



# 2024 SUSTAINABILITY REPORT

# TABLE OF CONTENTS

## 3 INTRODUCTION

- 4 Letter from the President & CEO
- 6 About Neapco
- 10 About this Report
- 11 Year in Review
- 13 Materiality
- 14 Sustainability Governance
- 15 United Nations Sustainable Development Goals

## 17 ENVIRONMENT

- 18 Environment Introduction
- 20 Impact Summary
- 21 Climate & Greenhouse Gas Emissions
- 24 Energy Management
- 28 Sustainable Materials
- 30 Waste Management & Circularity
- 33 Water Management

## 36 SOCIAL

- 37 Social Introduction
- 38 Health & Safety
- 45 Employment Practices
- 48 Training, Education & Development
- 50 Community Impact

## 52 GOVERNANCE

- 53 Governance Introduction
- 54 Sustainability Governance & Risk Management
- 58 Responsible Procurement

## 60 PLANNED INITIATIVES

## 61 APPENDIX

- 62 GRI Content Index
- 69 SASB Index
- 70 TCFD Index
- 72 AA1000 Assurance Statement

INTRODUCTION  
3

ENVIRONMENT  
17

SOCIAL  
36

GOVERNANCE  
52

APPENDIX  
61



# INTRODUCTION

- 4 Letter from the President & CEO
- 6 About Neapco
- 10 About this Report
- 11 Year in Review
- 13 Materiality
- 14 Sustainability Governance
- 15 United Nations Sustainable Development Goals

# LETTER FROM THE PRESIDENT & CEO

## Dear Stakeholders,

As the President and CEO of Neapco, I am proud to present our annual sustainability report. As a company with over a century of experience, we have continually evolved in response to changing industry requirements. Our longevity has given us the perspective to know the importance of the need to adapt in order to thrive as the industries we serve also evolve. Amidst a rapidly shifting business environment, our integrated approach to sustainability strengthens our business resilience and enables continued improvement.

In 2024, we led the way as a provider of driveline solutions, achieving milestones that underscore our dedication to sustainable practices.

These accomplishments included:

- **Double materiality assessment:** We completed a refresh of our materiality assessment using a double materiality approach, ensuring our sustainability program integrates all stakeholder expectations and is aligned with our business strategy.
- **GHG target validation:** We validated our greenhouse gas (GHG) emissions reduction targets by the Science Based Targets Initiative (SBTi), confirming that our targets align with the latest climate science.
- **Emissions decrease:** We decreased our scope 1 and 2 (market-based) GHG emissions by roughly 5% compared to 2023.
- **Climate change assessment:** We earned a B score in the CDP Climate Change assessment, demonstrating our strong management of GHG emissions and climate-related risks and opportunities.
- **Workplace safety:** We upheld workplace safety by achieving a recordable incident rate of 2.23, 8% lower than our

industry average, and with a focus on continuous improvement.

- **Award for top workplace for women:** We won a Great Place to Work® award at our facility in Mexico, recognizing us as one of the country's top workplaces for women, and an ESR® Badge designating us as a socially responsible company.
- **EcoVadis score improvement:** We increased our EcoVadis score by 10 points compared to 2023, reflecting our ongoing commitment to improving our sustainability performance across ethics, labor and human rights, procurement, and environmental impact areas.

While reaching these milestones, we remained steadfast in our core values of passion, partnership, teamwork, integrity, agility, and diversity.

## PASSION, PARTNERSHIP & TEAMWORK

Our passion to be the best at everything we do is fueled by our partnership and teamwork approach. Our innovative, cutting-edge solutions are made possible through collaboration with our team members, customers, suppliers, communities, and shareholders. In recent years, our collaborative efforts have been recognized through honors such as **General Motors' Top Global Supplier of 2023 and 2024**, and **Ford's Aligned Business Framework World Excellence Award**. Moving forward, we will continue to work toward our vision of being an industry leader in sustainability practices focused on driving a future of shared prosperity for our customers, employees, suppliers, and the communities in which we operate. We are grateful for the support of our stakeholders and the hard work of our employees, who are the driving force behind our success. Thank you for your continued trust and partnership.

## INTEGRITY, AGILITY & DIVERSITY

By building trust, responding promptly to shifting market needs, and embracing diverse experiences and ideas that inspire innovation, we continue to excel and stay ahead in the ever evolving automotive industry. In 2024, Crain's Detroit Business ranked Neapco on its annual list of the top 50 fastest-growing companies in Detroit, an honor that has been bestowed upon Neapco in 2017 and 2019 as well. This list highlights our revenue increases from 2020 to 2023, which were made possible by our strategic, sustainable actions, including expanding our electric vehicle product portfolio, continuously improving our traditional combustion-propulsion driveline operations, and implementing new designs.



Sincerely,

A handwritten signature in black ink, appearing to read "Ken Hopkins". The signature is fluid and cursive.

**Ken Hopkins**  
**President & CEO**  
Neapco

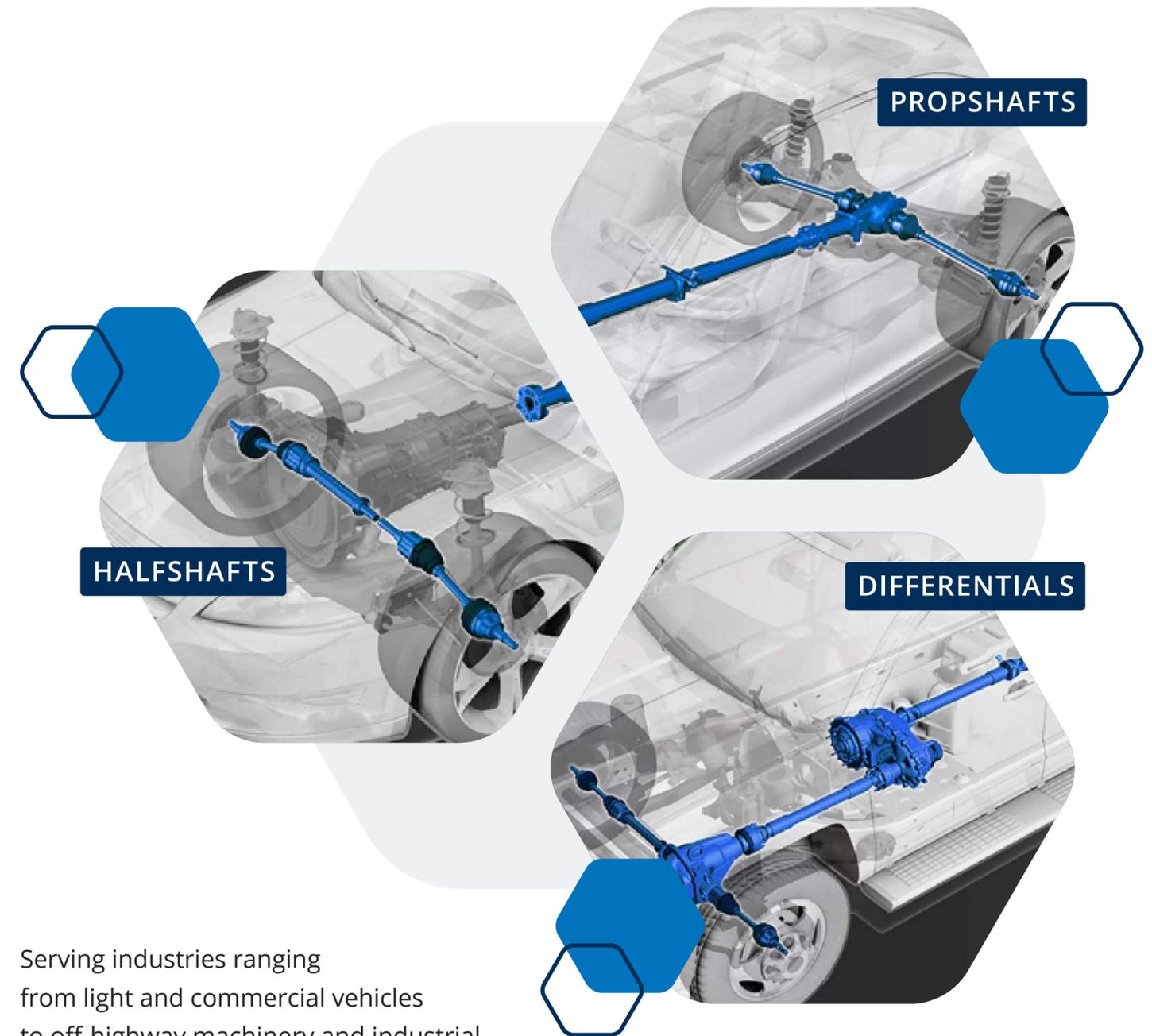
Moving forward, we will continue to work toward our vision of being an industry leader in sustainability practices focused on driving a future of shared prosperity for our customers, employees, suppliers, and the communities in which we operate. We are grateful for the support of our stakeholders and the hard work of our employees, who are the driving force behind our success.

**Thank you for your continued trust and partnership.**



## ABOUT NEAPCO

Neapco Holdings LLC (“Neapco”) is a privately held, multinational corporation headquartered in Farmington Hills, MI, U.S. Established in 1921, Neapco has grown into a trusted global supplier of high-quality, cost-effective driveline systems and components for diverse markets.



Serving industries ranging from light and commercial vehicles to off-highway machinery and industrial applications, Neapco designs and manufactures propshafts, halfshafts, castings, differentials, and related driveline solutions tailored to customer needs.



With more than 3,200 team members worldwide, Neapco operates in 9 locations across the United States, Germany, Poland, China, Mexico, and Turkey, delivering value through an integrated global value chain that includes advanced product design and engineering, precision manufacturing, and responsive aftermarket support. Our collaborative approach fosters strong relationships with tiered suppliers, Original Equipment Manufacturers (OEM), and other key stakeholders across our operations.

Neapco's continued growth is underpinned by our dedication to delivering innovative solutions, supporting the transition to electrified and sustainable mobility, and meeting the highest standards of quality and customer satisfaction.



**9** locations



**3,200**  
team members

## OUR VISION

Neapco aspires to be the first choice globally for our customers, suppliers, team members, and our shareholders.

## Our Mission

Neapco's Mission is to deliver highly valued products, solutions, and services to our customers in geographies where they operate. This is accomplished through an agile and open-minded team approach with a relentless focus on our partnerships.

*We commit to be the best at everything we do by focusing on **safety, quality, operational excellence, people development, environmental sustainability, and continuous improvement.***

Neapco firmly believes by accomplishing our Mission, attractive and sustainable returns will be created.

## Our Values



### PASSION

Enthusiastic and energetic; dedicated to be the best



### PARTNERSHIP

Valuing our customers, suppliers, team members, communities, and shareholders



### TEAMWORK

Working together we are stronger, holding one another accountable



### INTEGRITY

Trust and honesty; recognizing our reliance on our external relationships and each other



### AGILITY

Moving quickly and easily in all aspects of our business



### DIVERSITY

Embracing the gift of culture; respecting each other, accepting various points of view, keeping an open mind

## Our Membership Associations

Neapco actively participates in leading industry and professional organizations to advance quality, sustainability, and responsible business practices across our global operations and supply chain.

### AMERICAN SOCIETY FOR QUALITY (ASQ)

A global leader in quality management, offering resources, training, and certifications to help organizations continually improve products, processes, and systems.

### AUTOMOTIVE INDUSTRY ACTION GROUP (AIAG)

A not-for-profit organization that develops and promotes industry standards and best practices in quality, supply chain management, and corporate responsibility for the automotive sector.

### AUTOMOTIVE WOMEN'S ALLIANCE FOUNDATION (AWAF)

A non-profit organization dedicated to empowering women in the automotive and related mobility industries.

### GERMAN ASSOCIATION OF THE AUTOMOTIVE INDUSTRY (VDA)

An association based in Berlin and the joint interest group for German automobile manufacturers and suppliers.

### INTERNATIONAL SOCIETY OF SUSTAINABILITY PROFESSIONALS (ISSP)

A global professional network supporting sustainability practitioners through knowledge sharing, best practice development, and professional growth in sustainability management.

### MICHIGAN MINORITY SUPPLIER DEVELOPMENT COUNCIL (MMSDC)

A community of entrepreneurs, corporate executives, and economic development leaders committed to the elimination of discrimination in all areas of business and works to ensure equal opportunity in markets, capital access, and business connections

### MOTOR & EQUIPMENT MANUFACTURERS ASSOCIATION (MEMA)

An association representing automotive parts suppliers in North America, providing advocacy, market insights, and opportunities for industry collaboration.

### NATIONAL CHAMBER OF THE TRANSFORMATION INDUSTRY (CANACINTRA)

An organization that represents Mexico's industrial sector. Its objective is to promote the competitiveness and productivity of companies, supporting them in staying up-to-date and becoming socially responsible, innovative agents.



## ABOUT THIS REPORT



Neapco's 2024 Sustainability Report provides a transparent account of our global sustainability performance and progress for the calendar year 2024. This report, published in September 2025, covers Neapco operations and is published annually to share our commitments, key impacts, and ongoing initiatives with stakeholders.

This report has been prepared in accordance with the Global Reporting Initiative (GRI) Universal Standards and includes additional disclosures aligned with the Sustainability Accounting Standards Board (SASB), the Task Force on Climate-related Financial Disclosures (TCFD), and the United Nations Sustainable Development Goals (UN SDGs). Our disclosures are supported by a third-party moderate assurance engagement conducted according to the AA1000 Assurance Standard.

While Neapco is currently out of scope for the Corporate Sustainability Reporting Directive (CSRD), which mandates the use of the European Sustainability Reporting Standards (ESRS), we have conducted a double materiality assessment and mapped our material topics to corresponding ESRS topics to prepare for future compliance.

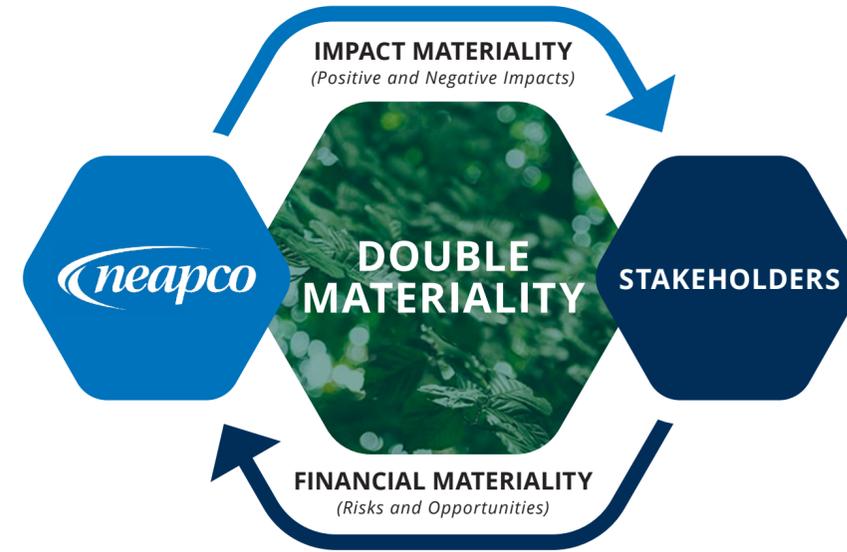
We continue to prioritize clear, consistent sustainability communication and measurable progress across our global operations and value chain. For questions about this report or its contents, please contact [marketing@neapco.com](mailto:marketing@neapco.com).

# YEAR IN REVIEW



## Earned a B Score in the CDP Climate Change Assessment

Neapco earned a B score in the 2024 CDP Climate Change assessment, reflecting our structured and proactive approach to managing emissions and climate-related risks and opportunities. This “Management” level rating indicates that we are taking meaningful action to address climate issues and demonstrates our growing maturity in governance, transparency, and value chain engagement. It also places us ahead of many industry peers in terms of climate strategy and disclosure.



## Refreshed Materiality Assessment Using Double Materiality Approach

We completed our first double materiality assessment, aligning with leading global frameworks, including the GRI and ESRS. While Neapco has conducted materiality assessments in the past, this refresh marks a strategic evolution because it considers both how sustainability topics impact people and the environment, as well as how they may pose risks or create opportunities for our business. This holistic approach enables us to better prioritize what matters most and provides a stronger foundation for future reporting and strategy.





### Validated our Near-Term GHG Reduction Targets by the Science Based Targets Initiative

Our near-term climate targets have been approved by SBTi, the gold standard for validating climate targets. This approval means that Neapco's GHG emissions reduction targets align with the latest climate science, which aims to limit global warming to 1.5°C above pre-industrial levels.



### Awarded EcoVadis Committed Badge

Neapco was awarded the EcoVadis Committed Badge for progress in embedding responsible business practices into our operations. EcoVadis is a globally recognized sustainability rating platform that evaluates companies on key topics such as environment, labor and human rights, ethics, and sustainable procurement. This badge affirms our commitment to continuous improvement and transparency.



