



Nemak S.A.B. de C.V.
Sustainability-Linked Bond Framework

June 2021

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1. Introduction

1.1. Business Overview

Nemak, S.A.B. de C.V. (“Nemak”) is a leading provider of innovative lightweighting solutions for the global automotive industry, specializing in the development and manufacturing of aluminum components for powertrain, e-mobility, and structural applications. Nemak’s manufacturing footprint spans 38 plants strategically located in 15 countries and we supply more than 50 customers worldwide, including 10 major global manufacturing groups and their subsidiaries, such as BMW, Daimler, Ford Motor Company, General Motors, Hyundai, KIA, Jaguar Land Rover, Renault-Nissan, Stellantis, Toyota, and Volkswagen Group¹.

Nemak’s value proposition remains centered on devoting significant efforts to help its customers make their vehicles lighter and, therefore, more efficient in terms of energy consumption. In turn, weight reduction enables its customers to achieve a variety of goals linked to the long-term sustainability objectives of their business, including meeting CO₂ emissions and fuel-efficiency regulations, and consumer expectations regarding the performance and driving range of next-generation vehicles.

To this end, based on energy optimization and recycling of end-of-life materials, Nemak harnesses a variety of solutions ranging from casting, design simulation, prototyping, alloy development, and secondary processes such as machining and heat treatment to joining and assembly processes focused on structural and battery pack applications for electric vehicles. As part of the Company’s efforts to drive innovation and shape the future of automotive lightweighting, it seeks to harness its technology, operations, and business practices to contribute to the automotive industry’s goal of reducing its carbon footprint.

Nemak understands that advancing technology is only part of the picture, and that it must also actively protect the environment, and the communities where it operates. The Company has made significant contributions toward electrifying mobility by developing energy-efficient solutions, such as cast and assembled battery housings as well as highly integrated e-motor housings. With its expertise in lightweight design, Nemak offers its customers both primary alloys and alloys made of end-of-life (recycled) material, which can reduce the product carbon footprint (PCF) by up to 90% of CO₂ equivalent (CO₂e). Circularity and recycling are key measures, and approximately 80% of Nemak’s products are currently made of recycled aluminum².

¹ As of May 2021

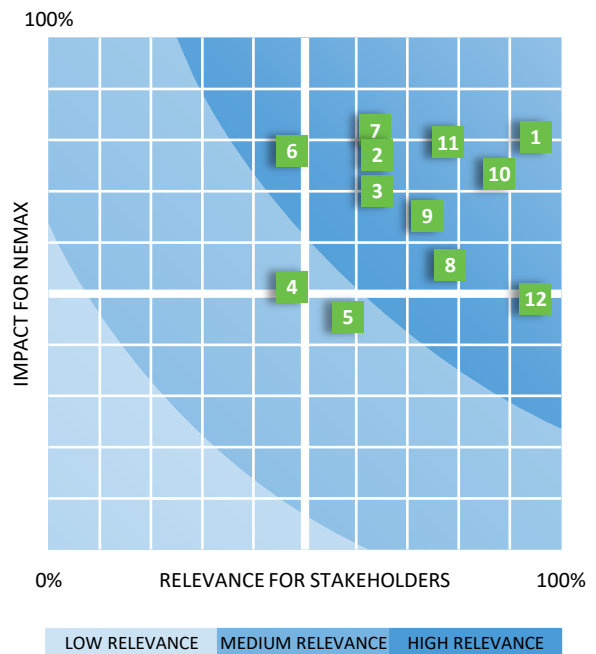
² Values derived by internal life cycle assessments (LCA)

Sustainability Strategy

Nemak strives to maximize value for its stakeholders while simultaneously minimizing its environmental impact. Per the Company’s 2019 materiality analysis, energy efficiency, climate change and emissions strategy, environmental management, water management, and responsibility on materials are the most relevant issues to its stakeholders.

MATERIAL ASPECTS

- 1 Energy Efficiency
- 2 Climate Change and Emissions Strategy
- 3 Environmental Management
- 4 Water Management
- 5 Responsibility on Materials
- 6 Responsible Criteria for Product Development
- 7 Labor Practices
- 8 Health and Safety
- 9 Relations with NGO's and Regulatory Agencies
- 10 Relations with Clients And Suppliers
- 11 Relations with Shareholders
- 12 Wealth Distribution



During 2020, Nemak reassessed its sustainability strategy, identifying areas in need of increased focus and reviewing its long-term priorities in an effort to enhance its contributions toward a more sustainable future.

