METALSA

SUSTAINABILITY REPORT 2024

METALSA

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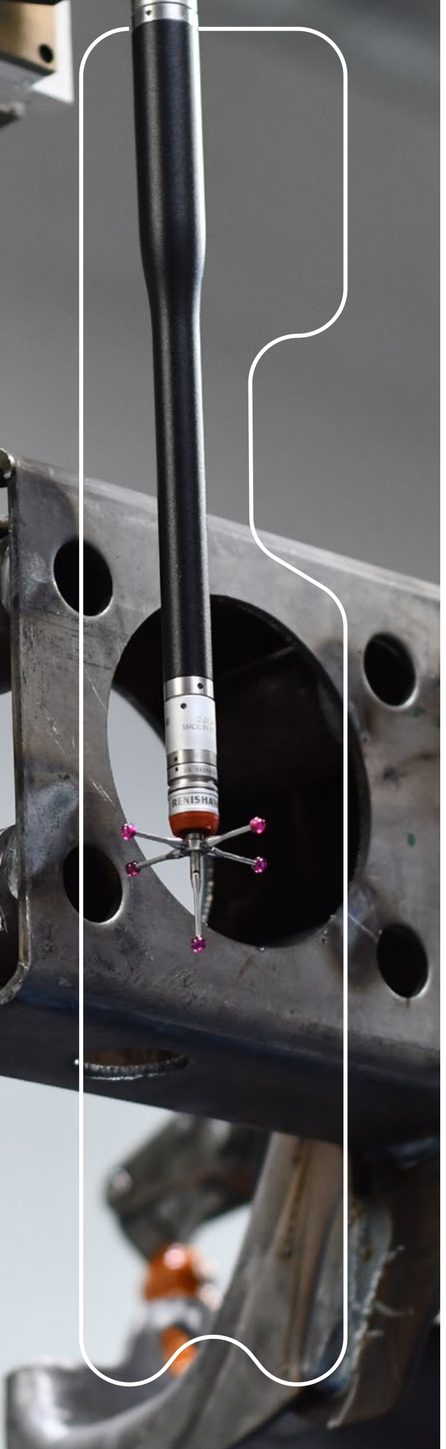


2024 Milestones & Recognitions

Zero Accident Campaign Recognition (T-OSH-ZAC)

Metalsa Thailand received the bronze level for achieving more than 1 million certified hours during its first consecutive year in the T-OSH Zero Accident Campaign. This recognition promotes workplace accident prevention through continuous safety and health management, fostering a safe and healthy work culture.

Green Office Recognition

Metalsa Saltillo was awarded the Diamond level in the Coahuila Green Office Program. This program aims to cultivate environmental awareness among office personnel across several sectors, encouraging best practices and responsible resource use to promote sustainability.

Quality Recognition

In April 2024, Metalsa Campo Largo was awarded by Paccar for meeting quality expectations by delivering parts and components with a defect level of 10 PPM or better throughout 2023.

CLAUT Safety Award

Metalsa Apodaca LV was named winner in the Safety category of the 2024 CLAUT Awards, recognizing its excellence in occupational health and safety management in the automotive sector.

RBA Validated Assessment Program Audit

Metalsa Argentina S.A. El Talar facility achieved a score of 165.9 out of 200 in an RBA Validated Assessment Program (VAP) audit on November 5, 2024 that was conducted by an independent, third-party firm approved by the RBA. This result reflects our strong performance in key areas such as labor rights, health and safety in the supply chain, environmental responsibility, ethics, and management systems.

Our achievements reflect Metalsa's ongoing commitment to **excellence, high quality, safety and inclusive practices in our manufacturing processes and operations.**

Zero Defect Quality Recognition

Metalsa Jamshedpur, India, received recognition from TATA Motors for achieving a zero PPM quality target during the 2023-2024 period.

CLAUT Sustainability Award

Metalsa Apodaca LV was named winner in the Sustainability category of the 2024 CLAUT Awards, highlighting its commitment to sustainable initiatives and responsible practices within the industry.

Q1 Reinstatement Recognition

Metalsa Elizabethtown was recognized for meeting the requirements of Ford's Q1 Reinstatement Program in 2024.

EDGE Certification

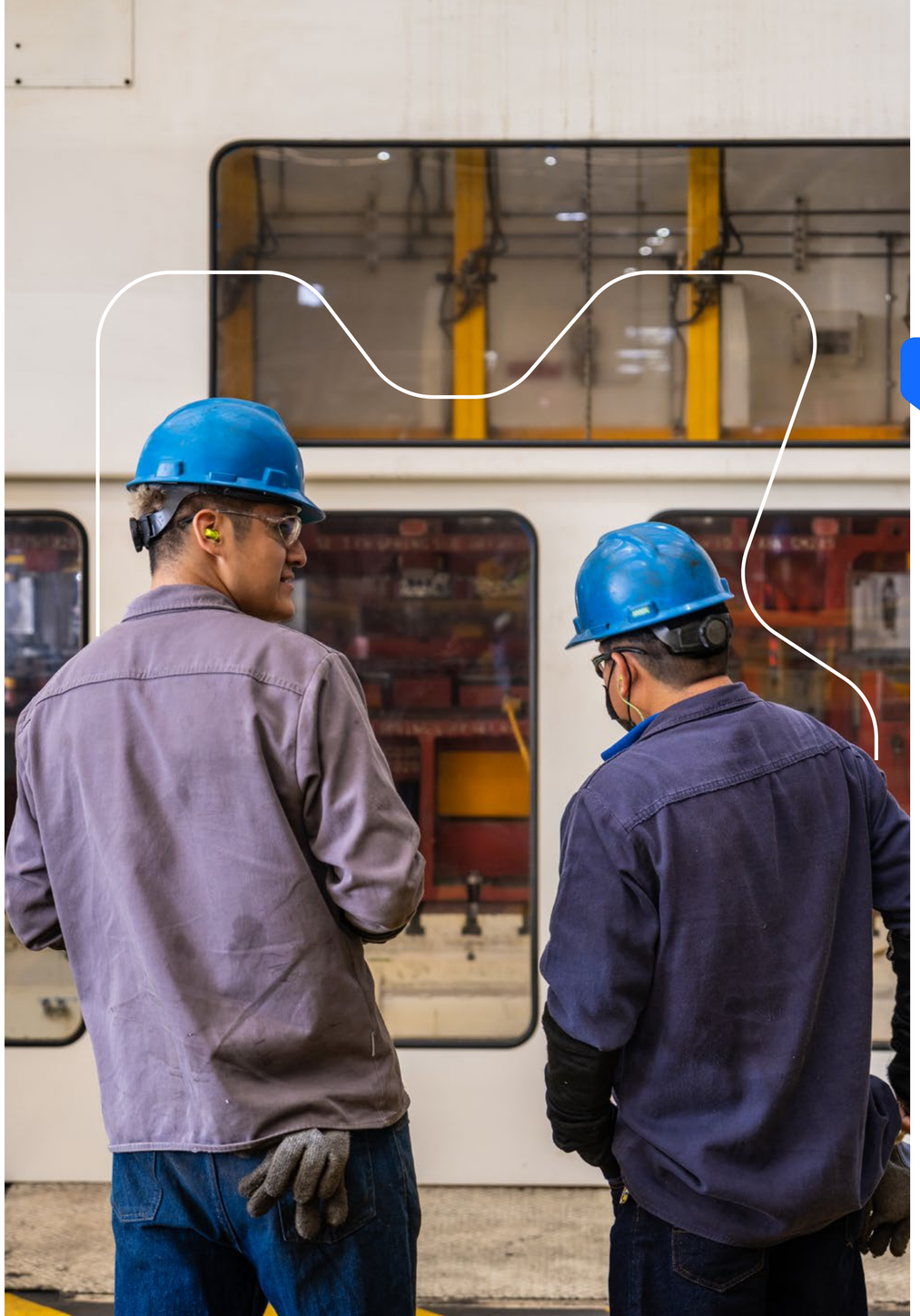
Leading global standard for Diversity, Equity, and Inclusion, centered on a workplace gender and intersectional equity approach.

HRC Survey

Global leader designed to increase LGBTQ+ inclusion and equity worldwide. Metalsa scored 100 points on the 2024 Human Rights Campain Survey, meeting all the criteria of the Global Labor Equity Program in Mexico and qualifying to receive the HRC Equity MX 2025 Certificate from the Human Rights Campaign Foundation.

SBTN

Participation in the development exercise of the Science-Based Targets for Nature (SBTN) as part of our commitment to sustainability.



2024 Sustainability Progress

PLANET

2030 Targets

Climate change

46% Reduction in GHG Scope 1 & 2
0% 26% 46%

25% Reduction in GHG Scope 3
0% 0% 25%

62% Renewable Energy
0% 22.3% 62%

Water

30% Water Withdrawals Reduction
0% 1.2% 30%

PEOPLE

2030 Targets

Diversity, Equity & Inclusion

>25% Women Representation L1-3
0% 84% 25%

5% Gender Pay Gap
100% 6% 5%

>85% ESS Score
0% 77% 85%

Wellbeing

0 Accidents Safety

11.42 LWRS
Lost Workday Severity Rate

0.77 TRIR
Total Recordable Incident Rate

85% Wellbeing
0% 81% 85%

PROSPERITY

2030 Targets

Community

30% Employee Volunteering
0% 61.3% 30%

6,200 (2024) People benefited
0% 138.2% 100%

GOVERNANCE

2030 Targets

Quality of Governing Body

90% Ethics and Compliance
0% 10% 90%

100% 3rd Party Assessment
0% 10% 100%

ESG Performance

Award Most Ethical Company
TBD

Gold Eco Vadis 0-70%
0% 57% 70%

Message from our Coordinator

GRI 2-22

Dear Metalsa family and stakeholders,

2024 has been a year that reaffirmed what defines Metalsa: **our resilience, our vision, and above all, our people.**

Together, we have reached historic milestones: record sales, uninterrupted operations, and the successful launch of our new Guanajuato plant, where we are operating at near-full capacity in record time. Our financial position remains strong, even amidst uncertainty and global shifts. Our 68 years of proven resilience, customer-centric mindset, problem-solving operative improvement model, and financial discipline -all driven by our talent, which is the foundation of our company -have positioned us as leaders in the products and markets we serve.

These achievements are not just numbers; they are proof of what we can accomplish when we stay true to our purpose and work hand in hand with our partners, customers, and communities.

Sustainability remains at the core of our journey. This year, we took decisive steps to reduce our environmental impact and create long-term value. We have quantified our climate-related risks and secured a renewable energy contract for our Apodaca plant and deepened our commitment to clean energy across our operations, ensuring that our contracts with key customers are backed by renewable sources and demonstrate our commitment to decarbonization. These actions are already delivering tangible benefits, including cost savings and stronger trust with our stakeholders.

In addition, we are making strides in our Diversity, Equity, and Inclusion efforts. We are proud to see an increasingly inclusive culture where different perspectives are welcomed and valued. While we continue to evolve, we are proud of the space we are creating, where every voice is heard and every idea has value.

Looking ahead, we are close to meeting the sustainability targets tied to our sustainability-linked bond issued in 2021: substantially reducing greenhouse gas emissions by 2026. This is not just about fulfilling a commitment, it's about reaffirming who we are and the legacy we want to build. In parallel, our efforts to improve our EcoVadis rating speak to our ambition to secure more favorable credit terms through better ESG performance.

Furthermore, Metalsa is built on strong governance pillars and guided by long-term thinking. In moments of global uncertainty, we find stability through collaboration, innovation, and strategic foresight. The double materiality assessment we are undertaking today will help us prioritize what truly matters in future years.

We remain committed **to improving our sustainability initiatives** and ensuring all stakeholders are informed and engaged on ESG matters.

As we look to 2025, we are focused on stabilizing sales amidst a changing trade landscape, with a sharp eye on evolving tariffs affecting imports and exports, as well as strengthening relationships with customers and suppliers, and optimizing processes, always upholding the high standards that define our Company. In the medium and long term, we plan to bring in expert partners to help us design an even more impactful and comprehensive sustainability strategy. As part of Grupo Proeza, this year will be critical to define new strategies and elevate our performance even further.

We will continue to build a company that leads with purpose, acts with integrity, and delivers lasting value for our planet, our people, and all who place their trust in us. To our collaborators, customers, suppliers, investors, and community partners, thank you. Your trust, collaboration, and unwavering support have been essential to every achievement in 2024.

Sincerely,

Jorge Garza Garza
Metalsa Co. / CEO

SUSTAINABLE OPERATIONS

Message from our Sustainability Coordinator

GRI 2-22

Dear stakeholders,

2024 was a year of important milestones and transformative progress for Metalsa's sustainability journey. As we continue working toward our 2030 goals, we are advancing across critical fronts: reducing our carbon and water footprints, promoting gender equality in leadership roles, and reinforcing our aspiration to be among the most ethical companies in the world. Our EDGE Certification and growing participation in DEI forums reflect the depth of our commitment to diversity, equity, and inclusion.

> We remain steadfast in our commitment to shaping a better future, one that is inclusive, circular, and ethically driven.

One of our most relevant 2024 milestones for environmental protection was the identification and mitigation of water-related risks through our Waterplan platform. In addition, we have made significant headway with ISO 50001:2018 Energy Management System certification, four plants are currently in the process of obtaining it, and we are evaluating and implementing several clean energy initiatives, which would further contribute to lowering our CO_2 emissions. We also achieved independent third-party verification of our emissions to comply with our sustainability-linked bond.

Furthermore, we took meaningful steps to promote women's careers, align our talent acquisition and selection processes with DEI principles, and strengthen our gender equality principles. We launched new awareness training programs and participated in key initiatives such as the Women Empowerment Principles forum in Mexico. Notably, our CFO joined the UN CFO Coalition for the SDGs, reinforcing our commitment to driving sustainable investment from the top.

From a governance perspective, we continued to enhance our resilience through a specialized cybersecurity program and began leveraging AI tools to digitalize compliance-related documentation and permits. In Argentina, we successfully completed our first ESG external audit, an important step in ensuring transparency and accountability across all operations.

Looking ahead, we will continue to push boundaries, evolve with integrity, and work closely with all stakeholders to build a more sustainable world.

Sincerely,

Ricardo García Guerra
Sustainability Coordinator

Culture

Purpose

Drive for a better tomorrow

We contribute to build a better world for future generations. Our people and communities go beyond expectations and leave a positive mark.

Vision

To deliver the best chassis solutions that drive the future forward.

Values

WE CARE
We care about you

WE GROW
We are humble and seek to learn

WE THRIVE
We are passionate about success

WE DARE
We create bolder and better solutions

Materiality Assessment

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

Metalsa continues to uphold its strong commitment to sustainability, addressing **environmental, social, and governance (ESG) aspects comprehensively.**

In 2022, we carried out an updated Materiality Assessment in collaboration with an independent expert. This update aimed to align with the evolving landscape of the automotive industry and to reflect the environmental and social challenges relevant to the regions where Metalsa operates.

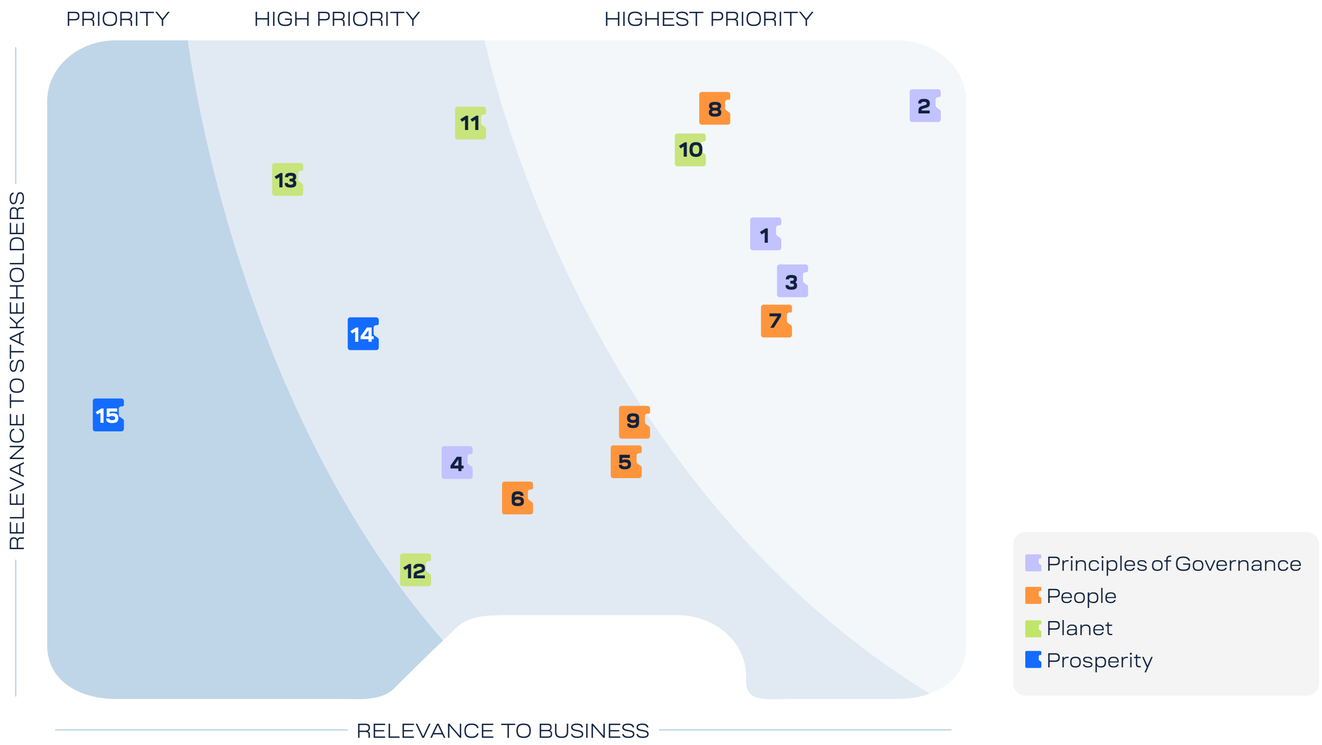
To identify our most relevant sustainability issues, we evaluated key topics based on their significance to both our stakeholders and the organization itself, particularly in relation to achieving our strategic business goals. The assessment methodology included:

- A shared strategic vision between the sustainability leadership team and the Board of Directors.
- An internal review of Metalsa's sustainability performance and positioning.
- Benchmarking against direct and indirect industry peers.
- An analysis of key sustainability and corporate frameworks, including SASB, GRI, Sustainalytics, Bloomberg, Fitch, and SBTi.
- A strategic workshop with company directors to define key drivers, assess risks and opportunities (SWOT), and identify critical stakeholders.
- Engagement with internal and external stakeholders through interviews and focus groups.
- A prioritization process focused on the frequency and impact of topics, using qualitative evaluation techniques.
- Final validation of results by Metalsa's sustainability leaders and senior management.

