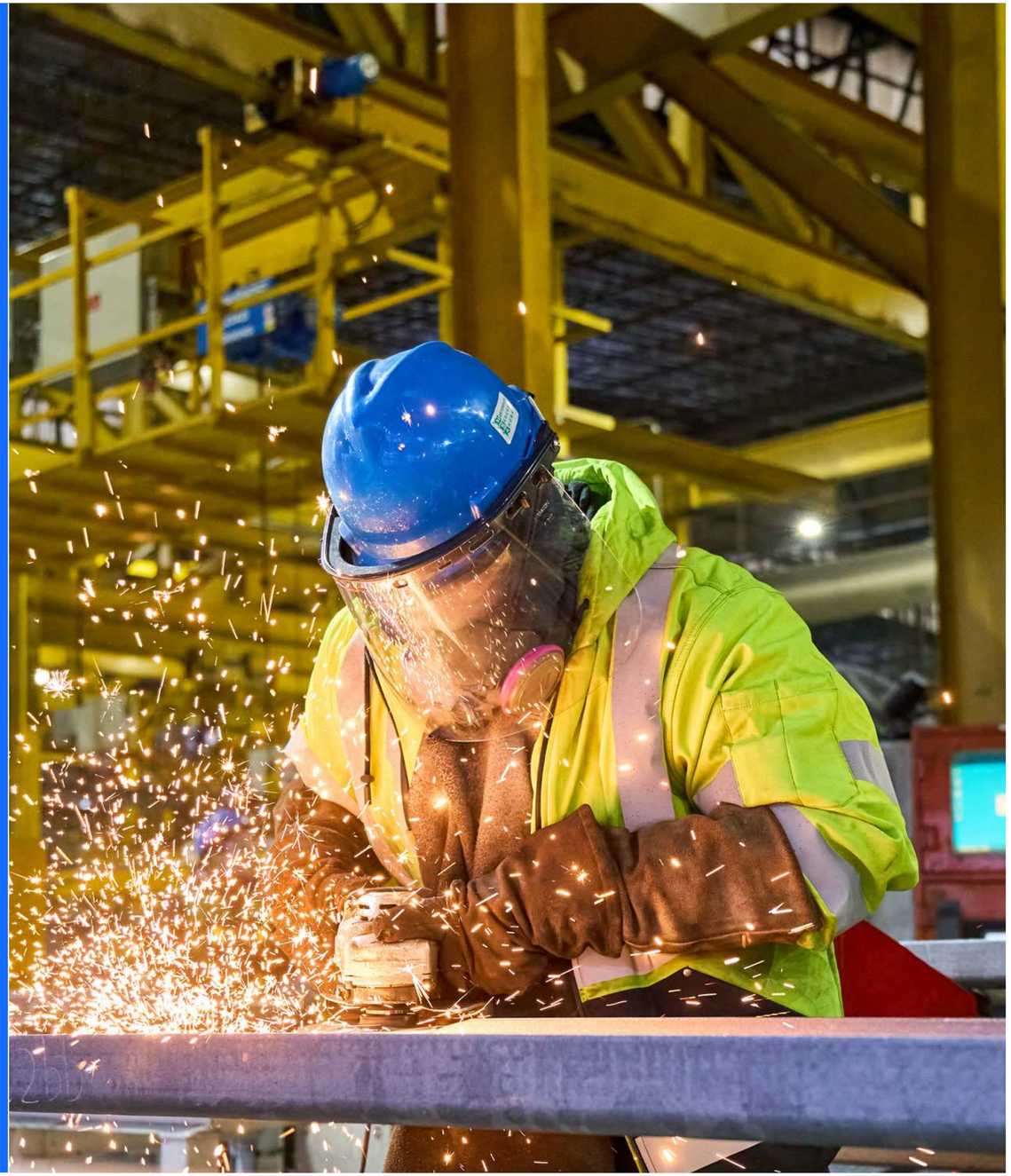
METALSA

# 2025 Sustainability Report

Sustainability as a Driver for Profitable Growth



# Content


2025 Milestones & Recognitions 03

2025 Sustainability Progress 06

Message from our CEO 07

Driving Sustainable Growth 08
- Message from our Sustainability Director 09
- Double Materiality Assessment 10
- Stakeholder Engagement 12
- Sustainability Framework 13
- Strategy for Value Creation 14

Principles of Governance 15
- Corporate Governance 16
- Ethics and Compliance 20
- Cybersecurity 23
- Responsible Supply Chain 24

People 26
- Talent Attraction & Retention 27
- Diversity, Equity & Inclusion 29
- Health, Safety and Well-being 33
- Training & Development 37

Planet 39
- Strategic Environmental Management 40
- Sustainability Risks 40
- Climate Change and Energy Ecoefficiency 45
- Water Management 48
- Waste Management 51
- Biodiversity 54

Prosperity 55
- Community Engagement 56

Global Partner for the Future of Mobility 60
- About Metalsa 61
- Our Services and Products 62
- Market Presence 64
- Financial Highlights 65

About this Report 66
- Contribution to SDGs 67
- GRI Content Index 68
- Assurance Statement 74
- Basis of Reporting 75

Contact 77

# 2025 Milestones & Recognitions

Our achievements demonstrate our ability to meet the highest standards across quality, environmental management, governance, and social responsibility, while strengthening our relationships with customers, partners, and communities.

## QUALITY AND EHS

### Ford – Q1 Preferred Supplier (El Talar)

Metalsa Argentina (El Talar plant) was recognized by Ford Argentina as a Q1 Preferred Supplier, the highest distinction awarded to suppliers globally. This recognition highlights outstanding performance in quality, reliability, and customer satisfaction, reinforcing our position as a strategic partner within Ford's global supply chain.

### Thailand Institute of Occupational Safety and Health – Zero Accident Award (Rayong)

Our Rayong plant received recognition for the second consecutive year under the T-OSH Zero Accident Campaign, achieving more than 1.17 million accident-free hours. This milestone reflects a strong safety culture supported by robust occupational health and safety management practices.

## DIVERSITY, EQUITY AND INCLUSION

### EDGE Certification – Workplace Diversity, Equity and Inclusion

Metalsa maintained its EDGE Certification, a globally recognized standard for gender equality and inclusion. Valid through 2026, this certification underscores our commitment to fostering an inclusive workplace and advancing equal opportunities across our operations

### Human Rights Campaign – Equidad MX: Best LGBTQ+ Places to Work 2026

Metalsa was recognized as one of the Best LGBTQ+ Places to Work in Mexico by HRC Equidad MX. This distinction reflects strong policies and practices related to non-discrimination, inclusive training, governance through a Diversity & Inclusion Council, and broader initiatives supporting the LGBTQ+ community.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE

### Science Based Targets initiative (SBTi) – Target Approval

Our near-term greenhouse gas emissions reduction targets were officially approved by the Science Based Targets initiative (SBTi), aligned with the 1.5°C climate goal. These include a 46.2% reduction in Scope 1 and 2 emissions by 2030 (baseline 2019) and a 40% reduction in Scope 3 emissions (baseline 2022), reinforcing the credibility and ambition of our climate strategy.

### EcoVadis – Bronze Rating

Metalsa achieved a Bronze rating in EcoVadis. This evaluation highlights strong performance in Ethics and Sustainable Procurement, demonstrating our commitment to responsible business practices and continuous ESG improvement.

### Carbon Disclosure Project (CDP)

We obtained a C rating in Climate Change and B- in Water Security from CDP. These results reflect our progress in environmental transparency and management, as well as our ongoing efforts to strengthen performance in climate and water stewardship.

### Merco Empresas – Corporate Reputation Ranking

Metalsa was recognized among the 200 companies with the best corporate reputation in Mexico by Merco. This ranking evaluates organizations based on ethics, transparency, innovation, and social responsibility, reinforcing stakeholder trust in our operations.

### Coahuila State Government – Green Office Program (Diamond Level, Saltillo)

Our Saltillo facility received the Diamond-level certification in the Green Office Program, recognizing best practices in environmental awareness and responsible resource use.

### Industrial Estate Authority of Thailand (IEAT) – Green Star Award (Rayong)

The Rayong plant received the Green Star Award 2025, recognizing responsible and sustainable management across environmental, social, and operational dimensions, based on audits conducted by local authorities.

### Industrial Estate Authority of Thailand (IEAT) – Eco Champion Award (Rayong)

The Rayong plant was awarded the Eco Champion Award 2025, the highest distinction within Thailand's Eco Industrial Estate framework. This recognition highlights the integration of sustainability into business operations, balancing economic growth with environmental stewardship and community well-being.

### Government of Nuevo León – "Hecho en Nuevo León" (Apodaca)

The Apodaca plant received the "Made in Nuevo León" distinction, recognizing its contribution to local manufacturing, innovation, and regional economic development.

### TÜV NORD – ISO 50001 Certification (Rayong)

Our Rayong plant achieved ISO 50001:2018 certification for Energy Management Systems with zero non-conformities. This validates our commitment to energy efficiency, continuous improvement, and adherence to international standards.

### Thai Health Promotion Foundation – Moral Credit Award (Rayong)

Metalsa Thailand received the Moral Credit Award, recognizing strong ethical practices, integrity, and the integration of values such as transparency, social responsibility, and volunteerism into our organizational culture.

### CONALEP Nuevo León – Recognition for Educational Commitment (Apodaca)

Metalsa was recognized for its exemplary commitment to education and talent development, highlighting initiatives such as internships, hiring of graduates, teacher support, and contributions to educational infrastructure.

### Association of Organizational Health Builders – Good Health and Well-being Award (Rayong)

Our Rayong plant received the Good Health and Well-being Award, recognizing our comprehensive approach to employee well-being, including initiatives that promote physical, mental, and emotional health aligned with SDG 3.

### CII–Triveni Water Institute / Confederation of Indian Industry (CII) – Aspiring Water Neutral / Positive Plant (India)

Metalsa India Private Limited achieved certification as an Aspiring Water Neutral / Positive Plant from the CII-Triveni Water Institute and the Confederation of Indian Industry (CII), aligned with the NITI Aayog national framework on Water Neutrality. Issued in November 2025 and valid through October 2027, this recognition highlights the plant's commitment to responsible water management and environmental stewardship. The certification positions Metalsa among a select group of manufacturing facilities in India and globally that are actively advancing toward water neutrality goals, reinforcing our long-term strategy on water sustainability.

## CYBERSECURITY

### ENX – TISAX Certification (Apodaca and El Talar)

Metalsa successfully obtained TISAX (Trusted Information Security Assessment Exchange) certification for its Apodaca and El Talar plants. This certification, required by key customers such as Volkswagen and Volvo, ensures compliance with stringent information security standards and supports continued participation in global supply chain platforms.

# 2025 Sustainability Progress

## PLANET

**Climate Change**

| | GHG Emissions Reduction | Renewable Energy |
|---|---|---|
| 2030 Target | 46% Scope 1 & 2 | 42% Scope 3 (Logistics) |
| | 0% – 28% – 46% | 0% – 0% – 42% |

**Water**

| | Reduce Withdrawals |
|---|---|
| 2030 Target | 30% |
| | 0% – 22% – 30% |

## PEOPLE

**Diversity, Equity & Inclusion**

| | Gender Pay Ratio | Women Rep L1-3 | ESS Score |
|---|---|---|---|
| 2030 Target | 5% | >25% | >85% |
| | 0% – 5% – 5% | 0% – 24% – 25% | 0% – 77% – 85% |

**Wellbeing**

| | Safety | Wellbeing |
|---|---|---|
| 2030 Target | 0 Accidents | 85% |
| | 7.95 LWSR Lost Workday Severity Rate; 0.73 TRIR Total Recordable Incident Rate | 0% – 69% – 85% |

## PROSPERITY

**Community**

| | Employee Volunteering | People Benefited |
|---|---|---|
| 2030 Target | 30% | 6,200 (2024) |
| | 0% – 12.5% – 30% | 0% – 100%* – 32,412 (2025) |

*We surpassed this target more than five times in 2025

## PRINCIPLES OF GOVERNANCE

**Quality of Governing Body**

| | E&C Performance | 3rd Party Assessment |
|---|---|---|
| 2030 Target | 100% | 100% |
| | 0% – 30% – 100% | 0% – 60% – 100% |

**ESG Performance**

| | Most Ethical Co. | EcoVadis |
|---|---|---|
| 2030 Target | Award | Gold |
| | 0% – TBD | 0% – 62% – 70% |

Advancing performance in a year of transformation.

In 2025, we continued to strengthen our position through disciplined execution, operational excellence, and progress across key sustainability priorities.

GRI 2-22

# Message from our CEO

Dear Metalsa family and stakeholders,

2025 was a defining year for Metalsa, one that tested our resilience, sharpened our strategic focus, and reinforced our commitment to sustainable growth.

The global economic environment remained highly uncertain, shaped by evolving trade policies, geopolitical dynamics, and shifts in customer strategies, particularly regarding the pace of electrification. These conditions, combined with the inherent cyclicality of the commercial vehicle market, resulted in a slight decline in revenues, especially within this segment. Nonetheless, through disciplined execution and a clear strategic focus, we strengthened our profitability and cash generation, demonstrating the robustness of our operating model and our ability to adapt in complex environments.

Throughout the year, we faced significant challenges, including the risk of tariff changes and the accelerated withdrawal of Battery Electric Vehicle programs in North America. In response, we intensified our focus on operational excellence, procurement optimization, and commercial recovery actions. These efforts enabled us not only to mitigate external pressures, but also to enhance our performance and reinforce our financial position.

At the same time, we continued to advance our sustainability agenda, integrating environmental, social, and governance considerations into our core decision-making processes. Sustainability is no longer a parallel initiative; it is a fundamental pillar of our strategy. In 2025, this integration guided our investments in emissions reduction, operational efficiency, workplace safety, and talent development, ensuring that our short-term actions are fully aligned with long-term value creation.

A key milestone in this journey was the strengthening of our strategic approach to sustainability through the adoption of a double materiality perspective. This enables us to better understand both the impact of our operations on society and the environment, as well as the financial implications of sustainability-related risks and opportunities. By embedding these insights into our Enterprise Risk Management, strategic planning, and capital allocation processes, we are building a more resilient and forward-looking organization.

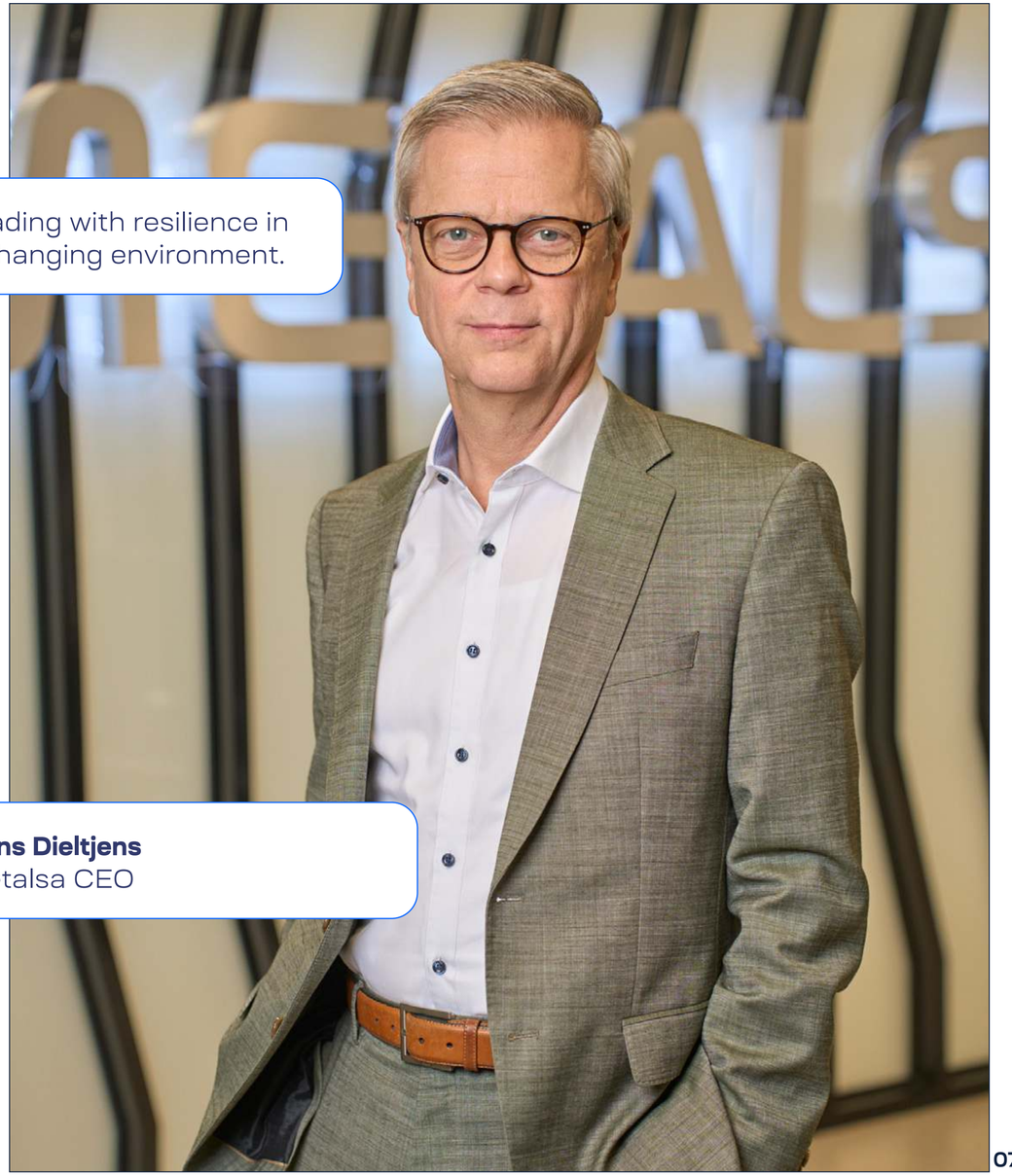
We are redefining our strategic roadmap with a renewed emphasis on sustainable and profitable growth. Our strategy builds on our core strengths, our industrial capabilities, strong customer relationships, and global footprint, while positioning us to navigate multiple future scenarios with agility and discipline.

This year, we laid the foundations for the next phase of our evolution, where sustainability will continue to guide how we grow, compete, and create value.

We remain firmly committed to driving sustainable growth, creating long-term value for our stakeholders, strengthening our partnerships with customers and suppliers, empowering our people, and contributing positively to the communities where we operate.

Sincerely,

Leading with resilience in a changing environment.



**Hans Dieltjens**
Metalsa CEO

# Driving Sustainable Growth

*Integrating ESG into how we operate and grow*

4 QUALITY EDUCATION
5 GENDER EQUALITY
6 CLEAN WATER AND SANITATION
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION

GRI 2-22

# Message from our Sustainability Director

Dear stakeholders,

In 2025, we continued to strengthen sustainability as a core component of our strategy, reinforcing its role as a driver of long-term value creation rather than a compliance obligation.

Throughout the year, we made meaningful progress across our environmental, social, and governance priorities, even in the context of organizational and market challenges. We advanced our decarbonization efforts through the expansion of renewable energy sourcing and energy efficiency initiatives, achieving a double-digit reduction in absolute greenhouse gas emissions and progressing in ISO 50001 certification across our operations. At the same time, we strengthened our water management approach by formalizing our global policy and enhancing data capabilities through digitalization and innovation initiatives.

We also continued to deepen our understanding of our environmental impact across the value chain. Through lifecycle assessments and Scope 3 engagement initiatives, we are identifying critical areas, such as raw materials and logistics, where collaboration with suppliers and customers will be essential to accelerate decarbonization and circularity.

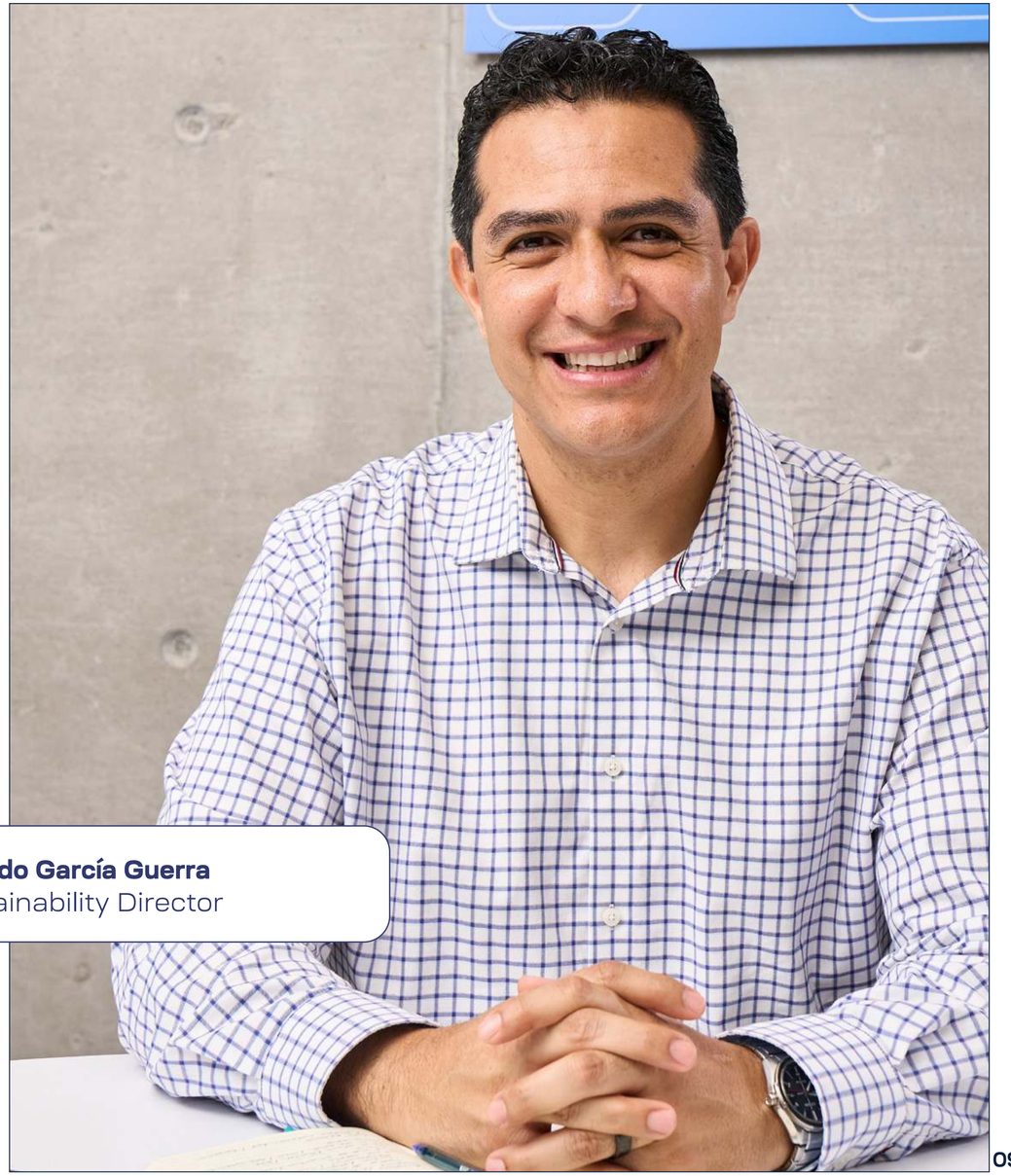
Furthermore, we reinforced our sustainability capabilities by strengthening our team and expanding specialized roles, particularly in product sustainability. This reflects a clear commitment to embedding sustainability into our operations and decision-making processes.