Nemak has created a dedicated sustainability team in 2020 to improve global collaboration and multisite coordination and a climate task force responsible for developing and implementing its roadmap to net zero. Nemak has appointed one of the members of its Board of Directors as responsible for the oversight of the strategic alignment and integration of the sustainability strategy with the overall business strategy. This role is served by an expert in the field of sustainability and leads the strategic oversight of sustainability and climate related tasks.

Furthermore, Nemak created a Sustainability Steering Committee comprised of managers representing several functional areas within the organization, including Purchasing, Health, Safety and Environment (HSE), Human Resources, Investor Relations, Communications, and Legal and Compliance. The Committee’s purpose is to support the implementation of sustainability-related measures in the

areas where Nematik's operations have the most material impact, such as energy efficiency, climate change and emissions, environmental management, and sustainability in the value chain.

The global sustainability roadmap defined major milestones until 2030, as well as long term goals, including Nematik's goal of carbon neutrality by 2050. In order to achieve the strategic milestone, sustainability targets including those referring to climate protection and carbon neutrality will be reviewed regularly by the Executive team.

The Company's sustainability goals align with the framework of the United Nations Sustainable Development Goals (SDGs) as well as the 10 principles of the UN Global Compact. Nematik proudly participates in some of the most important sustainability indexes, such as the Dow Jones Sustainability Indexes and the FTSE4Good Index Series, as a manifestation of its commitment towards sustainability.

Together with its suppliers and customers, Nematik works to address these issues by focusing its efforts on key material aspects:

Decarbonization

a) Reduction of CO₂ footprint:

- Science-based emissions reductions targets are at heart of the Company's climate strategy. The Company's goal is to define a long-term pathway to climate-neutral production:
 - Reduce Scope 1 and 2 Greenhouse Gas (GHG) emissions by at least 28% by 2030 from a 2019 baseline
 - Reduce Scope 3 GHG emissions from purchased goods and services by at least 14% by 2030 from a 2019 baseline

b) Strategy deployment:

- Green Production: Energy efficiency measures to optimize and lessen energy use wherever possible. Increase the sourcing of renewable energy at Nematik and throughout the supply chain.
- Green Products: Through its Research and Development activities, Nematik increases the use of recycled and end-of-life material, while still meeting its customers' demands for high quality.
- Green Sourcing: Since approximately 70% of Nematik's corporate carbon footprint is generated within its Scope 3 emission profiles, the Company actively engages with its suppliers to include them in its emissions reduction program.

Principle of Circularity and Recycling Strategy

According to the principles of a circular economy, waste and pollution are phased out, products and minerals are kept in use, and natural systems are regenerated. As Nematik strives to work in a circular economy approach, it continues to increase its use of recycled materials, engaging proactively with its supply chain and encouraging similar responsibility among its suppliers, while simultaneously increasing technical collaboration with its customers. The Company addresses pollution from a Scope 3 approach through its e-mobility and structural applications business, helping customers expand their offerings of energy-efficient vehicles and meet increasingly strict emissions regulations in the world's largest automotive markets. Although working in a fully circular economy is a long-term goal, Nematik has already advanced its use of recycled raw materials, namely the aluminum and sand used in its processes.

Today Nematik uses approximately 80% of recycled aluminum in its production processes, significantly reducing its emissions footprint.

Energy and Water management

In accordance with the Company's climate strategy, Nematik is prioritizing increasingly efficient energy use to address the challenge of shifting towards greener and renewable energy options in operations. The Company applies international standards such as ISO 50001 with which 33% of its facilities are already in compliance and targets to improve overall compliance with ISO 50001 in place.

While Nematik does not use water intensively in its production processes, it is aware of the importance of water on a broader, worldwide scale. Therefore, the Company has developed a water management strategy that includes water saving measures, such as: constructing new wastewater treatment plants (Nematik currently owns 23), increasing water recycling, substituting material pollutants in processes, and developing green landscape plans to reduce erosion and improve storm water quality.

Health and Safety

Through the development and implementation of diversity, health and safety, and other policies, the Company assures compliance with protocols that boost employees' personal and professional development in a safe and well-structured environment. Nematik has implemented an occupational health management system that includes health monitoring of employees, risk identification and mitigation, safe work practices, and employee training. The expected **outcomes of the program** are continued improvement in the ratio of issues identified through observations and assessments versus those identified as the result of an incident; reduction in the number and severity of injuries; compliance with legal obligations; improved employee engagement, and lowering the impact of errors and mistakes. In 2020, Nematik invested more than US\$11.5 million in health and safety programs and initiatives, which included US\$4.1 million in COVID-19 controls.

