



2025 SUSTAINABILITY REPORT

A LEADER IN INTUITIVE MOTION CONTROL

NEXTEER AUTOMOTIVE GROUP LIMITED
耐世特汽車系統集團有限公司

STOCK CODE: 1316

Incorporated under the laws of the Cayman Islands with limited liability

OUR STRATEGY

FOR PROFITABLE GROWTH



Expand & Diversify
Revenue Base



Strengthen
Technology Leadership



Capitalise on Megatrend
& Portfolio Alignment



Optimise
Cost Structure



Pursue Select
Acquisitions & Alliances



Target China &
Emerging Markets





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About This Report

Thank you for your interest in Nexteer Automotive Group Limited's (the Company, together with its subsidiaries are collectively referred to as we, us, our, Nexteer, Nexteer Automotive or the Company) tenth annual sustainability report. Our sustainability report is an important way in which we communicate progress against our sustainability material topics and goals.

We self-declare that the 2025 Sustainability Report complies with applicable requirements and reporting principles set forth in the Environmental, Social and Governance Reporting Code (HKEX ESG Reporting Code), as set out in Appendix C2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the Listing Rules). We prepared our 2025 Sustainability Report in accordance with the HKEX Implementation Guidance for Climate Disclosures under HKEX ESG Reporting Framework. Please see page 12 for a detailed description of our materiality process, and page 14 for identified stakeholders, and the results of our 2025 stakeholder engagement. Quantitative data are prepared in accordance with the applicable requirements stated in HKEX ESG Reporting Code, details of the calculation basis are disclosed in relevant sections of this report. The results of our performance in accordance with the applicable ESG requirements stated in Appendix C2 are presented in this report and are indicated with a green marker as their unique identifier. Nexteer has also reported the information in this report with reference to Global Reporting Initiative's (GRI) standards, Sustainability Accounting Standards Board (SASB) "Auto Parts" sector standards, and United Nations Sustainable Development Goals (UNSDGs), if deemed available under HKEX ESG Reporting Guide. See page 72 for our reporting indices.

This sustainability report covers information and shares highlights for fiscal year (FY) 2025, which aligns with the calendar year. Unless otherwise noted, it covers all Nexteer's global operations and the information applies to all full-time and part-time employees working in premises operated by Nexteer, as well as in majority owned joint-venture locations. There is no significant change in the boundaries and scope of this sustainability report, compared to FY 2024.

Information about the standards, methodologies, assumptions, calculation references, and source of key conversion factors used for the key performance indicators (KPIs) are stated wherever appropriate. As far as reasonably practicable, consistent methodologies are adopted when calculating the KPIs or any changes that affect a meaningful comparison would be stated. All financial information is reported in US dollars unless otherwise stated.

Before publication, this report was reviewed by Nexteer's Sustainability Working Group, management's Sustainability Steering Committee and Disclosure Committee, as well as the Board of Directors.

In addition to publishing an annual sustainability report, Nexteer provides sustainability-related information to meet specific requests from original equipment manufacturers (OEMs). We also provide information to CDP (formerly the Carbon Disclosure Project) and assess our sustainability performance through EcoVadis, a third-party provider of business sustainability ratings.

For feedback, questions, or additional information about this report or our approach to sustainability, please contact us at:

HEADQUARTERS

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Preface – A Message From **Leadership**

Dear Stakeholders,

Nexteer continues to build on its strong legacy of innovation and technical excellence delivering advanced motion control solutions that are redefining the future of mobility.

Sustainability remains central to our vision of being the global leader in motion control technology, accelerating mobility to be safe, green, and exciting. In 2025, our global One Nexteer team made meaningful progress by expanding employee development opportunities, advancing software-driven safety innovations, implementing environmental sustainability initiatives, strengthening supplier engagement, and deepening community impact through volunteerism and charitable programmes.

As we enter 2026 and celebrate Nexteer's 120-year anniversary, we are united in **Accelerating with Purpose** — driving intelligent motion control while advancing a more sustainable, low-carbon, and inclusive mobility ecosystem for future generations.

Demonstrating our ongoing commitment to sustainability, Nexteer has been recognised for the ninth consecutive year by the Hong Kong Hang Seng Corporate Sustainability Benchmark Index. We were also named to *TIME's* World's Best Companies in Sustainable Growth 2026 (Global 500) and *Newsweek's* America's Greenest Companies. These recognitions reflect the strength of our innovation, the dedication of our team, and the power of our partnerships.

As the Chair of our Sustainability Steering Committee, I am proud to present Nexteer's 2025 Sustainability Report and highlight key achievements from the reporting year across our five focus areas: Business Ethics, Value Creation, Environmental Health and Safety, Supply Chain, and Community.



Robin Milavec

Business Ethics.

At Nexteer, principles of good corporate governance and upholding sound business ethics practices remain the cornerstones of our business, enabling us to deliver long-term value to our stakeholders and stay true to our vision. In 2025, we continued to strengthen our governance framework, embed our Code of Conduct into daily decision-making, and maintain the highest standards of compliance and transparency. We align business practices to properly address social risk topics across our global operations and encourage the same for supply chain partners, invested significantly in our people through targeted technical training and leadership development programmes, and fostered an inclusive culture with family-oriented activities and comprehensive well-being support. Furthermore, we launched the Drive Career Development Hub and comprehensive programmes including the Talent Management Game and Leader Academy, equipping our workforce with the skills, resources, and collaborative mindset essential for individual growth and sustained organisational success. In addition, the collective dedication of our One Nexteer team, our valued supplier partners, and our customers continues to drive our success and has earned us meaningful external recognition, including multiple Great Place to Work® certifications and prestigious top-employer awards around the world.

Value Creation.

Nexteer continues to pioneer technologies shaping the future of mobility, earning the 2025 AutoTech Breakthrough “Automotive Software Solution of the Year” award for its MotionIQ™ software suite. This integrated, AI-powered platform is engineered on proven technology deployed in over 120 million vehicles to help automakers deliver safer, higher-performing software-defined vehicles, while cutting resource consumption, extending vehicle life and advancing sustainable transportation. In 2025, we invested more than US\$277 million in R&D to advance the key industry shifts of electrification, software and connectivity, advanced driver assistance systems (ADAS) and automated driving, and shared mobility – delivering innovative solutions that powered global electric vehicle platforms and directly supported our customers’ decarbonisation goals.

Environmental, Health & Safety (EH&S).

At Nexteer, protecting the health, safety, and well-being of our team members is a fundamental priority and the bedrock of sustainable success. We are guided by the core belief that a safe workplace is fully achievable, and this belief drives a proactive, deeply embedded safety culture at every site. Our “think global, act local” philosophy empowered regional teams to launch initiatives that enhance operational performance and environmental footprint, benefiting both our business and the planet. Notably, our 25-acre on-site solar field in Saginaw, Michigan, has been operational for over a year and generates approximately 10 million kilowatt-hours of renewable energy, and our two sites in China have broken ground and are being designed as smart and green manufacturing facilities, further advancing our commitment to sustainable manufacturing.

Supply Chain.

Suppliers and business partners are regarded as integral members of Nexteer’s value chain, working alongside the Company to advance sustainability and deliver long-term benefits to all stakeholders. Nexteer applies stringent standards of ethical business conduct to our own operations and expects our partners to uphold the same level of integrity and responsibility. Supplier sustainability assessment outcomes continue to inform supply chain management decisions, complemented by engagement activities such as the Global Supplier Conference and targeted sustainability surveys that facilitate dialogue and alignment on key ESG priorities. Cross-functional teams further integrate

ESG considerations into the broader supply chain risk management framework, reinforcing transparency, visibility, and proactive risk mitigation. In the face of a dynamic global environment, Nexteer integrates sustainability through a risk management lens, helping to build greater agility and resilience across the supply network.

Community.

The passion, teamwork and unwavering commitment of our Nexteer colleagues continue to inspire us every day. Through our global Nexteer Cares corporate social responsibility (CSR) programme, we stay deeply connected to the communities where we live and work. In 2025, our community engagement efforts continued to revolve around three core pillars: active local community involvement, promoting Science, Technology, Engineering and Mathematics (STEM) education and career opportunities and building stronger, safer neighbourhoods. Throughout the year, our team members have been involved in providing STEM learning experiences for students and participated in meaningful volunteer projects that support families in need.

We extend our sincere gratitude to our employees, customers, suppliers, communities, and partners. Your trust, collaboration and shared commitment make these achievements possible.

As we celebrate our 120th anniversary, we are energized by the progress we’ve made and the opportunities ahead. Together, we will continue to build a stronger, more resilient Nexteer and advance a more sustainable future.

Sincerely,

Robin Milavec
President, Chief Technology Officer (CTO),
Interim Global Chief Operating Officer &
Executive Board Director
Chair – Sustainability Steering Committee and
Enterprise Risk Management Committee
Nexteer Automotive

About Nexteer

Nexteer Automotive's vision is to be the global leading motion control technology company accelerating mobility to be safe, green and exciting.

Our innovative portfolio supports by-wire chassis control, including electric and hydraulic power steering systems, steer-by-wire and rear-wheel steering systems, steering columns and intermediate shafts, driveline systems, software solutions and brake-by-wire. The company solves motion control challenges across key industry shifts – including electrification, software/connectivity, advanced driver assistance systems (ADAS)/automated driving (AD) and shared mobility.

In-house development and full system integration of hardware, software and electronics provides Nexteer a competitive advantage as an agile, full-service supplier to automotive OEMs around the world.

Our ability to seamlessly integrate our systems into OEM vehicles is a testament to our 120-year heritage of vehicle integration expertise and product craftsmanship. Our "One Nexteer" culture inspires employees to achieve personal and corporate growth by focusing on our core values across all aspects of the Company: people first, operational excellence and enterprise

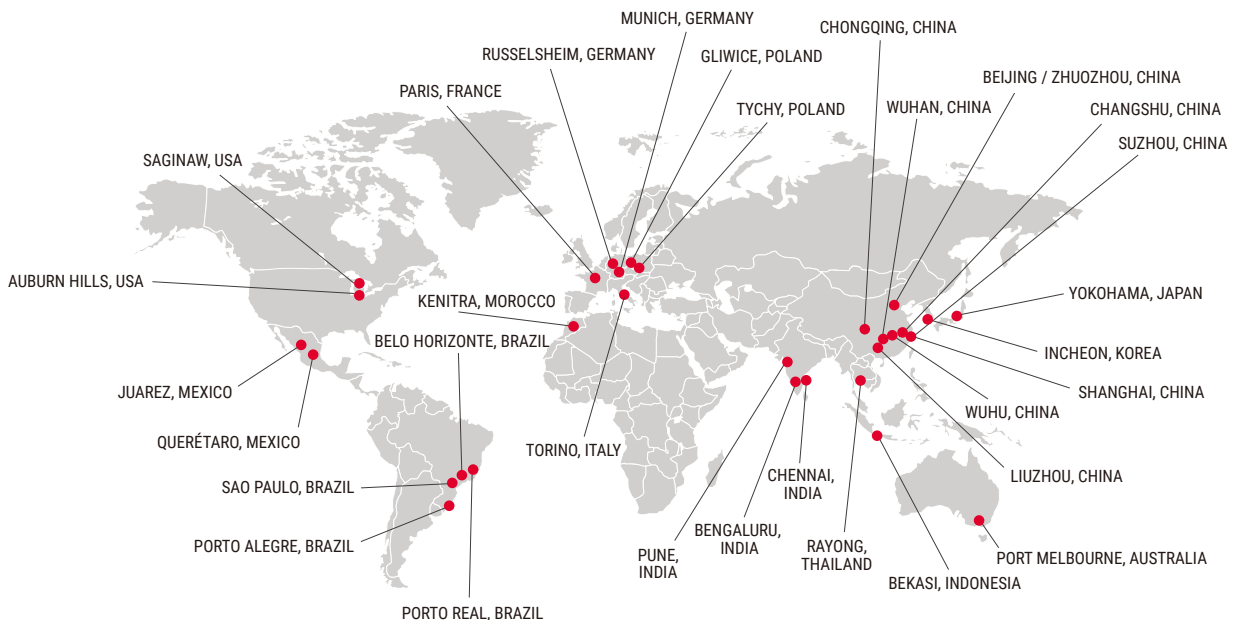
growth. As One Nexteer, our vision guides us every day, and we're making it a reality by challenging the impossible and making tomorrow better than today.

We strive to be the partner of choice for our customers and suppliers by delivering highly engineered, safety-critical products and building enduring relationships.

Nexteer provides real-world, vehicle-level solutions by being:

- **Customer Focused:** Respected and trusted for delivering on commitments
- **Proactive:** We listen carefully to understand customer needs, requirements and aspirations
- **Innovative:** A market leader in steering, driveline, software solution and brake-by-wire system innovation and value-added service
- **Agile:** Able to respond quickly with high-quality, cost-effective solutions
- **Global:** Committed to exceeding customer and vehicle needs every time, in every customer-targeted market

GLOBAL FOOTPRINT



2025

HIGHLIGHTS

57  **Programme Launches**
74% New or Conquest

US\$ 4.6B **Revenue**
Record High, Revenue increased
7.2% compared to 2024

US\$ 4.9B **In Bookings**



34%
Chinese OEMs



52%
New or Conquest



New Product Announcements

Across ALL Existing Product Lines,
Including Expansion into Braking



Electro-Mechanical Braking, MotionIQ™,
Rear-Wheel Steering, Direct Drive Steer-by-Wire
Handwheel Actuator, Face Spline Axle,
8-Ball Joint and Premium Double Offset Joint

Increased Manufacturing & Engineering Capability



Strengthened support for OEM
customers in China, Thailand,
India & Mexico



Captured COEM Growth Outside of China

On customer programmes in
Europe and South America

About Nexteer

NEXTEER'S FIVE KEY FOCUS AREAS**Business Ethics**

We remain grounded by a strong foundation of corporate governance and ethics. Our Board of Directors and leaders set the tone of our One Nexteer culture, one that embraces transparency, upholds our Code of Conduct and ensures not only fair and ethical labour practices, but also that Nexteer is a workplace where employees can thrive

**Supply Chain**

Nexteer is dedicated to providing best-in-class technology, quality and value to every customer, every day. To achieve that goal, we provide a clear, consistent message to our supply partners regarding requirements and expectations. Our Supplier Requirements Manual and our Corporate Social Responsibility Supplier Principles are intended to do just that

**Environmental, Health & Safety**

Nexteer promotes a culture of Environmental, Health & Safety responsibility in all activities:

- We design our products, processes and services for continuous environmental improvement
- We comply with laws, regulations and our requirements for safety and environmental protection where we operate
- We are committed to reducing our greenhouse gas (GHG) emissions through energy efficiency and renewable energy initiatives
- We conserve resources, reduce pollutants and recycle materials for environmental preservation
- We embed health and safety into all aspects of our corporate culture through education, training and awareness
- We remain committed to continuous improvement and ultimately achieving a lost workday case rate of zero

**Value Creation**

Nexteer strives to achieve profitable and balanced global growth by creating value:

- Through innovation and alignment with megatrends that advance sustainable technologies
- By partnering with winning automotive OEMs
- By growing geographic, customer and vehicle platform diversity

**Community**

Nexteer embraces corporate citizenship by:

- Aspiring to be the business neighbour of choice in every community where we maintain a presence
- Supporting the economic prosperity of the communities where our employees live and work
- Supporting and encouraging the involvement of our employees in company-endorsed community endeavours
- Enhancing technical and economic education by supporting STEM educational opportunities
- Promoting a culture of collaboration by supporting community-based initiatives that engage our employees, make a difference in the lives of others and matter to our employees

Sustainability at Nexteer

In this section – Sustainability at Nexteer
 2025 Sustainability Highlights & Recognitions
 Managing Sustainability at Nexteer
 Our Approach to Materiality
 Engaging With Our Stakeholders

We've organised our approach to sustainability into five key focus areas: Business Ethics, Supply Chain, Environmental, Health & Safety, Value Creation, and Community. Taken together, these areas encompass our corporate sustainability framework.

2025 SUSTAINABILITY HIGHLIGHTS & RECOGNITIONS

In 2025, we were selected as a constituent member of the Hang Seng Corporate Sustainability Benchmark Index (HSSUSB) for a ninth year in a row. Additionally, Nexteer was named to *TIME's* World's Best Companies in Sustainable Growth 2026 (Global 500) and *Newsweek's* America's Greenest Companies. The following is a sampling of sustainability highlights and recognitions across our five focus areas. Please see our 2025 Annual Report for more.

Business Ethics

- Member of a national list of Súper Empresas – Mexico
- Top Ser Humano Award – Brazil
- Great Place to Work – India
- Great Place to Work – China
- Great Place to Work – Morocco
- Great Place to Work – Brazil
- Great Place to Work – France
- Great Place to Work – Germany
- Great Place to Work – Italy
- Great Place to Work – Poland (Gliwice)



Great Place to Work Certifications

Supply Chain

- Engaged with over 250 suppliers in annual self-assessment questionnaire with a focus on carbon-related information
- Engaged with over 100 suppliers in annual sustainability survey
- Collaborated with our suppliers in fundraising golf events to provide scholarships for local students
- Hosted our Global Supplier Conference with an estimated 200 suppliers and government dignitaries to strengthen our collaboration and strategic alignment
- Received 19 Excellent Supplier/Partner Awards for our Asia-Pacific and North America operation from Customers. Please refer to our Annual Report Page 25 for the awards details.

Sustainability at Nexteer

Environmental, Health & Safety

- Implemented environmental initiatives, including 67 projects contributing to a reduction of more than 11,300 tonnes of CO₂ equivalent greenhouse gas emissions; renewable energy consumption totaled 91.2 million kWh
- Maintained strong health and safety performance with a global loss workday rate of 0.13
- APAC Smart and Green Manufacturing Projects
- Received 45 National Safety Council awards in 2025, including a Corporate Culture of Safety Award
- Achieved 100% certification for International Organization for Standardization (ISO) 14001 Environmental Management Systems in all global facilities
- Increased ISO 45001 Occupational Health and Safety Management certification globally to 82%
- Pete Crawford Safety Award from Great Lakes Safety Training Centre – US
- Top 3 Finalist for the 2025 Michigan Manufacturers Association Sustainability Award

Value Creation

- Invested over US\$277 million in research and development
- Launched Electro-Mechanical Brake System to improve safety and comfort, optimise energy efficiency, and reduces environmental impacts
- I&CIM's Fast World Cup Award for Nexteer Suzhou (China)
- Liudong New District Government's High Quality Development Excellent Enterprise for Nexteer Liuzhou (China)

- SGM's Quality Pioneer Award for Nexteer Wuhu (China)
- MotionIQ™ Software Suite – Multiple Innovation Awards – China:
 - Lingxuan Award for Prospective Automotive Software Sector from Automotive Business Review
 - Fulun Award for Automotive Technology Breakthrough from Automobile Industries
 - Innovation Technology Award from Automotive & Components
- Quality Circle Forum of India's Quality Award for Nexteer Chennai (India)
- 2025 North American Truck of the Year™ Ford Ranger
- 2025 North American Utility of the Year Finalist Chevrolet Equinox EV featuring Nexteer's Steering Column, I-Shaft & Driveline tech
- Autotech Breakthrough, Automotive Software Solution of the Year: MotionIQ™ Software Suite

Community

- Donated over US\$100,000 to charitable efforts and contributed more than 11,000 hours of employee community service in 2025
- Supported our global communities through numerous events focused on proactive community involvement, careers and education, and strengthening neighbourhoods

MANAGING SUSTAINABILITY AT NEXTEER

Nexteer manages sustainability through a three-tiered governance structure:



Our **Board of Directors (the Board)** provides oversight regarding sustainability/ESG strategy and material ESG aspects. The Board's **Audit and Compliance Committee** supports the Board's oversight role with their subject matter expertise in risk management and internal controls (including material ESG aspects).



Our management-level **Sustainability Steering Committee (SSC)** leads the organisation on integrating sustainability throughout global business strategies, advancing ESG efforts and implementing actions to enhance our sustainability framework.



Our cross-functional **Sustainability Working Group (SWG)** has supported the organisation's sustainability journey. SWG includes members from our **Climate Change Task Force (CCTF)** that coordinates enterprise efforts that relate to climate change.

Our Sustainability Monitoring and Reporting Framework (SMRF) guides our external disclosures, which are aligned to the HKEX ESG. We review and update the SMRF annually to reflect our material topics (see page 13) and to ensure continued alignment with applicable reporting requirements.

Board of Directors

Our Board of Directors maintains oversight of overall ESG issues, such as climate-related risks and opportunities, and various material aspects. This includes reviewing and approving our materiality matrix, Sustainability Report and receiving updates regarding our sustainability & ESG goals, KPIs performance, and progress. Nexteer's management leaders report to the Board. The Board and its Audit and Compliance Committee (ACC) have oversight of risk management and internal control, including those pertaining to Enterprise Risk Management (ERM) and ESG processes. Nexteer's global management committees and functions such as sustainability, ERM, internal audit and other operational teams, prioritise risks, including climate-related risks, based on the magnitude and likelihood of occurrence to develop proper risk management measures. Risks are reviewed periodically with the frequency of review dependent on the impact to the Company.

To integrate climate considerations into strategic discussions, the Board interacts with the management-level Sustainability Steering Committee (SSC) on activities such as monitoring trends, material topics, and potential actions. The SSC is mandated to report on climate-related risks and opportunities, and other relevant matters to the Board at least annually, as well as whenever significant risks are identified. Based on the work done of SSC, the Board assesses the potential impacts of climate issues on operations and strategy, provides feedback on climate objectives, and ensures that climate-related matters are consistently prioritised within the governance framework and are integrated in the overall business strategy. In addition, the Company has established risk management policies and procedures designed to ensure that the most appropriate risk specific responses (avoid, transfer, mitigate, and share) are deployed and are within established risk tolerance.

For more information about our governance practices, please see page 15.

Sustainability at Nexteer

Sustainability Steering Committee

Serving as an overarching tier, the SSC connects with the other two tiers in our sustainability governance structure. With the Board's oversight, the SSC provides leadership and guidance to each of the interrelated functional and divisional teams within our SMRF. The SSC has been established with the objective to operationalise Nexteer's sustainability efforts and drive continual improvements for the organisation to embrace ever-increasing challenges and opportunities along many fronts. For reporting year of 2025, the SSC continued to meet regularly and on an ad hoc basis to provide leadership insights to promote sustainability efforts. For example, the SSC:

- Incorporated sustainability topics into strategic discussions at global leadership meetings
- Provided leadership insights, reviewed, and approved ESG material topics as a part of the materiality assessment process
- Evaluated key findings and subject matter expert recommendations from ESG risk assessments
- Reviewed progress of ESG initiatives such as corporate climate roadmap, energy efficiency projects, and supply chain campaigns
- Reported ESG material aspects and relevant strategic initiatives to the Board and/or its Audit and Compliance Committee
- Reviewed ESG-related topics and considered relevant risks in ERM discussions (majority of the SSC members have a dual role serving in the ERM Committee)

In 2025, we integrated the SSC as a sub-committee to support our Global Strategy Council (GSC, chaired by the CEO). This enhanced governance structure is designed to further integrate sustainability into business processes and strategic planning.

Sustainability Working Group

Groups within Nexteer with climate-related responsibilities include management committees and work teams, such as the Sustainability Steering Committee, Sustainability Working Group and Climate Change Task Force (CCTF). The CCTF includes representation across operations, EH&S, legal, finance and risk management, investor relations, engineering, manufacturing operations, sales, marketing, supply chain and sustainability. Jointly, these groups (Climate Groups) share responsibilities to identify and evaluate the impacts of climate-related physical and transition risks.

Skills and Competence

We continued to build capacity to enhance climate and sustainability-related competencies. This includes internal meetings, discussions, and sharing sessions, as well as collaboration with external industry associations, subject matter experts and academic institutes that focus on applicable sustainability-related topics to ensure our team stays informed about emerging trends and best practices. We have initiated learning and development plans aiming to strengthen skills and competencies of leadership and employee teams, equipping them to address climate challenges effectively and make informed decisions.

OUR APPROACH TO MATERIALITY

In 2015, we completed our first materiality assessment to define the ESG topics that are most pertinent to our business and stakeholders. Since then, we've conducted several refreshes of our topics so they may continue to encompass Nexteer's and our stakeholders' evolving sustainability interests and priorities.

For reporting year 2025, we reviewed and refreshed our materiality assessment building upon previously identified material topics through a five-step process outlined below. For example, this comprehensive review contemplated references such as the HKEX ESG Reporting Code, and the International Sustainability Standards Board (ISSB) Sustainability Disclosure Standards. We further reviewed benchmarking information and industry trends to provide leadership such as the Board and senior management team insights for their confirmation and validation of materiality assessment results. We continue to leverage specific feedback from a variety of internal and external stakeholders to rank and validate twenty unique environmental, social, and governance topics. This alignment with global standards strengthens long-term resilience, transparency, and comparability. As our sustainability journey progresses, we continue to observe global landscape to align with relevant trends and enhance stakeholder engagement.