At the end of 2024, we began our Double Materiality Assessment, which aims to align with best market practices. This approach considers both impact materiality (how the company affects the environment and society) and financial materiality (how ESG factors influence the company's financial and strategic performance). More information will be included in the 2025 report.

Materiality Assessment

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



Principles of Governance

1 Governance, ethics and compliance
2 Growth and sustainable EV transition
3 ESG performance aim to customers
4 Sustainable supply chain

People

5 Attraction and retention talent strategy
6 Well-being and quality of life
7 Sustainable leadership
8 Career planning, development and training
9 Diversity, equity and inclusion

Planet

10 Climate change, net zero and energy efficiency
11 Responsible water use and treatment
12 Waste management
13 Strategic environmental management

Prosperity

14 Community and social vitality
15 Communication and strategic multi-sectorial alliances

Stakeholder Engagement

GRI 2-29

At Metalsa, we are committed to fostering ongoing, two-way, and effective communication with our stakeholders. By leveraging several communication channels, we actively listen and stay attuned to their evolving expectations and concerns. This proactive approach allows us to respond with precision and promote the creation of shared value for both our stakeholders and the Company.

	Internal communications	Email	Surveys	Interviews	Events	Transparency line	Media	Website	Volunteering	Social media	Annual reports	Quarterly reports	Annual meetings	Quarterly meetings	Monthly meetings	Weekly meetings	Workshops	Phone calls	Community visits	Monthly reports
Proeza shareholders		■				■					■		■							
Associations	■	■			■			■	■	■	■	■	■	■	■	■	■	■	■	
Authorities and government	■	■			■		■	■	■									■		
Rating agencies		■			■			■			■	■	■							
Educational centers	■	■	■	■	■			■	■	■	■	■	■		■		■	■	■	
Customers and distributors	■	■	■		■						■	■	■		■		■	■	■	
Collaborators	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
Industry peers					■	■			■											
Community	■	■			■			■	■	■							■	■	■	
Board members		■				■						■		■						
Directors		■				■									■					■
Financial brokers		■		■		■												■		
Investors		■			■			■			■	■		■						
NGOs	■	■			■	■	■	■	■	■	■	■	■	■	■	■	■	■		
Suppliers	■	■	■		■	■		■					■		■	■	■	■		■
Business associates						■														
Media							■	■												

Sustainability Framework

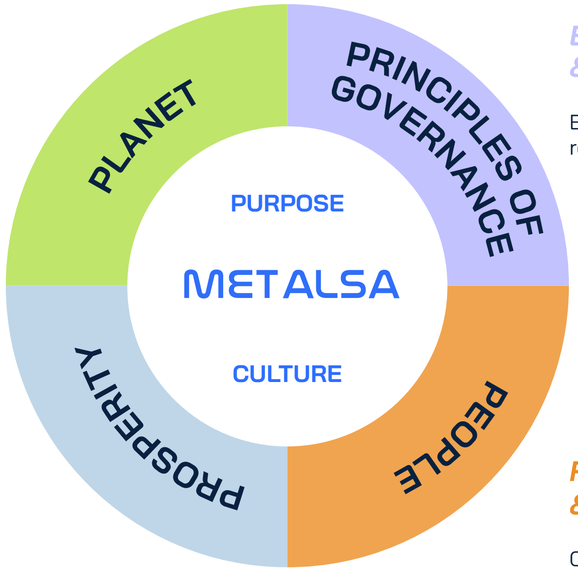
GRI 2-24

Protect the environment for future generations

Address climate change and water conservation.

Enhance responsible & ethical business practices

Be a place where our collaborators act respectfully and ethically.



Empower & educate communities to create wealth

Transcend by developing better, sustainable communities.

Foster engagement & meaningful work

Contribute to building a better society with inclusive environment and equal opportunities

Integrating ESG criteria into strategic decision-making reflects Metalsa's dedication to **creating long-term value while fostering environmental stewardship, social inclusivity, and ethical governance.**

Sustainability Strategy

GRI 2-14

At Metalsa, we deeply understand the significance of integrating sustainable business practices into our operations. As conscientious corporate stewards, we are dedicated to infusing sustainability across every facet of our business, from product manufacturing to supply chain management and beyond. Our sustainability strategy is founded on four fundamental pillars: Planet, People, Prosperity, and Principles of Governance. Through these guiding principles, we aspire to catalyze positive change not only within our organization but also within our communities and the wider global landscape.

During 2024, we worked on several impactful projects that further solidified our commitment to sustainability. We continued our invaluable partnership with Waterplan, resulting in the development of a comprehensive Water Stewardship Strategy tailored specifically for Metalsa. This strategy, crafted after an exhaustive analysis of our 13 sites, focuses on bolstering water management practices, reducing consumption, and mitigating associated risks. With clear targets established for both the midterm (2030) and long term (2050), known as context-based water targets, we ensure the practicality and efficacy of our sustainable water management efforts.

Additionally, we are actively engaged in Drive+, a Drive Sustainability (OEM group) dedicated to advancing sustainability in the automotive supply chain. As a Tier 1 supplier, this partnership offers us the opportunity to gain direct insights and discuss sustainability requirements with our customers. Through this collaboration, we aim to further integrate sustainability into procurement processes, improve supply chain performance, promote standardization, and foster industry-wide collaboration with key stakeholders.

We are committed to the Science Based Targets initiative (SBTi), aligning our emissions reduction goals with climate science and the objectives of the Paris Agreement. Our aim is to halve emissions by 2030 and achieve net-zero emissions by 2050. These targets underscore our dedication to mitigating the impacts of climate change and preserving our planet for future generations.

Currently, we are in the process of seeking approval for our near- and long-term targets. We expect to have updates during the 2025 reporting period, demonstrating our steadfast commitment to advancing sustainability and combating climate change.

At Metalsa, sustainability is not merely a goal, it is a fundamental guiding principle that shapes our decisions and actions. By embracing this comprehensive strategy, we are steadfastly committed to building a more sustainable future. **Together, we can create a world where businesses flourish, communities thrive, and our planet flourishes.**

In 2024, we began participating in the development exercise of the Science-Based Targets for Nature (SBTs for Nature) as part of our commitment to sustainability.

The SBTs for Nature, driven by the Science Based Targets Network (SBTN), aim to provide companies with a scientific framework to set measurable goals that contribute to the protection and restoration of nature, covering areas such as freshwater, biodiversity, oceans, land, and climate.

Our participation includes attending workshops, meetings, and webinars organized by SBTN, with the goal of understanding the requirements and gathering key information to set goals aligned with freshwater conservation. This effort marks the beginning of our integration into a science-based approach to define strategies for positive impact on biodiversity and natural resources.

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PRINCIPLES OF GOVERNANCE

We follow the best governance practices to ensure accountability, ethical operations and integrity within Metalsa.

Corporate Governance

GRI 2-9, 2-10, 2-11, 2-12, 2-14, 2-17, 405-1

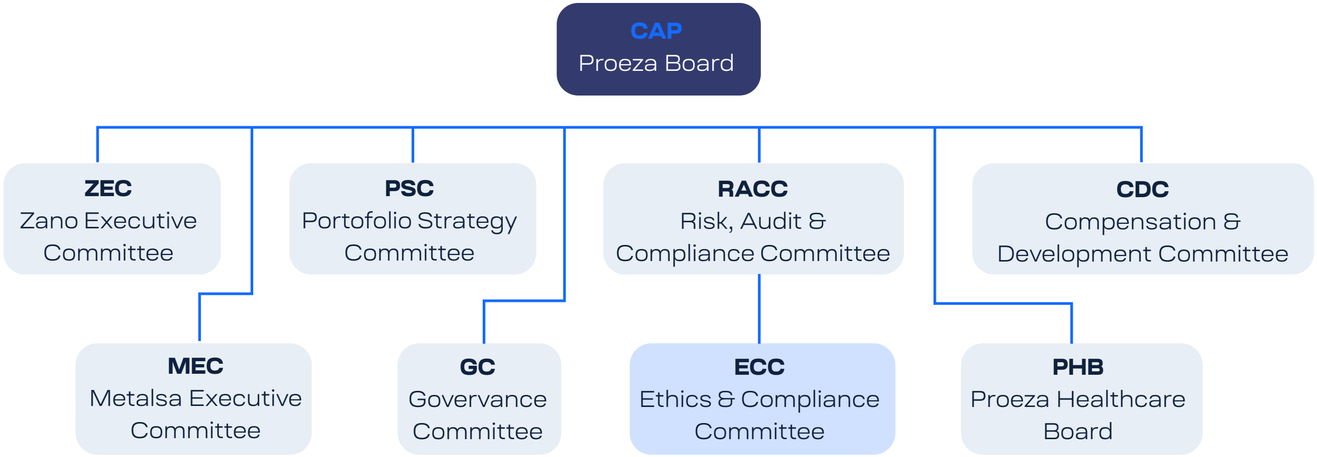
Metalsa operates under the governance principles established by Grupo Proeza, with oversight carried out by various committees. External advisors from different and international industries, alongside members of the Zambrano family and business leaders, form the Board of Director (CAP), ensuring there are no conflicts of interest.

Board and Committees

Proeza Group's highest governance body is the Board of Directors (CAP) integrated by 11 members, five proprietary, and six independent ones including the Chairman, Enrique Zambrano Benítez. CAP members serve for a term of one year and may be reelected; they continue in office even after their term ends, until the people appointed to replace them take office. All directors receive an internal periodical performance review.

CAP is responsible for capital approval and the Company's business strategy. It serves as an advisory board for our management team. Furthermore, it ratifies Metalsa's sustainability strategy and its goals, as well as fostering and developing knowledge regarding initiatives on economic, environmental and people-related matters through specialized training on these topics.

In 2024, we implemented action plans with specific measures to reinforce and promote alignment with the **2030 strategic sustainability goals.**



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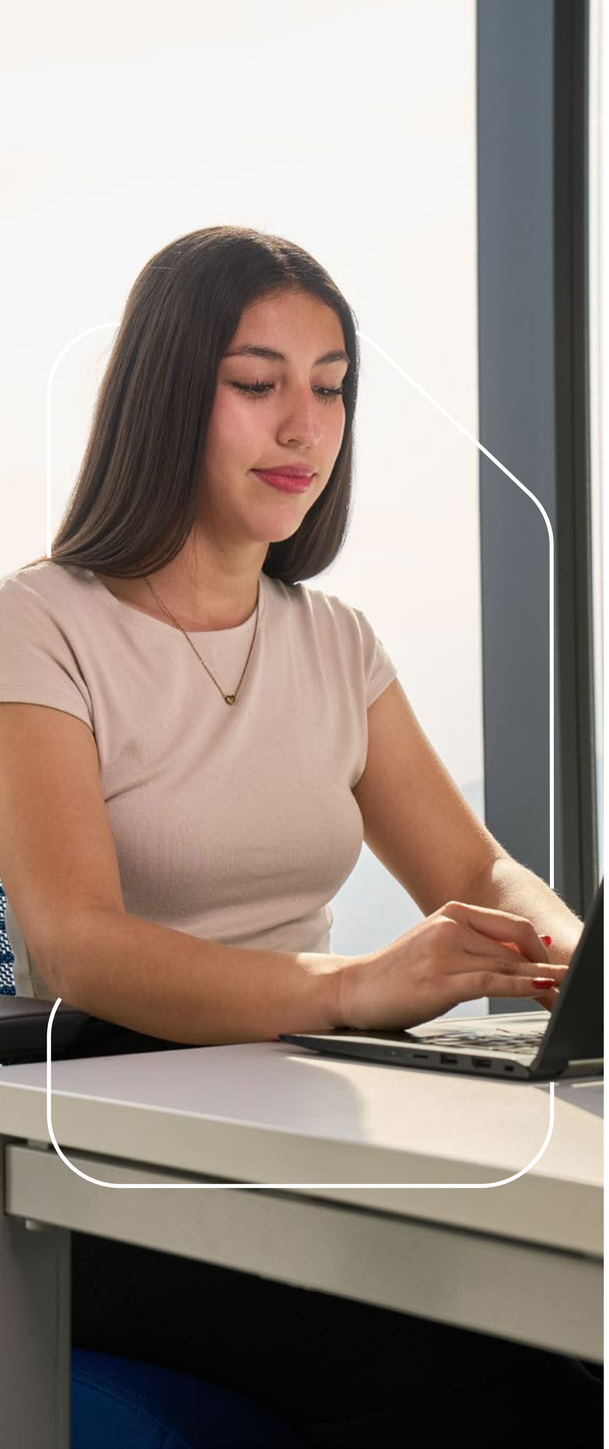

Grupo Proeza's Governance Committee defines the criteria and process for the selection of members in the Board and supporting committees. In 2024, there were 12 ordinary Board meetings with 100% of assistance.

17% of the members of our CAP are women.

In terms of Corporate Governance Risks, Proeza has established clear roles and responsibilities regarding risk management.

- **Pablo Zambrano Benítez**
  Highest-ranking individual responsible for managing operational risks; he oversees the Risk, Audit and Compliance Committee (RACC).
- **José Oswaldo Lozano González**
  Responsible for monitoring and auditing the performance of operational risk management through RACC.

CAP Group members

- **Enrique Zambrano Benítez (CH)**
  Pablo Zambrano Benítez*
  Enrique Zambrano Barrera*
  Guillermo Zambrano Martínez*
  Juan Morales Zambrano

Independent members

- **Eduardo Padilla Silva***
  CEO of Fomento Económico Mexicano (FEMSA)
- **Nanxi Liu**
  Co-CEO of Blaze, CFO of Nanoly Bioscience and Board member of CarParts.com
- **Peter Hawthorne**
  Former VP of Corporate Strategy and Development of Cargill
- **Yvonne Ochoa Rosellini***
  Co-Founder and CEO of Keat, Chairman of AgroFibra, Board member of VivaAerobus, Grupo Pochteca and IASE México
- **Eugenio Garza y Garza***
- **Daniel Martínez Valle****

*Appointment has been approved and was ratified at the General Meeting of April 10, 2024.

** Effective August 28, 2024, Daniel Martínez assumed the position of CEO of Grupo Proeza, and consequently concluded his participation as a member of the CAP.

Metalsa Executive Committee (MEC)

The Metalsa Executive Committee is responsible for ensuring compliance with the Company's strategy and monitoring the achievement of short-, medium- and long-term goals. Thus, the Committee holds monthly sessions to supervise Metalsa's strategy, finances, performance, talent management, organizational culture, risk assessment and sustainability, to guarantee alignment with the Company's targets and drive continuous improvement across all areas.

Members

- **Leopoldo Cedillo Villareal** (Chairman)
- **Troy Clarke** (Lead Director)
- **Mauricio Morales Zambrano**
- **Juan Carlos Zambrano Benítez**
- **Jorge Garza** (Metalsa Co)
- **Dan Ninivaggi**
- **Eduardo Barreda** (Secretary & Operation support)*

*Note: No voting rights

Metalsa Leadership Team

GRI 2-12, 2-13, 2-17

The Metalsa Leadership Team oversees business decisions, monitors operational performance and drives the development and implementation of the Company's purpose, values, mission, and strategies to achieve the established sustainability goals. To ensure effective management of ESG topics, specific coordinators are assigned.