# MATERIALITY

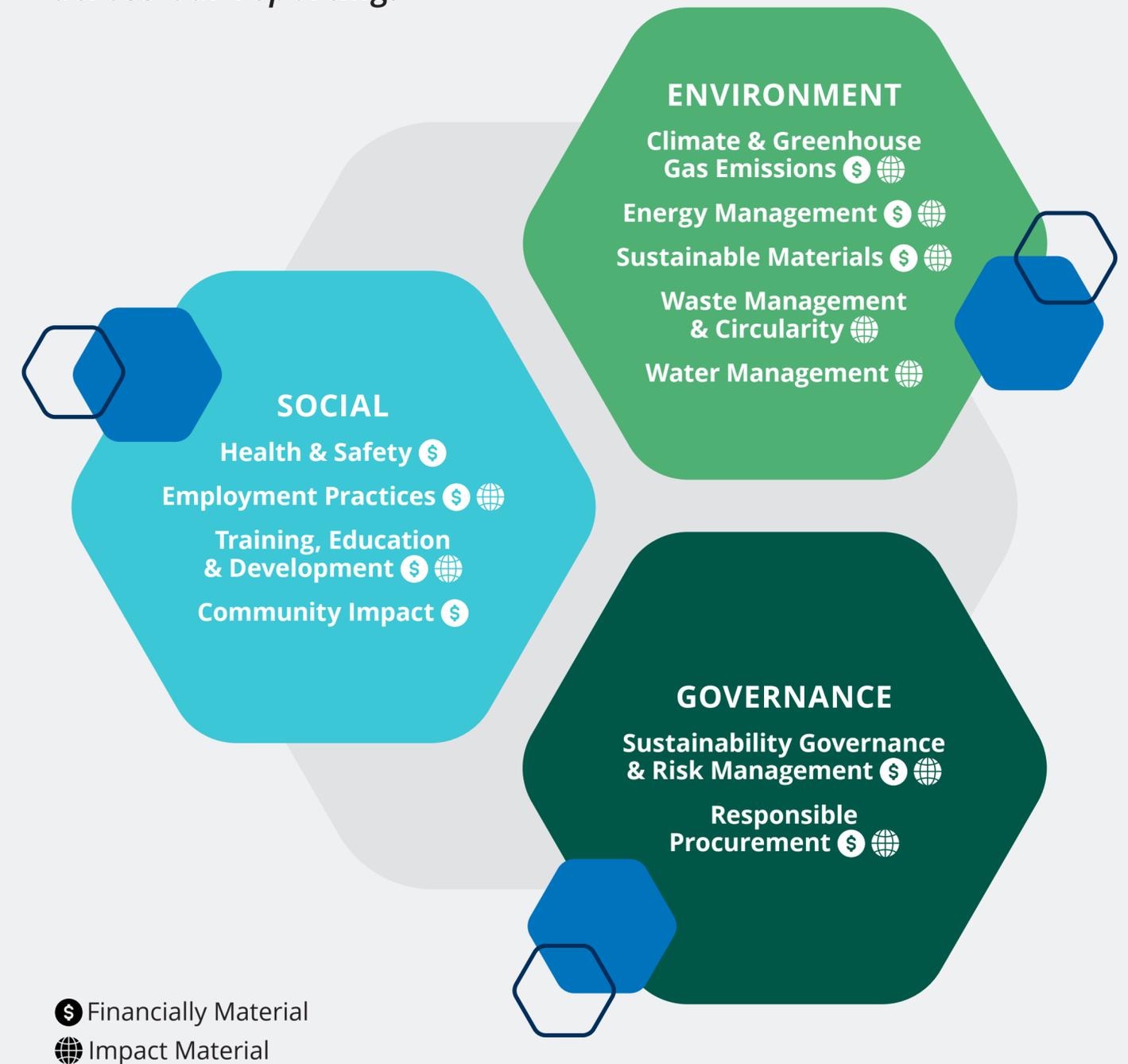
In early 2025, Neapco conducted a refresh of its material topics for reporting on the 2024 fiscal year, marking the company's first materiality assessment aligned with GRI's double materiality approach. This assessment considered both the actual and potential, and positive and negative, impacts of Neapco's operations and value chain on people and the environment, as well as financially material risks and opportunities that could influence the company's long-term performance and resilience.

Neapco partnered with an independent consulting firm to guide this process. Material topics were identified through a review of industry peers and customer expectations, benchmarking against recognized frameworks such as EcoVadis, SASB, and the automotive industry's Supplier Assessment Questionnaire (SAQ), as well as engagement with internal stakeholders. Interviews were conducted with company leadership and functional leads across regions and across strategy, finance, operations, human resources, sales, continuous improvement, and procurement. To further validate the findings, a structured questionnaire based on industry research was completed by Neapco subject-matter experts to confirm topic relevance and completeness.

Identified impacts were evaluated based on their severity, considering scale, scope, likelihood, and reversibility. Risks and opportunities were assessed for their potential financial implications and likelihood of occurrence. These considerations were evaluated across short-, medium-, and long-term time horizons to ensure that both current and emerging issues were addressed appropriately. Topics exceeding Neapco's defined thresholds for either impact or financial materiality were prioritized for ongoing management and disclosure. All material topics were communicated to Neapco's executive leadership team.

This refreshed materiality assessment demonstrates Neapco's commitment to addressing evolving sustainability priorities, stakeholder expectations, and industry trends. Notable disclosure updates include the addition of **Economic Performance (GRI 201)** to address the financial implications of climate change, and **Materials (GRI 301)** to demonstrate Neapco's dedication to supporting customers' goals for increased use of recycled and low-carbon materials. **Customer Health & Safety (GRI 416)** was added to highlight Neapco's commitment to delivering safe, high-quality products. In governance, **Procurement Practices (GRI 204)** was included to capture growing attention to local sourcing within an increasingly complex global trading environment.

*The materiality assessment framework helps keep Neapco's sustainability strategy and disclosures **focused on the issues that matter most to stakeholders and long-term business success**. It supports **informed decision-making and strengthens transparency across our reporting**.*



# SUSTAINABILITY GOVERNANCE

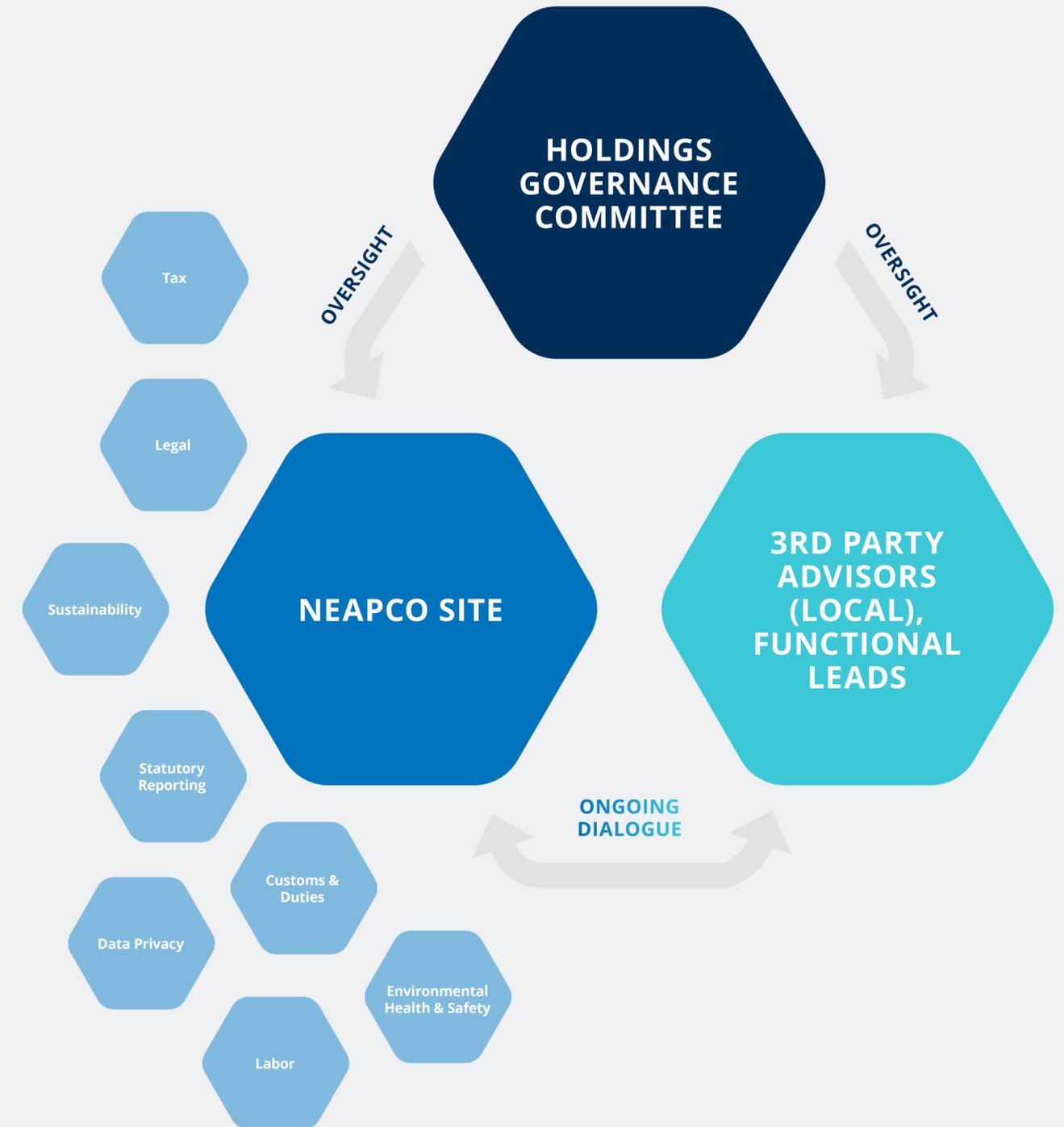
Neapco's sustainability governance model starts from the top. As a privately held company with a single owner, our executive team guides our company's strategic direction. Our CEO and COO are responsible for approving our sustainability strategy and providing support for its implementation.

Neapco has established a governance structure to provide oversight, ensure engagement, and promote accountability. This structure includes a **Governance Committee** composed of the CEO, CFO (who also serves as the Committee Chairperson), CCO, COO, Vice President of Human Resources, Vice President of Purchasing, a leadership representative from each global location, and a subject matter expert for each compliance topic. The Governance Committee meets at least annually to discuss regulatory and legal compliance topics. On the topic of sustainability, these meetings include discussions on Neapco's climate strategy and climate-related targets and objectives. In addition to climate-related initiatives, the Governance Committee also provides support and resources for continued improvement across our other material topics.

Neapco also has a Global Sustainability Team working to drive the execution of our sustainability initiatives. This team includes a Senior Director, Global Sustainability; a Project Manager for Global Supply Chain Sustainability; a Global Sustainability Coordinator; and a Global Environmental, Health, Safety & Sustainability Manager. This team reports to the Vice President, Human Resources, and collaborates cross-functionally across all Neapco locations.

To provide structure for this collaboration, we have Global Focus Teams that advance key impact areas:

- Energy, waste, & water
- Supply chain
- Health & safety
- Training & awareness
- Belonging





# UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

The United Nations Sustainable Development Goals (UN SDGs) are a set of 17 global objectives aimed at fostering a more sustainable and equitable world by 2030, addressing urgent environmental, social, and economic challenges. Each goal includes specific targets and indicators intended primarily to guide national government action. However, they also provide businesses like Neapco with a valuable framework to align company priorities and initiatives with global sustainable development efforts.

## SDG TARGET

▶ Neapco's Contribution

**Neapco is committed to aligning our material topics with the Sustainable Development Goals.** This overview illustrates how these topics connect to specific SDGs and the actions we are taking to support progress in these areas. Although the SDG targets are designed for national governments, we apply them as a framework to shape our business practices and measure our contributions. Looking ahead, Neapco will continue to use the SDGs and their targets to guide our sustainability strategy, track our progress, and define what success means for each priority area.

### 3 GOOD HEALTH AND WELL-BEING



**MATERIAL TOPIC: HEALTH & SAFETY**

#### TARGET 3.6

Reduce deaths and injuries from road traffic accidents.

- ▶ We help enhance road safety through the design and production of high-quality, reliable propshafts and driveline components, which reduce the risk of failures that could contribute to vehicle accidents.

#### TARGET 3.8

Ensure access to quality health coverage and financial protection for all.

- ▶ Neapco offers competitive benefits tailored to each of our global locations. Benefits programs are designed to enhance both personal well-being and professional growth. By aligning with local standards while maintaining a global commitment to excellence, we make sure every team member feels valued and supported.

### 7 AFFORDABLE AND CLEAN ENERGY



**MATERIAL TOPIC: ENERGY MANAGEMENT**

#### TARGET 7.2

Increase the share of renewable energy in the global energy mix.

- ▶ We work to reduce our reliance on fossil fuels by purchasing renewable energy and conducting solar feasibility assessments to expand our use of clean, on-site energy generation.

#### TARGET 7.3

Double the rate of improvement in energy efficiency.

- ▶ Neapco implements energy-efficient technologies and management systems across our operations, including the use of ISO 50001-certified frameworks at select sites.

### 8 DECENT WORK AND ECONOMIC GROWTH



**MATERIAL TOPICS: EMPLOYMENT PRACTICES, TRAINING & EDUCATION, RESPONSIBLE PROCUREMENT**

#### TARGET 8.5

Achieve full and productive employment and decent work for all.

- ▶ Neapco provides fair and competitive employment opportunities to all team members, enabling them to plan and achieve their career goals through training, development, and engagement programs.

#### TARGET 8.8

Protect labor rights and promote safe and secure working environments for all workers.

- ▶ We uphold labor rights and maintain safe and secure working conditions across our operations. We are also responsible for labor practices within our supply chain through supplier assessments and engagement.

## 11 SUSTAINABLE CITIES AND COMMUNITIES



**MATERIAL TOPIC:**  
COMMUNITY IMPACT

### TARGET 11.A

Support positive economic, social and environmental links between urban, peri-urban and rural areas.

- ▶ We contribute to stronger local communities through charitable giving, employee-led volunteerism, and long-standing partnerships with local organizations. These efforts foster positive social and economic ties in the regions where we operate, reflecting our commitment to being a responsible corporate neighbor.

### SDG TARGET

- ▶ Neapco's Contribution

## 12 RESPONSIBLE CONSUMPTION AND PRODUCTION



**MATERIAL TOPICS:**  
SUSTAINABLE MATERIALS,  
WASTE MANAGEMENT  
& CIRCULARITY,  
WATER MANAGEMENT

### TARGET 12.2

Achieve the sustainable management and efficient use of natural resources.

- ▶ We work to reduce raw material use and improve water efficiency across our operations through lean manufacturing, process optimization, and site-level initiatives that support long-term resource sustainability.

### TARGET 12.5

Substantially reduce waste generation through prevention, reduction, recycling, and reuse.

- ▶ Our waste strategy is guided by the principles of reducing, reusing, and recycling, and we aim for zero waste to landfill over time.

### TARGET 12.6

Encourage companies to adopt sustainable practices and integrate sustainability information into their reporting cycle.

- ▶ Neapco publishes annual sustainability reports that align with leading frameworks, including the GRI Standards and TCFD framework.

## 13 CLIMATE ACTION



**MATERIAL TOPICS:**  
CLIMATE & GREENHOUSE  
GAS EMISSIONS

### TARGET 13.1

Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.

- ▶ Neapco assesses climate-related risks and integrates them into our enterprise risk management processes, laying the groundwork for future efforts to strengthen resilience.

### TARGET 13.2

Integrate climate change measures into national policies, strategies, and planning.

- ▶ We measure and manage our GHG emissions through an annual inventory aligned with the Greenhouse Gas Protocol and implement a climate transition plan to reduce emissions over time.

## 16 PEACE, JUSTICE AND STRONG INSTITUTIONS



**MATERIAL TOPICS:**  
SUSTAINABILITY  
GOVERNANCE &  
RISK MANAGEMENT

### TARGET 16.6

Develop effective, accountable and transparent institutions at all levels.

- ▶ We maintain internal governance systems that promote ethical conduct, responsible decision-making, and oversight of sustainability-related risks. Our Sustainability Governance Committee sets targets, tracks progress, and promotes accountability across the organization, while cross-functional teams help integrate sustainability into core operations and enterprise risk management



# ENVIRONMENT

- 18 Environment Introduction
- 20 Impact Summary
- 21 Climate & Greenhouse Gas Emissions
- 24 Energy Management
- 28 Sustainable Materials
- 30 Waste Management & Circularity
- 33 Water Management

# ENVIRONMENT INTRODUCTION

At Neapco, we view environmental responsibility not only as an operational imperative but as a driver of innovation and long-term value creation. As we design and deliver solutions for the mobility industry, we are guided by a vision of sustainability that extends beyond compliance, striving to minimize our environmental footprint, enhance efficiency, and contribute to a cleaner, more resilient future.

Our environmental expectations are anchored in Neapco's [Global Environmental Policy](#), which outlines our commitment to sustainable operations, regulatory compliance, and continuous improvement. The policy emphasizes that environmental stewardship is a shared responsibility across all levels of the organization.

To reinforce this commitment, environmental training has been implemented in 100% of Neapco's manufacturing facilities, ensuring that sustainability awareness is consistently promoted across all operational sites.

Due to the launch of our Learning Management System (LMS) this year, in 2025, we expect to extend environmental training to all Neapco locations, increasing the percentage of employees who receive it.

## **Our training topics include, but are not limited to:**

- Carbon footprint and emissions
- Circular economy
- Corporate social responsibility
- Energy
- Environmental management systems (ISO 14001)
- Introduction to sustainability
- Sustainability ethical insights
- Sustainability risk in supply chains
- Water conservation
- Waste

In addition to our internal training, through our [Supplier Requirements Manual](#), we ask our suppliers to uphold Neapco's environmental standards and align with internationally recognized sustainability principles.

As outlined in the Sustainability Governance section of this report, Neapco's environmental strategy is overseen by the Governance Committee and implemented through coordinated action across all levels of the organization. At the operational level, site-specific environmental teams focus on managing energy, water, and waste. These teams play a critical role in collecting facility-level data, driving local improvements, and sharing best practices across Neapco's global facilities. Together, these groups keep our environmental efforts data-driven, collaborative, and aligned with our long-term goals.