A key milestone in 2025 was the update of our Double Materiality Assessment, which provides a more robust foundation to prioritize risks and opportunities and to align our strategy with both stakeholder expectations and financial performance. In parallel, we continued enhancing our governance, transparency, and external engagement, improving our ESG ratings and maintaining active participation in global initiatives such as the United Nations Global Compact.

Looking ahead, we are evolving our sustainability framework to further integrate environmental, social, and governance considerations into the way we operate and grow. While our long-term targets remain unchanged, we are refining how we deliver on them, placing greater emphasis on value creation across financial, environmental, and social dimensions.

Our ambition is clear: to continue positioning sustainability as a competitive advantage that strengthens our resilience, enhances our operational performance, and contributes positively to our people, our communities, and the environment.

Sincerely,



**Ricardo García Guerra**
Sustainability Director

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

# Double Materiality Assessment

At the end of 2024, we strengthened our sustainability governance and strategic decision-making by conducting a comprehensive Double Materiality Assessment (DMA). This process represents a critical step in aligning our sustainability priorities with long-term business performance, financial resilience, and stakeholder expectations. Our approach integrates two complementary perspectives:

- **Impact materiality (inside-out):** how our activities affect the environment and society
- **Financial materiality (outside-in):** how sustainability-related risks and opportunities affect our financial performance, position, and future cash flows

This assessment was conducted through a structured, cross-functional process involving 17 internal areas and more than 40 participants, ensuring a robust and organization-wide perspective.

## IMPACT MATERIALITY

**We identified and assessed:**

- 16 sustainability topics
- 37 environmental and social impacts across our operations and value chain

This analysis considers both upstream and downstream impacts, enabling us to understand how our activities influence key stakeholders, ecosystems, and communities.

## FINANCIAL MATERIALITY

**In parallel, we evaluated:**

- 65 sustainability-related risks and opportunities (41 risks and 24 opportunities)
- Their potential impact on revenue, costs, assets, liabilities, and access to capital

This analysis ensures alignment with investor expectations and emerging disclosure standards, including IFRS Sustainability frameworks.

A distinctive feature of our DMA is the integration of scenario planning, enabling us to assess how sustainability risks and opportunities may evolve over a 5–10-year horizon. We developed four plausible 2035 mobility scenarios, based on:

- **The pace of mobility transformation** (e.g., electrification, autonomy, AI)
- **The degree of regulatory harmonization** (global alignment vs. fragmentation)

Our assessment identified 16 material topics, prioritized based on their relevance across both impact and financial dimensions.

| Sustainability matter | Impact Materiality | Financial Materiality | Type of Materiality |
|---|---|---|---|
| Climate change, net zero and energy efficiency | 12.60 | 5.29 | Impact |
| Sustainable supply chain | 12.00 | 6.00 | Impact |
| Career planning, development and training | 11.08 | 4.00 | Impact |
| Waste engagement | 10.77 | 4.33 | Impact |
| Diversity, equity and inclusion | 10.64 | 4.33 | Impact |
| Cybersecurity | 10.38 | 8.00 | Both |
| Responsible water use and treatment | 9.21 | 5.30 | Impact |
| Attraction and retention talent strategy | 9.00 | 5.00 | Impact |
| Well-being and quality of life | 8.75 | 4.00 | |
| Communication and strategic multi-sectorial alliances | 8.31 | 3.21 | |
| Governance, ethics and compliance | 8.13 | 7.50 | Financial |
| Growth and sustainable EV transition | 7.95 | 8.00 | Financial |
| ESG performance aim to customers | 7.90 | 5.83 | |
| Sustainable leadership | 7.88 | 4.80 | |
| Strategic environmental management | 7.85 | 5.61 | |
| Community and social vitality | 7.65 | 4.00 | |

## IMPACT-DRIVEN PRIORITIES

Topics with the highest environmental and social impact include:

- Climate change, net zero and energy efficiency
- Sustainable supply chain
- Career planning, development and training
- Waste management
- Diversity, equity and inclusion
- Water management
- Talent attraction and retention

## FINANCIALLY MATERIAL PRIORITIES

Topics with the strongest financial implications include:

- Growth and sustainable EV transition
- Governance, ethics and compliance
- Cybersecurity

Based on the results, we identified five priority topics that will guide our strategy and resource allocation. These priorities reflect the intersection of operational resilience, talent development, and industry transformation, positioning sustainability as a key enabler of long-term competitiveness.

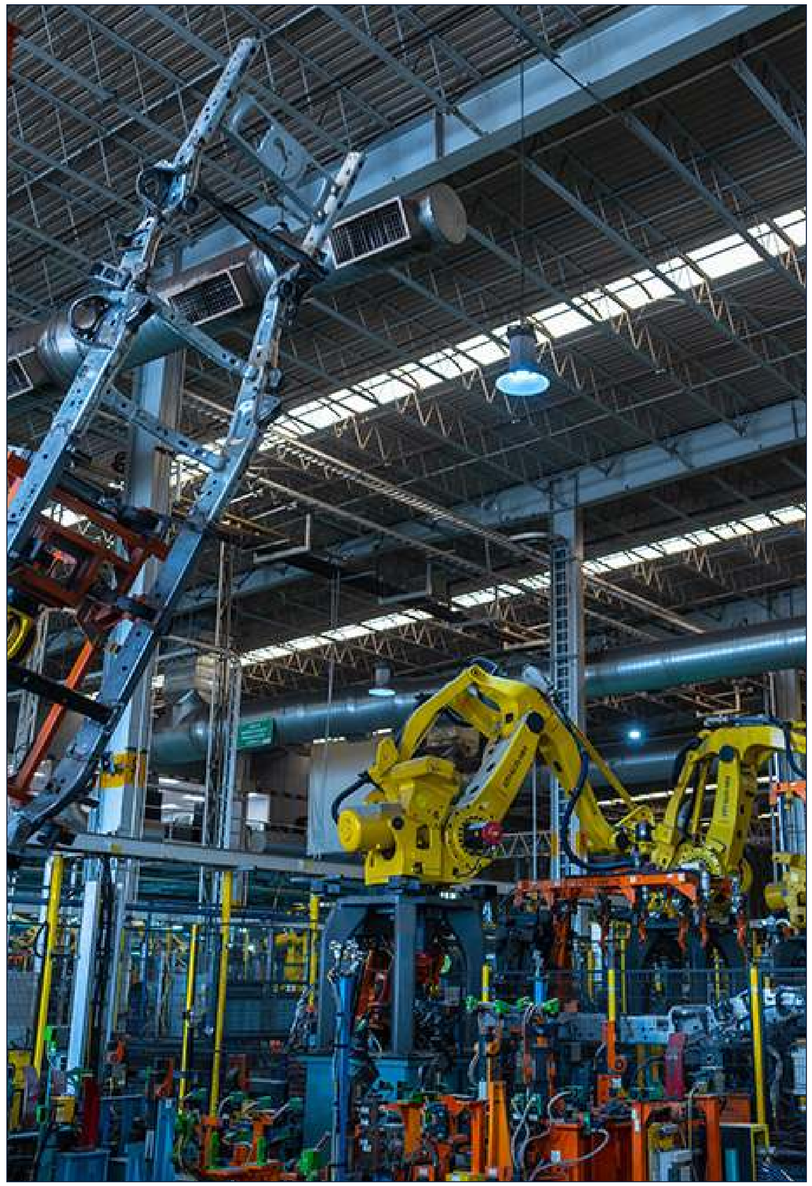
- Cybersecurity
- Climate change and decarbonization transition
- Sustainable supply chain
- Career development and training
- Growth and sustainable EV transition

GRI 2-29

# Stakeholder Engagement

At Metalsa, we are committed to fostering ongoing, two-way, and effective communication with our stakeholders. We recognize that understanding their perspectives is essential to strengthening our strategy, managing risks, and identifying opportunities for long-term value creation.Our engagement process is based on continuous dialogue and active listening. Through these interactions, we gather relevant insights and strengthen our relationships.

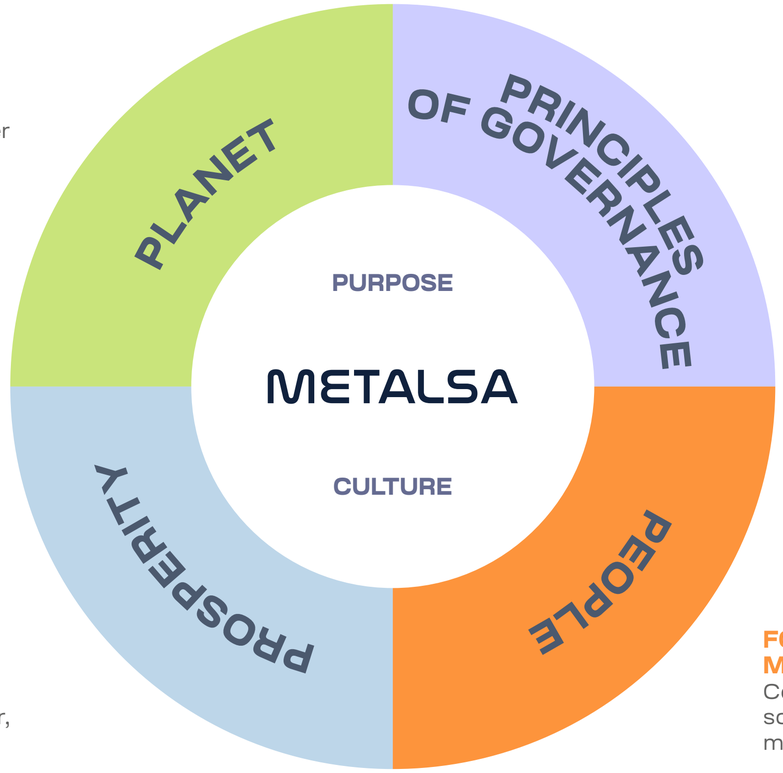
| Stakeholder | Internal communications | Email | Surveys | Interviews | Events | Transparency line | Media | Website | Volunteering | Social media | Annual reports | Quarterly reports | Annual meetings | Quarterly meetings | Monthly meetings | Weekly meetings | Workshops | Phone calls | Community visits | 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

**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.

GRI 2-14, 2-24

# Strategy for Value Creation

In 2025, we continued to advance our **sustainability strategy,** reinforcing its role as a core element of our business model and long-term value creation. Building on the foundation established in previous years, we further integrated environmental, social, and governance (ESG) considerations into our strategic priorities, operational execution, and financial objectives.

Our approach to sustainability is rooted in the conviction that long-term competitiveness requires balancing financial performance with responsible environmental stewardship, social impact, and strong governance practices. This principle continues to guide how we operate, invest, and grow as an organization.

Our sustainability strategy has been structured around four core pillars: Planet, People, Prosperity, and Principles of Governance, which remain the foundation of our approach. These pillars have enabled us to advance key initiatives related to decarbonization, water management, talent development, and ethical business practices.

The insights gained from the **Double Materiality Assessment**, combined with the maturity achieved across our four pillars, led us to recognize the need to evolve our **sustainability framework.** During 2025, we began a strategic reflection on how to strengthen the alignment between our sustainability agenda and our broader business strategy, with the goal of enhancing its contribution to financial performance, operational efficiency, and long-term resilience.

This reflection set the foundation for a new strategic framework that will be formally introduced in 2026, marking a shift from a model primarily focused on sustainability initiatives to a more integrated approach where sustainability directly supports revenue growth, risk mitigation, and competitive positioning.

"Our new strategy reflects a more ambitious vision for Metalsa, one where financial performance, sustainability, and stakeholder value creation advance together. We want sustainability to be a fundamental driver of how we grow, integrating people, communities, the environment, and governance into the way we create long-term value."

José Oswaldo Lozano Gonzalez,
Chief Strategy Execution Officer (CSEO)

This upcoming strategic model will be designed to fully align business growth and sustainability performance through two complementary dimensions:

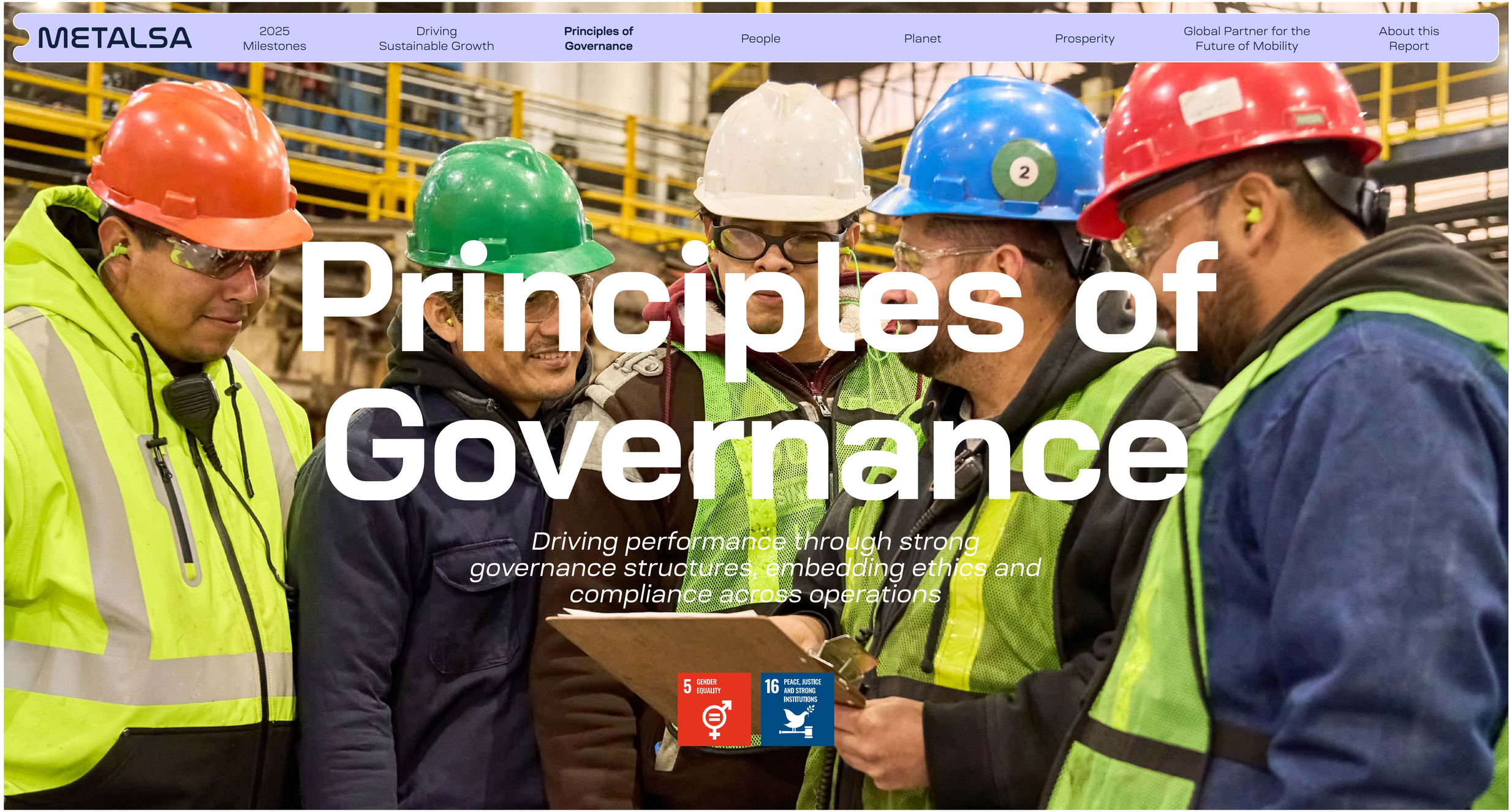
1. **Profitable Growth**
   We are strengthening our focus on growth, profitability, and cash generation, with a clear ambition to expand our business while maintaining financial discipline and delivering value to our shareholders.

2. **Sustainability and Social Performance**
   We are formalizing our sustainability ambitions through a more structured approach, including the definition of specific ESG and social performance indicators that will guide decision-making and performance management across the organization.

Through this strategic approach, we expect to:

1. Strengthen resilience in a complex global environment.
2. Enhance operational and financial performance.
3. Build stronger relationships with stakeholders.
4. Position Metalsa for long-term, sustainable growth.

This transition marks an important step toward positioning sustainability as a strategic enabler of profitable growth, rather than a parallel agenda.



# Principles of Governance

*Driving performance through strong governance structures, embedding ethics and compliance across operations*

5 GENDER EQUALITY

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

GRI 2-9, 2-10, 2-11, 2-12, 2-13, 2-14, 2-17, 405-1

# Corporate Governance

At Metalsa, we operate under a robust governance framework that enables effective oversight, ethical decision-making, and long-term value creation. Our governance model is designed to ensure accountability, transparency, and alignment with our strategic priorities, including the integration of sustainability into our business strategy.

As we continue evolving toward a more integrated and forward-looking strategy, governance plays a critical role in ensuring that environmental, social, and financial considerations are embedded into decision-making processes at all levels of the organization.

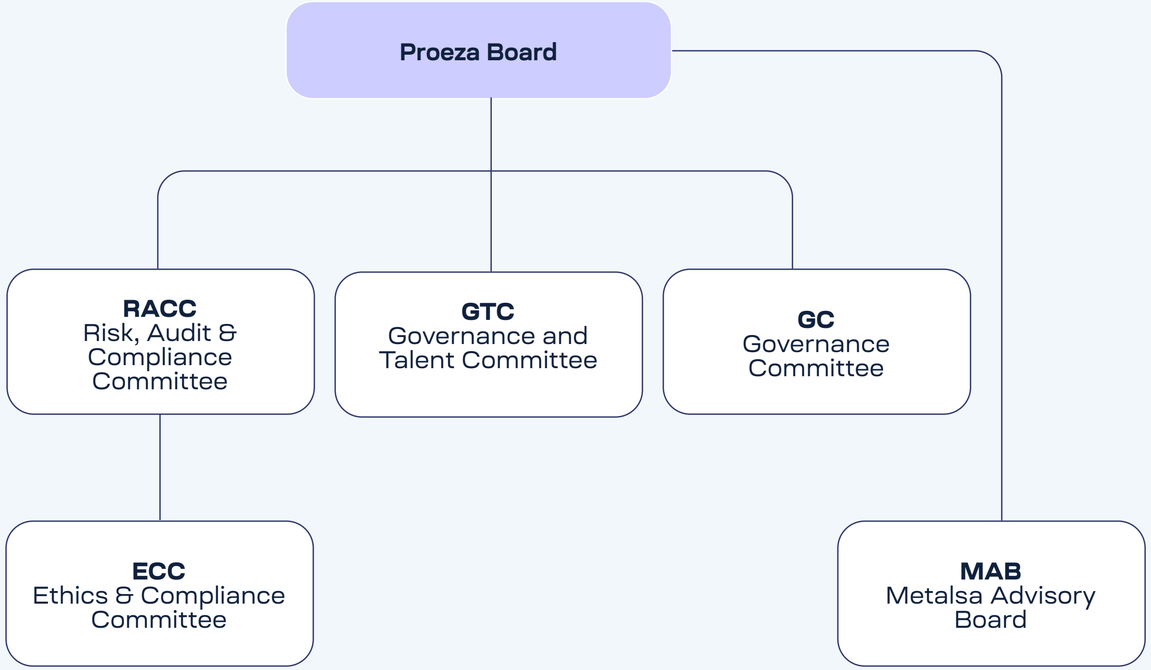
## GOVERNANCE STRUCTURE

Metalsa operates under the governance principles established by Grupo Proeza, with oversight provided by a structured system of boards and committees that guide strategic direction, monitor performance, and ensure compliance.

At the highest level, the **Grupo Proeza Board of Directors** is responsible for approving capital allocation decisions and defining the Company's long-term business strategy, among others. The Proeza Board also plays an active role in reviewing and validating Metalsa's sustainability strategy and its associated goals.

The Proeza Board is composed of a combination of proprietary and independent members, bringing diverse perspectives and international expertise. As of 2025, the Proeza Board was integrated by eight members, four proprietary, and four independent ones including the Chairman, Enrique Zambrano Benítez, and seven directors. Proeza Board members serve for a term of two years and may be reelected; they continue in office even after their term ends, until the people appointed to replace them take office. Board members are subject to internal periodic performance evaluations and are supported by specialized committees that strengthen governance across key areas.

Our governance framework is supported by a series of committees that ensure comprehensive oversight across strategic, financial, and ESG-related matters. These committees enable effective supervision of risks, financial performance, talent management, compliance, and sustainability priorities, ensuring alignment with our long-term objectives. These include:



**Grupo Proeza's Governance Committee** defines the criteria and process for the selection of members in the Board and supporting committees. In 2025, there were five ordinary Board meetings with 100% assistance.

**25%** of the members of the Proeza Board are women.

## PROEZA BOARD MEMBERS

### Proprietary members:

- **Enrique Zambrano Benítez** (Chairman)
- **Juan Carlos Zambrano Benítez**
- **Guillermo Zambrano Martínez**
- **Juan Morales Zambrano**

### Independent members:

- **Eduardo Padilla Silva**
  CEO of Fomento Económico Mexicano (FEMSA)
- **Yvonne Ochoa Rosellini**
  Co-Founder and CEO of Keat, Board member of VivaAerobus, Nu Mexico and FRISA
- **Eugenio Garza y Garza**
  Senior Advisor to FEMSA and Board member across multiple corporate and nonprofit organizations
- **Luisa Delgado**
  Independent director and chair across multiple global organizations, as well as founding partner of a private investment fund
- **Daniel Martínez Valle***

*Effective August 28, 2024, Daniel Martinez assumed the position of CEO of Grupo Proeza, and consequently changed his role to an ex-officio member of the Proeza Board.

## METALSA ADVISORY BOARD (MAB)

In 2025, Metalsa underwent a leadership transition with the appointment of a new Chief Executive Officer. This transition marks an important milestone in the evolution of our strategy, reinforcing our focus on sustainable growth, operational excellence, and long-term value creation.

The Executive Team is responsible for the development and implementation of the Company's purpose, values, mission, and strategic priorities. This includes translating sustainability commitments into concrete initiatives, managing resources, and ensuring progress toward established goals.

