium.
4.4a-c Collection and Recycling of Products at End of Life - Material Conversion and other Manufacturing	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
4.4d Collection and Recycling of Products at End of Life	Conformance	The Life Cycle of the Entity's products follows the profile of the Mexican automotive industry. Upon reaching the End of Life, the vehicle is scrapped, and its materials are segregated. Aluminium returns to the market through recycling from alloy suppliers. Nematik's 2023 annual report shows Nematik uses 70% recycled Aluminium in its global portfolio. Nematik maintains a strong relationship with suppliers and requests that they join EcoVadis and be certified to ASI standards by 2030. In Mexico, 70% of the Aluminium used in Nematik's operations comes from recycled material. The Entity has 99 types of scrap obtained from the main recyclers (non-primary) Aluminium alloy suppliers.
5. GREENHOUSE GAS EMISSIONS		
5.1a-b Disclosure of GHG Emissions and Energy Use	Conformance	The Entity has demonstrated that its energy use and GHG emissions data are accounted for and included in the aggregated data in the ASI Plant Report. Scope 1, 2 and 3 GHG emissions, with Scope 3 emissions responsible for the majority of the Entity's emissions and these data are independently verified. Scope 1 and 2 emissions associated with internal operations represent 30% of Nematik's total carbon footprint, while 70% result from supply chain activities. The Entity actively engages with suppliers to reduce its global carbon footprint and drive progress towards its Net-Zero objective. The Entity regularly monitors energy consumption and continually investigates innovative methods to reduce its carbon footprint. https://www.nematik.com/media/3053/asi-plant-report.pdf (Pages 03 and 04).
5.2a Aluminium Smelter GHG Emissions Intensity – Started production after 2020	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
5.2b Aluminium Smelter GHG Emissions Intensity –	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.

CRITERION	RATING	COMMENT
In production up to and including 2020		
5.3a-e GHG Emissions Reduction Plans	Conformance	The Entity's validated targets were certified by the Science Based Targets Initiative (SBTi) in 2023, and are established based on a Below Two Degree Warming Scenario. However, Nematik's greater ambition and supporting transition plan are supportive of a 1.5°C scenario in line with its aim to be Net Zero by 2050. The Entity reviews its long-term strategy annually and proactively adjusts market projections to reflect the latest trends and data. The Entity has demonstrated the achievement in CO ₂ reductions of Scopes 1 and 2, which is up to 50% compared to 2019 (baseline). Scope 3 represents 89% of total emissions in 2022. The Entity achieved reductions of 31% when compared to 2019. The GHG Emissions Reduction Pathway and Reduction Plan is available at: https://investorcloud.s3.amazonaws.com/nematik/InformacionFinanciera/ReportesAnuales/IA-2023-en.pdf (page 34).
5.4 GHG Emissions Management	Conformance	The Entity has implemented an Energy Management System which is certified to ISO 50001 and ISO 14001. The Entity has also implemented measures to optimise energy use and efficiency.
6. EMISSIONS, EFFLUENTS AND WASTE		
6.1a-f Emissions to Air	Conformance	The Entity identifies, assesses, and quantifies its Material Emissions to Air from its activities, implements the control plans to minimise exposure to, and impacts from, Emissions to Air, monitors the effectiveness of the control plans periodically, reviews the control plans regularly and in the case of major change or non-conformance is found. The Entity publicly discloses its pollutant discharge information and air emission control plan in the Nematik Annual Report: https://investorcloud.s3.amazonaws.com/nematik/InformacionFinanciera/ReportesAnuales/IA-2023-en.pdf (Pages 15-18-19-32-33-34-36-38-42-43-44-45-62-63)
6.2a-g Discharges to Water	Conformance	The Entity identifies, assesses, and quantifies Material Discharges to Water from its activities, implements control plans to minimise exposure to and impacts from Discharges to Water, monitors the effectiveness of the control plans periodically, reviews the control plans regularly, and, in the case of Major Changes or non-conformance, publicly discloses its pollutant discharge information and the control plan in the Nematik Annual Report: https://investorcloud.s3.amazonaws.com/nematik/InformacionFinanciera/ReportesAnuales/IA-2023-en.pdf (page 51).