Social well-being and community framework

One of the four pillars of the Company’s sustainability model is to create sustainable value for the communities where it operates. As a responsible corporate citizen, it implements social, cultural and community projects as a core element of its strategy. Nematik sees itself as a local driver of growth, contributing to structural development, education, and equal opportunities in the communities where it is present. Despite the crisis, several initiatives still took place during the year (for more details please visit our annual report).

Overall based on Nematik’s sustainability model, the following long-term goals have been established:

	Objective	Description
Empowerment	Climate Protection	Reduce GHG emissions Scopes 1 & 2 by 28% by 2030 based on 2019; Scope 3 by 14% by 2030 based on 2019, based on Science Based Targets methodology
	Energy Efficient & Renewable Energy	Continuous improvement and energy efficiency by implementing ISO 50001 in all Locations globally. Nematik will increase the percentage of renewable energy in its production processes to 25% by 2025, and to 70% by 2030
	Water & Waste	Minimize water withdrawals and ensure that wastewater discharge meets purity and water quality standards. Reduce the volume of the solid waste stream by implementing waste reduction and recycling programs
Economic Governance	Responsible Management	Continuous improvement in governance and sustainability practices using external ratings as benchmarks and guiding principles
	Responsible Supply Chain	Sustainability as a key fundamental prerequisite for building successful business relations along the value chain
	Circularity & product Stewardship	Continuously reduce the impact of Nematik's products by life cycle assessment of products
Social Well-Being	Diversity & Inclusion	Create an inclusive culture that reflects the diversity of the company and the communities in which the Company operates
	Stakeholder Engagement & Communities	Nematik continuously strives to implement stakeholder tools and mechanisms of interaction, as well as shared value-creating opportunities
	Health & Safety	Continuous reduction in the frequency and severity of actions measured by year-over-year reduction in TRIR (20%), and 10% year-over-year reduction of incidents that result in temporary or permanent Lost-time or restrictions

1.2. Rationale for the Sustainability-Linked Bond Framework

In order to reinforce Nematik’s commitment to address environmental challenges, effect positive impact through its operations and deliver on its commitment to provide sustainable solutions to its clients, Nematik intends to issue Sustainability-Linked Instruments, which may include, but are not limited to Sustainability-Linked Bonds (“SLBs”). As part of each issuance, Nematik will commit to specific environmental outcomes by addressing its GHG Scope 1 and 2 emissions, while setting ambitious science-based timelines to achieve sustainability performance targets that are relevant, core and material to our business. This framework provides a high-level overview of Nematik’s Sustainability-Linked Bonds and investors should refer to the relevant documentation for any specific financing instrument.

2. Nemak Sustainability-Linked Bond Framework

The Sustainability-Linked Bond Principles³ (“SLBP 2020”), as administered by the International Capital Market Association (“ICMA”), are voluntary process guidelines that outline best practices for financial instruments to incorporate forward-looking ESG outcomes and promote integrity in the development of the SLB market by clarifying the approach for issuance of SLBs. Our SLBs are in alignment with the five core components of the SLBP.

- Selection of Key Performance Indicator (KPIs)
- Calibration of Sustainability Performance Targets (SPTs)
- Bond characteristics
- Reporting
- Verification