We also have Global Focus Teams that play a key role in driving improvement initiatives aligned with Neapco's global sustainability strategy. These teams focus on areas such as waste reduction, energy efficiency, increased use of renewable energy, and the reduction of greenhouse gas (GHG) emissions. By fostering collaboration and sharing best practices across sites, the teams help accelerate progress toward our environmental goals and support the integration of sustainability into operational decision-making. Through these teams, we provide a systemic approach to implementing our sustainability strategy, including:

- Developing high-performance teams in sustainability projects
- Achieving global goals through local project efforts
- Ensuring successful implementation through the adaptation of processes, projects, or improvements
- Supporting, guiding, and providing the tools and capabilities that sites need to implement the system



*Environmental risk assessments have been conducted at 100% of our manufacturing sites*

Currently, **56% of our operating sites are certified to ISO 14001, with the remaining locations actively working toward certification.** Additionally, environmental risk assessments have been conducted at 100% of our manufacturing sites, enabling us to proactively identify potential risks and implement effective controls. These systems provide the operational backbone for implementing our environmental strategy, ensuring compliance, mitigating risk, and driving continuous improvement.

In 2024, we added **Sustainable Materials** as a standalone topic to reflect its critical influence on our environmental footprint and role in advancing climate goals. Material efficiency and innovation are key to reducing upstream impacts and advancing more sustainable mobility solutions.

This section outlines our management approach and performance across Neapco's five environmental material topics:

- CLIMATE & GREENHOUSE GAS EMISSIONS**
- ENERGY MANAGEMENT**
- SUSTAINABLE MATERIALS**
- WASTE MANAGEMENT & CIRCULARITY**
- WATER MANAGEMENT**

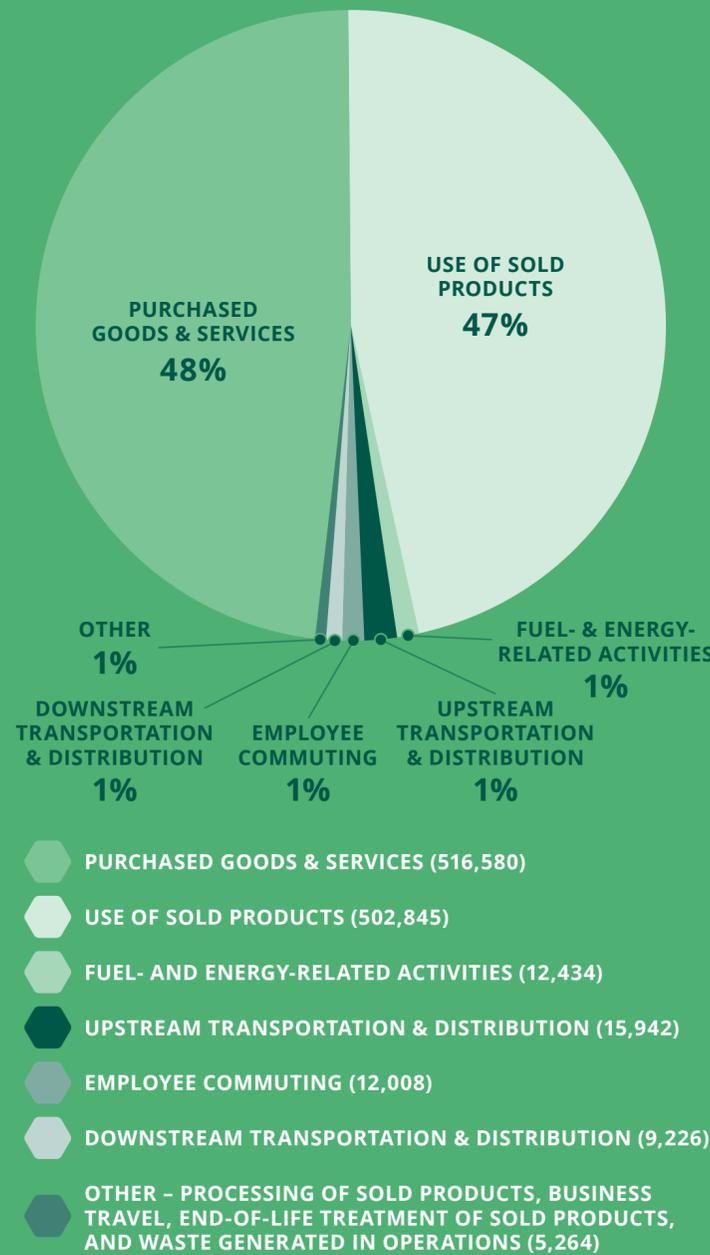
# IMPACT SUMMARY

## GHG Emissions

### ANNUAL SCOPE 1 & 2 GHG EMISSIONS



### 2024 SCOPE 3 GHG EMISSIONS BREAKDOWN (MT CO2e)

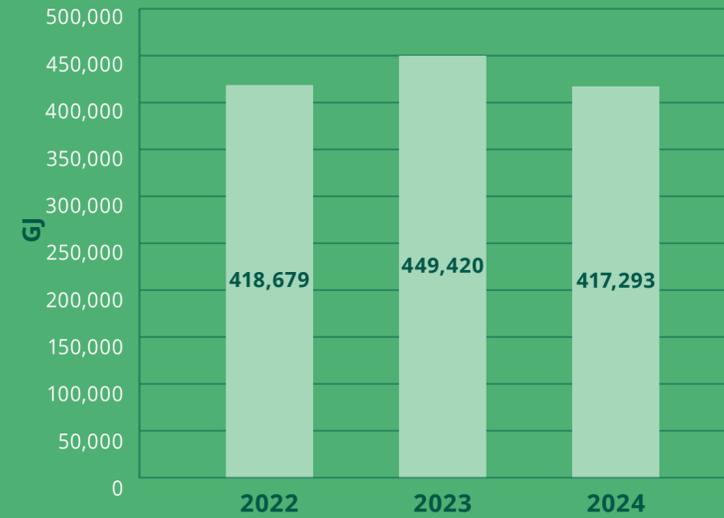


### SCOPE 1, 2 & 3 GHG EMISSIONS INTENSITY



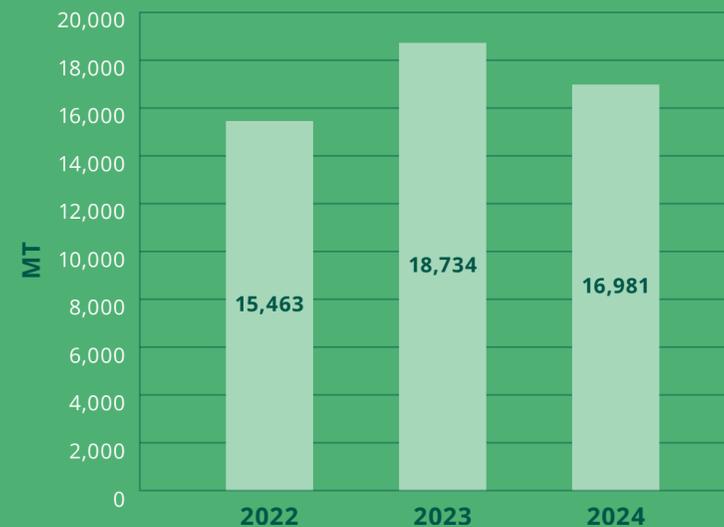
## Energy

### TOTAL ANNUAL ENERGY CONSUMPTION



## Waste

### TOTAL WASTE GENERATED

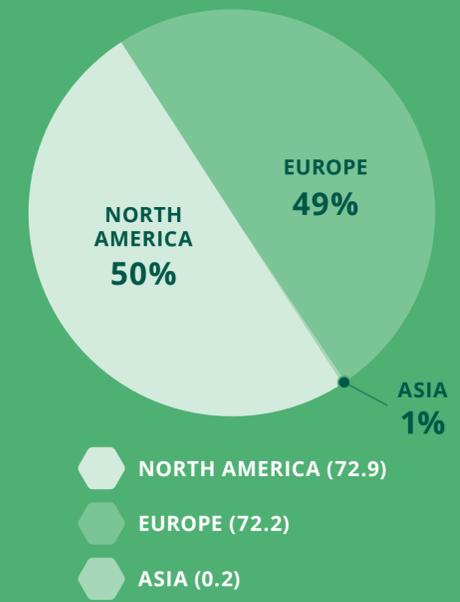


## Water

### TOTAL ANNUAL WATER WITHDRAWAL

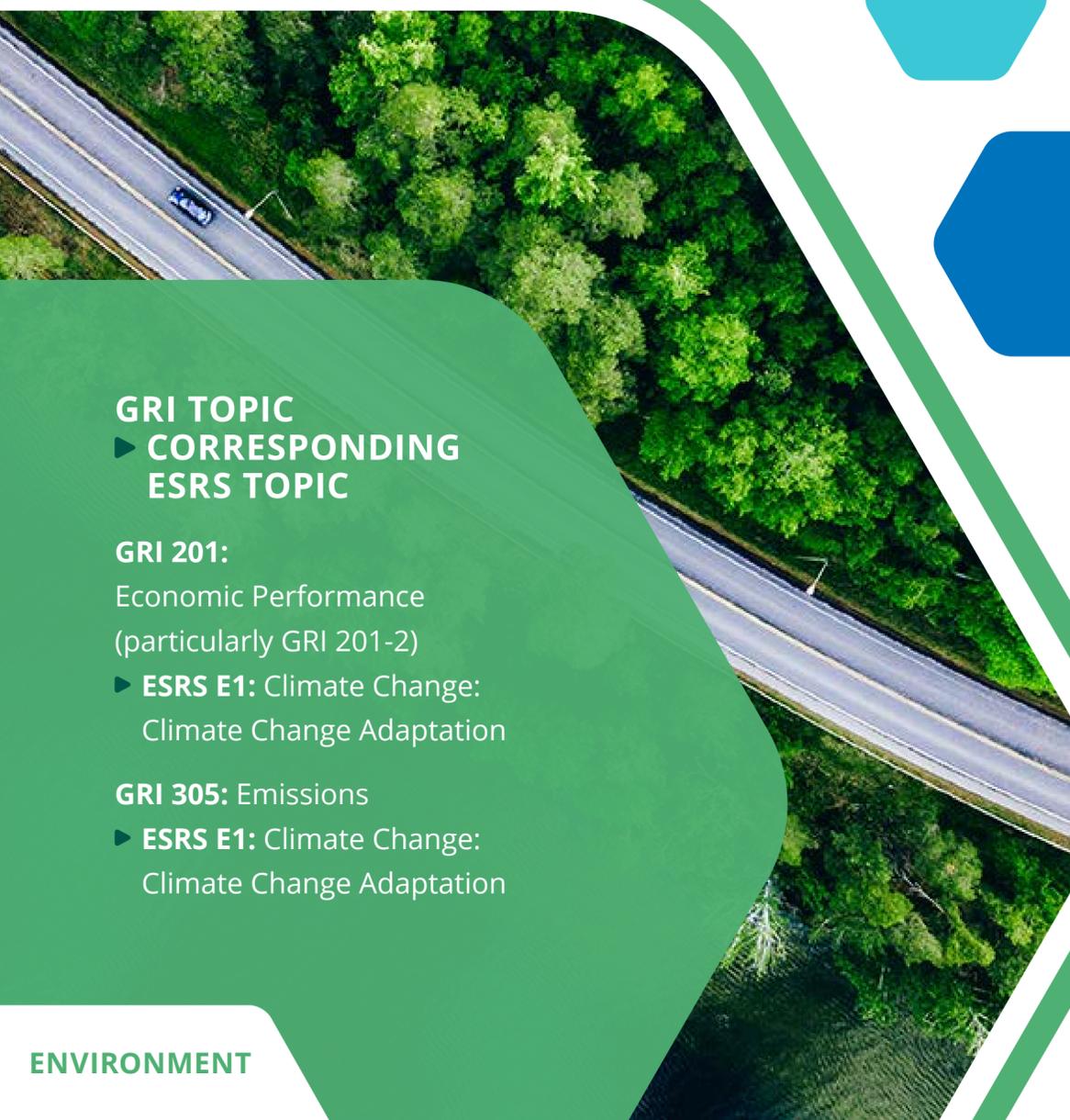


### TOTAL WATER CONSUMPTION (MI) IN 2024 BY REGION



# CLIMATE & GREENHOUSE GAS EMISSIONS

At Neapco, our approach to climate change goes beyond minimizing harm—we see it as an opportunity to create long-term value through innovation, collaboration, and forward-looking solutions. Reducing GHG emissions from our operations is essential, but our greatest impact comes from enabling the transition to electric vehicles (EVs) and a low-carbon economy through the products we design and deliver. At the same time, we are proactively addressing both physical and transition climate-related risks to strengthen our resilience and continue to advance sustainable mobility.



## GRI TOPIC ▶ CORRESPONDING ESRS TOPIC

**GRI 201:**  
Economic Performance  
(particularly GRI 201-2)  
▶ **ESRS E1:** Climate Change:  
Climate Change Adaptation

**GRI 305:** Emissions  
▶ **ESRS E1:** Climate Change:  
Climate Change Adaptation



## UN SDG:

**13** CLIMATE ACTION



## Management Approach

### GOVERNANCE

Climate oversight at Neapco is embedded across all levels of the organization, beginning with our executive leadership team, which also functions as our Board of Directors. At monthly meetings, attended by functional leaders from all global sites, the Director of Global Sustainability ensures that key climate-related issues, such as emissions trends and emerging risks, are brought to the forefront for discussion and action.

Key executives, including the Chief Operating Officer and Vice President of Global Human Resources and Sustainability, supported by cross-functional working groups, lead the development and execution of Neapco's climate strategy. This includes assessing climate-related risks and opportunities, implementing the climate transition plan, and monitoring company-wide progress toward science-based targets.



Functional leaders across the business also support climate performance. Facility managers oversee site-level key performance indicators (KPIs) and emissions reduction efforts. Supply chain and procurement teams engage with suppliers on sustainability performance and scope 3 emissions. Product development and process operations teams participate in lifecycle assessments and drive low-carbon innovation.

## TARGETS

In 2023, Neapco's near-term emissions reduction targets were officially approved by SBTi. Based on a 2022 baseline, **we are committed to reducing absolute scope 1 and 2 emissions by 54.6% and scope 3 emissions by 32.5% by 2033.** These targets guide our decision-making and are shared with our suppliers to foster collaboration and alignment across the value chain.

## STRATEGY

Neapco's climate strategy is centered on reducing operational emissions, supporting the low-carbon transition through our products, and building long-term resilience across our value chain.

### Climate-related considerations are embedded in strategic planning across time horizons:

- Short-term actions align with ISO 14001 environmental management standards and focus on increasing energy efficiency and creating climate change mitigation plans.
- Medium- and long-term strategies focus on product portfolio diversification, fuel efficiency via improving logistics routes for raw materials and finished goods, and electrification of our processes/ transition to renewable energy. Long-term planning also includes climate change adaptation planning.

To guide implementation, Neapco has developed a five-year climate transition plan aligned with a 1.5°C pathway, which supports our science-based emissions reduction targets and will be refreshed in 2027. **This plan includes:**

- Procuring and/or purchasing renewable electricity across all facilities
- Electrifying operational equipment where feasible and transitioning to cleaner fuels for non-electric assets

- Identifying GHG emission hotspots across all scopes and targeting those areas in the next phase of our decarbonization efforts
- The development and implementation of an energy roadmap for scopes 1 and 2, which includes a catalog of operational excellence projects, investment in new technologies, and the progressive use of renewable energy

We continue to invest a fixed percentage of revenue into research and development for low-carbon products, focusing on innovations that reduce material inputs, improve energy efficiency, and support the automotive industry's transition to electrification. Our product development efforts prioritize drivetrain efficiency and lightweighting, recognizing that even small gains can increase EV range, reduce energy loss, and lower carbon intensity throughout the use phase.

Externally, we strengthen our climate strategy through partnerships, including our work with NQC, an independent entity that operates the platform through which automotive suppliers answer a Self-Assessment Questionnaire (SAQ). NQC checks the documents provided to assess supply chain risks and deploys the SAQ 5.0, the latest version of the sustainability questionnaire, to suppliers. These tools help us address both direct and value chain emissions, positioning Neapco for long-term success in a low-carbon economy.

## CLIMATE RISK MANAGEMENT

Neapco integrates climate-related risks and opportunities into our company-wide, multi-disciplinary risk management process. We conducted scenario analyses to assess both transition and physical risks over short-, medium-, and long-term horizons. These assessments follow the recommendations of TCFD and draw on scenarios from the Intergovernmental Panel on Climate Change's Fifth and Sixth Assessment Reports.

Risks are reviewed by the Governance Committee and used to inform our climate transition plan, capital allocation decisions, and broader enterprise risk management efforts. We disclose these risks and our overall climate strategy through both TCFD-aligned reporting and our annual CDP Climate Change submission, where Neapco earned a B score in 2024, reflecting our structured and proactive approach to climate action. For more details on our climate scenario methodology and outcomes, please refer to the TCFD Index in the appendix.

## Metrics

To measure and manage our emissions footprint, Neapco conducts an annual GHG inventory aligned with the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard. Our 2024 inventory was verified by a third-party auditor and adhered to the ISO 14064-3 principles of relevance, completeness, consistency, accuracy, and transparency. It covers all relevant scope 1 and scope 2 sources, with purchased electricity representing the largest contributor to scope 2 emissions, and stationary combustion sources accounting for the majority of scope 1 emissions.