6.3a-g Assessment and Management of Spills and Leakages	Conformance	The Entity has undertaken an assessment of risk areas of operations where Spills and Leaks may contaminate air, water, or soil. A Management Plan has been developed and implemented. The Entity reviews the plans periodically or after a Spill/Leakage event or major Business change.
6.4a-b Public Disclosure of Spills and Leakages	Conformance	The Entity has publicly disclosed Leakages risk identification and assessment results at: https://www.nematik.com/media/3049/ms-pg-447-01-respuesta-a-emergencias-rev-18-1.pdf There have been no Spills or Leakage events to date.

CRITERION	RATING	COMMENT
6.5a-c Waste Management and Reporting	Conformance	The Entity has implemented a waste management strategy in accordance with the Waste Mitigation Hierarchy. The Entity mitigates the Material impacts through the recycling of wastes. The disposal of Hazardous Waste is in compliance with the applicable legal requirements. The Entity publicly discloses the quantity of Hazardous and Non-Hazardous Waste generated from its activities for in the Nemak 2023 Annual Report: https://investorcloud.s3.amazonaws.com/nemak/InformacionFinanciera/ReportesAnuales/IA-2023-en.pdf (Pages: 19-20-22-31-33-39-40-41-48-49-50-87)
6.6a-g Bauxite Residue	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
6.7a-f Spent Pot Lining (SPL)	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
6.8a-d Dross	Conformance	The Entity's Dross is stored on site in accordance with the legal and permitting requirements. The Entity maintains Scrap statistics which are documented in the annual waste report. Dross is sent to an external service provider for recycling. No Dross is sent to landfill.
7. WATER STEWARDSHIP		
7.1a-b Water Assessment and Disclosure	Conformance	The Entity publicly disclosed its capture and use of water resources by source in the complementary report (Mexico) ASI Plant Report, https://www.nemak.com/media/3053/asi-plant-report.pdf (page 05). The Entity has conducted a water risk assessment using the Aqueduct tool, developed by the World Resources Institute (WRI), to identify any water stress areas 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 considers various water use sectors, such as domestic, industrial, irrigation, and livestock, as well as factors such as upstream consumptive water use and the influence of large dams on water availability downstream. Based on these analyses, the tool generates a water stress index, with higher values indicating greater competition for the region's water resources. In the reporting year, Nemak Mexico has identified the following water stress levels in its region as High (40-80%) for Garcia (Mexico). https://investorcloud.s3.amazonaws.com/nemak/InformacionFinanciera/ReportesAnuales/IA-2023-en.pdf (page 51).
7.2a-e Water Management	Conformance	The Entity is aware that its main unit in Monterrey, Mexico, is located in an area that has historically experienced severe water shortages. In preparation for a potential water shortage in future, the Entity has processes in place to combat the effects and ensure operations are not disrupted. The Entity has developed a Water Supply Contingency Plan to minimise physical water risks. The Entity has set a goal to reduce water consumption by 2% annually. To reduce water consumption, the Entity is implementing initiatives such as saving water in plants 5 and 6 bathrooms and the Fusion Center and reusing water from condensers, Air Conditioner and treatment and a Water Supply Contingency Plan, page 51: https://investorcloud.s3.amazonaws.com/nemak/InformacionFinanciera/ReportesAnuales/IA-2023-en.pdf

CRITERION	RATING	COMMENT
8. BIODIVERSITY AND ECOSYSTEM SERVICES		
8.1a Biodiversity and Ecosystem Services Risk and Impact Assessment	Conformance	The Entity has assessed the risk and materiality of potential impacts on Biodiversity and Ecosystem Services arising from land use and activities within the Area of Influence using the Integrated Biodiversity Assessment Tool (IBAT) tool (https://www.ibat-alliance.org). The risk was determined as low. The Entity does not contribute to or are likely to impact Ecosystem Services in their Area of Influence based on the conclusion of the 'Assessment of the Impacts and Risks of the Operation of the Garcia Industrial Unit in Mexico on Biodiversity and Ecosystem Services'. The Entity also has a Biodiversity & Ecosystem Services Policy, available at: https://nemak.com/media/2574/biodiversity-ecosystem-services-Policy-public.pdf
8.1b Biodiversity and Ecosystem Services Risk and Impact Assessment - Priority	Not Applicable	The Entity has assessed the risk and Materiality of potential impacts on Biodiversity and Ecosystem Services arising from land use and activities within the Area of Influence through the Integrated Biodiversity Assessment Tool (IBAT) tool (https://www.ibat-alliance.org) and classified as low, does not contribute or could impact Ecosystem Services in its Area of Influence according to the conclusion of the 'Assessment of the Impacts and Risks of the Operation of the Garcia Industrial Unit in Mexico on Biodiversity and Ecosystem Services', prepared in January 2023.