The **Metalsa Advisory Board (MAB)** meets regularly to monitor progress against strategic objectives, financial performance, and ESG priorities, ensuring that decision-making remains agile and aligned with evolving market conditions.

### Members:

- **Pablo Zambrano Benítez**
- **Mauricio Morales Zambrano**
- **Enrique Marcelo Zambrano Barrera**
- **Troy Clarke**
- **Dan Ninivaggi**
- **Daniel Martínez Valle** (*ex-officio* chairman)
- **Eduardo Barreda** (*ex-officio* NV)
- **Jorge Garza** (*ex-officio* NV)
- **Mónica Bichara*** (Secretary & Operation support)

* Note: No voting rights

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

## METALSA LEADERSHIP TEAM

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 top-level directors are assigned.

- **Jorge Garza Garza***
  Chief Executive Officer
- **Ricardo Alemán Flores**
  Bussiness Diversification VP
- **José Luis Treviño Mendoza**
  Light Vehicles LATAM VP
- **Joe El-Behairy**
  Commercial Vehicles VP
- **Víctor Caraveo Daw**
  Light Vehicles US VP
- **Verónica Santos Ortega**
  Chief Financial Officer
- **José Oswaldo Lozano Gonzalez**
  Chief Strategy Execution Officer (CSEO)[1]
- **Liliana Durán Jauregui**
  Human Development VP[2]

*Jorge Garza Garza concluded his participation as Metalsa CEO and Hans Deiltjens assumed the position January 1st, 2026

[1]Responsible for envionrmental topics.
[2]Responsible for social topics.

## SUSTAINABILITY OVERSIGHT

Our governance model is designed to ensure clear accountability, effective decision-making, and alignment between business strategy and sustainability priorities. The roles and responsibilities of both the Board of Directors and the Executive Team are clearly defined, enabling a structured approach to oversight and execution.

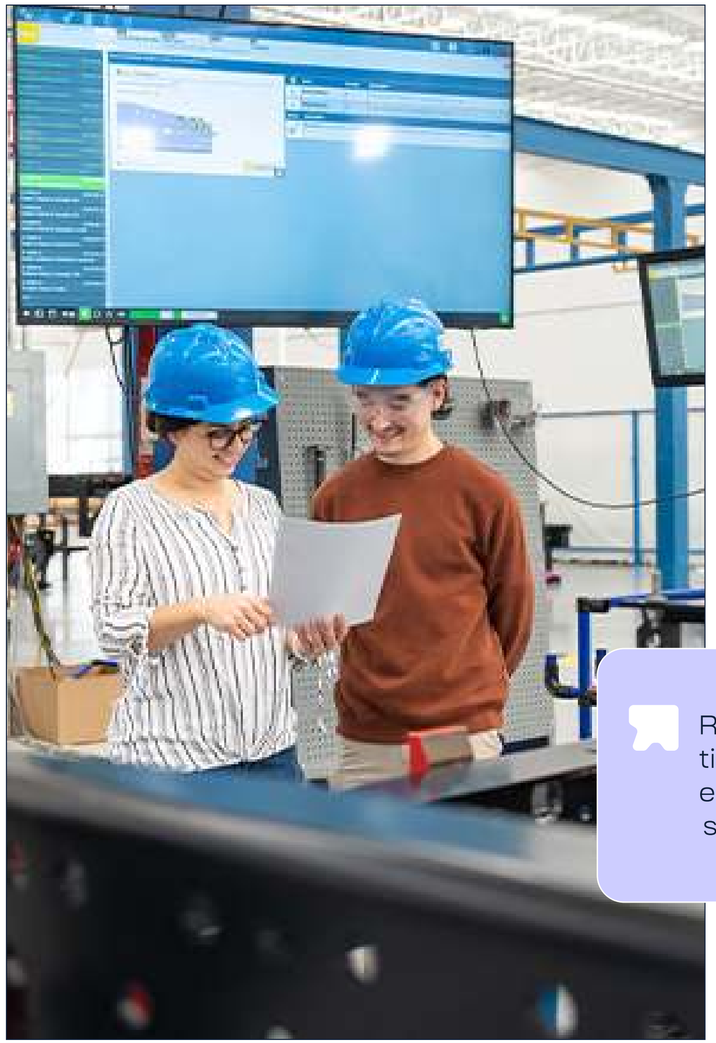
The **Board of Directors** plays a key role in the approval of capital allocation and overall business strategy, acting as a consultative body for the Executive Team. This includes the review and approval of strategic objectives related to sustainability, ensuring that long-term environmental, social, and governance considerations are integrated into the Company's direction.

Sustainability is increasingly embedded into our governance processes. In 2024, we defined and approved corporate sustainability guidelines, which were implemented in 2025 through structured action plans and specific measures aligned with our 2030 commitments.

While the Executive Team is responsible for reviewing and approving information related to material topics, ensuring subject-matter expertise and operational alignment, the Board maintains oversight of strategic direction and key sustainability objectives. This model allows for both effective execution and appropriate governance-level supervision.

The integration of ESG considerations into management responsibilities is reflected in the allocation of roles within the Executive Team. The **Chief Strategy Execution Officer (CSEO)** oversees ESG-related topics with a focus on environmental aspects and the area's comprehensive management, while the **Chief Financial Officer (CFO)** sets objectives directly linked to financial and governance issues and the **Human Development VP** holds responsibilities linked to diversity, equity and inclusion, as well as community engagement.

While ESG performance is not yet broadly linked to compensation structures across all leadership levels, specific roles, such as the CEO, CFO and Human Development VP, have defined objectives related to sustainability priorities. This represents a step toward progressively strengthening the alignment between ESG performance and executive incentives.



## RISK MANAGEMENT

We maintain a structured approach to risk management, supported by clearly defined roles and governance bodies. At the organizational level, risk oversight is coordinated through the **Risk, Audit and Compliance Committee (RACC),** which provides a framework for identifying, evaluating, and managing operational risks.

The highest level of responsibility for operational risk management resides within senior leadership, ensuring that risk considerations are integrated into decision-making processes. This structure enables us to strengthen resilience, maintain compliance, and proactively address emerging risks across our operations.

Risk management is integrated into our governance and operational processes, enabling us to proactively identify and address emerging challenges that could affect business continuity, sustainability commitments, and long-term value creation.

GRI 2-15, 2-23, 2-24, 407-1, 408-1, 409-1

# Ethics and Compliance

As we continue to integrate sustainability into our business strategy, ethical behavior and regulatory compliance are essential to mitigating risks, protecting our reputation, and enabling long-term value creation.

## 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.

### Values

**We Care**
We care about you

**We grow**
We are humble and seek to learn

**We thrive**
We are passionate about success

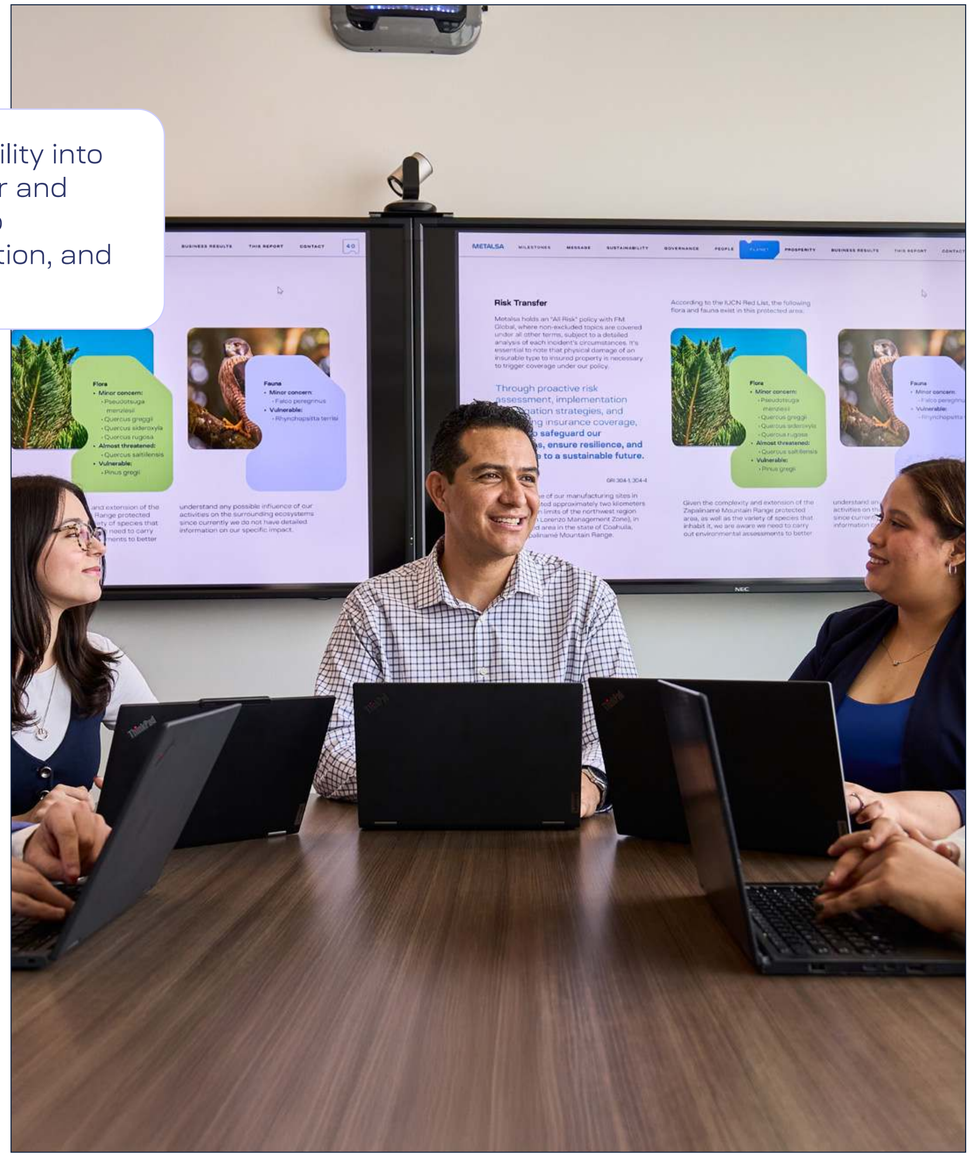
**We dare**
We create bolder and better solutions

### 2030 Vision

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

At Metalsa, integrity is a foundational principle that guides how we operate, make decisions, and engage with stakeholders. Our governance framework is designed to prevent, detect, and respond to misconduct, while reinforcing a culture of accountability, transparency, and responsible business conduct.

This model is supported by a comprehensive set of policies and internal frameworks that define expected behaviors and ensure alignment with applicable laws and international standards.



By embedding integrity into our operations and decision-making, we reinforce our ability to operate responsibly, mitigate risks, and sustain long-term value creation.

At the core of this framework is our Code of Conduct, which applies to all collaborators, suppliers, and business partners. It establishes clear guidelines across key areas, including:

- Respect for human rights and labor standards
- Prohibition of forced labor, child labor, and discrimination
- Anti-corruption and anti-bribery practices
- Fair competition and antitrust compliance
- Data privacy and information protection
- Environmental responsibility

This framework is complemented by additional policies and systems to provide a structured and preventive approach to ethical risk management. Some of them are:

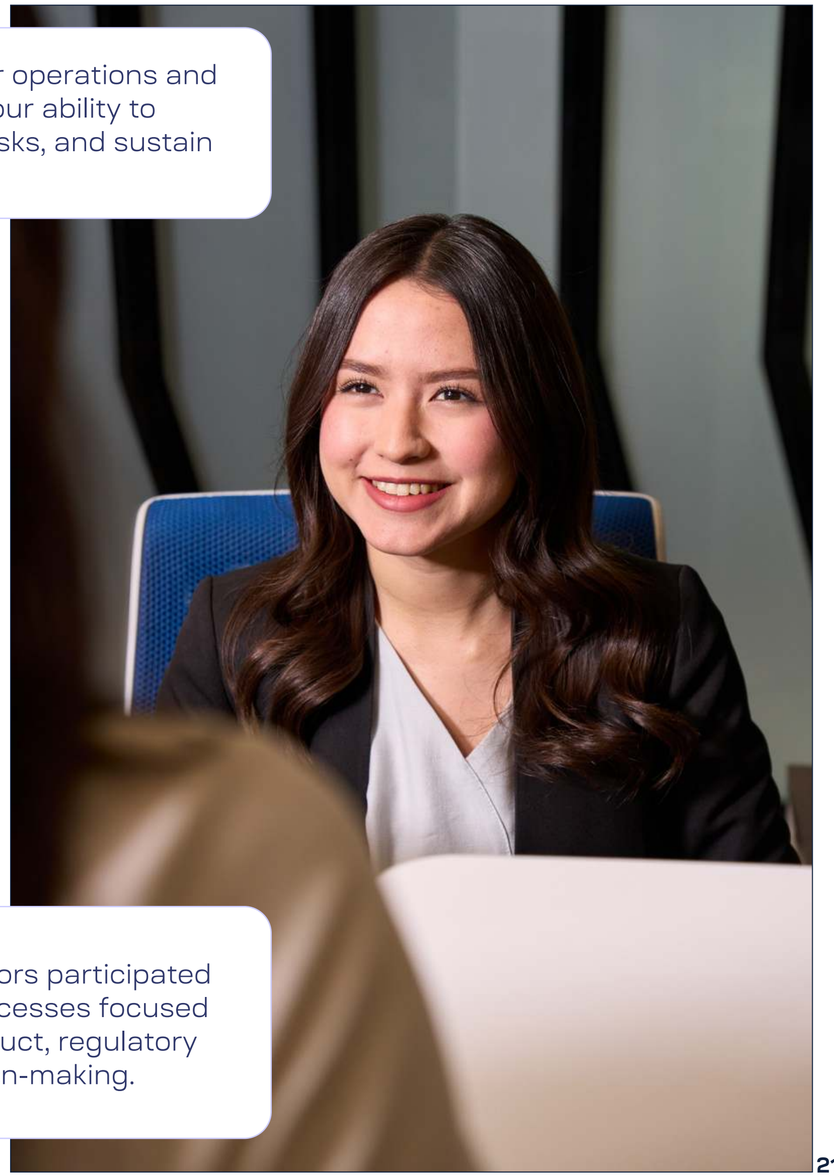
- Organization and Management Model for the Prevention of Administrative and Criminal Risks
- Personal Data Protection Policy
- Certification Policy
- Third-Party Contracting Policy and Supplier Vetting
- Manual of Organization and Procedures
- Integrity, Anticorruption, and Criminal Compliance Policies
- Anti-Money Laundering 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 Integrity Committee (IC).

Metalsa expects all collaborators, suppliers and related parties to conduct themselves in accordance with the laws that promote appropriate working conditions and those that prohibit forced labor, the employment of minors and human trafficking. We also expect them to guarantee freedom of association and the right to participate in collective bargaining.

We promote a culture of integrity through continuous training and awareness initiatives, ensuring that all collaborators understand their responsibilities and are equipped to act ethically. Training programs are designed to reinforce ethical decision-making, risk awareness, and compliance with internal policies and external regulations. All collaborators are trained annually on the Code of Conduct and ethics policies.

To reinforce our culture of ethics and compliance, during 2025 we continued strengthening integrity-related training and awareness initiatives across the organization. The training program included courses on the **Code of Conduct and Anti-Money Laundering Prevention**, as well as mandatory certifications related to the **Code of Conduct and Conflict of Interest declaration**. Through these initiatives, we seek to ensure that our collaborators understand the ethical principles, behaviors and compliance expectations that guide our operations and business relationships.



**1,808** administrative collaborators participated in training and certification processes focused on promoting responsible conduct, regulatory compliance, and ethical decision-making.

GRI 205-1, 205-2

## Anticorruption and Business Integrity

We maintain a zero-tolerance policy toward corruption, bribery, and any form of unethical conduct. Our **Anticorruption Policy** strictly prohibits offering, promising, or accepting any undue advantage in business interactions, including with government officials, suppliers, and customers.

To reinforce compliance, we establish clear guidelines for interactions with third parties, ensure transparency in financial records and transactions, monitor compliance through internal controls and audits, and promote awareness through training and communication programs.

In 2025, **100%** of the Board members and our collaborators received training on our Code of Conduct and anticorruption policies.

GRI 2-25, 2-26

## Transparency Line

To promote transparency and accountability, we foster a speak-up culture that encourages stakeholders to report concerns or potential violations in a safe and confidential manner. Our **Transparency Line** is an independent reporting channel available to collaborators, suppliers, and other stakeholders. It enables confidential submission of concerns related to ethical misconduct, human rights violations, fraud or corruption and regulatory non-compliance.

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

**ALL REPORTS ARE MANAGED UNDER A STRUCTURED PROCESS:**

1. Submission through secure channels (web, app, email, or phone)
2. Review and assignment by the Ethics and Compliance Committee
3. Investigation by Internal Audit or designated responsible parties
4. Resolution and documentation of actions taken
5. Reporting to ECC and the Audit Committee

# Cybersecurity

In an increasingly digital and interconnected environment, cybersecurity is a strategic priority for Metalsa. Our approach is designed to safeguard critical information assets, ensure operational continuity, and protect the integrity of both Information Technology (IT) and Operational Technology (OT) systems.

As part of our broader governance and risk management framework, cybersecurity is integrated into decision-making processes and aligned with our objective of strengthening business resilience and long-term value creation.

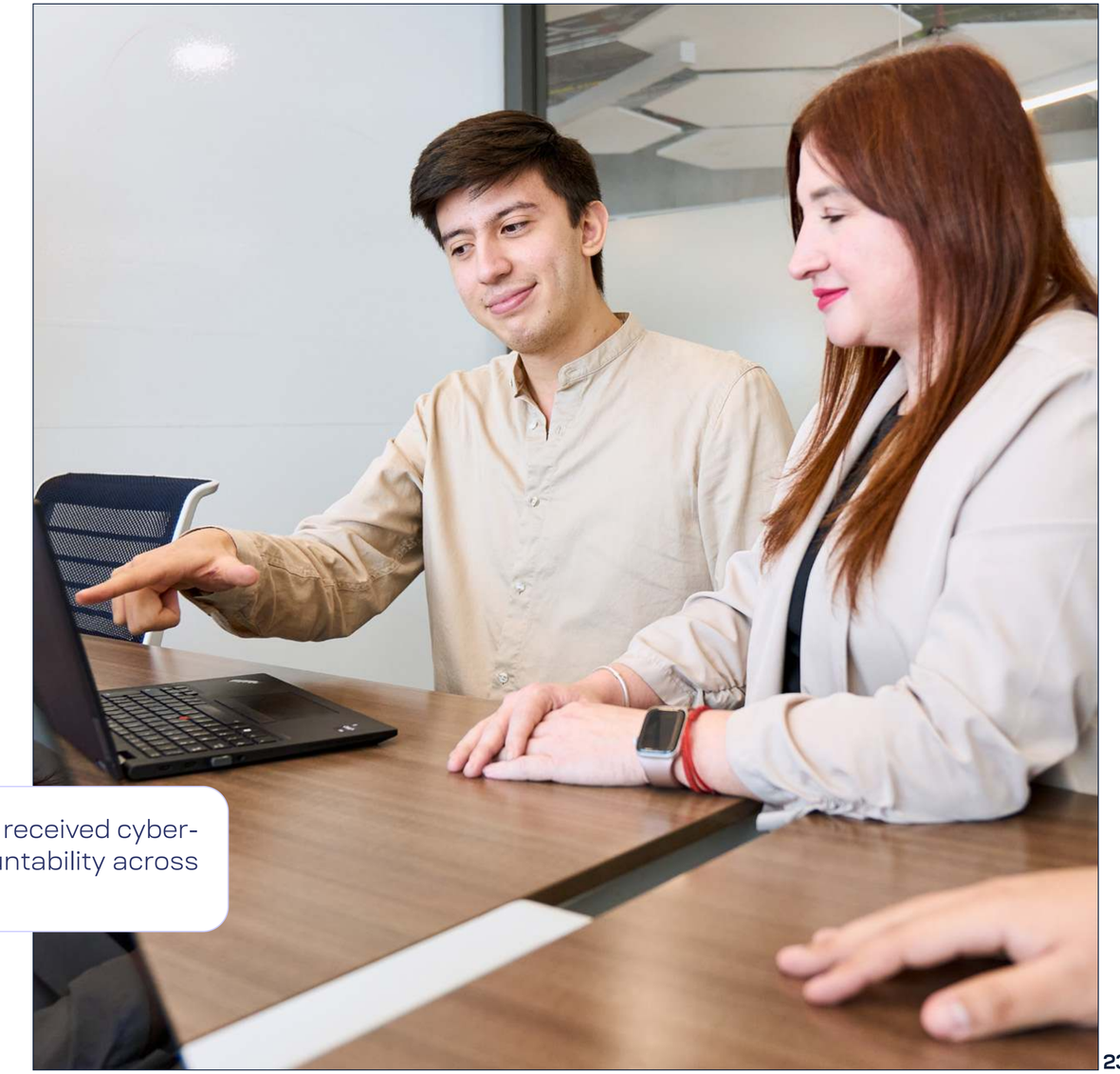
Our cybersecurity strategy is built on five core pillars, which operate in an integrated manner to protect critical assets, enhance operational resilience, and drive a continuous improvement cycle that progressively increases our cybersecurity maturity.

1. **Governance and Compliance**
   We establish policies, standards, and controls to ensure alignment with regulatory requirements, customer expectations, and international best practices.
2. **Operational Security Controls**
   We implement technical and organizational controls to protect IT and OT environments.
3. **Culture and Awareness**
   We promote a cybersecurity culture across the organization through training and awareness initiatives, ensuring that collaborators understand risks and adopt secure behaviors in their daily activities.
4. **Vulnerability and Risk Management**
   We continuously identify, assess, and mitigate vulnerabilities across our systems, strengthening our ability to anticipate and respond to evolving cyber threats.
5. **Incident Response**
   We maintain structured incident response processes, supported by monitoring capabilities and specialized teams, to detect, contain, and resolve cybersecurity events effectively.

In 2025, we strengthened our awareness and capability-building efforts through targeted training programs and certifications. Key training initiatives included:

- **CRISC (Certified in Risk and Information Systems Control) – ISACA**
  Focused on IT risk management and the design of information system controls, enabling participants to identify, assess, and mitigate business risks while aligning technology with strategic objectives.
- **ISA/IEC 62443 Fundamentals Specialist**
  Provided foundational knowledge on international standards for cybersecurity in industrial automation and control systems, supporting the protection of critical infrastructure.
- **ICS410: ICS/SCADA Security Essentials**
  Covered essential security principles for industrial control systems and SCADA environments, including threat identification, vulnerability management, and best practices for securing operational environments.