2.1. Selection of Key Performance Indicators (KPIs)

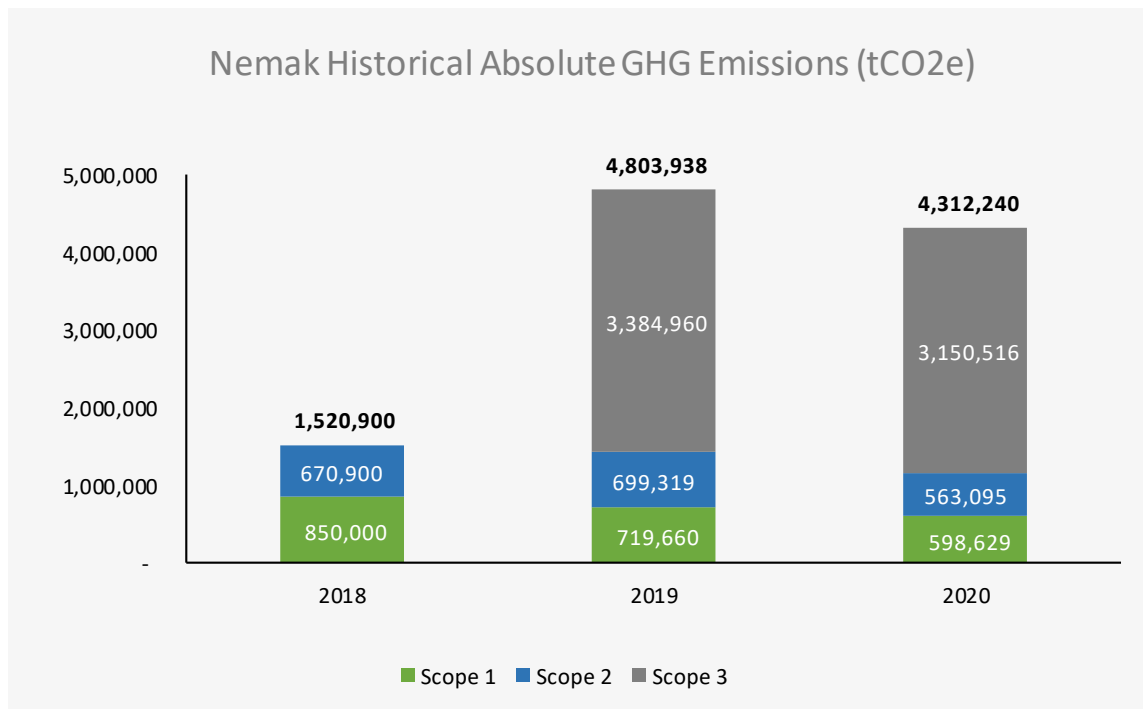
KPI	Absolute Greenhouse Gas (GHG) Emissions - Scope 1 and 2 (in tonnes CO ₂ equivalent)
Baseline	1,418,978 tCO ₂ e (2019)
Sustainability Goal	28% reduction in absolute scope 1 and 2 GHG emissions by 2030 from the 2019 baseline
SDG Alignment	<p>SDG 7: Affordable and Clean Energy. Target 7.2 By 2030, increase substantially the share of renewable energy in the global energy mix. Target 7.3 By 2030, double the global rate of improvement in energy efficiency</p> <p>SDG 9: Industry, Innovation and Infrastructure. Target 9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries acting in accordance with their respective capabilities</p>
Calculation Methodology	<p>Scope 1 and 2 emissions are calculated in line with the GHG Protocol Corporate Standard</p> <p>The calculation uses a blend of market-based and location-based approaches (depending on data availability in certain geographies) to account for scope 2 emissions</p>

³ <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/sustainability-linked-bond-principles-slbp/>

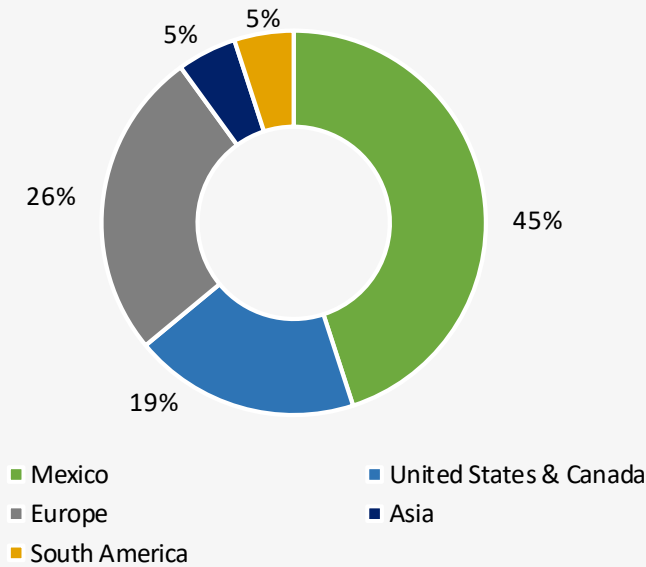
KPI Boundary

KPI covers 99% of the Company's GHG emissions inventory and includes all relevant subsidiary emissions

KPI Background: GHG emissions are a material issue for Nematik and the auto parts casting industry as a whole due to the energy-intensive nature of the business. Scope 1 and 2 emissions accounted for 27% of Nematik's GHG emissions in 2020. Scope 1 emissions were driven by consumption of fossil fuels including Natural Gas (95.85%), LPG (2.08%), Gasoline (0.23%) and Diesel (1.5%) and fuel oil (0.34%) while natural gas-based electricity was the largest contributor to Scope 2 emissions. In line with Nematik's manufacturing footprint, 64% of our Scope 1 and 2 emissions in 2019 were associated with our operations in Mexico, the United States and Canada. Nematik's Scope 1 and 2 emissions reduction strategy is focused on investments in new technology and energy efficiency in manufacturing and renewable energy procurement and self-production.



