



**Sustainability Report 2019**

# 2019

## Sustainability Report



YOU CAN FIND THE ONLINE  
VERSION ON OUR WEBSITE

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

WE ARE INTERESTED TO  
HEAR YOUR OPINION

[info@gestamp.com](mailto:info@gestamp.com)

STAY INFORMED THROUGH OUR  
COMMUNICATION CHANNELS:

-  [@gestamp](https://twitter.com/gestamp)  
(<https://twitter.com/gestamp>)
-  <https://www.facebook.com/Gestamp>
-  <http://www.linkedin.com/company/gestamp>
-  <http://www.youtube.com/c/gestamp>
-  <https://i.youku.com/gestamp>
-  <https://www.flickr.com/photos/gestamp/>

# CONTENTS

LETTER FROM THE PRESIDENT 06

---

GESTAMP GROUP 08

---

About us 10  
Value creation 12  
Where we are 14  
What we do 16  
Technologies 16  
Products 18  
2019 Milestones 20  
Awards 21

SUSTAINABILITY STRATEGY 22

---

Our approach 24  
Sustainability Model 26  
Group Policies 28  
Relationships with Stakeholders 28  
Strategic plan 30

ANNEXES 182

---

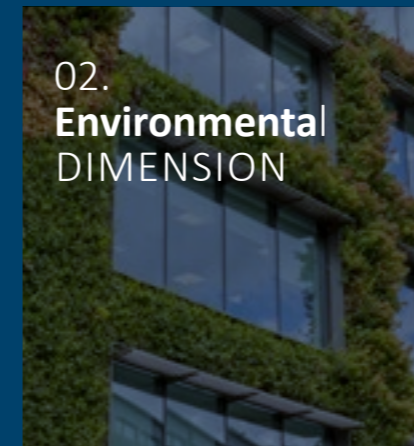
Companies of the Group 184  
Methodology used in drawing up the report 186  
Index of contents and GRI Standards 188  
UN Global Compact 194  
Report on Independent Review 195



**FINANCIAL STRENGTH 34**  
Evolution of business and results 35  
On the stock exchange 40  
Dividend Policy 42  
Bonds and credit quality rating 43  
Fiscal strategy 44  
Ratings under the ESG criteria 45

**OPERATIONAL EXCELLENCE 46**  
Our approach 47  
Corporate programmes: OneGestamp 48  
Production processes 49  
Project management 50  
Gestamp Quality System (GQS) 52  
Supplier management 58  
Industry 4.0 model 64

**INNOVATION 66**  
Our approach 67  
Response to main sector trends 68  
Leading human and technical resources 72  
Outstanding R&D projects 76  
Participation in strategic events 78



**ENVIRONMENTAL MANAGEMENT AND CIRCULAR ECONOMY 82**  
Our approach 83  
Policy 84  
Certifications and human, technical and economic resources 85  
Sustainable Use of Resources 86  
Water 86  
Raw materials 87  
Circular economy 88  
Biodiversity 92  
Participation in forums and associations 93

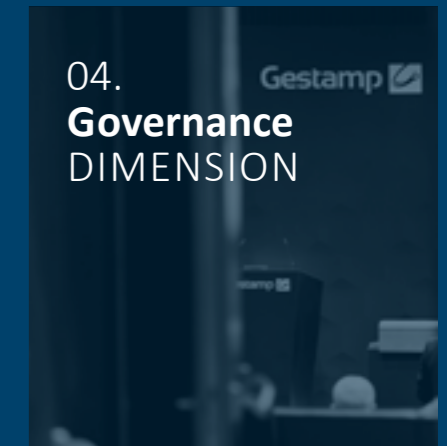
**CLIMATE CHANGE 94**  
Our approach 95  
Environmental indicators and carbon footprint 96  
Energy 96  
Carbon Footprint 97  
Opportunity and risk analysis and assessment 99  
Science Based Targets Initiative 99  
Energy efficiency 100  
Lower impact products 104



**OUR PROFESSIONALS 108**  
Our approach 109  
Workforce evolution and profile 110  
Diversity and equal opportunities 112  
Management of labour relations 113  
Talent management 114  
International mobility 114  
Professional training and development 115  
Corporate culture 123

**HEALTH AND SAFETY 124**  
Our policy 125  
Evolution 126  
Health and Safety Management System 128  
Balance 2019 130  
Future challenges 132

**LOCAL COMMUNITIES 134**  
Our approach 135  
Social contribution 136  
Areas of social action 138  
Youth employment training 143  
Social contribution through associations and organisations 145



**GOVERNING BODIES 148**  
Shareholding Structure 149  
Corporate Governance System 150  
Governing Bodies 150  
Annual Corporate Governance Report 165

**RISK MANAGEMENT 166**  
Our approach 167  
Risk management system 167  
Main Risks 168

**ETHICS AND REGULATORY COMPLIANCE 174**  
Code of Conduct 175  
Respect for Human Rights 176  
Crime prevention 177  
Corruption, fraud and bribery prevention 178  
Intellectual and Industrial Property 178  
Personal Data Protection 179  
Internal Code of Conduct with regard to the Securities Markets 179  
Conflicts of interest 179  
Bodies involved in the Code of Conduct and regulatory compliance 180  
Complaint channels 181

# Letter from the President



Photo: Rober Solsona

This year, the presentation of our Sustainability Report and the review of all the activities we carried out in 2019 is set against the extraordinary backdrop of the COVID-19 crisis that is having a serious impact on society around the world.

In 2019, Gestamp continued to perform numerous activities, all geared towards furthering our forward-looking project. In this regard, we opened four new plants: in Mexico (San Luis Potosí), Slovakia (Nitra), Morocco (Kenitra) and the United States (Chelsea). The Group also concluded its first sustainable financing line (RCF) in February, in step with the firm progress of the new trend towards growth in sustainable financing projects.

This year, at our Chattanooga plant in the United States, we were also delighted to host Bill Gates, who was drawn to our WBL (Work Based Learning) programme. This programme focuses on giving opportunities to young people at risk of social exclusion, enabling them to continue studying while they work part-time at our plants.

But, beyond these examples and other progress we made in 2019, all of which is outlined in this report, at this difficult time we need to reflect on COVID-19. This crisis is severely affecting healthcare and human life, and we are also starting to see the economic and social repercussions it will have. It is still too early to know what the effects will be at every level, but it is now clear that the impact of COVID-19 will be present in our lives for several years to come.

“We are handling this uncertainty with a short-term perspective, while **never losing sight of our unavoidable commitment to the long term**, relying on the dedication of the Gestamp team that are demonstrating their integrity and solidarity during these unprecedented times.”

At Gestamp, we are aware of this uncertainty and we are handling it with a short-term perspective, while never losing sight of our unavoidable commitment to the long term. As we have done at other complicated times in our past, we are going to fight to come out of this stronger, remaining true to our usual values and philosophy.

Because of our strong presence in China, we realised how serious the situation was early enough to react and swiftly apply the lessons learnt elsewhere. Our operations in China have now recovered virtually to forecast levels for 2020 and we expect our other plants around the world to gradually do the same.

At difficult times like these, organisations are put to the test and at Gestamp we are working with specific measures to deal with the crisis and its repercussions, always within the framework of our principles.

We rely on our team of professionals, who are the key to our success and have risen to the challenge of the circumstances with their commitment and efforts. Here, I would like to thank the team of more than 43,000 people who are part of Gestamp for their work and dedication, for demonstrating their integrity and solidarity during these unprecedented times.

Like always, we are working hand in hand with our customers, the heart of our business, thus rising to the challenge of adapting to their needs and requirements anywhere around the world according to the circumstances at any given time.

We continue bolstering our production processes to achieve better performance, efficiency, effectiveness and quality. This will help us keep the Group's level of

operational excellence up and will give us differential value on the market.

Notwithstanding our strategy and action plans for tackling the COVID-19 crisis we are in the midst of now, the Group is not going to lose sight of its focus on ESG (Environmental, Social and Governance). On this matter, there are no shortcuts or exceptions, and we continue working towards excellence in this regard, bolstering our active commitments to diverse initiatives in Spain and abroad in order to achieve a better world and future.

We have ambitious challenges ahead, within an increasingly complex global setting featuring significant obstacles in terms of sustainability that affect industry as a whole and the automotive industry in particular. We need to work together on every front, as we are clearly seeing during this crisis. The Principles of the Global Compact and the Sustainable Development Goals promoted by the United Nations are now more important than ever. At Gestamp, we will keep on striving, doing everything we can to meet these principles and goals.

**Francisco J. Riberas Mera**  
Executive Chairman  
Gestamp Automoción S.A.

**Gestamp**

---

## **GESTAMP GROUP**

About us **10**

Value creation **12**

Where we are **14**

What we do **16**

2019 Milestones **20**

Awards **21**



# About us

Gestamp Automoción S.A. (hereafter “Gestamp” and together with its consolidated subsidiaries “the Group”) is one of the world’s largest suppliers of automotive metal components and assemblies. We are an international group focused on the design, development and manufacture of highly engineered Body-in-White, Chassis components and Mechanisms, as well as tooling & dies and other related services for the automotive industry. Our expertise and core competence in developing and producing light-weight components help our customers to reduce CO<sub>2</sub> emissions while at the same time enhancing the safety features of their vehicles.

Since we were founded in 1997, we have cultivated strong relationships with our OEM customers by offering them leading technologies through our extensi-

ve global footprint of 112 production facilities in 23 countries, 13 R&D centres and a workforce of over 43,000 employees worldwide.

Our leading technologies, global footprint and proven track record in executing complex projects set us apart and makes us one of the industry leaders, as well as enables us to secure strong relationships with almost all major global automakers including BMW, Daimler, Fiat Chrysler, Ford, Geely-Volvo, General Motors, Honda, PSA, Renault Nissan, Tata JLR, Toyota and Volkswagen Group, which represented our top 12 customers for the year ended December 31, 2019. We currently supply products to all top 12 OEMs globally by volumes, and we are also incorporating new customers, in line with our stated growth and diversification strategy.



## OUR VISION

To be the automotive supplier most renowned for our ability to adapt business to creating value for the client, while maintaining sustainable economic and social development.



## CORPORATE PRINCIPLES

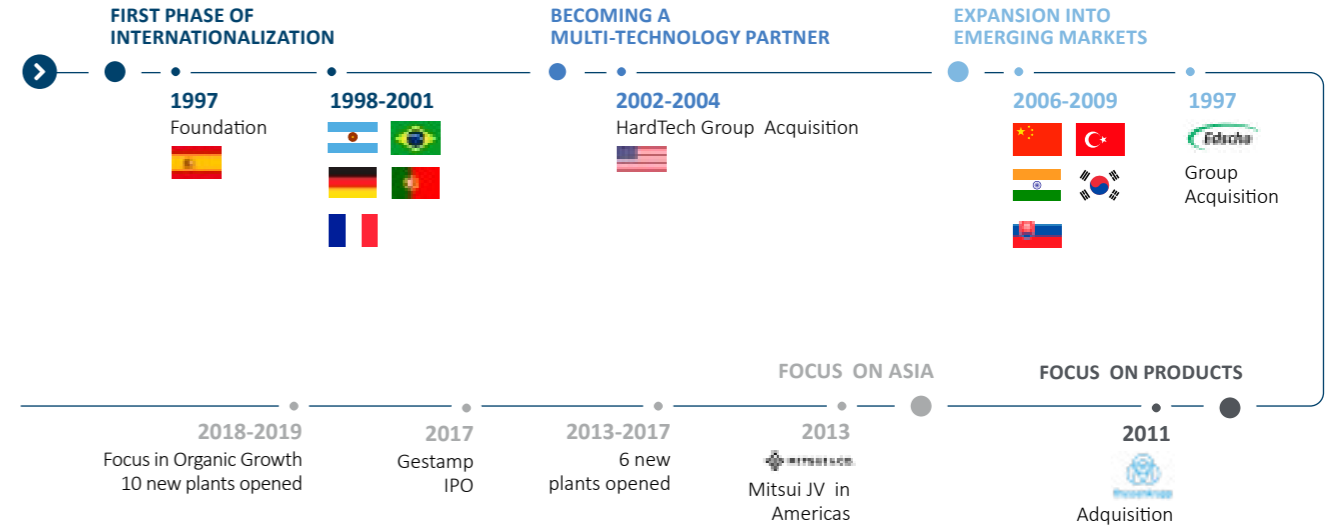
- The client as the centre of the business
- Operational excellence as regular practice
- Innovation as a means of progress
- Sustainability to ensure permanence over time
- People as architects of success

## HIGHLY DIVERSIFIED GEOGRAPHICAL FOOTPRINT AND CUSTOMER BASE

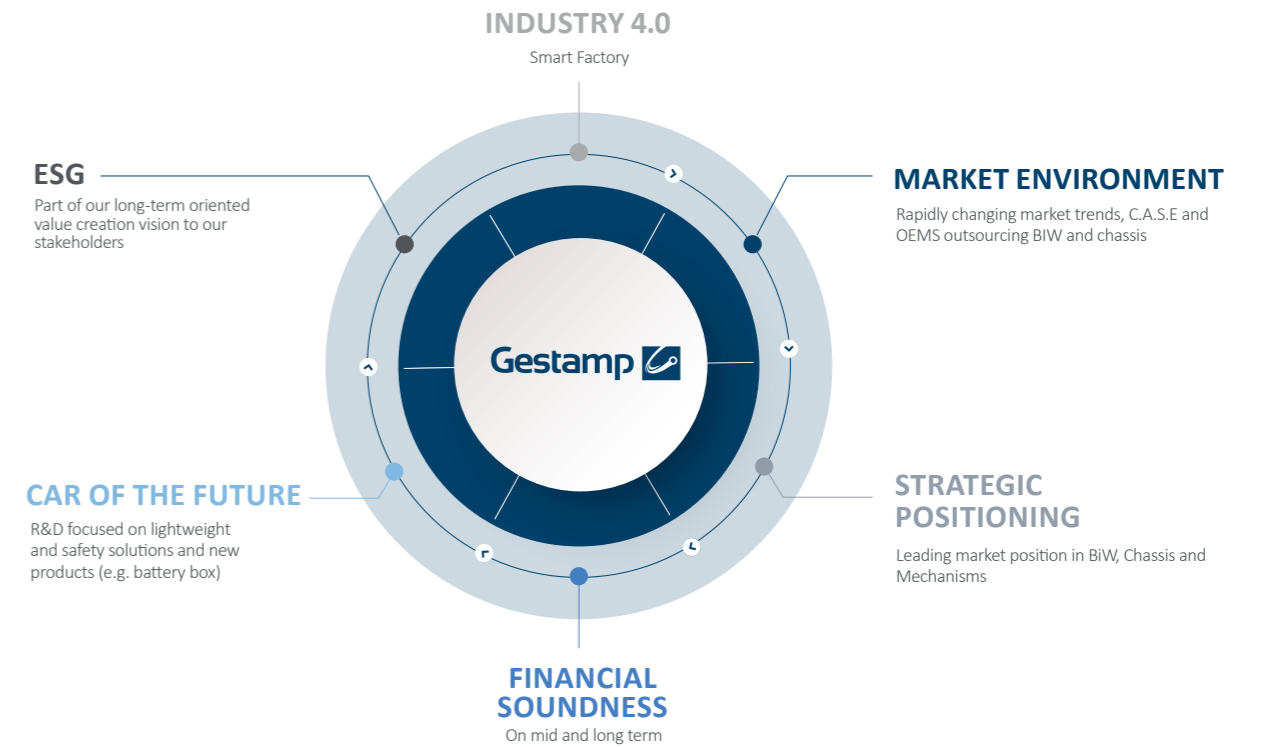


Trusted & Long-standing Relationships - Manufacturing for over 900 Vehicle Models

## Key Milestones in Gestamp’s Development



## Future opportunities



# Value creation

## OUR RESOURCES AND INVESTMENTS

**ECONOMIC**

**Financial**  
Capex  
**823 M€**

**Innovation**  
R&D  
**13**  
centers

**1,600**  
people

**Industrial**  
**112**  
production plants in  
**23 countries** (+10 new since 2017)

**94**  
Hot stamping lines to make  
products safer and lighter

**Industria 4.0:**  
Towards the Smart Factory

**ENVIRONMENTAL**

**Efficient use of natural resource**

**91%**  
Plants certified in ISO 14001 and/or EMAS

**34**  
Plants participating in the  
Energy Efficiency Project

**SOCIAL**

**Our professional**

Employees: **43,822**    Women: **18%**    Investment in training: **2.2 M€**

**60**  
Internal on-site audits

**1,400**  
Improvements in Occupational Safety and Health have been reviewed

**Relationship with local communities**

**214**  
Social actions carried out in communities

**5,515**  
Employees participating in volunteer actions

**GOVERNANCE**

**Ethics and regulatory compliance**

- Governing bodies aligned with recommendations of Good Governance of CNMV
- Code of Conduct and compliant channels
- Development of internal policies and regulations for regulatory compliance
- Crime Prevention Model

**Gestamp**

**STRATEGIC AXES**

- Globalization
- Technology

**STRATEGIC PILLARS**

- Financial strength
- Operational Excellence

**WORKING FOR A SAFER AND LIGHTER CAR**

**Strategic Sustainable Plan 2021**  
Aligned and committed with the main international and national sustainability initiatives

SAFETY

LIGHTWEIGHT

## CREATING VALUE TO STAKEHOLDERS

 <b>OUR PROFESSIONALS</b>	<b>1,615 M€</b> In employee salaries and benefits	<b>28</b> Average hours of training per employee
 <b>CLIENTS</b>	<b>100%</b> Plants at Gestamp Health and Safety System	<b>87%</b> Of key positions covered by internal promotion
 <b>CLIENTS</b>	<b>9,065 M€</b> Turnover	<b>+1,200</b> Registered patents
 <b>SUPPLIER</b>	<b>285</b> Innovation projects developed in collaboration with our clients	<b>94%</b> Local suppliers
 <b>INVESTORS</b>	<b>Dividend:</b> Aprox. <b>30%</b> of net profit	Assessed by <b>12</b> rating agencies under ESG criteria
 <b>PUBLIC ADMINISTRATIONS</b>	<b>72 M€</b> Tax pay from Group companies	
 <b>LOCAL COMMUNITIES</b>	<b>48%</b> Contribution of social action in socio-economic development projects	<b>533</b> Apprentices and internships supported
 <b>ENVIRONMENT AND CLIMATE CHANGE</b>	<b>36 GWh</b> Saved = 14,000 tn emissions CO <sub>2</sub> eq. avoided  Continued decline in water consumption index	<b>98%</b> Of final destination of our waste was recycling, reuse or energy recovery

# Where we are

## AMERICA

### United States

- Production plants 9
- R&D centres 1
- Other centres 1

### Mexico

- Production plants 7

### Brazil

- Production plants 8
- R&D centres 1
- Other centres 1

### Argentina

- Production plants 5
- Other centres 1

## GESTAMP IN THE WORLD



## AFRICA

- Morocco
  - Production plants 1

## EUROPE

### Germany

- Production plants 6
- R&D centres 2
- Other centres 6

### Bulgaria

- Production plants 1

### France

- Production plants 7
- R&D centres 2

### Slovakia

- Production plants 2

### Spain

- Production plants 22
- R&D centres 2
- Other centres 5

### Hungary

- Production plants 1

### Poland

- Production plants 2

### Portugal

- Production plants 3

### Romania

- Production plants 1

### United Kingdom

- Production plants 7
- R&D centres 1

### Czech Republic

- Production plants 3

### Sweden

- Production plants 1
- R&D centres 1
- Other centres 1

### Russia

- Production plants 4

### Turkey

- Production plants 5

## ASIA

### China

- Production plants 11
- R&D centres 2
- Other centres 2

### South Korea

- Production plants 2

### India

- Production plants 3
- Other centres 1

### Thailand

- Production plants 1

### Japan

- Production plants 1
- R&D centres 1
- Other centres 2



# What we do

## Technologies

We began as a company based solely on cold stamping small parts, but we have become a multi-technology company. We have had an ongoing commitment to incorporate new technologies into our manufacturing processes and to develop traditional technologies.

Our manufacturing is done using an extensive range of technologies and capabilities throughout the value chain, which include:

- In-house capabilities for manufacturing presses and dies.
- A wide range of forming technologies, from the latest technology, such as hot stamping, to roll forming and hydroforming, including an extensive range of traditional cold stamping processes for various products using different materials.
- Advanced assembly technologies such as remote-control laser welding.
- Finishing technologies, such as powder coating and cataphoresis.



**HOT STAMPING**



**HYDROFORMING**



**MOULDING**



**COLD STAMPING**



**WELDING AND ASSEMBLY**



**MACHINING**



**HSS STAMPING**



**LASER WELDED BLANKS**



**REMOTE LASER WELDING 3D**



**ROLLFORMING**



**PATCHWORK BLANKS**



**TOOLING**



**GES-MULTISTEP**

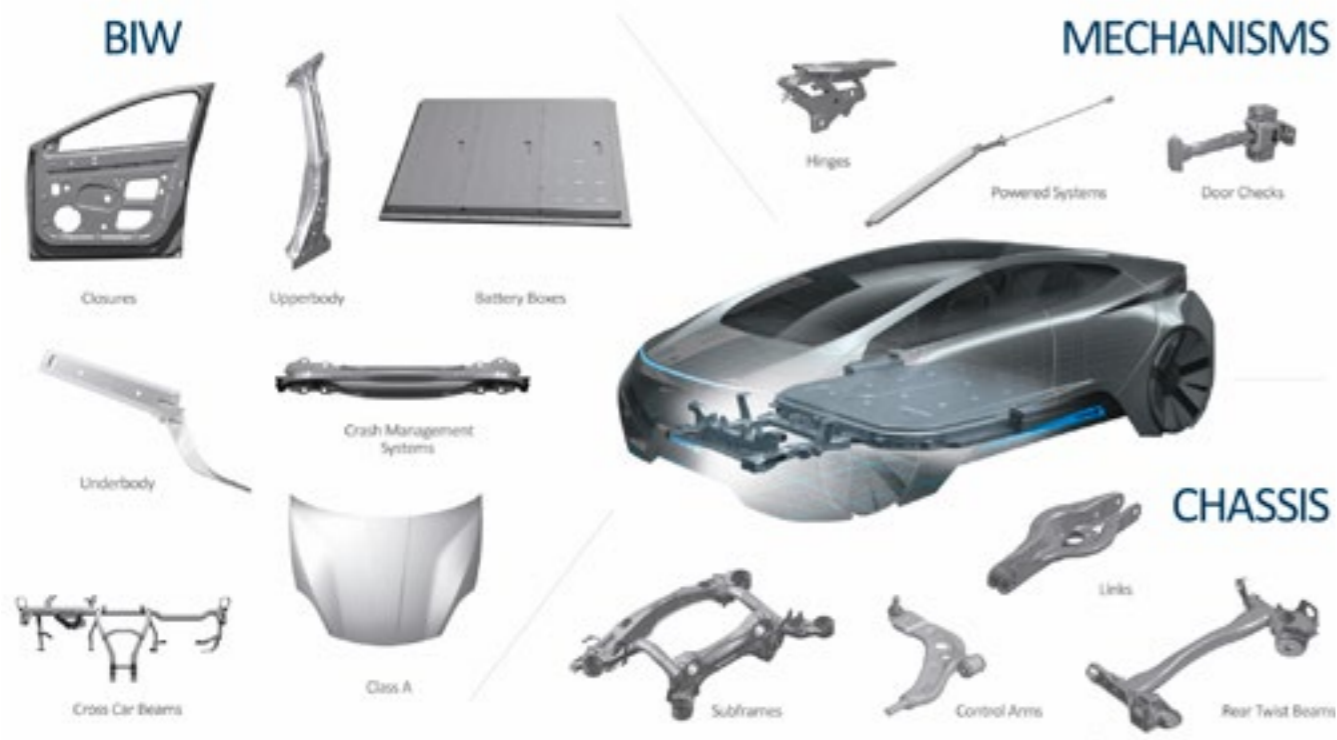
Ges/Multistep is the latest generation of hot stamping. This technology allows making ultra-high-strength steels parts through a fast succession of consecutive stamping steps. During the process, parts pass through several pressing stations in quick succession and experience a rapid but gradual cooling. This way, Gestamp manages to obtain a sophisticated geometry for its parts, as well as a better crash behavior and lightweight performance.