8.2a-g Biodiversity Management	Not Applicable	This Criterion is not applicable to the Entity as no Priority Ecosystem Services have been identified. The Entity has assessed the risk and Materiality of potential impacts on Biodiversity and Ecosystem Services from land use and activities within the Area of Influence and classified the risk as low.
8.3a-c Management of Priority Ecosystem Services	Not Applicable	This Criterion is not applicable to the Entity as no Priority Ecosystem Services have been identified. The Entity has assessed the risk and Materiality of potential impacts on Biodiversity and Ecosystem Services from land use and activities within the Area of Influence and classified the risk as low.
8.4 Alien Species	Conformance	The Entity proactively prevents the accidental or deliberate introduction of Alien Species that may have significant adverse impacts on Biodiversity in the Area of Influence. No invasive species that could negatively impact biodiversity and ecosystem services have been identified. The Entity has also implemented the Wildlife and Exotic Species Management Procedure to guarantee preventive measures regarding any possibility of introducing Alien Species. Biodiversity & Ecosystem Services Policy, available at: https://nemak.com/media/2574/biodiversity-ecosystem-services-policy-public.pdf
8.5a-b Commitment to 'No Go' in World Heritage Properties	Conformance	The Entity prevents and takes all possible measures to ensure the preservation of operations close to World Heritage Sites. According to the World Database on Protected Areas (WDPA), there are no listed assets in the Entity's area of influence. The Entity is not adjacent to terrestrial and inland protected areas. At present, the Entity does not have any New Projects or Major Changes in development.

CRITERION	RATING	COMMENT
8.6a-d Protected Areas	Conformance	<p>The Entity prevents and takes possible measures to ensure that operations are not close to protected areas. No Protected Areas are within the Entity's Area of Influence; according to the World Database on Protected Areas (WDPA), The Entity is not adjacent to terrestrial and inland protected areas.</p> <p>https://www.protectedplanet.net/en/thematic-areas/wdpa?tab=WDPA</p> <p>At present, the Entity does not have any New Projects or Major Changes under development.</p>
8.6e Protected Areas – Bauxite Mining	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
8.7a-i Mine Rehabilitation	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
9. HUMAN RIGHTS		
9.1a-d Human Rights Due Diligence	Conformance	<p>The Entity has implemented a Human Rights Due Diligence process, which includes a Risk Assessment for Human Rights issues and a relevance matrix to map the impact and importance of communities within the Area of Influence. Based on the Human Rights Due Diligence process, the Report has identified that the Entity did not cause or contribute to adverse impacts on Human Rights in its Area of Influence. The Entity has identified and assessed the level of importance of Communities in their Area of Influence and developed actions based on four pillars. These are: 1 Active involvement with the Community; 2. Strengthening Social Bonds; 3. Contribution to Local development; and, 4. Positively impacting people's lives through employability. The Entity's Human Rights Policy is available at: https://nepak.com/media/2947/global-human-rights-Policy.pdf</p>
9.2a-e Gender Equity and Women's Empowerment	Conformance	<p>The Entity has implemented the United Nations (UN) Women's Empowerment Principles (WEPs) (https://www.weps.org/company/nepak) to promote an inclusive and diversified work environment where all Workers, regardless of their gender, have equal opportunities and are valued for their skills and contributions. Furthermore, the Entity works to eliminate any form of gender discrimination in its Policies and practices. The Entity has adopted measures to ensure equal pay for men and women performing similar roles, as well as to prevent sexual harassment and other forms of gender-based violence. The effectiveness of measures taken to promote gender equity is reported annually through the Bloomberg Gender Equality Index (GEI) Survey: https://nepak.com/media/2777/bloomber-gei-v2.pdf</p>