2019 Absolute Scope 1 and 2 Emissions by region



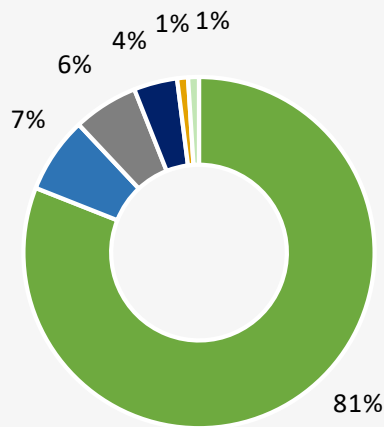
Scope 3 emissions⁴ accounted for ~70% of Nematik’s emissions in recent years. Nematik has established a Science-Based Targets Initiative (SBTi)-approved goal for emissions reduction from purchased goods and services and intends to publicly report on its progress on Scope 3 emissions reduction in its annual reports, including its CDP submissions. We are committed to the long-term strategic investments and customer and supply chain engagement that will be necessary to achieve our science-based target for Scope 3 emissions reduction.

We have chosen to focus on our Scope 1 and 2 emissions for this Framework as we are in the early stages of validating strategies and timelines for reducing emissions associated with the purchase of aluminum and other alloys that account for ~60% of our Scope 3 emissions. We hold regular roundtables with key suppliers to discuss and agree on measures for decarbonization along the whole value chain. We have extended our climate targets to key suppliers and currently have Letters of Commitment in place with 34 key suppliers representing 35% of our Scope 3 emissions from purchased goods and services. Through this process, these suppliers have committed to start measuring and reducing their carbon footprint in alignment with Nematik’s emissions reduction goals. We expect to extend this initiative to cover an additional ~250 suppliers in 2021-2022 with the intention of covering ~70% of our Scope 3 emissions from purchased goods and services. We are currently preparing a 2030 Decarbonization Roadmap for materials procurement and expect to finalize this by November 2021. This Roadmap lays out strategies to increase purchasing and use of low-carbon materials and recycled metals and includes supply chain policies to deprioritize suppliers that are unable to meet our emissions-related specifications and targets.

⁴ At the time of the publication of this Framework, Nematik has not finalized its estimate for Scope 3 emissions for 2018

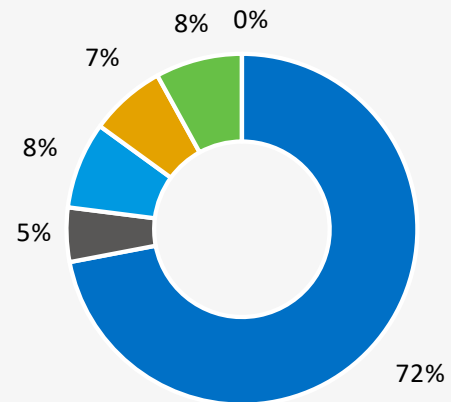
In the long-term, we expect technological improvements and increased customer acceptance to allow us to expand our use of secondary alloys made from recycled materials which will significantly reduce the GHG footprint of our purchased raw materials. However, in the short-to-medium term, given the wide variation in customer specifications and limited availability of low-carbon alloys, we expect to continue seeing significant year-over-year volatility in our Scope 3 emissions, making it extremely challenging to project a 3-5 year trajectory for our Scope 3 emissions.

2019 Scope 3 Emissions Breakdown



- Purchased Goods
- Capital Goods
- Fuel and Energy Related
- Upstream Transport
- Employee Commuting
- Others