**1,953** collaborators and **12** Board members received cybersecurity-related training, reinforcing accountability across all levels of the organization.



GRI 2-6, 204-1, 308-1, 407-1, 408-1, 409-1, 414-1

# Responsible Supply Chain

At Metalsa, our supply chain is a critical component of our business model and a key enabler of operational performance, product quality, and long-term value creation. As a manufacturer of structural components for the automotive industry, our operations rely primarily on steel, complemented by a range of inputs including fasteners, stamped metal parts, iron components, industrial gases, welding wire, and chemicals used in painting processes.

In some cases, sourcing decisions are influenced or directed by our customers, who designate specific suppliers as part of their own procurement strategies. This reinforces the importance of maintaining strong alignment not only with our internal standards, but also with customer expectations and industry requirements.

As part of our strategic evolution, we continue to strengthen our approach to responsible sourcing, integrating ESG considerations into supplier management processes. This enables us to enhance transparency, mitigate risks, and support sustainable growth across our value chain.

In 2025, our supply chain reflected changes in production volumes, product mix, and the incorporation of new programs and customers. One of the most significant shifts during the year was the increase in sourcing from local suppliers, strengthening regional supply chains and contributing to operational efficiency and resilience.

**As of 2025:**

**382 total suppliers**

**72% national suppliers**
**28% international suppliers**

**275 local suppliers,**
representing 51% of total procurement budget

**98% of suppliers classified**
as procurement-related, with the remaining 2% corresponding to services

**98% long-term suppliers,**
reflecting stable and ongoing relationships

Our structured supplier evaluation and continuous improvement positions our supply chain as a strategic lever for both performance and sustainability.

## METALSA SUPPLIER BUSINESS ASSESSMENT

All suppliers undergo a screening process conducted through a third party, which includes background verification and risk assessment prior to on-boarding. In addition, we implement the **Metalsa Supplier Business Assessment (MSBA),** a global evaluation framework that provides a comprehensive view of supplier capabilities. This assessment is aligned with internationally recognized standards, including:

- ISO 9001 and IATF 16949 (quality)
- ISO 45001 and OHSAS 18000 (health and safety)
- ISO 31000 (risk management)
- VDA 6.3 and BIQ (automotive industry standards)
- Metalsa Operating System (MOS)

The MSBA includes a dedicated environmental component, which is part of the overall supplier score. Suppliers with low performance are required to implement corrective action plans, reinforcing a culture of continuous improvement across our supply base.

Furthermore, we maintain a proactive approach to identifying and managing environmental and social risks within our supply chain. Based on our assessments and monitoring processes:

- No significant risks were identified related to freedom of association or collective bargaining
- No significant risks were identified related to child labor
- No significant risks were identified related to forced or compulsory labor

*Empowering talent to drive performance and innovation*

# People

*We reinforce our commitment to fostering an inclusive and respectful workplace culture, where all collaborators are empowered to contribute and grow. Our approach to talent development and inclusion remains a key driver of organizational performance and innovation.*

4 QUALITY EDUCATION | 5 GENDER EQUALITY | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION

GRI 2-7, 2-8, 2-30, 102-3, 401-1

# Talent Attraction & Retention

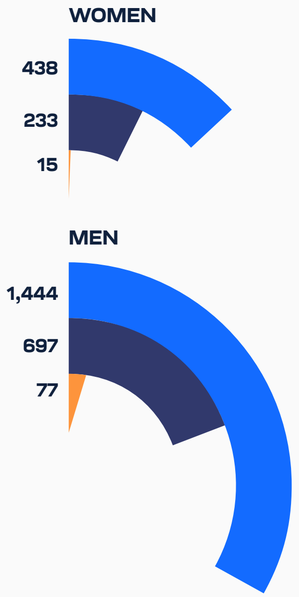
At Metalsa, we recognize that the well-being of our collaborators is fundamental to our operational performance, organizational resilience, and long-term sustainability. Our approach is designed to create safe, healthy, and supportive work environments that enable our people to thrive both professionally and personally.

As we evolve toward a more integrated strategy, we are strengthening the connection between employee well-being, productivity, and business performance, positioning quality of life as a key driver of engagement, retention, and organizational effectiveness.

**10,746 collaborators in 2025**

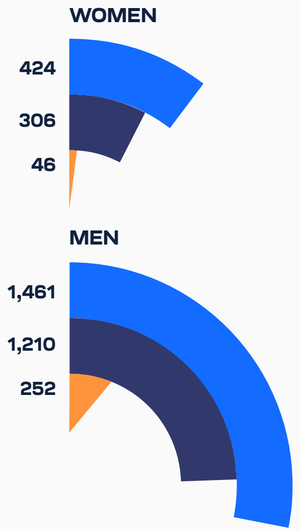
**8,382 unionized**

## NEW HIRES




Total: **2,904**

## DISMISSALS




Total: **3,699**

< 30 years | 31-50 years | > 50 years

In 2025, there were 2,756 open positions; 88 were filled by internal candidates.

## EMPLOYEE SATISFACTION SURVEY

Understanding the experience of our collaborators is essential to strengthening our culture, improving our work environment, and supporting long-term organizational performance. For this reason, we conduct a biennial **Employee Satisfaction Survey,** designed to capture feedback, identify areas of improvement, and reinforce a people-centered approach across the organization.

Our survey evaluates key dimensions that are critical to both employee well-being and business performance, including:

- Well-being and workplace experience
- Health and safety
- Corporate culture
- Innovation
- Leadership
- Talent development

The most recent survey was conducted in May 2024 across our six countries of operation, reaching both plant and corporate employees. A total of 11,000 collaborators were invited to participate, achieving a high participation rate of 88%, reflecting strong engagement and trust in the process. The next survey cycle is scheduled for March 2026, allowing us to track progress, measure the impact of our initiatives, and continue strengthening our employee experience.

We achieved an overall score of 77 points, with an Engagement score of 85 points, positioning engagement and safety among the highest-rated dimensions.

GRI 2-7, 405-1, 405-2

# Diversity, Equity & Inclusion

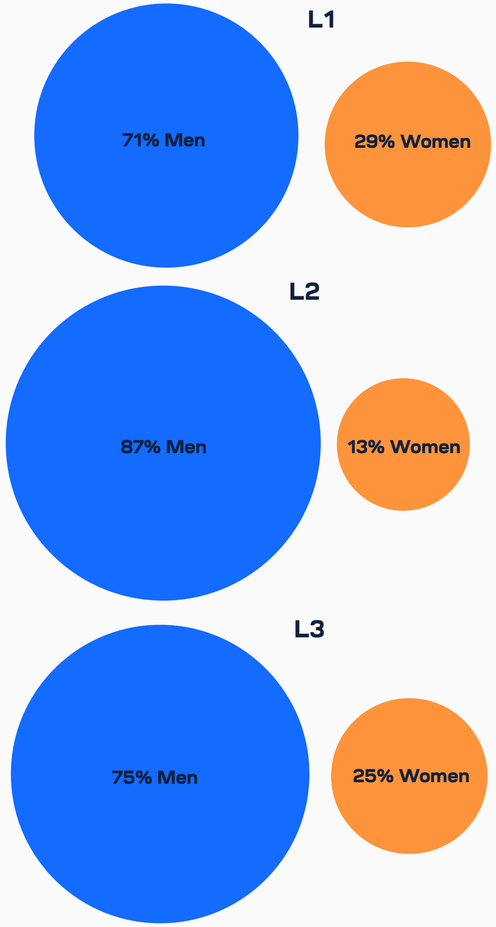
At Metalsa, we recognize diversity, equity, and inclusion (DEI) as a strategic enabler of organizational performance, innovation, and long-term sustainability. We are committed to fostering an inclusive environment where all collaborators can reach their full potential, contribute their perspectives, and grow professionally.

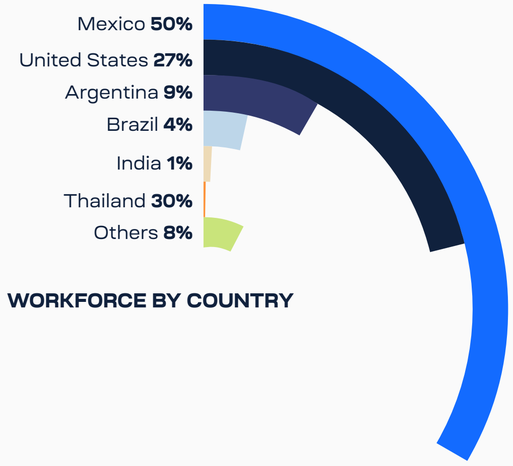
> "In 2025, we once again obtained the **Human Rights Campaign certification** in Mexico, reinforcing our dedication to building an inclusive and respectful workplace for all. We remain committed to ensuring that every Metalsa collaborator feels valued, supported, and empowered to grow."
>
> Liliana Durán, Human Development VP

Our approach is grounded in the belief that diversity strengthens our ability to adapt to a changing environment, enhances decision-making, and creates value across our operations and value chain.

**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.

**GENDER IN LEADERSHIP 2025**




**WORKFORCE BY COUNTRY**

**WOMEN BY AGE GROUP**

**MEN BY AGE GROUP**

< 30 years | 31-50 years | > 50 years

**1,750 women** | **8,996 men** | Current pay gap: **5%** | 2030 target: **5%**

# DEI STRATEGY

Our DEI strategy is structured around three key dimensions:

## HIGH VISIBILITY

We promote awareness and engagement through communication and visibility initiatives, including:

- Open Talks and workshops to foster dialogue and understanding
- "Voices of Diversity" sessions with leadership participation
- Global DEI calendar and campaigns (e.g., International Women's Day, Pride Month, Cultural Diversity Week)

These initiatives create spaces for dialogue, amplify diverse voices, and reinforce inclusive behaviors across the organization.

## SUPPORT

We strengthen capabilities and embed DEI into organizational practices through:

- "Minutes to Learn" awareness campaigns
- DEI Committee governance structure
- External partnerships and benchmarking

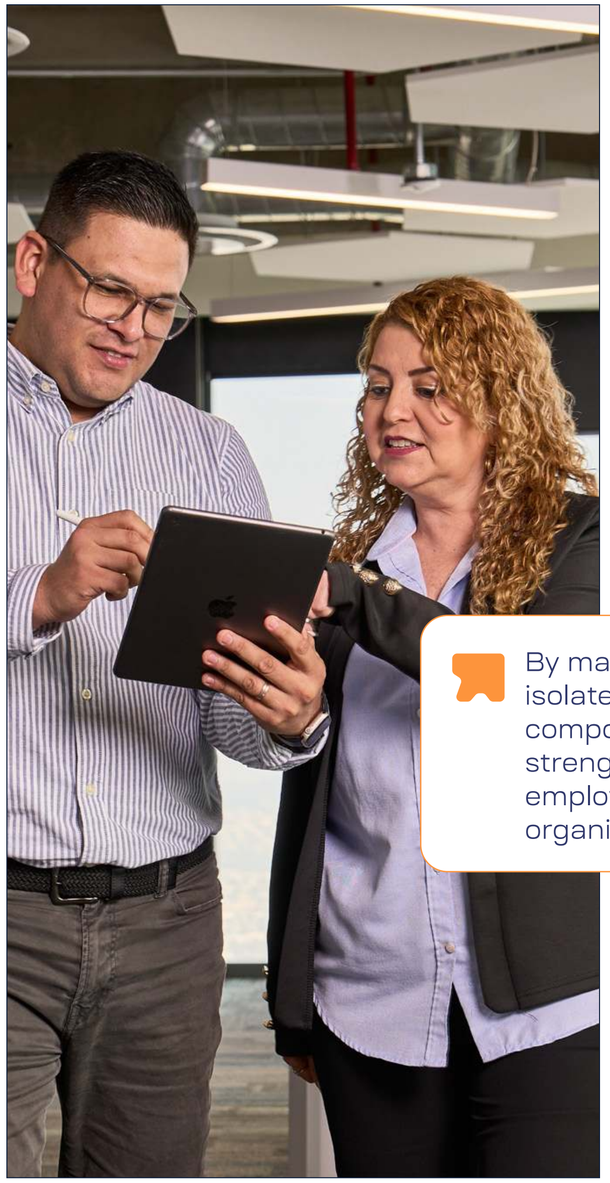
The DEI Committee, composed of 10 champions from different areas and locations, plays a key role in promoting initiatives, aligning efforts, and integrating DEI into core processes such as talent acquisition, learning, and rewards.

## STRUCTURE

We integrate DEI into our systems, policies, and processes to ensure long-term impact. Key actions include:

- Continuous evolution of DEI processes
- DEI certifications and action plans

Through certifications and internal assessments, we identified 132 DEI-related actions across key processes. By 2025, we achieved 31% implementation progress, establishing a clear roadmap for continued improvement.



## 2025 DEI INITIATIVES

During 2025, we implemented a structured and continuous DEI engagement model, combining awareness, capability building, and organizational integration. Throughout the year, we deployed monthly learning initiatives, alongside targeted campaigns aligned with key global moments such as International Women's Day, Pride Month, and Cultural Diversity Week.

This approach is supported by continuous governance through our DEI Committee and the implementation of a global diversity calendar, ensuring consistency and alignment across the organization.

By maintaining year-round initiatives rather than isolated actions, we reinforce DEI as an integral component of our culture and operations, strengthening collaboration, enhancing employee experience, and supporting long-term organizational performance.

## January

**Minutes to Learn:** "2024 DEI Highlights"

## February

**Minutes to Learn:** "Respect at the core: How DEI benefits everyone"

## March

**Open Talks & workshops**

- "A limitless space" – Katya Echazarreta
- "*La protagonista de tu propia historia*"

**Voices of Diversity:** Women's Month Panel: #AccelerateAction

**DEI Campaign:** International Women's Day

**Women @ Metalsa:**

- Women's Day activities
- Rewards session: workshop findings discussion

**Minutes to Learn:** International Women's Day

## April

**Open Talks & workshops:**
"Inclusion for People with Disability"

**Women @ Metalsa**

- Career Development & Work-Life Balance session
- Informative sessions for collaborators

**Minutes to Learn:** "Do's & Don'ts for everyday inclusion"

## May

**Women @ Metalsa**

- Working Mom Sessions in multiple locations

**Minutes to Learn:** "Let's celebrate culture week"

## June

**Open Talks & workshops:** "*Escuchamos pero no juzgamos*"

**DEI Campaigns:** Pride Month

**Minutes to Learn:** "Moving forward with inclusion"

## July

**Minutes to Learn:** "How to create a culture where we welcome all"

## September

**Open Talks & workshops:** "Leading with Inclusion"

## October – November

**Women @ Metalsa**

- Preparation of *"Momentos incómodos, respuestas poderosas"*

## December

**Open Talks & workshops:** "*¿Realmente eres accesible? Discapacidad, diversidad y trabajo digno*"

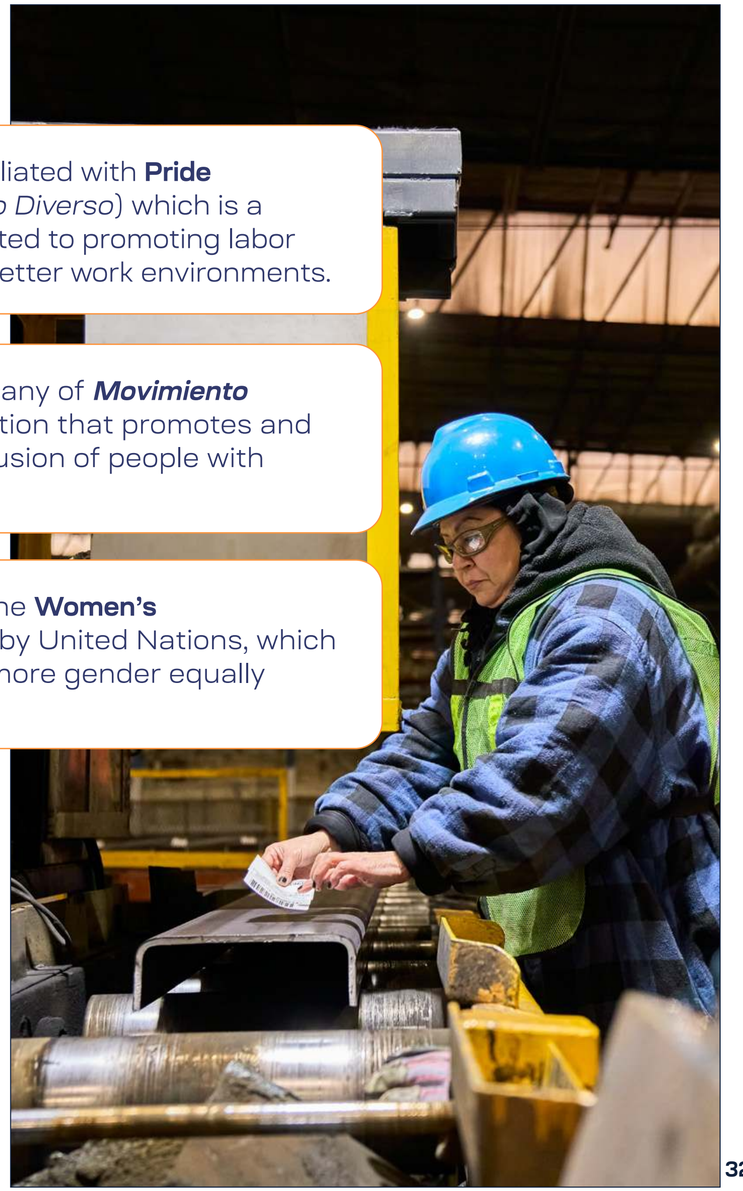
## Ongoing / Year-Round Initiatives

- **Continuous engagement**
  - DEI Committee
  - Regular alignment and implementation meetings across locations
- **Women @ Metalsa (ERG)**
  - Ambassador follow-up meetings throughout the year
- **DEI Calendar Implementation**
  - Cultural Diversity Week
  - Global awareness campaigns

Since June 2024, we affiliated with **Pride Connection** (now *Compro Diverso*) which is a dynamic network dedicated to promoting labor inclusion and fostering better work environments.

We are a member company of ***Movimiento Congruencia***, an association that promotes and sensibilize the labor inclusion of people with disabilities.

Since 2023, we signed the **Women's Empowerment Principles** by United Nations, which offers tools to create a more gender equally workplace.



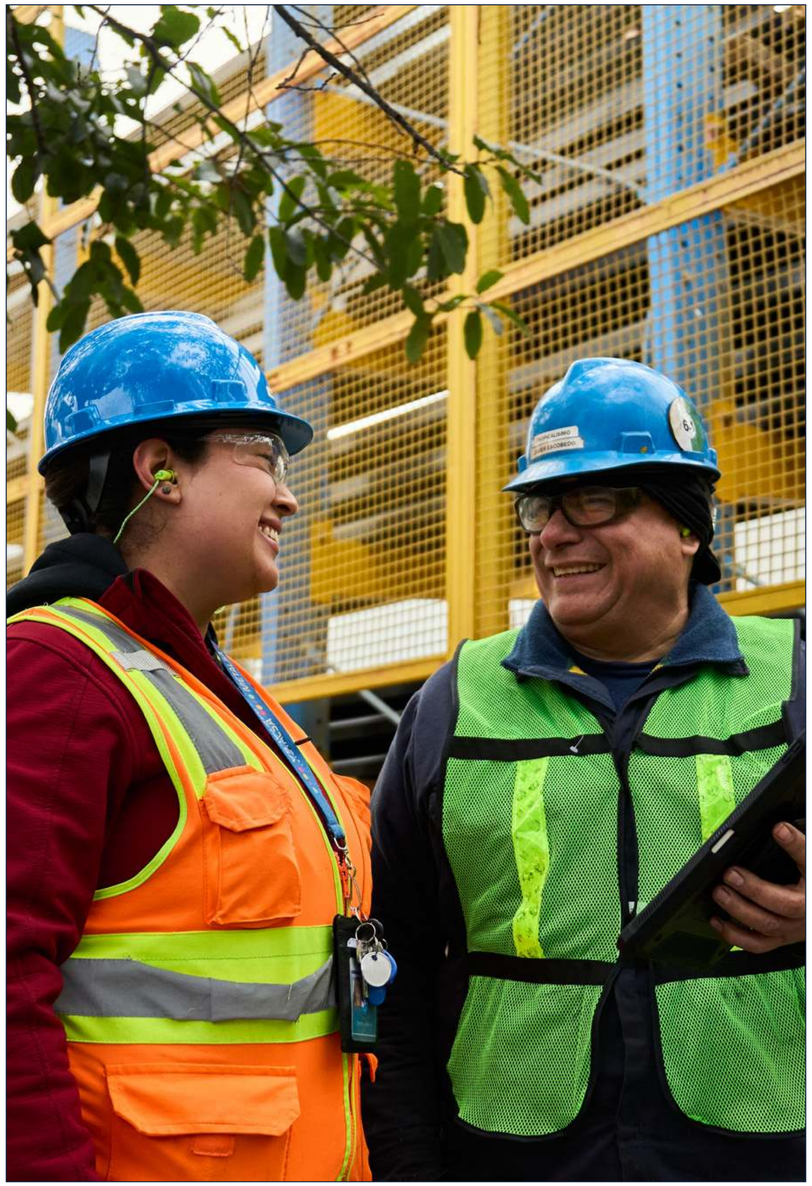
GRI 2-25, 201-3, 202-1, 401-2, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8

# Health, Safety and Well-being

At Metalsa, the health, safety, and well-being of our collaborators are fundamental to our operational excellence and long-term value creation. We recognize that a safe and healthy workforce is essential to maintain productivity, ensuring business continuity, and strengthening organizational resilience.

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 can make 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) | 315.04 | $354.67 | $354.67 |
| United States (dollars) | $7.25 | $18.00 | $18.000 |
| Brazil (Brazilian Real) | $1,518.00 | $2,397.74 | $2,421.71 |
| India (Indian rupee) | $178.00 | $716.71 | No operative women |
| Argentina (Argentine peso) | $202,800.00 | $1,307,900.00 | No operative women |
| Thailand (Thai baht) | $400.00 | NA | No operative women |

## HEALTH AND SAFETY

Our management approach is based on prevention, continuous improvement, and shared accountability. We implement a structured **Health and Safety Management System** across our operations, aligned with international standards and local regulations, which enables us to identify risks, implement controls, and monitor performance consistently.

Through this system, we integrate safety considerations into daily operations, ensuring that risk management is embedded into decision-making processes at all levels of the organization. This allows us to anticipate potential hazards, reduce exposure, and respond effectively to evolving operational conditions.

Seven plants are certified under **ISO 45001:2018,** with additional sites progressing toward certification.

All our facilities are **ISO 14001:2015** certified except Guanajuato. Guanajuato's facility began operations in November 2023, making 2024 its first full operational year. As a result, the certification process for ISO14001 and ISO 45001 is currently in progress. The established plan foresees conducting the internal audit in September 2026 and the external certification audit in December 2026.