Members

- **Jorge Garza Garza:**
  Metalsa Coordinator
- **Ricardo Alemán Flores:**
  Light Vehicles Coordinator
- **Joe El-Behairy:**
  Commercial Vehicles Coordinator
- **Mark Hilfinger:**
  Operations & Systems Coordinator
- **Gustavo Adrián Andrés:**
  Marketing Customer Development Coordinator
- **José Oswaldo Lozano González:**
  Corporate Development and Finance Coordinator[1]
- **Liliana Durán Jauregui:**
  Human Development Coordinator[2]

[1] Responsible for ESG topics in financial and environmental areas
[2] Responsible for people and community topics

Ethical Operations

GRI 2-15, 2-23, 2-24, 407, 408, 409

Metalsa is committed to conducting its business with integrity, in full compliance with applicable laws and in alignment with our core values.

Code of Conduct

Our Code of Conduct serves as a guide for collaborators, suppliers and stakeholders, ensuring integrity and responsibility in every aspect of our work. It sets clear expectations for behavior in topics such as human rights, no child or forced labor, freedom of association, non-discrimination, promotion of equal opportunities, customer service, free market competition, personal data privacy, environmental protection, anticorruption compliance, anti-money-laundering compliance and regulatory compliance.

Metalsa's Compliance Officer is responsible for providing guidance on the **implementation of Ethics and Compliance policies, activities and practices.**

To reinforce our commitment to ethical business practices and regulatory compliance, we have established the following policies and frameworks:

- Organization and Management Model for the Prevention of Administrative and Criminal Risks
- Personal Data Protection Policy
- Third-Party Contracting Policy and Supplier Vetting
- Manual of Organization and Procedures
- Integrity, Anticorruption, and Criminal Compliance Policies

Additionally, our Conflicts of Interest Policy aims to establish criteria to avoid possible conflicts of interest among parties related to Metalsa. It is approved by Proeza's RACC, the highest governance body for Ethics and Compliance matters. Any conflict is handled by the Compliance Officer, who is responsible for reporting to the Ethics and Compliance Committee (ECC),

Metalsa is firmly committed to the **prevention, protection, and respect of human rights across all areas of operation.** We promote a work environment where any form of harmful behavior is strictly avoided, and where the rights and dignity of collaborators, suppliers, and related stakeholders are fully upheld and protected.

We expect all our collaborators, suppliers, and business partners to act in full compliance with applicable laws that uphold fair labor practices and prohibit forced labor, child labor, and human trafficking. Additionally, we expect them to respect and safeguard the right to freedom of association and collective bargaining.

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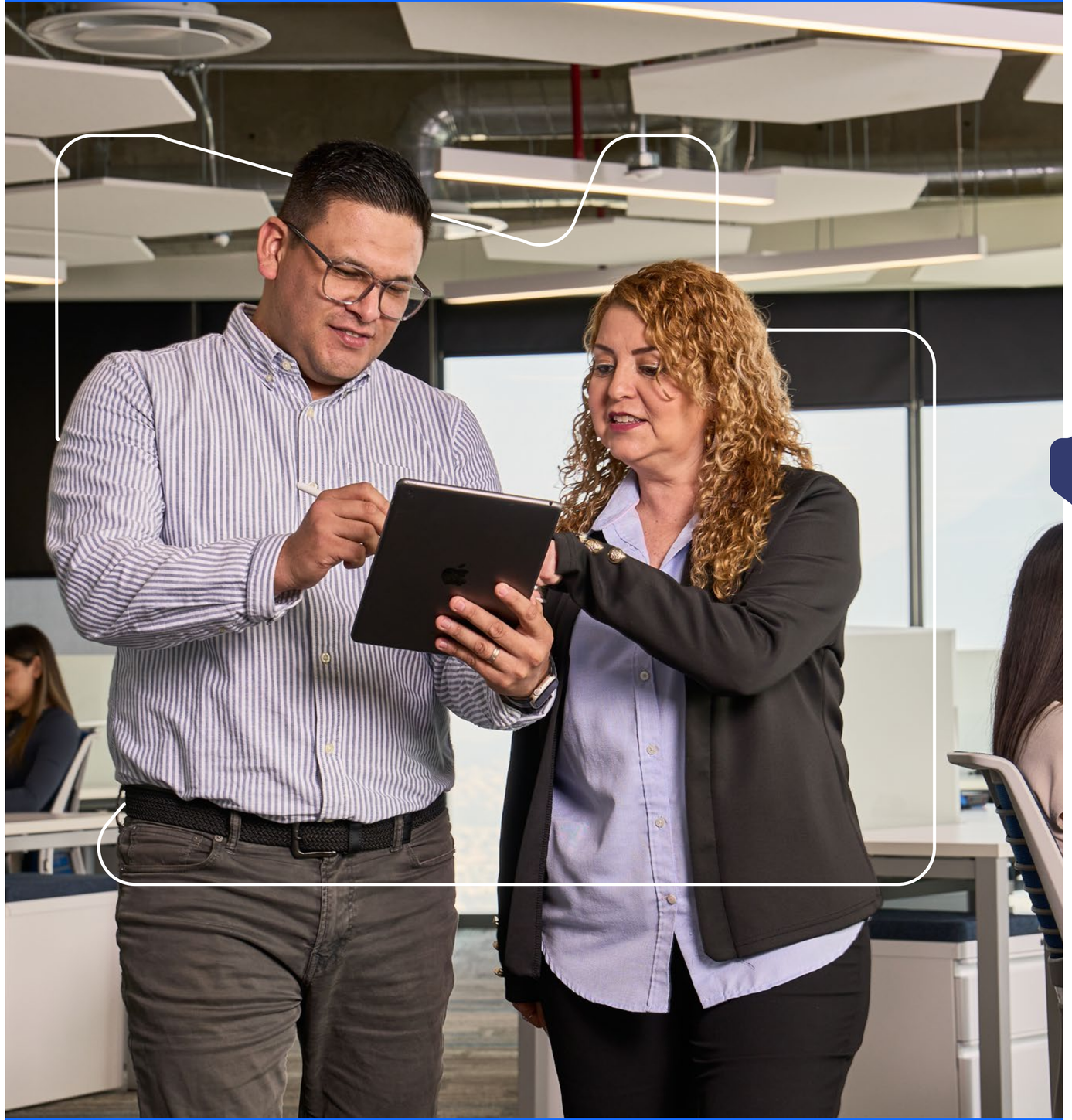
Anticorruption Policies

GRI 205-1, 205-2

Operating with integrity is a fundamental principle at Metalsa. We maintain a zero-tolerance policy regarding bribery and corruption, ensuring that our business practices meet the highest ethical and legal standards worldwide.

To uphold this commitment, we implemented the Anticorruption Policy that forbids offering, paying, giving money or anything of value. The policy also establishes clear guidelines for interactions with third parties, suppliers, business partners and government representatives, while ensuring transparency in financial records, anti-bribery measures and contributions to political or charitable organizations.

In 2024, 100% of the Board members and of our collaborators **received training on our Code of Conduct, and Conflict of Interest.**



Transparency Line

GRI 2-25, 2-26

To ensure transparency and compliance with ethical behaviors, we have implemented the Transparency Line, an independent reporting system managed by a third party. This platform allows stakeholders to confidentially report any ethical concerns or violations, without fear of retaliation so every issue is addressed correctly.

All reports submitted through this line are reviewed by Proeza's Ethics and Compliance Committee, which oversees the investigations process and guarantees proper resolution. It is accessible to anyone affected by Proeza's businesses or who witnesses any misconduct in business operations.

Our available communication channels are:

- Website
- IOS & Android App
- E-mail
- Phone number

When a violation arises, we follow a reporting and investigation process as follows:

1. Reports are submitted through the "Letica" complaints platform.
2. The Ethics and Compliance Committee is notified and assigns responsibility.
3. An internal investigation is conducted by the Internal Audit team or by a designated Issue Owner.
4. The case is reviewed, necessary actions are taken, and documentation is completed.
5. Reports are submitted to the ECC and the Audit Committee.

Cybersecurity

In today's rapidly evolving digital era, safeguarding Metalsa's digital assets, operations and data integrity is crucial. Our cybersecurity program is designed to defend against cyber threats while ensuring business resilience and regulatory compliance.

The program establishes a security strategy that protects both Information Technology (IT) and Operational Technology (OT), while mitigating risks and fosters a cybersecurity culture.

The Board participates in the development and execution of the Metalsa's cybersecurity strategy, overseen by Hernán Macías Gallegos, the Digital & IT Office Coordinator, who ensures cybersecurity risks are appropriately managed at the operational level.

Highlights of Our Cybersecurity Efforts

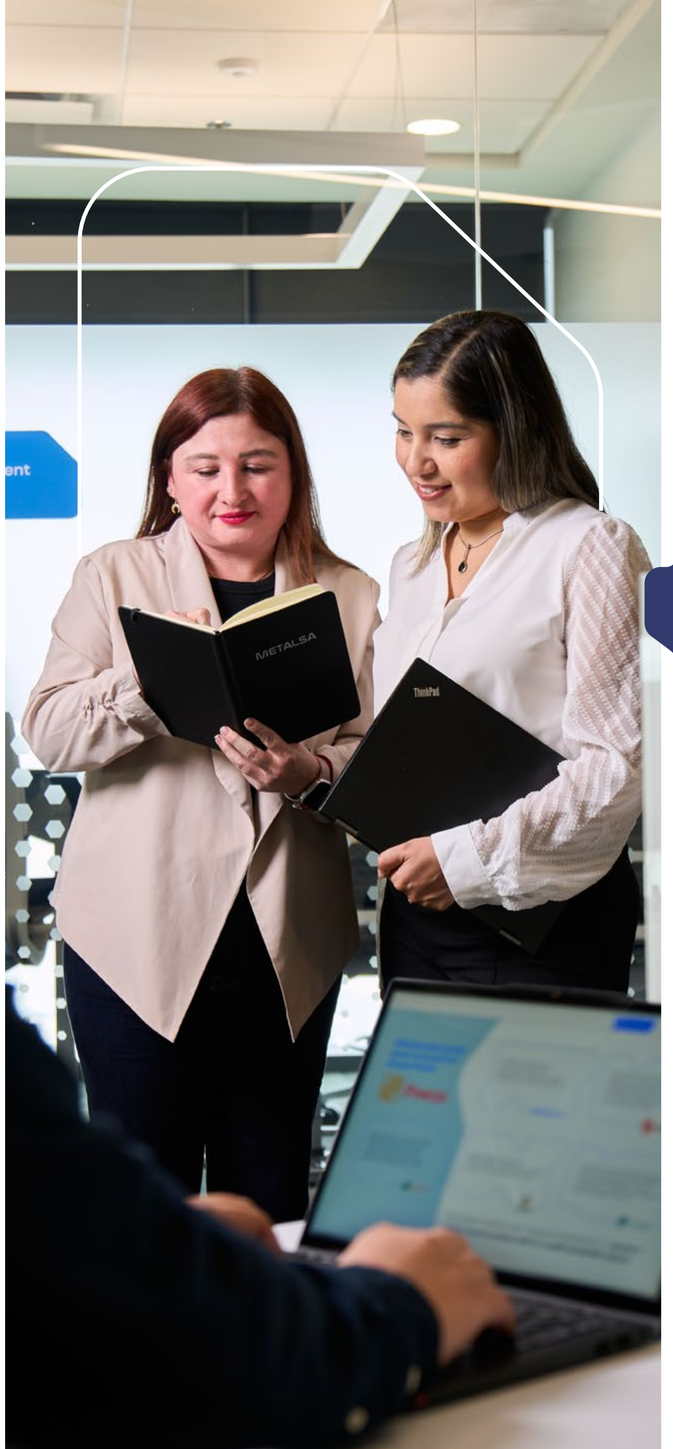
- **Enhanced Technological Security Adoption & Maturity:** Optimized backup recovery times, stronger privileged access management and deployed advanced Endpoint Detection and Response (EDR) solutions.

- **Operational Resilience with Zero Business Impact:** For the third year in a row, our Security Operations Center (SOC) and Incident Response process successfully prevented cybersecurity events from impacting business operations.

- **Cyber Risk Management Framework Implementation:** Launched a Cyber Risk Management methodology focused on vulnerability management.

- **Strengthening Cybersecurity Culture and Awareness:** Increased participation in Cybersecurity Awareness Month, engaging over 1,000 collaborators and improving phishing simulating test results.

- **AI & Metalsa Initiative:** Implementing AI to optimize processes, improve operational efficiency, deliver sustainable value and strengthen IT governance.



Responsible Supply Chain

GRI 2-6, 204-1, 308-1, 414-1

Metalsa relies on a diverse and well-managed supply chain to ensure the quality and efficiency of its manufacturing processes. Steel is the main material used in production, along with essential components such as screws, stamped metal parts, iron components, chemicals for the painting process, industrial gases and wire for welding. In some cases, clients supply or direct the purchase to suppliers selected and certified by them. The change in volume and mix of products produced has influenced the supply chain, as well as the incorporation of new models and customers.

389 direct material suppliers in the year; **72.60% of them were domestic. 51% of our procurement expenses were allocated to them.**

Supplier Business Assessment

To maintain high standards, we conduct Metalsa's Supplier's Business Assessment, (MSBA), a global evaluation designed to provide insights regarding all our suppliers' capabilities. The MSBA is aligned with international process audits standards such as ISO 9001, IATF 16949, ISO 45000, ISO 31000, OSHAS 18000, BIQ and VDA 6.3, as well as our Metalsa Operating System (MOS). All new suppliers must be qualified before any business is awarded, ensuring they meet Metalsa's requirements for technical specifications, quality, delivery, price and service.

The purpose of this assessment is to support suppliers in identifying improvement areas and driving a culture of continuous progress across our global supply chain. Suppliers receiving low scores are required to submit improvement plans to address issues and ensure compliance with Metalsa's quality, safety and operational criteria.

The MSBA evaluation covers multiple areas including:

- Certifications, metric definition and review, investment plans, and human development
- Supplier selection and monitoring, incoming inspections, traceability, and product preservation
- Production planning and capacity, process control, PFMEA, control plans, and housekeeping
- Process and final controls (audits), measurement systems, and continuous improvement
- Maintenance systems, preventive and corrective actions, trained personnel, work instructions, and spare parts
- Management of new and modified parts, and APQP responsibilities
- Environmental compliance, management systems, certification, performance, training, and health and safety practices
- Ethics, corporate governance, legal compliance, supplier monitoring, and AIAG-related training

During 2024, 20 (100%) new suppliers were assessed using environmental and social criteria. **No critical negative impacts were identified.**

CrediProveedores

This platform, offered through a partnership between Metalsa and BBVA, is an electronic factoring solution that allows suppliers to receive early payment on their invoices. The program offers flexibility, as suppliers can choose which invoices to anticipate and when. Benefits include immediate liquidity, payment certainty, no need for credit checks, and the ability to operate 100% online without generating bank liabilities.

Additionally, the program supports sustainability by offering better discount rates to suppliers that qualify as "sustainable providers." This designation is determined through a brief questionnaire developed with a global certification agency. Suppliers who meet the ESG criteria receive annual rate benefits. If a supplier does not qualify on the first attempt, they are encouraged to improve their sustainability policies and reapply.

> "In 2024, we deepened engagement with our suppliers and customers on decarbonization, carbon footprint, and circularity, discussing key topics like green steel production, logistics, and costs. Our Crediproveedores program, aligned with EcoVadis, is set to conclude in 2025 and is already incentivizing suppliers to improve their ESG performance through access to enhanced financing and benefits."

Ricardo García Guerra
Sustainability Coordinator

At Metalsa, we endeavor to contribute to a better society and foster an inclusive environment with equal opportunities.

PEOPLE

Talent Attraction & Retention

GRI 2-7, 2-30

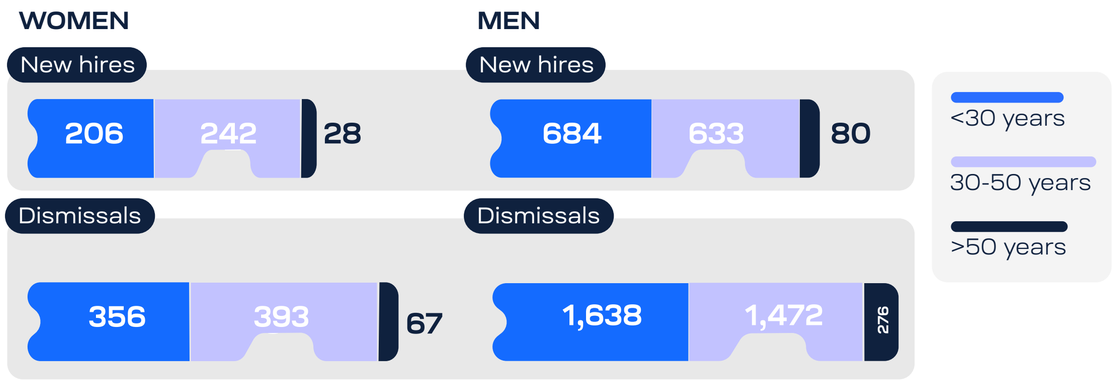
At Metalsa, we are committed to attracting and retaining highly skilled and dedicated team members by consistently recognizing their talents, fostering a strong sense of identity and pride, and creating a workplace that supports both personal and professional growth.