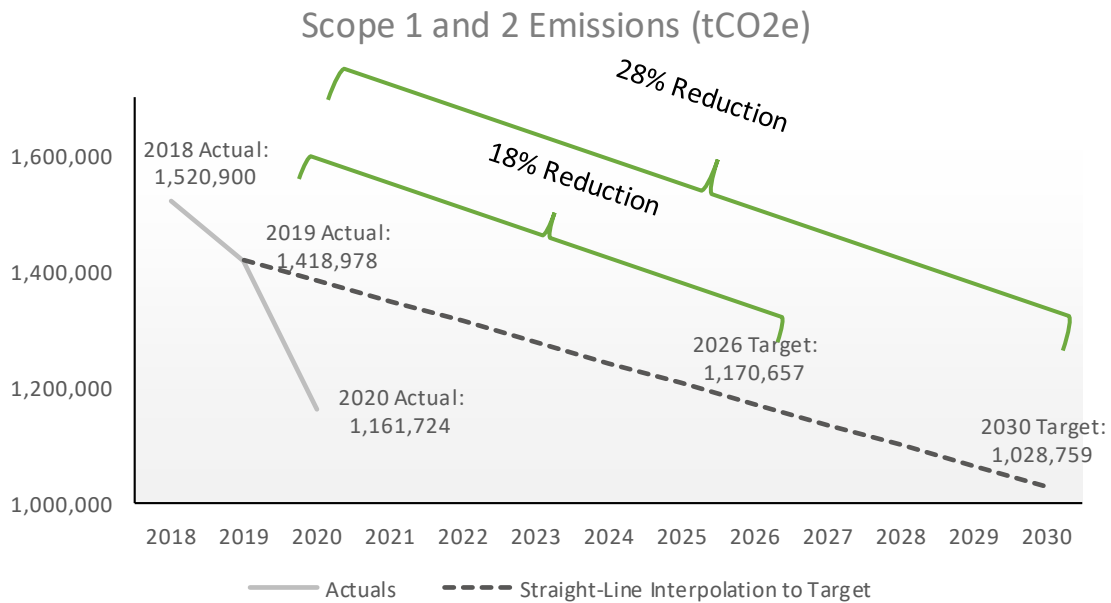
2019 Purchased Goods Emissions Breakdown



- Aluminium Alloys and Scrap
- Contracted Services
- Manufacturing Services
- Spare Parts and Consumable
- Production Materials
- Rest

2.2. Calibration of Sustainability Performance Targets (SPTs)

KPI	Absolute Greenhouse Gas (GHG) Emissions - Scope 1 and 2 (in tonnes CO ₂ equivalent)
SPT 1 (Sustainability Performance Target 1)	Reduce Scope 1 and 2 tCO ₂ e emissions by 18% in 2026 from the 2019 baseline
SPT 1 Observation Date	December 31, 2026
Methodology for calculating SPT	The SPT is based on a linear interpolation of our Goal to reduce absolute scope 1 and 2 GHG emissions by 28% by 2030 from the 2019 baseline which is validated by the Science Based Targets Initiative to be aligned with a well-below 2°C scenario
SPT 2 (Sustainability Performance Target 2)	Reduce Scope 1 and 2 tCO ₂ e emissions by 28% in 2030 from the 2019 baseline
SPT 2 Observation Date	December 31, 2030
Methodology for calculating SPT	The SPT is equivalent to our 2030 Goal to reduce absolute scope 1 and 2 GHG emissions by 28% by 2030 from the 2019 baseline which is validated by the Science Based Targets Initiative to be aligned with a well-below 2°C scenario



SPT Rationale: Nematik has chosen 2019 as the baseline year because it is the first year with robust data collection. Furthermore, 2020 is considered an outlier due to the industry-wide global disruption caused by the COVID-19 pandemic. Historic shutdowns during the first half of 2020 led to a 21% year-over-year decrease in Nematik's production volume. These shutdowns resulted in a GHG emissions reduction of ~17% and ~20% respectively in Scope 1 and 2 emissions relative to 2019. During 2020, Nematik initiated the first steps towards meeting its science-based targets and expects to see improvements in energy efficiency starting to materialize from 2021 onwards.

The SPTs are directly derived from Nematik's SBTi-approved goals for Scope 1 and 2 emissions. In line with SBTi-approval requirements, the potential use of offsets or avoided emissions calculations will not be counted as emissions reduction toward Nematik's SPT achievement progress. We will undertake verification of our historic data for the first time in 2021-2022. Nematik intends to engage with the SBTi regarding our data verification process and our use of market-based emissions factors in certain regions for Scope 2 emissions calculations.

As a result of the ongoing engagement with the SBTi and data verification providers, Nematik may restate our 2019 baseline, modify our KPI calculation methodology and/or adjust our long-term emissions reductions targets. If our targets are adjusted in the future, Nematik is committed to modify the SPTs to appropriately reflect a similar or more ambitious level of emissions reduction as the approved SBTi targets in effect at any point in time. We may also restate the 2019 baseline amount or KPI boundary as a result of material divestment or acquisitions of assets. Any such changes will be communicated within our annual reporting.