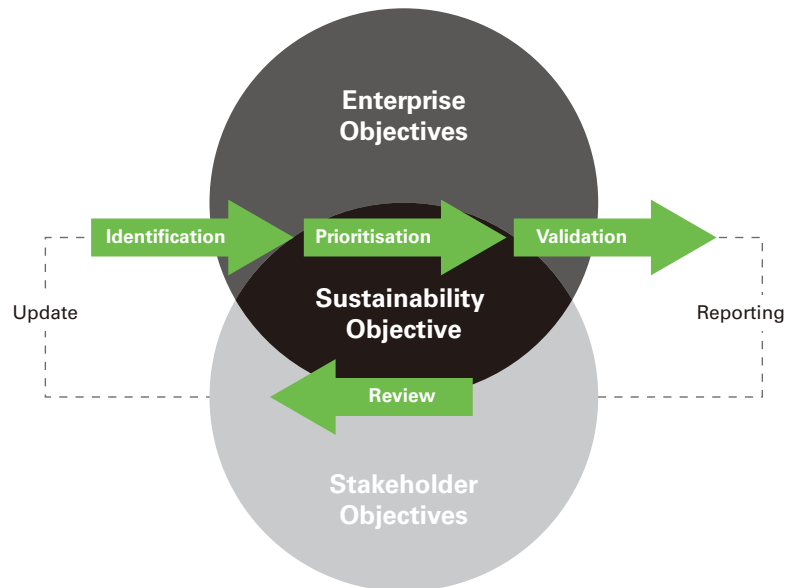
Our Materiality Assessment Methodology

The materiality assessment follows a structured process with the steps listed below:

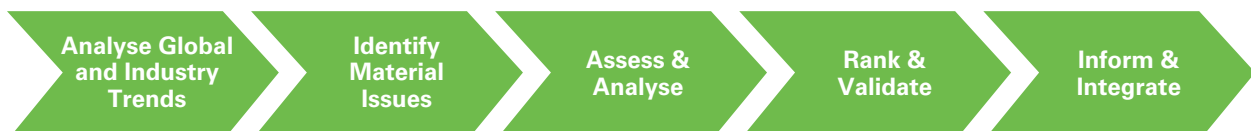
1. We started with researching automotive industry trends, as well as potential near-term and long-term business risks with global and regional trends.
2. We reviewed the following content: Information published by HKEX, industry and globally recognised sustainability reporting protocols and guidelines including the ISSB Sustainability disclosure standards, and third-party sustainability and CSR evaluation frameworks to identify material issues based on our five key focus areas: business ethics, value creation, supply chain, community, health, safety, and environment. We also assessed and analysed ESG topics through a review of sustainability reports published by relevant companies in automotive industry.
3. We refined this list of potential material topics through a stakeholder engagement process which included leadership interviews and digital surveys distributed to our employees and suppliers. Our stakeholders were asked to rank topics according to their potential impact on business growth and performance, our brand and reputation, our business culture, product quality, and safety and regulatory impacts. Topics were also ranked according to their potential impact on broader social expectations.
4. Once the leadership interviews were completed and survey results were received and analysed, we applied weighting based on professional judgement and external perspectives such as sustainability reporting protocols and guidelines, third-party ESG rating and ranking organisations, investors' ESG methodologies and others. Topics that were consistently emphasised through these mechanisms were ultimately given more weight in our materiality assessment, increasing in importance on our matrix.
5. The final step in our process includes reporting our results and sharing for consideration through our corporate strategic planning and enterprise risk management processes.

Sustainability at Nexteer

Our Materiality Process



A Collaborative Process and Methodology



In 2025, our distribution of topics are presented on the materiality matrix. A few topics were updated to better reflect trends and landscape. The overall distribution of topics on our matrix remains similar to years prior. There are some noteworthy highlights include:

Supply Chain Management and Practices have become increasingly critical in the context of the evolving geopolitical and geo-economic environment. In response to rising customer expectations and expanding regulatory requirements, supply-chain risk management plays a key role in supporting business continuity and strengthening organisational resilience.

Climate Change remains a top priority for stakeholders, given its emphasis with our customers, investors, suppliers, and leadership team, as well as nearly all external sustainability reporting protocols and guidelines, third-party ESG rating and ranking organisations, investors' ESG methodologies, regulators and others. We continue to recognise the need to remain agile in managing climate change related issues in a rapidly evolving global landscape, so that our business strategy and risk management approach are robust and resilient.

Energy and Emissions remained an important topic, given its direct relationship with emissions and climate change impacts, as well as its business impacts from a cost-efficiency perspective. Our global operation teams recognised the relevance of the topic, and continued to implement energy efficiency projects, as well as to take renewable energy initiatives around our global operational sites.

Information Security and Privacy is moved as the highest priority, given its pertinence to risk management and protection of critical information and data, and growing prevalence in regulatory and global developments. A wide range of Nexteer's stakeholders focused on this topic.

Digitalisation and Rising Technologies such as AI (artificial intelligence) have brought forth risks and opportunities in many industries. Anticipating such disruptive technologies impact our business in various ways, we continue to include this topic in business strategic and operational discussions.

Sustainability Strategy and Risk Management has continued to be one of our focus areas in 2025 to ensure continuous improvement and better inform our strategic planning with emerging sustainability issues impacting our business.

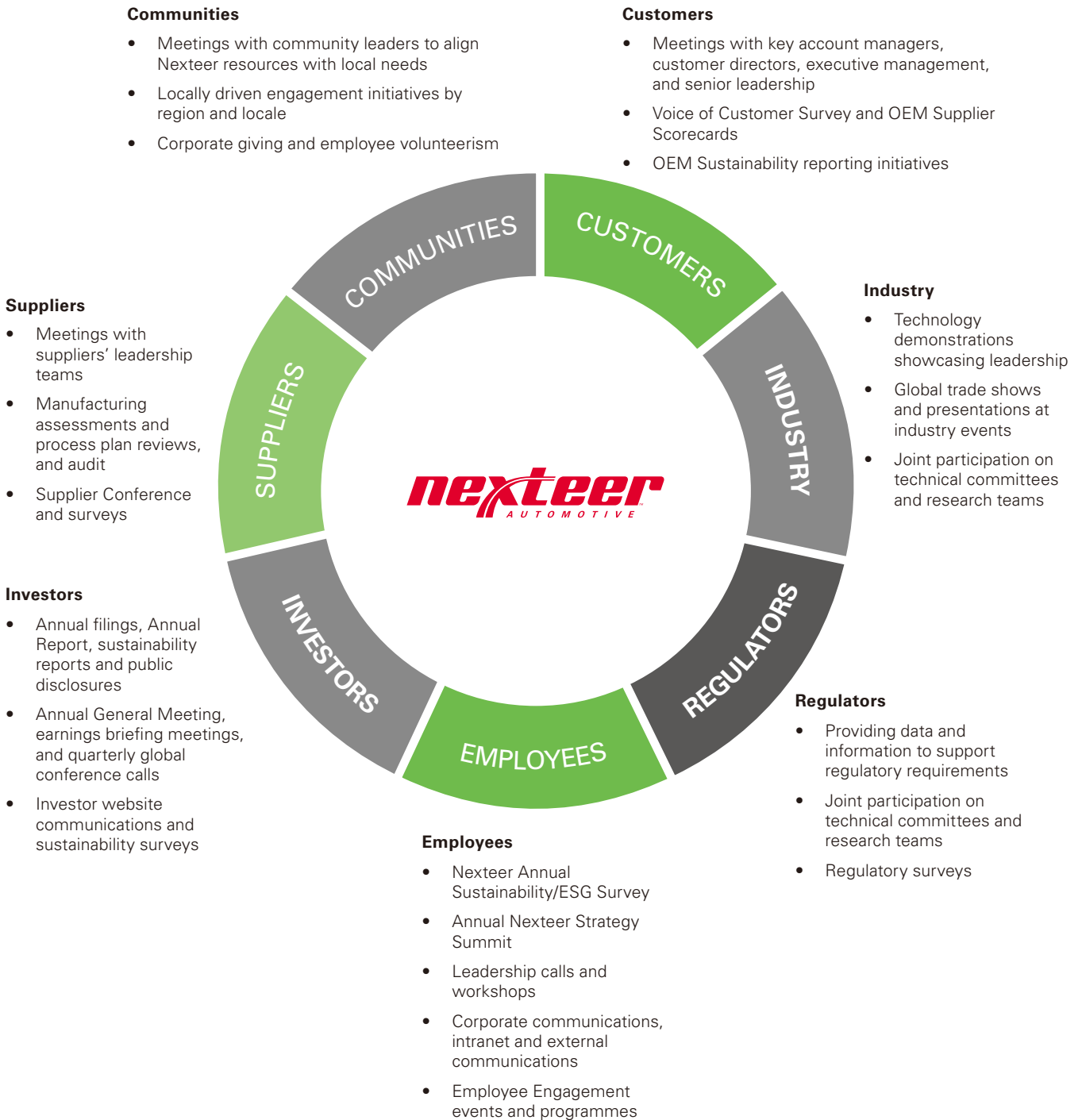
We are committed to reviewing our materiality assessment process and results on a regular basis to ensure we are focused on addressing the topics that matter most to our business and our stakeholders. In 2025, our colleagues from the EMEASA Division coordinated with external subject matter experts to complete a Double Materiality Assessment (DMA), in proactive preparation of relevant EU sustainability reporting requirements. Our cross-functional teams from corporate and divisions will continue to collaborate and synergise key insights from materiality assessments to inform and enhance our business processes and strategic priorities.



Topics are listed in alphabetical order within each priority category and do not represent specific ranking within the category.

Engaging With Our Stakeholders

We have observed that global stakeholder expectations around ESG topics — particularly climate change and supply chain practices — are evolving rapidly. By actively engaging with stakeholders on environmental, social, economic, and governance matters, we are able to create value responsibly while effectively addressing their expectations.



Business Ethics

In this section – Business Ethics
 Ethics, Compliance & Integrity
 Our People
 Attracting & Retaining Top-talent
 Fostering Inclusion & Belonging

ETHICS, COMPLIANCE & INTEGRITY

At Nexteer, operating in an ethical and transparent way is at the heart of who we are and what we do. Honesty, integrity, and sound judgement are essential to our reputation and success. We hold everyone at every level of the business accountable for upholding our commitment to ethical conduct in personal and business dealings. To remain the admired and credible partner of choice to our customers and suppliers, we take any potential violation of our high standard of trust and transparency seriously and have put several measures in place to preserve this culture of respect.

Strong Governance Practices

The Nexteer Board of Directors is responsible for and has general oversight of the direction of management and the conduct of business, including sustainability and ESG-related issues. Our Board – composed of eight directors with a variety of skills, qualifications, and viewpoints – provides oversight regarding Nexteer’s sustainability/ESG strategy and material ESG aspects, while the Board’s Audit and Compliance Committee supports the Board’s oversight role with their subject matter expertise in risk management and internal controls (including material ESG aspects).

The Board’s Audit and Compliance Committee and its Remuneration and Nomination Committee are composed of a majority of independent non-executive directors. Additionally, we believe that diversity among directors is important for bringing unique perspectives and competencies to the oversight of the Company’s business, and this is reinforced through our Board Diversity Policy. For more information about our Board diversity and corporate governance, please refer to our 2025 Annual Report.

Adhering to High Ethical Standards

At Nexteer we are committed to acting in accordance with all applicable laws, and we are committed to conducting our business with the highest degree of integrity. Every employee is responsible for upholding the standards established, including reporting violations consistent with applicable laws.

Our global compliance standards and our **Code of Conduct** help us achieve greater accountability to our stakeholders and help us to continually improve our corporate governance and enterprise risk management practices.

Our Code of Conduct reflects the standards that we abide by as we conduct business. It outlines our commitment to doing business with integrity and provides emphasis on growing areas of focus, including, but not limited to community involvement, discrimination and harassment, human rights, fair competition, diversity and inclusion, global trade requirements, privacy, and sustainability.

We designed our Code of Conduct to deter wrongdoing and to promote:

- Honest and ethical conduct in personal and business dealings
- Full, fair, accurate, timely and understandable disclosure in Nexteer’s public communications and filed documents
- Compliance with applicable laws, rules and regulations
- Prompt reporting of any Code of Conduct violation
- Accountability for adhering to the Code of Conduct

Business Ethics

It is important that all our employees and relevant stakeholders are empowered to report potential violations of our standards so that we can investigate and, if necessary, take corrective measures. To aid in this effort, we offer a global Ethics Line (administrated by a third-party) via telephone and web-based forms (the "Ethics Line"), which serves as a reporting mechanism and as a resource for relevant personnel or third parties doing business with Nexteer to ask questions, seek guidance, and/or anonymously report suspected misconduct where permitted by law. Reports received through the Ethics Line are investigated and action is taken where appropriate. Our Ethics Line webpage can be accessed **here**. During this reporting period, there were no significant instances of non-compliance with laws and regulations.

Upholding Human Rights & Labour Standards

HKEX B4, B4.1, B4.2

Nexteer aspires to lead and serve as a catalyst for action through its commitment to human rights and dignity. This means that:

- We respect and comply with applicable labour and employment laws, including those pertaining to discrimination, forced or compulsory employment, child labour, freedom of association, hours, immigration, privacy, and wages.
- We require our supplier partners to provide safe products or services, comply with labour or employment laws, and prohibit any physical punishment as disciplinary action.
- We use a third-party risk management tool to monitor supply chains and expect our suppliers to comply with our prohibition of the use of any form of forced labour, and every other provision of their contracts with Nexteer regarding equitable and fair treatment of workers. This includes the obligation of Nexteer's suppliers, to ensure all suppliers in their supply chain also comply with these prohibitions.
- We are firmly opposed to all child and forced labour. We comply with all laws regarding forced and child labour within our regions of operations. To date, we have not had to take steps to eliminate or mitigate the risk of child labour in our operations, as we have strict employment practices surrounding this issue.

Anyone who believes a Nexteer employee, customer, supplier, vendor, or any other third-party doing business with Nexteer is in violation of applicable laws is encouraged to report their concerns to our human resources department who shall take prompt corrective action. Employees also may report potential violations to our Ethics Line or legal department.

Preventing Corruption

HKEX B7, B7.1, B7.2, B7.3

Nexteer is committed to preventing incidents of bribery, extortion, fraud, and money laundering. We follow global policies that promote the highest ethical standards for behaviour and compliance with laws and regulations where we do business.

We provide annual training for 100% of all our salaried workers globally on our Code of Conduct, and Nexteer's Board receives Code of Conduct training and a specific anti-corruption module. Nexteer's anti-corruption training is designed to help our workforce and Board of Directors do the right thing when faced with ethical dilemmas and to comply with the Foreign Corrupt Practices Act (FCPA), the UK Bribery Act, and other regulatory expectations. Training is provided in an online course and available in eight languages that are commonly spoken throughout our regions of operations.

We comply with relevant anti-corruption laws and regulations applicable to us. We provide several channels to report suspicious activity or behaviour, such as suspected incidents of corruption and bribery, including direct reports to a supervisor or manager; reports to our human resources, legal, or other relevant functional departments; and our Ethics Line where reports can be made anonymously via telephone or web-based form in multiple languages via telephone or website 24-hours a day, seven days a week, 365-days a year. In 2025, we did not have any legal cases regarding corrupt practices brought against the Company and/or our employees.

OUR PEOPLE

At Nexteer, our people are the engine that drives our success. Our workforce encompasses a diverse body of about 12,500 employees from many countries and unique backgrounds who come together as One Nexteer to innovate, collaborate and create. We work every day to maintain a workplace that attracts top talent and empowers employees to thrive through training and development, engagement, inclusion and belonging. Our decisions are guided by an overall strategy and mindset that focuses on the fundamentals to strengthen our resiliency and readiness for the challenges ahead.

One Nexteer United Under One Vision

Our success is driven by a workforce united under one vision. That vision statement: "We are the Leading Motion Control Technology Company, Accelerating Mobility to be Safe, Green, and Exciting" intentionally starts with "We." This is because together, as a One Nexteer team, we will achieve great things. Our constructive culture sets us apart. It drives excellence, innovation, accountability, integrity, personal development, and collaboration. We believe that no matter who we are or what our role is, that each and every employee exemplifies unique values and impacts our success. We believe this change reflects our transformation mindset and deepening commitment to innovating sustainable solutions in mobility.

Our Workplace Culture

We believe in empowering, energising, and exciting places to work. Our employees' experience matters; as does their access to the right tools, resources, and environment that enable them to adapt, be agile, and reimagine relentlessly as we accelerate mobility in this fast-paced industry. We foster a continuous learning environment and facilitate opportunities where our employees are encouraged to grow both professionally and personally. We recognise our people and show our appreciation for their contributions, and facilitate a positive, productive, and innovative climate.

Employment Practices & Compliance

HKEX B1

We are committed to acting in accordance with all applicable employment laws and driving a workplace culture of dignity, fairness and respect. This is why all employees complete in-depth training each year on our policies, practices, and employment laws. Topics covered in this annual training and in our employee handbook include: benefits, compensation, discrimination, dismissal, diversity, equal opportunity, fair labour practices, harassment, human rights, promotions, recruitment, retention, rest periods, safety, working hours and violence prevention. We are also committed to fair and equitable hiring practices. At Nexteer, we base hiring, promotions, bonuses and other related employment decisions on merit. We believe that every employee has a role to play in maintaining the highest standards of ethics and integrity. This includes reporting known and suspected violations of applicable laws and conduct.

We have several global compliance standards in place, including our Code of Conduct, that help us to achieve greater accountability to our stakeholders and ensure continued compliance with relevant laws and regulations. Training on our Code of Conduct is required for all new hires and current employees annually.

ATTRACTING & RETAINING TOP-TALENT

We work diligently to ensure Nexteer is an exciting and empowering place to work. We attract top talent throughout the communities in which we operate by continuously refining our suite of benefits and offerings for employees and offering competitive compensation. Read more about benefits Nexteer offers including our health, wellness and savings plans on [our career web page](#).

We collect feedback to improve how we may attract and retain talent through focus groups, surveys, and other direct feedback opportunities. We adjust our processes based on this feedback so we may offer the best possible experience to our candidates, new hires, and current employees.

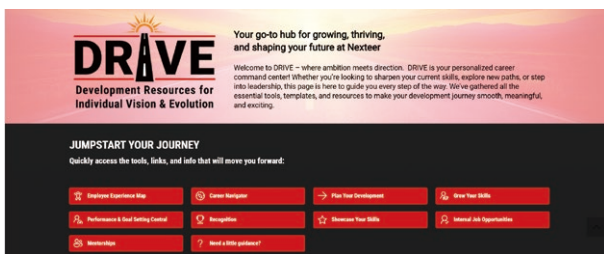
One of our core focuses to retaining talent remains professional development. We empower employees with skills and competencies to grow and develop on a personalised career path within our company. We also believe the greatest impact we can have on an employees' experience is through our leaders. This is why we put great priority on the development and coaching of our leadership globally.

Business Ethics

Talent Development

HKEX B3

At Nexteer, investing in the growth and development of our people remains a cornerstone of our success. In 2025, we offered diverse talent development opportunities, including interactive Employee Development and Workshops that combined classroom, e-learning, podcasts, discussions, and practical resources like the Employee Development Guide. We also launched DRIVE (Development Resources for Individual Vision & Evolution), which is a centralized hub for all career development resources. In addition, we held interactive Feedback and Accountability workshops globally to strengthen how we collaborate, communicate, and achieve results as One Nexteer team. These sessions emphasised the importance of personal growth, feedback, communication, collaboration, and accountability and provided actionable coaching and advice. As part of our talent management efforts, our Learning and Development team, in collaboration with company leaders, hosted workshops, global webinars, and on-demand learning to enhance the performance review process, equipping employees and managers with the skills to conduct meaningful and effective conversations. Globally, initiatives such as the Talent Management Game, One Leader Programme, Leadership Pulse Surveys, Leader Academy, and Autonomous Production Leader training further supported skill-building and leadership development, empowering our workforce to excel in their roles.



DRIVE employee development resources

Nexteer Global Career Framework

The Nexteer Global Career Framework organises jobs in a globally consistent way, helping to bring visibility to our employee's strengths and clarity to career progression and comparative position within the global company. It improves alignment of expectations for employee skills and competencies needed to meet business objectives, and it gives employees visibility into career paths and opportunities for development and growth.

Nexteer Core Competencies and Career Path Guide

The Nexteer Career Path Guide is a resource to empower employees and managers to better understand and discuss career paths within the organisation and discuss focused development plans by providing the following for each function: competency profiles, success profiles, and career path examples. It encourages functional and cross-functional career experiences, employee desire for career path guidance, and supports talent planning and development. Providing career path examples, aligned with our Nexteer Competency Framework, and success profiles by function, helps to drive ideas and conversations that support career development planning and growth.

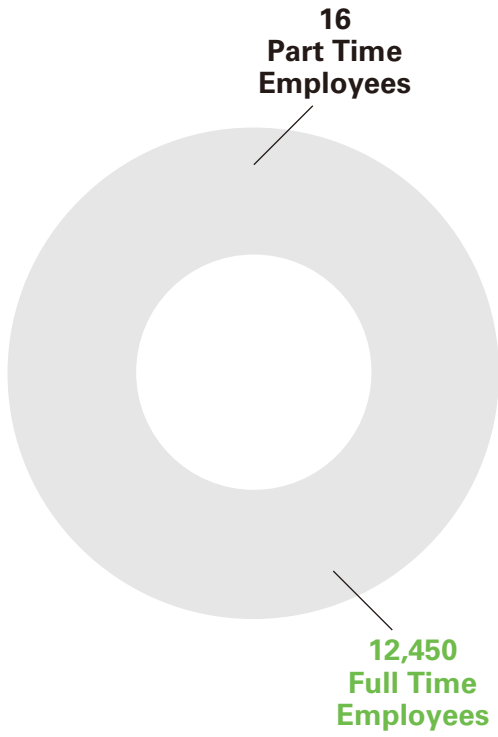


Nexteer Career Path

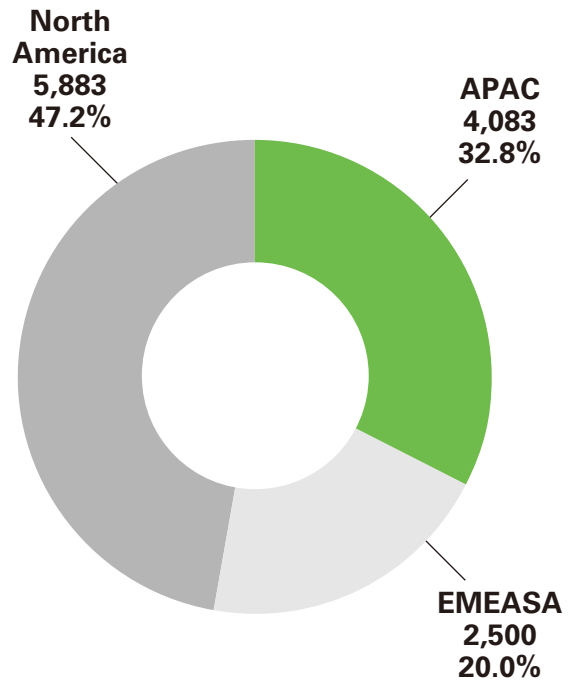
Our Workforce

HKEX B1.1

**Total Workforce by Employment Type
(Full- and Part-Time Employees)**



Total Workforce by Geographical Region



12,466 Total Employees

Business Ethics

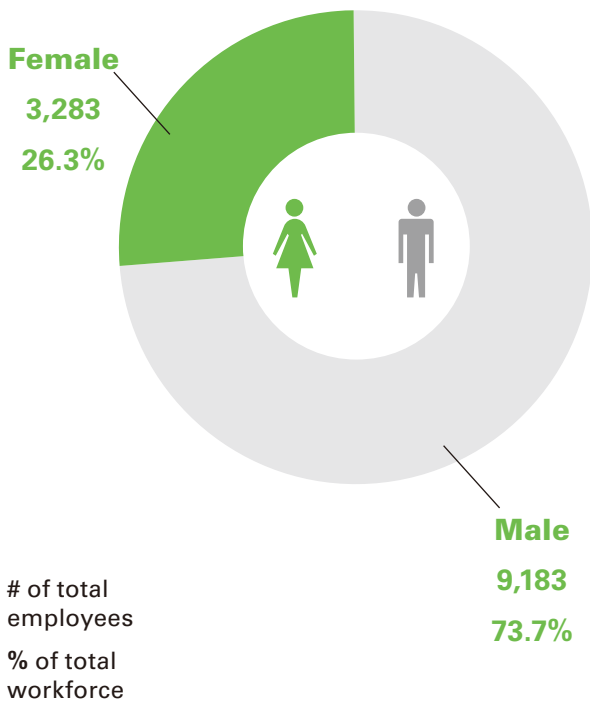
Total Workforce by Type (Full- and Part-Time Employees) and by Geographical Region

Geographical Region	Full Time Employees	Part Time Employees	Totals
APAC*	4,083	0	4,083
EMEASA**	2,491	9	2,500
North America	5,876	7	5,883
Total	12,450	16	12,466

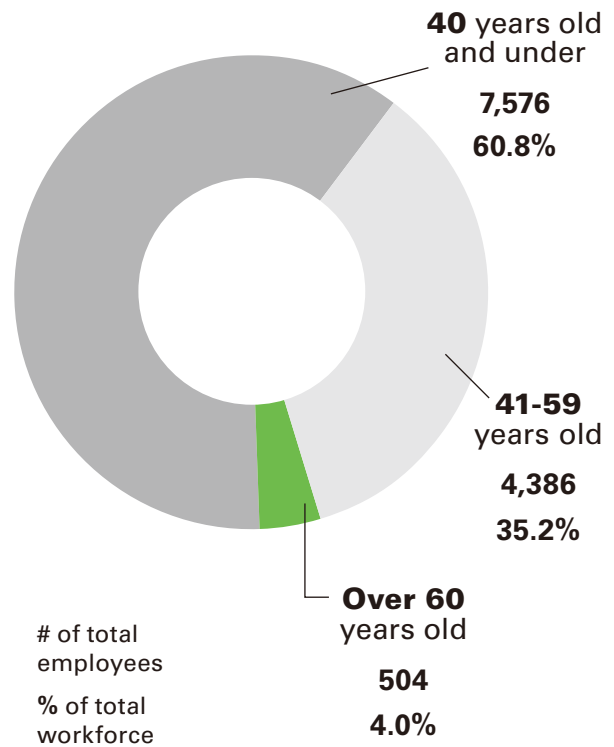
* APAC: Asia-Pacific

** EMEASA: Europe, the Middle East, Africa and South America

Total Workforce by Gender



Total Workforce by Age Group



Employee Turnover

HKEX B1.2

Employee Turnover* Rate by Geographic Region

Geographical Region	Turnover Rate (%) 2025
APAC	12.4
EMEASA	15.4
North America	36.3
Total	24.3

* Employee turnover measures employees who leave the organisation voluntarily or due to dismissal, retirement, or related reasons.