# What we do

## Products

We manufacture a wide range of products and many of them are essential for the structural integrity of vehicles. Our product portfolio ranges from body, chassis and mechanism structures, to presses and dies, as well as other related products and services.



### BODY



Body-in-White (BIW) products comprise the structure that bears the weight of the vehicle and protects the driver and passengers

Gestamp offers a wide range of body products, including large components and assembly parts, such as bonnets, roofs, doors and mudguards, as well as other high-quality, class-A surface and assembly parts that are used to create the visible exterior skin of vehicles. Other products also include important structural and crash-related elements, such as floors, pillars, rails and wheel arches, which, together with the exterior skin components and assembly parts, form the essential upper and under body (platform) structures of vehicles.



The performance of these parts is highly important in terms of safety and weight reduction

### CHASSIS



The chassis comprises the under body of vehicles and includes systems, frames and related parts, such as front and rear axles and couplings, control arms and integrated couplings, which connect the body and the powertrain of a vehicle and support its weight.



These structures are essential for the dynamics, performance and safety of vehicles and have a particular influence as regards noise, vibrations, driving and impacts.

### MECHANISMS



These are mechanical components, such as hinges for doors, bonnets and boot doors, door checks and door hinges, which enable users to open and close a vehicle's bonnet, side doors, rear doors and boot, as well as pedal systems and hand brakes. Mechanisms also include powered systems that allow vehicle doors to open and close electrically and by means of remote activation.



These components afford important functionalities and play a significant role in safety and comfort.

### DIES, PRESSES AND OTHER PRODUCTS AND SERVICES



We have broad in-house capabilities to develop and manufacture dies, covering the entire value chain: design, machining, construction, commissioning, developing prototypes and tracking.

We also have our own press construction services and we offer engineering technical services that are independent from the specific manufacturing programmes.

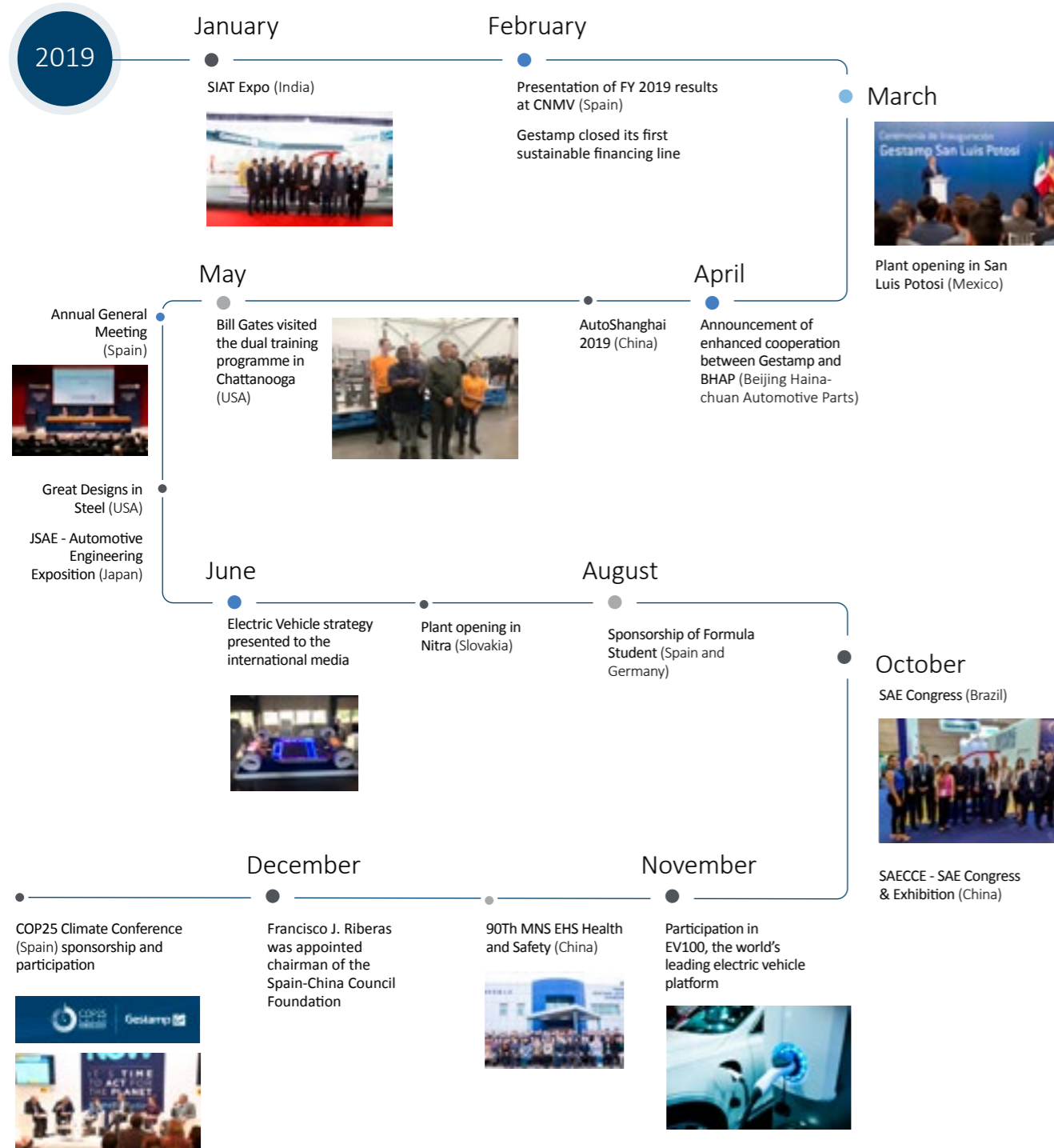
Furthermore, Gestamp sells the steel generated through the manufacturing processes to secondary markets.



Extensive experience across the entire value chain in hot and cold stamping processes, thus achieving optimal quality with a commitment to cost.


# 2019 Milestones

- Our business
- Our expansion
- Our participation in fairs
- Our collaboration with the community and institutions



# Awards


## AWARDS FROM CUSTOMERS



**Gold award for Supplier Excellence** granted to Gestamp West Midlands (United Kingdom) by Jaguar Land Rover

Volkswagen honoured Gestamp Kunshan (China) with its **award for supplier excellence in research and development**

Renault Nissan India granted Gestamp Chennai (India) its best supplier award



**Gestamp Autotech Shanghai (China)** received an award for its contribution to research and development in 2019 from Dong Feng

Renault Samsung Motors' **best supplier of the year award** went to Gestamp Kartek (South Korea).

Nissan Japan gave Edscha China its award for excellent quality

## AWARDS FOR BUSINESS EXCELLENCE




**Best Spanish company in Turkey**, awarded by the Turkish Hispanic Chamber of Commerce

**Top Spanish Investor Award**, granted by the Embassy of the Czech Republic in Madrid

**Vocento Group Business Award** - International Expansion category

**2018 DHL Export Award**

## AWARDS FOR INNOVATION



**Award for Best Use of Data Science in Industry/AI for Industry** by the DatSci Awards

**4th Keicho Awards for Innovation and Technology**, granted by the Japan-Spain Business Circle, ie and Elite Spain

**Edscha Remscheid received the award for automotive innovation** from the Center of Automotive Management in Germany and PricewaterhouseCoopers (PwC)

## AWARDS IN TRAINING



**Gestamp Technology Institute (GTI)** was honoured by the World Manufacturing Forum for its "Automotive Engineering in Quality and Metrology" programme

**Training Excellence Award granted by ASPROMECA** (Association of Professionals for Competitiveness in Machining)

---

# SUSTAINABILITY STRATEGY

Our approach **24**

Sustainability Model **26**

Group Policies **28**

Relationships with Stakeholders **28**

Strategic plan **30**

# Our approach

Sustainability at Gestamp is at the heart of its corporate principles and is understood as a long-term business model that seeks to create value for all stakeholders.

The company pursues economic, social and environmental goals in equal parts and has a strategy in place to enable it to meet the main market standards and to align with the trends, demands and interests of its stakeholders to harness new business opportunities.

The value of Gestamp, one of the largest international automotive component groups, lies in providing global solutions for the vehicles of today and tomorrow. Its parts are essential for the safety, weight, dynamics, stability and comfort of vehicles.

The company is committed to working towards increasingly safer and lighter vehicles.

La empresa está comprometida en trabajar para que existan vehículos cada vez más seguros y ligeros.

- **Safety** by creating car structures that protect and save people's lives in the event of a collision.
- **The lightening of the weight** of the parts it produces in order to improve energy consumption and to reduce the environmental impact of vehicles.



## The company also promotes sustainability at three levels:



- **THE ORGANISATION**  
Fostering corporate responsibility and sustainability in the different areas of the company.
- **THE VALUE CHAIN OF THE AUTOMOTIVE SECTOR**  
Aligning ourselves with the sustainability policies and strategies of our clients and seeking the same level of commitment from our suppliers.
- **SOCIETY**  
By participating in different forums and organisations and by fostering actions for the economic and social development of the communities where we work.

## Gestamp and the United Nations Sustainable Development Goals



### STRATEGIC OBJECTIVES

**SDG 3**  
Good health and well-being

Through innovation, we help design and develop components that make vehicles safer in the event of an accident. Improving the health and safety of people who work in our facilities is also an on-going goal of the Group.

**SDG 12**  
Responsible consumption and production

Optimising resources, durability and recyclability is present in our production process and products.

**SDG 13**  
Climate action

The energy control processes at our plants and our effort to make our parts lighter contribute to reducing greenhouse gas emissions.

### PRIORITY OBJECTIVES

**SDG 4**  
Quality education

We promote training for our employees and the young people in our community, teaching them key skills for our business and for demands of work in the future

**SDG 8**  
Decent work and economic growth

We offer stable employment for our employees and we contribute to creating and maintaining it in our surroundings.

**SDG 17**  
Partnerships for the goals

We collaborate with our stakeholders to achieve better results together.

# Sustainability Model

Working for a safer and lighter car

## WHAT DOES GESTAMP UNDERSTAND BY SUSTAINABILITY?

▶ **AS PERMANENCE OVER TIME**

▶ **BEING AWARE** of the needs and expectations of our stakeholders

▶ **PURSUING** equally important economic, environmental and social objectives

▶ **ACTING** based on our corporate principles and Code of Conduct

## ACTION FRAMEWORK

### Internally

<b>OUR VISION</b>	<b>CORPORATE PRINCIPLES</b> Client, Operational Excellence, Innovation, Sustainability and People	<b>CODE OF CONDUCT</b>	<b>CODE OF CONDUCT</b> Sustainability, Health and Safety, Environment, Conflict Minerals, among others
-------------------	--	------------------------	---

### Externally

<b>PRINCIPLES OF THE GLOBAL COMPACT AND SUSTAINABLE DEVELOPMENT GOALS OF THE UNITED NATIONS</b>	<b>MAIN SUSTAINABLE STANDARDS:</b> Global Reporting Initiative, Carbon Disclosure Project, LBG.	<b>CSR REQUIREMENTS/ SUSTAINABILITY OF VEHICLE MANUFACTURERS</b>	<b>BENCHMARKING THE BEST BUSINESS PRACTICES ON CSR</b>  <b>PARTICIPATION ON MAIN ESG RATINGS</b>
---	---	--	--



## GOVERNANCE BODIES

**GENERAL SHAREHOLDERS' MEETING**  
approves non-financial information

**BOARD OF DIRECTORS AND THE AUDIT COMMITTEE**  
ensure compliance with the Sustainability Policy

**SUSTAINABILITY AREA**  
coordinates and fosters sustainability in the organisation

### Strategic Business Plan of Getsamp 2021

**OTHER ORGANISATIONAL AREAS**  
manage and control key matters under their competency

## STAKEHOLDERS



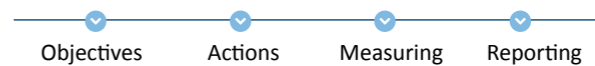
Expectations and needs

## KEY MATTERS

<b>ECONOMIC</b> - Financial strength - Operational Excellence - Innovation	<b>ENVIRONMENTAL</b> - Environmental management and circular economy - Climate change	<b>SOCIAL</b> - Our professionals - Health and Safety - Local communities	<b>GOVERNANCE</b> - Governing bodies - Risk management - Ethics and compliance
---	---	--	---



### Strategic Sustainability Plan



Sustainability Report



# Group Policies

The company's Sustainable Management Model is based on the main Group Policies, which are posted on the Gestamp website in several languages and communicated to all employees in their local language

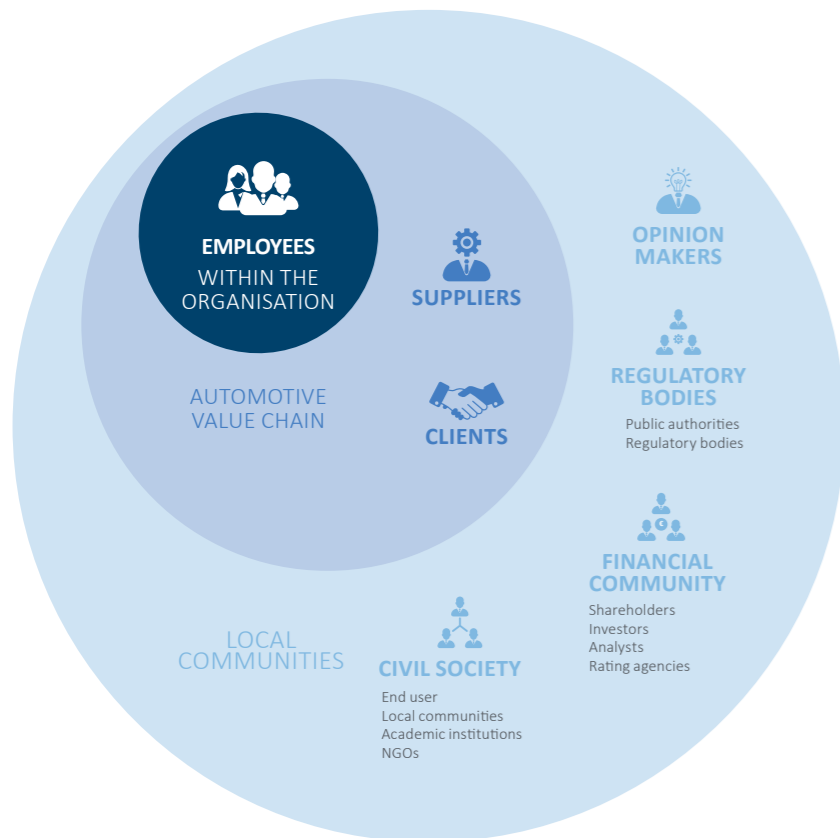
- By-laws
- Code of Conduct
- Sustainability Policy
- Environmental Policy
- Health and Safety Policy
- Human Rights Policy
- Conflict Mineral Policy
- Anti-Corruption and Anti-Fraud Policy
- Gift and Hospitality Regulations
- CSR Requirements for Suppliers
- Internal Quality Assurance Policy

- Internal Policies and Regulations on Communication and Institutional Relations
- Policies and Regulations of the Governing Bodies:
  - Regulations of the Board of Directors
  - Regulations of the General Shareholders' Meeting
  - Gestamp Internal Code of Conduct Concerning the Securities Markets
  - Dividend Policy
  - Policy for communication and contact with shareholders, investors and proxy advisers
  - Remuneration Policy for Directors

The contents and systems for managing some of these policies are discussed in the relevant chapters of this Sustainability Report.

# Relationships with Stakeholders

We are aware that our stakeholders are the ones that define our business development. It is our priority to know about and meet their needs and expectations based on our solid track record of complying with regulations, internal controls and risk management. We foster not only transparent, constant and fluent communication, but also a long-lasting and close relationship of trust.



STAKEHOLDERS	OUR COMMITMENT	CHANNELS OF COMMUNICATION
<p><b>EMPLOYEES</b></p> <p>Our Professionals, Occupational Health and Safety</p>	<p>Our employees are a key asset in the development and growth of our business.</p> <ul style="list-style-type: none"> <li>• We respect their rights.</li> <li>• We provide a safe and healthy work environment.</li> <li>• We foster their professional development and the correct undertaking of their work through training activities.</li> <li>• We offer stable employment and fair wages.</li> </ul>	<ul style="list-style-type: none"> <li>• Corporate intranet: One Gestamp</li> <li>• Code of Conduct</li> <li>• Direct contact at each centre</li> <li>• TV screens</li> <li>• Cascade communication dynamics through middle management</li> <li>• Internal newsletters</li> <li>• Suggestion boxes</li> </ul>
<p><b>CLIENTS</b></p> <p>Financial Strength, Operational Excellence and Innovation</p>	<p>The foundations of our business lie in obtaining and maintaining a client portfolio based on solid, honest and long-lasting relationships.</p> <ul style="list-style-type: none"> <li>• We create products that meet and exceed the required quality and safety characteristics and levels at a competitive price.</li> <li>• We are located close to the areas where clients have their plants, which ensures supply.</li> <li>• We are a trade partner with which to collaborate on various production stages and to progress towards more innovative and secure final products that are environmentally responsible and smart, meeting the demands of society.</li> <li>• We guarantee compliance with human rights throughout the value chain.</li> </ul>	<ul style="list-style-type: none"> <li>• Daily operating contact at each plant</li> <li>• Annual corporate meetings</li> <li>• Client audits</li> <li>• Corporate website</li> </ul>
<p><b>SUPPLIERS</b></p> <p>Financial Strength, Operational Excellence and Innovation</p>	<p>Our suppliers are essential in ensuring the profitability, quality and reliability of our products.</p> <ul style="list-style-type: none"> <li>• We build stable and long-lasting relationships that guarantee a close commercial relationship based on long-term trust, commitment and profitability.</li> <li>• We have a supplier management system that helps us to obtain more information, control possible risks and to establish our own quality and corporate social responsibility standards.</li> <li>• We facilitate an open channel of communication to improve their products and services, as well as to simplify and harmonise procedures.</li> </ul>	<ul style="list-style-type: none"> <li>• Supplier Portal</li> <li>• Code of Conduct</li> <li>• Direct contact at local level</li> </ul>
<p><b>FINANCIAL COMMUNITY</b></p> <p>Financial Strength</p>	<p>As a listed company and based on Good Governance and our Corporate Principles:</p> <ul style="list-style-type: none"> <li>• We create long-term value.</li> <li>• We facilitate information transparency and we foster continuous dialogue through the current channels of communication with the entire financial community: shareholders, investors, analysts and rating agencies.</li> </ul>	<ul style="list-style-type: none"> <li>• Reports and conference calls on the quarterly financial results</li> <li>• Corporate website, Investor and Shareholder section</li> <li>• Investor Relations Communication Area (telephone and email)</li> <li>• Conferences, roadshows, site visits, meetings and ad-hoc calls</li> </ul>
<p><b>REGULATORY BODIES</b></p> <p>Governing Bodies and Ethics and Regulatory Compliance</p>	<p>In our relationship with public authorities and regulatory bodies:</p> <ul style="list-style-type: none"> <li>• We comply with the current legislation in each country.</li> <li>• We create employment and wealth.</li> <li>• We strengthen the production and business fabric.</li> <li>• We settle the corresponding tax liabilities.</li> <li>• We invest in R&amp;D.</li> </ul>	<ul style="list-style-type: none"> <li>• Continuous communication at a local, divisional and corporate level</li> <li>• Corporate website</li> </ul>
<p><b>CIVIL SOCIETY</b></p> <p>Local Communities</p>	<p>Our contribution is fundamentally undertaken through social, industrial, environmental and academic organisations.</p> <ul style="list-style-type: none"> <li>• We generate a positive impact in our surroundings through economic impetus, job creation and social development in collaboration with NGOs and Foundations.</li> <li>• We collaborate with universities, and vocational and business centres through training programmes that train local people, improve employability and aid the creation of an industrial culture.</li> </ul>	<ul style="list-style-type: none"> <li>• Communication at a local level</li> <li>• Participation in forums and in business and social associations</li> <li>• Corporate website</li> <li>• Social Networks</li> </ul>
<p><b>OPINION MAKERS</b></p> <p>Local Communities</p>	<p>The media, opinion leaders and experts in the automotive sector strengthen and protect Gestamp's reputation.</p> <ul style="list-style-type: none"> <li>• We provide different channels and strategies of internal and external communication, press, marketing and institutional relations through which we collect information relating to our industry.</li> <li>• We consolidate relationships with relevant leaders, experts and members of the public.</li> <li>• We publicise information on our main milestones as a group.</li> </ul>	<ul style="list-style-type: none"> <li>• Corporate website</li> <li>• Relationship with the media</li> <li>• Participation in sector forums, talks and events</li> <li>• Events with opinion leaders</li> <li>• Management of business social networks</li> </ul>

# Strategic plan

Based on the materiality assessment, the 2021 Strategic Sustainability Plan has been drawn up, which is in line with the Business Plan and seeks to increase the company's profile in terms of Sustainability. This Plan has 6 strategic areas, 19 lines of action and 51 specific actions.

Appendices: Materiality analysis

## Strategic areas and lines of action

### 01.

#### INTEGRITY AND RESPONSIBILITY IN OUR ACTION

Act with integrity and responsibility, anticipating and managing risks and opportunities.



Governing Bodies and Ethics and Regulatory Compliance

<b>96%</b>	<b>116</b>	
Compliance with the 55 recommendations of the Code of Good Corporate Governance that apply to us	Communications received over the channels in place for the Code of Conduct	Approval of the Human Rights Policy, Anti-Corruption and Anti-Fraud Policy and updated version of the Crime Prevention Manual

### 02.

#### OPERATIONAL EXCELLENCE

Increase the Group's competitiveness through operational excellence based on efficiency, quality, occupational health and safety, technology and innovation.