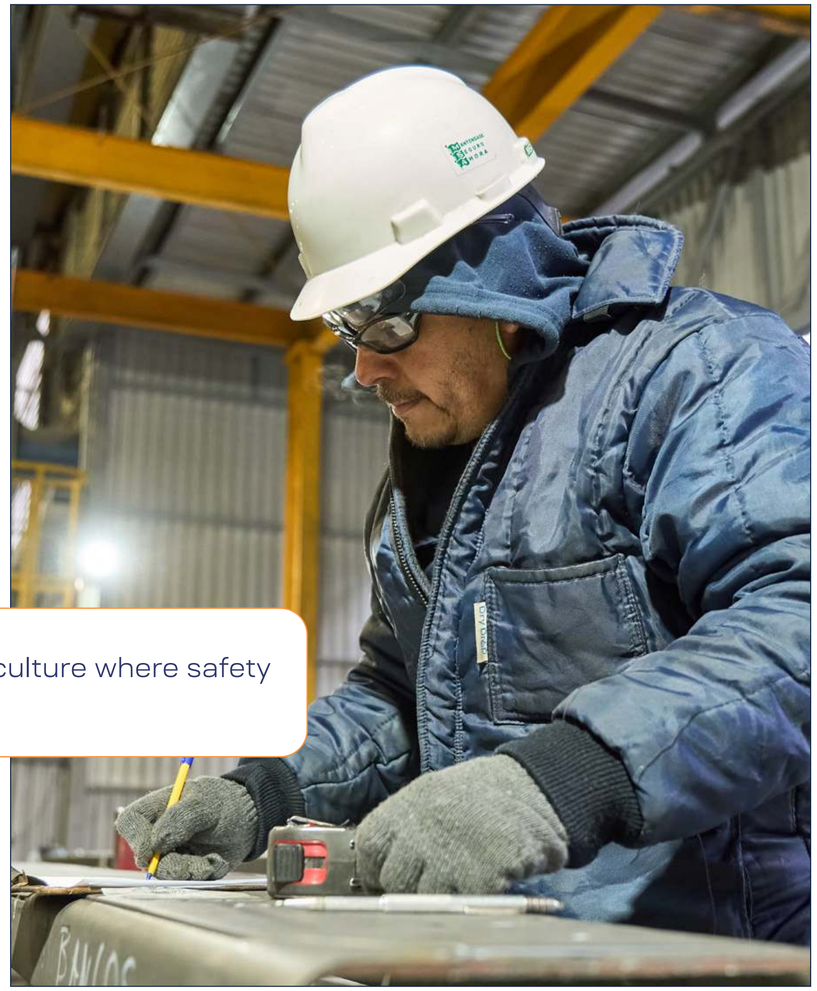
The system is designed under a continuous improvement model based on the **Plan-Do-Check-Act (PDCA)** cycle, enabling us to systematically manage risks and strengthen performance over time. It incorporates key elements such as policy, planning, implementation, evaluation, auditing, and continuous improvement.

Furthermore, health and safety management is supported by a structured governance model, with dedicated leaders and specialized EHS teams across all facilities. These teams are responsible for implementing, monitoring, and auditing compliance with safety standards, while ensuring alignment with global guidelines.

A distinctive feature of our approach is the active involvement of operational teams, reinforcing that safety is a shared responsibility. Collaborators participate directly in:

- Daily safety walkthroughs
- Identification of hazards and risks
- Reporting and correction of unsafe acts
- Accident investigations
- Implementation of improvement actions

Our model strengthens ownership and reinforces a culture where safety is embedded in day-to-day operations.



We apply a systematic approach to risk identification and management across all operations. This includes continuous evaluation of hazards at the workstation level, as well as broader assessments through a general risk identification matrix covering operational areas, common spaces, and facilities.

To support this process, we use the **Safety Abnormality System (ODIX),** a centralized platform that tracks safety indicators, monitors incidents, and supports corrective action planning. Through this system, we:

1. Evaluate safety performance at each plant.
2. Analyze incidents and identify root causes.
3. Track implementation of corrective actions.
4. Monitor progress of safety programs.

Training is a critical component of our health and safety strategy. We maintain a structured and comprehensive training model that ensures all collaborators are equipped with the knowledge and tools required to operate safely. Training programs are defined globally and reviewed annually to ensure alignment with organizational priorities. They are delivered during working hours and tailored to both administrative and operational roles.

We reinforce our safety culture through continuous communication and awareness initiatives. Each year, we implement a global **Safety Awareness Campaign,** designed to promote key safety messages and reinforce safe behaviors across all operations.

### DIGITAL INDUCTION (ADMINISTRATIVE EMPLOYEES AND INTERNS)

Focused on reinforcing safety culture and awareness, including:

- Leader's Safety Behaviors
- Abnormalities Detection and Risk Assessment Permit: Stop, Call & Wait methodology
- Safety Incident Escalation Flow
- Safe Behaviors Handbook (U.S. specific)

### ON-SITE INDUCTION (GLOBAL OPERATIONAL EMPLOYEES AND INTERNS)

Includes:

- Safety Awareness Program
- Emergency response training
- EHS module
- "Safety in your hands" program
- Cardinal Safety Rules
- Accident-free days recognition program

### ANNUAL TRAINING CAMPAIGNS

Each year, we deploy global training campaigns aligned with key priorities. In 2025, we implemented the Man-Machine Interaction Program, focused on reducing risks associated with human-machine interactions

### ON-DEMAND TRAINING

We provide additional training based on operational needs, including:

- Safe material handling
- Lockout/Tagout (LOTO)
- Incident management
- Job Safety Analysis (JSA)
- Risk Assessment Procedures (RAP)

## 2,978 collaborators were trained

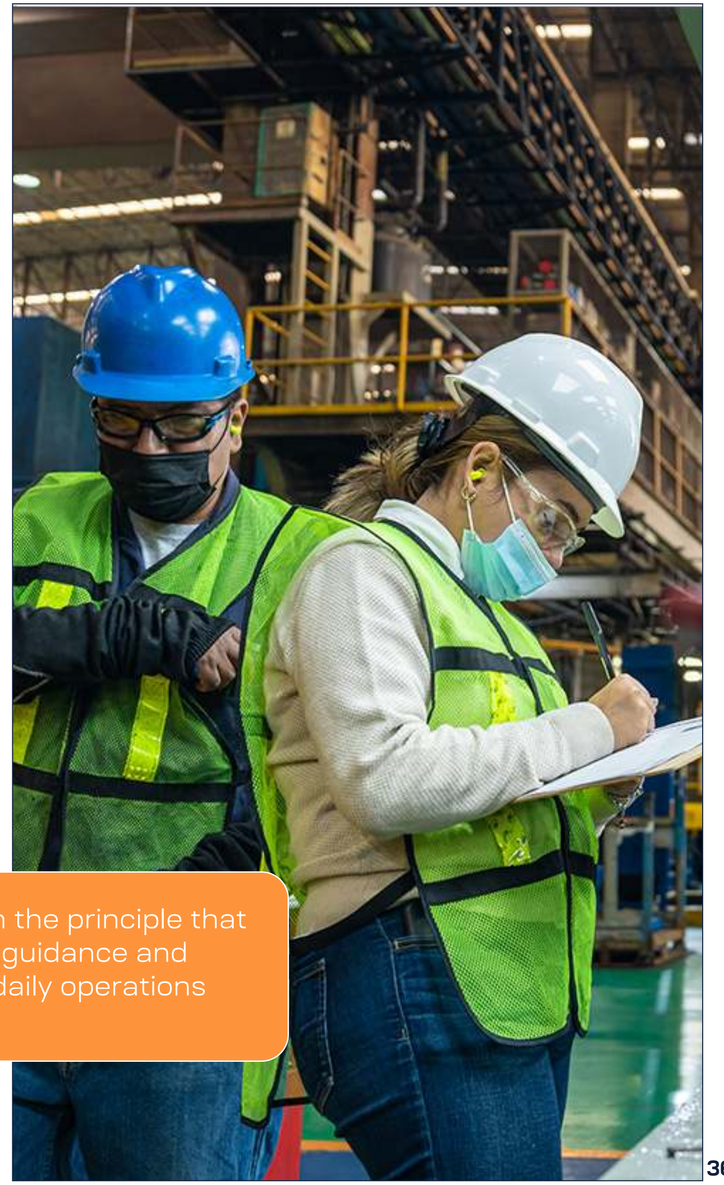
## 23,906.75 total training hours delivered, including:

- **Administrative:** 1,570.75 hours
- **Operational:** 22,336.73 hours

We complement our safety approach with programs focused on health and well-being, recognizing their importance in sustaining performance and quality of life. We provide medical services and preventive care through on-site facilities, including:

- First-contact medical consultations
- Health campaigns and vaccination programs
- Monitoring chronic conditions and pregnancy
- Health fairs and emergency preparedness drills
- Nutritional support programs
- Psychological support sessions
- Health awareness campaigns and conferences
- Agreements with hospitals and laboratories for preventive care

Our approach to health, safety, and well-being is grounded in the principle that safety is everyone's responsibility. While EHS teams provide guidance and structure, the execution of safety practices is embedded in daily operations and led by our collaborators.



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

# Training & Development

At Metalsa, we recognize that the continuous development of our collaborators is essential to strengthening our organizational capabilities, supporting strategic execution, and driving long-term value creation.

> As our industry evolves, shaped by technological transformation and increasing operational complexity, we are reinforcing our focus on building the skills and competencies required to remain competitive and adaptable.

Our approach to training and development is designed to support both individual growth and organizational performance. We provide a combination of technical, leadership, and behavioral training, leveraging both in-person and digital learning formats to ensure accessibility and effectiveness across our global operations.

During 2025, we implemented comprehensive training programs focused on leadership development, critical competencies, and operational excellence:

### MENTOR MATCH PROGRAM

Structured mentoring initiative designed to foster knowledge sharing, professional growth, and cross-functional collaboration. The program connects collaborators with experienced mentors, supporting both personal and career development.

### ACCELERATED TALENT MANAGEMENT

Leadership development program aimed at strengthening managerial capabilities across four key dimensions: vision and purpose, management tools, talent management, and high-performance team leadership.

### KEY COMPETENCIES WORKSHOPS

A series of workshops designed to strengthen critical competencies and enhance organizational impact through improved collaboration and business understanding. Development focus areas include:

- Business acumen
- Presentation agility
- Challenging conversations
- Self-awareness
- Conflict management

### LINKEDIN LEARNING PLATFORM

Access to a global digital learning platform offering high-quality, on-demand content to support continuous development across technical, professional, and leadership skills.

### TEAM LEADER PROGRAM

Program designed to strengthen the technical and leadership capabilities required for team leaders in operational environments, reinforcing effective supervision and execution on the shop floor.

### GROUP LEADER 2 PROGRAM

Targeted training program to enhance the competencies required for advanced operational leadership roles, supporting performance, coordination, and team management in manufacturing environments.

### EDUCATION SUPPORT AND LEARNING OPPORTUNITIES

We complement our internal training programs with external development opportunities, supporting both professional and academic growth:

- Partnerships, agreements, and scholarships in Mexico, Brazil, Argentina and India.
- Tuition Reimbursement Program in the United States, supporting continued education.

**2025 TRAINED COLLABORATORS**

| Position | Women | Men |
|---|---|---|
| Directors | 2 | 5 |
| Managers | 63 | 198 |
| Operators and administrative personnel | 1,486 | 8,274 |
| **Total trained collaborators** | **1,551** | **8,477** |

**2025 TRAINING HOURS**

| Position | Women | Men |
|---|---|---|
| Directors | 236 | 324 |
| Managers | 4,189 | 9,762 |
| Operators and administrative personnel | 22,474 | 90,355 |
| **Total trained collaborators** | **26,899** | **100,441** |

**200 average training hours / female collaborator**

**125 average training hours / male collaborator**

## PERFORMANCE ASSESSMENT

We maintain a structured performance management process that supports continuous feedback, accountability, and professional development. Our annual performance assessment process applies to all administrative collaborators and includes:

- Evaluation of performance against previously defined objectives.
- A self-assessment phase, followed by evaluation by the direct coordinator.
- A formal feedback session, enabling open dialogue on performance, achievements, and improvement areas.

In addition, we implement an annual **Individual Development Plan (IDP)** process, carried out mid-year, through which collaborators:

- Define their development objectives.
- Identify training and growth opportunities.
- Align their development plans with organizational needs and career aspirations.

All development plans are reviewed and validated by coordinators to ensure alignment with business priorities and talent development strategies.

**2025 PERFORMANCE ASSESSMENTS**

| Position | Collaborators who received a performance assessment | | Percentage | |
|---|---|---|---|---|
| | Women | Men | Men | Men |
| Directors | 2 | 5 | 0.12% | 0.30% |
| Managers | 9 | 33 | 0.54% | 1.97% |
| Administrative | 405 | 1,219 | 24.21% | 72.86% |
| **Total** | **416** | **1,257** | **24.87%** | **75.13%** |

*Managing our environmental impact across operations*

# Planet

*We maintain progress toward our climate commitments, including emissions reduction targets linked to our Sustainability-Linked Bond, with performance tracking against our established trajectory.*

6 CLEAN WATER AND SANITATION
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION

# Strategic Environmental Management

> "We were among the first companies globally, and the first automotive Tier 1 supplier, to commit to the **Science Based Targets for Nature (SBTN),** which reflects our belief that climate action and nature protection must go hand in hand. Through this initiative, we seek to strengthen how we understand, measure, and reduce our impacts on water, biodiversity, land use, and ecosystems across our value chain."
>
> Ricardo García Guerra,
> Sustainability Director

Metalsa's climate and environmental transition activities are guided by a structured, multi policy framework applicable across all facilities and supported by certified management systems. Our key policies include:

- **Environmental Policy**
  Establishes commitments to pollution prevention, climate change mitigation in alignment with the Paris Agreement, continuous improvement in energy efficiency, reduction of water withdrawals, waste minimization, regular environmental audits and due diligence processes.
- **Energy Policy**
  Focused on continuous improvement in energy performance through the implementation and maintenance of energy management systems and the optimization of processes, technologies, and infrastructure.
- **Water Stewardship Policy**
  Defines governance roles and responsibilities, including site level Water Champions, annual water audits, risk assessments, and context based withdrawal reduction targets aligned with UN SDG 6.4.
- **Health and Safety Policy**
  Integrates environmental risk considerations into emergency response planning, chemical management, and fire protection programs.
- **Code of Conduct**
  Applicable to employees, suppliers, and business partners, committing all stakeholders to compliance with environmental regulations, responsible resource use, ecosystem protection, and the reporting of environmental risks or non compliance.
- **Global Project Investment Policy**
  Requires the allocation of a minimum of 2% of the Maintenance and Efficiency budget to sustainability related projects, including energy efficiency, renewable energy, GHG emissions reduction, water stewardship, and waste reduction initiatives.

GRI 201-2, 102-2

# Sustainability Risks

In 2025, we continued managing and reporting the climate-related risks and opportunities identified in previous years, based on the comprehensive analysis aligned with the **Task Force on Climate-related Financial Disclosures (TCFD).**

This analysis, originally conducted and expanded in 2024, includes the quantification of climate risks and opportunities under temperature increase scenarios toward 2030 and 2050. These results remain in use during 2025 and continue to inform our risk management processes and strategic decision-making.

## 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.<br><br>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 ●<br>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.<br><br>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 ●<br>2050 ● | **SSP2- 4.5** Average annual cost 238k USD<br><br>**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 ●<br>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.<br><br>High-intensity rainfall events could cause delays in value chain processes, impacting production schedules and overall operational efficiency. | 2030 ●<br>2050 ● | **SSP2- 4.5** Average annual cost 10k – 20k USD<br><br>**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 ●<br>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 ●<br>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.<br><br>For locations in Mexico, Metalsa may be required to pay the appropriate compliance costs for Scope 1 GHG emissions from stationary sources. | 2030 ●<br><br>2050 ● | Metalsa might experienced indirect impacts on the operating costs related to the procurement of electricity and commodities such as steel.<br><br>Metalsa might have to pay the corresponding compliance costs for Scope 1, 2 and 3 GHG emissions. | 2030 ●<br><br>2050 ● | Carbon Pricing:<br><br>**STEPS:** 1.16M – 2.5M USD<br><br>**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.<br><br>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 ●<br><br>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 ●<br><br>2050 ● | Steel Price:<br><br>**STEPS:** 197.8M - 871.3M USD<br><br>**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.<br><br>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 ●<br><br>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.<br><br>This may involve the integration of new materials, technologies and manufacturing processes to improve vehicle efficiency, safety and performance while reducing emissions. | 2030 ●<br><br>2050 ● | EV transition:<br><br>**STEPS:** 30M - 140M USD<br><br>**Net Zero:** 30M - 250M USD |

**Impact rating scale** Uncertain ● Low ● Medium ● High ●

## TRANSITION RISKS

| Risk | 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 ●<br>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 ●<br>2050 ● | Renewable energy<br>**STEPS:** 1.34M - 2M USD<br>**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 ●<br>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.<br><br>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 ●<br>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.<br><br>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 ●<br>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 ●<br>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 ● <br> 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. <br><br> 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 ● <br> 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 ● <br> 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 ● <br> 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 ● <br> 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 ● <br> 2050 ● | Not evaluated in this cycle |

Impact rating scale Uncertain ● Low ● Medium ● High ●

GRI 102-5, 102-6, 102-8, 103-1, 103-2, 103-4, 103-5

# Climate Change and Energy Ecoefficiency

We understand that energy consumption generates environmental, economic, and social impacts that are closely linked to the long-term sustainability of our operations. From an environmental perspective, energy use contributes to greenhouse gas emissions and dependence on non-renewable resources, making energy efficiency and renewable energy adoption key elements of our decarbonization efforts.

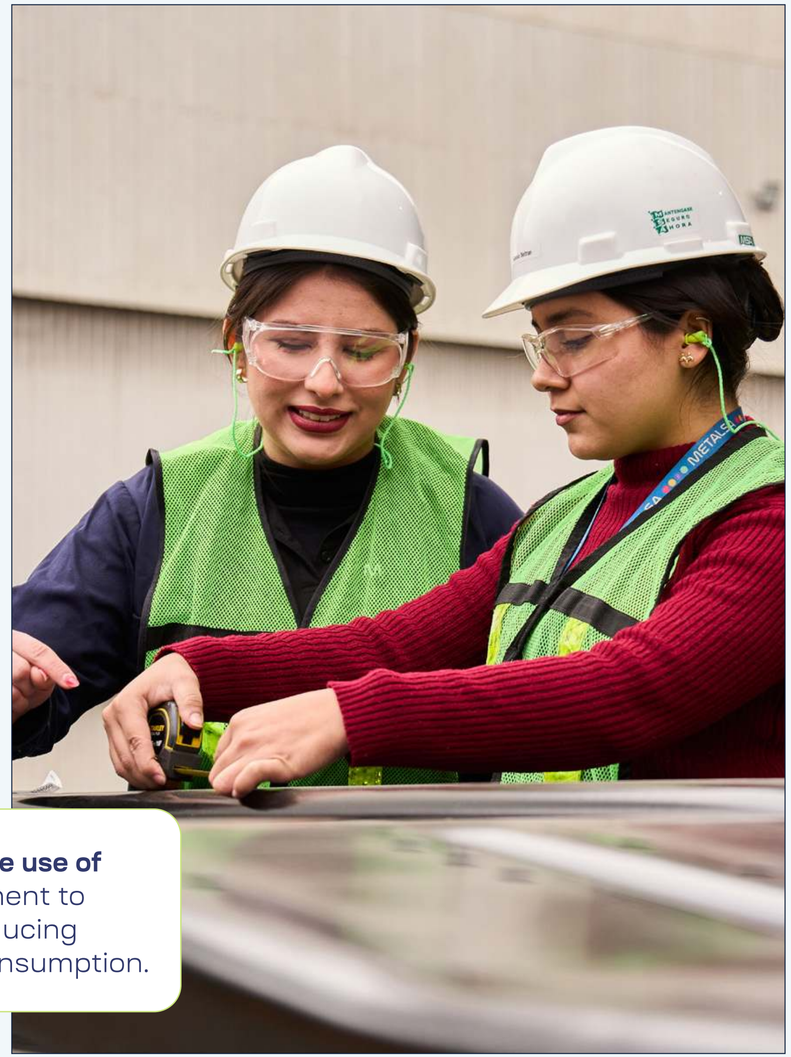
From a business standpoint, improving energy performance strengthens operational efficiency, supports cost optimization, and reduces exposure to energy price volatility, contributing to greater operational resilience and competitiveness. In addition, energy management initiatives promote a culture of responsible resource use among collaborators and support the reduction of environmental impacts that may affect surrounding communities.

Our **Energy Policy** establishes our commitment to the efficient use of energy as a key enabler of both sustainability and global competitiveness. This policy applies across all operations and supports decision-making related to energy performance. Its approach is focused on improving operational performance through energy efficiency, responsible resource management, process optimization, and the progressive incorporation of cleaner technologies and renewable energy sources. These efforts are integrated into our broader sustainability strategy and support both environmental stewardship and long-term value creation.

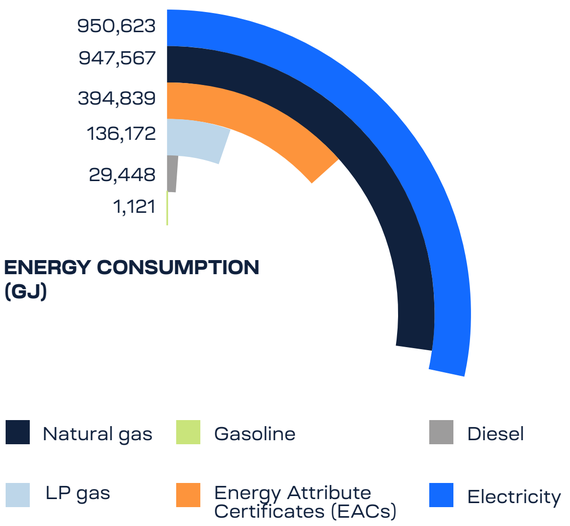
During 2025, we continued implementing initiatives aligned with our Energy Policy and ISO 50001 management systems to improve operational efficiency and optimize energy use across our facilities; some of them were:

- Optimization of production processes, through the identification of energy-saving opportunities in critical equipment and the reduction of energy losses.
- Technological modernization, including the incorporation of more energy-efficient equipment and improvements in process and infrastructure design.
- Energy management programs, focused on the definition of energy performance indicators, continuous monitoring of consumption, and the establishment of reduction targets and objectives.
- Training and awareness initiatives, promoting a culture of efficient energy use among collaborators.