Employee Turnover Rate by Gender and Age Group 2023–2025

Turnover Rate (%)	2023	2024	2025
Gender			
Female	30.8	30.5	29.3
Male	22.2	20.4	22.5
Age Group			
40 years old and under	29.2	29.0	30.0
41-59 years old	13.8	12.4	14.2
Over 60 years old	34.4	21.8	25.0

Business Ethics

Equipping Our Leaders

In 2025, we continued to amplify our competencies by aligning the Nexteer Leadership Competency Framework to our strategic priorities and One Nexteer culture. This alignment simplifies our leaders' focus, fosters consistency, and clarifies expectations for effective leadership. The updated framework not only outlines key competencies, but also defines associated behaviours essential for leadership success. Recognising the complexity and ever-evolving nature of our business, we are equipping our leaders to be both effective and agile in navigating challenges and driving success.

Our annual competency assessment process is helpful for our leaders to gain clear, measurable, and actionable

feedback on leadership development opportunities. New resources are available to promote meaningful leadership development plans including a leadership competency framework matrix, an updated writing assistant, coaching advisor, and suggested activities or learnings for Nexteer's leaders globally. We believe our Nexteer Leaders must lead by example and uphold the highest behaviours to enhance engagement, performance, and retention – all which foster growth and profitability.

The Nexteer Leadership Competency Framework is a powerful, agile tool which will help "to inspire & empower our people with the freedom to go beyond."

Nexteer Leadership Competency Framework

 **Simplify the Complex**

 **Empower Our People**

 **Build Connections**

 **Act Like an Entrepreneur**

 **Achieve Success**

 **Challenge the Status Quo**

 **Think Global, Act Local**

Employee Training

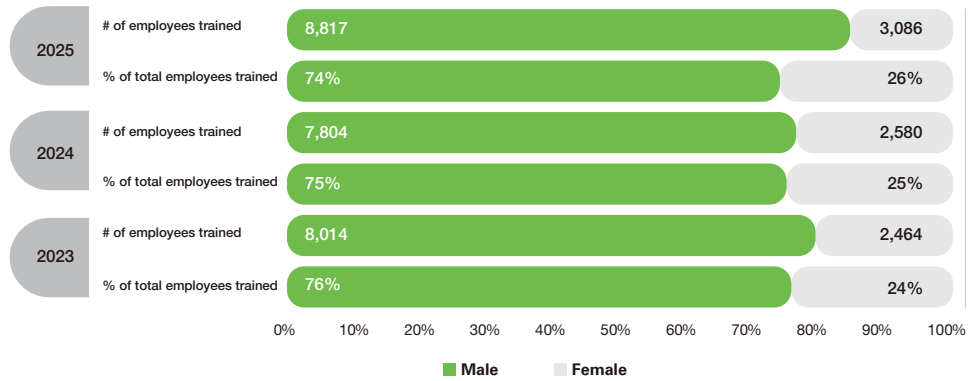
HKEX B3.1, B3.2

The graphs below show the number and percentage of employees trained by gender and by employee category.

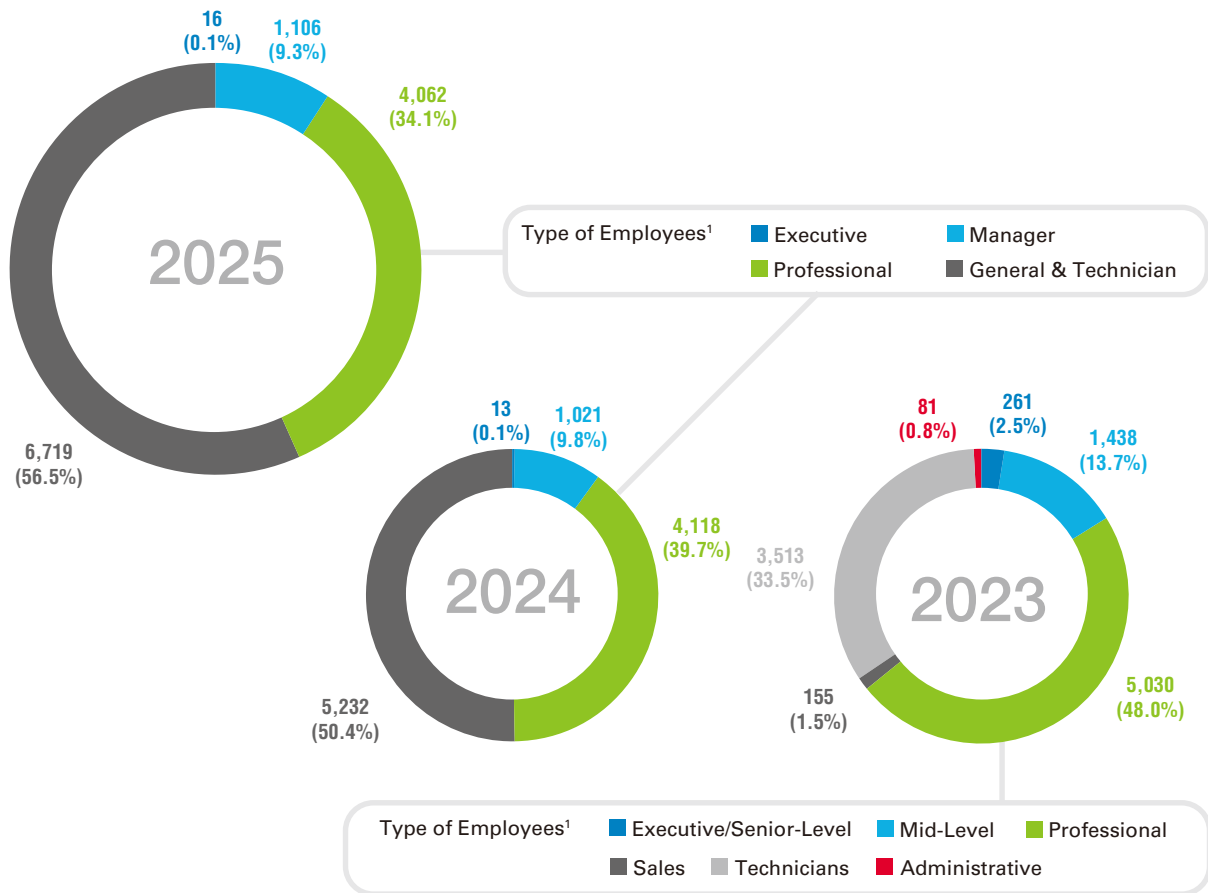
Percentage of Employees Trained in 2025

11,903
Employees Trained
95.5%
of Employees Trained

Number & Percentage of Employees Trained by Gender 2023-2025



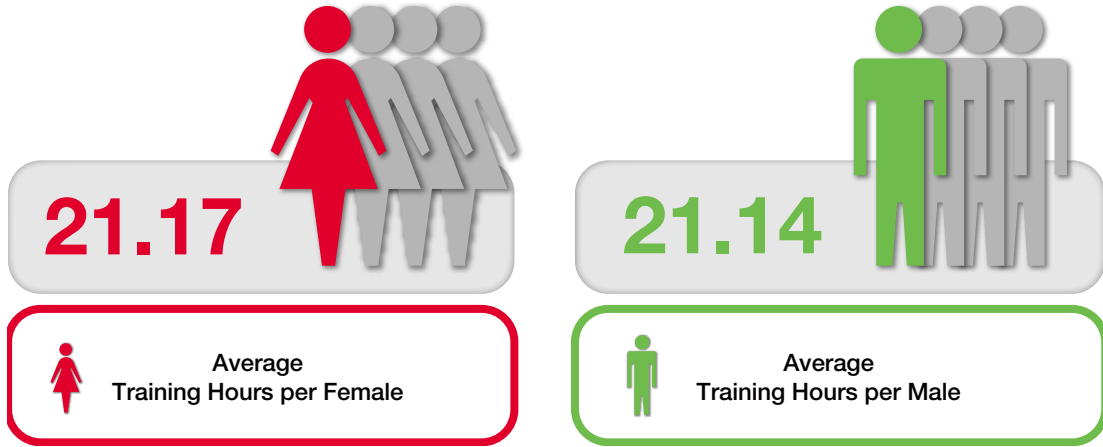
Number & Percentage of Employees Trained by Employee Category 2023-2025



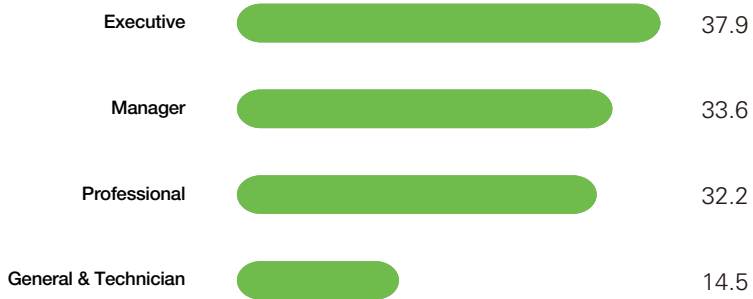
* Note 1: Since 2024 our types of employees were recategorised to better align the roles of employees

Business Ethics

2025 Average Training Hours Completed by Employee Category



2025 Average Training Hours Completed by Employee Category



FOSTERING INCLUSION & BELONGING

At Nexteer, we aim to maintain a culture where all voices are heard and everyone feels empowered to collaborate, innovate and thrive. We believe that the diverse backgrounds and experiences of our workforce are what makes Nexteer unique, and allow us to innovate, create and collaborate at such high levels. (See our workforce diversity data on page 20).

Nexteer’s inclusion & belonging programme – RISE, stands for Respect, Inclusion, Support, and Equity. In the last few years, we’ve worked diligently to further build out this programme by expanding it to our global locations and hosting annual events.

One Nexteer Culture Self-Guided Course

At Nexteer, our culture is more than words on a page – it’s our competitive advantage. It’s the way we collaborate, innovate, and achieve success together. In 2025, our employees participated in a self-guided course, to explore our One Nexteer Culture – the foundation that guides how we work, lead, and grow. Our culture is built on nine core competencies that define the knowledge, skills, and attitudes we bring to every interaction. These competencies shape our behaviours and help us live our values of Operational Excellence, Enterprise Growth, and People.

One Nexteer Culture Celebrations Around the World: Creating the Future

Nexteer hosted our One Nexteer Culture Celebrations around the world in October 2025, introducing this year’s theme of “Creating the Future.” This global celebration highlighted the strength of our One Nexteer Culture, rooted in the diversity of backgrounds, perspectives, and experiences that define our organisation. Guided by our pillars – People, Operational Excellence, and Sustainable Growth – we encouraged every team member to embrace an entrepreneurial mindset, anticipate needs, drive innovation, and take responsibility for shaping our shared future. Throughout Culture Week, employees engaged in a variety of activities designed to foster innovative thinking, promote collaboration, celebrate achievements, and strengthen our sense of belonging. Creative challenges tied our “Creating the Future” theme

such as The Emoji Game, silent charades, two truths and a lie, and puzzle stations encouraged innovative thinking, teamwork, agile thinking, and connection. On-site vision boards and puzzles prompted employees to share ideas, experiences, and engagement. Recognition initiatives, including appreciation cards and an online global activity encouraged employees to recognise inspiring employees, reinforced our commitment to inclusion and continuous improvement. Charity events and themed days brought employees together in support of meaningful causes.

By embracing our differences and working together across all three pillars, we continue to create an environment where everyone feels valued, respected, and included. One Nexteer Culture Celebrations exemplify our ongoing dedication to fostering inclusion and belonging, empowering our people to drive innovation, growth, and excellence – every step of the way.



One Nexteer Culture Celebrations Around the World: Creating the Future

Business Ethics

Engagement & Inclusiveness Vision



Celebrated International Women's Day

At Nexteer, we view diversity and inclusion as key drivers of innovation and achievement. On International Women's Day, we honour the strength, talent, and commitment of women who inspire us daily – both within our teams and in the communities where we operate. On March 8, 2025, Nexteer marked International Women's Day by organising global events and celebrating remarkable women who motivate and lead with passion, skill, and dedication. These included panel discussions at our US sites, where female leaders at Nexteer shared insights on self-advocacy in professional growth, alongside celebrations and recognitions for women employees in Mexico, China, Poland, India, and many other regions. This day is dedicated not only to recognition, but also to reaffirming our commitment to a workplace where women are valued, respected, and empowered to achieve their best. Through leadership programmes, flexible work options, and wellness efforts, Nexteer supports women in building rewarding careers and realising their goals.



Celebrated International Women's Day

All Diversity – EMEASA Programme

In 2025, our EMEASA Diversity & Inclusion Committee, comprising representatives from 8 countries, is dedicated to fostering a psychologically safe workplace that nurtures a culture valuing individual differences and ensuring ALL employees feel included and empowered to excel. We are tracking KPIs quarterly to focus on increasing inclusion by creating open spaces for discussions and enhancing the employee experience. In 2025, we continued to celebrate and support diverse communities, embracing uniqueness and promoting an inclusive culture. By leveraging the diversity of our exceptional workforce, we aim to attract and retain top talent effectively.

Fostering Connection Through Shared Passions – In Poland

Through our *Nexteer with Passion* programme, more than 200 employees from 18 diverse interest groups came together to celebrate what they love – from running, climbing, playing volleyball, football, to organising charity events. This initiative creates an inclusive environment where employees can connect beyond work, building stronger relationships and building a sense of belonging.

Our leadership teams actively champion these activities, encouraging participation and sharing stories and experiences across social media platforms.



Fostering Connection Through Shared Passions – In Poland

Business Ethics

Building an Inclusive Culture: Recognising the Importance of Family in the Workplace

Nexteer respects the vital role our staff play within their family and recognise the importance of balancing responsibilities with personal commitments. To honour this dedication, we hosted “One Nexteer Open Day” where over 800 employees and their families joined us in Tychy. This was an unforgettable day exploring our world, from cutting-edge technology and products to the passion that drives our daily work, with specially designed activities, filling the day with smiles and joy. This event provides employees with the opportunity to share their work environment with their children, allowing them to experience the workplace and encouraging children to learn about various roles and the importance of teamwork.

Nexteer Automotive Mexico also celebrated the importance of family during their annual traditional Day of the Dead tour event. More than 500 children and their Nexteer employee family members joined this celebration in Querétaro and Ciudad Juarez. Moreover, Nexteer Mexico proudly celebrated Father’s Day by giving gifts to all Nexteer dads at the Querétaro plants.



Mexico Father's Day

Embedding Sustainability into Nexteer’s Culture through the New ESG Excellence Award

Nexteer expanded its global Inspire Awards by introducing a dedicated ESG Excellence Award this year, recognising individuals and teams for measurable impact in environmental stewardship, social responsibility, ethical governance, and community engagement.

By placing sustainability on equal footing with customer success, innovation, and leadership categories, the new award elevated ESG from compliance to core culture. ESG-themed nominations surged over 40%, boosting cross-functional collaboration and employee fulfilment while reinforcing Nexteer’s commitment to a sustainable automotive future through lived, celebrated values.

Value Creation

In this section – Value Creation
 Generating Value Through Innovation
 Our Alignment with Industry MegaTrends
 Fostering Innovation Through Awards & Recognitions
 Product Responsibility

GENERATING VALUE THROUGH INNOVATION

Nexteer’s steady focus on innovation strengthens our existing portfolio of products while relentlessly building out our pipeline and innovating for the future.

OUR ALIGNMENT WITH KEY INDUSTRY SHIFTS

Convergence of megatrends is reinventing our industry. Our innovations solve motion control challenges across these key shifts. Nexteer has a robust, proven technology and product portfolio to support industry shifts such as electrification, software and connectivity, ADAS/AD and shared mobility. To learn more on our megatrend alignment, please click **here** and visit Nexteer’s blog, **The Circuit**, to explore insightful articles about megatrends, their impact on future mobility and Nexteer’s view on trends and timely topics.



	Electrification	Software & Connectivity	ADAS & Automated Driving	Shared Mobility
Electric Power Steering	✓	✓	✓	✓
Steer-by-Wire	✓	✓	✓	✓
Brake-by-Wire	✓	✓	✓	✓
Columns & I-Shafts	✓	✓	✓	
Driveline	✓		✓	✓
Software	✓	✓	✓	✓
R&D	✓	✓	✓	✓

Our Focus on Research & Development

HKEX B6.3

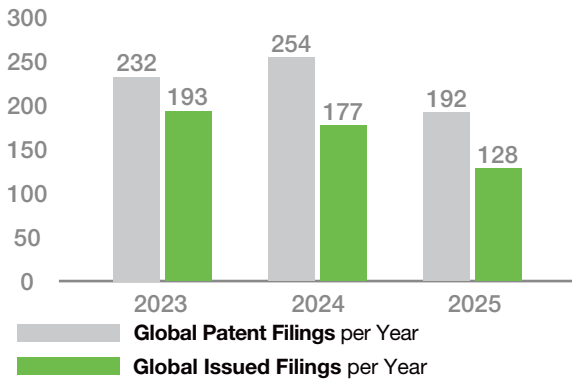
As of December 31, 2025, Nexteer’s global portfolio includes 906 patent applications and 1563 issued patents. The sustained growth in issued patents is a result of our robust applications in previous years, and it demonstrates our efforts for observing and protecting intellectual property rights. Given our focus and history of innovation, our patent portfolio continues to grow and remain strong due to our sustainable development of future technologies. In 2025, 20% of granted patents were related to our future product offerings of Software-as-a-Product, Steer-by-Wire (SbW), and/or ADAS/AD enabling technologies which ensure we are aligned to key industry shifts.

Another 20% of our 2025 patent filings, and 26% of all Nexteer’s pending patents, were directly related to these identified trends. Our strong patent portfolio is proof of our ability to maintain technological leadership in intuitive motion control systems.

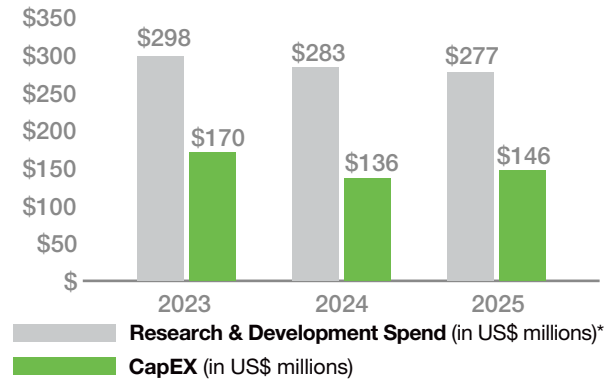
We are dedicated to protecting our intellectual property rights, which are crucial to our business growth and ability to differentiate ourselves from competitors. Nexteer complies with all applicable intellectual property laws and regulations. We actively apply for protection for Nexteer’s intellectual property to guard our exclusive rights.

Value Creation

Global Issued Patents & Filings FY23-FY25



R&D and CAPEX FY23-FY25



Nexteer remains dedicated to advancing essential technologies that drive future growth. Recognising the current market uncertainties surrounding new technology adoption rates, the company is thoughtfully adjusting its investments. By aligning with nearer-term customer needs, Nexteer is focusing its engineering efforts, resulting in a R&D spend of US\$277 million.

The Company aims to maintain its current operations while further investing in our future product portfolio, namely SbW technologies and enhanced systems and software capabilities. Furthermore, Nexteer continues to develop technologies that align with customer demand, leveraging our strengths in design, development, and manufacturing of advanced steering and driveline systems.

* Note: Engineering and product development cost charged to income statement and development costs capitalised as intangible assets.

FOSTERING INNOVATION THROUGH AWARDS & RECOGNITIONS

Internal Recognition

Intellectual Property Awards

The pursuit of relentless innovation is a hallmark of Nexteer's culture. Nexteer holds annual Inspire Awards which are our highest level of recognition, acknowledging company-wide innovation and excellence across multiple categories that cover all the organisation's functions and an overall award recognising the best of the best. One such Inspire Award is our Innovation of the Year award which recognises the top innovation of the past year that demonstrates the highest value potential for the company, while highlighting accomplishments of individuals and teams that have been inspired and empowered to go beyond in their field. The 2025 Inspire Award for Innovation of the Year was presented to the team behind Nexteer's **High Mount Direct Drive (HMDD) Steer-by-Wire Handwheel Actuator**. This breakthrough design places the handwheel actuator in a high-mount position with a stationary hub, improving under-dash packaging and enabling new levels of cabin flexibility and crash safety. The system reduces mechanical components, increases reliability and supports creative collapse and stow features that help automakers design modern, reimagined interiors.

For drivers, HMDD delivers a premium steering feel and adjustable modes that enhance connection to the road and open new experiences behind the wheel. This innovation builds on Nexteer's Motion-by-Wire portfolio and reflects our commitment to advancing safety, sustainability and driving enjoyment through smart, purposeful design.

Nexteer also proudly supports a robust intellectual property award programme. One highlight of the programme is the opportunity to be inducted into Nexteer's Innovation Hall of Fame which recognises and rewards personnel who have made significant intellectual property contributions to enhance Nexteer's competitive position. There are ten levels of achievement within Nexteer's Innovation Hall of Fame, encouraging our employees to continue innovating and advancing to higher levels throughout their careers. Incremental awards are also given for each point at a formal luncheon celebrating inventor achievement.

External Recognition

AutoTech Breakthrough 'Automotive Software Solution of the Year'

In 2025, Nexteer Automotive received the AutoTech Breakthrough Award for "Automotive Software Solution of the Year" for its MotionIQ™ software suite, recognising the company's leadership in software-defined intelligent motion control.

Built on algorithms deployed in more than 120 million vehicles, MotionIQ™ unites chassis control, agile development and predictive health monitoring into one platform. Its three components MotionIQ/Control™, MotionIQ/Dev™ and MotionIQ/Health™ enable precise motion control, rapid feature development and AI-driven diagnostics that enhance safety, performance and efficiency.

By empowering OEMs to launch software-defined vehicles faster and more reliably, Nexteer is driving innovation that supports reduced resource use, improved vehicle lifespan and a more sustainable future for global transportation.

Value Creation

We are pleased to accept the 'Automotive Software Solution of the Year' award from AutoTech Breakthrough, validating our proven expertise in safety-critical software and solving software-defined chassis challenges for OEMs around the world. By combining advanced functions and software tools for agile development and seamless integration, the MotionIQ software suite is designed to help OEMs deliver safer, smarter and more personalised driving experiences that set their brands apart – faster and more efficiently than ever before.

Robin Milavec

*President, Chief Technology Officer (CTO),
Interim Global Chief Operating Officer &
Executive Board Director
Chair – Sustainability Steering Committee and Enterprise
Risk Management Committee*

Globalisation & Competency Development

Our people are the driving force behind Nexteer's innovation pipeline essential to our growth and profitability. The Company has strategically migrated to integrated divisions to provide the vast majority of engineering work within the region of manufacturing, allowing for real-time, efficient partnerships with our global customers and suppliers. Furthermore, our Research and Development team holds a position of global leadership, enabling us to integrate expertise and local customer feedback into our future growth strategies and product portfolio.