As in previous years, our manufacturing facilities accounted for the highest emissions intensity, and we continue to target these operations for efficiency improvements and reduction initiatives. Our efficiency efforts are taking effect, as we realized a roughly 5% decrease in our scope 1 and 2 (market-based) emissions compared to 2023. From 2022 to 2024, both our scope 1 and scope 2 GHG emissions have steadily decreased each year. We aim to continue this trend and ultimately achieve our SBTi-approved reduction goal of a 54.6% reduction in our scope 1 and 2 emissions by 2033.

Regarding scope 3 emissions, we are deepening our understanding and engagement across the value chain. To support strengthening our data collection efforts, we continue to partner with third-party experts to enhance product compliance and deliver supplier training that aligns with our environmental expectations. In 2024, we experienced an increase in our scope 3 emissions, primarily due to the increased emissions associated with our purchased goods and services, as well as the use of our sold products.

	2022 <sup>1</sup>	2023 <sup>2</sup>	2024
<b>Scope 1 (MT CO2e)</b>	7,187	6,586	5,088
<b>Scope 2 (Market-based, MT CO2e)</b>	27,674	27,241	27,054
<b>Scope 3 (MT CO2e)</b>	1,006,901	980,575	1,074,300

1. 2022 GHG emissions have been restated from our prior sustainability report to meet the SBTi criteria.

2. 2023 GHG emissions have been restated from our prior sustainability report to meet the SBTi criteria.

# ENERGY MANAGEMENT

As a manufacturer, Neapco's energy use has both local and global implications. Improving energy efficiency and transitioning to cleaner energy sources not only reduces GHG emissions in our direct operations but also improves reliability and resilience of local power grids due to better electricity management. By managing our energy use responsibly, we can reduce our environmental footprint while supporting a more sustainable, resilient energy future.



GRI TOPIC  
▶ CORRESPONDING  
ESRS TOPIC

GRI 302: Energy  
▶ ESRS E1: Climate Change: Energy



UN SDG:

7 AFFORDABLE AND  
CLEAN ENERGY



## Management Approach

Managing energy use is a core pillar of Neapco's climate transition plan, which guides our decarbonization strategy. In 2024, we continued to advance our energy management practices through data-driven monitoring, energy efficiency investments, and strategic exploration of renewable energy sources.

As of 2024, 22% of Neapco facilities are certified to ISO 50001, the international standard for energy management systems. Neapco utilizes ISO 50001 to develop our energy management system, enabling us to measure, control, reduce, and improve the consumption of electricity, gas, and other forms of energy.

## Our objectives are:

- Reduce energy consumption
- Implement energy efficiency projects
- Use clean energy in each location

Even in non-certified facilities, Neapco applies similar principles such as data tracking, automated controls, and energy performance reviews.

Facility managers play a crucial role in the implementation process. They monitor energy-related KPIs, including monthly energy consumption trends, and help guide local execution of energy initiatives aligned with our climate transition strategy.

*In 2024, we continued to advance our energy management practices through **data-driven monitoring, energy efficiency investments, and strategic exploration of renewable energy sources***



Energy efficiency remains a top operational priority. Through our capital expenditure (CAPEX) program, we invest in facility and process upgrades that reduce energy demand and emissions. Recent projects include:

- Installing energy-efficient LED lighting and sensors for light intensity to adjust during daylight hours
- Recovering waste heat from production lines
- Expanding the use of automated energy meters and control systems
- Adding equipment features such as auto-sleep modes to prevent unnecessary consumption
- Shutting down air conditioners in the winter and minimizing air temperature regulation during holiday breaks
- Replacing equipment with more energy-efficient models

While reducing total energy use is a critical objective, we also recognize the need to transition away from fossil fuels for the energy we do consume. As part of this effort, Neapco is pursuing the electrification of building systems, including plans to replace natural gas infrastructure with electric alternatives. Expanding access to cleaner electricity is a top priority, not only to reduce our own emissions but also to support the decarbonization of the broader energy system. To that end, we are increasing our use of clean electricity by purchasing RECs and collaborating with local utility providers to grow the share of renewable energy in our supply mix. To further accelerate our transition to green energy, we are evaluating renewable energy options across our facilities and conducting a solar feasibility study at our Belleville location to assess opportunities for on-site generation.





## Metrics

In 2024, we recorded our lowest total energy consumption since we began tracking in 2022. We achieved this while also increasing our sales. As a result, our energy intensity (GJ/USD revenue) was also the lowest it has been over the past three years, demonstrating that our energy efficiency measures are working as intended to reduce our overall energy use.

### ENERGY CONSUMPTION

	2022 <sup>3</sup>	2023	2024
<b>Total Energy Consumption (GJ)</b>	418,679	449,420	417,293
<b>Total Renewable Energy Consumption (GJ)</b>	63,427	86,609	50,061
<b>Percent Renewable Energy</b>	15%	19%	12%

### ENERGY INTENSITY

	2022	2023	2024
<b>Energy Intensity (GJ/USD Revenue)</b>	0.00043	0.00041	0.00035

3. 2022 data has been restated from our prior sustainability report to reflect improvements in data quality and calculation methodology.



## SPOTLIGHT: PRODUCT-LEVEL ENERGY FOOTPRINT

### 📍 PRASZKA, POLAND; SALTILLO, MEXICO; BELLEVILLE, MI

To better understand our overall carbon footprint, we have completed projects at several locations to determine energy usage at the product level. This information will enable us to focus our efforts on operational excellence initiatives. Similar projects will soon be completed at all Neapco locations. The benefits of completing product-level energy footprints include:

- **Process Optimization:** Identifies energy-intensive steps in manufacturing (e.g., heating, machining, assembly), enabling targeted improvements.
- **Equipment Efficiency:** Highlights underperforming or outdated machinery that consumes excessive energy.
- **Waste Reduction:** Helps detect energy wasted through idle time, overproduction, or inefficient layouts.

There are also client-specific benefits of completing an energy footprint analysis at the manufacturing stage, including:

- **Enhanced Transparency and Trust:** Demonstrates to our customers and stakeholders that we understand and manage the environmental impact of our production processes, and builds the credibility of our sustainability claims, especially with our customers who need to report Scope 3 emissions.
- **Improved Sustainability Reporting:** Provides accurate data for reporting disclosures, lifecycle assessments (LCAs), and certifications like ISO 14001, and helps meet supplier requirements in sustainability audits or procurement processes.
- **Cost-Efficiency Opportunities:** Identifies energy-intensive operations that can be optimized, leading to lower production costs, and supports decisions on upgrading equipment or switching to renewable energy sources.

# SUSTAINABLE MATERIALS

At Neapco, we recognize that the materials choices we make have environmental impacts across their entire lifecycle—from sourcing to the emissions generated during product use, to the product's end of life. We take seriously our responsibility to use materials thoughtfully, aiming to conserve natural resources, reduce lifecycle emissions, and support a circular economy



## GRI TOPIC ▶ CORRESPONDING ESRS TOPIC

GRI 301: Materials

▶ ESRS E5: Circular Economy:  
Resource Inflows, Including Resource Use



## UN SDG:

12 RESPONSIBLE  
CONSUMPTION  
AND PRODUCTION



## Management Approach

At Neapco, our approach to sustainable materials is multifaceted. We aim to design for sustainability, reduce the total amount of materials required, source responsibly, and manufacture products that can be recycled or reintroduced into the value chain.

### DESIGNING FOR SUSTAINABILITY & CIRCULARITY

Material sustainability is embedded at the earliest stages of product development. Neapco invests in lightweight material innovations to reduce emissions across the product lifecycle. By replacing traditional steel with alternatives such as aluminum, carbon fiber, and advanced composites, we reduce the overall weight of our components. This leads to two key emissions benefits: lower emissions from transporting our products to customers and improved vehicle efficiency, which reduces emissions during product use. Aluminum, in particular, is highly recyclable, making it a critical material in our efforts to advance circularity and reduce reliance on raw resources.

### REDUCING MATERIAL USE THROUGH EFFICIENT PRODUCTION

Neapco applies lean manufacturing principles to eliminate inefficiencies, helping us reduce the amount of material required and minimize waste. For more information on our waste management

efforts, please refer to the Waste Management and Circularity section. By improving process flow and production discipline, we reduce unnecessary consumption while maintaining high performance and quality standards. Several proven lean tools support this approach:

- **Value Stream Mapping (VSM):** Identifies inefficiencies in the production process, such as redundant steps or excessive handling, that can lead to unnecessary material use and excess transportation.
- **Total Productive Maintenance (TPM):** Keeps equipment running reliably, reducing defects and rework that would otherwise result in wasted materials.
- **Rapid Continuous Improvement (RCI):** Encourages teams to make ongoing refinements, such as optimizing part designs or process settings, that can help reduce material requirements over time.
- **Visual Factory:** Provides real-time visibility into issues like overproduction or excess inventory, enabling faster response and better material control.

We also leverage additive manufacturing (3D printing) in select applications to produce components with greater precision and less scrap than traditional methods.

## SOURCING SUSTAINABLE MATERIALS

For the materials we use, Neapco prioritizes sustainability and responsible sourcing. Our Supplier Requirements Manual sets clear expectations for minimizing natural resource consumption and ensuring that all materials are traceable and, where practical, sourced from recycled or sustainable origins. In line with these expectations, we incorporate recycled or remanufactured content into our products wherever feasible. For example, we source recycled aluminum for all casting projects, which reduces environmental impacts; this approach uses 95% less energy, generates 95% fewer emissions to air and water, and avoids approximately 80 million tonnes of GHG emissions globally each year compared to aluminum produced from raw ore.<sup>4</sup> 100% of the aluminum we use for casting is recyclable at the end of the car's useful life.

**Approximately 95% of Neapco product components are recyclable**



<sup>4</sup> [Source](#).

We also conduct due diligence assessments on suppliers of tin, tantalum, tungsten, and gold (3TG) to align with our Conflict Minerals Policy. Neapco is committed to maintaining a conflict-free supply chain and works closely with suppliers to improve transparency around the origin of minerals used in our products. To support this effort, we partner with an independent supply chain data expert to collect and analyze conflict minerals and other sourcing information.

## ENSURING MATERIAL CIRCULARITY

Ensuring that our products can be reintegrated into the value chain is a key component of our materials strategy. Approximately 95% of Neapco product components—primarily steel and aluminum—are recyclable. We are actively evaluating sustainable alternatives for non-recyclable inputs, such as grease, to further improve product recyclability and support circular material flows.



## SPOTLIGHT: MATERIAL CALL SYSTEM

 BELLEVILLE, MI

In 2024, an inventory messaging system was deployed at our Belleville location.

This direct request system strengthened communication across our team members, reducing unnecessary time and material movement. Through clear communication of expectations with management, piloting user-friendly systems, training operators, and soliciting constructive feedback, our team at Belleville achieved reduced response times across all lines following the implementation of the improved material call system.

# WASTE MANAGEMENT & CIRCULARITY

Waste is more than just an operational inefficiency—it occupies limited landfill space, contributes to environmental pollution, and represents a lost opportunity to keep valuable materials in circulation. At Neapco, we are committed to minimizing waste generation, diverting materials from landfill, and designing systems that prioritize reuse and recycling to reduce the need for further extraction.



## GRI TOPIC ▶ CORRESPONDING ESRS TOPICS

GRI 306: Waste

- ▶ **ESRS E5:** Circular Economy: Resource Outflows Related to Products & Services
- ▶ **ESRS E5:** Circular Economy: Waste



UN SDG:

**12** RESPONSIBLE CONSUMPTION AND PRODUCTION

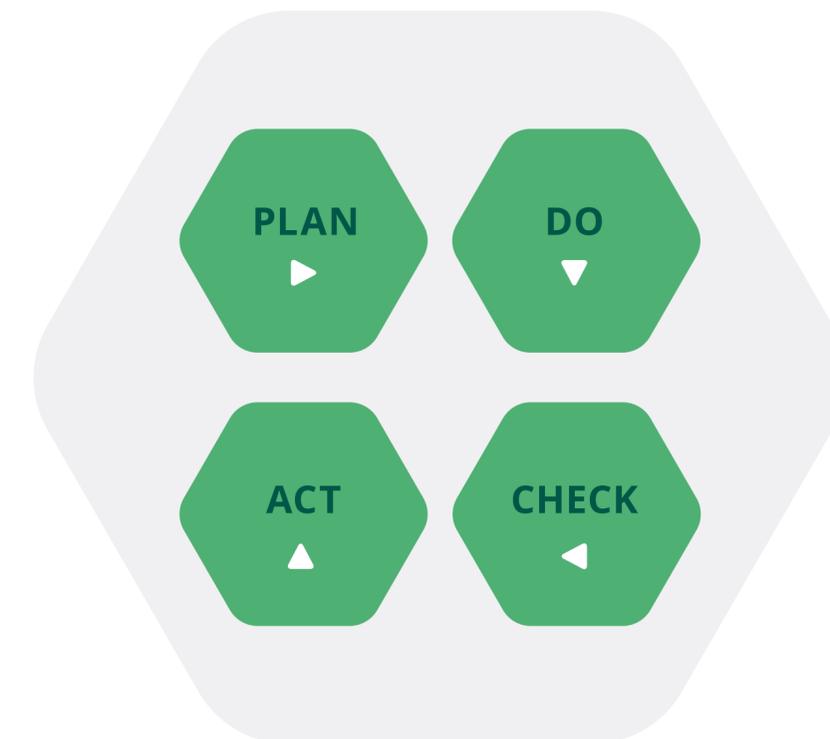


## Management Approach

Neapco takes a thoughtful and data-driven approach to waste management. Waste management is overseen by plant-level leaders in collaboration with our Governance Committee, with increasing emphasis on setting and tracking KPIs tied to waste reduction, material reuse, and other circular economy practices. We apply the International Standardization Organization (ISO) Plan-Do-Check-Act methodology to evaluate and continuously improve waste procedures across our operations. This structured approach enables teams to identify inefficiencies, implement targeted upgrades, and monitor progress over time.

Our waste strategy is rooted in the principles of reduce, reuse, and recycle, starting with efforts to minimize waste at its source. We do this by:

- Applying lean manufacturing to optimize production efficiency and minimize material waste
- Promoting digitization to reduce paper usage
- Reducing test scrap through improved validation processes
- Extending the useful life of coolants and other fluids



For the waste we do generate, we focus on keeping materials in circulation through reuse and recycling. In 2024, we achieved an 84% recycling rate, building on our strong track record of waste diversion. Initiatives that support this include:

- Reuse of plastic trays for bearing cups to avoid single-use waste
- Wood pallet recycling
- Cardboard recycling program
- Collection of glass and aluminum containers to support local conservation efforts
- Employee-led programs like Praszka and Saltillo facilities' "We Collect Caps" campaign, which promotes plastic cap recycling for environmental and charitable impact
- Reuse of packaging from purchased components for end item shipping
- Replacement of conventional rags in Saltillo with SERtex cloth, a basted cotton fabric that can be washed and reused, reducing hazardous solid waste generation
- Packaging redesign to increase part density per box and enable bulk shipping (reducing cardboard and plastic use)
- Recycling and conditioning of metal drums and plastic containers, which led to cost savings

As a result of these actions, Neapco achieved a 9% reduction in total waste generated from 2023 to 2024. We will continue to build on these efforts as we work toward our long-term goal of achieving zero waste to landfill across all Neapco operations.

*In 2024, we achieved  
an 84% recycling rate*

## SPOTLIGHT: CARDBOARD RECYCLING PROGRAM

### 📍 BELLEVILLE, MI

Neapco's Belleville team took the initiative to audit the plant's cardboard usage. Following the audit, team members evaluated the layout and space requirements for new bins, which are fifty percent smaller in size than the bins for general trash. With the new bins in place, plantwide training through the learning management system and in-person stand-downs across shifts were implemented to build awareness about this new initiative. A cost analysis was conducted to determine that cardboard recycling at this plant would create cost savings and have the potential to reduce landfill waste by up to 550 tons per year.



## SPOTLIGHT:

# NEAPCO 5K VIRTUAL RACE: ADVANCING TOWARD ZERO WASTE TO LANDFILL

### SALTILLO, MEXICO

As part of Neapco's commitment to sustainability and its goal of achieving Zero Waste to Landfill, the Saltillo Waste Focus Team launched an initiative centered around a 5K Virtual Race. This campaign aimed to raise awareness, promote proper waste segregation, and foster a culture of environmental responsibility.