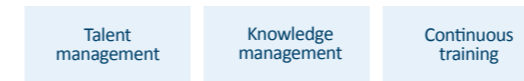
Operational Excellence, Innovation, Health and Safety

<b>36 GWh</b>	<b>34</b>	<b>60</b>
Energy consumption reduction compared to 2018	Plants have energy efficiency projects (+20%)	Full Health and Safety audits at plants and more than 1,400 improvements reviewed using the GHSI application
<b>0</b>		
Fatal accidents since 2017	New supplier risk management system	

### 03.

#### THE BEST PROFESSIONALS

Develop employees' potential so that they can help achieve the Group's objectives.



Our Professionals

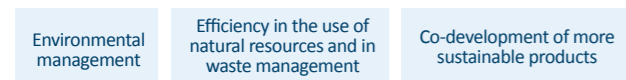


<b>43,822</b>	<b>18%</b>	<b>1.9%</b>	<b>68%</b>	<b>28</b>	<b>84</b>
Employees as of 31 December	Women, and <b>18.5%</b> are women in management positions	Of the total workforce are employees with some degree of disability	Of employees are covered by a collective bargaining agreement	training hours on average per year and per employee (average workforce)	Work sites have local plans and specific measures to foster equal opportunities

### 04.

#### REDUCE ENVIRONMENTAL IMPACT AND CLIMATE CHANGE

Reduce the environmental impact on both operations and products.



Environmental Management and Climate Change

<b>91%</b>	<b>98.2%</b>	<b>679,134 Tn de CO<sub>2</sub></b>
Of production plants certified according to ISO 14001 and/or EMAS	Of total waste ended up recycled, reused or recovered as energy.	Equivalent generated per activity (Scope 1 and 2)

### 05.

#### ECONOMIC DEVELOPMENT AND SOCIAL WELFARE OF LOCAL COMMUNITIES

Strengthen relations with the local communities where it conducts business.



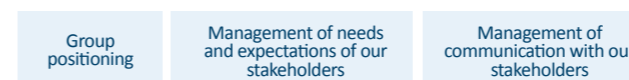
Local Communities

<b>214</b>	<b>+ 1,345,671€</b>	<b>5,515</b>	<b>553</b>
Social initiatives carried out in the communities	Of social contribution	Employees engaged in volunteer work	Apprentices and interns

### 06.

#### TRANSPARENCY IN THE COMMUNICATION WITH OUR STAKEHOLDERS

Strengthen relations with stakeholders and, as a consequence, improve the company's reputation with them.



Gestamp Group, Our Professionals, Sustainability Strategy, Local Communities, Appendix

<b>10,715</b>	<b>57</b>	<b>9,468</b>
Impacts on the press and social media	Speaking opportunities in key areas	Average monthly visits to the intranet





---

# 01.

## **Economic Dimension**

Financial Strength **34**

Operational Excellence **46**

Innovation **66**

# 01.1 Financial Strength

35 Evolution of business and results

40 On the stock exchange

42 Dividend Policy

43 Bonds and credit quality rating

44 Fiscal strategy

45 Ratings under the ESG criteria

## Evolution of business and results

### Macroeconomic context and sector evolution in 2019

In 2019, the global economy slowed down and concerns of reaching the end of the cycle emerged throughout the year. Trade policy uncertainties and geopolitical tensions have continued to weigh on global economic activity. Global economic growth for 2019 stood at 2.9%, as stated in the January 2020 World Economic Outlook (WEO) forecast. Market sentiment became slightly more positive towards the end of the year as some of the geopolitical uncertainties seemed to have eased, mainly Brexit and tariffs.

The automotive sector saw a similar trend, as the main challenges were related to trade policy uncertainties and the continued decrease in production volumes in all regions where Gestamp is present. The aforementioned macroeconomic and auto sector trends led to a 5.2% decline in global light vehicle production in 2019 in Gestamp's footprint (according to IHS as of February 2020). The second half of 2019 moderated the production volume decline (-3.9%) when compared with the first half of the year (-6.4%), despite the already low H2 2018 comparable base (according to IHS as of February 2020).

During 2019, all regions in Gestamp's footprint experienced production volume declines when compared to 2018 with Western Europe (-5.9%), Eastern Europe (-0.4%), NAFTA (-3.7%), Mercosur

(-3.9%) and Asia (-6.3%). According to IHS (as of February 2020), global light vehicle production is expected to decline by 1.9% in 2020E and to grow by 2.8% in 2021E across Gestamp's production footprint.

OEMs accelerated their strategies towards CASE with a focus on Electrification taking into consideration the EU CO<sub>2</sub> emissions regulation targets for 2020 and announced new vehicles to the market, as well as an increase in electric vehicle models in their pipeline, which are expected to be launched in the near future. This has resulted in incremental enquiries for new business opportunities for Gestamp. We are well positioned to take advantage of these trends given our focus on lightweight solutions and new products for EVs (e.g. battery box).

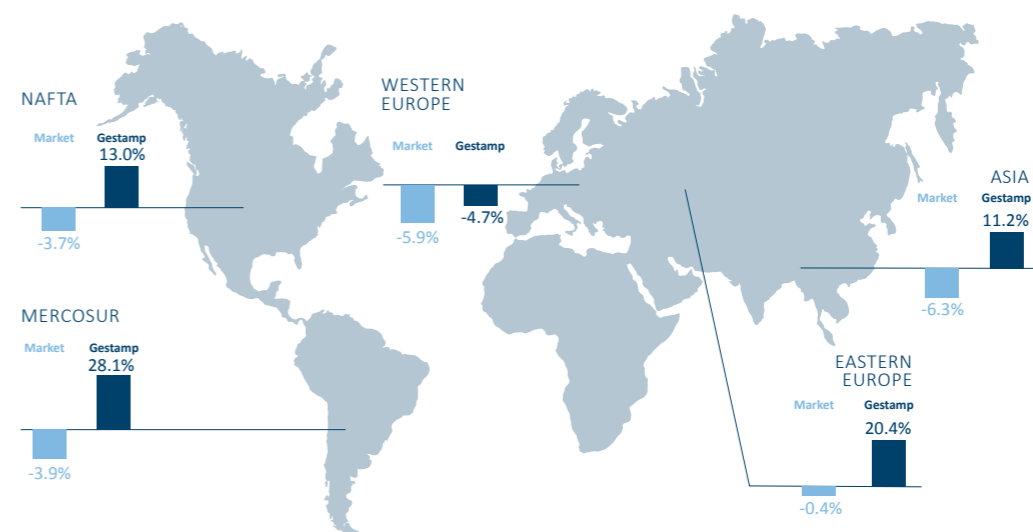
To accomplish these new business opportunities and the increasing outsourcing on behalf of OEMs in other important areas of vehicle production such as Body-in-White and Chassis development and production, Gestamp opened four facilities during 2019. During the last quarter of 2019, Gestamp started production in its new facility in Morocco (under the JV with Tuyauto), adding a new region and a new country to our footprint. This new plant was the fourth opening of the year along with the inauguration of a new plant in Chelsea-Michigan (USA), San Luis Potosi (Mexico) and the opening of a new plant specializing in aluminum in Nitra (Slovakia). All these openings enhance Gestamp's existing footprint and are expected to drive future growth.

Despite the underlying macroeconomic and auto sector uncertainties, Gestamp continued to outperform the market during 2019 by 11.5 p.p. as a result of the launch of new projects and the contribution from the JVs.

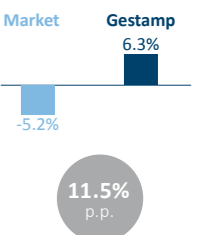
GLOBAL ECONOMIC GROWTH IN 2019 WAS 2.9%, ACCORDING TO THE WORLD ECONOMIC OUTLOOK (WEO)

GESTAMP CONTINUED TO OUTPERFORM THE MARKET BY 11.5 P.P. AS A RESULT OF THE LAUNCH OF NEW PROJECTS

GESTAMP REVENUE GROWTH AT CONSTANT FX VR. MARKET PRODUCTION GROWTH IN GESTAMP MARKETS

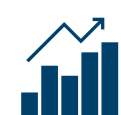


TOTAL IN OUR FOOTPRINT



Note: Gestamp's growth at constant FX used for comparability with production volumes. Market production volume growth is based on countries in Gestamp's production footprint (IHS data for FY 2019as of February 2020)

## Financial results overview



EBITDA  
**1,071.7 M€**

GROWTH RATE TO 2018  
**11.6%**

**GESTAMP  
REDUCED  
ITS CAPEX  
IN 2019**



**8.8%**  
CAPEX OF REVENUES  
(EXCL. IFRS 16)

**10.8%**  
FROM LEVELS OF 2019

Gestamp has achieved its revised 2019 full year targets despite having experienced a challenging year due to the underlying market conditions. Revenues grew by 6.1% in 2019 reaching €9,065.1 million, implying a 6.3% growth at constant FX, outperforming the market by more than eleven percentage points (compared to market production volume growth in Gestamp's production footprint – IHS data as per February 2020 of -5.2%). In terms of profitability, EBITDA in 2019 reached €1,071.7 million (€984.5 million excl. IFRS 16) with an implied growth rate of 11.6% when compared to 2018 (2.9% at constant FX and excl. IFRS 16). EBITDA margin in 2019 reached 11.8% (10.9% excl. IFRS 16), mainly impacted by production volume volatility and some projects ramping-up slower than expected but with the full cost structure in place. Net Income for the period reached €212.3 million, negatively impacted by a higher level of D&A and minorities as well as the impact from IFRS 16.

Gestamp moderated its capital expenditure in 2019, in line with its continued effort to reduce investments. Capital expenditure decreased to 8.8% of revenues (excl. IFRS 16) in 2019, a level which is slightly below the revised 2019 full year target. On a comparable basis, excluding IFRS 16, Gestamp reduced total capital expenditure by €123.9m from €920.2m in 2018. Capital expenditures stood at €796.1m (excl. IFRS 16) and €822.5 million including the impact from IFRS 16.

Capital expenditures include mainly growth, recurrent and intangible capital expenditures. Growth capital expenditures defined as capital expenditure on greenfield property, plant & equipment, major plant expansions and new customer products/technologies. Recurrent capital expenditures mainly include investments to replace existing programs and expenditures on the maintenance of our production assets. Lastly, intangible capital expenditures include a part of the Group's investments in R&D, among other concepts.

## Investments

Gestamp's net financial debt amounted to €2,328.9m when excluding the impact of IFRS 16, implying a leverage ratio (Net financial debt / EBITDA) of 2.37x. The leverage ratio was slightly below the 2019 revised full

year guidance. Net financial debt stood at €2,721.6 million including the impact from IFRS 16 for the year ended December 31st, 2019, a 2.54x leverage ratio (Net financial debt / EBITDA).

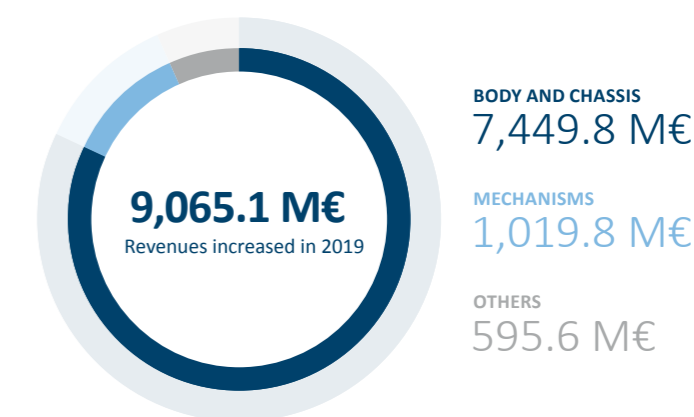
MILLIONS OF EUROS	2018	2019
Growth capital expenditures	484.0	<b>338.8</b>
Recurrent capital expenditures	323.8	<b>349.2</b>
Intangible capital expenditures	112.4	<b>108.1</b>
Capital expenditures (exc. IFRS 16)	920.2	<b>796.1</b>
IFRS 16 Impact	-	<b>26.4</b>
Capital expenditures	920.2	<b>822.5</b>

## MAIN FINANCIAL FIGURES

MILLIONS OF EUROS	2018	2019	%VARIATION
Sales	8,547.6	<b>9,065.1</b>	6.1%
EBITDA	960.5	<b>1,071.7</b>	11.6%
EBIT	527.3	<b>504.0</b>	-4.4%
Pre-tax profit	357.4	<b>334.1</b>	-6.5%
Attributed profit	257.7	<b>212.3</b>	-17.6%
Equity	2,179.0	<b>2,392.1</b>	
Net financial debt	2,233.0	<b>2,721.6</b>	
Investments in property, plant and equipment	920.2	<b>822.5</b>	

## Revenue by product

Revenues in 2019 increased to €9,065.1 million, of which Body in White and Chassis represented €7,449.8 million and Mechanisms represented €1,019.8 million. Tooling and others totaled €595.6 million in 2019.



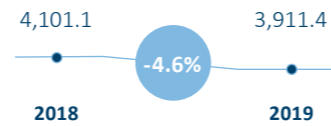
## Revenue by geographical segment

(Millions of euros variation)



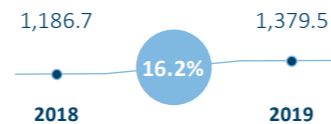
### WESTERN EUROPE

Revenues in 2019 decreased by €189.7 million, or -4.6% (-4.7% at constant FX), to €3,911.4 million from €4,101.1 million in 2018. Revenues in the year experienced a higher decline in H2 than in H1 due to market conditions.



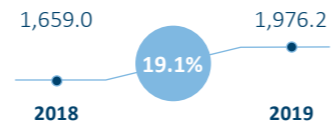
### EASTERN EUROPE

During 2019, revenues grew by €192.8 million, or 16.2% (20.4% at constant FX), to €1,379.5 million from €1,186.7 million in the previous year. The region experienced an increasing contribution from project ramp-ups as well as the JV in Bulgaria linked to battery boxes.



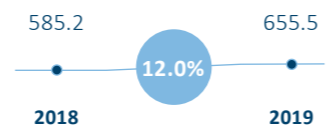
### NORTH AMERICA

During 2019, revenues increased by €317.2 million, or 19.1% (13.0% at constant FX), to €1,976.2 million from €1,659.0 million during 2018. Growth was mainly driven by the contribution of new projects, although ramping-up slower than expected.



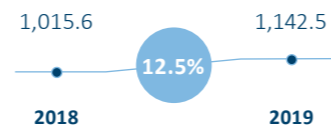
### SOUTH AMERICA

Revenues in 2019 grew by €70.3 million, or 12.0% (28.1% at constant FX), to €655.5 million from €585.2 million in 2018. The evolution of revenues had an improving growth trend in H2.



### ASIA

Revenues in 2019 went up by €126.9 million, or 12.5% (11.2% at constant FX) to €1,142.5 million from €1,015.6 million in 2018. Above-market growth in a challenging market, driven by BHAP-JV.



## EBITDA\* by geographic segment



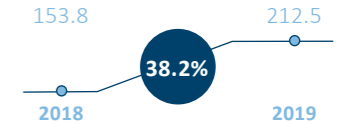
### WESTERN EUROPE

EBITDA in 2019 experienced a decrease of €29.4 million, or -6.8% (-13.8% like for like), to €400.3 million from €429.7 million in 2018. EBITDA showed an improving performance during H2 despite more challenging market conditions.



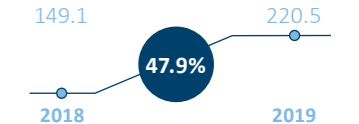
### EASTERN EUROPE

EBITDA during 2019 grew by €58.7 million, or 38.2% (37.9% like for like) to €212.5 million from €153.8 million in 2018. EBITDA margin in the region had a positive performance backed by project ramp-ups.



### NORTH AMERICA

EBITDA during 2019 grew by €71.4 million, or 47.9% (11.6% like for like), to €220.5 million from €149.1 million during the year of 2018. EBITDA margin in the year was impacted by having the full cost structure in place and volumes ramping-up slower than expected.



### SOUTH AMERICA

During 2019, EBITDA grew by €6.1 million, or 7.9% (16.8% like for like), to €83.5 million from €77.4 million in 2018. In 2019, there were ongoing costs from restructuring initiatives in Argentina and a negative impact from FX as well as hyperinflation. Brazil experienced improvement in EBITDA.



### ASIA

EBITDA during 2019 increased by €4.4 million, or 2.9% (-1.2% like for like), to €154.9 million from €150.5 million in 2018. There are ongoing cost adjustments in the region. During the year, the region had a positive contribution from BHAP JV with attractive returns but lower EBITDA (less capital intensive).



\*The following table sets forth Gestamp's EBITDA during 2019 and 2018. The new accounting standard on operating lease adjustment (IFRS 16) included as of 1st January 2019. Reference to like for like EBITDA growth stands for growth at constant FX (vs. same period of the previous year) and excluding IFRS 16 impact

# On the stock exchange

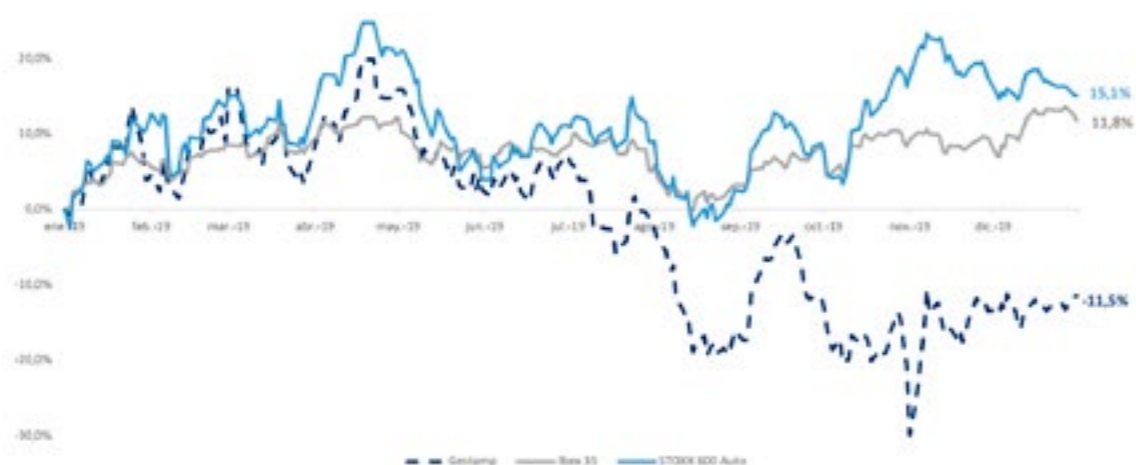
On April 7th, 2017, Gestamp made its debut as a publicly listed company on the Spanish stock exchanges (Madrid, Barcelona, Bilbao, and Valencia) under the "GEST" ticker. The final offering consisted of 156,588,438 shares (initial offering of 155,388,877 plus final over-allotment option of 1,199,561 shares corresponding to Greenshoe of 23,308,331 shares). The price was set at 5.60 euros per share, representing an initial market capitalization of €3,222 million.

As of December 31st of 2019, 69.79% of the share capital was controlled (directly and indirectly) by Acek Desarrollo y Gestión Industrial S.L. (the Riberas Family industrial holding), being 57.265% owned by Acek and 12.525% by Mitsui. Gestamp's total Free Float amounted to 30.21% as of December 2019 (including shares held by the Board of Directors and Gestamp own shares that JB Capital Markets operates under the liquidity contract).

Since December 2017, the company's shares have been included in the IBEX Medium Cap index.

Please see below for Gestamp's share price evolution since January 1st, 2019.

DAILY PRICE EVOLUTION OF GESTAMP SHARES VS IBEX 35 AND AUTO STOXX



Source: Bloomberg

As of December 31st, 2019, Gestamp's shares decreased by -11.5% since the 1st of January, implying a market capitalization of €2,433 million at the end of the year. Total volume traded during 2019 stood at 201 million shares or €934.2 million.

The Group reported earnings per share of €0.37 in 2019. The most relevant information regarding the stock's evolution in 2019 and 2018 is shown in the table below:

The Group reported earnings per share of **€0.37** in 2019

The shares reached its maximum level for the year on April 18th 2019 (€5.72) and its minimum level on November 1st 2019 (€3.35). During 2019, our average share price stood at €4.68.

## Key figures

During financial year 2019, its second full year as a listed company, Gestamp continued to improve its dialogue with the investment community.

Within a context of improving communication, the Investor Relations department has started offering the possibility of hearing financial results by recorded conference call. Requests are received at the general email address. Gestamp continues searching for new methods and enhanced communication with the investment community in this regard.

The Shareholder, Investor and Proxy Advisor Communication and Contact Policy is available on the Gestamp website. The principles that govern the Company's communication and contact with shareholders, institutional investors, proxy advisers and other interested parties are set out in the policy to ensure efficient, transparent and continuous communication.

In addition to enhancing shareholder trust, Gestamp has fostered the protection of their rights and promoted their interests, equal treatment and non-discrimination, as well as compliance with current legislation, among aspects. As such, the investment community has enjoyed open communication with the company through dialogue with the Investor Relations Department, the email address (investorrelations@gestamp.com) and the company's website (www.gestamp.com).

In an effort to increase its global reach, during 2019 Gestamp visited 5 countries outside its country of origin, such as the United Kingdom, Germany and France, among others.

During the year, Gestamp organised more than 35 events, such as conferences, plant visits and road shows. The company also organised over 20 on-request meetings and more than 60 calls with the investment community. In total, Gestamp had over 660 interactions with the investment community throughout 2019.

Gestamp has continued to make progress in the research analyst community to increase its visibility and the company knowledge of investors. This has meant that the share coverage has increased from 9 analysts during the IPO, to 22 brokers at the end of 2019, of which 5 started to cover Gestamp during 2019.