Nexteer Production System (NPS) & NPS Academy

NPS Academy provides hundreds of training sessions for internal employees, customers, and suppliers each year. NPS integrates Lean principles and standards into our day-to-day business operations. NPS includes 10 modules which covers all aspects of manufacturing operations, including safety, quality, talent development, lean layout, PC&L (Production Control & Logistics), standardised work, TPM (Total Productive Maintenance), management control, continuous improvement and perfect launch.

To date, Nexteer has 8 NPS academies around the globe. These regional NPS academies are located near manufacturing plants and improve the local team's training systems. Our NPS Academy is the first place for every employee where we build NPS into our DNA.

This year, several new training initiatives were deployed globally. Now all new hourly employees are taking the 2-day training in US NPS academy before they officially move to the production area. We have released the NPS Fundamentals training to all salaried employees of the organisation, and it is also included in the standard new employee onboarding training package. Around 43 NPS online courses are now available on our internal online training platform for the various training needs of our employees.

Some NPS academies also play additional roles, such as working with local government and customers to provide trainings to outside companies. NPS Academy also aims to develop strategic vendors. At our Tychy NPS Academy and Liuzhou NPS Academy, for example, we have established cooperation with other manufacturing companies to exchange experiences related to Lean Manufacturing training.

PRODUCT RESPONSIBILITY

At Nexteer we deliver world-class products that enable mobility to be safe, green and exciting. We do this by prioritising product safety, compliance and quality management. This is a shared commitment of all Nexteer employees; all of us work together to meet the needs of our customers and embrace sustainable innovation.

Prioritising Product Safety & Quality

HKEX B6

Nexteer's product lifecycle encompasses key business processes from product inception, delivery of finished product to post-production service parts. Our processes ensure compliance with applicable laws and regulations for each product, ensuring implementation and conformance. Additionally, Nexteer has a well-defined Product Safety and Compliance process in place to identify and manage any potential instances of non-compliance. This process is led by Nexteer's Product Safety and Compliance Council (PSCC) which evaluates potential issues, ensures that cross-functional subject matter experts are engaged, reviews risk assessments, approves actions to be taken and communicates accordingly.

We reference industry-leading and structured problem solving methodologies including Fast-X, Design for Six Sigma (DFSS), Design Robustness Review (DRR), Six Sigma and 3L5W. Nexteer's problem-solving capabilities and internal competencies are maintained through internal training and certification processes.

Quality Assurance Process

HKEX B6.2, B6.4

Our quality management system (QMS) meets international standards like ISO 9001 and International Automotive Task Force (IATF) 16949. The QMS outlines:

- Our business system manual
- High-level policies providing guiding principles
- Process maps offering an overview of key business processes
- Detailed procedures defining the method of performing required activities

All key process maps have a defined set of metrics or KPIs as measures of effectiveness and efficiency to align with IATF requirements for monitoring effectiveness of the organisation's business system. Nexteer also has systems in place to support relevant data collection for key process measures which improves visibility for performance reviews at a regular and defined cadence.

Powered by global dashboards for all Nexteer sites, we continue to improve communication processes and management review consistency. Furthermore, applying a Plan-Do-Check-Act methodology, we regularly review, monitor, refine and improve our QMS to incorporate product and technology trends, optimise metrics, and embrace continual improvement. Through our QMS we meet global governmental product safety compliance and reporting requirements and conform to applicable laws and regulations of every country where we do business. All our manufacturing facilities are IATF certified and are supported by our technical centres, service centres and corporate offices.

Nexteer reports and reviews quality metrics monthly, compiling all global data including customer complaint information. Annual objectives are determined based on prior year actuals, along with an improvement factor. We evaluate performance on quality based upon the number of complaints. We also evaluate the severity rating associated with the specific complaint failure mode to help improve upon the safety-critical nature of our products.

Value Creation

In 2025, there were 137 product and service-related complaints. Complaints are managed by using a database and portal which allows for complaint entry. This database is also used to document and manage the full corrective action process from containment through verification of effectiveness of corrective actions.

Quality Week

Nexteer prides itself on maintaining a culture that prioritises quality all year round. This year we elected to have 4 individual Quality Days with the theme of, "Creating a Bright Future with a Culture of Prevention."

At Nexteer, quality is not just what we deliver – it's how we think, act, and lead. A culture of prevention means being proactive, staying ahead of potential issues, and continuously improving the way we work. When we prevent problems before they arise, we safeguard our customers' trust, our company's reputation, and each other's success.

The days were filled with opportunities for all employees to increase their knowledge of the QMS and focus on quality through daily communications, videos, team events and other activities.

HKEX B6.1, B6.2, B6.4

Consumer Safety. Our products are considered safety-critical. As such, Nexteer has implemented a very rigorous internal process to escalate and manage any emerging product safety and compliance issues. The PSCC is co-chaired by the global functional heads of quality and engineering and is coordinated by the Safety and Compliance Head with relevant functions. The goal of this dedicated process is to ensure a flawless communication path to the top of the organisation as soon as a potential safety and/or compliance issue is detected anywhere in the world. Company subject matter experts develop containment, conduct a root cause investigation and implement corrective actions, and provide a risk assessment and communication package for the customer and other interested parties. To ensure awareness of this important process, we administer training throughout various functions including engineering, quality, sales, legal, Global Supply Management (GSM), operations and leadership.

The process is monitored through an online portal where all cases are entered and tracked until closed. For 2025, there were 2 recalls, which equated to 0.000055% of total products sold. Each of these recalls required physical replacement of the part; however, robust traceability made it possible to have minimal societal impact due to the small amount of replacement material required.

HKEX B6.5

Cybersecurity. Our steadfast focus on product safety and quality has spurred the development of various cutting-edge innovations that enhance customer safety and cybersecurity. Our OEM customers are focused on vehicle cybersecurity. We support them in this endeavour by enhancing the safety of our steering systems through multi-layered cybersecurity technologies and controls. Our cybersecurity technologies consist of specifically designed hardware modules at the semi conductor level, as well as a multilayered cryptographic software structure that identifies and authorises information and command flow between the steering system and other in-vehicle or external controllers. In other words, there is a system within the system that is solely focused on identifying and validating steering commands.

Participating in Cyber Readiness Programme

Nexteer is committed to having a strong cybersecurity programme by working closely with partners to embrace best practices in safety and security. Our participation in General Motors' and CRI's Cyber Readiness Programme certifies that the strength of our cybersecurity programme is aligned with industry standards and demonstrates our commitment to collaborating across the extended enterprise ecosystem to bolster supply chain security.

We maintain a cybersecurity and data privacy team that is equipped with experts that go above and beyond to ensure the safety and security of company and customer data.

Data Privacy. Nexteer respects the privacy of individuals whose personal information we need to access, collect, process, use, transmit, disclose, and store while doing business. In 2025, Nexteer Automotive Corporation renewed its Data Privacy Framework (DPF) verification by a third-party provider, which illustrates our adherence to the EU-US privacy and data protection principles for cross-border data transfer. The new DPF replaces the prior Privacy Shield framework. Nexteer was one of the early adopters ratified by the governing authority. We institute a series of global information security and data privacy policies and procedures, operating within our Information Security & Privacy (IS&P) framework. Recognition of the importance of data protection and privacy not only applies to Nexteer, but also to our suppliers as documented in the Nexteer Supplier Requirements (NSRs). Nexteer's IS&P leadership and our cross-functional subject matter experts continue to monitor evolving trends in the global environment. For example, the global IS&P function coordinates with enterprise risk management and legal to manage relevant risks, which ensures compliance through appropriate people, process and technology safeguards, controls and other measures.

TISAX Certification and Information Security Assurance

In addition to our participation in industry-led initiatives such as General Motors' and CRI's Cyber Readiness Programme, Nexteer is **TISAX (Trusted Information Security Assessment Exchange) certified** for select sites. TISAX is a widely recognised assessment framework developed by the German Association of the Automotive Industry (VDA) to ensure robust information security across the automotive supply chain. Our current certification affirms our commitment to safeguarding sensitive data and meeting the expectations of our OEM partners.

Value Creation

This certification complements our multi-layered cybersecurity technologies and our enterprise-wide IS&P framework. It reinforces Nexteer's proactive approach to cybersecurity risk management and our alignment with global standards, further strengthening our position as a trusted partner in the automotive ecosystem.

Designing Products That Drive Sustainable Solutions in Mobility

Nexteer is well-positioned to meet OEMs' and society's growing demands for clean technology. In a rapidly changing regulatory environment and world, we remain ahead of the curve by delivering solutions that accelerate mobility to be **safe, green** and **exciting**. Our innovations help enhance road safety, preserve air quality, support the low-carbon transition and more.

Our technologies are solving unique challenges that enable the low-carbon transition through our focus on expanding Electric Vehicle (EV) usage. We offer products and services that address increased load requirements, packaging, durability and noise, vibration and harshness (NVH), among others. These technologies span all product lines and demonstrate our commitment to advancing a sustainable future.

In 2025, 50% of our revenue bookings supported EV-related platforms.

Nexteer's SbW system is a centre link across key industry shifts – unlocking advanced safety and performance features and functionality. It also opens new possibilities for vehicle mass reduction and packaging flexibility. SbW replaces the mechanical steering connection between the hand wheel and road wheels with algorithms, electronics, and actuators. Nexteer's SbW also emulates the "feel of the road," and enhances maneuverability through our dynamic variable steering ratio, while supporting traditional driving and all levels of AD across all vehicle types. SbW is of particular importance to the electrification megatrend as its under-hood packaging and front of dash design helps solve packaging challenges due to EVs' large battery pack location.

On the driveline front, we provide optimised solutions that include compact and low mass halfshafts. EV platforms have unique driveline challenges due to their weight, low noise level, high torque, and need for maximum efficiency to support extended battery life. Nexteer offers premium technologies that improve efficiency and NVH performance while delivering maximum torque under extreme acceleration conditions.

Nexteer also offers a high output Rack-Assist Electric Power Steering (REPS) solution that nearly doubles the steering load capability of our industry-leading REPS – steering up to 24kN of load compared with 10-17kN for a typical REPS system. This system is capable of steering electric variations of heavy vehicles such as full-size pick-up trucks, people movers and light-commercial vehicles (LCVs) like delivery vans.

In 2025, we launched our Modular Pinion-Assist Electric Power Steering (mPEPS) system, which expands the company's cost-effective, modular EPS offerings to now include Single-Pinion and Dual-Pinion systems.

By leveraging Nexteer's existing, industry-leading EPS building blocks, mPEPS provides scalability, which in turn, offers OEMs cost – and time efficiencies including shorter development cycles and higher rate of component reuse on vehicle platforms – while still delivering advanced safety and performance for drivers such as low noise, vibration and harshness (NVH) levels.

Nexteer's mPEPS building block approach also enables flexibility to meet OEMs' wide-ranging requirements for advanced gear-based steering systems and supports all vehicle propulsion types (EV, Internal Combustion Engine (ICE), etc.) as well as the needs across various global markets.

In addition to Modular EPS systems, Nexteer offers a complete portfolio of EPS systems that can steer vehicles of all sizes – from small cars to heavy-duty trucks and light commercial vehicles.

By using Nexteer's advanced technologies, our 60+ customers globally can pass on the advanced safety and performance benefits, including fuel efficiencies, to the customer – while helping enable the transition to low emission vehicles around the world.

Value Creation

Electro-Mechanical Brake (EMB) system

This year, we introduced the Electro-Mechanical Brake (EMB) system, a pioneering Brake-by-Wire solution that enhances vehicle safety, comfort, and serviceability while supporting software-defined chassis integration.

Unlike traditional hydraulic systems, the EMB utilises electronic control and high-precision actuators at each wheel, representing a significant advancement in "Motion-by-Wire" technology. This innovative system not only improves braking performance and vehicle stability but also boosts energy efficiency by reducing weight and minimising maintenance needs, thereby lowering emissions.

High-Output Column-Assist Electric Power Steering

The High-Output Column-Assist Electric Power Steering (HO CEPS) was launched in April, expanding our steering portfolio to provide OEMs with enhanced flexibility in performance, cost, and scalability. Capable of delivering up to 110 Nm of assist, HO CEPS supports larger and heavier vehicles while maintaining steering precision and fuel efficiency without requiring complex systems. This innovation is part of Nexteer's comprehensive High Output EPS Suite, which allows for tailored solutions by integrating advanced features, thereby reinforcing our leadership in steering technology and helping the automotive industry adapt to future mobility challenges.

Testing and Validation Through Virtual Simulation

Our engineers are also working behind the scenes to drive innovation that will enable the step-by-step changes needed to shift how future vehicles operate safely and conveniently. To do this, engineers aren't just innovating future automotive technologies, they're also innovating the way they work.

Virtual engineering – the practice of using simulation and other analytical tools to test and validate automotive components – is becoming increasingly common for automotive OEMs and suppliers. It's often more efficient and cost-effective to use both physics-based and data-driven simulations to accurately determine how to best integrate new components into a vehicle before fabricating and testing them in a real-world environment.

The virtual engineering process allows engineers to evaluate product design and performance to customer requirements without the need for hardware or prototype samples. This allows engineers to study multiple load cases in a short period of time and significantly shorter than running the same load cases in a lab environment.

For example, we rely increasingly on simulation and modelling technologies to test for the nearly infinite number of scenarios. Through hardware-in-the-loop stands and digital twins, we can simulate vehicle and environmental inputs – allowing software and electronic control units to react to real-world driving conditions in a lab environment.

This year, Nexteer has expanded our India Technical Centre in Bengaluru by adding a 1,900-square-metre facility, enhancing local engineering and validation for driveline systems to provide faster support for OEM customers in production and design stages. This complements the Centre's existing digital expertise in software, simulation, and advanced driveline/steering validation, positioning India as a key hub in Nexteer's global product development strategy.

Through virtual testing and validation, we're enhancing the engineering process beyond the constraints of in person work – which benefits our customers through:

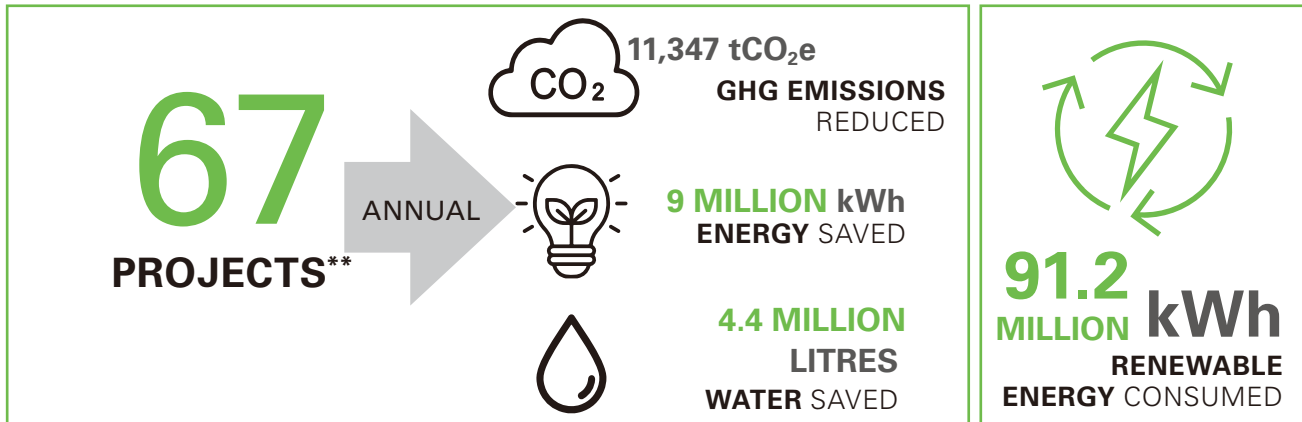
- **Cost savings** – Reduces product life cycle cost & reduces prototype sample cost
- **Faster design & development process** – Quickly evaluates design solutions; reduces or eliminates validation testing
- **Optimised manufacturing processes** – Build it right the first time

As the automotive industry continues to evolve, virtual engineering allows the teams driving innovation in our technology to collaborate more efficiently and creatively – thus ushering in the future of mobility and greener technology.

Environmental, Health & Safety

In this section* – Environmental, Health & Safety
Environmental Stewardship
Keeping Our People Healthy & Safe

ENVIRONMENTAL STEWARDSHIP



Environmental stewardship is integral to our business, underpinning our ability to deliver strong overall performance. Through our environmental programmes and initiatives, we drive greater efficiency and transparency. We proactively explore new ways we can reduce our environmental footprint, including embracing renewable energy, monitoring resource use, phasing in the use of more efficient technologies and implementing strategies that address climate change.

Environmental Management System (EMS)

HKEX A2, A2.3, A3

Within our EMS, we embrace ways we may enhance efficiency; align with best practices, such as ISO 14001 standards; and not only ensure compliance but exceed environmental laws and regulations when feasible.

Our **Global Environmental Policy**, in conjunction with our EMS, codifies our commitment to environmental responsibility and encourages best-practices across all our global locations. The Global Environmental Policy outlines our commitment to environmental excellence by:

- Minimising our environmental impacts
- Promoting environmentally sustainable behaviour
- Encouraging environmental responsibility in ourselves, our customers, suppliers, and stakeholders who are in concert with our activities, products, and services

Our Corporate EH&S function is responsible for managing our EMS by driving environmental initiatives, embedding environmental responsibility within our health and safety practices, engaging team members, and measuring our performance across all of our global sites and manufacturing facilities. Reviews were conducted at the various forums with leadership and cross-functional teams, regarding Nexteer's developing climate strategy and EH&S KPIs.

* This section includes data of non-consolidating joint venture locations

** Include both new 2025 projects and ongoing projects with 2025 impacts

Environmental, Health & Safety

At the time of 2025 Report publication, 100% of our manufacturing sites globally have achieved ISO 14001 certification. Nexteer is excited to announce the latest ISO 14001 certifications in 2025, to our Changshu, China plant.

In order to align with our internal climate action goals, we have established absolute reduction targets for energy and fuel use, along with a carbon emissions reduction target. Our year-over-year goals include:

- Reduce carbon emissions by 6% compared to 2024
- Reduce our energy (electricity) use by 6% in absolute terms compared to 2024;
- Reduce our fuel usage by 6% in absolute terms compared to 2024.
- Increase our landfill waste diversion rate by 2% per unit of production; and
- Reduce water use by 2% on a per unit of production basis.

Note: In the pursuit of continuous improvement, we set environmental goals that enhance performance and efficiency. We define a unit of production as a “fully assembled unit” ready for sale.

As part of Nexteer’s overall strategic planning process, we regularly assess policies, practices and procedures to minimise impact on the environment and natural resources. We review and update our SMRF to account for our progress towards sustainability targets and establish new goals and targets to make progress along the journey.

We also complete risk planning with annual updates that review financial coverage of any facility asset retirements and environmental liabilities. We continuously work to reduce and mitigate risks and improve the effectiveness of our EMS, our policies and our procedures. As a result, we did not receive any environmentally based fines or monetary sanctions in 2025.

By integrating environmental management into our operations, we can manage our impacts on the environment, conserve and reduce energy and water, reduce and re-use our waste and reduce our GHG emissions all while meeting local, regional and federal laws and requirements.

Enhancing Energy Efficiency in our Manufacturing Plants

In 2025, Nexteer advanced its energy management through a combination of efficiency projects and digital monitoring initiatives. Several plants implemented automated systems for real-time tracking of electricity, water, gas, and compressed air consumption, supported by dashboards that visualise usage and highlight optimisation opportunities. These tools are integrated with cost analysis and reviewed regularly to ensure effective governance.

Alongside monitoring, Nexteer continued to implement proven best practices such as lighting modernisation and control, compressed air system improvements, machine shutdown protocols, and air leak audits. Regional initiatives also included renewable energy sourcing and on-site solar installations, complemented by structured roles and responsibilities and an active network of Energy Champions. Additionally, we continue to explore and share best practices to improve energy usage and emissions from our manufacturing sites.

Environmental, Health & Safety

Our Approach to Climate Change

We continue to assess impacts of global climate change and our environmental footprint. Nexteer responds to the CDP Climate Change questionnaire annually including supply chain data to requesting OEM customers. CDP's disclosure platform provides a mechanism for reporting in line with the International Sustainability Standards IFRS S2 Climate-related Disclosure Standards (incorporates the Task Force on Climate-related Disclosures) recommendations.

The following is Nexteer's approach to climate change (Governance, Strategy, Risk Management, Metrics & Targets) with reference to the HKEX Guidance on Climate Disclosures, which is built upon the IFRS S2 climate standard.

Governance

Climate change is a material topic managed within our three-tiered sustainability governance structure. For more details, please refer to the "Managing Sustainability at Nexteer". (see page 9)

In 2025, our Climate Groups continued to collaborate with internal and external stakeholders to understand climate risks, explore opportunities and conduct adaptation measures to increase resilience to the impacts of climate change. In addition, Nexteer's cross-functional team reported at regular cadence (e.g., monthly, quarterly, annually) at multiple management forums to coordinate the development of our climate roadmap and share updates regarding our KPIs. Furthermore, at least annually, ESG-related enterprise level strategic priorities are reported to the Board.

Strategy

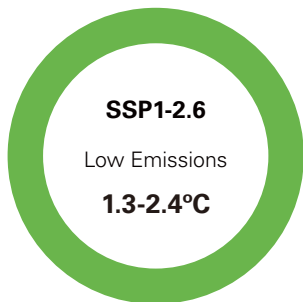
Nexteer contemplates climate risks and opportunities with reference to established frameworks and processes, including: – ISO 14001 EMS (annually by independent third-party auditors and recertification every three years), and – CDP (annual process). To position our organisation with climate resilience and in preparation of the transition to a low-carbon economy, we have performed a cross-functional assessment of physical and transition climate risks. Such assessments included climate scenario analyses and calculation of cost of carbon aligned with applicable climate disclosure guidance and practices.

In 2025 we used the results from our assessments to support our business decisions, such as regarding ways we may enhance our operational practices through renewable energy and energy efficiency.

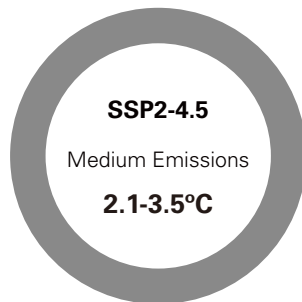
Climate financial impact assessment: Following HKEX's Guidance on Climate Disclosures, the Company has assessed the impacts of climate change on Nexteer's financial performance and position, to evaluate and oversee climate-related risks and opportunities. This analysis follows the Intergovernmental Panel on Climate Change (IPCC) Representative Concentration Pathways (RCPs) and Shared Socioeconomic Pathways (SSPs) to assess physical climate risks, and the International Energy Agency (IEA) energy and carbon price scenarios to evaluate transition risks. By exploring multiple scenarios and time horizons with differing degrees of climate action, we analysed the potential physical changes to the climate as well as changes to the operational landscape that may occur alongside the transition to a lower-carbon economy.