Aligned with our core values, we ensure that our recruitment, hiring, and promotion practices are free from any form of discrimination based on age, gender, sexual orientation, ethnicity, nationality, marital status, beliefs, opinions, religion, socioeconomic background, or perspectives. We embrace diversity as a key strength, understanding that it enhances our organizational culture and fuels innovation.

We seek to attract and retain outstanding professional talents to our community, driven by efficiency and productivity.

11,216
collaborators

8,928
unionized employees



Employee Satisfaction Survey (ESS)

The Employee Satisfaction Survey is a biannual business practice aimed at gathering insights into our employees' experience in order to listen to their concerns and improve our culture and workspaces. It engages both administrative and operative collaborators, with a monthly response timeframe overseen by a third-party communication facilitator to ensure widespread participation. The survey focuses on topics such as well-being, safety, corporate culture, innovation, leadership, and development.

Our most recent survey closed in May 2024 and was conducted across all countries where we have operational plants and corporate offices, inviting 11,000 of our collaborators to participate.

We achieved an 88% participation rate, with an overall business score of 77 points and 82 points in the Engagement category, placing Safety and Engagement as the top-rated areas of the business.

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Diversity, Equity & Inclusion

GRI 2-7

We uphold a corporate culture that embraces professional, cultural, and gender diversity. Discrimination is categorically rejected, as we prioritize personal growth based on education, knowledge, discipline, and effort, without regard to gender, race, or religion.

DEI Statement

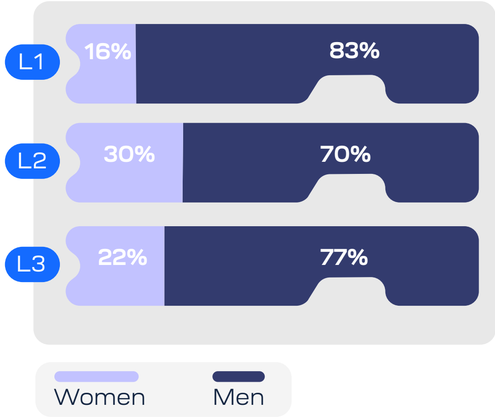
"We believe that anyone can reach their full potential by being themselves.

We are committed to building a better society and creating an inclusive environment with equal opportunities where collaborators enrich the value added while combining the diversity of their unique perspectives and knowledge."

1,737 women

9,509 men

GENDER IN LEADERSHIP

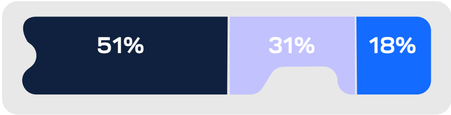


GENDER PAY GAP

5% Target 2030

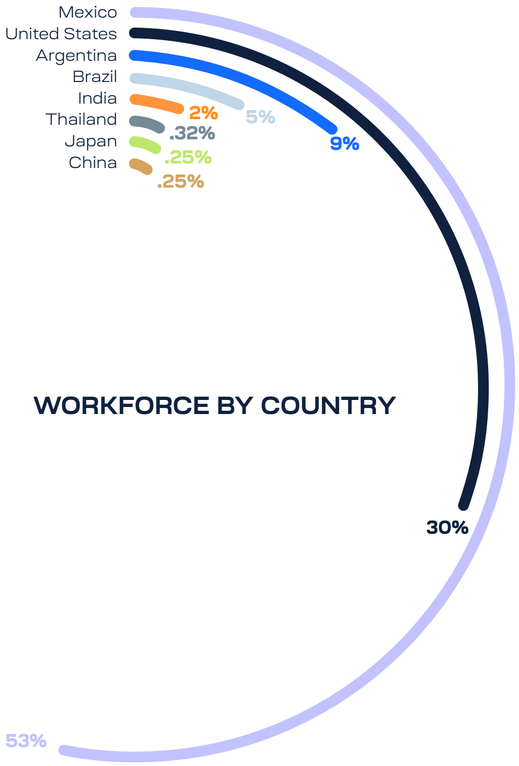
6% Current 2024

WOMEN BY AGE GROUP



MEN BY AGE GROUP

WORKFORCE BY COUNTRY



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DEI Strategy

High visibility
Diffusion, visibility and boosters

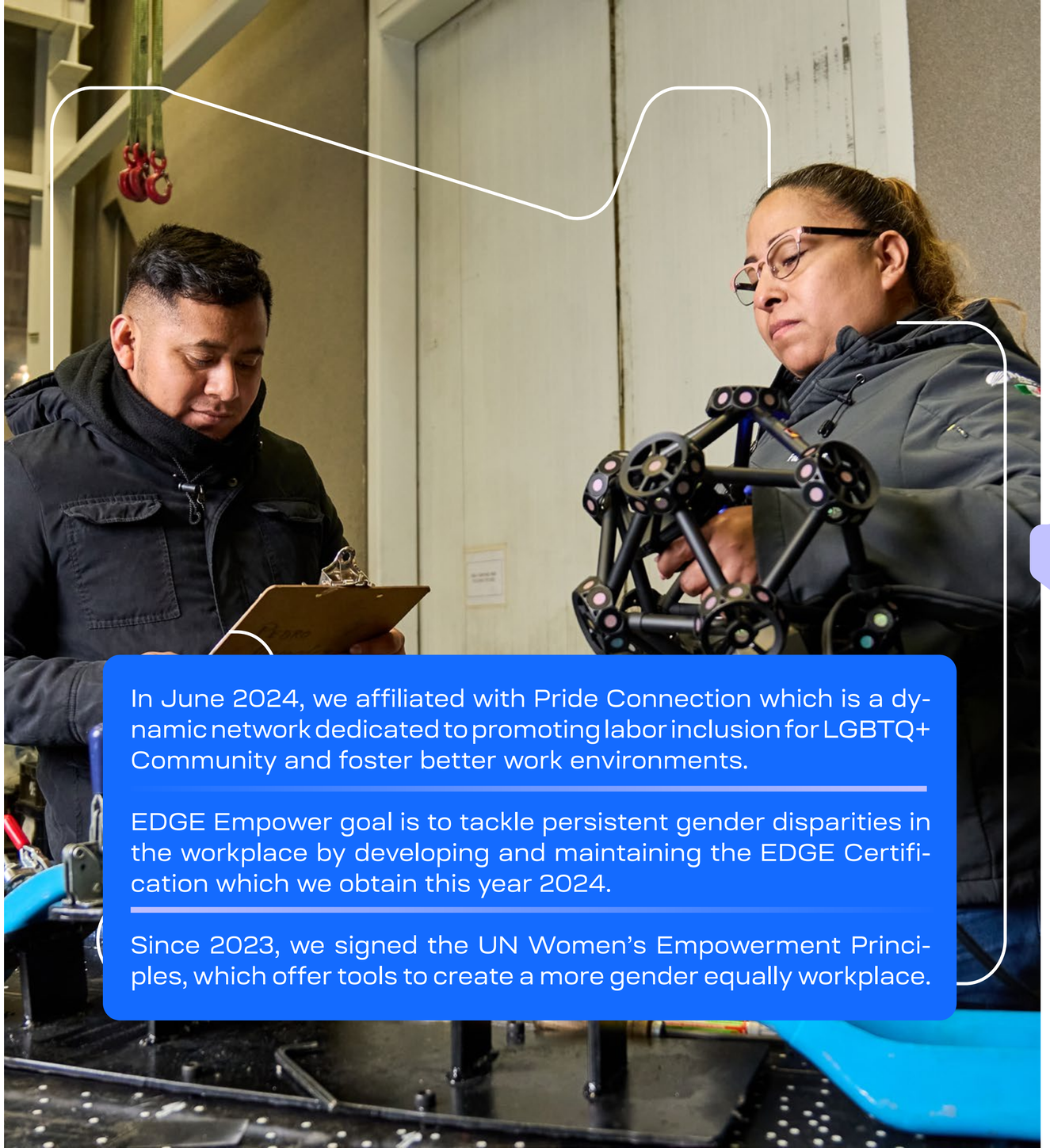
- Open task
- Voices of Diversity
- DEI Calendar and Campaigns
- Women @Metalsa ERG

Support
Training, evaluation, recognition and governance

- Minutes to learn
- DEI Committee Revamp
- External Patrtnership

Structure
Policies, processes and procedures.

- DEI Process Evolution
- DEI Certifications for baseline actions



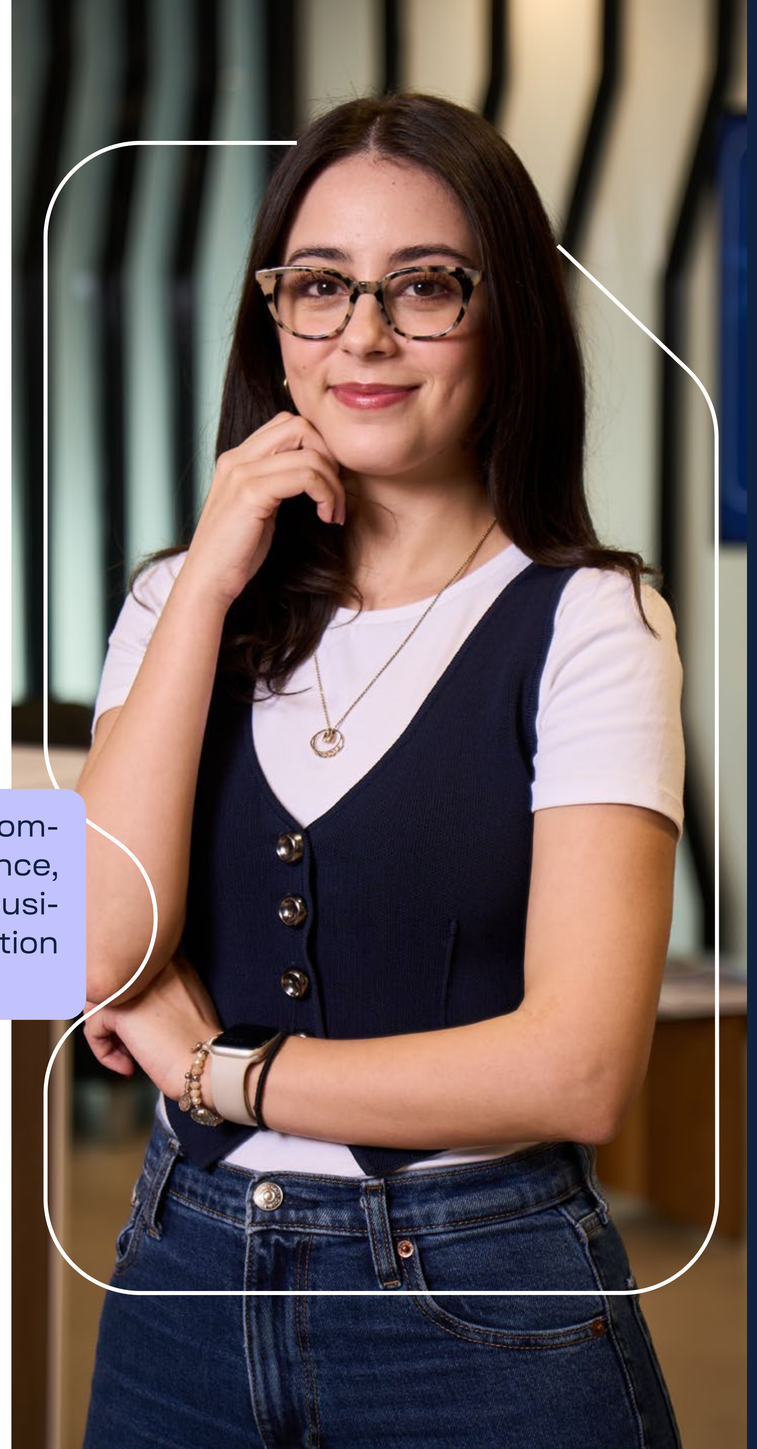
In June 2024, we affiliated with Pride Connection which is a dynamic network dedicated to promoting labor inclusion for LGBTQ+ Community and foster better work environments.

EDGE Empower goal is to tackle persistent gender disparities in the workplace by developing and maintaining the EDGE Certification which we obtain this year 2024.

Since 2023, we signed the UN Women's Empowerment Principles, which offer tools to create a more gender equally workplace.

2024 DEI Highlights

We revitalized our DEI Committee to enhance governance, align strategies across business units, and drive DEI action plans more effectively.



March
Celebration of International Women's Day as part of the **Global Diversity Calendar.**

March to December
Open Talks and Workshops. Platform to create safe spaces for dialogue and representation of underrepresented voices.

May
Kick-off of the **Women @Metalsa** Employee Resource Group at Pabellón M to foster inclusion, awareness, and career development for women within the company.

June
Affiliation with **Pride Connection,** promoting labor inclusion for the LGBTQ+ community.

Voices of Diversity talk with Joe El-behairy, Commercial Vehicles SBU Co. and Oscar Chiquini Assembly Planner, to celebrate Pride Month.

July to November

Minutes to Learn Microlearning Series. Monthly learning capsules focused on key DEI topics:

- **July:** DEI Foundations
- **August:** Unconscious Bias
- **September:** Intersectionality
- **October:** Microaggressions
- **November:** Disabilities in the Workplace

November

Voices of Diversity talk with Erika Rodríguez, Saltillo Plant Co., to discuss women in manufacturing.

December

Voices of Diversity talk with Gustavo Andrés, Marketing Co. and Movimiento Congruencia to celebrate the International Day of People with Disabilities.

Mexican sign language workshop.

Quality of Life

GRI 2-25, 201-3, 202-1, 401-2 , 405-2

We believe that **our collaborators are the foundation of our success**. Our corporate culture fosters an inclusive, diverse, and respectful workplace, ensuring that every individual has the opportunity to thrive based on their talent, character, and commitment.

We provide the best conditions and competitive benefits for all our collaborators. Our benefits go beyond the law's requirements, aiming to retain the best talent and contribute to the improvement of their quality of life. Some of the additional benefits we provide are:

- Christmas bonus
- Vacation bonus
- Social benefits: IMSS
- Life insurance
- Long-term savings plan (only for salaried collaborators)
- Grocery vouchers
- Transportation support
- Marriage economic support
- Maternity and paternity leave as established by IMSS
- Death economic support
- Parking lot

Our "Cuenta Futuro" program, is available for all salaried collaborators in Mexico so they canmake voluntary and private contributions for their future. If they decide to participate, each collaborator must save at least 1% of their salaries, without a limit. Metalsa matches the collaborator's contribution, capped based on salary level and the type of Social Security Law they are incorporated.

All our salaries are competitive and above local minimums for the industry and countries where we operate.

STANDARD ENTRY LEVEL DAILY WAGE VS. LOCAL MINIMUM WAGE

Country	Minimum wage	Men	Women
Mexico (pesos)	$248.93	$331.47	$331.47
United States (dollars)	$7.25	$18.98	$19.65
Brazil (Brazilian Real)	$1,412.00	$2,199.75	$2,199.75
India (Indian rupee)	$178.00	$466.67	$638.10
Argentina (Argentine peso)	$202,800.00	$845,290.49	No operative women
Thailand (Thai baht)	$400.00	NA	No operative women

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Training & Development

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

Our commitment to continuous learning ensures that **collaborators are well-prepared for industry challenges.**

We recognize the importance of strengthening the skills and knowledge of our employees to support their professional growth. These needs are addressed through a variety of training programs that range from soft skills courses to specialized content aligned with their job responsibilities. Some of the most relevant courses we offered in 2024 include:

Leader's Journey Program
Empowering our talent to inspire and lead others by embracing a constantly changing environment through collaboration and inclusion, with the resilience to overcome both present and future challenges.

Mentor Match Program
Fostering a culture of learning, growth, and development within our organization. Through a structured mentoring framework, we aim to provide guidance, support, and opportunities for knowledge exchange to enhance the personal and professional growth of our employees.

Accelerated Talent Management
Enhancing the managerial skills and capabilities of coordinators across four key dimensions: vision and purpose, management tools, talent management, and leading high-performing teams.

Key Competencies Workshops
A series of workshops designed to strengthen and develop critical competencies that build business acumen and relevance within the organization by fostering strong team connections.

LinkedIn Learning Platform
Providing a high-quality online platform for continuous learning and professional development.

Team Leader Program
Reinforcing the knowledge and skills required for the Team Leader position.

Group Leader 2 Program
Reinforcing the knowledge and skills required for the Group Leader 2 position.

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2024 TRAINED COLLABORATORS

Position	Women	Men
Directors	1	6
Managers	41	134
Operators and administrative personnel	1,827	9,638
Total trained collaborators	**1,869**	**9,778**

2024 TRAINING HOURS

Position	Women	Men
Directors	119	476
Managers	3,052	8,192
Operators and administrative personnel	21,698	86,830
Total trained collaborators	**24,869**	**95,498**

205
average training hours / female employee

149
average training hours / male employee

We monitor the skills and competencies of our work teams through a performance assessment. The process is carried out annually for all administrative employees; the objectives set in the previous year are evaluated. First, a self-assessment is completed, followed by an evaluation from the coordinator. A feedback session is then held, where the coordinator and employee can discuss the evaluation of the objectives.

In July each year, a process takes place for each collaborator to establish their individual development plan, an annual process focused on their continuous development, which is validated by the coordinator in accordance with growth objectives.