EUROS	2018	2019
Total number of actions	575,514,360	<b>575,514,360</b>
Share price at year-end	4.97	<b>4.23</b>
Market capitalisation at year-end (in thousands)	2,860	<b>2,433</b>
Maximum price	7.42	<b>5.72</b>
Date of maximum price	11/06/2018	<b>18/04/2019</b>
Minimum price	4.86	<b>3.35</b>
Date of minimum price	28/12/2018	<b>01/11/2019</b>
Average price	6.32	<b>4.68</b>
Total volume (in shares)	177,884,263	<b>200,639,528</b>
Average daily volume traded (in shares)	697,585	<b>786,822</b>
Total volume (in millions)	1,131.75	<b>934.19</b>
Average volume traded (in thousands)	4,438.23	<b>3,663.49</b>

\* Data as of 31 December 2019. Source: Bloomberg & BME (Bolsa y Mercados Españoles)

## DISTRIBUTION OF INVESTMENT RECOMMENDATIONS

The average target price at 31 December 2019 was €5.44 and the distribution of investment recommendations was as follows:



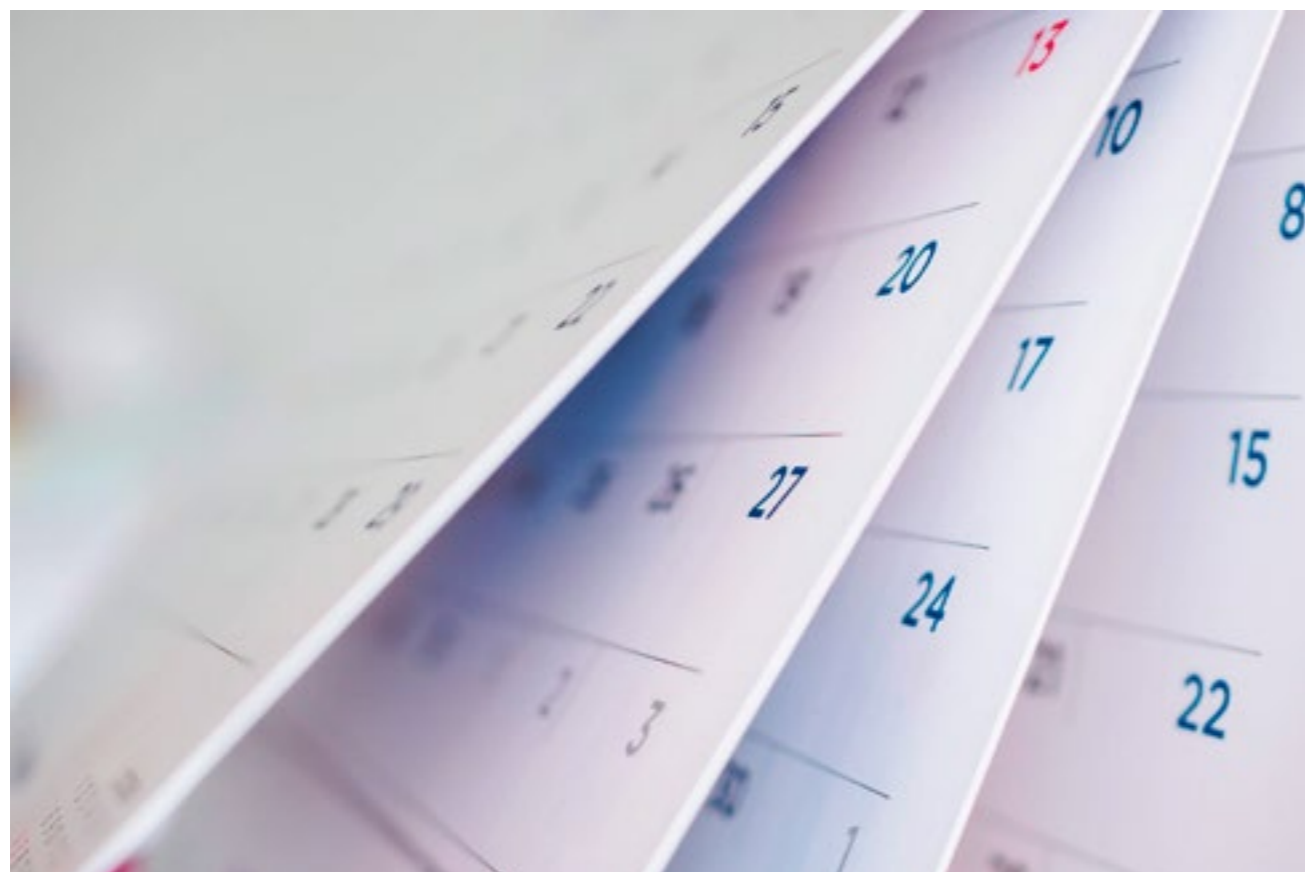
# Dividend Policy

In 2018, the Board of Directors of Gestamp approved a new dividend policy. Gestamp will continue to distribute on an annual basis a total dividend equivalent to approximately 30% of the consolidated net profit for each year, but in two payments, anticipating part of the payment via an interim dividend:

- A first payment, through the distribution of an interim dividend, that will be approved pursuant to a resolution of the Board of Directors to be adopted in December of each year and paid between January and February of the following year.
- A second payment, through the distribution of an ordinary dividend, that will be approved by virtue of a resolution of the Ordinary General Shareholders' Meeting at the time of approval of the annual accounts and will be paid between the months of June and July of each year.

In line with our policy, the Board of Directors approved the distribution of two cash dividends in 2019 against 2018 financial results. The first one was paid on January 14th, 2019 for a gross amount of 0.065 euros per share and the second one was paid on July 5th, 2019 for a gross amount of 0.070 euros per share.

In December 2019, the Board of Directors approved the distribution of an interim cash dividend against 2019 financial results for a gross amount of 0.055 euros per share, a dividend that was paid on January 14th, 2020.



# Bonds and credit quality rating

On May 2013, the Group completed an issuance of bonds through its subsidiary Gestamp Funding Luxembourg, S.A., a company belonging to the Western Europe segment. This issuance was carried out in two tranches, one amounting to 500 million euros at an annual coupon of 5.875%, and the other amounting to 350 million dollars with a 5.625% annual coupon.

On May 4th, 2016 the Group issued a bond, through the subsidiary Gestamp Funding Luxembourg, S.A. for €500 million with an annual coupon of 3.5%. The issuance was used to fully refinance the May 2013 Euro bond and accrued interest. The US dollar bonds issued in May 2013 were fully refinanced on June 17th, 2016 with the tranche A2 of the new syndicated loan granted on May 20th, 2016. The maturity date of the bonds is May 15th, 2023.

On April 20th, 2018 the Group issued a new bond, through the Parent Company (Gestamp Automoción S.A.), amounting to €400 million with an annual coupon of 3.25%. The issuance was used to refinance certain of Gestamp's existing long and short-term debt facilities. The maturity date of the new bonds is April 30th, 2026.

As of December 31st, 2019 Gestamp's corporate credit rating was "BB / stable outlook" by Standard & Poor's and "Ba2 / negative outlook" by Moody's. These ratings were confirmed on May 28th, 2019 by Standard & Poor's and November 11th, 2019 by Moody's.

## CORPORATE CREDIT RATINGS

<b>BB</b>	Standard & Poor's	Stable	Last Review 28/05/2019
<b>Ba2</b>	Moody's	Negative	Last Review 11/11/2019

## SENIOR SECURED NOTES

<b>BB+</b>	Standard & Poor's	Stable	Last Review 28/05/2019
<b>Ba3</b>	Moody's	Negative	Last Review 11/11/2019

# Fiscal strategy

Gestamp bases its fiscal strategy on current national and international tax regulations, aware of the importance and need of its contribution to the public finances of the different territories in which it operates.

The bodies at Gestamp that are competent and responsible for the fiscal area include the Board of Administration, the Audit Committee, the Risk Committees, the Fiscal Area of the Legal Advice and Tax Department, and the Internal Audit and Risk Management Department.

In particular, the Fiscal Area of the Legal Advice and Tax Department is in charge of preserving and developing all the principles and values of Gestamp in the area of taxation and of overseeing their fulfilment, defining and establishing the required control mechanisms. It also provides information on fiscal risks and their management to the Internal Audit and Risk Management Department. In turn, follows up and monitors said risks, including them in the Group's Comprehensive Risk Management System and informing the Audit Committee of them.

## FISCAL POLICY IS BASED ON FOUR BASIC PILLARS

- 01. RESPONSIBILITY** in decisions and actions in fiscal matters.
- 02. TRANSPARENCY** in all the information that Gestamp provides to shareholders, the market and the different stakeholders with which it is associated; this information is also accessible, transparent and reliable.
- 03. TAX CONTRIBUTIONS** where the activities take place. Gestamp's aim has never been to relocate activities or profits to particular jurisdictions for purely fiscal reasons.
- 04. COOPERATION** with the different public administrations of the countries where Gestamp has an industrial presence and always subject to solid values of professionalism, collaboration, good faith, mutual trust and mutual respect.

## Fiscal magnitudes

### DETAILS OF TOTAL EXPENSE AND PAYMENT (CURRENT TAX) FOR CONSOLIDATED CORPORATION TAX

THOUSANDS OF EUROS	2018	2019
Current tax	93,445	<b>105,408</b>
Deferred tax	-24,706	<b>-32,432</b>
Deferred tax (IFRS 16)	-1,379	-
Remainder	-23,327	<b>-32,432</b>
Other adjustments to tax expense	-1792	<b>-1,029</b>
<b>Total</b>	<b>66,947</b>	<b>71,947</b>

### BALANCE OF THE CORPORATION TAX EXPENSE BASED ON PRE-TAX ACCOUNTING PROFITS

THOUSANDS OF EURO	2018	2019
Accounting profits (pre-tax)	334,082	<b>357,396</b>
Theoretical tax rate	80,180	<b>92,923</b>
Difference between rates	-1,848	<b>6,430</b>
Permanent differences	6,070	<b>2,640</b>
Deductions and negative tax bases, not previously recognised	-37,624	<b>-21,628</b>
Tax credit and negative tax bases generated in the financial year not registered	16,967	<b>16,609</b>
Adjustments relating to tax in previous financial years	4,994	<b>-23,997</b>
Tax rate adjustments	-1,792	<b>-1,030</b>
<b>Total income tax expense</b>	<b>66,947</b>	<b>71,947</b>

# Ratings under the ESG criteria

The number of financial agents (regulators, investors, analysts, rating agencies, banks) that incorporate the so-called ESG (Environmental, Social and Governance) criteria in their decision-making is growing exponentially. Specifically, at Gestamp we have gone from being evaluated under these criteria by 2 rating agencies in 2018 to 12 throughout 2019. This includes the first time that Gestamp voluntarily submitted itself to the scrutiny of the RobecoSAM agency, where it was placed among the top 10 in its sector and highlighted in the Year Book 2020.

In addition, in 2019 we signed our first sustainable financing line, becoming the first company in the sector to formalise this kind of financing with BBVA, and under the scrutiny of the Vigeo Eiris agency.

Furthermore, the automotive manufacturers, our clients, in their search to have the best suppliers and make their value chain more sustainable, have in turn started to take into account the ESG evaluations when awarding new projects, in which Gestamp is above the average in the sector.

ESG ASSESSMENTS

ESG RATING AGENCIES	CLIENT ASSESSMENTS	ESG FINANCING
 <b>TOP 10% suppliers</b> <small>Self-assessment and new 2019</small>	 <b>7th position</b> <small>OEMs and suppliers</small>	 <b>Gestamp TOP 5%</b> <small>Metal industry suppliers</small>
		<b>First sustainable RCF</b>  <small>Best 2019 transaction awarded by OFISO</small>



# 01.2 Operational Excellence

47 Our approach

48 Corporate programmes: OneGestamp

49 Production Processes

50 Project Management

52 Quality

58 Supplier management

64 Industry 4.0 model

## Our approach

In a competitive sector, such as the automotive sector, standing out from the rest is necessary. Our operations and management have to be excellent.

To achieve operational excellence, Gestamp relies on:

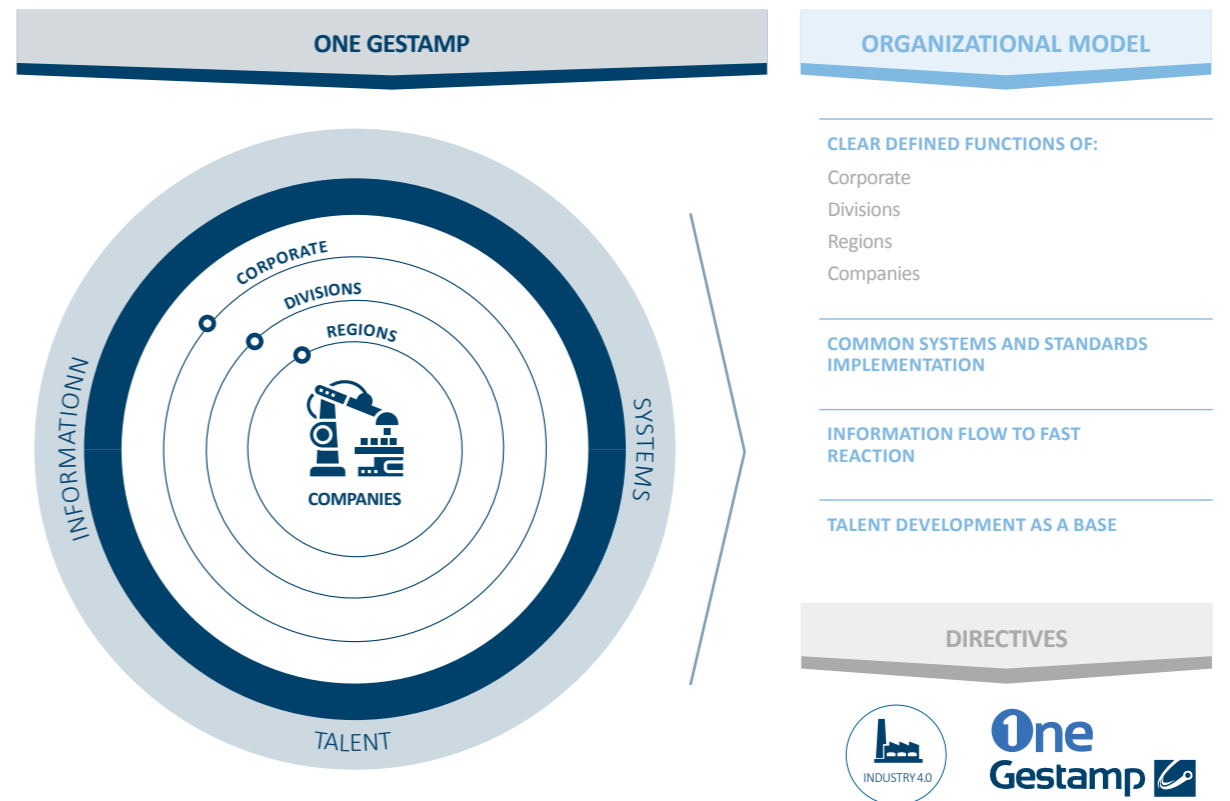
- **An organisational structure** to maximise operational efficiency, ensuring that:

- Our business units focus on clients, products, innovation processes and on R&D
- Our geographical divisions are focused on improving production processes and profitability
- Each production plant is a centre of profit.

- **Corporate programmes** that facilitate coordination and efficiency in projects with a shared aim worldwide, which all fall under the One Gestamp name.

- **The industry 4.0 model** allows us to comprehensively and smartly combine information on personnel tasks and production and machinery processes using different digital formats, from smart sensors and devices to complete systems.

- **A system to control and manage our suppliers** that helps to minimise risks relating to the supply chain.





# Corporate programmes: OneGestamp

OneGestamp represents the philosophy of collaborating across projects that have a shared goal, enabling the company to be more efficient and to respond to clients' demands in the same way.

The most important programmes are:



**PRODUCTION PROCESSES**

Gestamp Production System (GPS)

Gestamp Production System (GPS) is one of the fundamental projects of One Gestamp and one of the main pillars on which the continuous improvement of our production processes is based. Its objective is to standardize the way of working in plants and production processes by creating standards based on the Lean Manufacturing methodology as well as the best existing practices in the company.

2018 was basically focused on the definition of most of these standards, while the year 2019 has been dedicated to both the development and implementation of the GPS standards.

**DEVELOPMENT PROJECTS OF GPS**

- **Visual Management:** which aims to visually support the daily management that we carry out in our factories.
- **Industrial Planning:** a project that understands the importance of the decisions we make every day and how they impact the company's results. To this end, together with the Learning and Development department, an interactive company simulator has been developed, which allows, together with other tools developed by the GPS department, to see these impacts and which mainly focuses on the EBITDA, Working Capital and OEE indicators, working the manufacturing batches.
- **GPS awareness:** is another factory simulator based on LEGO, and in this case, it allows us to see the impact that the application of GPS has on the operational results of our factories.
- **Load book for hot stamping dies:** GPS is coordinating the work of a team of experts from all divisions, with the participation of the corporate Quality department and the Advanced Manufacturing department, to write a common load book for our hot stamping dies that encompass all the knowledge of each of the divisions, in order to order the dies that provide the best results for our production processes.

**IMPLEMENTATION PROJECTS OF GPS**

- **Logistics concept:** encompassed within the Readiness for production, this project has proven to be one of the biggest generators of profit, by defining how our line edges should be, how to locate materials, in what type of packaging, define production batches and safety stocks, the layouts for an optimal flow of materials, the means that will be in charge of supplying the lines, the conditions for ordering materials from suppliers and various other aspects, all from the project phase, to ensure a successful start of the projects once they reach the plants.
- **SMED:** which helps us increase the flexibility of our assets by reducing the time lost due to the change of tools, thus contributing to the reduction of working capital.
- **Problem Solving:** methodology that allows us to approach our problems in a systematic way, so that we eradicate the root causes that generate them, thus preventing them from reappearing.
- **Workplace organization:** improving our jobs in life-long projects, thus optimizing the use of our resources and thus achieving optimal operation of the processes.
- **Cyclical logistics:** a project that goes from a supply chain based on forklifts to a cyclical supply of our lines, with the consequent benefits that this brings in safety, eliminating stops due to lack of materials or containers.
- **Inventory Management:** which seeks to optimize the sizes of manufacturing lots, supplier supply lots and safety stocks, with the aim of improving surface use, reducing investment in containers and improving working capital.



The corporate GPS team works actively face-to-face in the formation of divisional, regional and plant teams to achieve the correct deployment of all these projects.



**PROJECT MANAGEMENT**  
Gestamp Product Creation System (GPCS)

At Gestamp, we manage our clients' projects in a standardised manner through a system that we call Gestamp Product Creation System (GPCS), which is composed of five main elements: a standardised process for the creation of products, procedures and templates, a specific governance model, key indicators and global reports, all of which are supported by a fifth element, comprising a series of IT solutions based on PLM Siemens Teamcenter®. This system enables us to manage, validate and audit the entire process of creating new products for our clients,

from the conceptual phases up to mass production, and also adapting to the multiple nuances of products and projects deriving from our broad client portfolio and global implementation.

The adoption of the GPCS is a key element in ensuring the quality of new Gestamp products and production processes, while at the same time reducing risks in the launch and meeting cost and timing targets of the projects.



Global methodology based on automotive standards for managing our industrial projects.

**PRODUCT CREATION SYSTEM**

+ Software PLM

**A COMMON LANGUAGE**

That structures people, processes and information for managing industrial projects

**A METHODOLOGY**

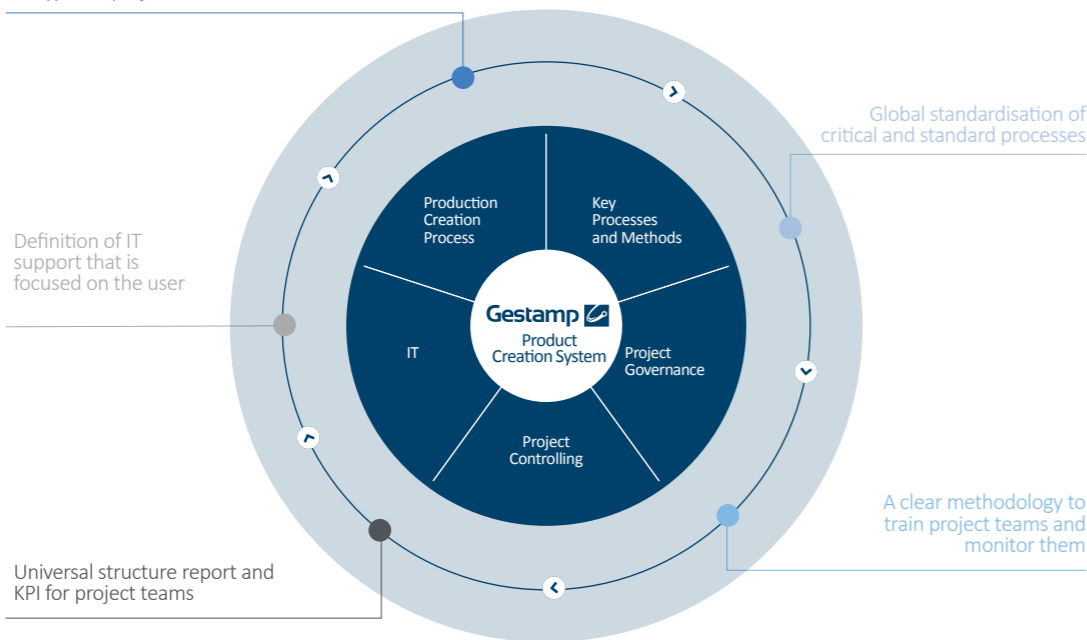
That simplifies complex contexts

**AN INICIATIVE**

Developed by Divisions and Business Units

**GPCS MODEL**

A common process that covers all types of projects



This management methodology must be implemented in all new projects. The IT system that supports it, based on Siemens Teamcenter®, was first deployed in 2017 and the fundamental developments were completed in the first half of 2019. The system is now fully operational for product and project management.

By gradually adopting this IT system over the past three years, we achieved the following results by the end of 2019:

- **More than 300 industrial projects** managed with Teamcenter.
- **More than 1,400 active users** for project management, gradually approaching the peak target population to be reached in 2020.
- Direct visibility of the status of these projects is provided, with management throughout the project life-cycle (2-4 years) amounting to more than **EUR +2,000 million in CapEx and EUR 643 million in tooling**.



**Projects**  
Created in Teamcenter



**Tc Users**  
Active in the system



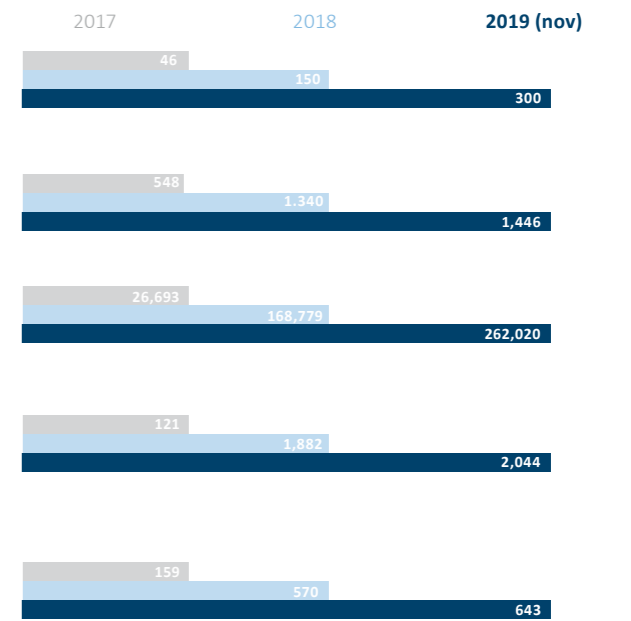
**Tc Hours**  
Total usage hours/year



**Capex**  
Total acumulated Capex tracked in TC (in Mio€)



**Tooling**  
Total acumulated tooling tracked in Tc (in Mio€)



The past year, 2019, was a cardinal year in the consolidation of the GPCS methodology and the deployment of Teamcenter®, the main achievements of which are:

- Consolidation of the Project Management and Document Management modules worldwide in all the divisions that manage projects with the GPCS.
- Confirmation that all new proposals are managed with the system (>90% of proposals are transformed into industrial projects in Teamcenter®, except in certain regions with unique situations).