#### The race was designed to:

- Educate employees on the new waste labeling system
- Encourage friendly competition to improve waste separation
- Inspire actionable changes in daily office habits

#### In addition to the race, the campaign included:

- Installation of new recycling stations in offices
- Deployment of a new labeling system for waste containers
- Introduction of a Waste Classification Catalog to guide proper disposal

## Metrics

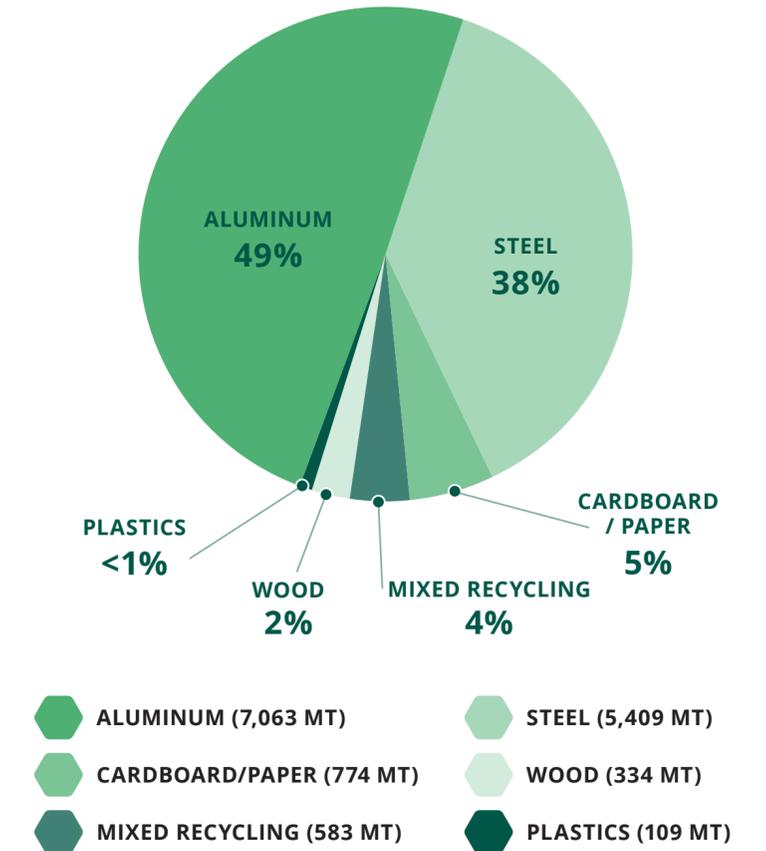
### WASTE KEY PERFORMANCE INDICATORS<sup>5</sup>

	2022	2023	2024
Total Waste Generated (MT)	15,463	18,734	16,981
Total Waste to Landfill (MT)	2,214	2,028	2,362
Total Waste Diverted from Landfill (MT)	13,249	16,706	14,306
% of Waste Diverted from Landfill	86%	89%	86%

### HAZARDOUS VS. NON-HAZARDOUS WASTE GENERATED IN 2024<sup>6</sup>

Non-Hazardous Waste (MT)	16,666
Hazardous Waste (MT)	314

### BREAKDOWN OF RECYCLED MATERIALS



5. Waste data is excluded for our locations in Gliwice, Poland, and Shanghai, China, as both facilities have a minimal waste footprint. The Shanghai site operates solely as a sales office, and the Gliwice location is dedicated to research/development and administrative functions, with limited occupancy and negligible waste generation.

6. Following GRI 306, effluent (wastewater discharge) is excluded from our reporting of waste generated. Our wastewater is reported under our water disclosures, in accordance with GRI 303.

# WATER MANAGEMENT

Water is a vital and increasingly scarce resource, essential to both our operations and the communities where we work. In water-stressed regions, industrial water use can contribute to the depletion of local freshwater supplies, impacting ecosystems, people, and long-term water availability. That is why we are committed to using water responsibly, improving efficiency, and protecting this critical resource where we operate.



## GRI TOPIC ▶ CORRESPONDING ESRS TOPICS

GRI 303: Water & Effluents

- ▶ ESRS E3: Water & Marine Resources: Water Consumption
- ▶ ESRS E3: Water & Marine Resources: Water Withdrawals



UN SDG:

12 RESPONSIBLE  
CONSUMPTION  
AND PRODUCTION



## Management Approach

Neapco's approach to water management is supported by a multi-level governance structure that aligns across the enterprise while enabling site-specific action. Oversight is provided by the Governance Committee and plant-level leadership, with implementation driven by site-level environmental management systems.

Our Global Focus Team on water improves water management by implementing strategies to reduce, reuse, and recycle water, as well as manage water risks and negative impacts on local watersheds. As a long-term goal, we act in favor of water conservation.

Team members across all levels are trained and encouraged to actively contribute to the development, implementation, and continuous improvement of water programs.

Water-related issues or events are reported to Neapco leadership and, when appropriate, to external authorities. As necessary, investigations are initiated, and corrective actions are implemented to address the root cause and prevent recurrence.

## WATER RISK ASSESSMENT & RESILIENCE

To proactively manage water-related risks, Neapco conducts facility-level assessments using the World Resources Institute (WRI) Aqueduct Water Risk Atlas and the World Wildlife Fund (WWF) Water Risk Filter. These tools help evaluate three primary categories of risk: physical risks (e.g., scarcity, flooding, water quality), regulatory risks (e.g., changes in policy or infrastructure), and reputational risks (e.g., cultural importance, biodiversity, media scrutiny). Each site is assigned a risk score from 1 (very low) to 5 (very high), and these scores are used in long-term scenario planning through 2050 under business-as-usual, optimistic, and pessimistic assumptions. These insights inform the development of targeted water improvement projects at each site.

## WATER USE & CONSERVATION

Water plays a vital role in Neapco's operations. At our manufacturing facilities, it is used in production processes, sanitation, and employee consumption, while usage at distribution centers and offices is primarily limited to sanitation and drinking water.

Recognizing the importance of conserving this critical resource, by 2035, Neapco aims to reduce our water consumption by 50% compared to 2022.

From our water risk assessments, it was determined that approximately 93% of Neapco's total water withdrawals occur in areas identified as having high or extremely high water stress, including Beatrice (Nebraska, USA), Saltillo (Mexico), Düren (Germany), Praszka (Poland), Eskisehir (Turkey), and Shanghai (China). These facilities are prioritized for targeted water reduction projects and enhanced monitoring to promote responsible use of water.

In 2023, we launched efforts to upgrade equipment and refine processes to decrease water usage across both manufacturing and facility operations. These efforts included reducing purges in the reverse osmosis process and installing devices that reduce industrial wastewater. These efforts contributed to a roughly 15% reduction in total water withdrawal from 2023 to 2024.

While all Neapco sites currently rely on municipal water sources, we are actively exploring opportunities to increase internal water reuse. Although recycled or reused water is not yet tracked, operational improvements are underway to reduce reliance on freshwater inputs. These improvements include extending the useful life of refrigerants in washing machines, launching water-saving campaigns, and improving the efficiency of water treatment processes.

In 2024, we advanced our water conservation strategy through targeted initiatives across multiple sites. At our Praszka facility, the installation of an on-site water well has reduced our reliance on external sources, strengthening our water autonomy. In Belleville, we upgraded the restroom fixtures to modern, water-saving models, resulting in a reduction in daily water consumption. At the Saltillo plant, we eliminated the use of osmosis-treated water in bathrooms and sinks, resulting in a savings of approximately 472,787 liters, which represents 3–4% of the site's annual water consumption. This change also led to reductions in electricity usage and material consumption associated with water treatment.

***Neapco aims to reduce our water consumption by 50% by 2035***



## WASTEWATER MANAGEMENT

Neapco ensures that no untreated wastewater is discharged into bodies of water, and each facility complies with contaminant discharge parameters established by local and national regulations. In 2023, we expanded our wastewater management efforts by adding advanced filtration systems at select facilities and initiating projects to treat wastewater onsite. These upgrades aim to reduce environmental impact and support Neapco's broader resource efficiency goals. Our wastewater management efforts in 2024 focused on improving efficiency and reducing environmental impact. In Praszka, we introduced energy-efficient washers that are expected to reduce 40 m<sup>3</sup> of wastewater annually, contributing to both water conservation and operational sustainability.

### Metrics<sup>7</sup>

#### WATER KEY PERFORMANCE INDICATORS

	2022	2023	2024
<b>Total Water Withdrawal (Megaliters)</b>	182	180	145
<b>Total Water Consumption (Megaliters)</b>	51	36	21

7. Water data is excluded for our location in Gliwice, Poland, as this facility has a minimal water footprint. The Gliwice location is dedicated to research/development and administrative functions, with limited occupancy and negligible water withdrawal and consumption.



## SPOTLIGHT: BELLEVILLE WATER INITIATIVES

 BELLEVILLE, MI

Neapco's Belleville facility has taken several steps to reduce water consumption, with contributions from both operations and facilities teams. In 2024, our Belleville location upgraded its sinks and toilets to water-saving, low-flow models. Additionally, Belleville's wastewater treatment system, which was already set up to treat water for the paint line, expanded to take water from additional processes and clean it onsite. Improvements from wastewater treatment enabled Neapco to lower our water consumption. Additional process efficiency improvements, completed in collaboration with our third-party paint line operator, have also enabled water savings, contributing to our decreased water consumption.



# SOCIAL

- 37 Social Introduction
- 38 Health & Safety
- 45 Employment Practices
- 48 Training, Education & Development
- 50 Community Impact

# SOCIAL INTRODUCTION

Our stakeholders drive our success. From team members and customers to local communities, each plays a vital role in shaping our business. People-centered priorities—such as safety, inclusion, meaningful work, and community engagement—directly support our ability to operate, grow, and lead responsibly. These priorities foster a resilient workforce, inspire innovation, and deepen trust in our brand.

Across all operations, we implement processes and policies managed by our Human Resources team—including our Environmental Health & Safety Policy, Equal Opportunity Policy, Child Labor Policy, Harassment Free Workplace Policy, Neapco Violence-Free Workplace Policy, and Forced Labor Human Trafficking Policy—to manage our social impact and uphold a business model that links Neapco’s growth with the well-being of its people, customers, and communities. These efforts are overseen by the Global Sustainability Team and Governance Committee, as detailed in the Sustainability Governance section of this report.

In 2024, our social focus has expanded in two key areas. In refreshing our material topics, we broadened **Health and Safety** to include customer safety, as we play a role in promoting safe driving through the reliability of our parts, in addition to protections for our team members.

We have also added **Community Impact** as a material topic to reflect Neapco’s influence on local economic development as a major employer, as well as our role in strengthening the communities where we operate through donations, volunteering, and other forms of civic engagement.

This section details our management approach, performance, and strategic direction across our four social material topics:

**HEALTH & SAFETY**

**EMPLOYMENT PRACTICES**

**TRAINING, EDUCATION & DEVELOPMENT**

**COMMUNITY IMPACT**

# HEALTH & SAFETY

As a manufacturer of driveline components, we recognize the critical importance of safety for both our team members and our customers. The physical and mechanical risks inherent in our operations make strong health and safety practices essential to protecting our people, reducing injuries, and supporting morale. At the same time, the reliability of our components directly impacts vehicle safety, reinforcing our responsibility to help keep drivers and passengers safe. That is why we prioritize safety in everything we do.



## GRI TOPIC ▶ CORRESPONDING ESRS TOPIC

### GRI 403:

Occupational Health & Safety

- ▶ **ESRS S1:** Own Workforce: Working Conditions: Health & Safety

### GRI 416: Customer Health & Safety

- ▶ **ESRS S4:** Consumers and End-Users: Personal Safety of Consumers and/or End-Users: Health & Safety



## UN SDG:

**3** GOOD HEALTH  
AND WELL-BEING



## Management Approach

### OCCUPATIONAL HEALTH & SAFETY

At Neapco, **our goal is to operate injury-free**. Specifically, **we aim to achieve 0 lost time injuries by 2029**. To achieve this, we embed strong occupational health and safety (OH&S) practices throughout our operations. Our approach is guided by Neapco’s Global Occupational Health and Safety Policy, which outlines our commitment to protecting employee well-being and continually improving our OH&S systems at all global locations.

Each location maintains its own health and safety program, aligned with local regulations and tailored to the specific needs of the facility. These programs, which include internal and external training, are led by Occupational Health and Safety Committees, comprising team members from all functional areas, including Operations, HR, and Legal. The committees are responsible for embedding health and safety into the daily culture of the site, identifying training needs, setting safety priorities, and ensuring active workforce participation towards continuous improvement. To support consistency and the sharing of best practices across the organization, Neapco’s Global Environmental Health, Safety, and Sustainability Manager provides global oversight, monitors incident trends, and facilitates coordination across all locations.

While each site has a tailored health and safety program, all manufacturing locations operate within a unified health and safety management framework that is aligned with international standards and company-wide expectations. As of 2024, **22% of Neapco sites are certified to ISO 45001**, the global standard for occupational health and safety management, with additional locations actively working toward certification. Neapco’s Global EHS and Sustainability Manager is preparing a global framework, based on ISO 45001, for each location to ensure a standardized management system and provide OH&S support, tools, and policies.



**22% of Neapco sites are certified to ISO 45001**

In line with ISO 45001, our approach emphasizes proactive hazard identification, risk reduction, and workforce participation. Each site conducts regular health and safety risk assessments to identify hazards and reduce employee exposure. We apply the hierarchy of controls to minimize risk, which includes elimination, substitution, engineering controls, administrative controls, and personal protective equipment (PPE). We also invest in employee competency and training to ensure team members understand potential risks, follow safe work practices, and are empowered to take an active role in maintaining a safe work environment.

All Neapco manufacturing plants and HQ complete health and safety training that includes topics such as emergency preparedness and response, as well as site specific safety risk training.

**Our safety training courses include, but are not limited to:**

- Active shooter response
- Building a safety culture through leadership
- Fire and other emergencies
- Hand tool safety
- Lock Out- Tag Out (LOTO)
- Improving physical health and well-being at work
- Incident response: first steps
- Mental health at work
- Supervisor incident report training
- Premedical first aid
- Welding, cutting, and brazing safety
- Working from home: staying healthy, motivated, and safe





## GLOBAL OCCUPATIONAL HEALTH & SAFETY POLICY

Through our Vision, Mission, and Values, our Global Occupational Health and Safety Policy represents Neapco's commitment to providing a safe and healthy work environment and continually improving the OH&S management system to prevent work-related injuries and ill health. Under this commitment, each site demonstrates the following:

### **Governance**

Establish an OH&S Committee, consulting team members and their representatives, and encouraging them to participate in the development, implementation, monitoring, and improvement of the occupational health and safety program.

### **Hazards and OH&S Risks**

To proactively eliminate hazards and reduce OH&S risks, each facility must provide adequate personal protective equipment, promote machine safety practices, safe handling of chemicals, and fire prevention programs. Ergonomic principles shall be incorporated into workplace design.

### **Incidents & Accidents Management**

All recordable and lost time injuries will be reported, and an investigation will be initiated within 24 hours of their occurrence.

### **OH&S Committee**

The Committee shall ensure compliance with applicable legal and other requirements, as well as with emergency preparedness and response, the elimination of hazards, and OH&S risks. To provide leadership, guidance, and support, Plant Managers will meet regularly with the OH&S Committee.

## EMPLOYEE WELL-BEING

Beyond ensuring workplace safety, Neapco is committed to promoting the physical and mental health and well-being of our team members. Our holistic Well-Being Program combines access to health benefits with support for mental resilience, emotional well-being, and healthy daily habits. These offerings are tailored by region to reflect local needs, with global oversight to align with our broader health and wellness standards.

Though our benefits vary across each region in which we operate, we strive to provide competitive benefit offerings in each location.

Recognizing that well-being extends beyond clinical treatment to include preventive care and mental health, Neapco also offers support in areas such as exercise, nutrition, stress management, and work-life balance. Across several facilities, teams have participated in wellness activities, like yoga, posture exercises, and guided mindfulness sessions, creating space during the workday to pause, recharge, and reconnect. These initiatives help build a culture where employees feel supported, resilient, and empowered to thrive both at work and beyond.

## CUSTOMER & PRODUCT SAFETY

The reliability and safety of our vehicle components are crucial to protecting end-users and maintaining the trust of our customers. High-quality, dependable parts are a hallmark of Neapco's quality and manufacturing standards.

We employ a disciplined cross-functional APQP process in pursuit of a flawless launch. The mindset of identifying and eliminating risks before they can compromise product integrity is built into all of our systems, tools, and manufacturing processes.

Overall, we work closely with our customers to meet their safety requirements. Development and test plans for products are determined in collaboration with our customers to support and exceed their safety requirements. Our close cooperation assures we align to each customer's unique safety requirements and systems.

As a result of our quality systems and close collaboration with customers, Neapco recorded zero product safety-related field issues in 2024, reinforcing our commitment to excellence and our role in the development of safe, high-performing vehicles.

Product safety is not only a requirement; it is a core part of how we deliver value to our customers and maintain long-term trust.



*Neapco recorded zero product safety-related field issues in 2024*

## SPOTLIGHT: SAFETY WEEK IN PRASZKA



### PRASZKA, POLAND

Our team in Praszka organized a week of activities focused on safety, health, and team member engagement. The initiative aimed to strengthen awareness, promote healthy habits, and create space for open conversations around safety in the workplace. The event highlighted the role every employee plays in creating a safe environment—not just through procedures, but through daily actions and shared accountability.

Throughout the week, team members took part in occupational health and safety training, a safety quiz, first aid instruction, and personalized health consultations. Additional offerings included body composition analysis and blood testing, giving participants insights into their overall well-being. The atmosphere was energetic and collaborative, with friendly competitions and hands-on sessions that brought safety culture to life. The event helped refresh knowledge, spark engagement, and reinforce the message that safety starts with all of us.

Our Praszka location has also organized additional health- and sustainability-focused events, including a Step 2 Health Challenge, a Car Free Day, forest clean-ups, and various sustainability workshops.

## Metrics

In 2024, 100% of team members across all locations were represented by a safety committee, and 100% of manufacturing sites completed health and safety risk assessments. These efforts reflect how safety is integrated into daily operations.

In addition to workplace safety, we offer health insurance coverage to our entire workforce. In 2024, 100% of team members received health benefits, supporting a workplace where health coverage is standard, not a benefit.