Details of the analytic choices in the scenarios are listed below:

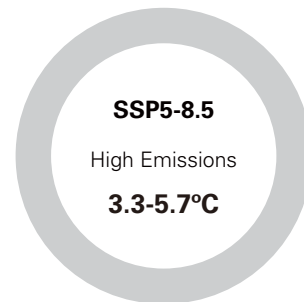
	Physical risks and opportunities	Transition risks and opportunities
Pathways	<p>Low Emissions, SSP1-2.6 Aggressive mitigation scenario where global greenhouse gas emissions reach net zero by 2050, limiting warming to about 1.3–2.4°C by 2100, in line with the Paris Agreement goals</p> <p>Medium Emissions, SSP2-4.5 Strong mitigation scenario where global greenhouse gas emissions stay roughly at current levels until 2050, then decline to 2100, leading to about 2.1–3.5°C warming by 2100</p> <p>High Emissions, SSP5-8.5 Low mitigation scenario where global greenhouse gas emissions triple by 2075, leading to 3.3–5.7°C warming by 2100</p>	<p>Net Zero Emissions by 2050 Scenario (NZE, <2°C), High carbon price scenario, aligned with a net-zero by 2050 pathway</p> <p>Announced Pledges Scenario (APS, ~1.7°C), Moderate carbon price scenario, reflecting governments’ announced pledges</p> <p>Stated Policies Scenario (STEPS, ~2.4°C), low-carbon price scenario, reflecting current policies</p>
Time Horizons	<p>Short-term: 2025-2028</p> <p>Medium-term: 2028-2030</p> <p>Long-term: 2030-2050</p>	



Low Emissions: Aggressive mitigation scenario in which total greenhouse gas emission reduce to net zero by 2050, resulting in global average temperatures rising by 1.3-2.4°C by 2100, consistent with the goals of the Paris Agreement



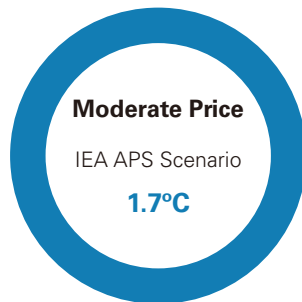
Medium Emissions: Strong mitigation scenario in which total greenhouse gas emissions stabilize at current levels until 2050 and then decline to 2100. This scenario is expected to result in global average temperatures rising by 2.1-3.5°C by 2100



High Emissions: Low mitigation scenario in which total greenhouse gas emissions triple by 2075 and global average temperatures rise by 3.3-5.7°C by 2100



The STEPS scenario is designed to provide a sense of the prevailing direction of energy system progression, based on a detailed review of the current policy landscape



The APS scenario assumes that governments will meet, in full and on time, all the climate-related commitments that they have announced, including longer term net zero emissions targets and pledges



The Net Zero Emissions by 2050 Scenario (NZE) is designed to show what is needed across the main sectors by various actors, and by when, for the world to achieve net zero energy related and industrial process CO₂ emissions by 2050

Environmental, Health & Safety

Climate-related physical risks and opportunities*

Timeframe	Risks	Opportunities
Short term	<ul style="list-style-type: none"> • Acute extreme weather events include pluvial flooding, wildfire, fluvial flooding, coastal flood, tropical cyclone, and landslide, could result in the following consequences: <ul style="list-style-type: none"> o Production disruptions and delays o Potential damage to production facilities, infrastructure, and other fixed assets o Increased safety and health-related costs for employees 	<ul style="list-style-type: none"> • Increase the use of renewable energy and improve energy and water use efficiency in manufacturing processes to reduce operational emissions and save costs • ~50% of the Company's revenue is associated with EV-related platforms
Medium term	<ul style="list-style-type: none"> • Heatwaves and droughts become more common which may mean temporarily shutting down electrical systems, reduced productivity, and additional costs for raw materials and transportation 	<ul style="list-style-type: none"> • Replace equipment with higher thermal capacity to build climate resiliency in manufacturing centres • Review and revise climate-related standard operating procedures as necessary • Advancing circular economy to reduce the costs for procuring raw materials and mitigate environmental impacts • The Company's photovoltaic projects and procurement of green electricity could reduce future costs associated with GHG emissions • Consider adopting cooling measures such as cool roofs and green roofs to alleviate long-term impacts of temperature extremes and water stress
Long term	<ul style="list-style-type: none"> • Chronic effects of climate change including extreme heat and cold, and water stress, may increase operating costs, impact employee health, and disrupt production <ul style="list-style-type: none"> o 4.4% of total asset value will be affected due to temperature extremes 	<ul style="list-style-type: none"> • Capture market share by innovating and producing environmentally friendly products in a long run

* The analysis leverages geospatial climate models and asset-specific hazard models integrated with financial impact functions to assess potential exposure. Key data inputs include asset type, geographic coordinates, and asset value. Three Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report (AR6) pathways were applied to evaluate projected physical climate risks over the 2020–2090.

Climate-related transition risks and opportunities*

Timeframe	Risks**	Opportunities
Short term	<ul style="list-style-type: none"> Emerging regulations across the globe, such as carbon reduction targets and enhanced reporting requirements, may increase our compliance risk (P) Tightening of carbon market regulations and expanding carbon pricing mechanisms (P) Limited availability of cost-effective decarbonisation technologies for steel and aluminium extraction (T) 	<ul style="list-style-type: none"> Continue evolving climate strategy to meet government decarbonisation targets
Medium term	<ul style="list-style-type: none"> Carbon cost mechanisms may increase our costs and negatively impact our revenue and customer relationships (P) Regulation like enhanced reporting requirements and carbon pricing are common and enforced through litigation: Potential carbon costs range from 2–2.8% of the Company’s expenditure (P) Increasing carbon cost exposure and vulnerability to suppliers (M) Growing demand for recycled and low-carbon materials (T) 	<ul style="list-style-type: none"> Evaluate utility costs and cost of materials Explore current market and technologies available to transition to a low-carbon economy, and monitor market in the future Capture opportunities from evolving low-carbon policies and market transitions Relatively contained carbon pricing risk across top suppliers, indicating low likelihood of significant cost pass-through
Long term	<ul style="list-style-type: none"> Regulations and carbon costs are significant: Potential carbon costs range from 1.6–3.7% of the Company’s operating expenditure (P) Transformational impacts to economy (M) Small proportion of the Company’s total spend on the top suppliers will be affected (M) Rising need for comprehensive Scope 3 emission data disclosure for building climate reputation (R) Potential competitions from peers with stronger climate reputations under stricter climate policies (R) 	<ul style="list-style-type: none"> Require suppliers to provide overview of climate-related risks or plan to address climate change risks in their operations

* The analysis utilises past GHG emission data covering Scope 1, Scope 2, and upstream Scope 3 categories, projected to 2030 in line with internal reduction targets. Scenario modelling applies the IEA carbon price pathways (Low, Moderate, and High) through 2050. These price pathways represent theoretical costs consistent with achieving global climate targets and are not intended as market forecasts. Beyond 2030, Scope 1 and Scope 2 emissions are assumed to remain constant, while Scope 3 emissions are projected to increase proportionally with business growth.

**P = policy risk; M = market risk; T = technology risk; R = reputation risk

Environmental, Health & Safety

Impact of climate-related risks and opportunities on Nexteer's businesses and strategy:

Findings from our assessment have driven us to focus even more intently on reducing our carbon footprint and de-risking our operations. In 2025, we continued developing our climate roadmap to pursue emissions reductions through renewable energy projects, energy efficiency investments, ISO 50001 Energy Management Systems, and value chain engagement. Throughout the year we continued renewable energy feasibility assessments and enhanced our management system for tracking key climate and environmental data.

The assessment of Nexteer's climate-related transition and physical risks indicates that overall exposure remains contained, with most risks assessed as low to moderate in the short to medium term, and more pronounced impacts emerging in the longer term. Transition risks are driven primarily by evolving carbon regulations, increasing carbon costs, and growing expectations for more comprehensive Scope 3 emissions data, alongside potential competitiveness pressures as peers advance their climate strategies. Physical risks are largely concentrated in extreme heat, flooding, droughts, and severe weather events, which may affect operations, assets, and supply chains over time. The Company's planned sources of funding are from internal business operations to implement climate-related strategies. Opportunities have been identified through continued decarbonisation efforts, engagement with suppliers on climate-related issues, and strategic planning to enhance resilience and support the Company's long-term transition to a low-carbon economy.

Risk Management

Our risk management process considers climate-related risks with past weather events that disrupt day-to-day operations and future trends that potentially impact operations and business performance. The process also considers broader climate-related opportunities such as impacts on reputation, evolving regulatory mechanisms, and changes in customer and market preferences. Through our established policies and procedures we deploy appropriate risk-specific responses – avoid, transfer, mitigate and share. Our risk management process is outlined below:

- Review all top risks, identifying and evaluating enterprise-level risks and opportunities.
- Develop strategic priorities for certain top-level risks and create KPIs and targets to manage these risks.

- Identify and prioritise risks based on the impact to the Company and the likelihood of occurrence. We assign an inherent risk factor to each identified risk. We develop mitigation strategies for risks that exceed a certain risk factor threshold.
 - o Magnitude of impact is measured in terms of various aspects such as environmental, financial, service reliability, supplier delivery and employee risks, etc.
 - o The likelihood of occurrence reflects the probability that the risk will occur along with an element of timing or velocity.
 - o Risks are assessed on a scoring scale, where a higher score indicates greater significance.
- After implementing a mitigation strategy, we record the remaining residual risk.
- Senior management presents updates to the Board's Audit and Compliance Committee annually regarding all high priority risks and mitigation strategies.

The strategic priorities that the Company identified for key enterprise-level risks are used to establish KPIs and specific targets for relevant functions to formulate and implement risk management plans. The cross-functional teams collaborate to consider common practices, partner with subject matter experts, and learn from industry trends to continually improve. Relevant information of risk mitigation strategy is incorporated into future site planning, supplier selection process, and strategic development. Overall, Nexteer aims to manage risks and opportunities by balancing footprints, considering the potential for market fluctuations, political changes, supplier impacts and quality control issues.

Moderate to high priority risks are supported by detailed action plans specifying mitigation activities, accountability, and performance tracking. Lower-priority risks may either be incorporated into broader mitigation initiatives or monitored by designated senior management or local leadership. Mitigation measures due to climate risks would be assessed and reviewed internally for decision-making. Corporate-level risks follow the same process for evaluation and mitigation planning.

Metrics & Targets

HKEX A1.5, A2.3

The key metrics we track and follow to assess climate-related risks and opportunities include our Scope 1-3 GHG emissions, emissions intensity, energy consumption, energy intensity, among others. These metrics are publicly available in our sustainability report. Internally we also track costs associated with climate change such as insurance relating to weather and climatic events, metrics with regards to our products and services, and more.

In alignment with our commitment to reducing our environmental impact, our company has established clear climate-related metrics and targets focused on lowering energy consumption and greenhouse gas emissions. We are targeting a 6% year-over-year improvement in both Scope 1 (fuel usage) and Scope 2 (electricity consumption) in absolute terms, through operational efficiency, process optimisation, and the implementation of energy-saving technologies. The reductions will be measured and reported annually using standardised methodologies aligned with the Greenhouse Gas (GHG) Protocol.

These targets reflect our commitment to transitioning toward lower-carbon operations through energy-efficiency, renewable energy procurement, and the reduction of fossil fuel dependency across our global facilities. In addition, we are also working closely with our suppliers, logistics partners, and customers to improve value chain efficiency and promote sustainable practices for achieving our commitment in Scope 3 emission reduction. Together, these targets represent a significant step in our journey toward long-term decarbonisation and a more sustainable automotive supply chain.

Progress towards these goals will be driven by initiatives such as energy monitoring systems, equipment upgrades, and renewable energy sourcing. This continuous improvement approach supports our broader sustainability strategy and contributes to our long-term sustainability strategy across our global operations.

To bolster our continuous improvement activities on environmental data collection, we engaged external subject matter experts to conduct an independent evaluation of 2025 GHG emissions in accordance with the GHG Protocol Corporate Accounting and Reporting Standard. This process ensures the accuracy of data sources and calculation methodology utilised to map, measure, and report GHG emissions.

GHG Emissions

HKEX A1, A1.1, A1.2, A1.5

Electricity usage (a Scope 2 source) continues to be a global leading contributor to our GHG emissions. In 2025, we aimed to reduce annual energy (electricity) usage on an absolute basis by 6%. We achieved a 2.7% improvement from the previous year. We established a target to reduce fuel usage by 6% in absolute terms compared to 2024 with a key focus on reducing natural gas consumption, we achieved approximately 2.1% improvement from our previous year. For Scope 1 and Scope 2 GHG emissions we achieved a reduction of 12.8% from the previous year surpassing our 6% goal. Our performance was due to process efficiency, use of renewable energy, and electrification of equipment. We also made improvements on our bill of processes, such as steam-heated processes. In 2025, we consumed 91.2 million kWh renewable energy, corresponding to 43,887 tCO₂e of scope 2, market-based emissions reduced.

As emissions and energy consumption are closely interrelated, Nexteer continues to focus on energy efficiency and usage at our global operational locations. Throughout the year, our progress towards target was reviewed monthly with Management at global operation meetings. In addition, our teams continue to enhance our data quality, metric tracking, and performance to goals. We have regular plant-level and cross-functional meetings to enhance data management and conduct relevant trainings.

Environmental, Health & Safety

Smart and Green Manufacturing Projects in China

In 2025, Nexteer broke ground two smart and green manufacturing projects in Liuzhou and Suzhou. Together, these projects reflect the company's commitment to innovation, sustainability, and operational excellence in the APAC region.

Built on smart and green manufacturing principles, the Liuzhou facility will integrate energy-efficient systems and automation technologies to support sustainable mobility solutions upon its planned launch in 2026.

Meanwhile, the new smart manufacturing facility in Suzhou will strictly adhere to "Intelligent + Green" principles and is being developed as a green factory designed to meet international LEED Platinum certification standards.

Summary GHG Emissions by Scope

Our GHG emissions data includes Nexteer's manufacturing and non-manufacturing locations. For definitions of the three emission scopes, please refer to the Scope 1, Scope 2, and Scope 3 details below.

Metrics	2023 (tCO ₂ e)	2024 (tCO ₂ e)	2025 (tCO ₂ e)	Change vs. Prior Year (%)
Scope 1 GHG Emissions – Direct	39,210	33,132	32,217	-2.8%
Scope 2 GHG Emissions – Indirect	177,638	159,606	135,934	-14.8%
Scope 1+2 GHG Emissions Intensity (tCO₂e/1,000 Units Production)	5.9	4.9	4.1	-16.3%
Scope 3 GHG Emissions – Other Indirect	2,461,660	2,358,222	2,823,948	19.7%
Category 1**				
Purchased goods and services	2,230,682	2,166,944	2,565,444	18.4%
Category 2				
Capital goods	124,102	96,264	112,054	16.4%
Category 4***				
Upstream transportation and distribution	81,725	75,007	126,625	68.8%
Category 5				
Waste generated in operations	5,860	6,021	6,793	12.8%
Category 6				
Business travel	3,437	4,671	5,523	18.2%
Category 9				
Downstream transportation and distribution	15,854	9,315	7,509	-19.4%
Total GHG Emissions* (tCO₂e)	2,678,508	2,550,960	2,992,099	17.3%

Environmental, Health & Safety

* Scope 1 – Direct energy consumption arises from the utilisation of natural gas, propane, gasoline, and diesel fuel during Nexteer’s operations, along with emissions of leaking Ozone Depleting Substances (ODS)/refrigerants. The fuels consumption reporting follows the Greenhouse Gas Protocol and the US Environmental Protection Agency (EPA) Centre for Corporate Climate Leadership’s Emission Factors for Greenhouse Gas Inventories (January 15, 2025), and its emissions factors. The Ozone Depleting Substances reporting follows the GHG Protocol methodology and uses the Global Warming Potential (GWP) factors from the 2021 IPCC Sixth Assessment Report.

Scope 2 – (Utilising Market-based Methodology) – Indirect energy consumption arises from the consumption of purchased electricity and steam heating. The energy consumption reporting follows the GHG Protocol with the Saginaw and Auburn Hills, Michigan, US locations using emission factors developed by CMS Energy, DTE Energy and/or the Edison Electric Institute (EEI) for each regional utility provider; our Brazil, Mexico and Morocco locations use an emission factor developed by their utility providers, Poland uses its country emission factor from the Ministry of Climate and Environment; China uses its country emission factor from the Ministry of Ecology and Environment; whereas all remaining facilities use IEA country emissions factors for calculation of emissions of electricity using location-based emission factors. Steam heating is calculated following the US EPA Centre for Corporate Climate Leadership’s Emission Factors for Greenhouse Gas Inventories (January 15, 2025).

Scope 3 – Other indirect emissions are calculated based on GHG Protocols and US EPA Centre for Corporate Climate Leadership’s Emission Factors for Greenhouse Gas Inventories (January 15, 2025) and US EPA Centre for Corporate Climate Leadership’s Greenhouse Gas Inventory Guidance for Indirect Emissions from Events and Conferences (December 2018), along with the GHG Protocol’s Comprehensive Environmental Data Archive (CEDA) Factors for the United States by Watershed for Purchased Goods & Services and Capital Goods. 2025 CEDA Factors by Watershed are based on 2023 baseline industry emissions data, economic and trade data. The upstream/downstream transportation calculations are based on US EPA Supply Chain Greenhouse Gas Emission Factors v1.3 (updated July 10, 2024).

** The Category 1 calculations for 2024 were updated to reflect refinements to the calculation methodology implemented in 2025, including improved consistency and comparability across data sources.

*** The increase in Category 4 emission is primarily due to the higher inbound transportation volumes supporting increased production.

Defining the Three Emissions Scopes

Scope 1 (direct) emissions are those that occur within operational boundaries, such as boilers for steam for production equipment, steam heating and natural gas usage in heat treating furnaces.

Scope 2 (indirect) emissions are those that occur from the use of purchased electricity, steam and/or heating/cooling supplied by grids, which tend to occur outside of operational boundaries.

Scope 3 (other indirect) emissions occur indirectly as a result of activities in our value chain. Scope 3 GHG emissions sources included in Nexteer’s GHG inventory are GHG emissions occurring from purchased goods and services, capital goods, upstream transportation and distribution, waste generated in operations, business travel, and downstream transportation and distribution. We are incorporating limited emissions from upstream and downstream transportation as we work to enhance this data collection. We are committed to continual improvements to identify GHG reduction opportunities, measure and track performance, and engage value chain partners to collectively manage relevant Scope 3 categories, including collaboration to further understand carbon footprints, as well as potential climate risks and opportunities along our value chain.

Environmental, Health & Safety

Summary of Energy Use by Fuel Type

HKEX A2.1

The table below presents a breakdown of our energy usage in kWh for 2025. Even with increased production volumes, our overall energy usage in 2025 still decreased by 2.6% when compared to 2024. Our energy consumption still decreased by 6.8% on a per unit of production basis.

In 2025, 28% of our global energy use was from renewable sources. We continue to advance our climate roadmap strategy across global operations based on a portfolio of energy efficiency measures, solar projects, and power purchase agreement (PPA) initiatives. Additionally, efforts like our PPA in Mexico are supporting regional and community goals to green the electric grid.

Energy Source	2023 Energy Consumption (kWh)	2024 Energy Consumption (kWh)	2025 Energy Consumption (kWh)	Change (%)
Natural Gas	200,132,586	172,565,116	168,909,369	-2.1%
Fuel Oil	0	0	0	0%
Coal	0	0	0	0%
Electricity	339,487,370	337,100,992	327,851,176	-2.7%
Heat	2,019,446	2,877,780	2,969,444	3.2%
Steam	0	0	0	0%
Cooling	0	0	0	0%
Gasoline	2,168,802	1,953,228	1,624,632	-16.8%
Diesel	1,898,135	2,977,611	2,145,003	-28.0%
Propane	2,450,380	2,570,899	2,805,337	9.1%
Total Energy Use (kWh)	548,156,719	520,045,626	506,304,961	-2.6%
Energy Use Intensity (kWh/Unit Production)	14.8	13.3	12.4	-6.8%

Our energy data includes manufacturing and non-manufacturing locations for applicable energy sources.

Advancing Renewable Energy

As part of our commitment to decarbonisation and long-term energy resilience, we are advancing renewable energy across our global operations through both on-site generation and strategic procurement. We continue to expand on-site photovoltaic installations at our manufacturing facilities to directly reduce grid demand and lower our Scope 2 emissions. To complement these efforts, we are increasing our global procurement of renewable energy certificates, ensuring that a larger portion of our purchased electricity is sourced from verified, low-carbon generation. Together, these initiatives strengthen our renewable energy portfolio, support regional clean-energy markets, and help us achieve our corporate climate targets. These highlights include transitioning from 20% renewable energy to advancing our efforts to 28% renewable energy globally in 2025 for reducing Scope 2 emission.

- 25 acre on-site solar field in Saginaw, Michigan USA Operations generating approximately 10 million kilowatt hours of renewable energy that has been in full operations for over a year.
- In 2024, our manufacturing plant in Tychy, Poland began construction of photovoltaic panels on the building roof and in the parking lot, with anticipated operation in 2026. The installed solar panels are expected to supply around 10% of Poland manufacturing facilities’ annual electricity demand.
- Procurement of Green Energy in multiple regions including China, Mexico, Brazil, and India.

Summary of Air Pollutant Emissions (US only)

HKEX A1, A1.1

To comply with all applicable emissions laws and regulations, our air emissions are reviewed periodically by each manufacturing facility based on air discharge permits or regulatory reporting requirements. At the time of this report, only the Saginaw, Michigan, US, facility is required to monitor its annual air emissions. Overall, our air pollutant emissions decreased from 2025 due to process equipment reductions.

Pollutant (lbs)	2023	2024	2025	Change (%)
Ammonia	1,298	1,133	1,248	10.2%
CO	7,137	6,803	7,305	7.4%
Lead	0.2	0.18	0.19	5.6%
NO _x	61,719	50,444	48,081	-4.7%
PM ₁₀ (Primary)	23,793	15,080	14,931	-1.0%
PM _{2.5} (Primary)	3,161	2,759	3,012	9.2%
SO ₂	398	325	308	-5.2%
VOC	14,526	12,960	7,749	-40.2%

Environmental, Health & Safety

Towards a Low-carbon Future

Short-term

**Scope 1-2 Emissions**

- Manage and reduce Scope 1-2 GHG using 2019 as the baseline year
- Embed governance, capital planning, and accountability into mitigation strategies to ensure continuous improvement and long-term reductions aligned with customer, regulatory, and industry expectations
- Focus areas include equipment upgrades, energy efficiency and on-site renewable electricity generation in production, standardised monitoring and verification for data consistency, market-based procurement, and ISO 50001 certification for operating units

Scope 3 Emission – Suppliers and Customers Engagement

- Drive a strategic supplier engagement approach for GHG reduction
- Collaborate with high-impact suppliers, covering around 38% of Nexteer's total spend to maximise carbon reduction, improve data transparency, set science-based targets, advance energy efficiency, renewable energy usage and low-carbon materials
- Align global manufacturing operations with customer requirements on carbon reduction goals and long-term resilience
- Continue to enhance the Scope 3 emissions inventory to strengthen completeness and data quality

Medium-term

**Emission Reduction Targets Development**

- The Company has set internal, science-based medium-term Scope 1–3 emissions reduction targets aligned with the Paris Agreement, which serve as a shared objective across the company
- To support credible target delivery, the Company has established internal control mechanisms over target-setting and emissions management processes

Long-term

**Shaping a Low-Carbon Future**

Nexteer is committed to supporting the transition to a low-carbon future by implementing an integrated approach to decarbonisation, executing practical initiatives to expand sustainable solutions, and making strategic investments in operational and product innovation.

Waste

HKEX A1, A1.3, A1.4, A1.6

As a global automotive manufacturer, we produce hazardous and non-hazardous waste, much of which is recycled, reused and recovered. Some forms of waste are sent to landfills. All our hazardous and non-hazardous wastes are properly characterised, handled, transported and disposed of, and all plants work to minimise waste generation. In general, our hazardous and non-hazardous wastes are treated and discharged to publicly owned wastewater treatment plants; treated, solidified and landfilled; burned for energy recovery; or recycled – some as a direct feedstock in other industries.

Every year, we aim to divert total waste from the landfill by 2% per unit of production from the previous year. In 2025, we produced 4,166 tonnes of hazardous waste and 33,387 tonnes of non-hazardous waste. This amounts to 0.0001023 tonnes of hazardous waste per unit of production and 0.0008201 tonnes of non-hazardous waste per unit of production. In 2025, we generated 2,845 tonnes of hazardous and non-hazardous waste globally that was sent to a landfill which was 46.2% increase from the prior year. On an intensity basis, this works out to 0.00007 tonnes of landfilled waste per unit of production – an increase of 39.9% from 2024. In 2025, we reused, recycled, composted and recovered 85% of our waste streams.

Improving our Waste Management in China

In 2025, Nexteer's Wuhu Plant in China implemented a low-temperature evaporation system to improve hazardous waste management. The project achieved a significant reduction in liquid hazardous waste – saving approximately 613 tonnes annually – and enabled the reuse of about 572 tonnes of water. This initiative reinforces Nexteer's commitment to resource efficiency and environmental stewardship, while setting a benchmark for innovative waste reduction practices across our global operations. In Liuzhou, another project focused on minimising waste cutting fluid. By installing purification equipment, the plant extended the service life of cutting fluid and reduced approximately 25 tonnes of waste annually, while improving air quality in the workshop. This solution demonstrates Nexteer's dedication to reducing industrial waste and creating cleaner, more sustainable manufacturing environments.

Additionally, China is implementing a reimbursement system to enable paperless operations, reducing the use of paper and ink, and promoting circular packaging to minimise waste – further underscoring the country's commitment to sustainable practices.

Environmental, Health & Safety

Nexteer participation in Earth Day and World Environment Day

Our plants in different regions celebrated World Environment Day in 2025 with various internal and external programmes.

At our Kenitra facility in Morocco, employees participated in World Earth Day activities, including creating a plant wall from recycled pallets. Each employee selected a plant, added their names, and contributed to building the wall together – an initiative emphasising the importance of sustainable resource management and waste reduction. Additionally, Nexteer employees organised a waste collection campaign and tree planting activity at a local elementary school, reinforcing the value of environmental protection. The event also included an educational session for students on the impacts of human behaviour on the environment and the importance of preserving natural resources.

During World Environmental Day, our Nexteer team in Mexico took the lead in promoting sustainability and environmental awareness. As part of this initiative, our employees gifted plants to partners, encouraging them to take them home and contribute to a greener environment in their communities.

The team also organised a recycled materials contest, showcasing creativity and commitment to sustainability by giving new life to reusable items.