We established a 2030 global target to **increase the use of renewable energy by 62%,** reinforcing our commitment to advancing toward a cleaner energy matrix and reducing emissions associated with conventional energy consumption.



As of 2025, three sites are certified under **ISO 50001,** with three additional sites in the certification process, reinforcing our commitment to improve energy performance.




**-10.46% in electricity**
consumption vs. 2024

In 2025, **29.35%** of our total energy consumption was derived from renewable energy sources

**844.15 GJ/USD million**
in sales
Energy intensity ratio

*ERM CVS assured metrics.

## 2025 EMISSIONS[3]

**SCOPE 1[4]**
**69,122.26 $tCO_2e$*;** -13.66% vs. 2019 baseline

**SCOPE 2[5]**
**112,890.18 $tCO_2e$ (location-based)***
**74,498.63 $tCO_2e$ (market-based)***

**TOTAL EMISSIONS (SCOPE 1 & 2)**
**Total Scope 1 & 2 (location-based) = 182,012.45 $tCO_2e$;**
-12.71% vs 2019 baseline
**Total Scope 1 & 2 (market-based) = 143,620.90 $tCO_2e$;**
-27.62% vs 2019 baseline

**EMISSIONS INTENSITY**
**64.76 $tCO_2e$/USD million in sales (location-based)***
**51.10 $tCO_2e$/USD million in sales (market-based)***

[3] Please refer to our Basis of Reporting, located immediately after the Assurance Report, at the conclusion of our Sustainability Report.
[4]Scope 1 emissions include operations from Mexico, US, Brazil, Argentina, India and Thailand. Includes emissions from manufacturing facilities.
[5]Scope 2 emissions include operations from Mexico, US, Brazil, Argentina, India, Thailand and Japan. Includes emissions from manufacturing facilities, administrative offices, sequencing centers, and technology centers.

GRI 102-4

## OUR TARGETS[6]

Metalsa's greenhouse gas (GHG) reduction targets have been officially validated by the **Science Based Targets initiative (SBTi),** confirming they are aligned with the latest climate science and the global goal of limiting warming to 1.5°C. This milestone marks a significant step in our journey of decarbonization and reinforces our commitment to credible, science-driven climate action. We are committed to achieving Net Zero by 2050, with the following near-term and long-term targets:

## Near-Term Targets (2030):

- Reduce absolute Scope 1 and 2 GHG emissions by **46.2%** by 2030 (base year: 2019).
- Reduce Scope 3 GHG emissions from purchased goods and services covered by the iron & steel core boundary by **40%** per ton of purchased steel by 2030 from a 2022 base year.
- Reduce absolute Scope 3 GHG emissions from upstream and downstream transportation and distribution by **42%** by 2030 from a 2022 base year.

## Long-Term Targets (2050):

- Reduce absolute Scope 1 and 2 GHG emissions by **90%** by 2050 (base year: 2019).
- Reduce absolute Scope 3 GHG emissions by **90%** by 2050 (base year: 2022).

[6] Progress against Scope 2 targets is assessed using the market-based method, consistent with the GHG Protocol Scope 2 Guidance. Location-based emissions are also disclosed for transparency.

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

# Water Management

Water interactions across Metalsa's operations vary according to the operational infrastructure and local context of each region where we operate. Water is a key input in several production processes, primarily in painting lines, reverse osmosis systems, and cooling towers. At sites without industrial processes, water consumption is mainly associated with human use, including sanitation services, cafeterias, and cleaning activities.

Water withdrawal is sourced through different mechanisms depending on the location, including municipal public supply networks, groundwater wells in both renewable and non-renewable aquifers, and, in some cases, third-party concessions. Wastewater discharges are conducted only after treatment, either through discharge into municipal sewage systems or through internal treatment prior to discharge into local water bodies, in compliance with applicable environmental permits and regulations.

Our facilities operate under local regulatory frameworks governing water discharges, and we maintain strict compliance processes to ensure adherence to these requirements. This includes the implementation of monitoring and control mechanisms, as well as periodic laboratory analyses to verify that wastewater discharges comply with applicable environmental standards.

In Mexico, for example, we comply with the discharge conditions established under NOM-002-ECOL-1996, which defines the maximum permissible contaminant limits for wastewater discharges into urban or municipal sewage systems. Through regular testing and monitoring processes, we ensure that our operations remain aligned with these regulatory requirements.

Water interactions generate relevant environmental, operational, and social impacts. Some Metalsa operations are located in regions facing high water stress, where water availability is limited and shared with local communities. In these contexts, water withdrawal and supply variability may affect both operational continuity and third-party access to water resources, reinforcing the importance of responsible water management. In addition, we recognize indirect water-related impacts within our value chain, particularly those associated with the water-intensive nature of steel production. As part of our broader sustainability approach, we promote lifecycle analysis initiatives aimed at supporting the transition toward materials with lower water footprints, including recycled and lower-impact steel alternatives.

As part of our environmental management approach, we are committed to responsible water use and to ensuring compliance with applicable regulations related to water consumption and wastewater management.

During 2025, we strengthened our water risk assessment approach in collaboration with **Waterplan**, conducting evaluations across all production plants through the integration of local information, global datasets, and internal vulnerability surveys.

These assessments support the identification of physical risks, including water scarcity, water quality, and flooding, as well as regulatory, infrastructure, and reputational risks associated with water management. The methodology combines local expert analysis, artificial intelligence, machine learning, and satellite imagery to generate risk scores by category and support action prioritization.

As part of these efforts, Metalsa strengthened internal capabilities through the implementation of our **Global Water Policy,** which establishes guidelines for water management and defines governance responsibilities at each site. Furthermore, during 2025, operational teams received training related to water balance management, water risks, reporting metrics, and alignment with corporate water objectives.

Our approach to water stewardship combines operational efficiency, technological innovation, and collaboration with stakeholders to strengthen long-term water resilience. Throughout 2025, we continued implementing initiatives focused on:

- Water recycling and reuse
- Preventive maintenance programs
- Rainwater harvesting systems
- Treated effluent reuse projects
- Water circularity initiatives at specific sites, including Zero Liquid Discharge (ZLD) systems.

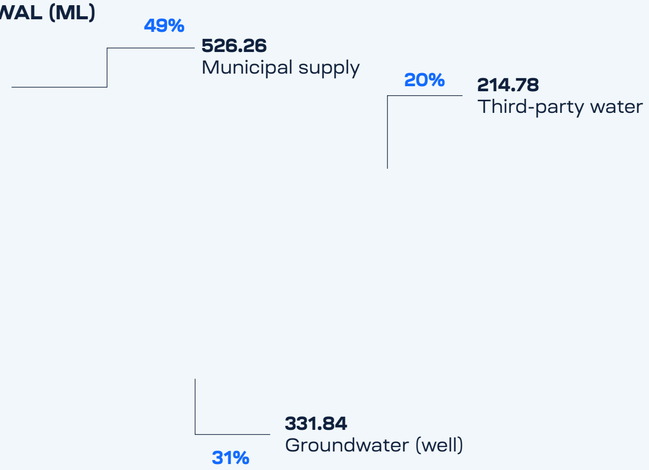
In addition, we began incorporating advanced digital tools to improve water management performance. During the year, a pilot artificial intelligence initiative was implemented at three sites to automate analog water meter readings through image recognition technology. This initiative improves data quality, enables earlier anomaly detection, and supports water loss reduction efforts.

At the external level, Metalsa promotes engagement with stakeholders, including employees, customers, local communities, and other relevant parties, with the aim of gathering information, addressing concerns, and strengthening transparency and accountability in water management. This approach is aligned with the **Global Water Stewardship Policy**, which encourages stakeholder engagement as part of strengthening water management practices and supporting informed decision-making.

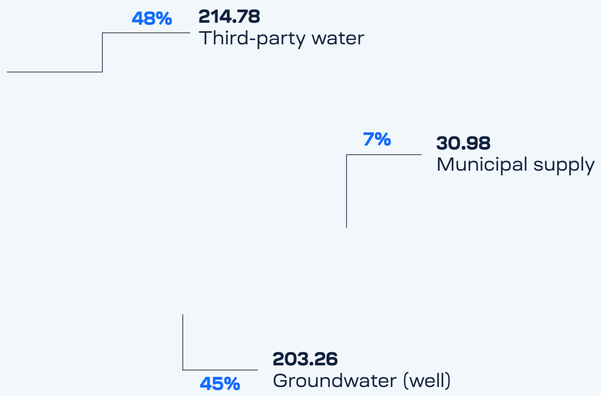
We established a global objective of **reducing water withdrawals by 30% by 2030,** compared to a 2021 baseline, aligned with the Sustainable Development Goals (SDGs).

As part of this approach, during 2025 we initiated a global standardization process for water indicators aligned with frameworks such as GRI and CDP, with the goal of improving consistency, traceability, and data quality across reported water metrics.

**WATER WITHDRAWAL (ML)**




**WATER WITHDRAWAL IN WATER-STRESSED AREAS* (ML)**




* The sites identified as located in water-stressed areas, as validated by Waterplan, are Apodaca CV, Apodaca LV, Saltillo, Guanajuato, Rayong, and Jamshedpur.

**TOTAL WATER WITHDRAWAL[7]**

**1,072.89 ML**

**-21% vs. 2021 baseline**

**TOTAL WATER DISCHARGED[8]**

**471.82 ML**

**TOTAL WATER CONSUMPTION**

**233.55 ML**

**TOTAL WATER CONSUMPTION IN WATER-STRESSED AREAS**

**101.02 ML**

[7]Variations compared to the baseline reflect, among other factors, the progressive strengthening of traceability,transparency, and methodological accuracy processes applied to the reporting of these indicators.
[8]2025 water discharge data correspond to sites with information available at the end of the reporting period. For Apodaca site, discharge values were estimated based on available water withdrawal data as part of a methodological validation process conducted with the service provider.

Variations compared to previous years reflect both the expansion of reporting coverage and adjustments to water indicator definitions aimed at improving consistency with GRI and CDP standards. Metalsa is currently developing an improvement project that will enable more complete and accurate reporting in the next reporting cycle.

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

# Waste Management

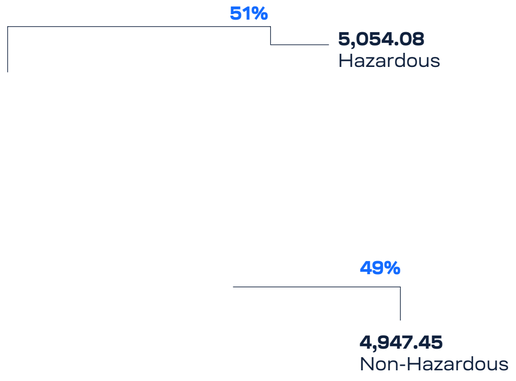
We strive to minimize the environmental impacts associated with the waste generated throughout our activities, while progressively strengthening our circularity approach. Our operations generate both hazardous and non-hazardous waste streams associated with manufacturing processes, operational activities, and material handling. Hazardous waste generated includes paint sludge, empty containers, petroleum and phosphate sludge, used oil, and used gloves. Non-hazardous waste primarily includes wood, aluminum, PET, cardboard, welding wire packaging, and general waste sent to landfill.

One of the main challenges identified in our waste management processes is the limited availability of specialized companies or third parties willing to manage certain non-hazardous waste streams. In cases where recycling or recovery alternatives are not available, waste is sent to sanitary landfills in accordance with applicable regulations.

To address these challenges and reduce waste-related impacts, we continue implementing measures focused on prevention, recovery, and operational improvement. During 2025, we maintained initiatives such as:

- Collaborators awareness and waste management training.
- Identification and engagement of suppliers with recycling practices.
- Replacement of materials with more recyclable alternatives.

**WASTE BREAKDOWN (TONS)**




**TOTAL WASTE GENERATED**

**10,001.53 tons**

**TOTAL WASTE RECYCLED**

**3,507 tons: 513 of hazardous waste and 2,994 of non-hazardous[9]**

[9] Of the remaining waste, 2,710.15 tons of hazardous waste were sent to incineration, 1,830.56 tons were eliminated by other processes, and 1,953 tons of non-hazardous waste were sent to landfill.

**WHA Industrial Estate – WeCYCLE Certification (Rayong)**

Metalsa received the WeCYCLE Certification 2025, recognizing efforts to promote circular economy practices through recycling initiatives, including plastics, paper, and used cooking oil.

## CIRCULARITY STRATEGY

As part of this effort, we began a circularity implementation scenario study aimed at identifying the most effective opportunities to integrate circular practices into our operations and decision-making processes. This initiative is intended to guide future actions and prioritize efforts that maximize environmental and operational benefits. Currently, we are in the pilot phase of implementing circularity indicators at our Apodaca facility, with the objective of obtaining the first results of the project during 2026.

In 2025, we formally initiated our **circularity strategy**, representing an important step toward strengthening resource efficiency and reducing waste generation across our operations.

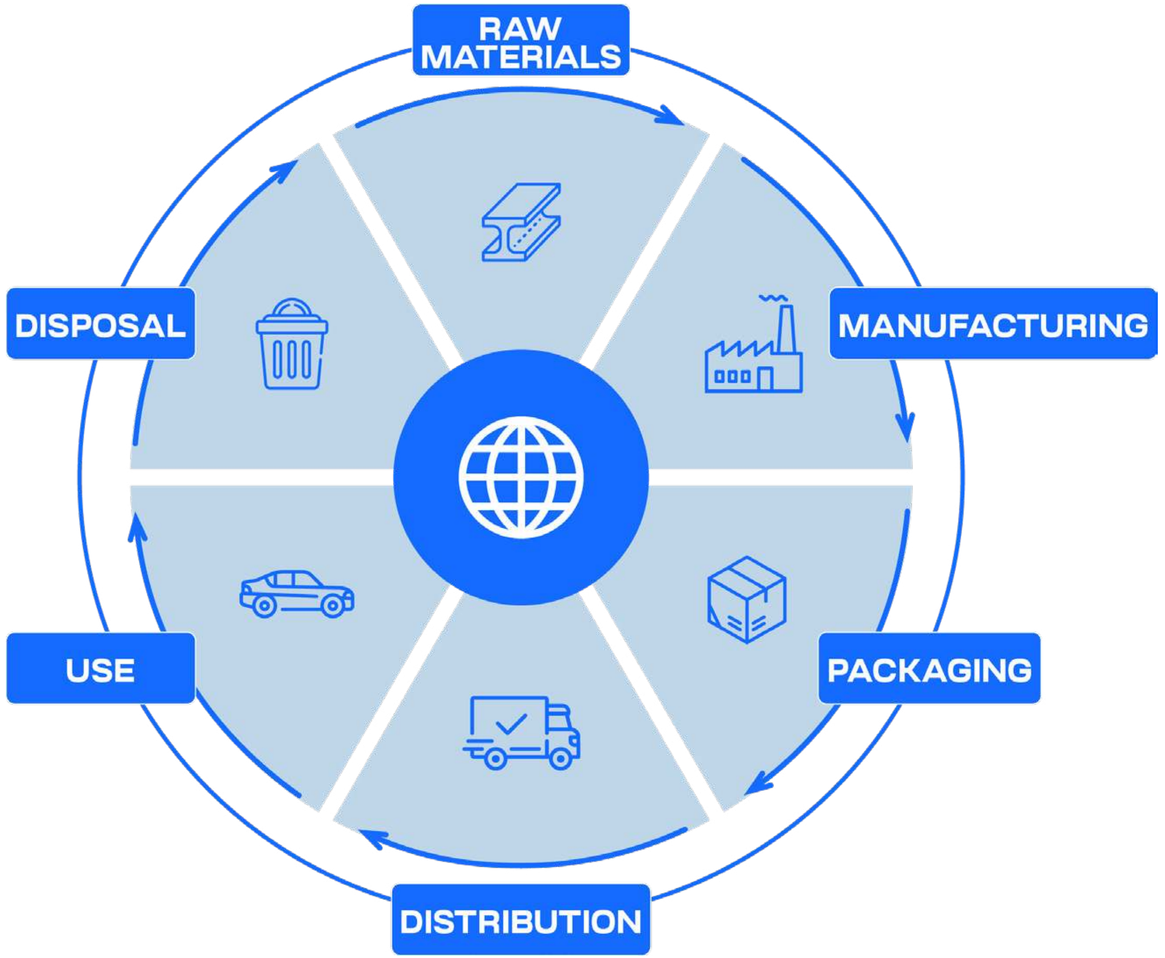
## LIFE CYCLE ASSESSMENT REPORT

The **Life Cycle Assessment (LCA)** report for Metalsa's side rails provides a comprehensive evaluation of the environmental impacts associated with the product across its entire life cycle, from raw material extraction to end-of-life.

This work involves analyzing key impact categories, such as carbon emissions, energy consumption, and resources used to identify the main environmental hotspots within the product's value chain, allowing us a better understanding of opportunity areas to reduce our footprint.

The assessment follows internationally recognized methodologies and standards, ensuring consistency, comparability, and robustness of results. It also supports alignment with customer requirements and broader sustainability frameworks.

The **LCA report** serves as a key tool to drive continuous improvement in environmental performance, supporting our commitment to decarbonization, resource efficiency, and the development of more sustainable mobility solutions.



## MATERIAL CIRCULARITY INDICATOR

The **MCI (Material Circularity Indicator)** Tool outlines the methodology used to assess material circularity and its associated economic implications within Metalsa's operations and products.

The tool enables the evaluation of how efficient materials are utilized by considering factors such as recycled content, material recovery, product lifespan and end-of-life scenarios. Through this approach, it becomes possible to quantify circularity performance and identify opportunities to reduce reliance on virgin materials.

In addition, an economic perspective is incorporated which links circularity improvements with potential cost implications and value creation. This connection supports more informed decision-making by highlighting both environmental and financial benefits associated with circular strategies.

By leveraging this tool, we are strengthening our ability to transition toward more circular business models, supporting long-term resilience and contributing to more sustainable production systems.

The methodology is designed to be integrated into product development and strategic planning processes, allowing teams to assess different scenarios and prioritize actions that enhance circularity. It also facilitates alignment with broader sustainability goals, particularly those related to resource efficiency and waste reduction.

## CIRCULARITY STRATEGY REPORT

**The Circularity Strategy Report** outlines Metalsa's approach to integrating circular economy principles across its operations, products, and value chain. It establishes a structured framework to reduce material waste, increase resource efficiency and extend the lifecycle of materials through more sustainable practices.

The strategy focuses on key levers such as increasing recycled content, optimizing material use, improving product design for durability and recyclability, and strengthening end-of-life recovery processes. These elements are supported by data-driven tools and indicators that enable the measurement and tracking of circularity performance over time.

In parallel, the report highlights the importance of cross-functional collaboration and supplier engagement to advance circular initiatives beyond internal operations. By aligning procurement, engineering, and sustainability efforts, Metalsa is better positioned to drive systemic change across the value chain.

The document also emphasizes the role of circularity in supporting broader environmental goals, particularly in reducing carbon emissions and minimizing dependence on virgin resources. This alignment reinforces the connection between circular economy practices and long-term decarbonization strategies.

GRI 101-2, 101-4, 101-5, 101-6, 101-7, 102-3

# Biodiversity

As part of our environmental strategy, we are strengthening our understanding of how our operations may interact with ecologically sensitive areas and ecosystem services, enabling us to progressively integrate biodiversity considerations into our risk management and operational practices.

During 2025, we conducted a **biodiversity assessment** to identify sites, products, and services within our supply chain that may have significant actual or potential impacts on biodiversity. The assessment was based primarily on the proximity of operational sites to protected areas and ecologically sensitive regions. The methodology included:

### 1. GEOSPATIAL ANALYSIS
Mapping operational facilities against publicly available databases of protected areas, biodiversity hotspots, wildlife sanctuaries, and high conservation value ecosystems.

### 2. DISTANCE-BASED CATEGORIZATION
Considering facilities located within a 30 km radius of protected areas as having moderate to high potential biodiversity interaction.

### 3. EVALUATION OF ECOSYSTEM SERVICES AND STAKEHOLDER RELEVANCE
Taking into account freshwater provisioning, carbon sequestration, climate regulation, and ecological value for local and Indigenous communities.

As a result of this analysis, we identified six facilities located in Mexico, Brazil, India, Thailand, and Argentina within a 30 km range of protected areas or ecologically sensitive region. These facilities were prioritized for additional environmental monitoring and future mitigation planning.

While this initial assessment was based on proximity analysis and did not yet include direct biodiversity impact quantification, such as land-use change, emissions, water withdrawals, or supply chain sourcing impacts, it represents an important first step toward strengthening biodiversity management across our operations.

| 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 (25 km) | Crucial for wetland ecosystem services benefiting local communities and biodiversity conservation. |
| Campo Largo, Brazil | Serra do Mar State Park (20 km) | Essential for water regulation, climate stability, and resources for local populations. |
| Jamshedpur, India | Dalma Wildlife Sanctuary (10-15 km) | Supports livelihoods through eco-tourism and sustains local biodiversity. |
| Saltillo, Mexico | Sierra de Zapalinamé (11.6 km) | Provides water resources and recreational opportunities for local communities. |
| Rayong, Thailand* | Khao Chamao-Khao Wong National Park (55 km) | Provides ecosystem services like water purification and is integral to local cultural practices. |

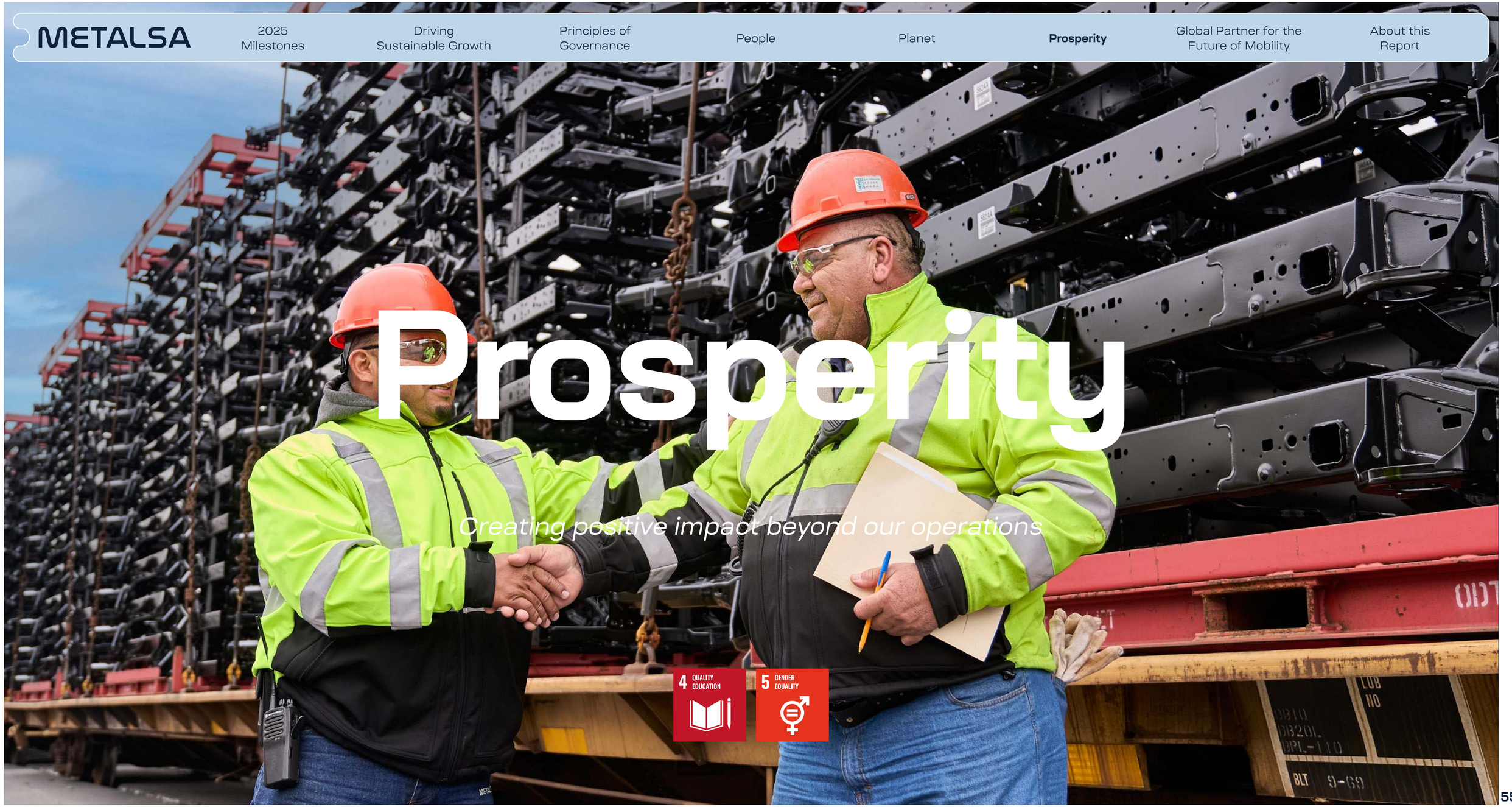
* Distances were recalculated in 2025 using a refined geospatial methodology. While the 30 km threshold remains the primary screening criterion, certain sites moderately beyond this range are included based on ecological relevance and ecosystem connectivity. Sites significantly beyond the threshold were excluded to ensure methodological consistency and comparability.