## WORK-RELATED RECORDABLE INJURIES, LOST TIME INJURIES & HOURS WORKED

	RECORDABLES			LOST TIME INJURIES			HOURS WORKED		
	2022	2023	2024	2022	2023	2024	2022	2023	2024
<b>Beatrice, U.S.</b>	13	8	7	8	2	3	590,615	522,987	465,607
<b>Belleville, U.S.</b>	42	46	44	NR*	4	17	NR*	1,699,521	1,574,544
<b>Saltillo, Mexico</b>	0	2	0	0	2	1	983,784	1,148,126	1,046,795
<b>Düren, Germany</b>	3	3	4	0	2	4	788,005	814,213	720,162
<b>Farmington Hills, U.S.</b>	0	0	0	0	0	0	276,640	283,519	299,404
<b>Greer, U.S.</b>	0	0	0	0	0	0	NR*	11,545	9,797
<b>Praszka, Poland</b>	3	5	1	3	5	1	1,606,626	1,795,908	1,690,764
<b>Eskisehir, Turkey</b>	NR*	0	0	NR*	0	0	NR*	NR*	151,917
<b>Shanghai, China</b>	0	0	0	0	0	0	17,280	17,280	17,280
<b>Total</b>	<b>61</b>	<b>64</b>	<b>56</b>	<b>11</b>	<b>15</b>	<b>26</b>	<b>4,262,950</b>	<b>6,293,099</b>	<b>5,976,270</b>

## EMPLOYEE HEALTH & SAFETY RISK ASSESSMENTS

	2022	2023	2024
<b>% of Operational Sites for which an Employee Health and Safety Risk Assessment has been Conducted</b>	100%	100%	100%

## ISO 45001 CERTIFICATION

	2022	2023	2024
<b>% of Locations with ISO 45001 Certification</b>	22%	22%	22%

## PERCENT OF EMPLOYEES COVERED BY COLLECTIVE AGREEMENTS

	2022	2023	2024
<b>Beatrice, U.S.</b>	0%	0%	0%
<b>Belleville, U.S.</b>	90%	90%	90%
<b>Saltillo, Mexico</b>	NR*	NR*	70%
<b>Düren, Germany</b>	NR*	NR*	85%
<b>Farmington Hills, U.S.</b>	0%	0%	0%
<b>Greer, U.S.</b>	0%	0%	0%
<b>Praszka, Poland</b>	97%	97%	97%
<b>Eskisehir, Turkey</b>	NR*	0%	0%
<b>Shanghai, China</b>	0%	0%	0%

\*NR = Not reported

# EMPLOYMENT PRACTICES

The work environment has a significant impact on our team members' daily lives, sense of belonging, and overall well-being. At Neapco, we recognize that team members want to feel included, respected, and supported, with equal opportunity to grow and thrive. That is why we are committed to building a workplace rooted in fairness, inclusion, and teamwork. Strong employment practices not only enhance the employee experience, they also strengthen performance, reduce risk, and help us attract and retain top talent. Our people are the foundation of our success, and creating an environment where everyone feels valued remains a top priority.



## GRI TOPIC ▶ CORRESPONDING ESRS TOPIC

GRI 401: Employment

- ▶ **ESRS S1:** Own Workforce: Working Conditions: Working Time; Adequate Wages; Social Dialogue; Freedom of Association; Collective Bargaining; Work-life Balance

GRI 405: Diversity & Equal Opportunity

- ▶ **ESRS S1:** Equal Treatment & Opportunities for All: Gender Equality & Equal Pay for Work of Equal Value
- ▶ **ESRS S1:** Equal Treatment & Opportunities for All: Measures Against Violence & Harassment in the Workplace
- ▶ **ESRS S1:** Equal Treatment & Opportunities for All: Diversity



## UN SDG:

**8** DECENT WORK AND ECONOMIC GROWTH



# Management Approach

## CULTURE OF BELONGING

At Neapco, we believe that belonging is fundamental to a thriving workplace. When people feel included and empowered, they are more likely to contribute their best efforts, build strong connections, and stay engaged. Our commitment to inclusion is captured in the motto, **“One Team. One Mission,”** which reflects the collaborative spirit that drives us forward and unites our global team.

This culture is championed by our **Global Belonging Council (GBC)**, whose vision is to foster “One Neapco”, a unified global team where every member feels valued, supported, and connected through a culture that prioritizes well-being, strengthens belonging, and inspires meaningful community giving. The GBC comprises team members from across the organization, with representation from every site.

Each Neapco facility also has a local belonging team that brings the GBC’s vision to life on the ground. These teams tailor global priorities to reflect the needs and culture of their site, support employee engagement, and help integrate new team members into the Neapco community. Many locations maintain shop floor information stations to communicate diversity, equity, inclusion, and belonging (DEIB) goals, highlight

local team members, and share upcoming activities, ensuring visibility and accessibility for all team members.

To drive impact, the GBC is organized into four focus teams:

- **Training:** Develops and delivers DEIB training to strengthen multicultural awareness and global connection
- **Branding & Marketing:** Promotes belonging initiatives and communicates our strategy internally
- **Cares & Shares:** Leads volunteerism and supports DEIB-related events in our operating communities
- **Global Council Team:** Serves as the link between the GBC and local belonging teams, ensuring cultural programming and site-level efforts stay aligned

## TEAM MEMBER ENGAGEMENT & RETENTION

A sense of belonging also depends on engagement—feeling connected to the company’s mission, values, and day-to-day work. Engagement fuels performance, loyalty, and shared success.

Celebrating our people is a core part of how we build engagement and make Neapco a great place to work. We regularly recognize team member contributions through programs such as Employee of the Month and other awards that honor individuals who demonstrate leadership, dedication, and a commitment to continuous improvement. These efforts reinforce the value of each employee’s work and help foster a culture of appreciation and pride.

We also create opportunities for team members to connect beyond the job through meaningful workplace events. Across Neapco locations, teams host seasonal celebrations, friendly competitions, and family-oriented activities that strengthen camaraderie and build community. Highlights in 2024 included our Saltillo Family Day and Soccer Tournament, Belleville’s Chili Cook-Off and softball match, Düren’s Advent Calendar celebration, and Praszka’s Saint Nicholas Day festivities. These moments bring joy and reinforce our commitment to a workplace where people feel seen, supported, and connected.

**“ Don’t be afraid to be the different face, voice, or perspective than what is the status quo. Bring your talents, perspectives, and voice to the automotive space to continue to challenge and advance your colleagues and yourself. Your voice matters and can and will make a difference.”**

**- AMBER MOONS**  
SENIOR PRODUCT DEVELOPMENT ENGINEER



SALTILLO, MEXICO



PRASZKA, POLAND



FARMINGTON HILLS, MI

## Metrics

### DIVERSITY IN TOP MANAGEMENT<sup>8</sup>

	2022	2023	2024
Women in Top Management (%)	9%	0%	0%

### CONFIRMED INCIDENTS OF CHILD LABOR, FORCED LABOR, OR HUMAN TRAFFICKING

	2022	2023	2024
Confirmed incidents of child labor, forced labor, or human trafficking	0	0	0

8. Top Management refers to Neapco's Executive Team and Vice Presidents.



## SPOTLIGHT: SALTILLO LOCATION AWARDED GREAT PLACE TO WORK® AND HUMAN RIGHTS DISTINCTION

 SALTILLO, MEXICO

For the first time, Neapco's location in Saltillo, Mexico was honored by Great Place to Work® as one of the country's top workplaces for women, earning the #13 ranking in 2025 (based on 2024 actions). This recognition reflects the strength of our local and global efforts to foster an inclusive culture—one where all team members feel valued, supported, and empowered to succeed. Neapco's Saltillo

location was also awarded the Human Rights Distinction by the Human Rights Commission of the State of Coahuila. This recognition honored our actions to guarantee and promote human rights within our operations.

The distinction highlighted our commitment to dignity, equity, and respect across all labor and social processes, reinforcing our role as a responsible and ethical company.

# TRAINING, EDUCATION & DEVELOPMENT

We recognize the impact we have as an employer to support personal and professional growth. By investing in continuous learning, we help team members strengthen their skills, earn certifications, and advance their careers. These opportunities empower team members to thrive while also reducing turnover, increasing engagement, and enhancing performance across our operations. When our people grow, so does our ability to deliver high-quality, efficient, and consistent results.



## GRI TOPIC ▶ CORRESPONDING ESRS TOPIC

GRI 404: Occupational Health & Safety

- ▶ ESRS S1: Own Workforce:  
Equal Treatment & Opportunities for All:  
Training & Skills Development



## UN SDG:

**8** DECENT WORK AND  
ECONOMIC GROWTH



## Management Approach

Our learning culture encourages individuals and teams to grow their knowledge, strengthen skills, and contribute to ongoing innovation. In 2024, **100% of our workforce across all locations participated in performance and career development reviews, as well as role-specific training.**

One of the key drivers of this progress is our learning management system (LMS), Neapco Academy, which officially launched in 2024. The platform offers access to functional learning paths tailored to each role, career stage, and individual goals. The Neapco Academy supports a consistent training experience across locations and provides clear tracking and reporting on development activities. In total, the Neapco Academy offers over 2,000 certification-aligned courses, ranging from continuing education units to professional development credentials. These programs make it easy to validate skills, improve engagement, and boost confidence.

The Neapco Academy also supports understanding across diverse cultures, which strengthens our ability to operate in global markets with international audiences and customers. We promote language skills development through the Academy; employees can learn the official languages in some of our localities, including English, Spanish, German, Turkish, Polish, and Chinese.

*100% of our workforce across all  
locations participated in performance  
& career development reviews*



We also apply a Talent Management Framework that supports every stage of the employee journey—from recruitment through development and advancement. It includes six key components:

- Rewards
- Talent Acquisition
- Employee Performance Management
- Training and Development
- Succession Planning & Career Management
- Operational Effectiveness

This framework helps guide how we attract, develop, retain, and support our people. It connects daily performance with long-term growth, providing structure for shaping careers, building leadership capability, and strengthening team alignment across the organization. As part of this framework, we also implemented a global succession planning strategy to develop and prepare our internal bench.

## Metrics

In 2024, team members completed an average of seven training hours through our learning platform, building technical expertise and sharpening job-specific capabilities across functions. As part of our broader development efforts, 100% of team members also participated in environmental training, deepening their awareness of sustainability responsibilities within daily operations.

### SKILLS DEVELOPMENT



# COMMUNITY IMPACT

At Neapco, we recognize that as a major employer, we play a vital role in the economic health of the communities where we operate through job creation and support for local suppliers. But we believe our impact should not stop there. We have the opportunity and the responsibility to make a meaningful difference through how we engage, support, and contribute to our local communities. From charitable giving and volunteerism to educational programs and civic involvement, we strive to be a positive force in every place we call home.



**GRI TOPIC**  
**▶ CORRESPONDING**  
**ESRS TOPIC**

**GRI 413:** Local Communities  
**▶ N/A**



**UN SDG:**

**11 SUSTAINABLE CITIES AND COMMUNITIES**



## Management Approach

Social responsibility is a key pillar of our sustainability strategy. We understand that strong community relationships and public trust are essential to our long-term success, and that we can make a lasting difference beyond our role as an employer. That is why we invest in programs that reflect the needs and priorities of the communities where we operate. Community engagement is managed at the facility level, enabling each site to address local needs in a manner that is specific, relevant, and responsive to its unique context.

Our approach combines global coordination with local empowerment. The GBC manages Neapco's relationships with public, private, and civil society institutions to generate greater impact. This team helps shape our corporate volunteer program and supports community-facing DEIB initiatives across regions. For example, the GBC annually promotes three global awareness days across every Neapco location: International Women's Day, World Volunteer Day, and World Mental Health Day.



Locally, team members take the lead. Team members are encouraged to design and participate in activities they are passionate about, including blood drives, reforestation efforts, school supply donations, and hunger relief initiatives. This employee-driven model fosters a culture of service and strengthens our connection to the places we call home.

In 2024, Neapco teams worldwide brought this commitment to life through hands-on engagement and meaningful partnerships, demonstrating that good corporate citizenship begins with local action.

## LOCAL IMPACT HIGHLIGHTS

### BEATRICE, NE

The Beatrice team demonstrated its deep commitment to health and the environment throughout 2024. Across five blood drives, 117 team members participated, donating a total of 103 units of blood, with 11% of donors giving for the first time. These efforts helped meet a critical need in the local healthcare system. The team also partnered with the City of Beatrice to plant 440 trees as part of a community-wide restoration initiative, enhancing air quality, improving road safety, and beautifying the local landscape.

### DÜREN, GERMANY

The Düren team came together to organize and participate in a Neapco-hosted triathlon in support of Running for Kids, a nonprofit that helps children living in poverty or with illness and disability. The event raised over €1,000, which was used to provide disadvantaged children the opportunity to attend the Annakirmes fair—a joyful day that brought fun and inclusion to families who may not otherwise have had access. Fourteen Neapco team members competed in the event, supported by many more who helped make it a success.

### BELLEVILLE, MI

In Belleville, team members partnered with Fleece & Thank You to handcraft fleece blankets for children undergoing treatment at hospitals across Michigan. This heartfelt initiative brought warmth and comfort to young patients, reflecting the Belleville team's dedication to showing care beyond the workplace.

### FARMINGTON HILLS, MI

To support educational equity, the Farmington Hills team led a back-to-school drive for Priest Elementary-Middle School in Detroit. Team members donated enough school supplies to fill over 30 backpacks, with additional materials given to classrooms. These donations helped local students begin the school year with the tools they needed to succeed.



### PRASZKA, POLAND

Our Poland team prioritized healthcare needs through its continued partnership with the Regional Blood Donation Center, Blood Bus. In 2024, they hosted over five blood drives, collecting more than 48,600 ml of blood—enough to support 58 surgeries. A total of 108 donors participated, and each received a small care package from Neapco in appreciation. The consistent participation of the Praszka team speaks to their compassion and dedication to saving lives.

### SHANGHAI, CHINA

Neapco team members donated 30+ books to a local nonprofit. This book drive provided reading material for local children and teens.

### SALTILLO, MEXICO

The Saltillo team led a series of impactful community efforts throughout 2024. In support of La Casa de los Niños, an organization that expands access to quality education for underserved children, team members joined the Carrera 5K ARHCOS charity run to raise awareness and funds. They also participated in a local race to support food banks, helping to provide meals to families experiencing food insecurity.

Environmental stewardship was another focus for Saltillo, with team members and their families planting over 240 trees as part of their annual reforestation effort. To further raise environmental awareness, the team hosted an Environmental Fair in celebration of World Environment Day, educating team members and the community on the importance of protecting natural resources.

Our Saltillo location was recognized in 2023, 2024, and 2025 with the “El Distintivo Empresa Socialmente Responsable®” honor from El Centro Mexicano para la Filantropía, A.C., Cemefi (The Mexican Center for Philanthropy, A.C., Cemefi). Additionally, Saltillo earned the #13 ranking on Great Place to Work®, a testament to its workplace culture of equal opportunity and belonging.



# GOVERNANCE

- 53 Governance Introduction
- 54 Sustainability Governance & Risk Management
- 58 Responsible Procurement

## GOVERNANCE INTRODUCTION

Strong governance is foundational to sustainable business performance. At Neapco, we recognize that responsible governance fosters accountability, promotes ethical behavior, and enables informed decision-making across the enterprise. By integrating sustainability into our governance model, we enhance resilience, mitigate risk, and align our operations with stakeholder expectations and long-term business objectives.

Our governance framework is outlined in the Sustainability Governance section of this report. Through our governance model, we define clear delegation of responsibilities and collaboration across functional areas, embedding sustainability into core operations and driving continuous improvement.

Compared to last year, our governance focus has evolved to reflect shifting business dynamics and stakeholder priorities. **Responsible Procurement** was introduced as a standalone material topic to highlight the increasing importance of responsible sourcing, local supplier engagement, and supply chain resilience in the face of global disruptions and environmental considerations.

We also consolidated **Risk Management & Governance** to better reflect the integrated nature of oversight and decision-making. Innovation, previously a separate topic, is now embedded across areas such as materials and operations, where it directly drives sustainability outcomes.

This section outlines our management approach, performance, and strategic direction across two material governance topics:

**SUSTAINABILITY GOVERNANCE & RISK MANAGEMENT**

**RESPONSIBLE PROCUREMENT**

# SUSTAINABILITY GOVERNANCE & RISK MANAGEMENT

Strong governance and risk management are crucial to protecting people, minimizing environmental harm, and ensuring ethical and responsible operations across our value chain. By establishing structures to proactively manage sustainability risks—such as those related to labor practices, workplace safety, and environmental impacts—we uphold our values, meet evolving customer and stakeholder expectations, and enhance long-term business resilience.



**GRI TOPIC**  
**▶ CORRESPONDING**  
**ESRS TOPIC**

N/A:  
 ▶ **ESRS G1: Business Conduct**

**UN SDG:**



## Management Approach

Through our enterprise risk management practices, we take a structured approach to identify, assess, and evaluate risks, including those associated with labor, human rights, ethics, and environmental issues. By planning mitigation measures for these risk areas, we protect our business against disruptions and support long-term growth.

Our Governance Committee (described in the Sustainability Governance section of this report) oversees our risk management and mitigation measures, including conducting periodic compliance audits. In addition to compliance audits, our risk management processes include training new hires on our Code of Conduct and ethics, which includes business-critical topics such as preventing corruption, fraud, bribery, conflicts of interest, and child and forced labor. Every team member is expected to sign an acknowledgement that they have read and understood our Team Ethics and Business Conduct Manual.



In line with our standards for ethical and business conduct, Neapco has implemented processes for data protection and security. In 2024, three of our locations completed the Trusted Information Security Assessment Exchange (TISAX) certification, with all other locations working towards certification. With certification, each site adopts an Information Security Management System (ISMS) to ensure the confidentiality, integrity, and availability of information, providing stakeholders with confidence that risk is properly managed. Under the ISMS, risk analysis is carried out to determine the appropriate level of security measures to be applied. Additionally, internal audits are conducted to verify compliance with Neapco's information security requirements.