Earth Day and World Environmental Day

Summary of Hazardous & Non-Hazardous Waste Treatment

Treatment Method	2023		2024		2025	
	Treatment of Global Hazardous Waste (tonnes)	Treatment of Global Non-Hazardous Waste (tonnes)	Treatment of Global Hazardous Waste (tonnes)	Treatment of Global Non-Hazardous Waste (tonnes)	Treatment of Global Hazardous Waste (tonnes)	Treatment of Global Non-Hazardous Waste (tonnes)
Reuse	311	2,686	66	2,425	60	1,416
Recycling	1,237	31,133	937	27,020	942	27,587
Composting	0	25	0	31	0	16
Recovery	1,141	333	976	426	734	1,093
Incineration	1,432	135	1,604	166	1,383	166
Landfill	9	1,737	4	1,942	48	2,797
Other	368	11	584	19	843	312
Deep Well Injection	0	0	0	0	0	0
On-Site Storage	169	1	171	0	156	0
Total Waste (tonnes)	4,667	36,061	4,342	32,029	4,166	33,387
Waste Generation Intensity	0.000126	0.000977	0.000111	0.000822	0.000102	0.000820

Packaging

HKEX A2.5

The types of packaging materials we use for finished products are directed by our customers’ packaging specifications, which we are required to follow. Most of these types of packaging materials are easily recyclable and reusable such as paper, cardboard, and plastic. As the recycling and reuse of packaging materials occurs at our customers’ locations, we are unable to track the total volume of packaging materials that are recycled or reused. However, with various customers and suppliers we eliminate unnecessary packaging by using reusable bins and dunnage.

For our incoming shipments from our suppliers, we work to minimise packaging materials that are required to be disposed of in a landfill. Any incoming wood pallets or boxes, cardboard boxes, shrink-wrap, banding (plastic or metal) or plastic containers are recycled as applicable at our global locations.

At this time, our current focus is on establishing long-term relationships with ethical suppliers who provide quality materials at fair prices. Any requirements for sustainable raw material procurement policies will continue to be monitored as part of our stakeholder requirements.

APAC Packaging improvement project

In 2025, Nexteer continued its commitment to reducing packaging waste and improving efficiency across global operations. As part of our APAC Packaging Optimisation Project, we focused on transitioning from single-use materials to returnable solutions, standardizing practices, and collaborating with suppliers to implement sustainable packaging systems. These efforts support our long-term goal of minimising environmental impact and promoting circular economy principles.

- Transitioned from expendable to returnable packaging across APAC operations.
- Implemented standardised packaging guidelines and design specifications.
- Optimised logistics through improved truck loading and storage efficiency.
- Collaborated with suppliers to ensure feasibility and compliance with standards.
- Eliminated significant volumes of single-use packaging from the supply chain, including approximately 387 tonnes of cardboard.

Environmental, Health & Safety

Water

HKEX A2.4

Water serves vital functions in our manufacturing processes including non-contact cooling water, parts washing, heating, as drinking water, and landscaping. We continued to track and review water-related topics through our environmental KPIs and CDP Corporate Questionnaire.

Every year, we aim to reduce our water consumption by 2% on a per unit of production basis. In 2025, we consumed 659,471,229 litres of water globally which was a 3.4% decrease from the prior year. On an intensity basis, this works out to 16.2 litres per unit of production – a decrease of 7.4% from 2024. We achieved our water reduction intensity target by implementing several water reduction projects, estimated to save over 4.4 million litres of water annually. Going forward, we will continue to improve our processes and implement additional water conservation and efficiency programmes to achieve our targets.

Our environmental engineers are responsible for performing environmental and water-related risk assessments as part of our ISO 14001 EMS at each manufacturing location. The process starts by applying a contextual understanding of our operations, including issues that can affect the intended outcomes of the

EMS and our compliance obligations. These risks are prioritised based on the magnitude and likelihood of occurrence in the Nexteer operations. Relevant risks are reviewed periodically with the frequency of review dependent on its type and impact to the Company.

At the time of 2025 Report publication, we do not have any water sourcing issues globally. Each new location goes through a due diligence process including an evaluation of water resources. We believe access to clean water is fundamental. All our facilities include a fully functioning water supply, adequate sanitation, and hygiene (WASH) services for employees.

Sustainable Water Management in India

A project at our Chennai facility significantly reduced freshwater consumption by reusing reverse osmosis (RO) reject water for non-potable applications such as sanitation and gardening. This initiative saves approximately 3,276 cubic metres of water annually, helping conserve local water resources and lowering the plant's overall water footprint. It demonstrates our commitment to responsible water management and environmental stewardship.

Environmental, Health & Safety

Summary of Total Water Use by Source

Water Sources*	2023	2024	2025	Change (%)
Groundwater	14,174,000	6,154,920	0	-100%
Municipal water supplies or other waste utilities	684,128,575	626,993,146	626,441,979	-0.1%
Rainwater collected directly and stored by the plant	0	0	3,012,250	100%
Surface water, including water from wetlands, rivers, lakes and oceans	0	0	0	0%
Water from another organisation	37,422,540	49,248,600	30,017,000	-39.1%
Total Water (Litres)	735,725,115	682,396,666	659,471,229	-3.4%
Water Generation Intensity	19.9	17.5	16.2	-7.4%

* In the previous year, the groundwater well at the Bangalore facility became inoperable due to insufficient water availability. Therefore, there is no groundwater consumption in 2025. In contrast, the newly commissioned Changshu plant completed the development of a rainwater collection system, which became fully operational in 2025 and this led to an increase in rainwater collection.

Land Use & Biodiversity

HKEX A3, A3.1

Nature and Biodiversity is one of various topics managed within our three-tiered sustainability governance structure and is incorporated into our annual materiality assessment process. Our approach addresses the operational impacts on consumption of natural resources. As we build or lease facilities globally, we rely on lessons learned, best practices and external advisors to minimise the impacts on the local environment and biodiversity, including native wildlife and their habitats. We prevent the introduction of invasive species through various means, such as shipping requirements using wood pallets. Any changes in water withdrawal or discharge follow our legal permits. During 2025, Nexteer manufacturing plants have not had any manufacturing or pollutant release activities that have negatively affected any species or caused an area to be negatively impacted.

Environmental, Health & Safety

KEEPING OUR PEOPLE HEALTHY & SAFE

Our focus on health and safety (H&S) is reflected in our company vision statement, we accelerate mobility to be SAFE by putting safety first – always. This commitment extends to our products and services that enhance safety and security on the road, and to our people across all our global locations. We protect each employee, visitor, and contractor on our premises through proactive programmes that achieve safe and healthy working conditions. H&S is everyone’s responsibility and we all play a critical role by embracing our “Speak up” Safety culture. All employees are encouraged and recognised for our mindset of “if they see something, they need to say something.”

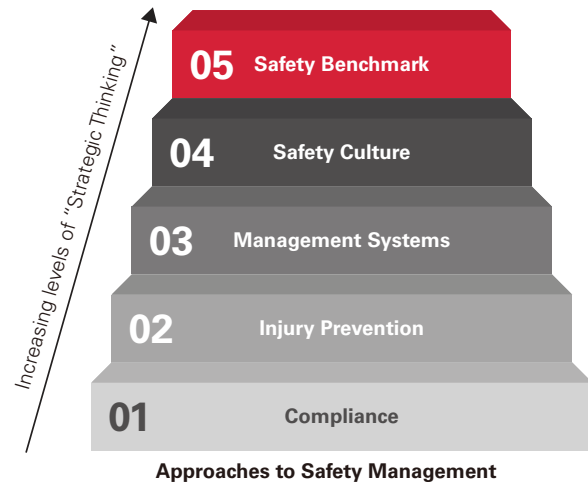
Fostering a Safety-first Culture

HKEX B2, B2.3

Our global Health and Safety Policy outlines guiding principles for our global facilities and reinforces our commitment to H&S excellence. Our Health and Safety Policy, together with our health and safety management systems, emphasises the role of every Nexteer employee in identifying H&S risks, collaborating on solutions, and implementing actions. Our health and safety management systems are built upon a foundation of 25 safety topics, including:

- Leadership roles and responsibilities
- Promoting a culture of health and safety
- Developing and implementing emergency control plans
- Ergonomics and industrial hygiene
- Hazardous energy control
- Machine safeguarding
- Proper use of personal protective equipment

We focus on preventing re-occurring incidents by implementing robust measures and dashboard systems to monitor and achieve zero injuries, illnesses and fatalities. We live and lead a culture of H&S through ongoing education, training and awareness. All employees are encouraged to “Speak-Up for Safety” if they witness or are privy to unsafe acts or working conditions.



Each of our locations completes an annual H&S self-assessment and is subject to corporate audits to verify compliance. To ensure compliance, members of the plant staff – also called our “Health and Safety Champions” – are assigned one or more of the 25 H&S topics in our health and safety management systems. When plant audits are conducted, they consist of thorough plant walkthroughs and interviews with these champions. Beyond our efforts to ensure compliance with applicable health and safety laws as well as regulations and rules in the countries where we operate, we pursue and maintain ISO 45001 occupational health and safety certifications for Nexteer’s global footprint. We are proud to report that Nexteer increased its global ISO 45001 certifications to over 80% of our manufacturing facilities certified. Our global facilities received 45 National Safety Council awards in 2025 – including a Corporate Culture of Safety Award – demonstrating our commitment to H&S excellence and maintaining a safety-first culture.

Environmental, Health & Safety

HKEX B2.1

The number and rate of work-related fatalities that occurred in each of the past three years, including 2025, are reported as follows.

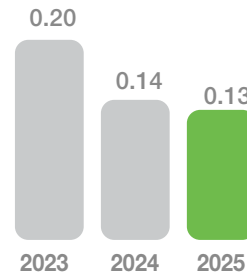
Number and Rate (per 100 workers) of Work-Related Fatalities		
Year	Number	Rate
2023	0	0
2024	0	0
2025	0	0

HKEX B2.2

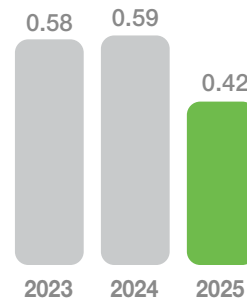
At Nexteer, we track and report on our global lost workday case rates, our total global recordable incident rates, and our total work-related injury and illness rates on a monthly and annual basis. The lost workday case rate describes the number of lost workday cases per 100 full-time employees in a given time frame. The lost workday case rate accounts for occupational injuries or illnesses which result in an employee being unable to work a full assigned work shift. Fatalities are not factored into this rate.

In 2025, we experienced a decrease in our lost workday rates, recordable rate, and work-related injury/illness case. In fact, Nexteer not only achieved a year over year improvement, but we also demonstrated our best performance on record globally. Nexteer is committed to the health & safety of everyone. Through robust training, designing in safety in our equipment prior to its plant arrival, and effective auditing processes we ensure all workers are safe on our premises. We also track work-related injury and illness rates, which represent minor injuries and illnesses that do not require medical treatment beyond first aid – and therefore, no days away from work. First aid can generally be performed by any person regardless of medical training or licensing. Treating a work-related injury and illness case may entail dispensing over-the-counter medication at the strength or dosage dictated on the label, or providing hot or cold therapy, massages or drinking fluids to relieve heat stress. We continue to experience reductions over time in our work-related injury and illness rate.

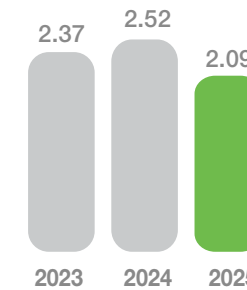
Global Lost Workday Case Rates by Year



Global Recordable Incident Rates per Year



Total Work-Related Injury/Illness Case per 100 Employees



Environmental, Health & Safety

H&S Training & Awareness

At Nexteer, safety education starts on the first day of employment. Employees receive extensive safety awareness training prior to walking out on the manufacturing floor. This awareness training provides an understanding of how to identify, report and mitigate risks.

Several elements of this type of training include:

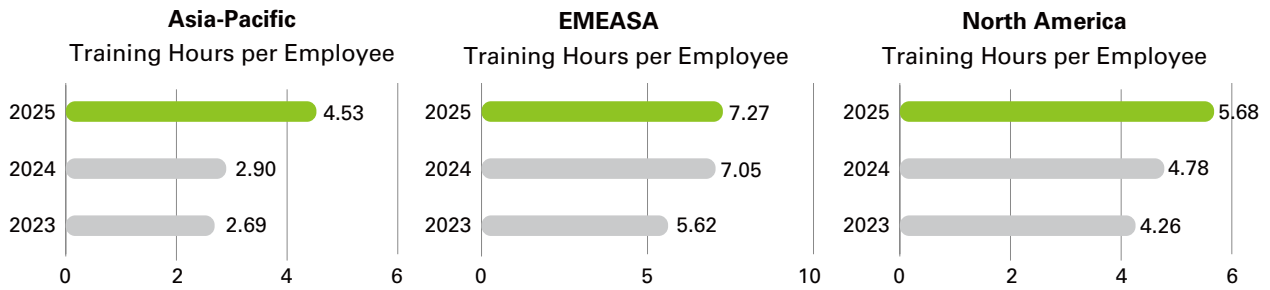


Awareness training is then followed with on-the-job training, department-specific training, and orientation, which may cover additional details about personal protective equipment, standardised work instructions and job-specific hazards. Nexteer continues to provide certified health and safety training on an ongoing basis. All employees receive weekly safety nudges, participate in monthly safety talks, and complete specific training modules based on their job. In 2025, we are honoured to have been awarded the Corporate Culture of Safety Award and Workplace Safety Award by the National Safety Council in United States.

The graph below showcases average hours of health and safety training per employee by region for the last three years.

Ensuring that all employees are properly trained in health and safety is a top priority for Nexteer, more than 89,219 safety training hours were completed in 2025.

Summary of H&S Training Hours by Region



World Day for Safety & Health at Work

On April 28, 2025, Nexteer Automotive Kenitra proudly celebrated the annual World Day for Safety and Health at Work. Through this global initiative, we strive to raise awareness of health and safety to help prevent workplace accidents and reduce the risk of occupational diseases. As part of the celebration, we organised a training session on musculoskeletal disorders (MSDs) led by our Kenitra occupational physician. To make learning more engaging, the session was complemented by a workplace safety-themed Monopoly game, which included cards illustrating hazardous situations, dangerous acts, safety pictograms, and multiple-choice safety questions.

Nexteer’s Ergo Cup Competition

2025 marked Nexteer’s 19th year hosting its annual Ergonomic competition. The Nexteer Ergo Cup is an award that recognises the development of innovative ergonomic solutions and education within Nexteer. Awards are given for team-driven ergonomic workplace solutions, engineering/ergonomist-driven workplace solutions, and ergonomic programme improvement initiatives. In addition to the three Ergo Cup awards, the judges awarded six Ergo Excellence Awards in the following categories:

- Most Innovative
- Greatest Simplicity
- Greatest Potential for “Read Across”
- Greatest Ergonomic Risk Reduction
- Continuous Improvement

- Designing it Right

The objective of this annual competition is to recognise ergonomic innovation and generate enthusiasm for creating a workplace that fits the employee, instead of forcing the employee to fit the workplace. These projects are posted in a searchable online database to promote global information sharing. To date, there are over 1,000 ergonomic lessons in the database, easily searchable by product family and location. There are 20 different categories of type of project, like carts, hand tools, lifting devices, layouts, packaging, and fixturing just to name a few.

In 2025, the annual competition included 68 entries from Nexteer facilities in the United States, Mexico, Poland, Morocco, India, and China.

- This year’s **Engineering Ergo Cup** winner was a new tool design that eliminated a pinch grip for the operator and contact stress to the fingers. This new tool had ergonomic features to assist the operator and improved the operators cycle time.
- The **Team Ergo Cup** winner was awarded to a location that redesigned an assembly station and pack-out area that had generated some medical visits. The team consisted of operators, industrial engineers, manufacturing engineers, quality engineers, controls engineers, maintenance, and operation leaders. As a team, they evaluated the current job using a risk factor cheque list, then they worked on developing solutions. The results addressed all risk, utilised a robot that has multiple end-effects, that interacts with the assembly station in supporting the operator and eliminated lifting a heavy, awkward part. Their work generated look across projects within their plant, but also the globe as a best practice.

Environmental, Health & Safety

2025 Saginaw Safety Calendar Colouring Contest

One of our proudest safety traditions at Saginaw, Michigan, is our annual safety calendar contest. Each year, we ask employees if they would like to sponsor any of their children, grandchildren, nieces or nephews in the contest.

Contestants across six categories based on age group submit hand-drawn artwork about the importance of safety. In 2025, we received 57 submissions. Children provided drawings on a wide range of important safety topics, including fire prevention, stranger danger, internet safety, seat belts, gloves and glasses. There was a winner in each age group, and each winner this year received a Kindle Fire tablet.

This year Nexteer Saginaw partnered with a local community Children's Museum for a pizza party and a night at the museum just for contestant and their families. Winners were recognised and given a blown-up copy of their artwork. With this fun competition, Nexteer brought to life our motto that "safety is everyone's job," while helping to educate the next generation about the importance of safety.

Empowering Employees to Put Safety First

At Nexteer, employees are empowered to share the responsibility of maintaining a safe work environment. We believe that all injuries are preventable, and we equip our employees with the training, equipment and support to maintain a safe work environment.

Our Safety Principles encourage everyone to be responsible and accountable for recognising and correcting unsafe acts or unsafe conditions. At facilities around the world, our safety expectations require employees to follow established safety procedures, including hazardous energy control and machine safeguards, work permits and specialised safety procedures for high-risk activities, personal protective equipment as specified, and reporting all unsafe conditions and all injuries and illnesses to prevent similar incidents or conditions from occurring in the future. Our Environment, Health & Safety Handbook provides requirements for working at or visiting an Nexteer site.

Celebrate Safety Day – Nexteer Plant in Poland Tychy

In 2025, Nexteer Poland reinforced its commitment to an injury-free workplace by hosting a company-wide Safety Day across all its facilities. The dedicated event brought together employees for a full day of interactive training and awareness-building activities designed to deepen understanding of workplace risks and promote proactive safety behaviours.

Key activities included:

- Ergonomics workshops led by a professional physiotherapist
- Practical first-aid training and emergency response drills
- Impairment-goggle simulations to demonstrate the dangers of reduced alertness
- Live demonstrations of risks associated with working at heights
- Hands-on fire extinguisher training with real-fire scenarios

The event concluded with an awards ceremony recognising individuals and teams who consistently champion safety practices and contribute to a stronger safety culture.



Poland Safety Day

Environmental, Health & Safety

China Region Safety Month

In China, Safety Month 2025 reinforced a strong culture of workplace safety across all operations. Under the theme “Everyone Talks About Safety, Everyone Can Handle Emergencies – Identifying Safety Hazards Around Us,” activities emphasised hazard identification, emergency preparedness, and employee engagement. Key Achievements:

- Employee Engagement: Thousands of employees joined safety knowledge contests, hazard-spotting games, and emergency drills.
- Hazard Identification: Hundreds of risks were reported and corrected through proactive campaigns.
- Training & Preparedness: First-aid certification, fire safety inspections, and management training strengthened emergency response.
- Interactive Learning: Fun quizzes and contests made safety education engaging for all shifts.
- Regional Collaboration: Participation in Asia-Pacific safety championships and improvement plan evaluations.

These efforts not only protect employees but also support sustainable operations and long-term resilience. Nexteer China continues to prioritise safety as a cornerstone of responsible business and sustainable development.



China Region Safety Month

Supply Chain

In this section – Supply Chain
 Our Suppliers & Partners
 Supply Chain Disruption & Risk Management

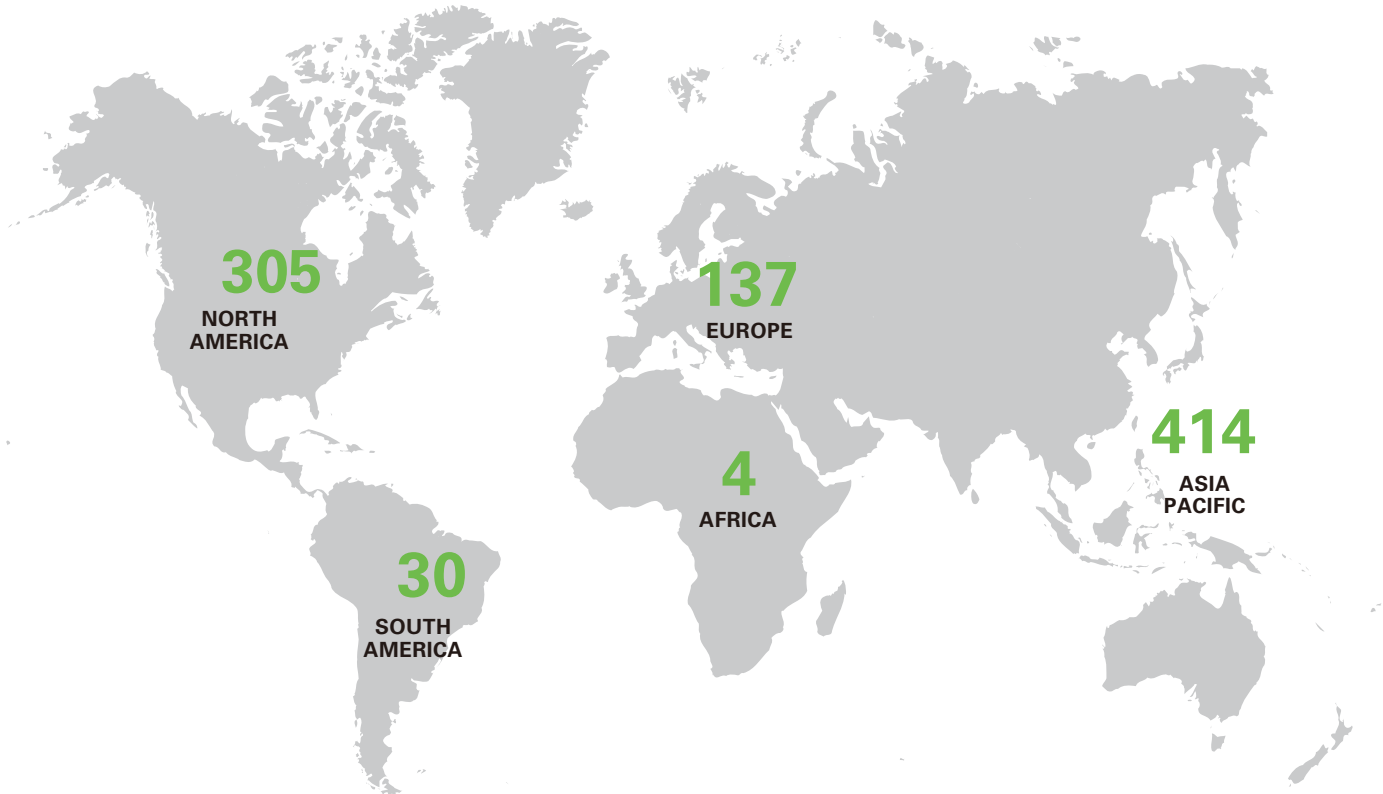
HKEX B5.1

OUR SUPPLIERS & PARTNERS

The relationship between Nexteer and its suppliers is one that is built on loyalty and reciprocity. We have established meaningful, long-term relationships with our suppliers in the industry. Our suppliers bring unique capabilities that we do not have internally, and we depend on supply partners to succeed globally.

Nexteer’s Suppliers by Region

890 Total number of direct material suppliers



Supply Chain

Our Supplier Expectations

HKEX B5, B5.3

Both our NSRs and General Terms and Conditions (GT&Cs) are part of every request for quotation and purchase order. They communicate our policy on managing social and environmental risks throughout our supply chain. Please click [here](#) for more information.

Environmental. We expect our entire supply chain to adhere specifically to the principles contained within Nexteer's CSR Supplier Principles, which are outlined within our NSRs. New direct material suppliers must electronically acknowledge our CSR Supplier Principles upon system set-up. Specifically, the CSR Supplier Principles and NSRs:

- Communicate to our suppliers our commitment to environmental responsibility, which includes striving towards increasingly efficient use of raw materials, energy, water, and other inputs.
- Expect suppliers to communicate an Environmental Policy Statement reflecting their commitment to their employees.
- Encourage suppliers to seek environmental training and strongly recommend registration to ISO 14001.

By agreeing to the NSRs, suppliers are required, upon request, to provide evidence of adherence to these requirements, including any government environmental regulatory requirements like audit or testing results. If a supplier is found to be non-compliant with our CSR Principles, the supplier must implement corrective action plans to remain compliant. In the event the supplier fails to respect these principles, Nexteer reserves the right to impose penalties up to and including the exclusion of the supplier from Nexteer's supply chain.

Reflecting our own commitment to environmental responsibility, we expect all products manufactured by our suppliers – and the applied materials and substances within the process – to meet environmental standards for design, development, distribution, use, disposal or recycling. This includes encouraging suppliers to do the following wherever they can:

- Reduce energy use and emissions
- Reduce water use
- Source renewable energy
- Manage waste appropriately
- Conduct environmental testing
- Train employees and sub-contractors

Social. Furthermore, our NSRs reflect our commitment to the welfare and the health and safety of our employees and contractors and delivering socially and environmentally responsible products to our customers. We have a moral and ethical responsibility to respect human rights throughout our supply chain. And as such, we comply with all applicable laws, government regulations, and rules in the countries where we operate.