We implemented preventive measures and operational controls designed to minimize potential impacts on biodiversity and surrounding ecosystems. These actions are integrated into our environmental management processes and operational planning activities. Key actions included:

- Conducting environmental impact assessments prior to project implementation.
- Identifying sensitive areas and establishing preventive controls.
- Planning operations with habitat conservation considerations, including buffer zones where applicable.
- Implementing integrated waste management systems focused on separation, recycling, and responsible disposal.
- Utilizing low-impact technologies and operational practices.
- Providing environmental awareness training to employees and contractors to reinforce a culture of environmental responsibility.

In addition, we maintained response and mitigation mechanisms to address potential environmental incidents that could affect biodiversity. These measures included chemical spill response procedures, annual emergency drills related to chemical events and site-specific contingency plans for spills, fires, or environmental emergencies.

In 2025, collaborators from Metalsa Thailand participated in an environmental restoration activity at the Khun Dan Prakan Chon Dam in Nakhon Nayok Province. The initiative included the release of native fish species and the planting of seedlings, contributing to natural resource restoration, environmental awareness, and ecosystem conservation efforts.



# Prosperity

*Creating positive impact beyond our operations*

4 QUALITY EDUCATION

5 GENDER EQUALITY

GRI 413-1

# Community Engagement

## COMMUNITY DEVELOPMENT PROGRAMS

**MEXICO**
Apodaca, Saltillo and Guanajuato

**25 volunteering activities**

**442 volunteers**

**7,133 people benefitted**

- Adopt a School
- STEM Academy
- Dog adoption campaign
- Children's Day pool party @ Mayrita Association. Donated food and entertainment for kids fighting against cancer
- Reforestation campaign
- ANSPAC
- Women's Cancer Prevention Campaign
- Cap collection campaign
- Give Christmas a Meaning
- Elderly Digital Inclusion
- Toy donation for children with cancer
- Firefighters donation
- Uniting generations
- Building Community campaign and bazaar
- Donation of household items to a shelter home for survivors of domestic abuse
- Robotic tournament: supported a school registering its talented students to the 2025 Mexican Robotics Tournament
- Entrepreneurship Market: Valentines Edition
- Entrepreneurship Market: Mothers Edition
- Entrepreneurship Market: Fathers Edition
- Spark your talent: Short Learning Practice and Vocational Orientation
- Entrepreneurship Market: Christmas Edition

## REFORESTATION TO MITIGATE URBAN HEAT ISLANDS

As part of our commitment to environmental stewardship and climate action, in 2025 we implemented a reforestation initiative in Apodaca, Nuevo León, in collaboration with Pronatura Noreste and local authorities. This project focused on mitigating the urban heat island effect, a critical environmental challenge associated with increased temperatures in highly industrialized and urbanized areas.

**100 native trees planted,**
including species such as anacahuita, mezquite, and huizache
Enhancing urban green coverage with species adapted to local ecosystems

**9,230 m² intervened area**
Restoration of priority urban space with high temperature exposure

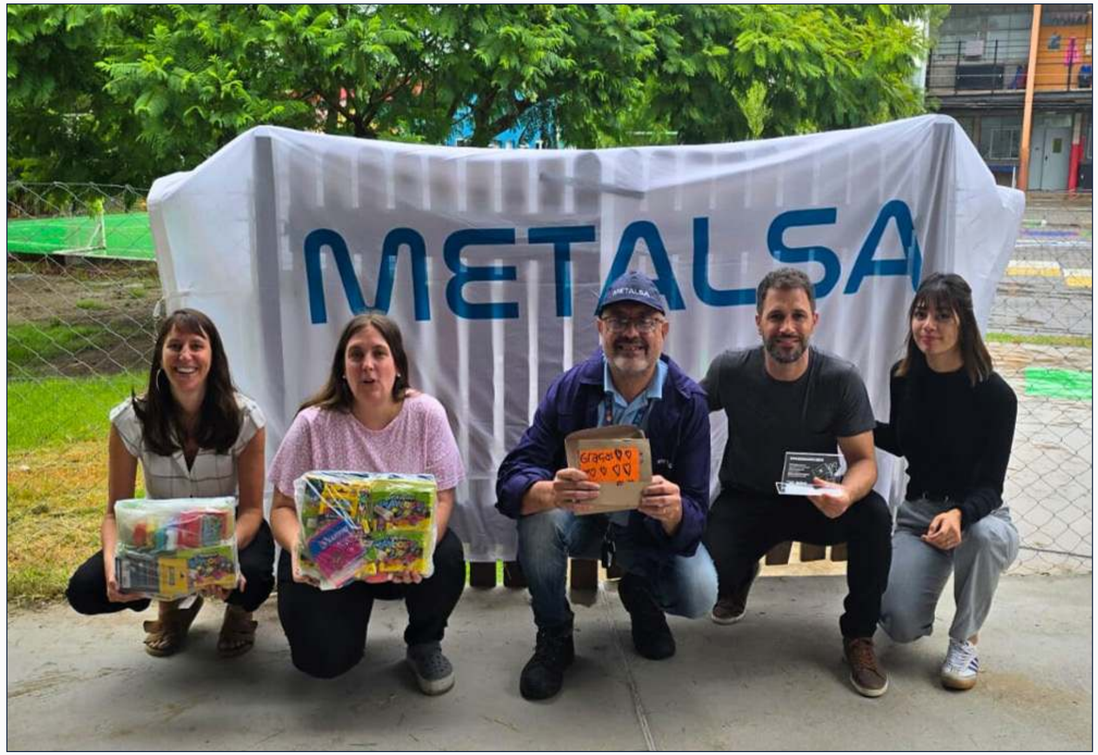
**60 Metalsa volunteers engaged**
Strengthening employee participation and community connection

**40 irrigation cycles | 400 m³ of water**
Six-month maintenance program ensuring tree establishment

**98% survival rate**
High effectiveness of planting and post-care strategy

**10 bird species recorded**
Evidence of improved biodiversity and habitat quality

**15 jobs generated**
Positive local economic impact through temporary employment




## ARGENTINA

**6 volunteering activities**

**23 volunteers**

**3,534 people benefitted**

- Scholarships for low-income kids
- Recycling campaign
- Welding workshop equipment
- Vocational guidance workshop
- School supply drive (four institutions)
- Toys donation (Union del Memorial, volunteering)

## INDIA

**1 volunteering activity**

**15 volunteers**

**535 people benefitted**

- Tuberculosis elimination program

## USA

**21 volunteering activities**

**508 volunteers**

**21,925 people benefitted**

- Hopkinsville Parks and Recreation
- Blood donation campaign
- CARES Team
- Food handouts and holiday donations
- Facility tours for students
- Youth sports sponsorships
- Kentucky Association of Manufacturers sponsorship
- Spark your Talent
- United Way partnership
- STEM + manufacturing scholarships
- Silverleaf donation for abuse survivors
- Partnership for growth
- Girls Inc., team volunteer program
- Metalsa EHS 101: Training volunteer program
- Educational facility tours for Owensboro High School
- Golf scramble (Boulware Mission Homeless Shelter)
- Maintenance apprenticeships
- Volunteer at local soup kitchen
- Drumstick Dash sponsorship
- School supply drive
- Vaccine clinic

## BRAZIL

**5 volunteering activities**

**330 volunteers**

**252 people benefitted**

- DEI Awareness Talks
- Flu vaccination campaign
- Welding workshop
- Blood donation campaign
- Stagiaries program

THAILAND

**9 volunteering activities**

**17 volunteers**

**35 people benefitted**

- Blood donation program
- Donation for a school with limited resources
- WeCylcle. Donation of bottles in factory
- Half-marathonrun to donate and contribute to hospitals
- Trainees education programs
- Plant a tree campaign, with Hemaraj industrial
- School painting activities
- Sharing Safety Point Knowledge campaign
- Sharing People Organization and Management knowledge; awareness about wellness

# Global Partner for the Future of Mobility

*Delivering structural solutions for evolving mobility needs*

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

GRI 2-1, 2-6

# About Metalsa

**Revenues: US $2.83 billion**

**13 manufacturing plants**

**8 countries**

**21 facilities**

**10,746 collaborators**

Metalsa, S.A. de C.V. is a global company specializing in the design and manufacture of structural components for the automotive industry, with a long-standing commitment to operational excellence, customer proximity, and continuous innovation. As part of Grupo Proeza, we operate with a long-term vision focused on operational excellence, customer proximity, and sustainable growth.

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.

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

**olaro**
Healthcare staffing organization that connects clinicians and healthcare employers through people-first, tech-enabled, partnership-driven solutions. With a national footprint and a global outlook, Olaro delivers personalized support and sustainable workforce strategies that drive long-term results.

**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.

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

GRI 417-1

# Our Services and Products

We collaborate with leading original equipment manufacturers (OEMs) worldwide, providing structural solutions that are critical to vehicle performance, safety, and durability. Our capabilities span the development and production of chassis and frame systems, as well as body structural components, for light and commercial vehicles. Through close collaboration with our customers, we participate from early design stages through production, enabling us to co-develop solutions that respond to evolving technical and regulatory requirements.

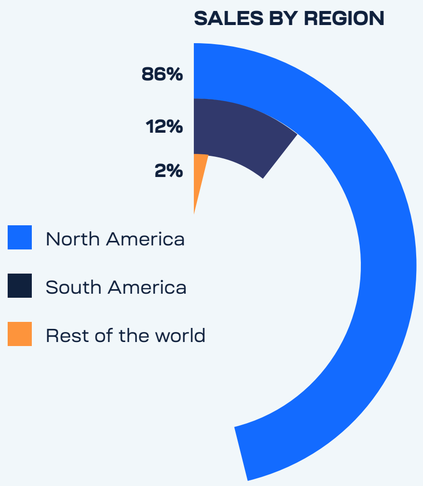
We operate in an industry undergoing a profound transformation. The transition toward electrified mobility, the need to reduce emissions across the value chain, the rapid technological advancements and increasing regulatory and customer expectations are redefining the role of structural components in vehicle design. These shifts require new approaches to materials, engineering, and production processes, as well as closer collaboration across the value chain.

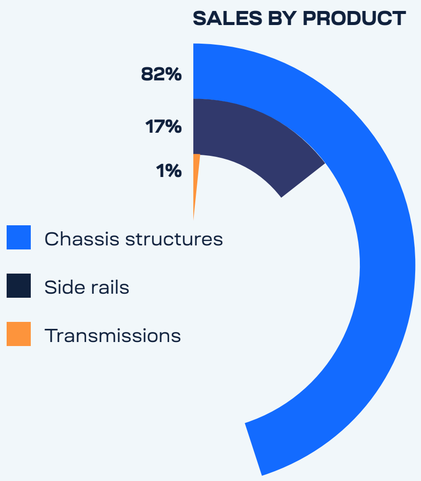
Our business model enables us to create value by integrating performance, innovation, and sustainability.

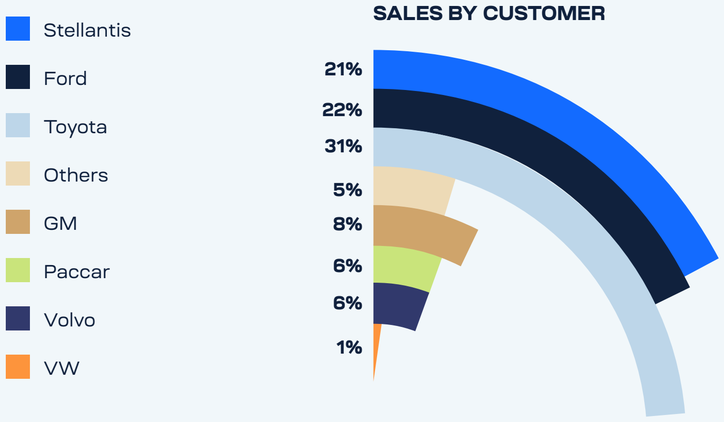
At Metalsa, we are actively adapting our capabilities to support this transition. We are strengthening our engineering and manufacturing processes to deliver solutions that contribute to more efficient vehicles, while maintaining the highest standards of safety and durability. This includes optimizing designs, improving material utilization, and aligning our processes with the evolving requirements of electric and next-generation vehicles.

Our approach is grounded in a value proposition that combines technical expertise, manufacturing excellence, and a strong focus on execution. We aim to deliver solutions that not only meet the highest standards of quality and safety, but also contribute to efficiency, cost optimization, and sustainability objectives. This requires continuous improvement throughout our operations and a disciplined approach to performance.

Our engineering and manufacturing processes are continuously evolving to support lower environmental impact, aligning with our customers' and regulatory requirements.



We remain committed to building a resilient and adaptable organization capable of navigating a complex and evolving environment. By leveraging our global presence, technical capabilities, and strong customer relationships, we are well positioned to contribute to the future of mobility. Through the integration of sustainability into our strategy, we aim to ensure that our growth is both profitable and aligned with the transition toward a lower-carbon, more efficient, and sustainable transportation ecosystem.

To ensure compliance with applicable environmental and social regulations, we maintain a structured approach to managing customer requirements related to product responsibility and regulatory transparency. This includes systematic collection, validation, and disclosure of information on the chemical composition of our products, regulatory compliance, and the responsible sourcing of materials, including conflict minerals.

This process is supported by cross-functional collaboration among our Commercial, Engineering, Procurement, and EHS&S teams, enabling a comprehensive and coordinated response that is fully aligned with our sustainability strategy and customer expectations.

We provide our customers with detailed information regarding the safety, substances, materials, and minerals contained in our products through established industry platforms and regulatory frameworks. 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)

## INTERNATIONAL MATERIAL DATA SYSTEM (IMDS)

The **IMDS (International Material Data System)** Standard Procedure outlines the internal framework for managing material data across our products, ensuring transparency, traceability, and regulatory compliance throughout the value chain.

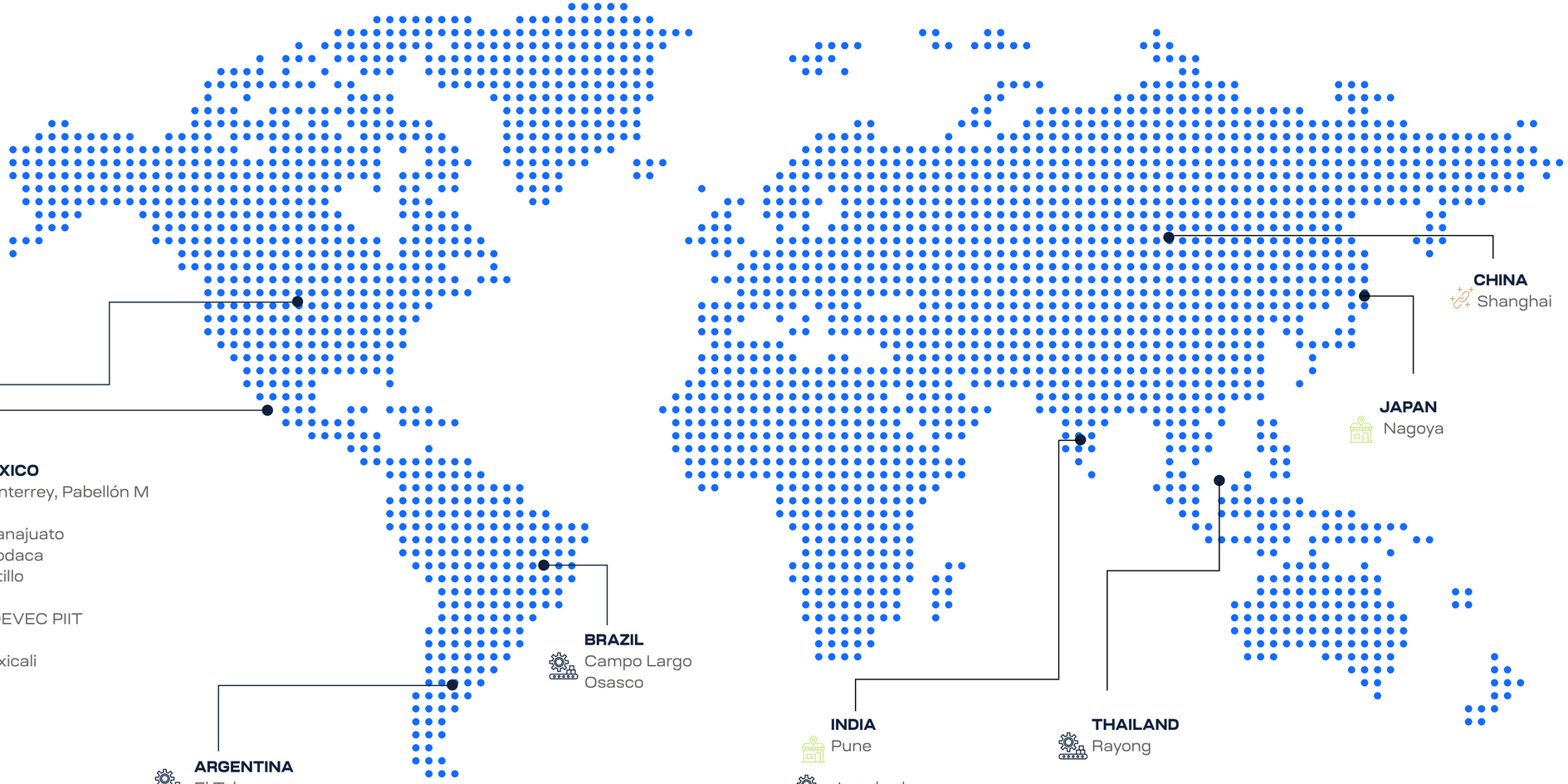
From an operational perspective, this process involves the creation, validation, and submission of Material Data Sheets (MDS), which provide a detailed breakdown of materials and substances used in our components. This enables us to systematically monitor and control the environmental and regulatory impact of our products.

A key objective of this procedure is to ensure alignment with international regulations and standards including ELV, REACH, RoHS, and GADSL. By embedding these requirements into early stages of product development, engineering changes and sourcing processes, we proactively mitigate compliance risks and support safer, more sustainable material use.

**IMDS management** plays a critical role in strengthening responsible material governance, enabling informed decision-making and reinforcing our commitment to regulatory compliance and supply chain transparency.

# Market Presence

Metalsa operates through a global network of manufacturing facilities, engineering centers, and corporate offices, enabling us to serve our customers across key automotive markets in Mexico, the United States, Brazil, Argentina, India, Thailand and Japan.