9.3a-i Indigenous Peoples	Conformance	<p>The Entity has established both a Code of Conduct and Human Rights Policy, affirming its commitment to respecting Human Rights and recognising the importance of preserving and respecting cultural diversity, including the rights of Indigenous Peoples. The Entity has researched and identified the geographic areas where Indigenous communities have a historical or current presence. However, no Indigenous tribes communities are near the Entity's Area of Influence. Atlas de Los Pueblos Indigenas de Mexico: https://atlas.inpi.gob.mx/distribucion-por-entidad-federativa/</p>

CRITERION	RATING	COMMENT
9.4a Free, Prior, and Informed Consent (FPIC) - New Projects or Major Changes	Not Applicable	This Criterion does not apply to the Entity, as Indigenous Peoples or their lands, territories and resources are not present or directly affected by the Entity's operations.
9.4b Free, Prior, and Informed Consent (FPIC) - Bauxite Mining	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
9.4c Free, Prior, and Informed Consent (FPIC) - Demonstrate support	Not Applicable	This Criterion does not apply to the Entity, as Indigenous Peoples or their lands, territories and resources are not present or directly affected by the Entity's operations.
9.5a Cultural and Sacred Heritage – Identification	Not Applicable	This Criterion does not apply to the Entity, as there are no sacred sites or values, or cultural heritage within the Entity's Area of Influence, according to the list of World Heritage Sites declared by UNESCO (https://www.unesco.org/en).
9.5b Cultural and Sacred Heritage – Impacts	Not Applicable	This Criterion does not apply to the Entity, as there are no sacred sites or values, or cultural heritage within the Entity's Area of Influence, according to the list of World Heritage Sites declared by UNESCO (https://www.unesco.org/en).
9.6a-i Displacement	Not Applicable	This Criterion does not apply to the Entity, as no ongoing or planned expansion projects will require displacements.
9.7a-h Affected Populations and Organisations	Conformance	The Entity respects the legal and customary rights and interests of Local Communities in their lands and their means of subsistence and use of natural resources. The Entity's Human Rights Due Diligence identified that they do not cause or contribute to adverse impacts on Human Rights in their Area of Influence. However, the Entity established through a materiality matrix the level of importance of the communities in the Entity's area of influence through development actions. For more information, see the ASI Plant Report, pages 01-02: https://www.nemak.com/media/3053/asi-plant-report.pdf
9.8a Conflict-Affected and High-Risk Areas - Strong Management Systems	Conformance	The Entity has established Nemak's Global Business Code for Suppliers, which discusses Conflict-Affected and High-Risk Areas (CAHRAs) and outlines the use of tools to identify possible High-Risk areas and materials, as well as the implementation of the OECD's five-step process. The Entity ensures that risk mitigation measures are taken if potential High-Risk issues are identified. Third-party assessments are undertaken by EcoVadis, which includes environment, labour & Human Rights, ethics and sustainable purchasing.
9.8b Conflict-Affected and High-Risk Areas - Identify and assess risks	Conformance	The Entity has developed a Risks Committee, and its implementation includes systematic mapping, identification and mitigation of CSR risks. The Entity uses Artificial Intelligence (AI) applications for social media and news, financial assessments and third-party CSR assessments. A transparency helpline is available to stakeholders to report violations or suspect violations related to human rights and all aspects included in the Global Business Code for Suppliers.