Key Factors that support the achievement of the targets:

- Purchase of renewable energies and self-generation of renewable energies:
 - As a first priority, Nematik intends to purchase renewable energy via direct Power Purchase Agreements (PPAs) and virtual PPAs (vPPAs). However, such PPAs may require substantial time to establish and regulatory constraints are expected to limit their potential availability in certain markets such as Mexico, Asia and other regulated countries in Europe
 - As such, Nematik intends to use Energy Attribute Certificates (EACs) as a temporary solution until other mechanisms such as direct PPAs and vPPAs are put in place
 - EACs, PPAs and vPPAs will be combined with green tariffs as well as on-site projects where feasible, with reliance on EACs decreasing substantially over the second half of the 2020s
 - Nematik plans to intensify its own power production by solar (photovoltaic and thermal) and wind power self-generation. We are in the process of evaluating criteria such as

market deregulation and space availability to identify most promising plants for siting renewables. Plans for a solar car park system are currently underway at our location in Dillingen

- Energy efficiency measures and energy source change:
 - Nematik applies energy efficiency measures to optimize and lessen energy use wherever possible. Nematik intends to expand the application of international standards such as ISO 50001, with which 33% of its facilities are already in compliance.
 - Investment into low carbon production technologies and shifting from natural gas to electrified production processes wherever possible and incorporation of new technologies to allow for GHG emissions reduction.
- We implement low-cost administrative programs (see above), wastewater and storm water treatment projects, capital-intensive emissions control systems to reduce significant air pollutants, lighting upgrades, noise-abatement systems, and energy efficiency solutions using the IoT (Internet of Things) and Industry 4.0 technologies
- Nematik organizes sustainability awareness programs for customers and key employees and has regular sustainability training for general staff and sales representatives
- Nematik organizes sustainability assessment and engagement programs for its suppliers, such as yearly round tables for best practice sharing, and has requested key suppliers to sign a Letter of Commitment to Nematik's climate goals
- Nematik intends to establish sustainability criteria for new investment projects
- Strong commitment of the Board of Directors to the Sustainability Strategy

Potential barriers to target achievement:

- Extreme events, such as pandemics and natural disasters.
- Equipment failure, unexpected plant shutdown, among other operational factors.
- Market constraints in availability and pricing of energy efficient equipment and renewable energy.
- Regulatory uncertainty, for example related to the procurement of renewable energy through power purchase agreements.

2.3. Bond Characteristics

Nemak will link at least one of the SPTs defined in this framework to the financial characteristics of its Sustainability-Linked Instrument issuances. For any Sustainability-Linked Instrument aligned with this Framework, if the SPT(s) has not been achieved by the Target Observation Date, a premium will be payable by Nematik, such as, but not limited to a step-up in coupon margin. The amount, timing and mechanism for payment of the premium will be specified in the indenture and other final terms of the instrument.

If, for any reason, the performance level against the SPT(s) cannot be calculated or reported in satisfactory manner supported by a verification assurance certificate provided by an independent auditor, the premium payment will be applicable.

If, for any reason, Nematik does not publish the relevant verification assurance certificate within the time limit as prescribed by the terms and conditions of the indenture of the Sustainability-Linked Instrument, the premium payment will be applicable.

Unless specified in the instrument documentation, no assurance can be provided that the proceeds of the Sustainability-Linked Instruments will be allocated to finance green or social projects.

2.4. Reporting

Nematik will publish a Sustainability-Linked Instrument Report, as a part of its annual sustainability reporting which is available on its Investor Relations website (<https://investors.nematik.com/>) which will include:

- a) up-to-date information on the performance of the KPI, including the baseline where relevant, and a discussion of the progress towards the SPT(s);
- b) a verification assurance certificate relative to the calculation of the KPI as described in Section 2.5.2 below; and
- c) any other relevant information enabling investors to monitor the progress of the SPT(s).

When feasible and possible, the report may also include:

- a) qualitative or quantitative explanations of the contribution of the main factors, behind the evolution of the performance/KPI on an annual basis;
- b) illustration of the positive sustainability impacts of the performance improvement;
- c) any recalculation of the KPI baseline and/or restatement of the SPT in line with SBTi recommendations, if relevant; and
- d) updates on new or proposed regulations from regulatory bodies relevant to the KPIs and the SPTs, if available.

This report will be published during the February-April window after each calendar year-end, and will be provided annually, at least until the date/period relevant for assessing the achievement of the SPT(s) has been reached. Thereafter, Nematik will provide updates related to its GHG emissions performance through its annual sustainability reporting.