Like the principles enforced in our Nexteer's Code of Conduct, we expect our suppliers to uphold and enforce policies and standards that demonstrate their commitment to ethics, integrity and human rights. These include but are not limited to the following standards:

1. Providing a safe and healthy working environment
2. Offering competitive wages and benefits
3. Establishing reasonable working hours
4. Allowing freedom of association
5. Providing training and supporting development of employees
6. Intolerance of harassment, discrimination, and forced and child labour

Supply Chain

We encourage all suppliers to seek training in corporate compliance and responsibility, ethics and diversity and inclusion. In addition, suppliers must operate honestly and equitably in accordance with laws pertaining to terrorism, money laundering, corruption and conflict of interest, anti-competitive business practices, protection of intellectual property, and export controls. Suppliers are required, upon request, to provide evidence of adherence to these global requirements. Non-compliance may result in the supplier being removed from Nexteer's supply chain.

Quality. Additionally, we expect the entire direct material supply chain to adhere to the IATF 16949 Quality Management Standard. We verify the certification status of all direct material suppliers prior to engaging in business. Specifically, the IATF standard requires the implementation of corporate responsibility policies, which include complying with an anti-bribery policy, an employee Code of Conduct and an ethics policy. If any supplier is not certified to the IATF standard by a third party certification body, Nexteer validates compliance to the IATF standard as needed via a risk-based model that consists of the supplier's quality standing, safety-critical features of the part provided, and quality certification status of the supplier.

Building Positive Supplier Relationships

HKEX B5.2

To maintain and grow our relationships with our suppliers, we hosted several supplier engagement events in 2025, including:

- **Valuing our Suppliers' voice:** As part of our materiality assessment, we engage with our suppliers year-round to understand what they view as important in their relationship with Nexteer. Their insights are taken into account as we review environmental and social topics on our materiality assessment.
- **Supplier Golf Outing:** In 2025 we hosted our annual Scholarship Fundraising golf event in collaboration with our suppliers to support future workers and talent. To date, since 2014 this event has been the main event that enabled Nexteer to distribute over \$250 thousand in scholarships to more than 160 students, including high school and college community members, Nexteer interns, and those pursuing skilled trades.
- **Global Supplier Conference:** We hosted our Global Supplier Conference in Changshu, China with an estimated 200 suppliers and government dignitaries. The event emphasised rapid go-to-market innovation and collaborative approaches for improving cost and time efficiencies, while reinforcing safety-critical quality as a core pillar of Nexteer's business.

How We Assess Suppliers

HKEX B5, B5.2, B5.3

Our GSM function continues to enhance our process to assess and monitor potential environmental, social and other business risks along our supply chain. We conduct manufacturing capability assessment audits (on-site/virtual) with direct material suppliers. In addition, all our direct material suppliers are required to annually self-certify to our CSR Supplier Principles, which is completed by answering a self-assessment questionnaire (SAQ) and submitting supporting evidence.

During 2025, the SAQ was administrated through a sustainability module contained within our supply chain management electronic platform. The SAQ will help us further engage suppliers on various ESG topics. Failure to comply with SAQ requirements results in a new business hold.

Nexteer reserves the right to conduct audits of supplier submissions on a risk-based approach and/or GSM's functional assessment. Compliance to the Nexteer CSR Supplier Principles is a requirement of a new business award. In 2025, over 250 suppliers' SAQs were reviewed by Nexteer for compliance. As we continue to evolve our efforts to understand and measure our carbon footprint, including that of our suppliers, we expect to adjust our Supplier CSR Principles and the SAQ.

Supply Chain

Encouraging Environmentally Responsible Practices

HKEX B5.4

As Nexteer manufactures safety-critical products, we adhere to the required customer and engineering specifications to ensure automotive safety standards are met. GSM purchases direct material according to the approved specification and follows defined processes to implement changes provided in customer specifications for environmentally preferable considerations. Meanwhile, we can directly impact environmentally friendly products and services in the supplier selection process, by ensuring suppliers we select have implemented sustainable measures in their business practices, as described above. In 2025, Nexteer issued a carbon emissions questionnaire to all direct material suppliers with the goal of understanding scope 3 emissions related to our purchased goods. Understanding this data will assist our team in engaging and collaborating with our suppliers to reduce carbon emissions.

SUPPLY CHAIN DISRUPTION & RISK MANAGEMENT

We proactively monitor for potential risks to supply chains through subscriptions to third-party risk management tools. The Nexteer team mobilises company resources to quickly take action to mitigate the impact of supply chain disruptions and works with regional leadership to align and allocate product as necessary. Examples of last year's disruptions include force majeure events such as multiple hurricanes in southeast United States & flooding in Brazil causing increased delivery time on shipments. During these significant disruptions, Nexteer maintained close contact with suppliers and carriers, aligned the Nexteer manufacturing network, and engaged with customers to minimise impacts throughout the extended value chain. Furthermore, we conduct reviews of management action plans with our Enterprise Risk Management Committee to ensure continued cross-functional collaboration to improve supply chain risk management framework and practices.

Community

In this section – Community
 Our Approach to Community Engagement
Nexteer Cares for its Community

Nexteer has a long and proud history of engaging in the communities where we live and work. Since our inception, we’ve been giving back through volunteerism, corporate giving, fundraising, local partnerships and more.

OUR APPROACH TO COMMUNITY ENGAGEMENT

HKEX B8. B8.1

Our approach to acting as a responsible corporate citizen and engaging in our local communities is stipulated in our Nexteer Cares policies. The policies outline how we demonstrate our commitment to community involvement and how we assess community needs in terms of financial and/or contributions of our time.

Our volunteerism and charitable engagement support three focus areas:

- **Proactive community involvement.** Forging partnerships that enhance our relationship with the community through active participation in various board and committee positions. We strive to partner and be a catalyst for positive results.
- **STEM, Careers and education.** Hosting programmes that help create career awareness and build skills for work readiness opportunities for the youth in our communities and strengthen educational opportunities. As a leading technology company, we place a particular focus on expanding access to science, technology, engineering, mathematics (STEM) education. We promote access to STEM resources and opportunities for the development of the future workforce.
- **Strengthening neighbourhoods.** Supporting revitalisation, beautification and sustainability efforts, and promoting diversity and inclusion in the places where we live and work.

NEXTEER CARES FOR ITS COMMUNITY

HKEX B8, B8.2

In the past eight years, we’ve contributed over US\$2.2 million and more than 110,000 employee volunteer hours to support charitable causes and community programmes globally. In 2025, we contributed over US\$100,000 and our employees supported our communities with more than 11,000 hours sharing their talents. We are proud of this legacy. A special thanks to the entire Nexteer team for their collective creativity and commitment everyday and we look forward to fostering additional engagement and investment in the years to come.

In 2025, Nexteer employees took part in numerous Nexteer Cares initiatives designed to keep neighbourhoods clean, residents healthy and students learning. The following are a few highlights from the year.

2025 Global Community Highlights by Focus Area:

Proactive Community Involvement

Pink October at Nexteer

The EMEASA team demonstrated proactive community involvement in October 2025 by uniting for Breast Cancer Awareness Month. Through a series of impactful initiatives – including educational lectures, hands-on self-examination workshops, awareness sessions, resource guidebooks, and targeted donations to breast cancer research – colleagues fostered greater prevention, raised vital awareness, and provided meaningful support to those affected.



Pink October

Community

Nexteer Bottle Cap Collection

In April, the Mexico team partnered with an allied company to dedicate our support for childhood cancer. The team proudly launched our third bottle cap collection point in Querétaro Parque Finsa II and supported the construction of a childhood cancer shelter to provide lodging for children travelling to Querétaro for treatment. At the end of the year, the team has collected 480 kg of plastic caps for donation purpose to raise funds for providing chemotherapy treatments to over 20 children undergoing cancer care. As a next step in amplifying this impact, the company matched the team's contribution with an additional financial donation equal to 23 more chemotherapy treatments, effectively doubling the support provided to young patients and their families.



Nexteer Bottle Cap Collection

Soup Kitchen

In 2025, we continued our longstanding partnership with a soup kitchen in Saginaw through multiple volunteer and donation initiatives. In February, our team braved the cold to distribute boxes of donated goods to community members in need. In March, our volunteers served over 18,000 lbs of food and provided support, contributing a total of 50 volunteer hours to nourish those facing food insecurity. Beyond hands-on volunteering, Nexteer also donated shirts and sweatshirts to the kitchen's guests, ensuring warmth and dignity for those we serve. These efforts, driven by the Nexteer Women's Collaboration Committee and other dedicated employees, reflect our deep commitment to uplifting our local community – whether through a hot meal, essential supplies, or a heartfelt act of care. Together, we are turning compassion into action, one meaningful contribution at a time.



Soup Kitchen

Community

STEM, Careers and Education

Bring Your Child to Work Day

Colleagues across multiple sites hosted the annual Bring Your Child to Work Day in November. Young participants explored interactive STEM activities and discovered how imagination and curiosity power innovations in safe and sustainable mobility. Through these engaging experiences, Nexteer continues to inspire future trailblazers, promote early interest in STEM, and strengthen family and community ties.



Bring Your Child to Work Day

Embedded Coding Competition 2025

We held our 4th Annual Embedded Software Coding Competition for high school students, highlighting the critical role of a software talent in the automotive industry's transition to software-defined vehicles. By awarding scholarships and offering internship opportunities to winners, Nexteer actively invested in developing the next generation of skilled engineers, reinforcing our long-term commitment to education, workforce readiness, and sustainable innovation within local communities.

In 2025, we are proud to have awarded scholarships to 23 students.



Embedded Coding Competition 2025

Set LEGO! FIRST LEGO League event

In January, Nexteer sponsored the 25th Annual Ready, Set LEGO! FIRST LEGO League event in Freeland, MI – our 24th consecutive year supporting this exciting competition – where 37 elementary robotics teams participated in a full-day tournament featuring judging sessions on innovation projects, teamwork, and student-designed LEGO robots, followed by four intense robot matches programmed entirely by the young participants.

Volunteering at Mid-Michigan Children's Museum

Nexteer employees volunteered in February at the Mid-Michigan Children's Museum in Saginaw during its annual STEM Day. The event included hands-on interactive activities and the official ribbon-cutting unveiling of the new Nexteer interactive car exhibit, the team inspired children's curiosity in STEM, further strengthening community partnerships and fostering early interest in future mobility innovation.



Volunteering at Mid-Michigan Children's Museum

Community

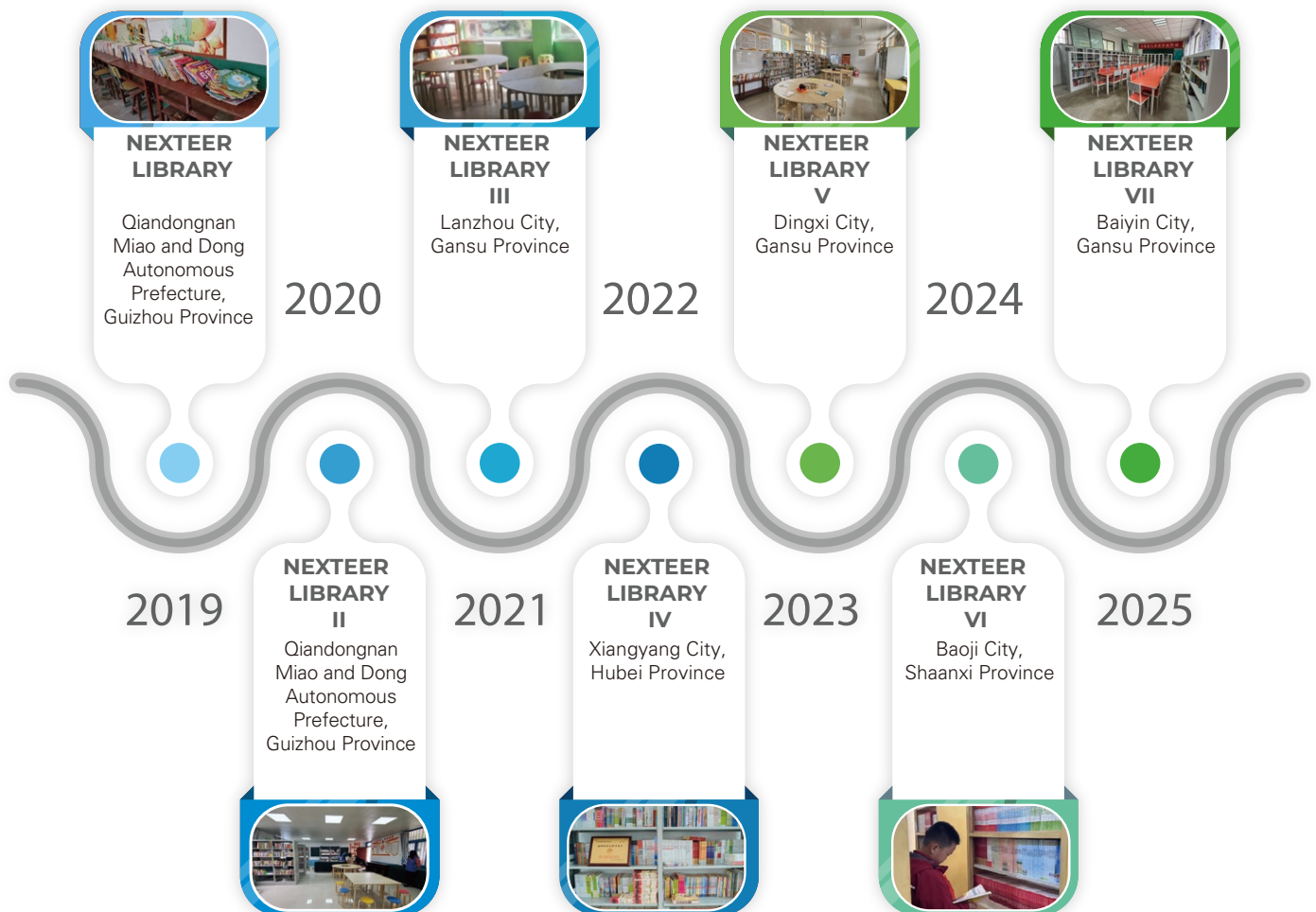
2025 Nexteer Scholarship

Nexteer's Scholarship Committee honoured nine exceptional student employees through our annual scholarship programme, while also presenting two additional scholarships that recognise co-ops or interns who demonstrate outstanding leadership, inspiration, and academic promise in partnership with a valued supplier. Together with other scholarship initiatives in our regional operations – such as our Mexico team's collaboration with local partners to award 1,600 scholarships to students from three higher-education institutes. These programs help open doors and create meaningful opportunities for the next generation at Nexteer and in our communities.

7th Nexteer Library in China

Since 2019, Nexteer China has made a significant commitment to enhancing educational opportunities for children in rural areas of China by establishing libraries to encourage learning. In 2025, we are proud to expand our efforts further by inaugurating our seventh library in a rural community in the western part of China. This new facility strengthens our commitment to children's education. By continuously investing in these libraries, we reaffirm our dedication to empowering the next generation with greater access to knowledge and learning resources.

The Asia Pacific Technical Centre (APTC) Volunteer team led this initiative, setting up the library with our volunteers to ensure it is stocked with books and learning materials. Together, we are nurturing a love of learning and opening doors to a brighter future for children in rural communities.



Community

Nexteer India Practices on CSR

Nexteer India has actively implemented CSR programmes in Pune, Bangalore and Chennai in 2025, donating smart classrooms, books, stationery and sports facilities to over 30 schools, upgrading air conditioning and power systems for hospital operating rooms, and providing medical supplies, daily necessities and holiday care to orphanages and special needs groups, benefiting more than 300 local children and disadvantaged people.

Nexteer Suzhou Children Care Activity

In July, employee representatives from Nexteer Suzhou joined hands with the Suzhou Little Red Hat Volunteer Association and staff from the Children’s Care Home to step into the world of children in difficult circumstances. Through a childcare initiative, they turned “small wishes” into tangible warmth.



Nexteer Suzhou Children Care Activity

Strengthening Neighbourhoods

Community Clean-up and Planting

As part of our Earth Week celebrations, our global One Nexteer teams participate in a variety of Earth Day activities such as tree planting, community clean-ups, and other sustainability initiatives. These efforts contribute to revitalisation, beautification, and environmental stewardship in our local communities – reflecting our ongoing commitment to being a responsible corporate citizen.



Community clean-up and tree planting

Honouring Seniors at Double Ninth Festival

In October, we held a special event for the Double Ninth Festival, a traditional Chinese holiday for seniors, as part of our commitment to supporting the elderly community. Volunteers from our Suzhou Plant led the effort, providing companionship and assistance as they invited elderly residents from a local care facility to participate in a fun sports event.

This activity embodies our promise to cultivate intergenerational connection, guaranteeing that the elderly in our community are valued, honoured, and included in meaningful ways. By creating moments of joy and belonging, we strive to make a meaningful, positive impact on the lives of those who have contributed so much to our society.

Adoption Tuesday and Support for Animal Shelter

In July, our Poland team has provided support to a local animal shelter through our grant programme. We funded and procured all necessary supplies for the shelter, and our volunteer team made regular visits to provide ongoing care and assistance. This initiative not only addresses the immediate needs of vulnerable animals but also strengthens our bond with the local community, reflecting our belief that responsible corporate citizenship extends to the well-being of all living beings in the places where we work and live.



Adoption Tuesday and Support for Animal Shelter

Reporting Indices

HKEX ESG REPORTING CODE

HKEX Aspect & KPIs	Relevant Nexteer Focus Area	2025 Response Reference
Focus Area: Environmental		
A1: Emissions Provide information on the policies and compliance with relevant laws and regulations that have a significant impact on Nexteer relating to air and greenhouse gas emissions, discharges into water and land and generation of hazardous and non-hazardous waste	Environmental, Health & Safety	GHG Emissions Summary of Air Pollutant Emissions (US only) Waste
A1.1: The types of emissions and respective emissions data	Environmental, Health & Safety	Summary of Air Pollutant Emissions (US only)
A1.3: Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility)	Environmental, Health & Safety	Waste
A1.4: Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility)	Environmental, Health & Safety	Waste
A1.5: Description of emission target(s) set, and steps taken to achieve them	Environmental, Health & Safety	Towards a Low-carbon Future
A1.6: Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set, and steps taken to achieve them	Environmental, Health & Safety	Waste

HKEX Aspect & KPIs	Relevant Nexteer Focus Area	2025 Response Reference
<p>A2: Use of resources Provide information on Nexteer’s policies on the efficient use of resources, including energy, water and other raw materials</p>	<p>Environmental, Health & Safety</p>	<p>Environmental Management System</p>
<p>A2.1: Direct and/or indirect energy consumption by type (e.g., electricity, gas or oil), in total (kWh in ‘000s) and intensity (e.g., per unit of production volume, per facility)</p>	<p>Environmental, Health & Safety</p>	<p>Summary of Energy Use by Fuel Type</p>
<p>A2.2: Water consumption in total and intensity (e.g., per unit of production volume, per facility)</p>	<p>Environmental, Health & Safety</p>	<p>Water</p>
<p>A2.3: Description of energy use efficiency target(s) set, and steps taken to achieve them</p>	<p>Environmental, Health & Safety</p>	<p>Environmental Management System</p> <p>Metrics and Targets</p> <p>Towards a Low-carbon Future</p>
<p>A2.4: Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set, and steps taken to achieve them</p>	<p>Environmental, Health & Safety</p>	<p>Water</p>
<p>A2.5: Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced</p>	<p>Environmental, Health & Safety</p>	<p>Packaging</p>
<p>A3: The Environment and Natural Resources Provide a description of Nexteer’s policies on minimising the company’s significant impact on the environment and natural resources</p>	<p>Environmental, Health & Safety</p>	<p>Environmental Management System</p> <p>Land Use & Biodiversity</p>
<p>A3.1: Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them</p>	<p>Environmental, Health & Safety</p>	<p>Land Use & Biodiversity</p>

Reporting Indices

HKEX Aspect & KPIs	Relevant Nexteer Focus Area	2025 Response Reference
Focus Area: Social		
B1: Employment Provide information on the policies and compliance with relevant laws and regulations that have a significant impact on Nexteer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination and other benefits and welfare	Business Ethics	Employment Practices & Compliance
B1.1: Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region	Business Ethics	Our Workforce
B1.2: Employee turnover rate by gender, age group and geographical region	Business Ethics	Employee Turnover
B2: Health and Safety Provide information on the policies and compliance with relevant laws and regulations that have a significant impact on Nexteer relating to providing a safe working environment and protecting employees from occupational hazards	Environmental, Health & Safety	Keeping Our People Healthy & Safe
B2.1: Number and rate of work-related fatalities occurred in each of the past three years including the reporting year	Environmental, Health & Safety	Keeping Our People Healthy & Safe
B2.2: Lost days due to work injury	Environmental, Health & Safety	Keeping Our People Healthy & Safe
B2.3: Description of occupational health and safety measures adopted, how they are implemented and monitored	Environmental, Health & Safety	Keeping Our People Healthy & Safe
B3: Development and Training Provide information on the policies improving employees' knowledge and skills for discharging duties at work. Description of training activities	Business Ethics	Talent Development
B3.1: The percentage of employees trained by gender and employee category (e.g., senior management, middle management)	Business Ethics	Employee Training
B3.2: The average training hours completed per employee by gender and employee category	Business Ethics	Employee Training

HKEX Aspect & KPIs	Relevant Nexteer Focus Area	2025 Response Reference
<p>B4: Labour Standards Provide information on the policies and compliance with relevant laws and regulations that have a significant impact on Nexteer relating to preventing child and forced labour</p>	Business Ethics	Upholding Human Rights & Labour Standard
<p>B4.1: Description of measures to review employment practices to avoid child and forced labour</p>	Business Ethics	Upholding Human Rights & Labour Standard
<p>B4.2: Description of steps taken to eliminate such practices when discovered</p>	Business Ethics	Upholding Human Rights & Labour Standard
<p>B5: Supply Chain Management Provide information on Nexteer’s policies on managing environmental and social risks of the supply chain</p>	Supply Chain	Our Supplier Expectations How We Assess Suppliers
<p>B5.1: Number of suppliers by geographical region</p>	Supply Chain	Our Suppliers & Partners
<p>B5.2: Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored</p>	Supply Chain	Building Positive Supplier Relationships How We Assess Suppliers
<p>B5.3: Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored</p>	Supply Chain	Our Supplier Expectations How We Assess Suppliers
<p>B5.4: Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored</p>	Supply Chain	Encouraging Environmentally Responsible Practices

Reporting Indices

HKEX Aspect & KPIs	Relevant Nexteer Focus Area	2025 Response Reference
B6: Product Responsibility Provide information on the policies and compliance with relevant laws and regulations that have a significant impact on Nexteer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress	Value Creation	Prioritising Product Safety & Quality
B6.1: Percentage of total products sold or shipped subject to recalls for safety and health reasons	Value Creation	Consumer Safety
B6.2: Number of products and service-related complaints received and how they are dealt with	Value Creation	Quality Assurance Process Consumer Safety
B6.3: Description of practices relating to observing and protecting intellectual property rights	Value Creation	Our Focus on Research & Development
B6.4: Description of quality assurance process and recall procedures	Value Creation	Quality Assurance Process Consumer Safety
B6.5: Description of consumer data protection and privacy policies, how they are implemented and monitored	Value Creation	Cybersecurity

HKEX Aspect & KPIs	Relevant Nexteer Focus Area	2025 Response Reference
<p>B7: Anti-Corruption Provide information on the policies and compliance with relevant laws and regulations that have a significant impact on Nexteer relating to bribery, extortion, fraud and money laundering</p>	Business Ethics	Preventing Corruption
<p>B7.1: Number of concluded legal cases regarding corrupt practices brought against Nexteer or its employees during the reporting period and the outcomes of the cases</p>	Business Ethics	Preventing Corruption
<p>B7.2: Description of preventive measures and whistleblowing procedures, how they are implemented and monitored</p>	Business Ethics	Preventing Corruption
<p>B7.3 Description of anti-corruption training provided to directors and staff</p>	Business Ethics	Preventing Corruption
<p>B8: Community Investment Provide information on the policies on community engagement to understand the needs of the communities where Nexteer operates and to ensure its activities take into consideration the communities' interests</p>	Community	Our Approach to Community Engagement <i>Nexteer Cares</i> for its Communities
<p>B8.1: Focus areas of contribution (e.g., educational, environmental concerns, labour needs, health, culture, sport)</p>	Community	Our Approach to Community Engagement
<p>B8.2: Resources contributed (e.g., money or time) to the focus area</p>	Community	<i>Nexteer Cares</i> for its Communities

Reporting Indices

IMPLEMENTATION GUIDANCE FOR CLIMATE DISCLOSURES UNDER HKEX REPORTING FRAMEWORK

Climate-related Disclosures	2025 Response Reference
Governance	
19 An issuer shall disclose information about:	
(a) the governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities. Specifically, the issuer shall identify that body(s) or individual(s) and disclose information about:	
(i) how the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to climate-related risks and opportunities.	Managing Sustainability at Nexteer
(ii) how and how often the body(s) or individual(s) is informed about climate-related risks and opportunities.	Managing Sustainability at Nexteer
(iii) how the body(s) or individual(s) takes into account climate-related risks and opportunities when overseeing the issuer's strategy, its decisions on major transactions, and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities.	Managing Sustainability at Nexteer
(iv) how the body(s) or individual(s) oversees the setting of, and monitors progress towards, targets related to climate-related risks and opportunities (see paragraphs 37 to 40), including whether and how related performance metrics are included in remuneration policies (see paragraph 35); and	Reducing Indirect Greenhouse Gas Emissions along the Value Chain
(b) An issuer shall disclose information about management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities, including information about:	
(i) whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee; and	Managing Sustainability at Nexteer
(ii) whether management uses controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions.	Managing Sustainability at Nexteer