CRITERION	RATING	COMMENT
9.8c Conflict-Affected and High-Risk Areas - Strategy to respond to risks	Conformance	The Entity has established Nematik's Global Business Code for Suppliers, which discusses Conflict-Affected and High-Risk Areas (CAHRAs) and outlines the use of tools to identify possible High-Risk areas and materials, as well as the implementation of the OECD's five-step process. The Entity ensures that risk mitigation measures are taken if any potential High-Risk issues are identified. Third-party assessments are undertaken by EcoVadis, which include environment, labour & Human Rights, ethics and sustainable purchasing. Furthermore, the Entity has the Record of Risk committee implementation: systematic mapping, identification and mitigation of CSR risks. Uses AI for social media and news, financial assessments and third-party CSR assessments. The Entity also has a publicly available transparency helpline to report violations or suspect violations related to Human Rights (and all aspects included in the Global Business Code for Suppliers). The Entity ensures that risk mitigation measures are taken if any potential High-Risk issues are identified.
9.8d Conflict-Affected and High-Risk Areas - Audit of due diligence	Conformance	The Audit undertaken against the ASI Performance Standard has audited the Entity's Due Diligence practices regarding CAHRAs.
9.8e Conflict-Affected and High-Risk Areas - Report annually	Conformance	The Entity has a risk committee implementation record, including systematic mapping, identification, and mitigation of CSR risks. The Entity ensures that risk mitigation measures are taken if any potential High-Risk issues are identified. The Entity reported its Due Diligence through its 2023 Annual Report. The Entity's public statement is available at: https://investorcloud.s3.amazonaws.com/nematik/InformacionFinanciera/ReportesAnuales/IA-2023-en.pdf (page 66).
9.9 Security practice	Conformance	The Entity has a property security provider dedicated to protecting people, properties, and assets. It has an established Crisis Manual that demonstrates its commitment to property security in all operations and guarantees a safe working environment for employees. All security guards undergo refresher training every two years and receive training on the Human Rights Policy.
10. LABOUR RIGHTS		
10.1a-c Freedom of Association and Right to Collective Bargaining	Conformance	The Entity respects the rights of Workers to freely associate with Unions, seek representation, and join Workers Councils as defined in the Human Rights Policy and the Code of Conduct, both of which address Freedom of association and Collective Bargaining. Human Rights Policy: https://www.nematik.com/media/2947/global-human-rights-Policy.pdf Code of Conduct: https://www.nematik.com/media/3031/code-of-conduct-esp%C3%B1ol.pdf
10.1d Freedom of Association and Right to Collective Bargaining - Alternative means in context of Applicable Law	Not Applicable	This Criterion is not applicable, as the Entity operates in a country (Mexico) where Applicable Law does not restrict the right to Freedom of Association and Collective Bargaining. The Entity recognises and respects Freedom of Association and the right to Collective Bargaining.

CRITERION	RATING	COMMENT
10.2a Child Labour	Conformance	The Entity has implemented a Human Rights Policy referring to the UN Guiding Principles. It is committed to respecting Human Rights and not using or supporting Child Labor that could harm the health, safety, or morals of any child under 18 years of age.