Position	Collaborators who received a performance assessment		Percentage	
	Women	Men	Women	Men
Directors	1	6	0.05%	0.30%
Managers	36	135	1.78%	6.68%
Administrative	461	1,382	22.81%	68.38%
Total	**498**	**1,523**	**24.64%**	**75.36%**

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Health & Safety

GRI 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8

At Metalsa, the safety, health, and wellbeing of our collaborators are fundamental to our operational culture and long-term success. Our commitment is guided by internationally recognized standards, including ISO 45001:2018 for occupational health and safety and ISO 14001:2015 for environmental management.

As of 2024, **six of our manufacturing plants are certified under ISO 45001:2018 and eleven under ISO 14001:2015**. Throughout 2025, we will continue working to extend these certifications across our global operations.

To ensure a consistent and proactive approach to occupational health and safety, we have implemented the Metalsa Health and Safety Management System (H&SMS) across all our manufacturing sites. This system is designed in alignment with ISO 45001:2018 and structured to promote collaboration between Metalsa and our workforce in identifying, assessing, and controlling workplace hazards and risks. Our H&SMS is built on a continuous improvement model and includes key elements such as policy development, organizational planning, implementation, evaluation, auditing, and feedback.

Out goal is to **prevent occupational injuries and illnesses**, promote a culture of safety, and support the physical and mental wellbeing of our collaborators.

Health and safety are championed at every level of the organization. Local plant leaders and H&S specialists are actively involved in daily safety walkthroughs, risk identification, incident investigations, and the development of corrective actions. In addition, recognition programs celebrate milestones, such as days without accidents, reinforcing a culture of accountability and safety ownership.

A cornerstone of our H&S strategy is equipping all employees with the knowledge and tools necessary to maintain a safe and healthy work environment. Our training programs are defined by our global Environment, Health and Safety (EHS) team and are updated annually to reflect organizational needs, new regulations, and feedback from participants.

Training is delivered during working hours and follows tailored strategies for both administrative staff and operators.

Programs fall into four main categories:

Digital Induction (global administrative staff and trainees)

The Digital Induction is anchored in our Safety Awareness Program, which aims to cultivate strong safety habits from day one. Modules include:

- **Leader's Safety Behaviors:** Expectations for leadership engagement in safety.
- **Abnormality Detection & Risk Assessment:** Empowering employees to use tools like "Stop, Call & Wait" to address potential hazards.
- **Safe Behaviors Handbook (U.S.A. only):** Defining acceptable safety conduct and consequences for violations.
- **Safety Incident Escalation Flow:** Clear guidelines on reporting and addressing incidents

Annual Training Campaigns)

These campaigns are delivered to both administrative and operational staff to address key safety priorities in the year.

On-site Induction (global operators)

Operators receive a tailored induction that mirrors the digital version and includes hands-on modules like:

- **Emergency Response**
- **EHS Principles**
- **Safety in Your Hands**
- **Cardinal Rules**
- **Recognition Programs**

On-demand Training

Flexible and plant-specific, these sessions address targeted needs such as:

- **Safe Material Handling**
- **Lockout/Tagout (LOTO) Procedures**
- **Incident Management**
- **Yoshi Yoshi**
- **Job Safety Analysis (JSA)**
- **Risk Analysis Procedure (RAP)**

Online courses include assessments that require a minimum passing score, while on-site programs track key safety indicators. In areas with rising safety risks, focused interventions and retraining are promptly implemented.

In 2024, our training efforts reached:

Administrative staff:

1,918

collaborators trained (81%);
9,544 training hours

Operators:

8,439

collaborators trained (92%);
46,552 training hours

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Beyond workplace safety, Metalsa is dedicated to supporting the broader health and wellbeing of our collaborators. All administrative employees receive major medical insurance, with options to expand coverage to include dental, vision, and minor medical services.

At our corporate offices, a full-time physician is available to respond to medical emergencies and lead key health initiatives. These include oversight of the Safety and Hygiene Commission, organization of health fairs, and coordination of vaccination campaigns.

We also provide ongoing communication and access to health-related services and benefits, such as:

- Discounts at select hospitals and laboratories
- Preventive check-up promotions
- Nutritional and psychological counseling
- Health conferences and fairs
- Seminars on mental and financial wellness

By creating a supportive and informed environment, Metalsa aims to ensure that **every collaborator can thrive, physically, mentally, and professionally.**

We are proud to recognize that Safety has been a cornerstone of our operational success in 2024. The dedication and efforts across all Metalsa's facilities haver driven significant improvements and ensured the highest standards of operational Safety throughout every area.

9,155
Total abnormalities reported (96% closed)

25,421
Safety Awareness Program trainings completed

100%
EHS Management System Developed for REC, SNM & SIF

+3,000
Safety devices installed in our PIV's since the start of the initiative

+1,800
Man/Machine Interactions Assessments

Top-Rated
Safety was scored as the Top priority in the 2024 Metalsa ESS.

PLANET

Strategic Environmental Management

All our facilities have the ISO 14001:2015 certification, **which proves the efficiency of our Environmental Management Systems.**

Sustainability Risks

GRI 201-2

In 2024, we supplemented the 2022 climate-related analysis with a new comprehensive analysis and reporting of climate risks and opportunities aligned with the Task Force on Climate-Related Financial Disclosures (TCFD), addressing the pillars of Risk Management, Governance, Strategy, and Targets & Metrics.

In addition, we included a quantification of climate risks and opportunities, considering temperature increase scenarios toward 2030 and 2050.

Physical Risks

Risk	Description	Potential impact SSP2- 4.5		Potential impact SSP5- 8.5		Material impact 2050
Drought/ water scarcity	Extended periods of time with a precipitation deficit that might result in a reduction of water availability	Increased consecutive dry days and water stress could disrupt the availability of raw materials, such as steel, and other components sourced from suppliers in those areas. Suppliers located in regions with high or extreme water risk may have difficulty maintaining production capacity, resulting in potential delays or shortages in delivery. Water stress at manufacturing sites could directly impact production processes that require significant water consumption, such as cooling systems or cleaning processes. Reduced water availability may require investment in water-efficient technologies or alternative production methods, increasing operating costs and potentially reducing efficiency.	2030 ● 2050 ●	A significant increase in the number of consecutive dry days, particularly at the Saltillo and Guanajuato facilities, could disrupt the availability of raw materials and components sourced from the affected regions. Suppliers that rely on water-intensive processes may have difficulty maintaining production capacity, potentially causing delays or shortages in the supply chain. The severity of droughts may reduce the availability of water for manufacturing processes, impacting production and potentially delaying operations. Increased risk of fire due to drought conditions could pose safety hazards, leading to operational disruptions and potential damage to facilities and equipment. Reduced water availability and increased water stress may affect worker productivity and health, particularly in regions with extremely high-water stress.	2030 ● 2050 ●	**SSP2- 4.5** Average annual cost 238k USD **SSP5- 8.5** Average annual cost 244k USD
Changes in precipitation patterns	Long-term and persistent shifts and alternations in the distribution, frequency, and intensity of rainfall events	Slight increases in single-day rainfall events could lead to disruptions in plant operations and supplier delivery times due to flooding, particularly in locations currently experiencing intense rainfall events. Reduced rainfall intensity in regions such as Guanajuato could affect supplier operations, potentially impacting production schedules and supply chain reliability, as well as customer delivery times.	2030 ● 2050 ●	Significant increases in precipitation intensity, particularly over the long term, might result in disruptions to roads and facilities, impacting logistics and potentially delaying value chain processes. High-intensity rainfall events could cause delays in value chain processes, impacting production schedules and overall operational efficiency.	2030 ● 2050 ●	**SSP2- 4.5** Average annual cost 10k – 20k USD **SSP5- 8.5** Average annual cost 20k – 100k USD
Heat waves	Prolonged periods of high temperatures	Several locations are expected to experience a significant increase in the number of days with temperatures above 35°C , which could affect worker health and productivity as well as facility performance. High temperatures may increase the energy required to cool facilities, resulting in additional costs and strain on the electrical infrastructure.	2030 ● 2050 ●	An even more pronounced increase in the number of days with extreme temperatures is expected in various locations, which could exacerbate challenges to worker health and productivity and the ability of facilities to operate efficiently. High temperatures could increase the risk of machinery and equipment failure and the need for additional safety measures to protect workers from extreme heat.	2030 ● 2050 ●	Not evaluated in this cycle

Impact rating scale Low ● Medium ● High ●

Transition Risks

Risk	Description	Potential impact - STEPS		Potential impact – Net Zero		Material impact 2030
Policy	Resulting from regulations and initiatives designed and implemented by governments and public authorities to mitigate climate change and support the transition to a low-carbon economy	Carbon pricing schemes is not expected to be implemented in the short- to medium-term in some locations such as the U.S., Argentina, Brazil. For locations in Mexico, Metalsa may be required to pay the appropriate compliance costs for Scope 1 GHG emissions from stationary sources.	2030 ● 2050 ●	Metalsa might experienced indirect impacts on the operating costs related to the procurement of electricity and commodities such as steel. Metalsa might have to pay the corresponding compliance costs for Scope 1, 2 and 3 GHG emissions.	2030 ● 2050 ●	**Carbon Pricing:** **STEPS:** 1.16M – 2.5M USD **Net Zero:** 1.3M – 15.4M USD
Market	Resulting from changes in consumer preferences and behavior or reduced availability of raw materials due to increased demand	The projected higher production costs of green steel compared to conventional steel may influence the cost-effectiveness of chassis manufacturing. Metalsa might evaluate options such as alternative materials, optimizing manufacturing processes, and identifying cost-saving measures to mitigate the impact of higher material costs on chassis production. In the short term, the availability and cost of green steel may affect Metalsa's supply chain dynamics, which would require diversifying supply sources and establishing long-term partnerships with green steel producers, but this may introduce new supply chain risks.	2030 ● 2050 ●	In this scenario, the price gap between conventional and green steel is expected to narrow in the medium term, but this might have a negative impact on Metalsa due to the overall price increase.	2030 ● 2050 ●	**Steel Price:** **STEPS:** 197.8M - 871.3M USD **Net Zero:** 242.2M - 871.6M USD
Technology	Technological developments, such as the emergence of new technologies to support the transition to a low-carbon economy	If commitments to zero-emission vehicles policies materialize, this may result in potential changes for Metalsa in terms of adapting production lines and capabilities to meet the production requirements of electric vehicle chassis. The projected decrease in the average production cost of EVs by 2030 and 2050 suggests that EVs may become more cost-competitive with ICE vehicles over time, which might have potential implications for Metalsa's pricing strategies and cost structures to remain competitive in the evolving electric vehicle market.	2030 ● 2050 ●	In a net-zero scenario, Metalsa might need to invest in research and development (R&D) to develop advanced chassis solutions optimized for electric and zero-emission vehicle platforms. This may involve the integration of new materials, technologies and manufacturing processes to improve vehicle efficiency, safety and performance while reducing emissions.	2030 ● 2050 ●	**EV transition:** **STEPS:** 30M - 140M USD **Net Zero:** 30M - 250M USD

Impact rating scale Uncertain ● Low ● Medium ● High ●

Transition Risks

	Description	Potential impact - STEPS		Potential impact – Net Zero		Material impact 2030
Technology	Technological developments, such as the emergence of new technologies to support the transition to a low-carbon economy	Renewable energy generation is expected to increase significantly in several of the countries in which Metalsa operates (e.g. almost three times by 2030 compared to historical values in the United States and India in a scenario with a moderate level of ambition), while the capital cost of renewable energy is expected to decrease significantly (e.g., solar energy capital costs would be two times lower than today in a scenario with a moderate level of ambition), making renewable energy more accessible for Metalsa.	2030 ● 2050 ●	The significant increase in the share of renewables in total electricity generation globally presents an opportunity for Metalsa to transition towards more sustainable and low-carbon production processes. Adopting renewable energy for industrial heat generation can further enhance the company's commitment to emissions reduction and support the transition towards a low-carbon economy.	2030 ● 2050 ●	Renewable energy **STEPS:** 1.34M - 2M USD **Net Zero:** 2.17M – 2.63M USD
Reputation	Negative perception from investors, customers, suppliers if a company fails to address climate change	Failure to invest in sustainable materials and adapt product offerings may impact the company's reputation and competitiveness. Metalsa might invest in research and development activities to enhance its product portfolio and remain relevant in the rapidly changing automotive industry landscape.	2030 ● 2050 ●	Failure to achieve net-zero emissions targets, particularly in a scenario where different technologies and measures are used to reduce emissions across multiple sectors, could lead to negative perceptions of Metalsa's commitment to sustainability. Failure to adapt to the global shift towards electric vehicles may damage Metalsa's reputation. Stakeholders may perceive the company as falling behind competitors or lacking innovation if it fails to adapt to the changing automotive landscape and meet market demand for electric vehicles.	2030 ● 2050 ●	Not evaluated in this cycle
Legal	Litigation claims from NGOs, shareholders, and public authorities against companies that fail to address climate risks	Metalsa might face litigation if it is perceived as contributing to climate change and failing to mitigate climate-related risks in its operations and supply chain. Climate change-related events are expected to increase and, if Metalsa's key customers are affected, this could have an indirect impact on Metalsa as it could lead to new customer requirements, leading to potential litigation if Metalsa fails to meet these requirements.	2030 ● 2050 ●	Metalsa might face litigation risk if it fails to adapt its product offering to meet the growing demand for lightweight and sustainable chassis components suitable for EVs and other zero-emission vehicles, and if it is associated with unsustainable material sourcing practices (e.g. green steel).	2030 ● 2050 ●	Not evaluated in this cycle

Impact rating scale Uncertain ● Low ● Medium ● High ●

Transition Opportunities

Risk	Description	Potential impact - STEPS		Potential impact – Net Zero		Material impact 2030
Energy source	Replacement of traditional energy sources, that are based on fossil fuels, to renewable sources	The STEPS scenario also highlights an increase in investment in technological innovation, particularly in areas such as batteries, carbon capture, utilization and storage (CCUS) and low-emission hydrogen. While these technologies are initially targeted at the hard-to-abate industrial sector, they may become more relevant to Metalsa in the medium-term.	2030 ● 2050 ●	The significant increase in the share of renewables in total electricity generation globally presents an opportunity for Metalsa to transition towards more sustainable and low-carbon production processes. Adopting renewable energy for industrial heat generation can further enhance the company's commitment to emissions reduction and support the transition towards a low-carbon economy. The availability of incentives in this scenario, may facilitate emission reductions in manufacturing processes and Metalsa might capitalize on these incentives by investing in energy-efficient technologies and infrastructure upgrades.	2030 ● 2050 ●	Not evaluated in this cycle
Market	New sources of finance aimed at financing solutions and products that support the transition to a low-carbon economy	EV market share growth presents an opportunity for Metalsa to capitalize on the rising demand for electric and hybrid vehicles. By adapting its manufacturing processes and product offerings, Metalsa can position itself as a key player in the expanding EV market.	2030 ● 2050 ●	In this scenario, the rapid growth in the electric vehicle market indicates a profound shift towards low-carbon transportation, Metalsa can seize this opportunity by investing in research and development to develop innovative chassis solutions that meet the specific requirements of electric vehicles, such as lightweight designs and battery integration capabilities.	2030 ● 2050 ●	Not evaluated in this cycle
Climate resilience	Implement mitigation and adaptation measures that increase the company's resilience to adverse events	Assessing and optimizing supply chain resilience by identifying and mitigating risks, diversifying sourcing options, and fostering collaboration with suppliers can improve the company's ability to adapt to changing market conditions and disruptions. Assessing and adopting new technologies and innovations related to electric vehicle manufacturing may drive product innovation, improve efficiency, and enhance competitiveness.	2030 ● 2050 ●	By embracing the adoption of renewable energy, sustainable manufacturing practices, and the transition to electric vehicles while evaluating technological advancements, Metalsa might enhance its resilience, reduce emissions, and thrive in a net-zero scenario. Collaborating with suppliers to promote sustainability throughout the supply chain might enhance resilience by diversifying sourcing options, mitigating risk, and fostering long-term relationships.	2030 ● 2050 ●	Not evaluated in this cycle

Impact rating scale Uncertain ● Low ● Medium ● High ●

Climate Change and Energy Ecoefficiency

GRI 302-1, 302-3, 302-4, 305-1, 305-2, 305-4, 305-5

As part of our ongoing commitment to environmental stewardship, each of our facilities implements tailored programs and initiatives aimed at reducing energy consumption and minimizing our carbon footprint. On a monthly basis, every plant reports its energy usage through designated tracking systems. This data is then consolidated into a global platform that allows for comprehensive analysis and more strategic energy management across the organization.