• Deployment of a Reporting Web Portal for Middle Management and Top Management with direct access for displaying KPIs, reports, risks and audits of the projects managed with Teamcenter®.

• Publication of a new version of the GPCS methodology (v4), which includes a comprehensive review of the creation process in order to include the lessons learned and enhancements detected since it was launched.

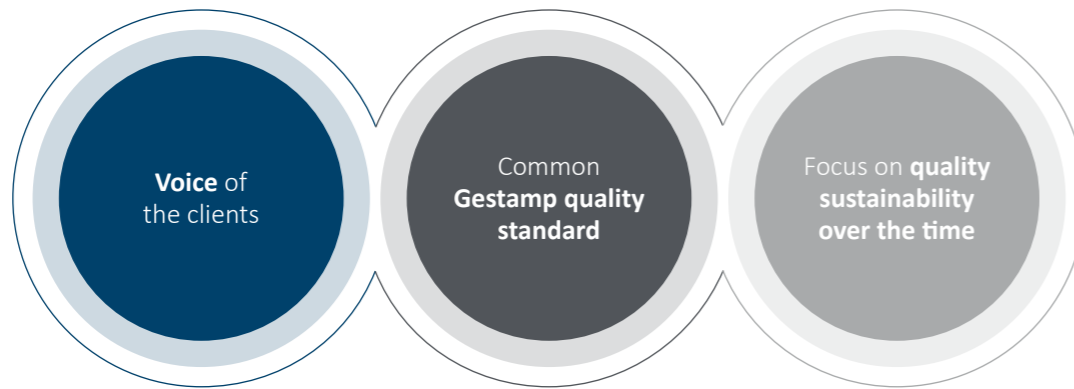


**QUALITY**  
Gestamp Quality System (GQS)

In the automotive sector, each part that makes up the final product is important in ensuring the correct functioning of the manufacturer's assembly line, the quality of the vehicle and even, in some products, the safety of users.

For those reasons, the sector is a pioneer in applying quality systems in the entire value chain. Our clients demand flawless products in the quantity required and the deadline established to ensure both the quality of the final product and the correct functioning in its use.

**OUR QUALITY APPROACH**



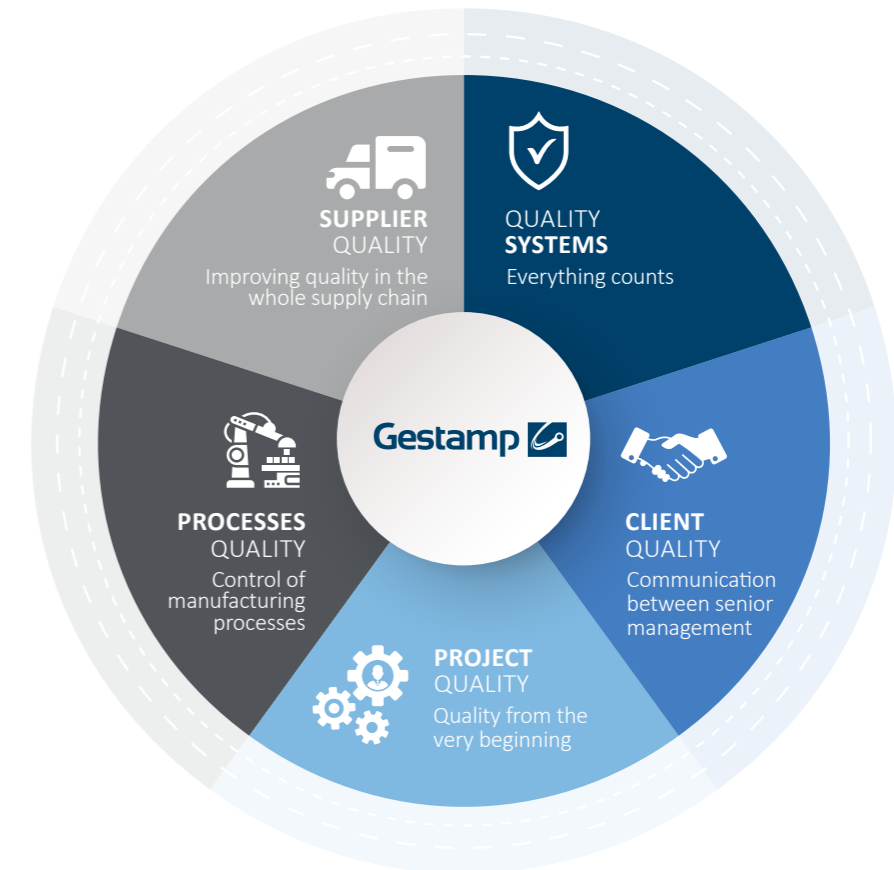
**VALUE PROPOSITION**

- Driven by customer requirements and products, improving the Gestamp quality standard.
- Presence of Quality over the product life-cycle, from concept to postdelivery.
- Focused on preventive quality based on risk management
- Focused on continuous improvement to achieve zero-defects.
- Focused on harmonized client vision among the plants.

**QUALITY AWARENESS**

- Quality culture must be spread over the Organization
- Ensure knowledge sharing among the Organization, including best practices..
- Focused on deployment & usability phases.
- Balanced scorecard aligned with quality strategy and focused on product life-cycle.

**COMPREHENSIVE QUALITY MANAGEMENT**



**QUALITY SYSTEMS**

All our production plants have developed and maintained a quality management system that has the international certifications required by our clients, mainly the IATF 16949 and even, in some cases, certifications for Environmental and Health and Safety Management Systems.

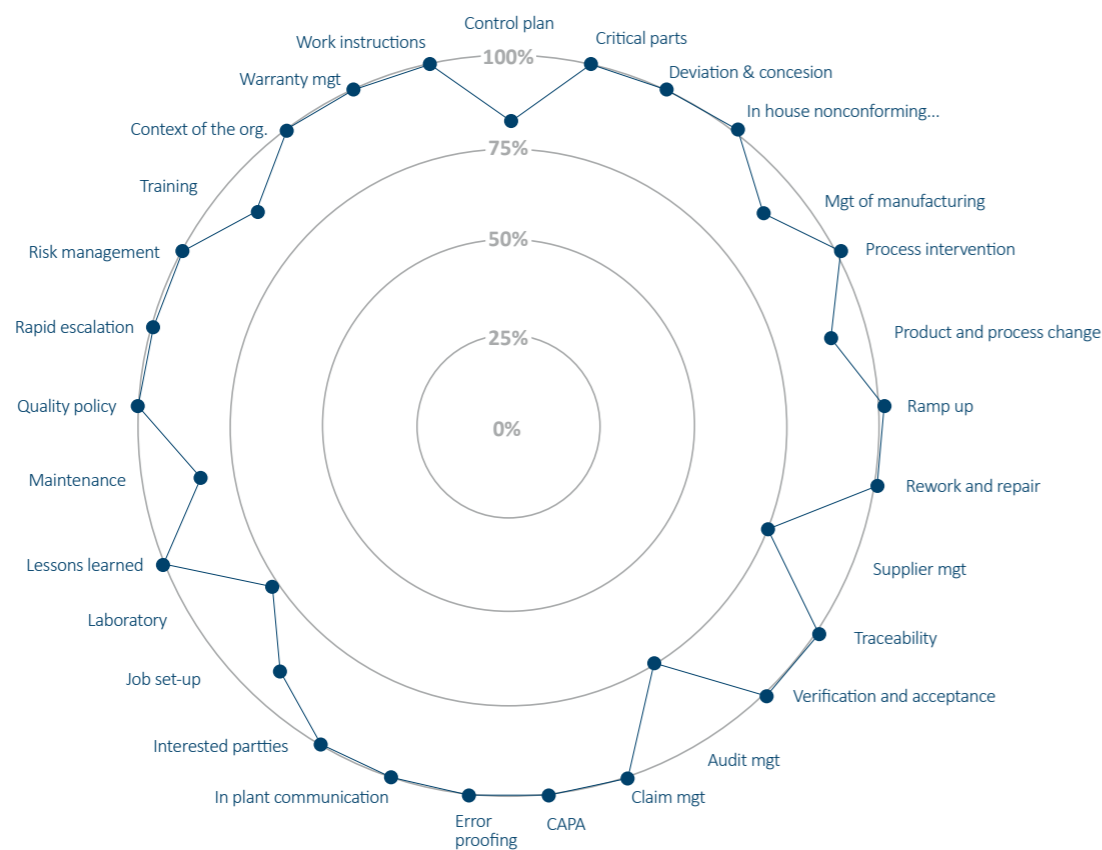
These Management Systems help us to continuously improve, focusing on the client and promoting prevention over detection, with the resulting reduction in defects and waste in the supply chain, in a safe and sustainable manner.

In 2019 the quality systems at most of the Gestamp plants underwent an internal certification procedure, the overall results of which were satisfactory (see the example of implementation at a plant). All corporate procedures were also reviewed based on the best practices detected during the certification audits. These new procedures will be launched for implementation in early 2020, thus improving the system consistently.

In terms of the OneGestamp corporate procedures (which are launched jointly in the three components of

OneGestamp: GPCS, CPS and GQS), the second of these procedures is in the final stages, focusing on the topic of problem solving, and will be deployed in 2020.

As part of the policy of ongoing improvement applied to quality systems, in 2019 the quality systems of support functions provided by the support centres at the business units, BiW and BUC, as well as at corporate level and the interfaces with the production plants, have also been consolidated and improved.



## CLIENT QUALITY

At Gestamp, we are committed to building solid and long-lasting relationships based on trust with our clients and, with that in mind, we promote continuous dialogue which helps us to improve and meet their needs.

### Annual meetings

Annual meetings of the highest level are held with clients in order to review short-term results and forecasts; longer-term prospects, trends and opportunities are also analysed at these meetings. Moreover, the development of common strategies, new technologies and any needs that the client may bring up are also analysed.

### Client audits

The client, in turn, visits our plants from time to time to carry out audits and contribute to our continuous improvement, together with periodic evaluations which enable us to determine our quality level in relation to the client's other suppliers and to take steps where our clients consider there is room for improvement.

### Day to day relations

Direct contact is maintained with the client in respect of day-to-day activities, both in the industrialisation phase and in the mass delivery. During the industrialisation phase of new products, we maintain constant contact with our clients and carry out a special follow-up for those projects that are considered strategic in order to ensure an appropriate response.

Our production plants maintain daily contact with the facilities of our clients. This is a more operational contact seeking to provide a flexible response to the requirements and needs of the client, and resolve any issues that may arise on a day-to-day basis.

### Monitoring and Internal control

Monitoring the quality performance of parts delivered to our clients is undertaken through internal audits on products, processes and systems, as well as through the use of indicators at all levels of the organisation (plants, regions, divisions and corporations).

All the incidents that occurred during the year were resolved between the automotive manufacturers and the Group, which favourably managed the incidents within the optimal timeframes. That ensured that final users did not face any inconvenience whatsoever and no vehicle in the possession of a final user was recalled for a revision for any reason relating to the products supplied by the Group in 2019.

The manner in which said incidents were handled was the key element in resolving them. As such, there was no need to resort to the insurance guarantees that the Group has taken out.

## HARMONISATION WORKSHOP FOR AUDITORS OF SKIN PARTS FOR VW

For several years now, an annual workshop has been conducted in which auditors from Gestamp and VW participate in order to harmonise the criteria that both parties apply to skin parts. This year, the workshop, organised by the corporate process quality area, was held in Kaluga, where Gestamp's auditing experts who work on BiW parts projects for VW gathered.



Educational activities related to process control were carried out, taking into account VW's criteria and requirements, and the participants from the different plants and divisions shared their experiences, methodologies and lessons learned. This made it possible to establish a common practical and theoretical framework

that was reviewed, verified and validated by the VW quality auditor who attended the workshop.

A visit to the VW Kaluga plant also took place, to study the control methods applied by the client at their facilities from the time materials are received up until final auditing.

## PROJECT QUALITY

With a view to suitably managing risk starting in the project phase, the Corporate Project Quality area continues to coordinate the Global FMEA Cycle initiative, in which key players of the various divisions and business units are involved.

FMEA (Failure modes and their effects analysis) is a routine tool used in risk management within the automotive sector and is part of a broader cycle of improvement, known as the FMEA cycle. This methodology is based on a brainstorming session which identifies what can go wrong (failure modes) and what the potential effects are (failure effects), also analysing the failure causes, so that measures can be taken to reduce the probability that any such events will occur,

to increase the probability that they will be detected should the negative event eventually arise, and to define the action to take to appropriately manage the risk, by prioritising the severity of the effect of the failure mode, which plays a fundamental role.

This high-level exercise should be put into practice at the plants, and to this end, it is essential to extend the FMEA cycle concept, bearing in mind not only the FMEA itself, but also other tools which guarantee the traceability of all actions taken based on the FMEA, up to the production lines. Furthermore, this cycle must be reviewed at appropriate intervals so that it is in line with any experience acquired.



### NEW FMEA HANDBOOK CONTAINING THE STRICTEST STANDARDS

In June 2019, the first guide outlining how to conduct FMEAs was published jointly by VDA and AIAG, two of the most important vehicle manufacturer associations worldwide. With a view to offering service to our plants, but also to provide support to the regions, divisions and business units, the corporate quality and human resources areas have launched a global training course on the new handbook. By the end of 2019, more than 900 people from the areas of both quality and projects had registered for the course. The training is adapted to the situation at Gestamp, using examples from our daily business in order to make it easier to



understand this new methodology and also to reuse the contents of the examples in daily operations.

## PROCESS QUALITY

The Process Quality area provides the whole organisation with a set of standards and methodologies linked to the most critical technologies and production processes within the Group, focusing in particular on special processes (those in which the part has to be destroyed to ensure that the product is up to standard; such as parts involving arc welding). Its aim is to align all of our production activities with the client's quality requirements and international standards in order to

maximise the quality and efficiency of said processes. We have to ensure that we comply with the client's specifications in all processes up until the final delivery of the product.

So far, arc welding, hot stamping, skin parts and resistance welding standards have been defined, as well as sub-projects stemming from the main projects.

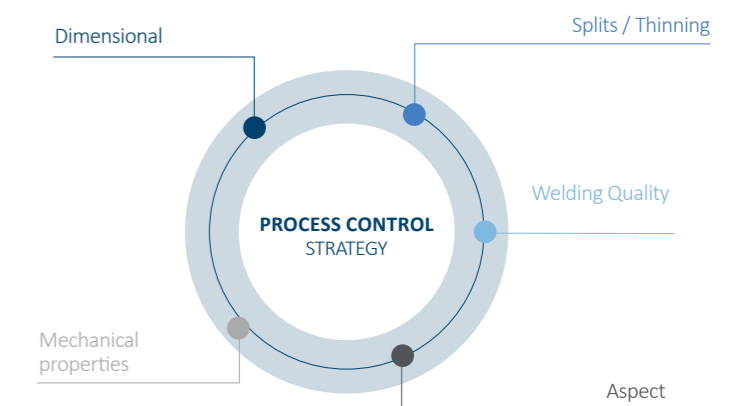


In 2019, the first two plants (Gestamp Shenyang and Gestamp Tianjing) were certified for arc welding and hot stamping.

In 2020, the implementation of these standards in production plants will be assessed, except for the plants in the Mechanism Business Unit.

The analysis of the most important control equipment families in the Group is also complete. The project had established different lines of action that include assessing the inventory of available equipment in our production plants around the world, reviewing and identifying suppliers of this technology and their limits, and drawing up complete guidelines for different families of equipment. Finally, a database is also available for managing all the equipment, thus optimising the analysis of the plants' needs from a technical perspective

### GLOBAL PROJECT OF CONTROL PROCESS TECHNOLOGIES



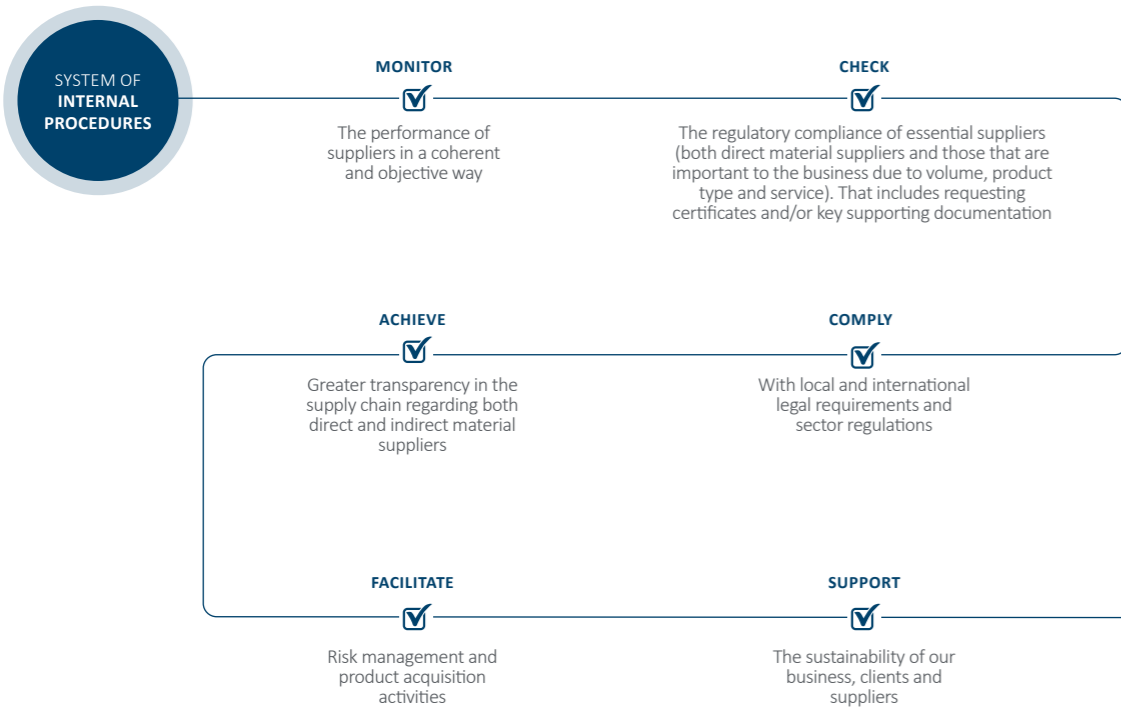
# Supplier management

In a globalised business like ours, management of our supply chain is increasingly complex. Therefore, we have a system and internal procedures for managing our suppliers comprehensively.

This method of global supplier management is undertaken through the “Gestamp Supplier Portal”, a shared tool with which to manage all the purchases of the Group’s companies. Locally, each production plant has a close relationship based on trust and commitment with the suppliers in its vicinity.

We aim to be able to effectively and consistently evaluate the performance of our suppliers and to ensure that our supply chain meets all of the automotive requisites, as well as the local and international legal and regulatory standards, which are key elements in guaranteeing the continuity of our business.

Through this management system, we:



## Supplier risk management

At Gestamp, we are aware that global supply chains entail risks that can not only affect our ability to deliver to our clients under the agreed conditions, but also compromise the confidence of our shareholders. Our definition of Supplier Risk includes operating risks (late delivery and quality issues), financial and compliance risks and unexpected events such as natural disasters, geopolitical risks and cyber-attacks.

knowing how to act if something happens, Gestamp can respond swiftly, which is crucial in overcoming a crisis in the best possible manner. After successfully carrying out a pilot project, we have now defined a new corporate supplier risk area, which will standardise supplier risk management and define the procedures to be followed by all the Gestamp plants around the world. We would also like all of our employees to internalise a risk culture that gives us an intrinsic sense for identifying risks linked to suppliers much more quickly. The project will be deployed at all Gestamp plants in 2020.

With this broad definition of the risks in mind, in 2019 we added a tool to our supplier management system that enables us to gather further information about our suppliers from certain external sources using artificial intelligence and internet searches to complete the information about them, affording us a 360° vision of our suppliers.



At Gestamp, we approach the supplier risk based on the principle of the relationship between the supplier and Gestamp, throughout the contract relationship with the supplier, which enables us to constantly monitor the level of risk in detail, especially for suppliers with which we have established a long-term relationship.

Our primary goal was to establish preventive measures whenever possible and to create contingency plans to prevent the risks from arising. We have prepared mitigation plans for risks that are impossible to foresee. By



## Supplier quality procedure

At Gestamp, we strive to manufacture high-quality products and we only work with suppliers who ensure that that is possible, contributing to the production of an excellent final product.

For that reason, we rate our raw material and component suppliers according to quality criteria on a production plant and corporate level (considering the ratings of any given supplier at different plants).

### ESG CRITERIA

1 Acceptance of Gestamp CSR Requirements

2 Review of certifications, including ISO 14001 Certification

5 On-site audit includes environmental, social and ethical aspects.



Registration in the **Supplier Portal** Gestamp

Direct material suppliers (raw material and components)

NO Supplier Valuation IATF 16949/ ISO 9001 Gestamp Audit

YES

Supplier Regular Evaluation (GQI)



Improvement and Monitoring Plan Request

On-site audits to Suppliers

Suppliers with some award	Local suppliers	New registered suppliers	Strategic suppliers
20,332	94%	6,872	606

1 All suppliers that want to establish a relationship with Gestamp must register in the Group's Supplier Portal, accept Gestamp's Purchase Conditions and fill out the corresponding forms. For direct material suppliers (raw material and components), we have also established the following procedure.

2 The quality department evaluates whether or not the raw material or component supplier is certified. Such certification must correspond to IATF 16949 or ISO 9001. The ISO 14001 certification will also be valued.

Authorized suppliers  
5,186

3 Suppliers certified in accordance with the aforementioned references, are subject to a monthly evaluation based on two aspects:

1. **Quality Indicators (product quality, logistics and non-quality positions)**

2. **Audits**

The Global Quality Index (GQI) is obtained through both aspects, which allows the supplier to be classified into the following categories:

A- IGC≥85. Suppliers with optimal performance

B- 60≤IGC<85. Suppliers that should improve their quality or logistic performance

C- Suppliers with risks related to quality or logistic performance or without IATF 16949 or ISO 9001 certification.

D- Those suppliers that do not have evidence of the defined minimum formal requirements (quality certification, PSO and CSR)

Certified suppliers on IATF 16949 o ISO 9001

85%

Suppliers evaluated

1,217

A: 878  
B: 81  
C: 29  
D: 229

4 In the event that a plant classifies a supplier as B or C, the plant requests a specific improvement plan and follow-ups until a positive result is obtained.

5 Periodically, plants conduct on-site audit to suppliers to monitor their capacity to meet our requirements and expectations. These audits are prioritized based on the risk of the supplier, which is evaluated according to the risk matrix.

They are based on an internal model that complies with IATF 16949 and VDA standards, including environmental aspects (energy, water and raw materials use; hazardous waste management) and social (working conditions, human rights, health and safety, anti-corruption)

On-site audits

300

A: 101 (34%)  
B: 171 (57%)  
C: 28 (9%)

Suppliers improved rating on the last audit

60%



To access the Supplier portal from the Gestamp website <https://www.gestamp.com/Suppliers>

## The sustainability of our suppliers

The aspects we evaluate include the ethical behaviour of our suppliers in accordance with our values and Human Rights. Any supplier that works with us must accept our requirements on Social Responsibility, based on the Global Compact principles of the United Nations.