These audits follow the principles defined in the ISO 19011 standard, including:

- Ethical conduct
- Objective presentation (fair presentation)
- Professional liability (due professional care)
- Independence
- Evidence (evidence-based approach)

Through our audit processes, risk analyses, and training programs in information security, ethics, and business conduct, we aim to increase awareness of how to avoid unsafe and unethical behaviors that pose risks to our people and our business. As part of our training, we include guidance on how to respond to and report instances of perceived wrongdoing.



Neapco uses a third-party platform called EthicsPoint for reporting concerns. EthicsPoint is a web-based, confidential reporting tool that is available 24/7 to team members, suppliers, customers, and external stakeholders through Neapco's website. The portal is available in the native language of each location in which Neapco operates. Concerns can be reported anonymously through this system. Anyone who reports a concern in good faith or participates in an investigation with honesty and integrity is protected from retaliation.

Concerns can be filed regarding a wide range of actual or perceived incidents and violations, including but not limited to those related to:

- Bribery
- Child labor
- Conflict mineral risks
- Corruption
- Discrimination
- Forced labor
- Harassment
- Human trafficking
- Information security concerns
- Supply chain concerns
- Working conditions

After submitting a concern, the reporter is assigned a report key that allows them to follow up on their claim. Neapco's Human Resources team is responsible for receiving the concerns and acting upon them. The Senior Manager, Corporate Human Resources, is responsible for the implementation, monitoring, and improvement of our concern reporting and resolution process. The process is supported by the COO, the global Human Resources team, and functional area leadership teams, who are consulted depending on the nature of the feedback received.

***Neapco uses a confidential third-party reporting tool that is available 24/7 to team members, suppliers, customers, and external stakeholders through Neapco's website.***



## Metrics

### RISK MANAGEMENT KEY PERFORMANCE INDICATORS

	2022	2023	2024
Percentage of Total Workforce Trained (e.g. through e-learning) on Business Ethics Issues	100%	100%	100%
Number of Reports Made Through the EthicsPoint Hotline	4	10	11
Number of Confirmed Corruption Incidents	0	0	0
Number of Confirmed Information Security Incidents	5	0	0
Number of All Operational Sites with an Information Security Management System (ISMS) certified to Trusted Information Security Assessment Exchange (TISAX)	0	0	3

# RESPONSIBLE PROCUREMENT

Beyond its strategic importance, procurement plays a crucial role in achieving positive environmental and social outcomes throughout our value chain. Clear visibility into the higher tiers of our supply chain allows us to proactively identify and address potential risks, such as environmental impacts or working conditions. At the same time, thoughtful sourcing decisions, including a growing emphasis on local procurement, can strengthen regional economies and reduce emissions associated with transportation. That is why we prioritize responsible sourcing practices that promote transparency, mitigate risk, and create long-term value for both our business and society.

## Management Approach

Neapco's Project Manager, Global Supply Chain Sustainability, oversees our responsible procurement program. As part of this program, Neapco requires our supply partners to follow the Automotive Industry Action Group (AIAG)'s "Automotive Industry Guiding Principles to Enhance Sustainability Performance in the Supply Chain."

Through our partnerships with 3rd party supply chain sustainability risk and compliance management platforms, we gather data and insights on our suppliers, including the completion of the Conflict Minerals Report Template and additional environmental, human rights, and diversity data. Identified risks are investigated until they are resolved.

Our Supplier Sustainability Program offers training and support to suppliers, enabling them to build capacity and report sustainability-related data consistently and accurately. We are also transparent about our supplier expectations through our Supplier Requirements Manual, made available to all current and prospective suppliers on our website.



### GRI TOPIC ▶ CORRESPONDING ESRS TOPIC

**GRI 204:** Procurement Practices

▶ N/A

**GRI 308:** Supplier Environmental Assessment

▶ N/A

**GRI 414:** Supplier Social Assessment

▶ **ESRS E2:** Employees in the Value Chain



### UN SDG:

**8** DECENT WORK AND ECONOMIC GROWTH



## Metrics

In 2024, 100% of targeted suppliers went through a sustainability assessment that included screening them for environmental and social criteria.

### PROCUREMENT KEY PERFORMANCE INDICATORS

	2022	2023	2024
Percentage of targeted suppliers with contracts that include clauses on environmental, labor, and human rights requirements	100%	100%	100%
Percentage or number of audited or assessed suppliers engaged in corrective actions or capacity building	NR*	13%	8%
Number of confirmed child labor/forced labor/human trafficking incidents	0	0	0
Percentage of suppliers who have provided conflict minerals claims/reports	NR*	56%	59%

\*NR = Not reported



# PLANNED INITIATIVES

Our sustainability program continues to grow and evolve. Looking forward, we are excited about the next steps in our sustainability journey, including:

- ◆ Utilizing a sustainability dashboard to enable real-time metrics tracking and trend analysis
- ◆ Demonstrating transparency through our annual sustainability assessment submissions, including EcoVadis and CDP
- ◆ Developing global knowledge through the launch of a sustainability curriculum in Neapco's Learning Management System
- ◆ Creating roadmaps for energy savings, water conservation, and waste reduction for our locations
- ◆ Joining an Onsite Solar Action Cohort through Transform: Auto, a program to help automotive suppliers reduce indirect emissions from energy consumption
- ◆ Launching a global survey to collect employee feedback on Neapco's culture



# APPENDIX

- 62 GRI Content Index
- 68 SASB Index
- 69 TCFD Index
- 72 AA1000 Assurance Statement

# GRI CONTENT INDEX

## Statement of Use

<b>STATEMENT OF USE</b>	Neapco reported in accordance with GRI for the reporting period of January 1, 2024, to December 31, 2024.
<b>GRI 1 Used</b>	GRI 1: Foundation 2021
<b>Applicable GRI Sector Standard(s)</b>	There were no GRI sector standards applied.

## GRI 2: General Disclosures 2021

GRI DISCLOSURE	PAGE/RESPONSE
<b>2-1 Organizational Details</b>	See About Neapco, pg. 6
<b>2-2 Entities included in the organization's sustainability reporting</b>	See About this Report, pg. 10 This report covers Neapco's locations worldwide, excluding our subsidiary, Global Steering Systems (GSS). Audited consolidated financial statements and other financial information are not filed on public record because Neapco is a privately held organization. There were no mergers, acquisitions, or disposals or entities or parts of entities in the reporting year. The approach is consistent across all disclosures and material topics.
<b>2-3 Reporting period, frequency, and contact point</b>	See About this Report, pg. 10
<b>2-4 Restatements of information</b>	<b>Greenhouse Gas Emissions:</b> Neapco's 2022 and 2023 greenhouse gas emissions have been restated from our prior sustainability report to meet the SBTi criteria. <b>Energy:</b> Neapco's 2022 energy data has been restated from our prior sustainability report to reflect improvements in data quality and calculation methodology. <b>Water:</b> Neapco's 2023 Sustainability Report reported water withdrawal as water consumption. In this report, Neapco applies GRI's definitions of water withdrawal and water consumption.

GRI DISCLOSURE	PAGE/RESPONSE																																
<b>2-5 External assurance</b>	In all material aspects, Neapco has adhered to the AA1000AS v3 2018 standard and has prepared this report to support a Moderate level of assurance for reliable and quality performance data for the year ending December 31, 2024.																																
<b>2-6 Activities, value chain, and other business relationships</b>	See About Neapco, pg. 6																																
<b>2-7 Employees</b>	At the time of this report's publication, data is not available regarding temporary employees. <table border="1"> <thead> <tr> <th>REGION</th> <th>MALE</th> <th>FEMALE</th> <th>TOTAL</th> </tr> </thead> <tbody> <tr> <td>China</td> <td>29</td> <td>9</td> <td>38</td> </tr> <tr> <td>Turkey</td> <td>4</td> <td>5</td> <td>9</td> </tr> <tr> <td>USA</td> <td>826</td> <td>265</td> <td>1,091</td> </tr> <tr> <td>Germany</td> <td>490</td> <td>34</td> <td>524</td> </tr> <tr> <td>Poland</td> <td>813</td> <td>215</td> <td>1,028</td> </tr> <tr> <td>Mexico</td> <td>437</td> <td>42</td> <td>479</td> </tr> <tr> <td><b>Total</b></td> <td><b>2,599 (82%)</b></td> <td><b>570 (18%)</b></td> <td><b>3,169 (100%)</b></td> </tr> </tbody> </table>	REGION	MALE	FEMALE	TOTAL	China	29	9	38	Turkey	4	5	9	USA	826	265	1,091	Germany	490	34	524	Poland	813	215	1,028	Mexico	437	42	479	<b>Total</b>	<b>2,599 (82%)</b>	<b>570 (18%)</b>	<b>3,169 (100%)</b>
REGION	MALE	FEMALE	TOTAL																														
China	29	9	38																														
Turkey	4	5	9																														
USA	826	265	1,091																														
Germany	490	34	524																														
Poland	813	215	1,028																														
Mexico	437	42	479																														
<b>Total</b>	<b>2,599 (82%)</b>	<b>570 (18%)</b>	<b>3,169 (100%)</b>																														
<b>2-8 Workers who are not employees</b>	At the time of this report's publication, this data is unavailable across all Neapco locations. See Sustainability Governance, pg. 14																																
<b>2-9 Governance structure and composition</b>	Neapco's executive team is 100% male and 0% female. GRI's additional descriptions for the composition of the highest governance body (e.g., executive vs. non-executive, independence, etc.) are not applicable to Neapco since Neapco's governance body is our executive team, not a Board of Directors.																																

GRI DISCLOSURE		PAGE/RESPONSE
2-10	<b>Nomination and selection of the highest governance body</b>	Because Neapco is a privately held company with a sole owner, Neapco's executive team serves as the highest governing body. As such, there is no nomination process for the executive team.
2-11	<b>Chair of the highest governance body</b>	Because Neapco is a privately held company with a sole owner, Neapco's executive team serves as the highest governing body. As such, there is no chair of the executive team.
2-12	<b>Role of the highest governance body in overseeing the management of impacts</b>	See Sustainability Governance, pg. 14
2-13	<b>Delegation of responsibility for managing impacts</b>	See Sustainability Governance, pg. 14
2-14	<b>Role of the highest governance body in sustainability reporting</b>	See Sustainability Governance, pg. 14
2-15	<b>Conflicts of interest</b>	Alleged conflicts can be reported through the third-party ethics line or directly to local and/or corporate Human Resources and/or Leadership team members, which includes up to the Shareholder. Once reported, the Vice President, Global Human Resources, informs the necessary stakeholders of any/all reported conflict(s) and any/all courses of action taken.
2-16	<b>Communication of critical concerns</b>	There were 11 reports made through the EthicsPoint hotline in 2024. The nature of these reports is confidential.
2-17	<b>Collective knowledge of the highest governance body</b>	See Sustainability Governance, pg. 14

GRI DISCLOSURE		PAGE/RESPONSE
2-18	<b>Evaluation of the performance of the highest governance body</b>	Team members complete an annual focus plan, aligned with key company directives and Neapco's annual strategic plan. It is expected that managers will monitor performance against these focus plans and provide honest feedback throughout the year. The process includes a formal review midway through the year, when progress toward objectives is evaluated and, if necessary, adjusted. A final review is performed at year-end. The final review is used as input into the next year's planning and may also be used as a resource to determine merit increase, incentives, and promotions. Team members at all levels within the organization follow this same general process, although there may be differences in format and documentation. The annual performance evaluation of the executive leadership's goals and objectives are measured in accordance with the annual budget targets and strategic plan.
2-19	<b>Remuneration policies</b>	Neapco Holdings, LLC is privately held and does not publicly disclose remuneration policies due to confidentiality constraints.
2-20	<b>Process to determine remuneration</b>	Neapco Holdings, LLC is privately held and does not publicly disclose remuneration policies due to confidentiality constraints.
2-21	<b>Annual total compensation ratio</b>	Neapco Holdings, LLC is privately held and does not publicly disclose compensation information due to confidentiality constraints.
2-22	<b>Statement on sustainable development strategy</b>	See Letter from the President & CEO, pg. 4
2-23	<b>Policy commitments</b>	<p>Neapco's Global Environmental Policy is our commitment to be a good corporate citizen, to protect the environment, prevent pollution, fulfill our environmental compliance obligations, and continually improve our Environmental Management System to enhance environmental performance and other commitments.</p> <p>Neapco's Global Occupational Health and Safety Policy is our commitment to provide a safe and healthy work environment and continually improve the OH&amp;S management system for the prevention of work-related injury and ill health.</p> <p>These policies are approved by the CEO and COO.</p> <p>We will work closely with our stakeholders to communicate and apply our environmental responsibilities and other specific commitments, as applicable to their products or services. Team members are on the front lines of environmental performance; therefore, they receive ongoing training and communication, and they participate in identifying opportunities to improve environmental performance.</p>

GRI DISCLOSURE		PAGE/RESPONSE
2-24	Embedding policy commitments	See Environmental Introduction, pg. 18 and Social Introduction, pg 37.
2-25	Process to remediate negative impacts	Neapco uses a third-party platform called EthicsPoint. Employees, Suppliers, Customers and the Community have access to this system through Neapco's website. Concerns can be confidentially reported through the system. Neapco's Human Resources team is responsible for receiving the concerns and acting upon them.
2-26	Mechanisms for seeking advice and raising concerns	Neapco uses a third-party platform called EthicsPoint. Employees, Suppliers, Customers and the Community have access to this system through Neapco's website. Concerns can be confidentially reported through the system. Neapco's Human Resources team is responsible for receiving the concerns and acting upon them.
2-27	Compliance with laws and regulations	At the time of this report's publication, this data is unavailable across all Neapco locations.
2-28	Membership associations	See About Neapco, pg. 6
2-29	Approach to stakeholder engagement	See Materiality, pg. 13
2-30	Collective bargaining agreements	80% of employees are covered by collective bargaining agreements. All employees regardless of coverage by a collective bargaining agreement have access to the same working conditions and terms of employment. The only exception to this is that employees not covered by a collective bargaining agreement do not have access to a union representative.

## GRI 3: Material Topics 2021

GRI DISCLOSURE		PAGE/RESPONSE
3-1	Process to determine material topics	See Materiality, pg. 13
3-2	List of material topics	See Materiality, pg. 13
3-3	Management of Material Topics	Each section of this report corresponds to a material topic and begins with a description of how the topic is managed. These management disclosures include the topic's relevance to Neapco, oversight responsibilities, policies or practices in place, and our approach to monitoring performance over time.

## GRI 201: Economic Performance 2016

GRI DISCLOSURE		PAGE/RESPONSE
201-1	Direct economic value generated and distributed	Neapco Holdings, LLC is privately held and does not publicly disclose this information due to confidentiality constraints.
201-2	Financial implications and other risks and opportunities due to climate change	See the TCFD Index, pg. 70
201-3	Defined benefit plan obligations and other retirement plans	Neapco Holdings, LLC is privately held and does not publicly disclose this information due to confidentiality constraints.
201-4	Financial assistance received from the government	Neapco Holdings, LLC is privately held and does not publicly disclose this information due to confidentiality constraints.

## GRI 204: Procurement Practices 2016

GRI DISCLOSURE		PAGE/RESPONSE
204-1	Proportion of spending on local suppliers	At the time of this report's publication, this data is unavailable across all Neapco's locations.



## GRI 301: Materials 2016

GRI DISCLOSURE	PAGE/RESPONSE
301-1 <b>Materials used by weight or volume</b>	At the time of this report's publication, this data is unavailable across all Neapco's locations.
301-2 <b>Recycled input materials used</b>	Neapco sources recycled aluminum for all casting projects. Outside of our aluminum sourcing, additional data on recycled input materials is not available at the time of this report.
301-3 <b>Reclaimed products and their packaging materials</b>	At the time of this report's publication, this data is unavailable across all Neapco's locations.

## GRI 302: Energy 2016

GRI DISCLOSURE	PAGE/RESPONSE
302-1 <b>Energy consumption within the organization</b>	See Energy Management, pg. 24
302-2 <b>Energy consumption outside of the organization</b>	Energy consumption outside of the organization is not currently tracked.
302-3 <b>Energy intensity</b>	0.000347744 GJ/ USD Revenue
302-4 <b>Reduction of energy consumption</b>	See Energy Management, pg. 24
302-5 <b>Reductions in energy requirements of products and services</b>	Neapco has not yet completed a life cycle analysis (LCA) on its products to determine the total energy requirements of sold products. Therefore, Neapco cannot yet speak to the reductions in energy requirements of sold products and services.