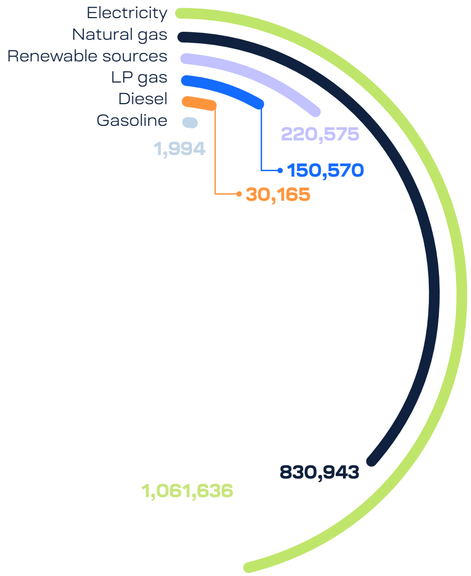
Looking ahead, we are preparing to achieve ISO 50001:2018 certification at all sites, a key milestone that **will help us establish a structured and effective energy management system.**

To meet our 2030 sustainability goals, we are actively planning and implementing a range of initiatives. These include defining the cost and budget for building a more robust energy mix with a greater share of renewable and clean energy, preparing our manufacturing sites for ISO 50001:2018 certification, quoting and executing LED lighting upgrades, and installing automated metering systems and advanced EHSS (Environment, Health, Safety, and Sustainability) software. We are currently assessing the return on investment (ROI) of these initiatives and expect to increase capital investment accordingly.

All these efforts are closely aligned with our business strategy and support our commitment under our Sustainability Linked Bond, ensuring we continue to make measurable progress toward a more sustainable future.

In 2024, two of our manufacturing facilities, Osasco and Jamshedpur, successfully completed ISO 50001:2018 audits, with official certification expected in 2025. We are committed to achieving 100% ISO 50001:2018 certification across all manufacturing sites in the future.

ENERGY CONSUMPTION (GJ)



Our Apodaca facility entered the wholesale electricity market, a move expected to reduce our global Scope 2 GHG emissions by over 20%.

Total energy consumption:

2,295,833.20 GJ[3]

Energy intensity:

755.58 GJ/million US dolar

8.9%
reduction vs 2021 baseline

58% of the Osasco plant's total energy consumption in 2024 came from 100% renewable sources.

Emissions[4]

- **Scope 1*:** 69,019.22 tons CO_2e
  -22.13% vs 2019 baseline
- **Scope 2[5]*:** 151,788.66 tons CO_2e
  +3.81% vs 2019 baseline
- **Total emissions:** 220,807.88 tons CO_2e
  -5.98% vs 2019 baseline
- **Emissions intensity*:** 76.24 tons CO_2e/ million US dollar
  -2% vs 2019 baseline

Since 2019, we have achieved a **6.58% reduction in our absolute greenhouse gas (GHG) emissions.**

[3] Total energy consumption increased against 2023 since our Guanajuato plant began operating completely.
[4] Please refer to our Basis of Reporting, located immediately after the Assurance Report, at the conclusion of our sustainability report.
[5] 2024 Scope 2 is location-based and includes emissions from manufacturing facilities, administrative offices, sequencing centers, and technology centers.
*ERM CVS assured metrics.

Water Management

GRI 303-1, 303-2, 303-3, 303-4, 303-5

We recognize the critical importance of responsible water management across all our operations. To that end, we have identified the primary sources of water used in our manufacturing facilities, which include municipal water supplies, groundwater wells, and the purchase of industrial water. We track and record water extraction at each site to ensure accurate measurement and management.

Most of our water use is associated with painting processes. In facilities that do not carry out painting operations or use waterless methods, water is mainly used for sanitary services, kitchens, and landscape irrigation. Generally, all wastewater is treated internally before being discharged, and we perform regular chemical analyses in compliance with local regulations to monitor water quality at discharge points.

To better understand and mitigate our environmental impact on water resources, we conduct detailed environmental impact assessments at each site. Based on these, we develop and implement action plans that include awareness campaigns, training sessions, and specific projects aimed at reducing water-related impacts.

We also prioritize strategic investments based on a risk and vulnerability matrix tailored to the specific water challenges of each location. This approach ensures that our efforts are focused, efficient, and locally relevant, maximizing positive outcomes.

In 2024, **we began developing a comprehensive Water Stewardship Policy** that will serve as a guiding framework for setting measurable objectives and evaluating progress.

In parallel, we are advancing our Water Management Strategy, which outlines clear goals and a roadmap that includes:

- Improving water-related practices throughout our operations
- Reducing water consumption in industrial processes
- Minimizing risks associated with water use

This strategy is aligned with Metalsa's broader sustainability goals for both the short term (2030) and the long term (2050). It is designed to support sustainable water use not only within our organization but also in the communities where we operate.

To ensure our efforts are meaningful and context-driven, we follow a two-phase methodology known as Context-Based Water Targets:

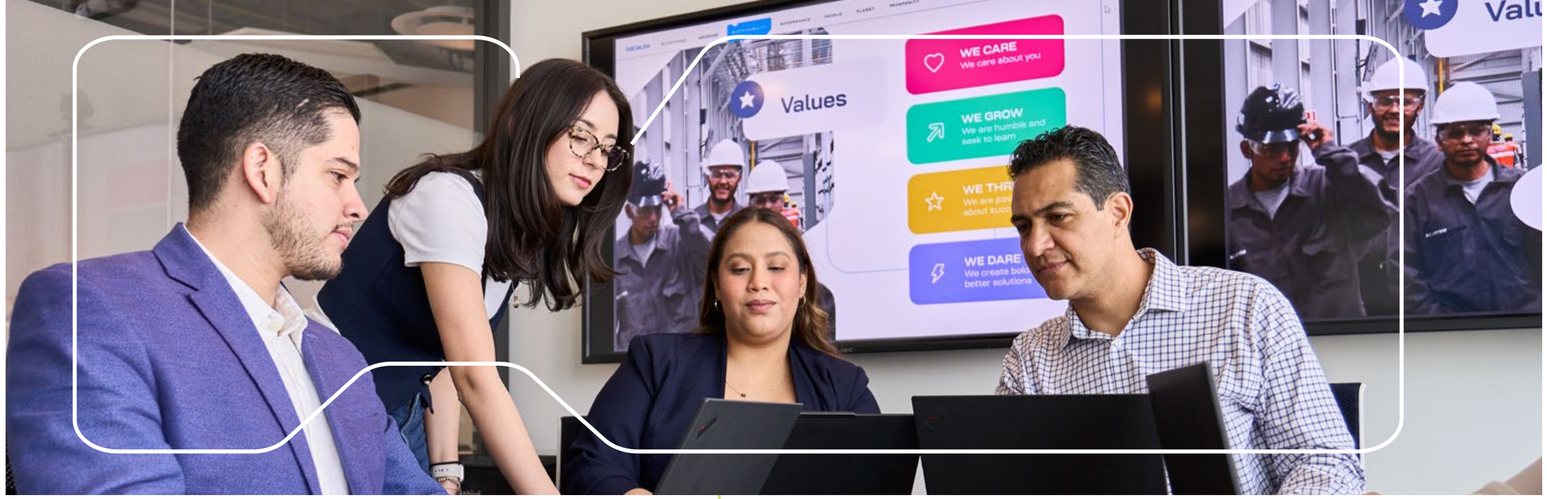
1

Data collection and understanding.
This phase involves conducting a water risk analysis based on the specific watershed of each facility, as well as a site-level water maturity assessment through a detailed questionnaire.

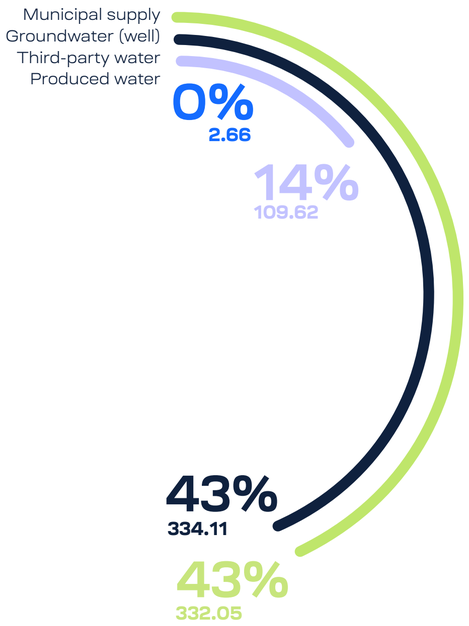
2

Strategy and goal setting.
Using insights from shared water challenges in the watershed and priorities from internal stakeholders, we establish relevant and achievable local objectives.

All our facilities strictly comply with local water discharge regulations. In Mexico, for example, we meet the standards set by NOM-002-ECOL-1996, which defines the maximum permissible levels of pollutants in wastewater discharges into urban or municipal sewer systems.



WATER WITHDRAWAL (ML)



Total water withdrawal:
778.44 ML
-43.28% vs 2021 baseline

Total water discharged:
58.69 ML*
-14% vs 2021 baseline

Total water consumption:
893.21 ML

*Data based on estimates derived from the average change observed in previous years. This approach was necessary as we are currently in the process of improving our data estimation methodologies and installing water flow meters across relevant facilities. We expect to report more accurate and reliable discharge data in future reporting periods. This interim estimation method ensures continuity in reporting while maintaining transparency about current data limitations.

Waste Management

GRI 306-1, 306-2, 306-3, 306-4, 306-5

Effective waste management is a fundamental part of Metalsa's environmental strategy. Across all our manufacturing sites, we are committed to minimizing the environmental impact of our operations by promoting responsible disposal practices, enhancing recycling efforts, and advancing toward circularity.

Each facility follows its own waste management plan in compliance with local regulations. We monitor total waste generation, both from production and support areas such as offices, cafeterias, and warehouses, and classify it into hazardous and non-hazardous categories. Hazardous waste is further divided into confined and co-processed, while non-hazardous waste is sorted into recyclable and landfill streams. This classification allows for more efficient segregation and disposal practices that align with local environmental legislation.

Hazardous waste typically includes paint sludge, empty containers, used oil, phosphate sludge, and used personal protective equipment such as gloves. Non-hazardous waste primarily consists of materials such as wood, aluminum, PET, cardboard, and packaging materials from welding rolls, along with general waste.

One of the ongoing challenges we face is the limited availability of third-party providers willing or able to manage non-hazardous waste. In cases where no suitable provider is found, the waste is directed to sanitary landfills, which we strive to minimize.

In 2024, we continued to strengthen foundational initiatives such as employee training, identifying suppliers with robust recycling practices, and replacing materials with more recyclable alternatives. Most notably, we formally launched our Circularity Strategy, a key step in our transition toward a more sustainable and resource-efficient model.

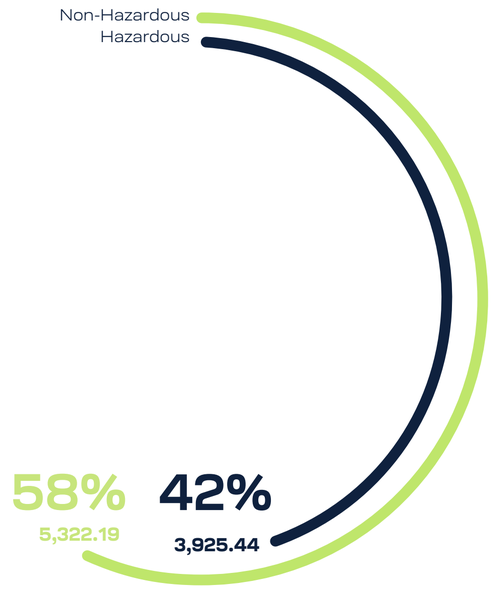
This strategy aims to:

- **Reduce the use of virgin raw materials**
- **Promote the redesign of components for greater reusability**
- **Explore recovery systems for end-of-life products**

The first results of this project are expected to be available in our next reporting cycle (2025), and we anticipate that it will play a significant role in closing material loops and reducing overall waste.

We also maintain an Environmental Template, a centralized tool for collecting and tracking environmental metrics, including waste generation, water usage, and greenhouse gas emissions.

WASTE BREAKDOWN (tons)



9,247.63 tons
of waste generated

6,602 tons
of waste recycled: 3,410 of hazardous waste and 3,192 of non-hazardous[6]

[6] Of the remaining waste, 512 tons of hazardous waste were sent to incineration, and 2,132 tons of non-hazardous waste were sent to landfill.

Biodiversity

GRI 101-2, 101-4, 101-5, 101-8

At Metalsa, we recognize the importance of preserving biodiversity and protecting ecosystems for future generations. As part of our environmental responsibility, we have undertaken a proactive assessment to identify and manage the actual and potential impacts of our operations, products, and supply chain on biodiversity.

To determine which of our sites and supply chain components pose the most significant risks to biodiversity, we conducted a proximity-based biodiversity assessment. This approach involved the following steps:

1

Geospatial Analysis

Operational sites were mapped and cross-referenced with publicly available data on protected areas, national parks, wildlife sanctuaries, and biodiversity hotspots.

2

Distance-Based Risk Categorization

Facilities located within a 30 km radius of protected or ecologically sensitive areas were categorized as having a moderate to high potential impact. Those beyond this range were considered low risk.

3

Ecosystem Services and Stakeholder Relevance

The assessment also evaluated whether these nearby areas provide essential ecosystem services, such as freshwater provisioning, carbon sequestration, or wildlife habitats, to surrounding communities, including Indigenous Peoples.

This analysis identified six facilities, in Mexico, Brazil, India, Thailand, and Argentina, located within 30 km of protected areas. These sites have been prioritized for enhanced monitoring and the development of targeted mitigation strategies to minimize their impact on local biodiversity.

Sites with the most significant impacts on biodiversity	Ecologically protected area near site	Impacts and benefits for stakeholders
El Talar Argentina	Parque Nacional Ciervo de los Pantanos (15 km)	Crucial for wetland ecosystem services benefiting local communities and biodiversity conservation.
Campo Largo, Brazil	Serra do Mar (20 km)	Essential for water regulation, climate stability, and resources for local populations.
Jamshedpur, India	Dalma Wildlife Sanctuary (10 km)	Supports livelihoods through eco-tourism and sustains local biodiversity.
Saltillo, Mexico	Sierra de Zapalinamé (25 km)	Provides water resources and recreational opportunities for local communities.
Rayong, Thailand	Khao Chamao-Khao Wong National Park (30 km)	Provides ecosystem services like water purification and is integral to local cultural practices.
Guanajuato, Mexico	Sierra de Lobos (20 km)	Offers water resources, groundwater recharge, wildlife habitat, and recreation for surrounding regions.

This initial assessment provides a valuable foundation, though it was limited to a proximity-based approach and did not include direct measurements of land-use change, emissions, water usage, or upstream supply chain practices. To address this, Metalsa plans to:

- Integrate land-use impact evaluations.
- Conduct site-specific biodiversity monitoring.
- Expand supply chain assessments with a sustainability focus.
- Engage with local stakeholders, particularly in areas providing critical ecosystem services, to better understand and protect shared environmental resources.

2024 Biodiversity Initiatives

Rayong, Thailand

- Annual emergency drills for chemical spills and implementation of strict chemical handling protocols.
- Environmental awareness is promoted through training programs and campaigns such as Environmental Day.
- Transitioned to lower-risk chemicals in operations.
- Engagement in Corporate Social Responsibility (CSR) initiatives with the industrial estate, including forest planting to improve air quality.
- In the event of environmental incidents, the plant works with the estate to initiate restoration and rehabilitation efforts.

El Talar, Argentina

- Environmental impact assessments are conducted prior to any new project to identify sensitive areas.
- Buffer zones are established, and low-impact technologies are used to minimize disruption.
- Environmental training is mandatory for employees and contractors to foster a biodiversity-conscious culture.
- A robust waste management system ensures proper segregation, recycling, and disposal.
- Contingency plans and rapid response protocols are in place for incidents such as spills or fires.
- Active stakeholder participation is encouraged in ecosystem restoration projects.
- Soil recovery and decontamination processes are implemented to remediate past environmental impacts.

PROSPERITY

We strive to create a positive relationship with the communities where we operate, contributing to raising their quality of life and economic development.