2.5. External Review

2.1.1. Second Party Opinion

Nematik will obtain and make publicly available a Second Party Opinion (SPO) from a consultant with recognized environmental and social expertise on the sustainability benefit of this Framework as well as its alignment to the SLBP 2020. The SPO will be available on Nematik's investor relations website.

2.1.2. Verification

While Nematik has not obtained third-party verification for its GHG emissions previously, the Company will seek independent and external verification of the performance level for the stated KPI, including historic data since 2018, by a qualified external reviewer to a limited level of assurance. The verification of the performance of the KPI will be made publicly available in the form of a verification assurance certificate on Nematik's website. The first verification covering 2018 - 2021 data will be provided prior to December 2022. Thereafter, verification will be provided annually, at least until the date/period relevant for assessing the achievement of the SPT(s) has been reached and in connection with any trigger event as specified in specific bond documentation.

Disclaimer

The information and opinions contained in this Nematik Sustainability-Linked Bond Framework (the “Framework”) are provided as at the date of this Framework and are subject to change without notice. None of Nematik or any of its subsidiaries assume any responsibility or obligation to update or revise such statements, regardless of whether those statements are affected by the results of new information, future events or otherwise. This Framework represents current Nematik policy and intent, is subject to change and is not intended to, nor can it be relied on, to create legal relations, rights or obligations. This Framework is intended to provide non-exhaustive, general information. This Framework may contain or incorporate by reference public information not separately reviewed, approved or endorsed by Nematik and accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by Nematik as to the fairness, accuracy, reasonableness or completeness of such information. This Framework may contain statements about future events and expectations that are “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are generally identified through the inclusion of words such as “aim,” “anticipate,” “believe,” “drive,” “estimate,” “expect,” “goal,” “intend,” “may,” “plan,” “project,” “strategy,” “target” and “will” or similar statements or variations of such terms and other similar expressions. Forward-looking statements inherently involve risks and uncertainties that could cause actual results to differ materially from those predicted in such statements. None of the future projections, expectations, estimates or prospects in this document should be taken as forecasts or promises nor should they be taken as implying any indication, assurance or guarantee that the assumptions on which such future projections, expectations, estimates or prospects have been prepared are correct or exhaustive or, in the case of assumptions, fully stated in the Framework. No representation is made as to the suitability of any sustainability-linked instruments or bonds to fulfill environmental and sustainability criteria required by prospective investors. Each potential purchaser of such instruments or bonds should determine for itself the relevance of the information contained or referred to in this Framework or the relevant documentation for such instruments or bonds. However, nothing in this Framework is intended to modify or add to any covenant or other contractual obligation undertaken by Nematik in any sustainability-linked instruments or bonds that may be issued in accordance with this Framework. This Framework does not create any legally enforceable obligations against Nematik; any such legally enforceable obligations relating to any SLBs are limited to those expressly set forth in the indenture and notes governing such SLBs. Therefore, unless expressly set forth in the indenture and the notes governing such SLBs, it will not be an event of default or breach of contractual obligations under the terms and conditions of any such SLBs if Nematik fails to adhere to this Framework, whether by failing to complete eligible programs or projects or by failing (due to a lack of reliable information and/or data or otherwise) to provide investors with reports on environmental impacts as anticipated by this Framework, or otherwise. In addition, it should be noted that all of the expected benefits of the eligible programs or projects as described in this Framework may not be achieved. Factors including (but not limited to) market, political and economic conditions, the potential barriers described in section 2.2, changes in government policy (whether due to a change in the composition of the government or otherwise), changes in laws, rules or regulations, the lack of available eligible programs or projects being initiated, failure to complete or implement programs or projects and other challenges, could limit the ability to achieve some or all of the expected benefits of these initiatives, including the funding and completion of eligible programs or projects. Each environmentally focused potential investor should be aware that eligible programs or projects may not deliver the environmental or sustainability benefits anticipated and

may have negative impacts. This Framework does not constitute a recommendation regarding any securities of Nematik or any subsidiary of Nematik. This Framework is not, does not contain and may not be intended as an offer to sell or a solicitation of any offer to buy any securities issued by Nematik or any subsidiary of Nematik. In particular, neither this document nor any other related material may be distributed or published in any jurisdiction in which it is unlawful to do so, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession such documents may come must inform themselves about, and observe, any applicable restrictions on distribution. Any decision to purchase any SLBs should be made solely on the basis of the information to be contained in any offering document provided in connection with the offering of such SLBs. Prospective investors are required to make their own independent investment decisions.