Climate-related Disclosures	2025 Response Reference
Strategy	
<p>20 An issuer shall disclose information to enable an understanding of climate-related risks and opportunities that could reasonably be expected to affect the issuer’s cash flows, its access to finance or cost of capital over the short, medium or long term. Specifically, the issuer shall:</p>	
<p>(a) describe climate-related risks and opportunities that could reasonably be expected to affect the issuer’s cash flows, its access to finance or cost of capital over the short, medium or long term;</p>	<p>Our Approach to Climate Change</p>
<p>(b) explain, for each climate-related risk the issuer has identified, whether the issuer considers the risk to be a climate-related physical risk or climate-related transition risk;</p>	<p>Our Approach to Climate Change</p>
<p>(c) specify, for each climate-related risk and opportunity the issuer has identified, over which time horizons – short, medium or long term – the effects of each climate-related risk and opportunity could reasonably be expected to occur; and</p>	<p>Our Approach to Climate Change</p>
<p>(d) explain how the issuer defines ‘short term’, ‘medium term’ and ‘long term’ and how these definitions are linked to the planning horizons used by the issuer for strategic decision-making.</p>	<p>Our Approach to Climate Change</p>

Reporting Indices

Climate-related Disclosures	2025 Response Reference
21 An issuer shall disclose information that enables an understanding of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain. Specifically, the issuer shall disclose:	
(a) a description of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain; and	Our Approach to Climate Change
(b) a description of where in the issuer's business model and value chain climate-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets).	Our Approach to Climate Change
22 An issuer shall disclose information that enables an understanding of the effects of climate-related risks and opportunities on its strategy and decision-making. Specifically, the issuer shall disclose:	
(a) information about how the issuer has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the issuer plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation. Specifically, the issuer shall disclose information about:	
(i) current and anticipated changes to the issuer's business model, including its resource allocation, to address climate-related risks and opportunities;	Our Approach to Climate Change
(ii) current and anticipated adaptation and mitigation efforts (whether direct or indirect);	Environmental Stewardship Our Approach to Climate Change
(iii) any climate-related transition plan the issuer has (including information about key assumptions used in developing its transition plan, and dependencies on which the issuer's transition plan relies), or an appropriate negative statement where the issuer does not have a climate-related transition plan;	Our Approach to Climate Change
(iv) how the issuer plans to achieve any climate-related targets (including any greenhouse gas emissions targets (if any), described in accordance with paragraphs 37 to 40; and	Our Approach to Climate Change

Climate-related Disclosures		2025 Response Reference
	(b) information about how the issuer is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 22(a).	Environmental Stewardship
23	An issuer shall disclose information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 22(a).	GHG Emissions
24	An issuer shall disclose qualitative and quantitative information about:	
	(a) how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period; and	Our Approach to Climate Change
	(b) the climate-related risks and opportunities identified in paragraph 24(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements.	Our Approach to Climate Change

Reporting Indices

Climate-related Disclosures	2025 Response Reference
25 The issuer shall provide qualitative and quantitative disclosures about:	
(a) how the issuer expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration:	
(i) its investment and disposal plans; and	Our Approach to Climate Change
(ii) its planned sources of funding to implement its strategy; and	Our Approach to Climate Change
(b) how the issuer expects its financial performance and cash flow to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.	Our Approach to Climate Change
26 An issuer shall disclose information that enables an understanding of the resilience of the issuer's strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the issuer's identified climate-related risks and opportunities. An issuer shall use climate-related scenario analysis to assess its climate resilience using an approach that is commensurate with an issuer's circumstances. In providing quantitative information, the issuer may disclose a single amount or a range. Specifically, the issuer shall disclose:	
(a) the issuer's assessment of its climate resilience as at the reporting date, which shall enable an understanding of:	
(i) the implications, if any, of the issuer's assessment for its strategy and business model, including how the issuer would need to respond to the effects identified in the climate-related scenario analysis;	Environmental Stewardship
(ii) the significant areas of uncertainty considered in the issuer's assessment of its climate resilience; and	Our Approach to Climate Change
(iii) the issuer's capacity to adjust, or adapt its strategy and business model to climate change over the short, medium or long term;	Environmental Stewardship

Climate-related Disclosures	2025 Response Reference
(b) how and when the climate-related scenario analysis was carried out, including:	
(i) information about the inputs used, including:	
(1) which climate-related scenarios the issuer used for the analysis and the sources of such scenarios;	Our Approach to Climate Change
(2) whether the analysis included a diverse range of climate-related scenarios;	Our Approach to Climate Change
(3) whether the climate-related scenarios used for the analysis are associated with climate-related transition risks or climate-related physical risks;	Our Approach to Climate Change
(4) whether the issuer used, among its scenarios, a climate-related scenario aligned with the latest international agreement on climate change;	Our Approach to Climate Change
(5) why the issuer decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties;	Our Approach to Climate Change
(6) time horizons the issuer used in the analysis; and	Our Approach to Climate Change
(7) what scope of operations the issuer used in the analysis (for example, the operation locations and business units used in the analysis);	Our Approach to Climate Change
(ii) the key assumptions the issuer made in the analysis; and	Our Approach to Climate Change
(iii) the reporting period in which the climate-related scenario analysis was carried out.	Our Approach to Climate Change

Reporting Indices

Climate-related Disclosures		2025 Response Reference
Risk Management		
27	An issuer shall disclose information about:	
	(a) the processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks, including information about:	
	(i) the inputs and parameters the issuer uses (for example, information about data sources and the scope of operations covered in the processes);	Our Approach to Climate Change
	(ii) whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related risks;	Our Approach to Climate Change
	(iii) how the issuer assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the issuer considers qualitative factors, quantitative thresholds or other criteria);	Our Approach to Climate Change
	(iv) whether and how the issuer prioritises climate-related risks relative to other types of risks;	Our Approach to Climate Change
	(v) how the issuer monitors climate-related risks; and	Our Approach to Climate Change
	(vi) whether and how the issuer has changed the processes it uses compared with the previous reporting period;	Our Approach to Climate Change
	(b) the processes the issuer uses to identify, assess, prioritises and monitor climate-related opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities); and	Our Approach to Climate Change
	(c) the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process.	Our Approach to Climate Change
Metrics and Targets		
28	An issuer shall disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tons of CO ₂ equivalent, classified as:	
	(a) Scope 1 greenhouse gas emissions;	GHG Emissions
	(b) Scope 2 greenhouse gas emissions; and	GHG Emissions
	(c) Scope 3 greenhouse gas emissions	GHG Emissions

Climate-related Disclosures	2025 Response Reference
29 An issuer shall:	
(a) measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or another exchange on which the issuer is listed to use a different method for measuring greenhouse gas emissions;	GHG Emissions
(b) disclose the approach it uses to measure its greenhouse gas emissions including:	
(i) the measurement approach, inputs and assumptions the issuer uses to measure its greenhouse gas emissions;	GHG Emissions
(ii) the reason why the issuer has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions; and	GHG Emissions
(iii) any changes the issuer made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes;	There are no changes to the measurement approach, inputs and assumptions to scope 1-3 emissions
(c) for Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 28(b), disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to enable an understanding of the issuer’s Scope 2 greenhouse gas emissions; and	GHG Emissions
(d) for Scope 3 greenhouse gas emissions disclosed in accordance with paragraph 28(c), disclose the categories included within the issuer’s measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).	GHG Emissions

Reporting Indices

Climate-related Disclosures		2025 Response Reference	
30	An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.	Our Approach to Climate Change	
31	An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.	Our Approach to Climate Change	
32	An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.	Our Approach to Climate Change	
33	An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	Our Approach to Climate Change	
34	An issuer shall disclose:		
	(a) an explanation of whether and how the issuer is applying a carbon price in decision-making (for example, investment decisions, transfer pricing, and scenario analysis); and	Carbon pricing is currently not a part of our decision-making. We will explore the use of internal carbon pricing in the future.	Not Applicable
	(b) the price of each metric tonne of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions;		
	or an appropriate negative statement that the issuer does not apply a carbon price in decision-making.		
35	An issuer shall disclose whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement. This may form part of the disclosure under paragraph 19(a)(iv).	Our Approach to Climate Change	
36	An issuer is encouraged to disclose industry-based metrics that are associated with one or more particular business models, activities or other common features that characterise participation in an industry. In determining the industry-based metrics that the issuer discloses, an issuer is encouraged to refer to and consider the applicability of the industry-based metrics associated with disclosure topics described in the IFRS S2 Industry-based Guidance on implementing Climate-related Disclosures and other industry-based disclosure requirements prescribed under other international ESG reporting frameworks.	SASB Reporting Index	

Climate-related Disclosures	2025 Response Reference
<p>37 An issuer shall disclose (a) the qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals; and (b) any targets the issuer is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target, the issuer shall disclose:</p>	
<p>(a) the metric used to set the target;</p>	<p>Environmental Stewardship</p>
<p>(b) the objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives);</p>	<p>Environmental Stewardship</p>
<p>(c) the part of the issuer to which the target applies (for example, whether the target applies to the issuer in its entirety or only a part of the issuer, such as a specific business unit or geographic region);</p>	<p>Environmental Stewardship</p>
<p>(d) the period over which the target applies;</p>	<p>Environmental Stewardship</p>
<p>(e) the base period from which progress is measured;</p>	<p>Environmental Stewardship</p>
<p>(f) milestones or interim targets (if any);</p>	<p>Environmental Stewardship</p>
<p>(g) if the target is quantitative, whether the target is an absolute target or an intensity target; and</p>	<p>Environmental Stewardship</p>
<p>(h) how the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target.</p>	<p>Environmental Stewardship</p>

Reporting Indices

Climate-related Disclosures	2025 Response Reference	
38 An issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including:		
(a) whether the target and the methodology for setting the target has been validated by a third party;	As we move forward, we will explore the feasibility of having our targets validated by a third party.	Not Applicable
(b) the issuer's processes for reviewing the target;	Managing Sustainability at Nexteer	
(c) the metrics used to monitor progress towards reaching the target; and	Towards a Low-carbon Future	
(d) any revisions to the target and an explanation for those revisions.	Managing Sustainability at Nexteer	
	Towards a Low-carbon Future	
39 An issuer shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the issuer's performance.	Our Approach to Climate Change	

Climate-related Disclosures	2025 Response Reference
40 For each greenhouse gas emission targets disclosed in accordance with paragraphs 37 to 39, an issuer shall disclose:	
(a) which greenhouse gases are covered by the target;	Environmental Stewardship
(b) whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target;	Environmental Stewardship
(c) whether the target is a gross greenhouse gas emissions target or a net greenhouse gas emissions target. If the issuer discloses a net greenhouse gas emissions target, the issuer is also required to separately disclose its associated gross greenhouse gas emissions target;	We consider our target is a gross GHG target as we currently have not planned to purchase carbon credits to offset our emissions to achieve the target.
(d) whether the target was derived using a sectoral decarbonisation approach; and	Towards a Low-carbon Future

Reporting Indices

Climate-related Disclosures	2025 Response Reference	
(e) the issuer's planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. In explaining its planned use of carbon credits, the issuer shall disclose:	We currently have not purchased carbon credits to offset our emissions.	Not Applicable
(i) the extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits;	The Company is committed to optimising the business operations for energy efficiency and climate resilience. We will keep evaluating	
(ii) which third-party scheme(s) will verify or certify the carbon credits;	the necessity of purchasing carbon credits in the future.	
(iii) the type of carbon credit, including whether the underlying offset will be nature-based or based on technology carbon removals, and whether the underlying offset is achieved through carbon reduction or removal; and		
(iv) any other factors necessary to enable an understanding of the credibility and integrity of the carbon credits the issuer plans to use (for example, assumptions regarding the permanence of the carbon offset).		

Disclosure Framework

GRI INDEX

Statement of use	Nexteer Automotive has reported the information cited in this GRI content index for the period of January 1 2025, to December 31, 2025, with reference to the GRI Standards
GRI 1 used	GRI 1: Foundation 2021

Title	Disclosure	GRI Standards Disclosure Title	2025 Response Reference
General	2-1	Organisational details	Annual Report, Corporate Profile
	2-2	Entities included in the organisation’s sustainability reporting	About This Report
	2-3	Reporting period, frequency and contact point	About This Report
	2-4	Restatements of information	About This Report
	2-5	External assurance	This report has not been externally verified
	2-6	Activities, value chain, and other business relationships	About Nexteer
	2-7	Employees	Our People
	2-9	Governance structure and composition	Annual Report, Corporate Governance Report
	2-10	Nomination and selection of the highest governance body	Annual Report, Corporate Governance Report
	2-11	Chair of the highest governance body	Annual Report, Corporate Governance Report
	2-12	Role of the highest governance body in overseeing the management of impacts	Managing Sustainability at Nexteer
	2-13	Delegation of responsibility for managing impacts	Managing Sustainability at Nexteer
	2-14	Role of the highest governance body in sustainability reporting	Managing Sustainability at Nexteer

Reporting Indices

Title	Disclosure	GRI Standards Disclosure Title	2025 Response Reference
	2-15	Conflicts of interest	Annual Report, Directors' Report, Corporate Governance Report Business Code of Conduct
	2-16	Communication of critical concerns	Annual Report, Corporate Governance Report Company Website https://www.nexteer.com/
	2-17	Collective knowledge of the highest governance body	Annual Report, Corporate Governance Report
	2-19	Remuneration policies	Annual Report, Corporate Governance Report
	2-20	Process to determine remuneration	Annual Report, Corporate Governance Report
	2-22	Statement on sustainable development strategy	Leadership Message
	2-23	Policy commitments	Our policy commitments include the following (several policies are publicly available, while others are internal documents): <ul style="list-style-type: none"> – Business Code of Conduct – Supplier Code of Conduct – Environmental Policy – Health and Safety Policy
	2-24	Embedding policy commitments	Business Code of Conduct
	2-26	Mechanisms for seeking advice and raising concerns	Strong Governance Practices
	2-27	Compliance with laws and regulations	Ethics, Compliance & Integrity

Reporting Indices

Title	Disclosure	GRI Standards Disclosure Title	2025 Response Reference
	2-28	Membership associations	Some of our membership associations include: <ul style="list-style-type: none"> - Automotive Industry Action Group (AIAG) Environmental Sustainability Advisory Group and China Quality Advisory Committee - Board.Org – CSR Council - Business Leaders for Michigan - EcoVadis - European Association of Automotive Suppliers (CLEPA) - Hang Seng Corporate Sustainability Benchmark Index - Inforum - MICHauto - Michigan Chamber of Commerce - Michigan Manufacturers Association Environmental Policy Committee Council - National Safety Council - NQC/Supplier Assurance - Original Equipment Suppliers Association (OESA)/MEMA - Silesia Automotive and Advanced Manufacturing (SA&AM Cluster) – Poland (local Silesian) - Society of Automotive Engineers International - Society of Automotive Engineers Women’s Engineering Committee
	2-29	Approach to stakeholder engagement	Engaging with our Stakeholders

Reporting Indices

Title	Disclosure	GRI Standards Disclosure Title	2025 Response Reference
Material Topics	3-1	Process to determine material topics	Our Approach to Materiality
	3-2	List of material topics	Our Approach to Materiality
	3-3	Management of material topics	Throughout the full Sustainability Report
Economic Performance	201-1	Direct economic value generated and distributed	Annual Report, Consolidated Balance Sheet
	201-2	Financial implications and other risks and opportunities due to climate change	Our Approach to Climate Change
	201-3	Defined benefit plan obligations and other retirement plans	Annual Report, Notes to the Consolidated Financial Statements
Indirect Economic Impacts	203-2	Significant indirect economic impacts	Our Nexteer Cares Approach
Anti-corruption	205-2	Communication and training about anti-corruption policies and procedures	Preventing Corruption
	205-3	Confirmed incidents of corruption and actions taken	Nexteer had no confirmed incidents of corruption in 2025
Anti-competitive Behaviour	206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	Nexteer had no legal proceedings associated with anti-competitive behaviour regulations in 2025
Energy	302-1	Energy consumption within the organisation	Summary of Energy Use by Fuel Type
	302-3	Energy intensity	Summary of Energy Use by Fuel Type
	302-4	Reduction of energy consumption	Summary of Energy Use by Fuel Type
	302-5	Reductions in energy requirements of products and services	Designing Products That Drive Sustainable Solutions in Mobility

Reporting Indices

Title	Disclosure	GRI Standards Disclosure Title	2025 Response Reference
Water	303-1	Interactions with water as a shared resource	Water
	303-5	Water consumption	Water
Biodiversity	304-2	Significant impacts of activities, products, and services on biodiversity	Land Use & Biodiversity
Emissions	305-1	Direct (Scope 1) GHG emissions	GHG Emissions
	305-2	Energy indirect (Scope 2) GHG emissions	GHG Emissions
	305-3	Other indirect (Scope 3) GHG emissions	GHG Emissions
	305-7	Nitrogen oxides (NO _x), sulphur oxides (SO _x), and other significant air emissions	Summary of Air Pollutant Emissions (US only)
Waste	306-1	Waste generation and significant waste-related impacts	Waste
	306-2	Management of significant waste – related impacts	Waste
	306-3	Waste generated	Waste
	306-4	Waste diverted from disposal	Waste
	306-5	Waste directed to disposal	Waste
Supplier Environmental Assessment	308-1	New suppliers that were screened using environmental criteria	Our Supplier Expectations
Employment	401-1	New employee hires and employee turnover	Our People

Reporting Indices

Title	Disclosure	GRI Standards Disclosure Title	2025 Response Reference
Occupational Health and Safety	403-1	Occupational health and safety management system	Keeping Our People Healthy & Safe
	403-2	Hazard identification, risk assessment, and incident investigation	Keeping Our People Healthy & Safe
	403-4	Worker participation, consultation, and communication on occupational health and safety	Nexteer's Ergo Cup Competition
	403-5	Worker training on occupational health and safety	H&S Training & Awareness
	403-6	Promotion of worker health	Keep Our People Healthy & Safe
	403-8	Workers covered by an occupational health and safety management system	Keeping Our People Healthy & Safe
	403-9	Work-related injuries	Keeping Our People Healthy & Safe
	403-10	Work-related ill health	Keeping Our People Healthy & Safe
Training and Education	404-1	Average hours of training per year per employee	Employee Training
	404-2	Programmes for upgrading employee skills and transition assistance programmes	Talent Development
Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	Our Workforce
Supplier Social Assessment	414-1	New suppliers that were screened using social criteria	Our Supplier Expectation
Customer Health and Safety	416-1	Assessment of the health and safety impacts of product and service categories	Prioritising Product Safety & Quality
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Prioritising Product Safety & Quality

SASB REPORTING INDEX

Nexteer included SASB disclosures where similar information is provided in our Sustainability Report and other public documents. Below is a partial list of the SASB disclosures for the Auto Parts Industry and our responses (if already deemed available under our primary reporting framework, pursuant to HKEX ESG Reporting Code).

Topic	Accounting Metric	Code	2025 Response Reference
Energy Management	(1). Total energy consumed, (2). percentage grid electricity, (3). percentage renewable	TR-AP-130a.1	GHG Emissions
Waste Management	(1). Total amount of waste from manufacturing, (2). percentage hazardous, (3). percentage recycled	TR-AP-150a.1	Waste
Product Safety	Number of recalls issued; total units recalled	TR-AP-250a.1	Product Responsibility
Materials Sourcing	Description of the management of risks associated with the use of critical materials	TR-AP-440a.1	Packaging
Competitive Behaviour	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behaviour regulations	TR-AP-520a.1	Nexteer had no legal proceedings associated with anti-competitive behaviour regulations in 2025







Reporting Indices

UN SDGS




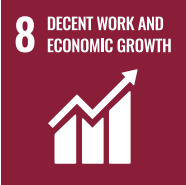


The 2030 Agenda for Sustainable Development was adopted by all United Nations Member States in 2015, and provides a shared blueprint for achieving peace, prosperity, and environmental sustainability now and for generations to come. At the heart of this agenda are 17 global goals, known as the United Nations Sustainable Development Goals (UN SDGs).





While these goals are an urgent call for action by all countries working together in global partnership, we believe all global companies like ours also have a role to play in achieving this important agenda. In the table below, we have mapped our five sustainability focus areas to the most relevant targets within these 17 goals and provided examples of the type(s) of impacts we are making to contribute to their achievement.

UN SDG	Relevant Nexteer Focus Area	Most Relevant SDG Targets	Examples of Nexteer's Contributions
 <p>3 GOOD HEALTH AND WELL-BEING</p>		<p>3.6 By 2020, halve the number of global deaths and injuries from road traffic accidents</p> <p>3.9 By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination</p>	<p>Culture:</p> <ul style="list-style-type: none"> Fostering a Safety-first Culture <p>Recognition:</p> <ul style="list-style-type: none"> International Recognition for Health and Safety <p>Workforce:</p> <ul style="list-style-type: none"> Nexteer Global Code of Conduct Governance <p>Suppliers:</p> <ul style="list-style-type: none"> Nexteer Supplier Requirements <p>Communities:</p> <ul style="list-style-type: none"> Nexteer Cares for its Community <p>Products:</p> <ul style="list-style-type: none"> Product Responsibility <p>Environmental Management:</p> <ul style="list-style-type: none"> GHG Emissions Water Hazardous and Non-Hazardous Wastes

UN SDG	Relevant Nexteer Focus Area	Most Relevant SDG Targets	Examples of Nexteer's Contributions
		<p>4.3 By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university</p> <p>4.5 By 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples and children in vulnerable situation</p>	<p>Communities:</p> <ul style="list-style-type: none"> • Investments in STEM and Provision of Scholarships • Community engagement and support for expanding access to STEM education to underprivileged
	  	<p>1.1 End all forms of discrimination against all women and girls everywhere</p> <p>5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision making in political, economic and public life</p> <p>5.b Enhance the use of enabling technology, in particular information and communications technology, to promote the empowerment of women</p>	<p>Workforce:</p> <ul style="list-style-type: none"> • Nexteer Global Code of Conduct • Respect, Inclusion, Support, Equity (RISE) programme • Training and development, engagement, inclusion and belonging programme <p>Supplier:</p> <ul style="list-style-type: none"> • Nexteer Supplier Requirements

Reporting Indices

UN SDG	Relevant Nexteer Focus Area	Most Relevant SDG Targets	Examples of Nexteer's Contributions
 <p>7 AFFORDABLE AND CLEAN ENERGY</p>	 	<p>7.2 By 2030, increase substantially the share of renewable energy in the global energy mix</p> <p>7.3 By 2030, double the global rate of improvement in energy efficiency</p> <p>7.a By 2030, enhance international cooperation to facilitate access to clean energy research and technology, including renewable energy, energy efficiency and advanced and cleaner fossil-fuel technology, and promote investment in energy infrastructure and clean energy technology</p>	<p>Operations:</p> <ul style="list-style-type: none"> Energy efficiency
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	 	<p>8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value</p>	<p>Workforce:</p> <ul style="list-style-type: none"> Nexteer Global Code of Conduct <p>Supply Chain Management</p> <ul style="list-style-type: none"> Nexteer Supplier Requirements and General Terms and Conditions Supplier CSR Principles

UN SDG	Relevant Nexteer Focus Area	Most Relevant SDG Targets	Examples of Nexteer's Contributions
 <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>		<p>9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities</p> <p>9.5 Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, including, by 2030, encouraging innovation and substantially increasing the number of research and development workers per 1 million people and public and private research and development spending</p>	<p>Operations</p> <ul style="list-style-type: none"> • State of the art training facilities <p>Innovation:</p> <ul style="list-style-type: none"> • Nexteer Innovation Hall of Fame • Patents filled and issued • Serving the electric vehicle market <p>Communities</p> <ul style="list-style-type: none"> • Investments in Science, Technology, Engineering and Math disciplines and research
 <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p>		<p>11.6 By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management</p>	<p>Operations:</p> <ul style="list-style-type: none"> • GHG emissions <p>Innovation:</p> <ul style="list-style-type: none"> • Electrification • Products and services that enable emissions reductions

Reporting Indices

UN SDG	Relevant Nexteer Focus Area	Most Relevant SDG Targets	Examples of Nexteer's Contributions
 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>		<p>12.2 By 2030, achieve the sustainable management and efficient use of natural resources</p> <p>12.4 By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimise their adverse impacts on human health and the environment</p> <p>12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse</p>	<p>Operations:</p> <ul style="list-style-type: none"> • Environmental Management System <p>Supply Chain Management:</p> <ul style="list-style-type: none"> • Supplier CSR Principles