Community Engagement

GRI 413-1

Community Development Programs

MEXICO
Apodaca, Saltillo and Pabellón M

50
volunteering activities

1,485
volunteers

3,598
people benefited

- **Adopt a School. Gather volunteers to renovate the infrastructure of a public school, allowing the kids to have a better-quality environment for learning.**
- Adopt a Tree
- ANSPAC
- Annual Donation to Charity in Partnership with Toyota
- Blood donation campaign
- Building Community
- Cap recollection Campaign
- Congruence Movement
- Cycling for Everyone
- Entrepreneurship Market: Christmas Edition
- Entrepreneurship Market: Fathers Edition
- Entrepreneurship Market: Mothers Edition
- Entrepreneurship Market: Valentines Edition
- Food Volunteering
- Give Christmas a Meaning
- **Inclusion Rally. Campaign to organize a visit to Metalsa facilities for a school with kids with disabilities, planning activities for inclusion and bringing awareness to Metalsa collaborators.**
- Kiloton

- Market for a Cause
- **Opening Opportunities: Entrepreneurship Market. Provide a space for collaborators and their families to promote their personal businesses among collaborators, promoting local commerce and seeking to improve the economy of workers' families.**
- Partnership with Universities
- **Metalsa STEAM Program. Increase interest in youth for studying STEAM topics, technical high schools or university degrees through special activities design with local university.**
- Personal Finance Talks
- Recapacicla Campaign
- Reforestation Campaign
- RenuevaT
- "Spark your talent: Local High School Support equipment"
- **"Spark your talent: Short Learning Practice and Vocational Orientation". One week learning practice experience program and vocation orientational workshop for collaborator's children in their last year of high school to identify/confirm their vocation.**
- Women's Cancer Prevention Campaign
- Youth Building the Future Program

ARGENTINA

13 volunteering activities

13 volunteers

1,310 people benefited

- Charitable donations
- Donation welding workshop trade school
- Dual High School Programs
- Local High School Support equipment
- Long Internship Universities
- Short Learning Practice for employees' children
- University quotation discounts
- University scholarships coverage
- Vocational Orientation workshop for employees' children
- Volunteering: End of year celebration presents to in-need children
- Volunteering: ONG Computing Workshop

INDIA

5 volunteering activities

17 volunteers

137 people benefited

- Graduate Engineer Trainee
- Local Middle School Support
- Short Learning Practice
- University scholarships coverage
- Vocational Orientation

USA

29
volunteering activities

23
volunteers

2,098
people benefited

- **Academic Excellence Rewards Program. By implementing this reward program, Metalsa can demonstrate its commitment to supporting their employees' families and fostering a culture that values education and academic success. It also serves as a tangible way to recognize and celebrate the accomplishments of employees' children, strengthening employee morale and engagement within the organization.**
- Angel Tree
- Bike to Beat Cancer
- Blood Drive in partnership with the Red Cross. Host a blood drive for the Metalsa employees onsite.
- Blood Mobile
- CARES Team
- **Chrises Coffee & Custard. Metalsa hired the services of this company for an internal event. Chrises Coffee & Custard employs people with disabilities for the preparation of their beverages and food, which were provided to our employees. This initiative offered an opportunity for people with disabilities to offer their services while also serving as a small token of appreciation for our employees.**
- Christmas Wish Toy Drive
- Classroom Presentations & Discussions
- Community Development Events
- Dual College Program with Practice in Metalsa
- Dual High School Program with Practice in Metalsa
- Facility tours for College Students
- Facility tours for Tech High School Students
- Food Handouts and Holiday Donations (Thanksgiving, Christmas)
- **Girls, Inc.- Team Volunteer Project. Girls, Inc. is a nonprofit organization dedicated to empowering girls and young women through educational programs, mentorship, and support, with the goal of helping them become strong, smart, and bold. In this initiative, the Metalsa volunteer team worked to improve the infrastructure conditions of this organization for the benefit of the girls in the community.**
- Internships / Co-Ops program
- Internship in Industrial Maintenance
- Internship/apprenticeship in Industrial Maintenance
- Junior Achievement Classroom Volunteering
- Local Community College support (ECTC)
- On-demand support for communities, programs or associations
- Scholarships
- **Sports Sponsorships. Metalsa branding on uniforms and recognition for employees' children (Marion County Youth Football; Brandenburg Flex Football, East Hardin Middle School; Central Hardin Basketball; Central Hardin Volleyball). Supporting Metalsa families, promoting sports and family bonding, and building branding to strengthen our employer brand in the community.**
- Toys for Tots
- United Way of the Pennyrile - 2024 Campaign Donation
- Veteran's Wreaths Across America
- Virginia Western Community College

BRAZIL

11
volunteering activities

222
volunteers

816
people benefited

- Blood donation
- **Christmas Sponsorship. Volunteer action for buying gifts for vulnerable children in the community and delivering them personally at an event held at Metalsa.**
- **Donation of warm clothes. Volunteering action to donate warm clothes to institutions that support vulnerable individuals.**
- Internship for University students
- Internship/Apprenticeship for High School Students
- Internship/Apprenticeship for people with special needs or disabilities
- Preparing individuals in the community to find work/income
- Preparing young people in the community for their first job
- Training of community residents and family members of employees
- University scholarships coverage
- Welding School. Prepare young people in the community to become professional welders.

THAILAND

12
volunteering activities

121
volunteers

611
people benefited

- Blood Donation
- Donation for School
- Drug-Free Project
- Health Campaign for Employees and Promote Metalsa Thailand as a Learning Center
- Long Internship Universities
- Promote Unique Community
- Run for Support Community
- Short Internship Universities
- Support Disabled Persons
- Sustainable Community
- Thailand Sustainable Community Development & Social Investment Program 2024
- **Waste Management in Schools. We joined CSR at Pluak Daeng School with WHA to communicate waste management to students and promote environmental sustainability, educate students about the importance of recycling and proper waste disposal, reduce the amount of waste sent to landfills, and create a clean and healthy learning environment. Implementing effective waste management practices in schools can help instill good habits in students that they can carry into their daily lives.**
- Zero Accidents for Employees

OUTSTANDING RESULTS

About Metalsa

GRI 2-1, 2-6

14 manufacturing plants | **23** facilities

Revenues:

US $2.89 BILLION

8 countries | **11,216** collaborators

Metalsa S.A. de C.V. is the automotive subsidiary of Grupo Proeza, which operates in Mexico, USA, China, Brazil, Argentina, India, Thailand and Japan, playing a vital role in the global automotive sector through its extensive operations and expertise in manufacturing. As part of Grupo Proeza, Metalsa is committed to contributing to technological advancements, operational excellence and sustainability.

Proeza Group is a portfolio management company with more than 65 years of experience, nurturing a portfolio of companies recognized for their reliability, innovation and contribution to the development of its collaborators toward a better society.

Proeza

Founded in 1956 by Don Guillermo Zambrano Jr., Grupo Proeza is a family-owned company built on a solid humanistic culture.

METALSA

Leading manufacturer of automotive components specialized in chassis structures for light and commercial vehicles.

Proeza Ventures

VC firm that invests in early-stage start-ups exclusively in the mobility sector, aiming to transform the global mobility industry to be more efficient, safety-focused and environmentally friendly.

Citrofrut

Agro-industrial business focused on producing quality fruit juice. Technical assistance to citrus growers and plant genetics for production of high-quality trees.

Astrum

Digital transformation and communication solutions with a strong position in the power electric sector.

PHP Premier Healthcare Professionals

Healthcare platform mainly composed by Premiere Healthcare Professionals, a market leading platform in nurse staffing with over 25 years of experience serving hospitals in the U.S.

Our Services and Products

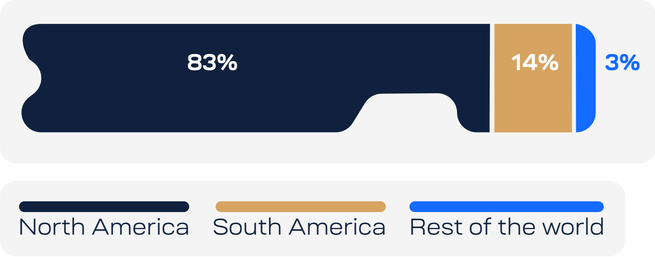
GRI 417-1

Metalsa specializes in the manufacturing and supply of high-quality metal components, such as chassis and body structure components for light and commercial vehicles. Furthermore, we provide additional services to enhance our offer, such as:

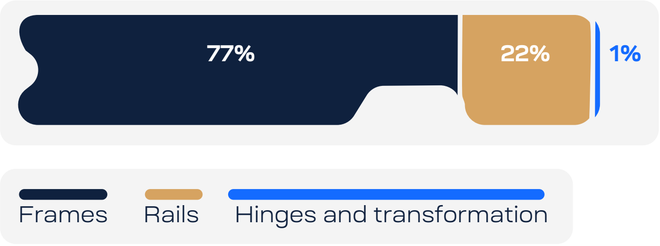
Design & Development | **Prototype & Testing** | **Value & Engineering** | **Production & Launch**

We supply products and solutions for multiple customers worldwide in several brands and markets, from basic utility vehicles through high luxury vehicles.

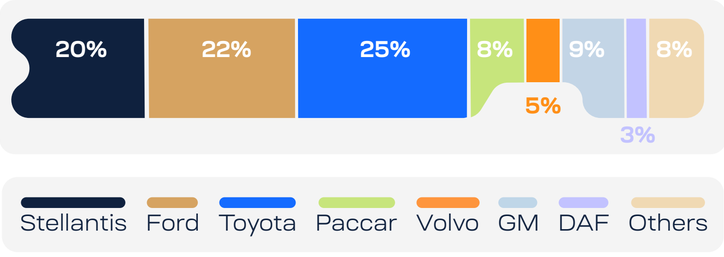
SALES BY REGION



SALES BY PRODUCT



SALES BY CUSTOMER



To ensure compliance with environmental and social regulations, we actively manage our customers' requirements through several platforms, providing information on the chemical composition of our products, compliance with environmental regulations, and the declaration of conflict minerals. This process involves collaboration across multiple areas, including Commercial, Engineering, Procurement, and EHS&S, thus ensuring a comprehensive response aligned with our sustainability strategy.

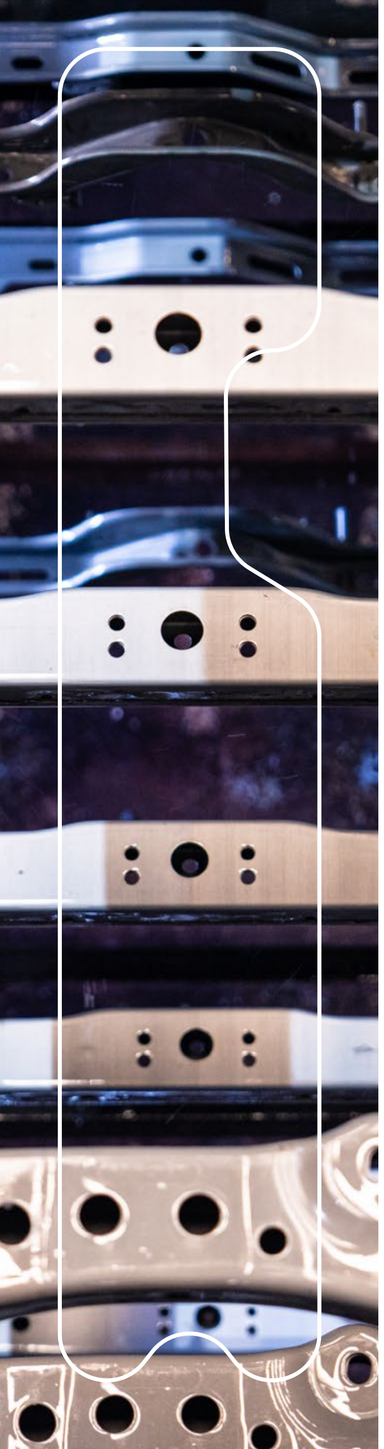
We disclose information regarding the safety, substances, materials and minerals of our products to our customers. These include:

- Full Material Disclosure (IMDS)
- EU REACH: Registration, Evaluation, Authorization and Restriction of Chemicals
- EU End-of-Life Vehicle (ELV)
- EU RoHS II: Restriction of Hazardous Substances in Electric and Electronic Equipment
- Road Vehicles: Recyclability and Recoverability
- Conflict Minerals and extended minerals (3TG & Cobalt)
- California Proposition 65: Safe Drinking Water and Toxic Enforcement Act of 1986
- GADSL – Global Automotive Declarable Substance List
- USA Toxic Substances Control Act (TSCA)

Market Presence

We have operations in Mexico, the United States, Brazil, Argentina, India, Thailand, Japan and China.

Central Office | Manufacturing Plants | Technology Center | Sequencing Plant | Commercial Office | Joint Venture Facility | Distribution Center



Financial Highlights

GRI 201-1

We demonstrated strong financial resilience throughout the year, which enabled us to make strategic investments in innovation and operational efficiency. At the same time, we recognize the challenge of meeting evolving customers' demands while aligning with sustainable practices. This balanced approach has not only enhanced our financial performance but also our commitment to long-term growth and sustainability.

> "We implemented scenario planning to navigate volatility effectively. Our innovation projects focused on addressing customer needs and enhancing productivity, such as the flexible production line in Guanajuato, catering to both electric and internal combustion vehicles."
>
> **Oswaldo Lozano**
> CFO

	2023	2024	2023 vs. 2024
Direct economic value generated (revenue)	2,784,171	2,896,078	111,907
Economic value distributed	3,466,584	3,619,823	153,239
Economic value retained	-682,413	-723,745	41,332

> "In 2024, we achieved record-breaking results, driven by our people, our ability to respond effectively to crises, and strong collaboration with suppliers and customers. We will continue enhancing our sustainability initiatives, ensuring stakeholders are fully aware of ESG topics."
>
> **Oswaldo Lozano**
> CFO

ABOUT THIS REPORT

About this Report

GRI 2-2, 2-3, 2-4, 2-5

In accordance with our commitment to sustainability, we disclose our 2024 Sustainability Report, which outlines our performance on economic, environmental, social and governance topics during the period between January 1st and December 31, 2024, for all of Metalsa's operations worldwide. There are no restatements of information unless otherwise identified.

This report was prepared in reference to the 2021 Standards of the Global Reporting Initiative.

Due to the issue of a sustainability-linked bond, we are committed to verifying the intensity of our base 2019 emissions, complying with the published framework. The decision to issue a SLB was approved by the highest government bodies, including our parent company. Hence, only GHG emissions intensity data is externally assured by a third party: ERM CVS. The rest of the information provided in this report is reviewed for accuracy by our ESG team.

WE SUPPORT UN GLOBAL COMPACT

Contribution to SDGs

We are committed to contributing to the 2030 Agenda and the Sustainable Development Goals (SDG). This agenda was approved in September 2015 by heads of state and member countries of the United Nations. The 2030 Agenda explicitly calls on the business sector to align its operations to ensure sustainable and inclusive development. The 169 goals set for 2030 are the guide so that our sustainability strategy really has a positive impact on our stakeholders and future generations.

Based on our materiality assessment, **we identified six key SDGs where our operations have the greatest impact and where we can contribute most significantly.**

GRI Content Index

DECLARATION OF USE	Metalsa, S.A.P.I. de C.V. presents the information listed in this GRI content index for the period from January 1st to December 31, 2024, using the GRI Standards as a reference.
GRI 1 USED	GRI 1: Foundation 2021

GRI Standard		Content	Page, direct response or reason for omission
1. THE ORGANIZATION AND ITS REPORTING PRACTICES			
GRI 2: General disclosures 2021	2-1	Organizational details	58, 74
	2-2	Entities included in the organization's sustainability reporting	64
	2-3	Reporting period, frequency and contact point	64, 74
	2-4	Restatements of information	64
	2-5	External assurance	64
2. ACTIVITIES AND WORKERS			
GRI 2: General disclosures 2021	2-6	Activities, value chain and other business relationships	24, 58
	2-7	Employees	27, 28
	2-8	Workers who are not employees	We have 423 workers who are not collaborators, 344 interns and 79 subcontractors.
3. GOVERNANCE			
GRI 2: General disclosures 2021	2-9	Governance structure and composition	17
	2-10	Nominating and selecting the highest governance body	17
	2-11	Chair of the highest governance body	17
	2-12	Role of the highest governance body in overseeing the management of impacts	17, 19
	2-13	Delegation of responsibility for managing impacts	19
	2-14	Role of the highest governance body in sustainability reporting	15, 17
	2-15	Conflicts of interest	20
	2-16	Communication of critical concerns	All concerns are communicated to the Board through quarterly meetings, monthly reports to the Board and the permanent communication among the Chairman, committee members and executives. Metalsa does not have critical concerns recorded.

GRI Standard		Content	Page, direct response or reason for omission
3. GOVERNANCE			
GRI 2: General disclosures 2021	2-17	Collective knowledge of the highest governance body	17, 19
	2-19	Remuneration policies	Compensation packages are not tied to the company's ESG performance, except for the CEO, CFO, and CHRO. The CFO is responsible for ESG issues, particularly financial and environmental matters; while the CHRO has objectives directly linked to DEI and Community.performance, except for the CEO, CFO, and CHRO. The CFO is responsible for ESG issues, particularly financial and environmental matters; while the CHRO has objectives directly linked to DEI and Community.
	2-21	Annual total compensation ratio	Average annual compensation of all employees in Mexico: MXN $17,284.00 Ratio of total annual compensation for the highest-paid employee to the average annual compensation of all employees: 60.4%
4. STRATEGY, POLICIES AND PRACTICES			
GRI 2: General disclosures 2021	2-22	Statement on sustainable development strategy	6, 9
	2-23	Policy commitments	20
	2-24	Embedding policy commitments	14, 20
	2-25	Processes to remediate negative impacts	22, 32
	2-26	Mechanisms for seeking advice and raising concerns	22
	2-27	Compliance with laws and regulations	During 2024, there were no fines for noncompliance with laws and regulations.
	2-28	Membership in associations	We are part of: In Mexico, to CLAUT Nuevo León, CLAUT Coahuila, CLAUT Guanajuato / Querétaro, INA, COPARMEX, CAINTRA, COMC. In the United States to: MEMA / OESA, Bluegrass Automotive Manufacturers Association. In Argentina to AFAC. In Brazil to SINDIPECAS and SINEAS. In India to the Confederation of Indian Industry (CII).
5. STAKEHOLDER ENGAGEMENT			
GRI 2: General disclosures 2021	2-29	Approach to stakeholder engagement	13
	2-30	Collective bargaining agreements	27

GRI Standard		Content	Page, direct response or reason for omission
GRI 3: MATERIAL TOPICS 2021			
GRI 3: Material Topics 2021	3-1	Process to determine material topics	11
	3-2	List of material topics	11
	3-3	Management of material topics	11
GRI 200: ECONOMIC STANDARDS			
GRI 201: Economic performance 2016	201-1	Direct economic value generated and distributed	62
	201-2	Financial implications and other risks and opportunities due to climate change	39
	201-3	Defined benefit plan obligations and other retirement plans	32
	201-4	Financial assistance received from government	We do not receive any financial help from the government.
GRI 202: Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	32
	202-2	Proportion of senior management hired from the local community	The breakdown of senior management hired from local communities is as follows Mexico: 1.10% USA: 0.35% India: 0.04% Argentina: 0.07% Brazil: 0.04% Thailand: 0.02%
GRI 204: Procurement practices 2016	204-1	Proportion of spending on local suppliers	24
GRI 205: Anticorruption 2016	205-1	Operations assessed for risks related to corruption	21
	205-2	Communication and training about anti-corruption policies and procedures	21
	205-3	Confirmed incidents of corruption and actions taken	There were no incidents of corruption in 2024.
GRI 206: Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	There were no legal actions for anti-competitive behavior, anti-trust or monopoly practices.