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

GRI 201-1

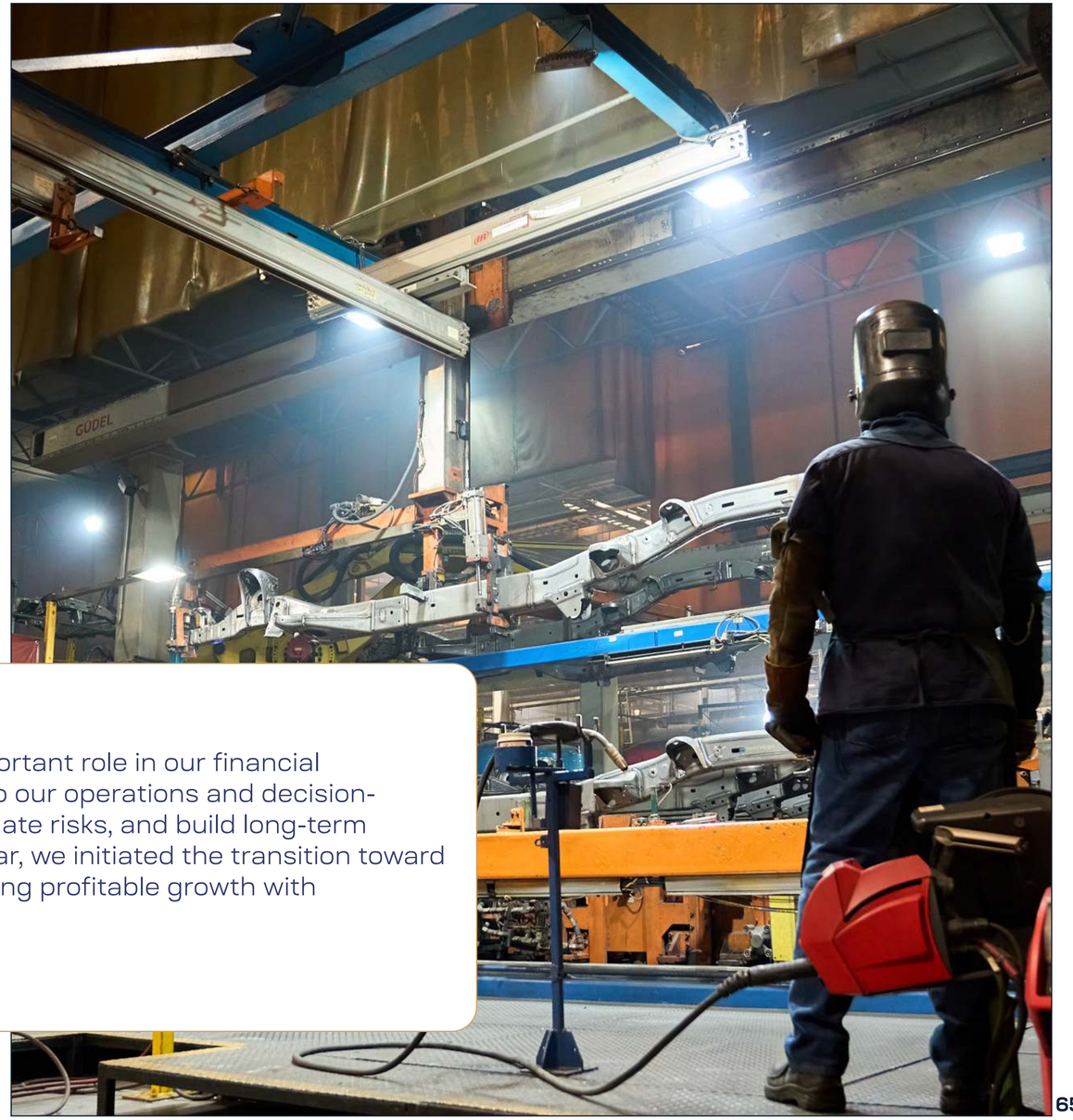
# Financial Highlights

In 2025, Metalsa operated in a highly dynamic and uncertain environment, characterized by geopolitical volatility, evolving trade policies, and shifts in customer demand—particularly in relation to the pace of electrification. These factors, combined with the inherent cyclicality of the commercial vehicle segment, influenced overall market conditions and demand patterns.

We experienced a slight decline in revenues, primarily driven by reduced activity in the commercial vehicle segment and changes in customer program dynamics. At the same time, the accelerated withdrawal or adjustment of certain Electric Vehicle (EV) programs in North America introduced additional complexity into our operating environment.

In response, we focused on strengthening our operational performance and protecting profitability. Through targeted actions, including procurement optimization, cost control, and commercial recovery initiatives, we were able to mitigate external pressures and improve financial outcomes.

| | 2024 | 2025 | 2024 vs. 2025 |
|---|---|---|---|
| Direct economic value generated (revenue) | 2,896,078 | 2,829,903 | -66,175 |
| Economic value distributed | 3,619,823 | 3,363,950 | -255,873 |
| Economic value retained | -723,745 | -534,047 | 189,698 |




"Sustainability continues to play an increasingly important role in our financial performance. By integrating ESG considerations into our operations and decision-making processes, we can identify efficiencies, mitigate risks, and build long-term financial resilience. During the second half of the year, we initiated the transition toward a more integrated strategic model, focused on aligning profitable growth with sustainability performance."

Verónica Santos Ortega,
CFO

# About this Report

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

# About this Report

This Sustainability Report presents Metalsa's environmental, social, and governance (ESG) performance for the period from January 1st to December 31, 2025. It reflects our commitment to transparency, accountability, and continuous improvement, providing stakeholders with a comprehensive view of our strategy, performance, and progress toward long-term value creation.

This report was prepared in reference to the 2021 Standards of the Global Reporting Initiative. The information presented covers Metalsa's global operations, including manufacturing facilities, engineering centers, and corporate offices across the countries where we operate.

This report reflects the evolution of our sustainability approach toward a more integrated and strategic model. In 2025, we strengthened the alignment between sustainability and business performance, incorporating ESG considerations into our decision-making processes, risk management, and long-term planning.

A key component of this approach is our Double Materiality Assessment, which enables us to identify and prioritize the topics that are most relevant both in terms of their impact on the environment and society, and their potential financial implications for the Company. The results of this assessment inform the structure and content of this report.

Due to the issuance of a sustainability-linked bond (SLB), Metalsa is committed to verifying its emissions intensity baseline for 2019 on a yearly basis until the bond's completion in 2031; this in compliance with the published framework. The decision to issue an SLB was approved by the highest governing bodies, including the parent company.

The verification letter must be published in our sustainability report upon agreed terms with our investors. The disclosures on our sustainability report and this verification letter are overviewed by our Risk, Audit, and Compliance Committee, before communicating our efforts and progress to our stakeholders.

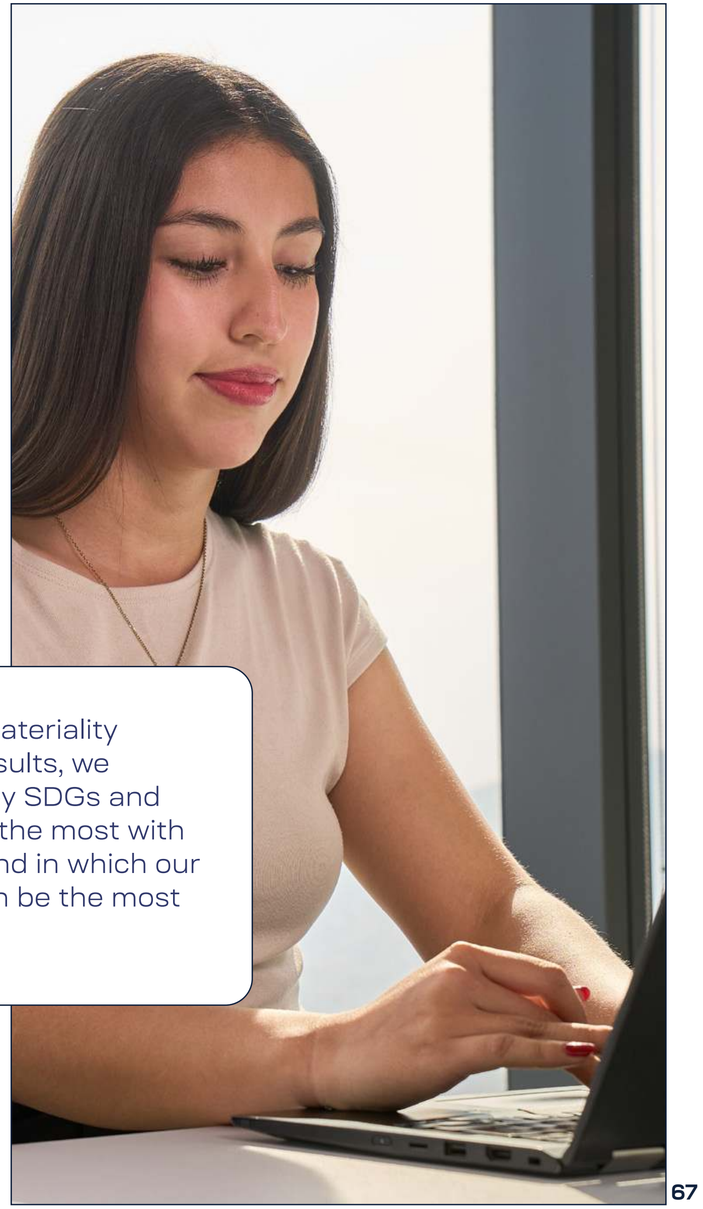
## CONTRIBUTION TO SDGs

We are committed 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.

**WE SUPPORT**

UN GLOBAL COMPACT

In line with our materiality assessment's results, we selected the 6 key SDGs and goals we impact the most with our operations and in which our contributions can be the most substantial.



# GRI Content Index

| STATEMENT OF USE | Metalsa S.A. de C.V. has reported the information cited in this GRI content index for the period January 1st to December 31, 2025 with reference to the GRI Standards. |
|---|---|
| GRI 1 USED | GRI 1: Foundation 2021 |

| GRI Standard | Content | Disclosure | Location / Answer |
|---|---|---|---|
| GRI 2: General Disclosures 2021 | 2-1 | Organizational details | 61, 77 |
| | 2-2 | Entities included in the organization's sustainability reporting | 67 |
| | 2-3 | Reporting period, frequency and contact point | 67, 77 |
| | 2-4 | Restatements of information | 67 |
| | 2-5 | External assurance | 67 |
| | 2-6 | Activities, value chain and other business relationships | 24, 61 |
| | 2-7 | Employees | 27, 29 |
| | 2-8 | Workers who are not employees | 27<br>We have 432 workers who are not collaborators, 355 interns and 77 subcontractors. |
| | 2-9 | Governance structure and composition | 16 |
| | 2-10 | Nomination and selection of the highest governance body | 16 |
| | 2-11 | Chair of the highest governance body | 16 |
| | 2-12 | Role of the highest governance body in overseeing the management of impacts | 16, 18 |
| | 2-13 | Delegation of responsibility for managing impacts | 16, 18 |
| | 2-14 | Role of the highest governance body in sustainability reporting | 14, 16 |
| | 2-15 | Conflicts of interest | 20 |

| GRI Standard | Content | Disclosure | Location / Answer |
|---|---|---|---|
| GRI 2: General Disclosures 2021 | 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. |
| | 2-17 | Collective knowledge of the highest governance body | 16, 18 |
| | 2-21 | Annual total compensation ratio | Average annual compensation of all employees in Mexico: MXN $18,494.00<br>Ratio of total annual compensation for the highest-paid employee to the average annual compensation of all employees: 58.78% |
| | 2-22 | Statement on sustainable development strategy | 7, 9 |
| | 2-23 | Policy commitments | 20 |
| | 2-24 | Embedding policy commitments | 14, 20 |
| | 2-25 | Processes to remediate negative impacts | 22, 33 |
| | 2-26 | Mechanisms for seeking advice and raising concerns | 22 |
| | 2-27 | Compliance with laws and regulations | During 2025, there were two fines in Germany related to tax and financial topics. |
| | 2-28 | Membership associations | We are part of:<br>• In Mexico, to CLAUT Nuevo León, CLAUT Coahuila, CLAUT Guanajuato / Querétaro, INA, COPARMEX, CAINTRA, COMC.<br>• In the United States to: MEMA / OESA, Bluegrass Automotive Manufacturers Association.<br>• In Argentina to AFAC.<br>• In Brazil to SINDIPECAS and SINEAS.<br>• In India to the Confederation of Indian Industry (CII). |
| | 2-29 | Approach to stakeholder engagement | 12 |
| | 2-30 | Collective bargaining agreements | 27 |
| GRI 3: Material Topics 2021 | 3-1 | Process to determine material topics | 10 |
| | 3-2 | List of material topics | 10 |
| | 3-3 | Management of material topics | 10 |

| GRI Standard | Content | Disclosure | Location / Answer |
|---|---|---|---|
| **MATERIAL TOPICS** | | | |
| **Cybersecurity** | | | |
| 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 2025, there were no incidents related to customer privacy or losses of data. |
| **Climate change and decarbonization transition \| Growth and sustainable EV transition** | | | |
| GRI 201: Economic Performance 2016 | 201-1 | Direct economic value generated and distributed | 65 |
| | 201-2 | Financial implications and other risks and opportunities due to climate change | 40 |
| | 201-3 | Defined benefit plan obligations and other retirement plans | 33 |
| | 201-4 | Financial assistance received from government | We do not receive any financial help from the government. |
| GRI 102: Climate Change 2025 | 102-2 | Climate change adaptation plan | 40 |
| | 102-3 | Just transition | 27, 54 |
| | 102-4 | GHG emissions reduction targets and progress | 47 |
| | 102-5 | Scope 1 GHG emissions | 45 |
| | 102-6 | Scope 2 GHG emissions | 45 |
| | 102-8 | GHG emissions intensity | 45 |
| GRI 103: Energy 2025 | 103-1 | Energy policies and commitments | 45 |
| | 103-2 | Energy consumption and self-generation within the organization | 45 |
| | 103-4 | Energy intensity | 45 |
| | 103-5 | Reduction in energy consumption | 45 |
| **Sustainable supply chain** | | | |
| GRI 204: Procurement Practices 2016 | 204-1 | Proportion of spending on local suppliers | 24 |
| GRI 308: Supplier Environmental Assessment 2016 | 308-1 | New suppliers that were screened using environmental criteria | 24 |

| GRI Standard | Content | Disclosure | Location / Answer |
|---|---|---|---|
| GRI 407: Freedom of Association Collective Bargaining 2016 | 407-1 | Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk | 20, 24 |
| GRI 408: Child Labor 2016 | 408-1 | Operations and suppliers at significant risk for incidents of child labor | 20, 24 |
| GRI 409: Forced or Compulsory Labor 2016 | 409-1 | Operations and suppliers at significant risk for incidents of forced or compulsory labor | 20, 24 |
| GRI 414: Supplier Social Assessment 2016 | 414-1 | New suppliers that were screened using social criteria | 24 |
| **Career development and training** | | | |
| GRI 404: Training and Education 2016 | 404-1 | Average hours of training per year per employee | 37 |
| | 404-2 | Programs for upgrading employee skills and transition assistance programs | 37 |
| | 404-3 | Percentage of employees receiving regular performance and career development reviews | 37 |
| **ADDITIONAL DISCLOSURES** | | | |
| GRI 101: Biodiversity 2024 | 101-2 | Management of biodiversity impacts | 54 |
| | 101-4 | Identification of biodiversity impacts | 54 |
| | 101-5 | Locations with biodiversity impacts | 54 |
| | 101-6 | Direct drivers of biodiversity loss | 54 |
| | 101-7 | Changes to the state of biodiversity | 54 |
| GRI 202: Market Presence 2016 | 202-1 | Ratios of standard entry level wage by gender compared to local minimum wage | 33 |
| | 202-2 | Proportion of senior management hired from the local community | The breakdown of senior management hired from local communities is as follows:<br>• Mexico: 1.50%<br>• USA: 0.69%<br>• India: 0.06%<br>• Argentina: 0.19%<br>• Brazil: 0.13%<br>• Thailand: 0.01% |
| GRI 205: Anti-corruption 2016 | 205-1 | Operations assessed for risks related to corruption | 22 |
| | 205-2 | Communication and training about anti-corruption policies and procedures | 22 |
| | 205-3 | Confirmed incidents of corruption and actions taken | There were no incidents of corruption in 2025. |

| GRI Standard | Content | Disclosure | Location / Answer |
|---|---|---|---|
| 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 303: Water and Effluents 2018 | 303-1 | Interactions with water as a shared resource | 48 |
| | 303-2 | Management of water discharge-related impacts | 48 |
| | 303-3 | Water withdrawal | 48 |
| | 303-4 | Water discharge | 48 |
| | 303-5 | Water consumption | 48 |
| GRI 306: Waste 2020 | 306-1 | Waste generation and significant waste-related impacts | 51 |
| | 306-2 | Management of significant waste-related impacts | 51 |
| | 306-3 | Waste generated | 51 |
| | 306-4 | Waste diverted from disposal | 51 |
| | 306-5 | Waste directed to disposal | 51 |
| GRI 401: Employment 2016 | 401-1 | New employee hires and employee turnover | 27 |
| | 401-2 | Benefits provided to full-time employees that are not provided to temporary or part-time employees | 33 |
| 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 are required. |
| GRI 403: Occupational Health and Safety 2018 | 403-1 | Occupational health and safety management system | 33 |
| | 403-2 | Hazard identification, risk assessment, and incident investigation | 33 |
| | 403-3 | Occupational health services | 33 |
| | 403-4 | Worker participation, consultation, and communication on occupational health and safety | 33 |
| | 403-5 | Worker training on occupational health and safety | 33 |
| | 403-6 | Promotion of worker health | 33 |
| | 403-7 | Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | 33 |

| GRI Standard | Content | Disclosure | Location / Answer |
|---|---|---|---|
| GRI 403: Occupational Health and Safety 2018 | 403-8 | Workers covered by an occupational health and safety management system | 33 |
| | 403-9 | Work-related injuries | • 168 labor-related accidents, 9.70% rate<br>• 90 recorded accidents, 0.74% rate<br>• 0 deaths<br>• 905 lost days, 7.4% rate |
| | 403-10 | Work-related ill health | The main types of work-related health issues are herniated intervertebral disc, carpal tunnel syndrome, hearing loss, and spinal injury from bad posture. We take measures by developing training course on these topics to avoid recurrences. |
| GRI 405: Diversity and Equal Opportunity 2016 | 405-1 | Diversity of governance bodies and employees | 16, 29 |
| | 405-2 | Ratio of basic salary and remuneration of women to men | 29 |
| GRI 406: Non-discrimination 2016 | 406-1 | Incidents of discrimination and corrective actions taken | During 2025, there were three reported incidents of discrimination in the USA; two were dismissed after an investigation and legal consultation has settled the issues. The remaining issue is pending settlement.<br>In India, two issues were raised by employees and handled by awareness campaigns. |
| GRI 413: Local Communities 2016 | 413-1 | Operations with local community engagement, impact assessments, and development programs | 56 |
| GRI 415: Public Policy 2016 | 415-1 | Political contributions | We act with the highest ethical standards portrayed in our Code of Conduct. We do 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 these type since we are a B2B company. |
| | 416-2 | Incidents of non-compliance concerning the health and safety impacts of products and services | During 2025, 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 | 62 |
| | 417-2 | Incidents of non-compliance concerning product and service information and labeling | During 2025 there were no incidents related to our product's information. |

# 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 2025 (the "Report").

### ENGAGEMENT SUMMARY

| | |
|---|---|
| **Scope of our assurance engagement** | Whether the following Selected Information for 2025 is fairly presented in the Report, in all material respects, in accordance with the reporting criteria.<br>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 Greenhouse Gas (GHG) emissions [metric tons $CO_2e$]<br>• Total Scope 2 GHG emissions (location-based) [metric tons $CO_2e$]<br>• Total Scope 2 GHG emissions (market-based) [metric tons $CO_2e$]<br>• Greenhouse Gas (GHG) Emissions Intensity:<br>  ○ Total Scope 1 and Scope 2 (location-based) GHG Emissions in $tCO_2e$ per million USD of revenue ($tCO_2e$/USDm)<br>  ○ Total Scope 1 and Scope 2 (market-based) GHG Emissions in $tCO_2e$ per million USD of revenue ($tCO_2e$/USDm) |
| **Reporting period** | 1st January 2025 to 31st December 2025 |
| **Reporting criteria** | • Metalsa's Basis of Reporting and definitions, as noted in the Basis of Reporting section of the Report<br>• 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.<br>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.<br>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 2025 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 and site level;
- Performing an analytical review of the year-end data submitted by all locations included in the consolidated 2025 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 Elizabethtown, Kentucky and and virtual-visit to Roanoke, Virginia to review source data alocal 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

26 May 2026
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 procedures did not include testing the completeness or accuracy of the underlying sales values used in calculating the Selected Information. We relied on management's confirmation that this information is accurate, complete and reliable and that it is sourced from systems used to prepare Metalsa's audited financial statements.

### 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 2025 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 the Scope 2 boundary includes 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 is 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 2025 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 both the location-based & market-based method to calculate its Scope 2 GHG emissions. The location-based method consists of using the emissions intensity of the local grid where electricity consumption occurs. The table below provides a reference to the Scope 2 (location-based) emissions factors applied across all of Metalsa's jurisdictions:

| Country | Source |
|---|---|
| Argentina | Secretaría de Energía – Cálculo del Factor de Emisión de la Red |
| Brazil | Sistema Interligado Nacional do Brasil |
| India | Central Electricity Authority |
| Mexico | Registro Nacional de Emisiones RENE |
| Thailand | Thailand Greenhouse Gas Management Organization |
| United States | EPA eGRID Power Profiler |
| Japan | Chubu Electric Power |

The market-based method reflects emissions from electricity that Metalsa have purposefully chosen through contractual instruments. This approach uses emission factors derived from market-based instruments such as Energy Attribute Certificates (EACs) – including International Renewable Energy Certificates or equivalent instruments – supplier-specific emission rates, or, in the absence of such instruments, residual mix emission factors applicable to the relevant market or jurisdiction. This method allows Metalsa to account for voluntary procurement decisions, such as the purchase of renewable energy, thereby reflecting the actual carbon intensity of the electricity consumed based on contractual arrangements rather than the average grid mix. As part of this approach, the facilities located in Apodaca and Saltillo (Mexico), Osasco and Campo Largo (Brazil), and El Talar (Argentina) apply market-based instruments to determine their electricity-related emissions.

## REPORTING BOUNDARY CHANGES AND EXCLUSIONS

Metalsa's Scope 1 reporting boundary encompasses all manufacturing facilities under its direct operational control and for Scope 2, the boundary includes 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.

## BASELINE RECALCULATION AND STRUCTURAL CHANGES

In line with the requirements of the Greenhouse Gas Protocol and to ensure consistency and comparability over time, Metalsa has recalculated its base year (2019) greenhouse gas (GHG) emissions following a structural change in the organization.

In 2019, Metalsa divested its "Body & Chassis" (B&C) business unit, which comprised six production facilities located in Germany, the United States, Mexico, South Africa, and China. These facilities accounted for approximately 12% of Scope 1 emissions and 17% of Scope 2 emissions in the base year, exceeding the 5% significance threshold defined by the GHG Protocol. As a result, the recalculation of the baseline was conducted to reflect the current organizational structure and ensure accurate tracking of performance over time.

The recalculated 2019 baseline reflects updated emissions totals of 77,539 $tCO_2e$ for Scope 1, 121,203 $tCO_2e$ for Scope 2, and 198,433 $tCO_2e$ combined, compared to the originally reported 234,862 $tCO_2e$ for Scope 1 and 2. Additionally, the corresponding revenue used for intensity calculations was updated to exclude non-production sites associated with the divested operations.

This recalculation also supports Metalsa's commitment under its Sustainability-Linked Bond (SLB) framework, issued in 2021, and ensures alignment with the Greenhouse Gas Protocol and the Science Based Targets initiative (SBTi). As part of this alignment, Metalsa is transitioning from the original Sustainability Performance Targets (SPTs) under the SLB toward science-based targets.

The recalculated baseline is used as the reference point for tracking progress against targets, ensuring methodological consistency, transparency, and comparability in emissions reporting.

GRI 2-1, 2-3

# Contact

**Metalsa, S.A.P.I. de C.V.**
Av. Benito Juárez 1102 Pte
Col. Centro, Zip Code 64000
Monterrey, Nuevo León, Mexico

For any questions regarding Metalsa's sustainability initiatives and reporting please contact:
sustainability@metalsa.com

# METALSA

## 2025

# Sustainability Report

Sustainability as a Driver for Profitable Growth

Metalsa  Metalsa  Metalsacompany  https://metalsa.com/