They must also approve the Corporate Social Responsibility Requirements for Gestamp Group Suppliers, which is available on the website and the Supplier Portal.

Gestamp performs annual on-site quality audits of our suppliers, which usually last for approximately two weeks. The aim of these audits is to monitor and track their ability to meet our requirements and expectations. These audits are prioritised according to the supplier risk, which is evaluated using a risk matrix. The audit is based on an internal model that meets IATF 16949 and VDA standards and includes environmental aspects (energy, water and raw material usage; hazardous waste management) and social and ethical matters (working conditions, human rights, health and safety, anti-corruption)

Throughout FY 2019, 300 suppliers underwent audits of this kind. Out of this total, 101 suppliers (34%) received the top rating (grade A), 171 suppliers (57%) earned an average rating with room for improvement (grade B) and 28 suppliers (9%) did not meet Gestamp's standards @.

It should be noted that, out of the suppliers that were audited on more than one occasion in the past two years, 60% obtained a better rating in the latest audit.



### NEW CORPORATE RESPONSIBILITY REQUIREMENTS FOR SUPPLIERS

#### I. HUMAN RIGHTS AND LABOUR STANDARDS

- Observance of Human Rights
- Abolition of Child Labour
- Free Choice of Employment (banning forced labour)
- Freedom of association and the right to collective bargaining
- Fair remuneration and Benefits
- Working Days
- Ban on Discrimination
- Health and safety in the workplace

#### II. BUSINESS ETHICS AND COMPLIANCE

- Compliance with the Law and the Code of Conduct
- Free Competition
- Preventing Corruption
- Avoiding Conflicts of Interest
- Managing and Safeguarding Data Privacy
- Protecting Intellectual Property

#### III. ENVIRONMENTAL PROTECTION

- Environmental Management
- Reducing Greenhouse Gas Emissions
- Preventing Air, Water and Soil Pollution
- Saving Resources and Reducing Waste
- Managing Chemicals

#### IV. OTHER: RESPONSIBLE PROCUREMENT OF MINERALS

## VERIFICATION AND ACCEPTANCE OF INCOMING GOODS

In the automotive industry, verifying that the products acquired meet requirements is very important, especially for safety or regulation-related parts.

By ensuring that compliant products are purchased, Gestamp reduces the cost of processing non-compliant parts and the risk of sending them to the client.

Gestamp guarantees the quality of outsourced processes, products and services supplied by using a defined process that optimises the resources allocated based on the characteristics of the product acquired, in accordance with the requirements of IATF 16949:2016.

Gestamp is implementing a tool to bolster management of how incoming goods are verified and accepted, to make it safer and easier to use. These are some of the benefits of the new tool:

- All the information available in the same database.
- Traceability across the entire production chain.
- Information security.
- Process automation.
- Resource optimisation.

To verify and approve product compliance the following variables are taken into account:

- ▶ Potential impact on the non-compliant product.
- ▶ Effectiveness of the controls applied by the supplier.
- ▶ Supplier performance.
- ▶ Client requirements.



6

PLANTS AT GESTAMP ARE ALREADY ENJOYING THE BENEFITS OF USING THIS TOOL

Is scheduled to be rolled out in 24 plants by late 2020

## Conflict minerals

As a result of the different international laws and measures that emerged to stop the exportation of minerals and metals from conflict zones, Gestamp decided to draw up its own specific policy in 2014.

Even though we do not directly use any mineral or metal recognised as coming from such zones (tungsten, tantalum, tin and gold) in our products, there is the possibility that one of our suppliers could be affected.

Through our policy, we commit to adopting measures geared towards disclosing and/or avoiding the source

and use of minerals in our plants and through our suppliers that may finance or benefit armed groups from countries connected with conflict zones.

To control and track this, Gestamp has created a consultation procedure and it provides information regarding the matter on a periodic basis or whenever it is required by our stakeholders (mainly clients and regulatory authorities) relating to its management and the results of implementing the policy at the Group level and in its supply chain.



# Industry 4.0 model: Smart Factory Strategy

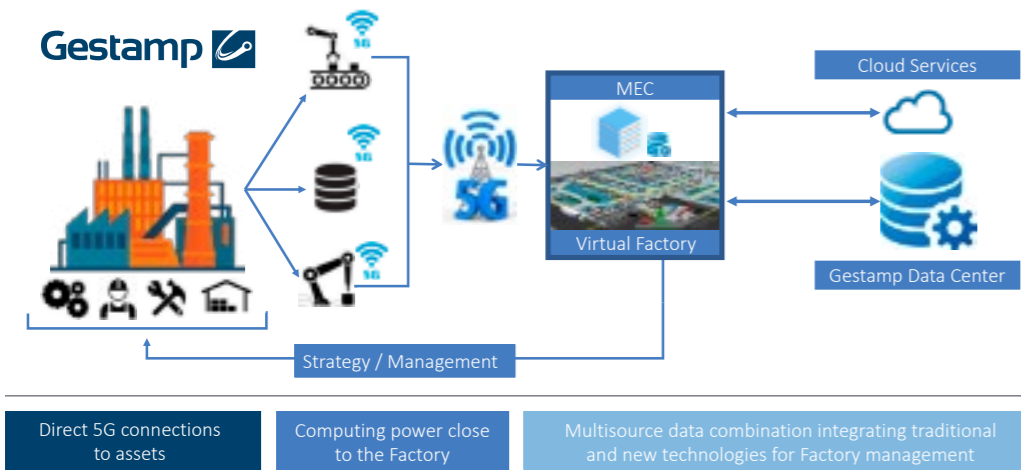
## Gestamp Smart Factory

At Gestamp we have spent several years strongly betting on an Industry 4.0 model applied to our production processes, with a clear vision: to create more efficient and flexible production plants as well as more consistent and reliable processes through the analysis of our data, adding intelligence to the processes to get the right information to the right people at the right time.

Gestamp has several ongoing Industry 4.0 projects that range from different production processes, such as hot stamping, cold stamping or arc welding, to auxiliary processes, such as maintenance, logistics, quality or energy.

nario could be the saturation of the equipment or the level of inventory, half the production sequence or the people needed per shift and short notices to logistics for movement of material or maintenance orders.

Once the scenarios on which to work have been chosen to meet the objectives that are set in the most efficient way, we have functionalities that will allow us to manage the factory. In other words, communication is bidirectional between the real and the virtual world. We do not only analyze the information in the virtual model to make the best decisions, we also execute the orders so that the plans are fulfilled.



All these projects are the pillars on which Gestamp has been building the concept of Smart Factory: smart production factories, capable of solving problems on their own and adapting to each situation flexibly, always operating at the highest level of efficiency.

Our Smart Factory concept is based on a system that has a commercial simulator as the first layer. The simulator gives us the possibility, once the factory has been virtualized, to carry out experiments that collect all the randomness of a complex system, to choose those scenarios that best respond to the stated objectives.

The scenarios are long, medium and short term and in each case the most optimal ones are sought according to the objectives that are set, the system being capable of continually changing and adapting to the situations that arise. Examples of output from a long-term sce-

We have carried out the pilot of this Smart Factory in our factory in Esmar (Spain) which, due to its characteristic features, small, single customer and with a Just in Sequence type of manufacturing, where the quantity and type of parts manufactured and delivered the client needs at all times, it was the ideal setting to carry out this project.

The first fundamental step of the project is connectivity with systems, with equipment, with the product and with people. Thus, within the systems we are connecting our ERP, our MES and all the information we generate with our Industry 4.0 projects through the IoT.

The connectivity with the equipment is made through direct and bidirectional connection with the PLCs (brain of the production lines) thanks to the advantages that 5G provides us as an enabling technology.

The connectivity with the product is linked to the traceability systems of the parts, systems already standard within Gestamp, which allows to track the parts as they are produced and store the process information, allowing us to have total control of the parts we produce.

And finally, connectivity with people. Now directly from the screens of the production lines or other screens that are available at the factory, although in the future different types of wearables will be used.

All the computation is done in the MEC (Multi access Edge Computing), which thanks to 5G allows to have “edge computing” on demand, as a Cloud service but with the robustness and precision of the edge, and which is essential for aspects such as real-time traceability, control and execution of production orders or the calculation of scenarios that we carry out with the simulation.

In this way, we have converted an existing factory into a digital (connected) factory, allowing us to virtualize the factory and then equip it with intelligence enough to function optimally, making the Smart Factory a reality

## SMART LOGISTICS

Logistics are crucial for the proper functioning of a factory. Its importance was what prompted us to develop an ambitious Industry 4.0 project with the aim of achieving a logistically intelligent factory.

The objective of this project is to develop a system that optimizes the efficiency of the internal logistics of our factories, automatically allowing the creation and prioritization of the different logistics tasks, knowing the precise location of the different logistics means, containers and materials, and reduce the importance of the human factor in the decision process.

The system is fed with information from the locations where the materials and production information from our ERP and MES must be sent. We have developed an algorithm that, based on these inputs, is capable of

prioritizing logistics tasks. The result is a sequence of logistics tasks to be completed by each of the factory logistics means. These tasks are updated in real time and the system can vary the priority of each of those tasks according to the needs of the factory at any given time.

Thanks to this project we have obtained greater control over the logistics of our factories, improving logistics processes, achieving improvements in the current use of logistics means, being able to optimize tasks and take advantage of this extra capacity in additional tasks, as well as halving downtime for lack of logistical means.

The pilot project developed at Gestamp Levante and implemented at Gestamp Buenos Aires, is in the expansion phase to other plants in the group.



# 01.3 Innovation

## 67 Our approach

## 68 Response to main sector trends

- 68 Outsourcing
- 68 Global platforms
- 68 Electrification
- 69 Reduced weight and CO<sub>2</sub> emissions
- 70 Safety
- 71 Comfort and dynamics

## 72 Leading human and technical resources

- 73 Physical and virtual laboratories
- 73 New Materials
- 74 Development of new technology
- 75 Development of new products

## 76 Outstanding R&D projects

## 78 Participation in strategic events

## Our approach

At Gestamp, innovation is one of the most important aspects in holding onto our strong and differential position in the automotive sector.

Through innovation, we seek to stay one step ahead of new technological trends and to offer standout products that meet efficiency, weight, cost, quality, comfort, safety and sustainability requirements.

For Gestamp, creating increasingly lighter products is one of the most important factors, as weight has a direct impact on engine energy consumption and, therefore, on CO<sub>2</sub> emissions, the regulating of which is becoming increasingly stricter due the emergence of new regulations.

Safety is another line of research and development for Gestamp. We focus on identifying formulas that increase safety for vehicle occupants and pedestrians.

Products also have to provide an improvement on comfort and durability, as well as being recyclable at the end of the useful life of the vehicle.

To do this, we strive to use new materials developed by Gestamp or available around the world with consistent quality levels, and to ensure that our production processes are effective and flexible throughout the production chain, and always at a viable cost, using the appropriate technology for each case.

Regarding the design and manufacturing of our products, we closely collaborate with vehicle manufactures from the very first development stages, which sometimes starts 5 years before their vehicles are rolled out. This collaboration or co-development, in addition to fulfilling their expectations regarding current products, gives us the opportunity to develop together future concepts, technologies and advanced solutions.

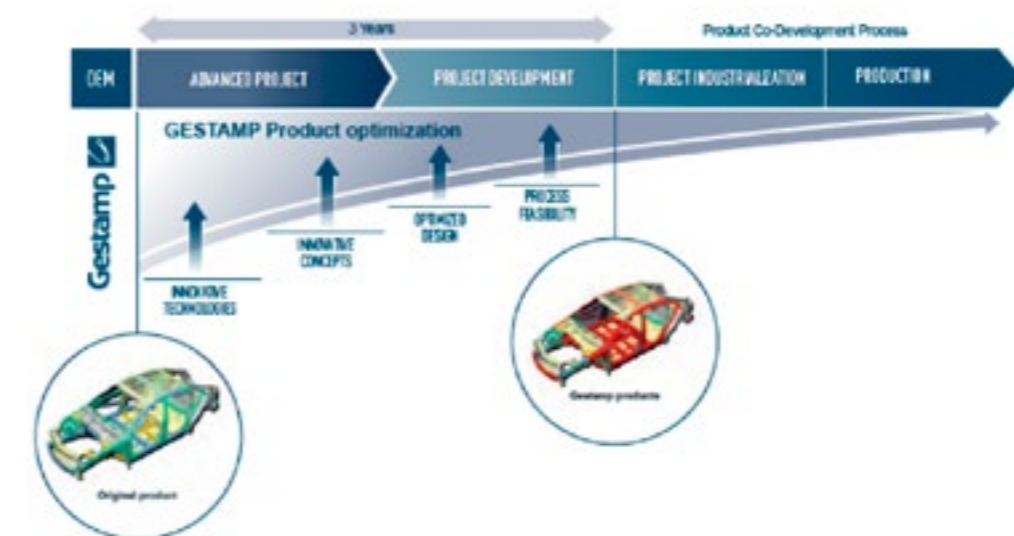
All the innovations developed by R&D for body-in-white, chassis and mechanism products in 2019 are valid for any type of engine.

Electrification poses a new challenge for our R&D teams as new components emerge and multi-material solutions become more widespread on the market. In 2019 we were able to work with clients on a greater number of projects based on future models, reaching a figure in excess of 285 body-in-white, chassis and mechanism co-developments.

### GESTAMP DEVELOPS ITS R&D BASED ON:

- Safety improvements
- Weight reduction
- Increase in comfort and dynamics
- New materials
- New technology and processes

### DIAGRAM OF THE PRODUCT CO-DEVELOPMENT PROCESS FROM THE INITIAL IDEA TO PRODUCTION



**285 BODY, CHASSIS AND MECHANISM PROGRAMMES WERE CO-DEVELOPED IN 2019**

# Response to main sector trends

## Outsourcing

The changing nature of the automotive industry has led to manufacturers prioritising their investments. They are opting for investing in new trends, such as improvements in motor technology (e.g. electric motors), driverless vehicles and shared mobility, which entails investing less in their internal capacities in comparison with other areas that do not directly affect brand differentiation, such as body-in-white or chassis.

This trend, together with standardisation through global platforms, has given rise to an increase in outsourcing. Manufacturers choose a small number of strategic suppliers, like Gestamp, to provide them with parts containing or requiring advanced technology.

## Electrification

These days, most brands now offer fully electric or hybrid vehicles. Electrification is an unstoppable trend for the automotive sector, with diverse factors driving it forward, the most important of which is the growth in urban populations and the improvement in the air quality there.

Local initiative will be the driver behind more sustainable mobility based on clean, shared transport, in which both public and private electric vehicles will be the main feature. These needs will prompt technological developments towards more efficient, economical and recyclable batteries, as well as the creation of an adequate charging infrastructure. A reduction in battery costs is needed to make electric cars more competitive with combustion engine vehicles for mass acceptance to take place.

Electric vehicle designs require new products and changes in the vehicle response in the event of collision that are drastically different from those of a combustion engine vehicle. Comfort is starting to become an even more important feature in electric vehicles.

The Electric Vehicle area and R&D teams at Gestamp are offering diverse solutions, such as the electric battery box.

## Global platforms

Vehicle manufacturers focus on standardisation platforms to optimise developments and production costs, and to considerably reduce the lag time between product design and launch.

Following this strategy, the engineering is usually the same in the various vehicle models.

Gestamp is one of the leading developers and suppliers of combustion engine vehicle platforms. Furthermore, in 2019, we collaborated to develop numerous hybrid platforms and pure electric vehicles, enabling us to secure a number of mass production contracts for different vehicle manufacturers around the world.

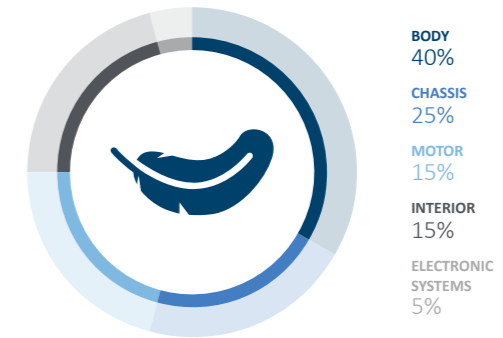


## Reduced weight and CO<sub>2</sub> emissions

The development and production of fuel-efficient vehicles is a growing key trend in the automotive sector. This trend has been driven by regulatory factors and by the growing environmental awareness of consumers, playing an increasingly important role in their decisions on purchasing vehicles. As a result, manufacturers face constant pressure to improve the fuel efficiency of their vehicles and to reduce CO<sub>2</sub> emissions. Reducing the weight of vehicles increases their fuel efficiency and reduces their CO<sub>2</sub> emissions, which makes the body-in-white and chassis components produced by Gestamp vital in achieving CO<sub>2</sub> emission targets

Our R&D capacities, leadership in hot stamping technology and experience in developing multi-material solutions focused on making lighter components, help us to provide innovative solutions to address our clients' regulatory pressures in a cost-effective way.

VEHICLE WEIGHT DISTRIBUTION



**REDUCING THE WEIGHT OF VEHICLES INCREASES THEIR FUEL EFFICIENCY AND REDUCES THEIR CO<sub>2</sub> EMISSIONS**

Source: VW



## Safety

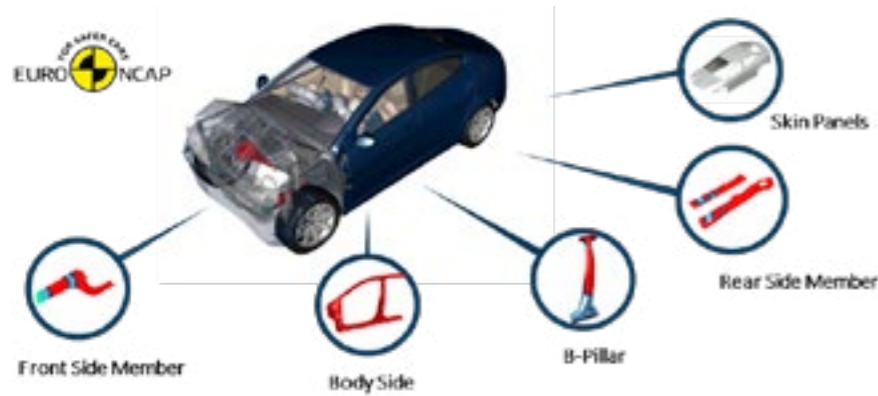
Many of our products help manufacturers to comply with the safety regulations, which are becoming increasingly complex and difficult to address regarding the comprehensive safety of vehicles. For example, our high-strength and ultra-high-strength steel products significantly improve the ability of vehicles to withstand impacts. Furthermore, the energy absorption improvements in our portfolio of chassis and body-in-white products increase driver and passenger safety, reducing side impacts to a minimum, while the bonnet

hinges in our mechanism product portfolio improve pedestrian safety.

Furthermore, technologies such as hot stamping, an area in which we are leaders, allow us to meet even the strictest safety requirements and to withstand car-to-car crash tests.

The following graph shows how our products help our clients to comply with increasing safety requirements.

### GESTAMP PRODUCTS HELP TO COMPLY WITH MOST OF EVEN THE STRICTEST SAFETY REQUIREMENTS



### INTERNAL CAPACITIES FOR UNDERTAKING VEHICLE CRASH SIMULATIONS

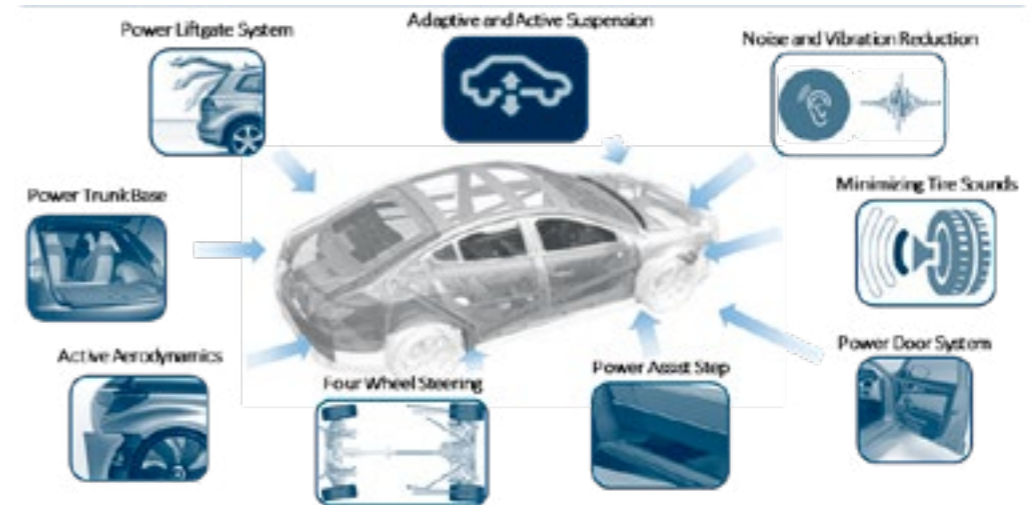


## Comfort and dynamics

Some of the main criteria users take into account when purchasing a vehicle regard drive experience, comfort and dynamics. This is leading to a rise in demand for components such as electric liftgate systems, noise and vibration reducing components, electric door systems, power assist steps and noise reducing tyres. Gestamp has been working on these components for

many years and it leads the way in the sector. They have long been components installed in top-of-the-range vehicles and SUVs, although it is expected that they will become standard in all cars within the next few years.

### GESTAMP PRODUCTS IMPROVE THE DRIVER EXPERIENCE



# Leading human and technical resources

We have made significant investments in recent years in developing and expanding our R&D area, which allows us to secure our strategic relationship with clients.

By late 2019, we had a team of more than 1,600 people both in the 13 R&D centres and in production plants. Many projects see the participation of not only R&D engineers, but also stamping, metrology, welding and quality engineers, whose contribution is invaluable throughout the entire development process.