## GRI 303: Water & Effluents 2018

GRI DISCLOSURE	PAGE/RESPONSE
303-1 <b>Interactions with water as a shared resource</b>	<p>Neapco will work closely with stakeholders and affected parties to communicate and apply our water management and environmental responsibilities, as applicable to our operations and their products or services. Water issues or events will be reported to Neapco management and appropriate agencies. As necessary, investigations will be initiated and required actions will be taken to mitigate negative impacts.</p> <p>At our manufacturing facilities, water is used in the production process, for sanitation, and drinking water. In our distribution centers and offices, water is primarily used for sanitation and drinking purposes. Water and wastewater are overseen by plant management and the Sustainability Governance Board. In 2024, we implemented projects to enhance the efficiency of on-site wastewater treatment and modernize equipment, thereby reducing wastewater and overall water consumption. The teams continually assess and manage water usage and wastewater discharge.</p>
303-2 <b>Management of water discharge-related impacts</b>	See Water Management, pg. 33
303-3 <b>Water withdrawal</b>	See Water Management, pg. 33
303-4 <b>Water discharge</b>	See Water Management, pg. 33
303-5 <b>Water consumption</b>	See Water Management, pg. 33



## GRI 305: Emissions 2016

GRI DISCLOSURE		PAGE/RESPONSE
305-1	Direct (Scope 1) GHG emissions	See Climate & Greenhouse Gas Emissions, pg. 21
305-2	Energy indirect (Scope 2) GHG emissions	See Climate & Greenhouse Gas Emissions, pg. 21
305-3	Other indirect (Scope 3) GHG emissions	See Climate & Greenhouse Gas Emissions, pg. 21
305-4	GHG emissions intensity	See Climate & Greenhouse Gas Emissions, pg. 21
305-5	Reduction of GHG emissions	See Climate & Greenhouse Gas Emissions, pg. 21
305-6	Emissions of ozone-depleting substances (ODS)	This disclosure is not applicable to Neapco as our operations do not produce chlorofluorocarbons (CFCs) or hydrochlorofluorocarbons (HCFCs).
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	At the time of this report's publication, this data is unavailable across all Neapco's locations.

## GRI 306: Waste 2020

GRI DISCLOSURE		PAGE/RESPONSE
306-1	Waste generation and significant waste-related impacts	See Waste Management & Circularity, pg. 30
306-2	Management of significant waste-related impacts	See Waste Management & Circularity, pg. 30
306-3	Waste generated	See Waste Management & Circularity, pg. 30
306-4	Waste diverted from disposal	See Waste Management & Circularity, pg. 30
306-5	Waste directed to disposal	See Waste Management & Circularity, pg. 30

## GRI 308: Supplier Environmental Assessment 2016

GRI DISCLOSURE		PAGE/RESPONSE
308-1	New suppliers that were screened using environmental criteria	See Responsible Procurement, pg. 58
308-2	Negative environmental impacts in the supply chain and actions taken	At the time of this report's publication, this data is unavailable across all Neapco's locations.

## GRI 401: Employment 2016

GRI DISCLOSURE		PAGE/RESPONSE				
401-1	New employee hires and employee turnover	At the time of this report's publication, this information is only available for Neapco's U.S. workforce. This table covers Neapco's U.S. Workforce in 2024:				
			GENDER		AGE GROUP	
			MALE	FEMALE	<30	30-50
	Number of Hires	123	40	69	68	26
	Number of Separations	168	43	60	86	65
At the time of this report's publication, Neapco does not have new hire or turnover rates to report.						
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	See Employee Well-being, pg. 41				
401-3	Parental leave	At the time of this report's publication, this data is unavailable across all Neapco's locations.				

## GRI 403: Occupational Health & Safety 2018

GRI DISCLOSURE	PAGE/RESPONSE
403-1 Occupational health and safety management system	See Health & Safety, pg. 38
403-2 Hazard identification, risk assessment, and incident investigation	See Health & Safety, pg. 38
403-3 Occupational health services	See Health & Safety, pg. 38
403-4 Worker participation, consultation, and communication on occupational health and safety	See Health & Safety, pg. 38
403-5 Worker training on occupational health and safety	See Health & Safety, pg. 38
403-6 Promotion of worker health	See Health & Safety, pg. 38
403-7 Prevention and mitigation of occupational health and safety management system	See Health & Safety, pg. 38
403-8 Workers covered by an occupational health and safety management system	See Health & Safety, pg. 38
403-9 Work-related injuries	See Health & Safety, pg. 38
403-10 Work-related ill health	See Health & Safety, pg. 38

## GRI 404: Training & Education 2016

GRI DISCLOSURE	PAGE/RESPONSE
404-1 Average hours of training per year per employee	See Training, Education & Development, pg. 48
404-2 Programs for upgrading employee skills and transition assistance programs	See Training, Education & Development, pg. 48
404-3 Percentage of employees receiving regular performance and career development reviews	See Training, Education & Development, pg. 48

## GRI 405: Diversity & Equal Opportunity 2016

GRI DISCLOSURE	PAGE/RESPONSE
405-1 Diversity of governance bodies and employees	See Employment Practices, pg. 45
405-2 Ratio of basic salary and remuneration of women to men	Neapco Holdings, LLC is privately held and does not publicly disclose this information due to confidentiality constraints.

## GRI 413: Local Communities 2016

GRI DISCLOSURE	PAGE/RESPONSE
413-1 Operations with local community engagement, impact assessments, and development programs	See Community Impact, pg. 50
413-2 Operations with significant actual and potential negative impacts on local communities	See Community Impact, pg. 50

## GRI 414: Supplier Social Assessment 2016

GRI DISCLOSURE	PAGE/RESPONSE
414-1 New suppliers that were screened using social criteria	See Responsible Procurement, pg. 58
414-2 Negative social impacts in the supply chain and actions taken	At the time of this report's publication, this data is unavailable across all Neapco's locations.

## GRI 416: Customer Health & Safety 2016

GRI DISCLOSURE	PAGE/RESPONSE
416-1 Assessment of the health and safety impacts of product and service categories	See Customer & Product Safety, pg. 42
416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	At the time of this report's publication, this data is unavailable across all Neapco's locations.



# SASB INDEX

## Activity Metrics: Auto Parts Industry

SASB CODE	SASB ACTIVITY METRIC	PAGE/RESPONSE
TR-AP-000.A	Number of parts produced	Not reported
TR-AP-000.B	Weight of parts produced	Not reported
TR-AP-000.C	Area of manufacturing plants	2,360,000 square feet

## Sustainability Disclosure Topics & Metrics : Auto Parts Industry

SASB CODE	SASB ACTIVITY METRIC	PAGE/RESPONSE
<b>ENERGY MANAGEMENT</b>		
TR-AP-130a.1	(1) Total energy consumed, (2) percentage grid electricity and (3) percentage renewable	See Climate & Greenhouse Gas Emissions, pg. 21
<b>WASTE MANAGEMENT</b>		
TR-AP-150a.1	(1) Total amount of waste from manufacturing (2) percentage hazardous and (3) percentage recycled	See Waste Management & Circularity, pg. 30
<b>PRODUCT SAFETY</b>		
TR-AP-250a.1	Number of vehicles recalled	Not reported
<b>DESIGN FOR FUEL EFFICIENCY</b>		
TR-AP-410a.1	Revenue from products designed to increase fuel efficiency or reduce emissions	Not reported

SASB CODE	SASB ACTIVITY METRIC	PAGE/RESPONSE
<b>MATERIALS SOURCING</b>		
TR-AP-440a.1	Description of the management of risks associated with the use of critical materials	See Sustainable Materials, pg. 28
<b>MATERIALS EFFICIENCY</b>		
TR-AP-440b.1	Percentage of products sold that are recyclable	Not reported
TR-AP-440b.2	Percentage of input materials from recycled or remanufactured content	Not reported
<b>COMPETITIVE BEHAVIOR</b>		
TR-AP-520a.1	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	Not reported

# TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURE (TCFD) INDEX

## Governance

RECOMMENDED DISCLOSURE	PAGE/RESPONSE
Describe the board's oversight of climate-related risks and opportunities	Neapco's Governance Committee and Global Sustainability Team oversee and implement all of our sustainability practices and performances, including setting environmental Key Performance Indicators (KPIs) and targets. The Global Sustainability Team is tasked with executing the defined initiatives in conjunction with corporate governance.
Describe management's role in assessing and managing climate-related risks and opportunities	The proactive monitoring and management for climate-related risks and opportunities lie within the Governance Committee and Global Sustainability Team. These two groups actively work together to make sure our targets are continually updated.

## Strategy

RECOMMENDED DISCLOSURE	PAGE/RESPONSE
Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term	<p><b>TRANSITION RISKS</b></p> <p><b>Enhanced emissions-reporting obligations</b></p> <p><b>Neapco Specific Risk:</b> Federal requirements proposed by the SEC for non-financial climate-related disclosures.</p> <p><b>Reasoning:</b> While Neapco is not a publicly listed company, several of our customers are. By proactively reporting our emissions to CDP and in our Sustainability Report, we will stay ahead of enhanced emissions-reporting obligations and the non-financial climate-related disclosures mandated by federal regulatory agencies.</p> <p><b>Shifts in consumer preferences</b></p> <p><b>Neapco Specific Risk:</b> Increase in demand for electric vehicles</p> <p><b>Reasoning:</b> Neapco has predominantly manufactured auto parts for combustion engine vehicles. Given the shift towards EVs, Neapco continues to review our business model and product segments to ensure our relevance and continued success despite the shift in consumer preferences. Most of our operations remain unaffected by this shift; however, one of our product segments may experience a decrease in demand, as it is not required for the production of EVs.</p>

RECOMMENDED DISCLOSURE	PAGE/RESPONSE
Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term	<p><b>PHYSICAL RISKS</b></p> <p><b>Acute</b></p> <p><b>Neapco Specific Risk:</b> Dependent on our specific facility locations, but commonalities include heavy precipitation, pluvial flooding, and heat waves</p> <p><b>Chronic</b></p> <p><b>Neapco Specific Risk:</b> Dependent on our specific facility locations, but commonalities include temperature, variability, and heat stress</p> <p><b>Reasoning:</b> Neapco works hard to mitigate our environmental footprint while simultaneously preparing for any future risks by considering different adaptation initiatives and projects. We understand that being prepared for a disaster helps us avoid negative consequences such as reduced productivity and increased safety risks to our employees.</p> <p>Throughout the last year, Neapco has worked on several projects to increase efficiency and lower emissions associated with our products. Knowing we must continually advance our products to meet the needs of our customers to reduce their scope 3 emissions, we consider the materials used in our products. Aluminum is easy to reuse and recycle, which allows us to reduce our reliance on raw materials and work toward a circular economy. In addition, we are always trying to increase the efficiency of our manufacturing processes.</p> <p><b>GHG Emissions:</b> In 2021, Neapco finished our first company-wide GHG inventory. This year, we calculated our scope 1-3 GHG inventory and had our GHG reduction targets approved by the Science Based Targets Initiative. Aligned with the GHG Protocol Corporate Accounting and Reporting Standard, this year's inventory covered all relevant sources of scope 1-3 emissions, and the data and calculations used in the inventory have been verified by a third party on the principles of relevance, completeness, consistency, accuracy, and transparency. We used 2022 as our baseline year for GHG emission targets and analysis. We will continue to focus on supplier engagement to reduce our scope 3 emissions.</p> <p><b>Energy Management:</b> Energy management is overseen by plant managers and the Global Sustainability Team. We have developed a global energy roadmap to meet our science-based targets through a combination of operational excellence projects, new technology, and progressive purchase of renewable energy.</p> <p><b>Waste Management:</b> Our production process considers circularity and end-of-life for all of our products and materials. We have been implementing processes that utilize lighter materials to improve energy efficiency, reduce material requirements and inputs, and minimize waste. We manage our waste streams carefully, choosing the cost-efficient scrap yards, recycling all materials possible and separating the waste into appropriate groups for the best possible results.</p>
Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	

RECOMMENDED DISCLOSURE	PAGE/RESPONSE
<b>Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning</b>	<b>Water Management:</b> Our risk assessment process uses a combination of the WRI Aqueduct Water Risk Atlas and the WWF Water Risk Filter to identify and assess the impacts of a variety of water risks for each facility. Risks are broken down by operational and basin risks, and reputational risk. Based on these risks, each facility is given a score from 1 (very low risk) to 5 (very high risk). These risks are included in a scenario analysis from 2021 through 2050, including a business-as-usual scenario, an optimistic scenario, and a pessimistic scenario. Based on these identified risks in the WWF Water Risk Filter, Neapco will prioritize actions to mitigate these risks either at a facility level or company-wide if it ranges across all facilities.

**Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario**

Neapco committed to SBTi because we understand the crucial role the business community can play in minimizing the risk climate change poses to the future of our planet. We have established science aligned near-term targets for scope 1, 2 and 3 emissions. These targets have been approved by the Science Based Targets initiative. Based on a 2022 baseline, we are committed to reducing absolute scope 1 and 2 emissions by 54.6% and scope 3 emissions by 32.5% by 2033.

## Risk Management

RECOMMENDED DISCLOSURE	PAGE/RESPONSE
<b>Describe the organization's processes for identifying and assessing climate-related risks</b>	<p>Over the last few years, we have implemented a Governance Committee and grown our Global Sustainability Team to oversee and implement our sustainability practices. The Global Sustainability Team is responsible for overseeing all sustainability practices and performances, including setting environmental KPIs and targets. We have also completed a double materiality assessment to find areas where we can have the most impact for our stakeholders and Neapco's business. The results of the assessment showed the topics that are now the focus of Neapco's sustainability initiatives and goal setting. Climate Risk Analysis: We utilized the Taskforce on Climate-Related Financial Disclosures (TCFD) to shape our climate analysis and the types of transition risks we examined.</p> <p>Additionally, we used the Shared Socio-economic Pathways (SSP), which are scenarios of projected socioeconomic global changes up to 2100. The SSPs set the stage on which reductions in emissions will, or will not, be achieved based on factors including climate policies, socioeconomic development, and technology.</p>

RECOMMENDED DISCLOSURE	PAGE/RESPONSE
<b>Describe the organization's processes for managing climate-related risks</b>	SBTi: Based on a 2022 baseline, we are committed to reducing absolute scope 1 and 2 emissions by 54.6% and scope 3 emissions by 32.5% by 2033. The Governance Committee and the Global Sustainability Team are responsible for managing progress towards these targets.
<b>Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management</b>	At the time of this report's publication, this information is unavailable.

## Metrics & Targets

RECOMMENDED DISCLOSURE	PAGE/RESPONSE
<b>Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process</b>	See Impact Summary, pg. 20
<b>Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks</b>	See Climate & Greenhouse Gas Emissions, pg. 21
<b>Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets</b>	See Climate & Greenhouse Gas Emissions, pg. 21

# AA1000 ASSURANCE STATEMENT

## AA1000AS v3 Assurance Statement

Prepared for: Neapco Holdings (Neapco)  
Intended Users: Neapco Stakeholders  
Date Issued: September 12, 2025

### I. Introduction

Sustainability Assurance Services (SAS) has conducted an independent third-party, Type 2 Moderate Assurance review of Neapco's 2024 sustainability report and data for the year ending 31 December 2024 in accordance with AccountAbility's AA1000 Assurance Standard 2018 (AA1000AS v3). This review assessed the accountability and reliability of Neapco's sustainability management, performance and reporting practices.

The objective of this Type 2 Moderate level assurance review was to assess the inclusivity, materiality, responsiveness, impact ("the Principles") and information reliability and quality set out in the AA1000 Assurance Standard v3.

### II. Roles and Responsibilities

For a Type 2 assurance engagement, the SAS Assurance Team assesses the extent of the organization's adherence to all four AA1000 AccountAbility Principles and provides relevant findings and conclusions, and shall, additionally, assess and evidence the reliability and quality of specified sustainability performance and disclosed information, providing relevant findings and conclusions.

Neapco is responsible for the preparation, collation and reporting of qualitative and quantitative data and reporting materials in addition to the establishment and maintenance of appropriate performance management and internal control systems from which the reported information is derived. If information is spread across multiple disclosures – such as company reports, company webpages, stakeholder reports, or regulatory-specific disclosures – Neapco is responsible for ensuring that the information is not edited or amended in any way after assurance.

### III. Independence and Competence

As part of its independent assessment, SAS does not make recommendations to its clients, but it does identify gaps in reporting that can be used for improvements. Further, SAS was not involved in the development of the sustainability report or other provided information, nor does SAS retain a relationship with its clients that would cause a conflict of interest or compromise its ability to perform an independent assessment.

The SAS assurance team comprised:  
Lindsey Mifsud Berger, Lead Auditor – Certified Sustainability Assurance Practitioner  
Jana Lake, Team Auditor – Lead Certified Sustainability Assurance Practitioner

### IV. Process and Scope of Assurance

The scope of the assurance included Neapco's 2024 Sustainability Report, which was prepared in accordance with the Global Reporting Initiative (GRI) Standards and included SASB disclosures, alignment to the UN Sustainability Development Goals and TCFD Recommendations. To review the design of processes, systems, and

controls for managing reliability and quality of specified information, the SAS Assurance team also reviewed internal Neapco data tracking sheets, presentations, sustainability working group meeting topics, stakeholder engagement results and materiality assessment summaries.

### V. Methodology

The SAS assurance team conducted an information gathering session with Neapco using question-and-answer format. Neapco presented relevant documentation from stakeholders and shared both public and internal documents to demonstrate adherence to the AA1000 principles. Public reports and internal data tracking sheets and procedures were shared by Neapco to support the sustainability performance data reliability and quality.

### VI. Limitations

An assurance engagement is conducted at a point in time and not performed continuously throughout the year. The procedures performed aimed at collecting information throughout the entire reporting year to gather as much historical, present and forward-looking information as possible.

No significant findings have come to our attention that cause us to believe that the sustainability management, reporting and performance has not been conducted in adherence to the AA1000 AccountAbility Principles. In all material respects, Neapco has adhered to the AA1000AS v3 2018 Standard and has provided sufficient evidence to support Moderate level of assurance for reliable and quality performance data for the year ending 31 December 2024.

*Lindsey M Berger*

**Lindsey Mifsud Berger**  
AA1000 Certified Sustainability Assurance Practitioner  
Sustainability Assurance Services  
September 12, 2025



## 2024 SUSTAINABILITY REPORT

Neapco Holdings LLC  
38900 Hills Tech Drive  
Farmington Hills, MI 48331 USA

[www.neapco.com](http://www.neapco.com)

*Privately held company*