GRI Standard		Content	Page, direct response or reason for omission
GRI 300: ENVIRONMENTAL STANDARDS			
GRI 302: Energy 2016	302-1	Energy consumption within the organization	44
	302-3	Energy intensity	44
	302-4	Reduction of energy consumption	44
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	46
	303-2	Management of water discharge-related impacts	46
	303-3	Water withdrawal	46
	303-4	Water discharge	46
	303-5	Water consumption	46
GRI 101: Biodiversity 2024	101-2	Management of biodiversity impacts	49
	101-4	Identification of biodiversity impacts	49
	101-5	Locations with biodiversity impacts	49
	101-8	Ecosystem services	49
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions.	44
	305-2	Energy indirect (Scope 2) GHG emissions.	44
	305-4	GHG emissions intensity	44
	305-5	Reduction of GHG emissions	44
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	48
	306-2	Management of significant waste-related impacts	48
	306-3	Waste generated	48
	306-4	Waste diverted from disposal	48
	306-5	Waste directed to disposal	48
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	24

GRI Standard		Content	Page, direct response or reason for omission
GRI 400: SOCIAL STANDARDS			
GRI 401: Employment 2016	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	32
GRI 402: Labor/Management Relations 2016	402-1	Minimum notice periods regarding operational changes	Depending on the circumstance and location, one- or two-weeks' notice is required.
GRI 403: Occupational health and safety 2018	403-1	Occupational health and safety management system	35
	403-2	Hazard identification, risk assessment, and incident investigation	35
	403-3	Occupational health services	35
	403-4	Worker participation, consultation, and communication on occupational health and safety	35
	403-5	Worker training on occupational health and safety	35
	403-6	Promotion of worker health	35
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	35
	403-8	Workers covered by an occupational health and safety management system	35
	403-9	Work-related injuries	271 labor-related accidents, 7.05% rate 262 recorded accidents, 0.89% rate 0 deaths 965 lost days, 22.26% rate
	403-10	Work-related ill health	3 men and 1 woman presented herniated intervertebral disc, carpal tunnel syndrome in the right hand, hearing loss, and spinal injury from bad posture. We took measures by developing training course on these topics to avoid recurrences.
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	33
	404-2	Programs for upgrading employee skills and transition assistance programs	33
	404-3	Percentage of employees receiving regular performance and career development reviews	33
GRI 405: Diversity and equal opportunity 2016	405-1	Diversity of governance bodies and employees	17, 28
	405-2	Ratio of basic salary and remuneration of women to men	32
GRI 406: Nondiscrimination 2016	406-1	Incidents of discrimination and corrective actions taken	During 2024, there were two reported incidents of discrimination in the USA; both were dismissed after an investigation and legal consultation has settled the issues.

GRI Standard		Content	Page, direct response or reason for omission
GRI 400: SOCIAL STANDARDS			
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	During 2024 there were no operations or suppliers where the right to freedom of association was at risk.
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	During 2024 there were no operations or suppliers with child labor incidents.
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	During 2024 there were no operations or suppliers with forced labor incidents.
GRI 413: Local communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	53
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	24
GRI 415: Public Policy 2016	415-1	Political contributions	We act with the highest ethical standards portrayed in our Code of Conduct. In this document, we assert that we shall not make any contribution to political parties, movements or committees, political or union organizations, or to their representatives and candidates.
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	We have no programs of this type since we are a B2B company.
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	During 2024, there were no incidents related to the health and safety of our products.
GRI 417: Marketing and Labeling 2016	417-1	Requirements for product and service information and labeling	59
	417-2	Incidents of non-compliance concerning product and service information and labeling	During 2024 there were no incidents related to our products' information.
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	We have a Data Protection Policy, privacy notices, manual of retention and disposition of documents procedure, Personal Data Protection Manual, and International Data Protection Policy. These contain general privacy practices and guides for the processing of any personal data in all of Grupo Proeza's jurisdictions and state the appropriate security measures applicable for the protection of personal data. During 2024, there were no incidents related to customer privacy or losses of data.

Assurance Report

ERMCVS

Independent Limited Assurance Report

ERM Certification and Verification Services Limited ("ERM CVS") was engaged by Metalsa S.A.P.I. de C.V. ("Metalsa") to provide limited assurance in relation to the Selected Information set out below and presented in the Metalsa Sustainability Report 2024 (the "Report").

ENGAGEMENT SUMMARY

Scope of our assurance engagement	Whether the following Selected Information for 2024 is fairly presented in the Report, in all material respects, in accordance with the reporting criteria. Our assurance engagement does not extend to information in respect of earlier periods or to any other information included in the Report.
Selected Information	• Total Scope 1 GHG emissions [metric tons CO_2e] • Total Scope 2 GHG emissions (location-based) [metric tons CO_2e] • Greenhouse Gas (GHG) Emissions Intensity: Total Scope 1 and Scope 2 (location-based) GHG Emissions in tCO_2e per million USD of revenue (tCO_2e/USDm)* * We placed reliance on the revenue figures included in Metalsa's audited financial statements for the calendar year ending 31st December 2024.
Reporting period	1st January 2024 to 31st December 2024
Reporting criteria	• Metalsa's Basis of Reporting and definitions, as noted in the Basis of Reporting section of the Report • The GHG Protocol Corporate Accounting and Reporting Standard (WBCSD/WRI Revised Edition 2015) for Scope 1 and Scope 2 GHG emissions
Assurance standard and level of assurance	We performed a limited assurance engagement, in accordance with the International Standard on Assurance Engagements ISAE 3000 (Revised) 'Assurance Engagements other than Audits or Reviews of Historical Financial Information' issued by the International Auditing and Assurance Standards Board. The procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement and consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.
Respective responsibilities	Metalsa is responsible for preparing the Report and for the collection and presentation of the information within it, and for the designing, implementing and maintaining of internal controls relevant to the preparation and presentation of the Report. ERM CVS' responsibility is to provide a conclusion to Metalsa on the agreed assurance scope based on our engagement terms with Metalsa, the assurance activities performed and exercising our professional judgement.

OUR CONCLUSION

Based on our activities, as described below, nothing has come to our attention to indicate that the Selected Information for 2024 is not fairly presented in the Report, in all material respects, in accordance with the reporting criteria.

OUR ASSURANCE ACTIVITIES

Considering the level of assurance and our assessment of the risk of material misstatement of the Report a multi-disciplinary team of sustainability and assurance specialists performed a range of procedures that included, but was not restricted to, the following:

- Evaluating the appropriateness of the reporting criteria for the Report;
- Interviewing management representatives responsible for managing the Selected Information;
- Interviewing relevant staff to understand and evaluate the management systems and processes (including internal review and control processes) used for collecting and reporting the Selected Information;
- Reviewing of a sample of qualitative and quantitative evidence supporting the Selected Information at a corporate level;
- Performing an analytical review of the year-end data submitted by all locations included in the consolidated 2024 group data for the Selected Information which included testing the completeness and mathematical accuracy of conversions and calculations, and consolidation in line with the stated reporting boundary;
- Conducting an in-person visit to a Metalsa facility in Mexico to review source data and local reporting systems and controls;
- Evaluating the conversion and emission factors and assumptions used;
- Reviewing the presentation of information relevant to the assurance scope in the Report to ensure consistency with our findings.

ERMCVS

28 May 2025

London, United Kingdom

ERM Certification and Verification Services Limited

www.ermcvs.com | post@ermcvs.com

THE LIMITATIONS OF OUR ENGAGEMENT

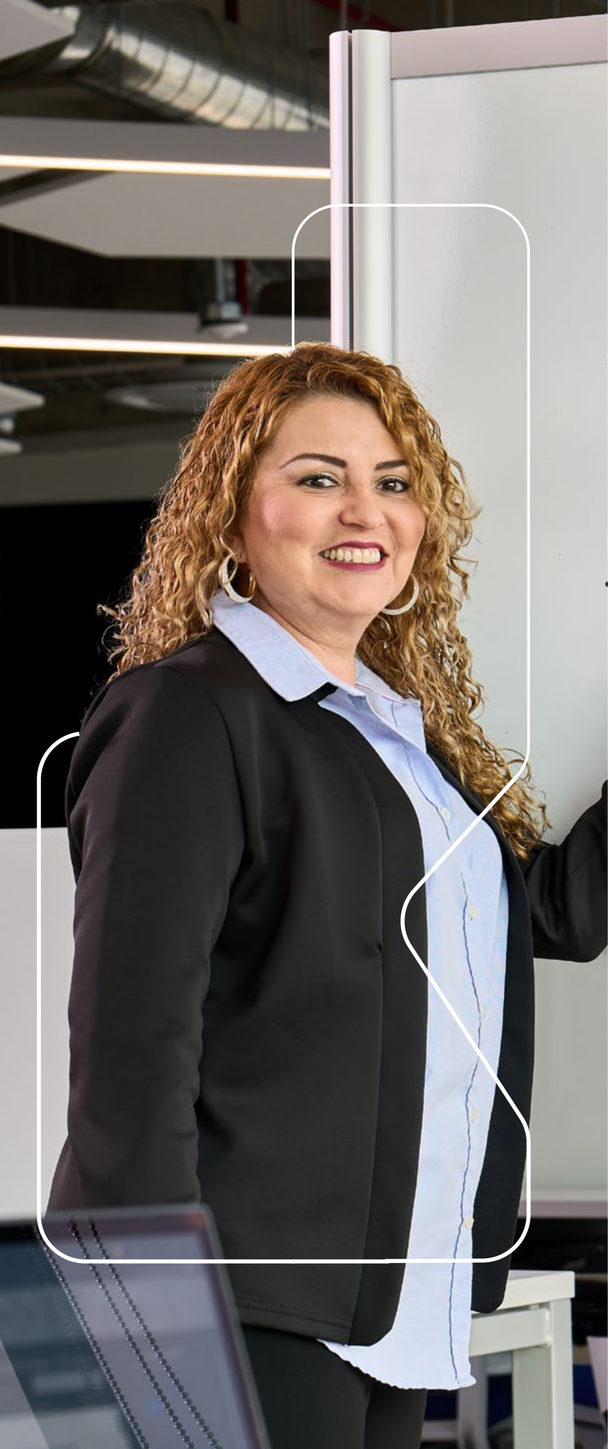
The reliability of the Selected Information is subject to inherent uncertainties, given the available methods for determining, calculating or estimating the underlying information. It is important to understand our assurance conclusions in this context.

OUR INDEPENDENCE, INTEGRITY AND QUALITY CONTROL

ERM CVS is an independent certification and verification body accredited by UKAS to ISO 17021:2015. Accordingly, we maintain a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements. Our quality management system is at least as demanding as the relevant sections of ISQM-1 and ISQM-2 (2022).

ERM CVS applies a Code of Conduct and related policies to ensure that its employees maintain integrity, objectivity, professional competence and high ethical standards in their work. Our processes are designed and implemented to ensure that the work we undertake is objective, impartial and free from bias and conflict of interest. Our certified management system covers independence and ethical requirements that are at least as demanding as the relevant sections of the IESBA Code relating to assurance engagements.

ERM CVS has extensive experience in conducting assurance on environmental, social, ethical and health and safety information, systems and processes, and provides no consultancy related services to Metalsa in any respect.



Basis of Reporting

This section provides the reporting criteria for greenhouse gas (GHG) emissions indicators presented in Metalsa's 2024 Sustainability report.

Guidance and Boundary

Metalsa measures and discloses its Scope 1 & Scope 2 in accordance with the following guidance and standards:

- World Resources Institute (WRI)/World Business Council for Sustainable Development's (WBCSD), The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (GHG Protocol).

- For Scope 1 & Scope 2 GHG emissions calculations, Metalsa selects a reporting boundary encompassing all manufacturing facilities under its direct operational control and this year, the Scope 2 boundary has been expanded to include not only manufacturing facilities but also administrative offices, as well as sequencing and technology centers, ensuring a more comprehensive account of indirect energy-related emissions. However, the distribution center in Toledo has been excluded from the expanded Scope 2 boundary, as it is a shared facility with a third party, and electricity consumption is not separately metered, making it currently unfeasible to allocate emissions specifically to Metalsa.

Scope 1 GHG Emissions

Scope 1 encompasses direct emissions that occur from sources in operations within the organizational boundary.

Due to its operations, Metalsa Scope 1 GHG emissions consist of combustion process, and fugitive sources.

Metalsa's calculation of Scope 1 GHG emissions primary data are obtained from internal records backed up by invoices, utility bills, and metering systems (wherever applicable). Fuel types included in Scope 1 GHG emissions are natural gas, Liquified Petroleum Gas (LPG), gasoline, diesel, gasoil, and welding gases (CO_2).

Our facilities located in Mexico, the United States, and Argentina comprehensively report emissions from all aforementioned fuel sources, utilizing emissions factors selected from the 2024 Environmental Protection Agency (EPA) Center for Corporate Climate Leadership GHG Emission Factors Hub. It is important to note that GHG emissions are commonly reported in units of Carbon dioxide equivalent (CO_2e). The emission factors provided by EPA have not been pre-converted to CO_2e. To achieve this conversion, emissions are multiplied by the corresponding Global Warming Potential (GWP) values, based on IPCC AR6 and listed in the table below:

Gas	100-Year GWP
CH_4	27
N_2O	273

Conversely, our manufacturing sites in Brazil, India, and Thailand exclusively consume LPG and welding gases (CO_2). The emission factors sourced for these sites are derived from documentation published by local jurisdictional authorities. To ensure consistency across this latter group of jurisdictions, we use the heat content (Net Calorific Value) of each fuel for conversion to the emission factor unit specified by the respective jurisdiction.

Scope 2 GHG Emissions

Scope 2 emissions are indirect GHG emissions that occur from energy consumption, where the energy is produced by another entity. These emissions include those associated with the generation of steam, heat, cooling, or purchased electricity utilized by the reporting organization. In the case of Metalsa, its Scope 2 GHG emissions originate solely from purchased electricity.

Metalsa's employs the location-based method to calculate its Scope 2 GHG emissions. This consists of using the emissions intensity of the local grid where electricity consumption occurs. The table below provides a reference to the Scope 2 emissions factors applied across all of Metalsa's jurisdictions:

Country	Emission factor (tCO_2e/kWh)	Source
Argentina	0.000429	Secretaría de Energía – Cálculo del Factor de Emisión de la Red
Brazil	0.000039	Sistema Interligado Nacional do Brasil
India	0.000713	Central Electricity Authority
Mexico	0.000444	Registro Nacional de Emisiones RENE
Thailand	0.00044	Thailand Greenhouse Gas Management Organization
United States	0.000409 – SRTV eGRID region 0.000415 – RFCW eGRID region 0.000439 – RFCM eGRID region 0.000336 – ERCT eGRID region	EPA eGRID Power Profiler
Japan	0.000439	Chubu Electric Power

Reporting Boundary Changes and Exclusions

Metalsa's reporting boundary encompasses all manufacturing facilities under its direct operational control and this year, the Scope 2 boundary has been expanded to include not only manufacturing facilities but also administrative offices, as well as sequencing and technology centers, ensuring a more comprehensive account of indirect energy-related emissions. However, the distribution center in Toledo has been excluded from the expanded Scope 2 boundary, as it is a shared facility with a third party, and electricity consumption is not separately metered, making it currently unfeasible to allocate emissions specifically to Metalsa.

2024 marks the first complete operational year for Guanajuato and its corresponding emissions are integrated into Metalsa's carbon accounting.

MILESTONES
SUSTAINABLE OPERATIONS
PRINCIPLES OF GOVERNANCE
PEOPLE
PLANET
PROSPERITY
OUTSTANDING RESULTS
ABOUT THIS REPORT

Contact

GRI 2-1, 2-3

Metalsa, S.A.P.I. de C.V.
Pabellón M | 46 Floor
Av. Benito Juárez 1102 Pte
Col. Centro, 64000
Monterrey, Nuevo León, Mexico

For any questions regarding Metalsa's sustainability initiatives and reporting please contact:

sustainability@metalsa.com

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