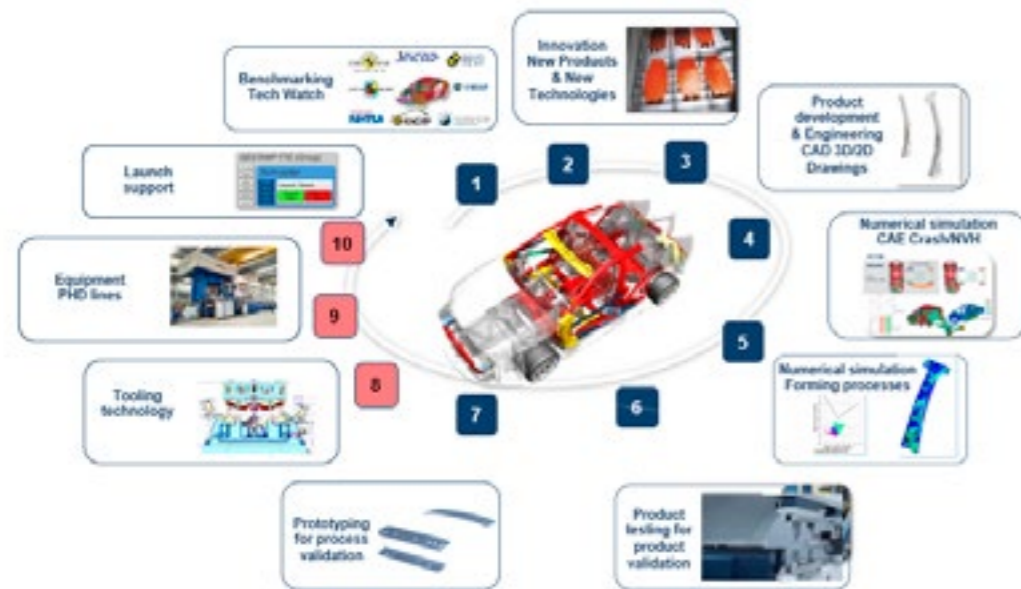


PEOPLE INVOLVED IN DIFFERENT PROJECTS  
**1,600**



R&D CENTRES  
**13**

## WE ARE INVOLVED IN THE ENTIRE VEHICLE DEVELOPMENT CYCLE



## Physical and virtual laboratories

Although our R&D teams work with the latest design and simulation tools, they also develop their own internally to improve processes, increase efficiency and to save time.

We also have mechanism resistance and reliability testing labs that use specific machinery to materially evaluate the developments designed by means of prototypes. The passive safety and crash tests are conducted at our lab in Luleå (Sweden).

With each new model, vehicle manufacturers must reduce development cycles.

In recent years, Gestamp has developed virtual tools for testing new technology and new products, known as GLABs ("Gestamp Laboratory Cars").

With these models, much of the development and testing can be done in a virtual environment, thus speeding up the design, test and approval phases.

Gestamp tiene numerosos modelos virtuales de coches de motor de combustión y desde 2018 también tiene modelos virtuales para vehículos híbrido eléctrico enchufable (PHEV: Plug-in Hybrid Electric Vehicle) y para vehículos eléctricos. These models enable us to anticipate the impact of new technologies, new designs and/or materials on the body-in-white and chassis



and to assess them in terms of weight, performance and cost.

In addition to cars in various ranges and engine types, Gestamp also designed and simulated new technologies such as "Multistep" and BKT. Through these simulations, all the process phases were perfectly analysed and launch periods were considerably reduced.

## New Materials

In a bid to develop new, safer and lighter products, we at Gestamp are conducting research into the development of new materials. We believe that the kind of structural materials used will gradually change in the years to come, with an increase in the use of aluminium, carbon fibre, new high-strength steels and multi-material hybrid structures.

- **Advanced high-strength and ultra-high-strength steels:** The use of advanced high-strength steel and ultra-high-strength steel helps to reinforce vehicles to protect the passenger compartment in the event of an accident.
- **Aluminium:** The use of aluminium reduces the weight of top-of-the-range models by applying aluminium solutions to skin parts and vehicle doors.

- **Carbon fibre composites:** Some manufacturers have used carbon fibre to reduce the weight of top-of-the-range vehicles and improve efficiency. But the cost and processing of this material, combined with limitations on recycling it, makes it less attractive for mass produced vehicles.
- **Multi-material structures:** Companies such as Gestamp are investing in new technologies and machinery to create multi-material structures as part of the existing manufacturing process and value chain. This formula paves the way for a wide range of innovations which make parts lighter, thus satisfying the need to reduce fuel consumption and emissions.

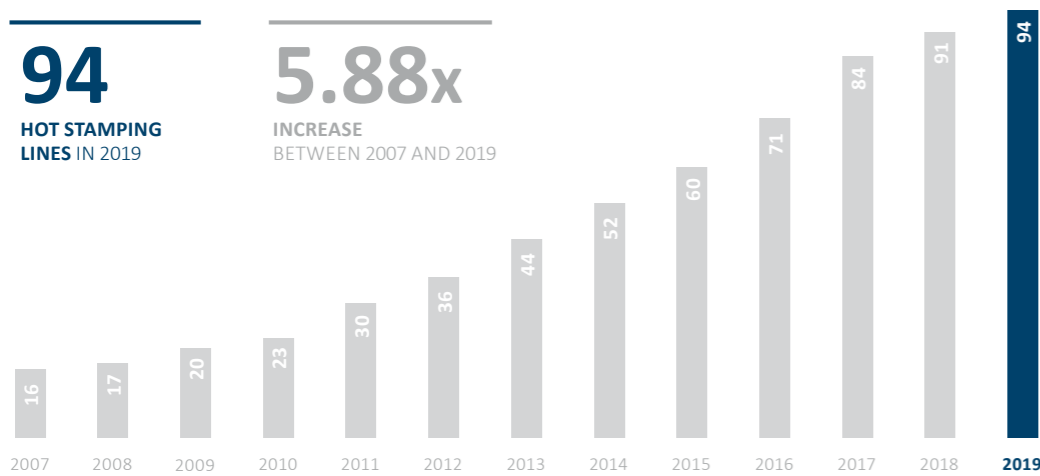
## Development of new technology

Back in 2018, Gestamp began developing a new hot stamping technology known as “Multistep”. With this method, martensitic materials with a new chemical composition can be processed as part of a transfer process that allows for geometries that were unthinkable up to now using the traditional hot stamping process. Parts can also be cut in such a way as to avoid the need for an extra post-stamping process such as laser cutting.

Furthermore, with this new process, components with zinc materials can be manufactured, thus improving the corrosion resistance of the manufactured parts.

Mass production of parts using this technology began in 2019, thus paving the way for further developments based on new materials and a new heat treatment method.

Gestamp is the world leader in hot stamping. Not only because of the number of lines installed worldwide - a total of 94 lines as of 31 December 2019 - but also because of the technological sophistication achieved.



The amount of hot stamping in a body is essential when it comes to reducing weight while also improving crash performance. Hot stamping offers these two advantages. However, the key factor is managing to introduce hot-stamped parts with multiple hardness levels in critical zones. Understanding how to create soft areas in a hot-stamped part is crucial for controlling deformation in the event of a crash.

Gestamp has already received recognition for its innovations in creating these zones during the stamping process, and in 2018 it started to develop a new process to achieve smaller, more precise soft areas. This process, known as BKT (“Bending Kinematic Treatment”), makes it possible to generate different properties within a single part using a laser-based heat treatment.

With these laser-manufactured soft zones, new optimised designs can be created to improve crash performance and prevent local breakage. In addition, joints to the hot-stamped parts can be enhanced in these small soft zones, and faults in the resistance welding or the mechanical joints with aluminium parts are also reduced.

This new process is valid not only for 1500-Mpa (“Megapascal Pressure Unit”) materials but also for the new generation of 1900 and 2000-MPa materials.

In 2019, Gestamp successfully applied this technology to parts on an electric platform for a well-known Japanese manufacturer.

## Development of new products

Thanks to Gestamp’s know-how in hot stamping technology, the R&D department is able to innovate in the design of components manufactured using this technology.

Gestamp is able to manufacture large low-thickness parts thanks to the process developed in the 94 lines deployed worldwide.

The One-Piece Door Ring is a new product that has attracted the attention of a large number of customers in 2019. In this year, Gestamp developed, together with 8 of the most relevant automotive manufacturers, different co-developments in this product for their new models.

Gestamp already has projects in serial production of this product and continues to innovate by applying new assembly concepts to make the product even more attractive.

Also with regard to hot stamping, Gestamp is developing a new floor concept, thinking of a flatter product yet having suitable performance during a crash event absorbing energy. The One-Piece Floor, in addition to providing a more light-weight solution, allows the integration of different parts currently assembled together.

During 2019, Gestamp continued working on new components that have emerged in connection with vehicle electrification, such as the battery box. Thanks to the Joint Venture with ETEM, Gestamp has expanded its aluminium part development capabilities. The application of new alloys with excellent crash performance has allowed Gestamp R&D to develop 100% aluminium battery boxes with customers in 2019. In the same year several projects have been achieved, some of them for pure electric platforms, to be put into production in 2020 and 2021.

With regard to chassis manufacture, in 2019 mass production of aluminium chassis for EV began in Europe, while also achieving developments and orders for aluminium chassis in China.



# Outstanding R&D projects

Gestamp BIW



## BIW: ONE PIECE FLOOR



Gestamp has developed an innovative concept for the hot stamping manufacture of a complete floor in a single piece, focused on the emerging sector of the electric vehicle, EV, with the idea of reducing the complexity of the assembly and improving performance in terms of safety, and weight.

Currently, the floor assembly consists of a total of between 10-20 different pieces, which generates a high number of points, weld beads, adhesives, etc ... while the investment in tools is very high.

This innovative concept seeks to reduce as much as possible all the costs related to assembly and associated costs (saving space, energy and personnel).

Another alternative that arises from this concept is the use of materials with zinc coating (Zn) for the manufacture of the floor. Being a part located in the wet area of the vehicle, the galvanized material gives us an improvement in protection against corrosion.

### Objectives

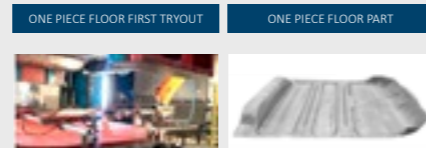
- Manufacture of the piece in a single stroke.
- Improved crash performance in a side crash.
- Avoid breakage thanks to ductile areas (under patent).
- Protection of the battery box in different load cases.
- Reduction of complexity when assembling.
- Reduction of welding, both points and beads.
- Weight reduction.

### Implementation

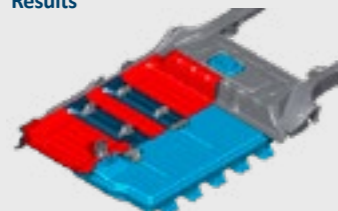
**TRL 6**  
(Technology development level)  
Validation of prototypes for subsequent industrialization of the technology / product.

### Try-Outs

Try-Outs at 1:1 scale produced by our plant in Bilbao (GGT GTH)



### Results



Great customer interest for Implementation in floor systems with integral batteries for urban vehicles.

This offers us the opportunity to penetrate the engineering of our clients and capture business in the medium-short term.

Gestamp Chassis



## CHASSIS: DESIGN CONCEPTS FOR THE BATTERY ELECTRIC VW PLATFORM MEB

Gestamp provided the chassis design concepts for the battery electric VW platform MEB (Modulare E-Antriebs-Baukasten). The MEB is the first dedicated BEV (Battery Electric Vehicle) platform from VW and supports the vehicles of the I.D. family. ('Identity' and 'Iconic Design').

Due to the new vehicle architecture one key performance requirements is the energy absorption during crash to deliver vehicle safety, besides the usual stiffness, durability, strength and NVH (Noise Vibration and Harshness) design whilst minimizing vehicle weight and variant cost.

Gestamp were design responsible from the very first concept through to the production for the Subframes, Front Lower Control Arms and Rear Trailing Arms.

When considering a common platform for the ID family this needs to cover vehicle sizes from C-segment through to small MPV, the design tension is between the "volume efficiency" of a completely common design vs "weight inefficiency" caused by the need to design for both the lightest and heaviest vehicles in a platform.

The goal was to deliver platform designs with high single part commonality, optimized for the best balance of cost, weight and performance over a range of axle weights whilst keeping global manufacturing strategy and flexible production in mind.

Gestamp Engineers initially worked closely with VW Chassis Engineering on the concept designs for the MEB program to meet both the performance requirements and platform challenges with minimum mass/cost. This was delivered through good alignment between the VW project responsible team and the Gestamp R&D team using latest CAE analysis methodologies to deliver the performance requirements and optimizing the NVH eigen frequency for the challenging target of the subframe. This is particularly important for quieter BEV's.

### Outcomes

The Gestamp team delivered two Front MEB Subframe designs, one Rear subframe, Front Lower Control arms and the Rear Trailing arms for the MEB platform. Part commonality was not completely achieved- but where this compromise has been made, a very good weight balance is justified and delivered. This supports on major goal from VW to deliver cost efficient light-weighting, to increase the range of the ID. vehicles. A comparison with another OEM battery electric vehicle reveals the good work, even with a higher axle loads on the MEB Front subframe, the steel solution is 2kg lighter than the aluminium subframe of the competitor BEV.

Thanks to the Gestamp team, steel has again proven its lightweight potential and its recyclability has been known for decades.

Edscha



## MECHANISMS (EDSCHA): GREATER CONVENIENCE FOR LIGHTWEIGHT DOORS

Lightweight doors are being increasingly installed in high-end and premium vehicles in order to save weight and thus reduce emissions of environmentally harmful CO<sub>2</sub>. Edscha has developed a door check for these vehicles called the Edscha Double Spring (EDS). It ensures that lightweight doors have a much more pleasant feel when they are opened and closed.

The EDS enables premium manufacturers to reduce the weight of a car in the door areas without compromising on ease of use.

In 2020, Edscha will launch a new premium product, the EDS. This innovative stepless door check will find its first use in the vehicles of a British premium manufacturer. At least five models will be equipped with the EDS, making it much easier for customers to get in and out of a car.

Starting in 2020, a million door checks will be manufactured per year. The aim is to gain more customers in the years ahead.

# Participation in strategic events

Over the past few years, the marketing, R&D and Sales teams have established and set a calendar of strategic events for Gestamp, attending the main automotive events in diverse regions around the globe.

We also participate in private activities arranged with our clients and in events with other stakeholders such as universities, associations and business partners.

## Technological Events and Public Fairs

In 2019, Gestamp took part in several Technological Conferences and Events in Europe, Asia and North and South America, presenting core Technologies and Innovations to an expert audience. This type of events allows us to provide deeper insight about our concepts and innovative developments.

Another key feature of our strategy is attendance at leading Automotive Fairs in our core regions. By attending these fairs, we can show the market the latest innovations at Gestamp and strength our position as a leading international supplier of automotive components.

### EVENTS 2019

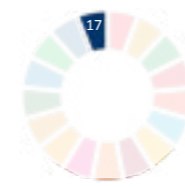
COUNTRY	EVENT	COUNTRY	EVENT
	SIAT Expo		JSAE Automotive Engineering Expo Nagoya
	Auto Shanghai		EuroCarBody
	SAE Brazil CarBody Symposium		SAE Brazil Congress
	Great Designs in Steel		SAECCE- SAE Congress & Exhibition
	JSAE Automotive Engineering Expo Yokohama		90th MNC EHS Meeting
	Automotive Engineering Expo Congress		BlechExpo



SAE Brazil Congress



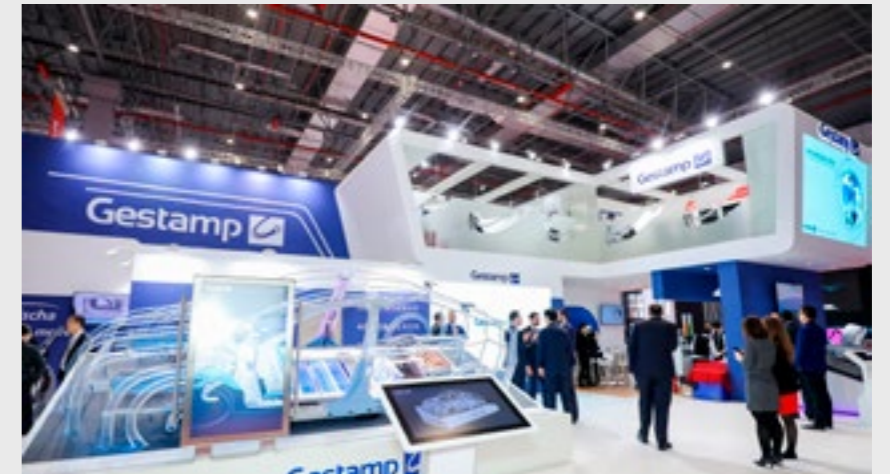
SAECCCE- SAE Congress & Exhibition China



SDG 17 Partnerships to achieve the goals

## AUTO SHANGHAI: ALLIANCES FOR COOPERATION WITH CHINA

China

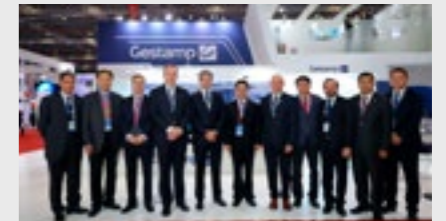


In April 2019, Gestamp attended its first Autoshow in the company's history, presenting its innovative products and technologies in a space covering more than two hundred square metres.

With more than 1,000 participants, the fair provided the perfect opportunity to improve our relationships with our Chinese partners. During the first few days, Gestamp had a chance to invite representatives of our main clients, such as GAC, BAIC / BHAP, BYD and JAC, and also the primary media outlets in the country to visit our stand. R&D experts gave presentations on our innovations during the visits to the stand, adapting them to the different audiences.

At the event, Gestamp showed off its capabilities for electric vehicles, in line with the main topic of the fair, besides presenting its hot stamping technique and new solutions for chassis and Edscha. It also displayed the use of new materials like aluminium and new products such as the battery box.

Several virtual reality sessions were held during the fair, where visitors could appreciate innovative technologies like "Ges-Multistep" and "Ges-Softbend", in addition to crash simulations in a highly realistic atmosphere.



The company's presence at the Shanghai Autoshow helped bolster Gestamp's commitment to China, the group's fourth largest market in terms of revenue, where the Group has grown significantly since operations there began.

At the same time, Gestamp's participation highlighted the commitment and support of the international departments of certain corporate teams, R&D, the Asia and local China divisions, which all worked together to make the event possible.

Therefore, by participating in the Shanghai Autoshow, Gestamp is helping to achieve the United Nations SDG 17 "Partnerships to achieve the goals", strengthening the means of implementation and renewing the global alliance between clients and suppliers.



A photograph of a modern building with a glass facade and a lush green living wall. The living wall is composed of various green plants, including large-leafed succulents and smaller leafy plants. The building's glass windows reflect the sky and surrounding greenery. The overall scene is bright and vibrant, emphasizing sustainability and green architecture.

# 02.

## **Environmental Dimension**

Environmental Management and the Circular Economy **82**

Climate Change **94**

# 02.1 Environmental Management and the Circular Economy

83 Our approach

84 Policy

85 Certifications and human, technical and economic resources

86 Sustainable Use of Resources

86 Water

87 Raw materials

88 Circular economy

92 Biodiversity

93 Participation in forums and associations

## Our approach

Gestamp's environmental management is comprehensive. We apply environmental criteria at every stage of production, from the selection of our suppliers and optimisation of raw materials to the way we manage the energy consumed in manufacturing components and management of waste and of greenhouse gas emissions in the product usage stage.



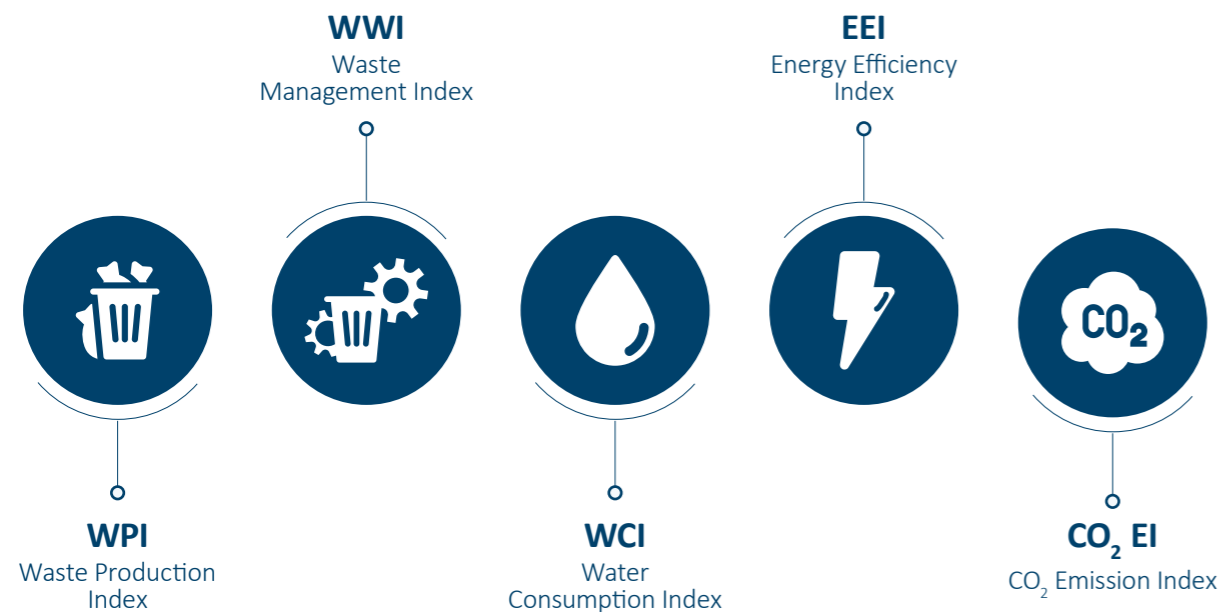
# Policy

In order to control and minimise the environmental impact of its activity, the Group has established an Environmental Policy that requires the following from all its production centres:

- Implementation and maintenance of a certified Environmental Management System in accordance with international standards (ISO 14001 or EMAS).
- Quarterly reporting of the main environmental aspects through a management tool for monitoring environmental performance, identifying improve-

ments and sharing the implementation of best practices. In this way, the data from all the production centres on water consumption, raw material consumption, waste management, waste production, energy consumption, environmental incidents and best practices is reported to Corporate, which audits it and carries out comprehensive monitoring of its evolution at each of the centres and for the Group as a whole, based on the following key indicators:

## Indicadores clave



# Certifications and human, technical and economic resources

## Certifications and audits

As of 31 December, the Group had 91% of the plants certified in accordance with the ISO 14001:2015 standard and/or EMAS. Gestamp has earned 4 new certificates and 10 new production centres have joined the Group, either newly built or purchased, thus becoming integrated into our environmental management system. In accordance with the Environmental Policy, newly incorporated plants have a term of 2 years to achieve it. Considering the current scope, the Group has established the internal objective of certifying 100% of the plants in 2022.

Likewise, each of the plants is audited both externally and internally every year. In order to carry out internal audits, we encourage cross audits in which two technicians from two plants in the Group audit a third plant in order to share experiences, replicate solutions, propose improvements, etc. This system is now fully implemented in Spain, Portugal and Germany.



## Resources for environmental prevention: people, provisions and guarantees

At Gestamp, we have a professional team dedicated to complying with environmental requirements both at the corporate level and at each of the plants. Environmental technicians report quarterly to the corporate team, who monitor and evaluate the indicators.

of insurance that can cover the occurrence of environmental risks:

- Environmental Liability Insurance

Total investments in systems, equipment and facilities relating to the protection and improvement of the environment amounted to a gross value of EUR 5,096 million at the close of the 2019 financial year. The expenses incurred in relation to the protection and improvement of the environment amounted to EUR 4,907 million.