10.3a-c Forced Labour	Conformance	The Entity has implemented a Human Rights Policy referring to the UN's Guiding Principles with a commitment against Modern Slavery not to use or support any form of Forced Labour, Human Trafficking, Recruitment Fees or for Migrant Workers to make security deposits for the use of accommodation. https://www.nemak.com/media/2947/global-human-rights-Policy.pdf https://nemak.com/media/3211/global-diversity-inclusion-policy.pdf
10.4a-c Non-Discrimination	Conformance	The Entity has implemented a Global Diversity and Inclusion Policy committed to respecting Human Rights and not engaging in or supporting Discrimination. https://www.nemak.com/media/2580/global-diversity-inclusion-Policy.pdf
10.5 Communication and engagement	Conformance	The Entity ensures open communication and direct engagement with Workers and their representatives regarding working conditions, resolution of labour or compensation issues without the threat of reprisal, intimidation, Violence or Harassment. The Ethical Helpline (Transparency Helpline) is available to Workers: https://nemak.com/transparency-helpline Human Rights Policy: https://www.nemak.com/media/2947/global-human-rights-Policy.pdf Code of Conduct: https://www.nemak.com/media/3031/code-of-conduct-esp%C3%B1ol.pdf
10.6a-g Violence and Harassment	Conformance	In consultation with Workers and their representatives, the Entity has implemented the Hazard Survey and Risk Analysis Tool that includes an approach to Violence and Harassment in the workplace. All Workers are trained on identifying dangers and risks of Violence and Harassment and associated prevention and protective measures. The Entity ensures open communication and direct engagement with Workers and their representatives regarding Violence and Harassment in the workplace, as defined in the Human Rights Policy. The Ethics Hotline (Transparency Hotline) is also available to Workers. Human Rights Policy: https://www.nemak.com/media/2947/global-human-rights-Policy.pdf Psychosocial Risk Prevention Policy: https://www.nemak.com/media/3052/pol%C3%ADtica-de-prevenci%C3%B3n-de-riesgos-psicosociales.pdf
10.7a-d Remuneration	Conformance	The Entity respects Workers' rights to a minimum wage and a work contract that ensures payment for a standard working day as per local legislation. The Entity also guarantees that Workers are paid the wages defined in their employment contracts. The Entity provides workers with extracts of working hours and payment calculations.
10.8a-c Working Time	Conformance	The Entity respects Workers' rights to a standard working day, including Overtime, public holidays, paid annual leave, and at least one day off per week, as per local legislation and the Collective Bargaining agreement signed with the Union.

CRITERION	RATING	COMMENT
10.9a-b Informing Workers of Rights	Conformance	The Entity ensures open communication and direct engagement with Workers and their representatives. Workers are informed on their rights, benefits, and working conditions without threat of reprisal, intimidation or Violence and Harassment, as defined in the Code of Conduct and Human Rights Policy. The Ethical Helpline (Transparency Helpline) is also available to Workers.
11. OCCUPATIONAL HEALTH AND SAFETY		
11.1a Occupational Health and Safety (OH&S) Management System	Conformance	The Entity has implemented a documented Occupational Health and Safety (OH&S) Management System consisting of OH&S Policies, procedures, and records.
11.1b-e Occupational Health and Safety (OH&S) Management System - Reviews and disclosure	Conformance	The Entity reviews its Health and Safety Management System at least every five years or when any changes to activities on site may affect OH&S risks. The Entity publicly discloses the effectiveness of the OH&S Management System in its Annual Report: https://www.nemak.com/media/3053/asi-plant-report.pdf
11.2 Employee engagement on Health and Safety	Conformance	The Entity has implemented a system for Workers' consultation and participation in Health and Safety. Workers are encouraged to report their concerns or advice on OH&S issues themselves or via the Worker representative. Management responds to the concerns and advice on OH&S issues from Workers. The Entity has developed and implemented Policies, systems, procedures, and processes that conform to employee engagement on OH&S requirements. The Entity has a Multidisciplinary Committee, which has been created to integrate actions from the OH&S, environment, and occupational areas, both internally and externally. The Entity also maintains an official communications channel to receive reports of behaviour that violates the principles and guidelines of the Code of Conduct, as well as violations of laws, regulations, policies, and other internal rules. This channel can be accessed by all the Entity's stakeholders: employees, the community, suppliers, customers, and business partners. Stakeholder communication channels are available in the Code of Conduct, refer to: https://nemak.com/media/2592/code-of-conduct-en-pdf.pdf (Page 08-09)

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DOCUMENT CONTROL AND VERSION HISTORY

REVISION	DATE	NOTES
0	6 June 2024	Certification Audit – Full Certification