- Third-Party Liability Cover for Sudden and Accidental Pollution in the General Third-Party Liability policy.eral.

Regarding environmental risks, Gestamp makes financial provisions to cover their implementation. Additionally, the company has guarantees in the form

In 2019, there were incidents at 4 plants, which were related to small-scale fires and a number of chemical substance spillages. However, none of those incidents called for the activation of the guarantees under the Environmental Responsibility Policy that the Group has taken out. The analysis of these kinds of events has allowed us to establish prevention and correction measures.

# Sustainable Use of Resources

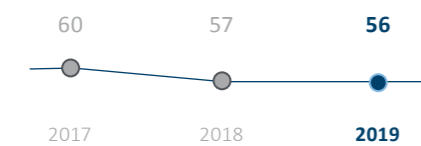


Water

WATER CONSUMPTION ACCORDING TO THE SOURCE (M3)	2017	2018	2019
Public Network	1,417,426	1,413,842	1,471,513
Surface Water	240	240	240
Underground Water	256,584	246,260	256,354

## WATER CONSUMPTION INDEX EVOLUTION

Water Consumption Index (m<sup>3</sup> of water consumed /100,000 euros of added value)



To monitor the development of water consumption, we use the Water Consumption Index, or the WCI, which measures the m3 of consumed water/€ 100,000 of added value. The WCI has followed a downward trend when compared with previous years. The significant variation experienced in this index depends on the part being painted, which directly relates to the projects being worked on with the client at any given time. The painting of skin parts, which will eventually be placed on the outside of vehicles, involves certain quality requirements that make it essential to frequently change the baths on the cataphoresis lines. As such, there is a considerable increase in water consumption. Conversely, the baths can be reused in the treatment of structural parts, which entails a low water consumption and a reduction in the WCI.

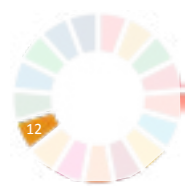
In addition, since 2015, we have completed the CDP Water Disclosure questionnaire, which specifically regards water issues, publicly disclosing our water footprint and providing information on the different aspects in managing the resource. The rating obtained in the CDP Water 2019 was "B-", in line with the "B-" average for companies in the Metal Sector.

### CDP 2019 WATER SCORE



Water is a limited natural resource, and while we do not use it intensively, we do have savings and efficiency plans in place.

Water consumption at our production plants is predominantly for domestic use. At plants where surface treatment processes take place, such as painting or galvanising parts, or hydroforming processes, there is an industrial use of water. Only 27% of the Group's centres have such a process. These systems are, in all cases, closed circuit so that water is reused for long periods of time.



SDG 12 Responsible production and consumption

## REDUCING WATER CONSUMPTION

### Gestamp Prisma (France)

The Prisma plant in France managed to reduce by 30% the water consumed in the surface treatment and painting process thanks to more efficient, automated water management.

To achieve this reduction, a refiner was installed and the distillation tank draining process was automated. Thus, the average water consumption dropped from 136 m3 to 94 m3 per week.

As a result of this initiative, the Prisma plant not only managed to reduce its expenses related

to water consumption but, by efficiently managing this resource, it also improved its performance in terms of sustainability.

Therefore, Prisma is helping to achieve the United Nations Sustainable Development Goal (SDG) number 12, "Responsible production and consumption", focusing on target 12.2

*"By 2030, achieve the sustainable management and efficient use of natural resources"*



Raw materials

The manufacture of Gestamp parts requires the use of raw materials (steel, non-ferrous metals) and auxiliary materials (wire, welding gases, oils, etc.).

Raw materials represent approximately 44% of the Group's sales in the last three years, and steel represents over 85% of raw material purchases. In 2019, approximately 62% of the steel purchased in the Group was purchased through vehicle manufacturers' resale programmes, i.e. the manufacturer directly ne-

gotiates the price of the steel used to manufacture its parts with the steel suppliers.

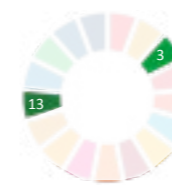
Furthermore, our plants are constantly working on the characteristics of the procured materials, striving to gradually improve the way they are used, replacing oils and toxic or hazardous chemicals with other, less hazardous products or products that have a lower impact on the environment or human health.

## Steel and other procured materials

Steel and aluminium are the most commonly used raw materials in our production processes, representing a weight of 97% and 2%, respectively, of the total materials consumed. Gestamp is working to reduce all this consumption by identifying and implementing good practices.

To a lesser extent, representing 1% of total consumables, products such as oil, paint and chemical products required as auxiliary materials to carry out our production activities are used in our plants.

CONSUMPTION OF RAW MATERIALS AND PROCURED MATERIALS (% TN)	2017	2018	2019
Steel	98%	98%	97%
Aluminium	1%	1%	2%
Other procured materials	1%	1%	1%
Paint	5%	7%	6%
Oil	7.5%	9%	9%
Binder agent	5.7%	7%	7%
Welding wire	29.4%	28%	28%
Electrodes	2.1%	2%	1%
Chemical products	7.8%	9%	10%
Welding gases	42.4%	38%	39%



SDG 3 Good Health and Well-being

SDG 13 Climate Action

## REDUCTION IN VOLATILE ORGANIC COMPOUNDS IN CLEANING PRODUCTS

### Gestamp Tooling Erandio (Spain)

The Gestamp Tooling Erandio plant in Spain carried out an initiative aimed at gradually replacing its customary cleaning products with others that are contaminating and healthier for the people in the vicinity.

The die cleaning products normally used (acetone and solvent) contain 100% Volatile Organic Compounds (VOCs). These compounds can have an impact on air pollution. Gestamp Tooling Erandio has gradually replaced these products with a product that is low in VOCs (11%) and therefore less contaminating.

The packaging of the new cleaning product is reusable and has a spray nozzle, which reduces

### ACHIEVEMENTS:

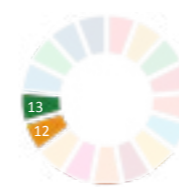
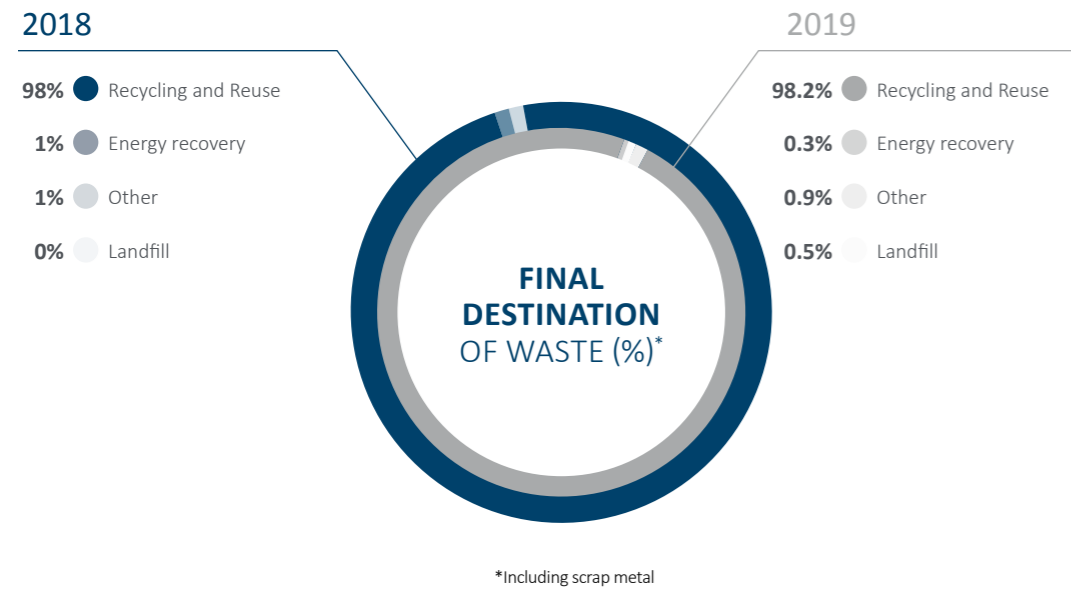


the amount of packaging used and product consumed.

Gestamp Tooling Erandio is helping to achieve the United Nations Sustainable Development Goal (SDG) number 3 "Good Health and Well-being", focusing on target 3.9 By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination. In addition, through this initiative, the plant is also contributing to SDG 13 "Climate Action", 13.2 Integrate climate change measures into national policies, strategies and planning.

# Circular economy

At Gestamp we have implemented a circular economy model according to which we encourage responsible waste management practices aimed at separating, reusing, recycling and recovering the vast majority of our waste. We have a high recycling/reuse rate, with 98.2 % of our total waste ending up recycled, reused or its energy recovered.



**SDG 12**  
Responsible production and consumption

**SDG 13**  
Climate Action

## ZERO LANDFILL PROJECT

Edscha Do Brasil – Sorocaba (Brazil)

In an effort to reduce the environmental impact of the non-hazardous waste generated at the Edscha Do Brasil plant, the “Zero Landfill” project was created. The plant has managed to give a second life to 100% of its non-hazardous waste, which usually ended up in landfills.

Based on a circular economy model, Edscha Do Brasil has successfully converted its waste into raw materials. This initiative consists in reducing the amount of waste generated at the plant and co-processing the remaining non-hazardous waste so that, instead of being sent to the landfill, it is used to manufacture cement and to generate energy, in conjunction with our suppliers.

Through this project, the Edscha Do Brasil plant manages to generate residual energy efficiently and avoids sending any non-hazardous waste to landfills, thus reducing methane emissions into the atmosphere at landfills. Recycling is maximised and environmental pressure is reduced, while also reducing the costs of transporting the plant’s waste.

Edscha Do Brasil has been awarded the “Zero Waste” certificate because the project meets the requirements for the competent environmental resources and waste is processed to generate energy.

The plant thus contributes to the achievement of United Nations Sustainable Development Goal number 12 “Ensure sustainable consumption and production patterns”. Specifically, this initiative seeks to contribute to target 12.5 “By 2020, substantially reduce waste generation through prevention, reduction, recycling and reuse”.

Furthermore, by reducing methane emissions into the atmosphere at landfills, this initiative also works towards SDG 13 “Take urgent action to combat climate change and its impacts”, integrating climate change measures, as urged in target 13.2 of this goal.



## Waste management

In 2019, a total of 47,966 tonnes of waste was generated, not including scrap metal. 24,517 tonnes corresponded to non-hazardous waste and 23,449 tonnes to hazardous waste.

Of the total of non-hazardous waste, 96% corresponded to scrap metal. Scrap metal is a waste product that is 100% recyclable. Its reintroduction into the steel production process contributes to closing its life-cycle in accordance with our circular economy model.

TYPES OF WASTE GENERATED (TN)

	2017	2018	2019
Hazardous Waste	24,741	20,786	23,449
Non-Hazardous Waste	23,373	23,875	24,517
Scrap	1,156,224	1,176,687	1,150,818

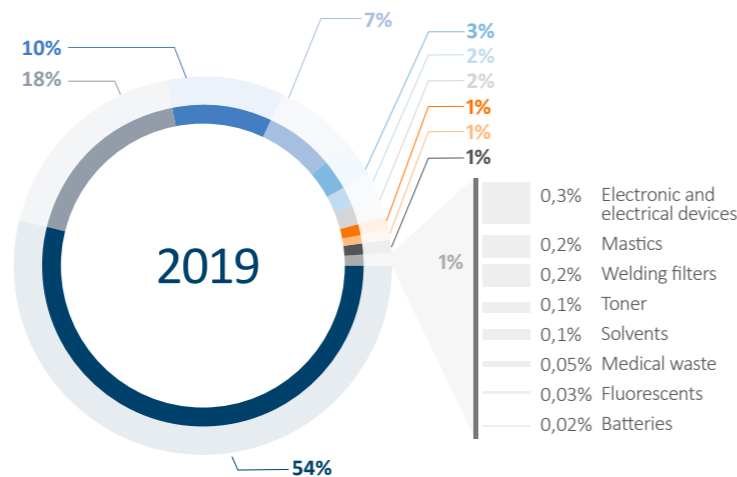
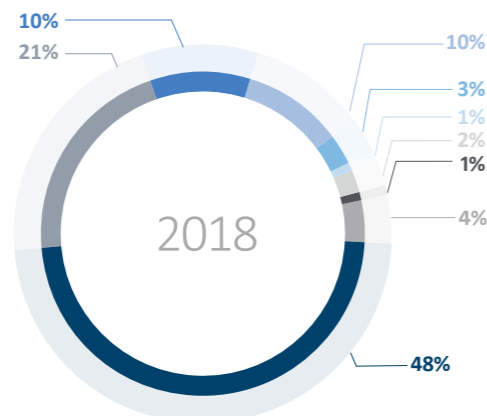


## Hazardous waste

In the hazardous waste category, the most frequently generated type is contaminated water, sludge, used oils and contaminated materials (cloths and gloves stained mainly with oil).

TYPE OF WASTE (%)

- Polluted water
- Used oil
- Sludge
- Other waste
- Contaminated material
- Used oil filters
- Blasting dust
- Cutting oil
- Welding powder
- Contaminated packaging
- Remainder



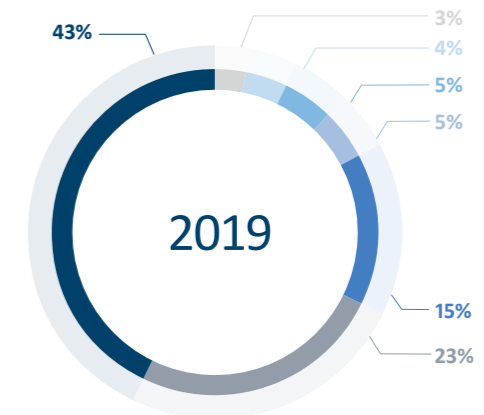
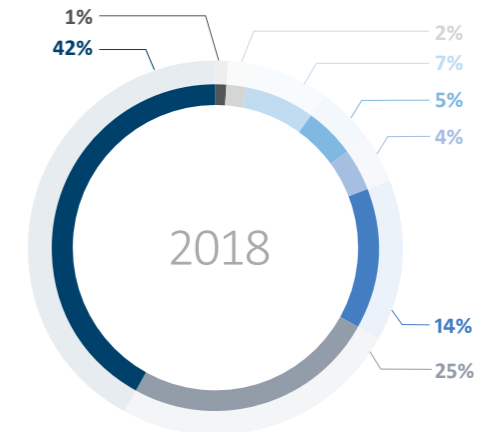
## Non-hazardous waste

The most frequently generated non-hazardous waste categories are wood, solid urban waste and paper/cardboard:

91% OF OUR PLANTS ARE CERTIFIED

TYPE OF WASTE (%)

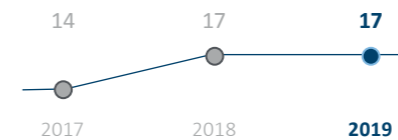
- Wood
- Solid urban waste
- Paper/cardboard
- Non-hazardous sludge
- Other non-hazardous metals
- Other non-hazardous waste
- Plastic containers
- Non-hazardous oil



WWI Waste Management Index

### WASTE MANAGEMENT INDEX EVOLUTION

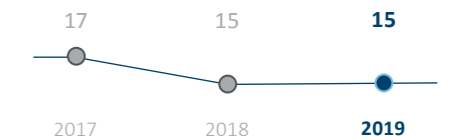
Waste Management Index (cost of waste management in thousands of euros/10,000,000 euros of added value)



WPI Waste Production Index

### WASTE PRODUCTION INDEX EVOLUTION

Waste Production Index (tonne of waste/1,000,000 euros of added value)



# Biodiversity

All of Gestamp's production plants are located in urban and industrial areas.

During 2019, we carried out a detailed study on the situation of our production centres in relation to nearby protected areas. The study concludes that, although 69% of our plants are located in an area close (<5km) or adjacent to a protected natural environment, given the characteristics of our processes, the risk of affecting the natural environment is very low in 88% of these plants. According to the internal risk assessment, the risk is considered to be high in plants with industrial surface treatment processes that release their waters into public waterways. Only 8 plants in the Group meet these conditions and, through internal audits, we carry out the necessary controls to ensure that they have implemented an accident/environmental incident prevention plan that minimises the occurrence of a possible event.

As a residual risk, Gestamp controls environmental noise and light pollution within the operational control of the environmental management system certified under ISO 14001 and/or EMAS.

## THE EUROPEAN COMISION **EU BUSINESS@BIODIVERSITY** PLATFORM

At the same time, we continue to voluntarily participate in the European Commission EU Business@Biodiversity Platform.

On this platform, we work with pioneering companies to develop tools that help integrate biodiversity into different currently existing business models. The work focuses on three main areas:



1

### NATURAL CAPITAL ACCOUNTING

Helping companies identify best practices and available tools for assessing and integrating biodiversity into company decision-making, as well as developing systems for assessing the current natural capital in the different supply chains.

2

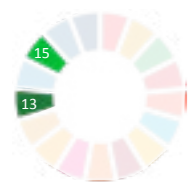
### INNOVATION FOR BUSINESS AND BIODIVERSITY

Promoting innovations that contribute to valuing, protecting and enhancing biodiversity and natural capital by developing a toolkit for assessment and sharing and identifying opportunities and best practices

3

### FINANCE

Facilitating a Community that provides a forum of dialogue between financial institutions to share experiences, raise awareness and promote best practices at EU level on how to integrate biodiversity and natural capital into financial activity trends.



**SDG 13**  
Climate Action

**SDG 15**  
Life on Land

## PLANTING TREES AND VOLUNTEER WORK IN SANTA ISABEL

Santa Isabel (Brazil)

The Santa Isabel plant in Brazil organised a corporate volunteering activity aimed at fostering biodiversity in the area surrounding the plant and raising employees' awareness about the importance of caring for the environment and biodiversity.

Some 35 employees attended the event, planting trees and helping create a new space near the Stamping area.

The project aids in improving the natural environment where the plant is located, creating a space of reference for everyone involved and for the Gestamp Group.

This initiative seeks to foster respect for the eco-system and biodiversity, to avoid having a negative impact on the zones in which we



operate and to raise awareness and knowledge among employees, as promoted in SDG 13 "Climate Action". In addition, the initiative contributes to the achievement of SDG 15 "Life on Land" as it has a direct impact on target 15.3 "By 2030, combat desertification, restore degraded land and soil"

# Participation in forums and associations



### European Commission

Participation in the Work Group of metal part manufacturers.



### Global Value

Collaboration with the University of Vienna on the measuring and management of business impacts on sustainable development

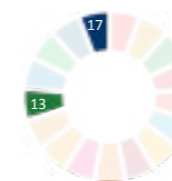


Participation in the **Climate Change Cluster**, a leading business platform on climate change.



## COP25

Madrid (Spain)



**SDG 13**  
Climate Action

**SDG 17**  
Partnerships for the goals

Gestamp sponsored and participated in COP25 (Conference of the Parties- the supreme decision-making body of the United Nations Framework Convention on Climate Change).

Our executive chairman, Mr Francisco J. Riberas, took part in a round table discussion on Electromobility, where different environmental sustainability strategies and the situation of electric vehicles in Spain were discussed. Along with other sector representatives, Francisco J. Riberas called for a smart transition towards electric vehicles and highlighted Gestamp's contribution to lighter-weight automobiles, an essential factor in increasing the autonomy of these vehicles.

Gestamp thus contributed to SDG 13 "Climate Action". Specifically, through this initiative, Gestamp seeks to have an impact on target 13.3 "Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning".

This initiative was also made possible thanks to the alliances in place between the public administration, non-governmental organisations, civil society and businesses. Therefore, the initiative helps achieve SDG 17 "Partnerships for the goals".

# 02.3 Climate Change

95 Our approach

96 Environmental indicators and carbon footprint

99 Opportunity and risk analysis and assessment

99 Science Based Targets Initiative

100 Energy efficiency

104 Lower impact products

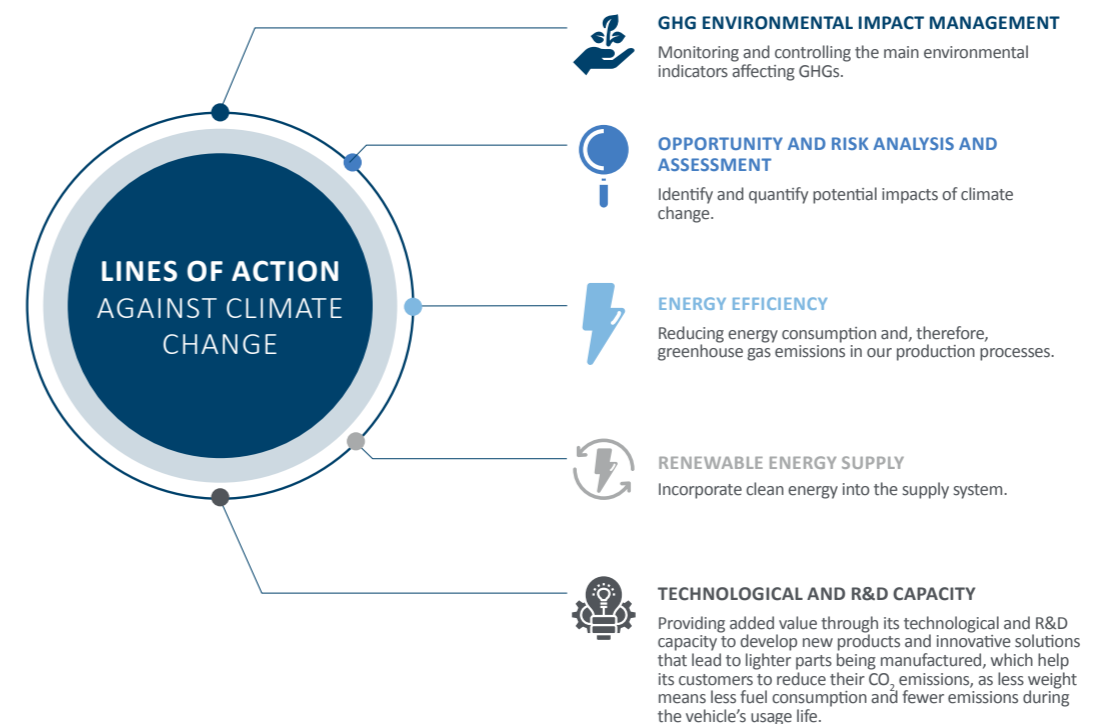
## Our approach

Climate Change is becoming increasingly important for society, and also for Gestamp. Our Group displays its commitment to this topic by pursuing the following goals:

- Meeting the expectations of our stakeholders in terms of climate reporting and transparency
  - Requirements imposed by our upstream customers in the supply chain
  - Diverse surveys by our investors, who rate our performance in terms of Climate Change
- Fulfilling our internal commitment to ongoing improvement set forth in the Group's Environmental Policy.
- Responding to the expectations of society today, which is demanding solutions to this issue. This social movement is reflected at the institutional level through the entry into force of the first universal agreement to fight climate change, the Paris Agreement, which confirms governments' commitment to reduce CO<sub>2</sub> emissions and promote low carbon economies, and through the European Union's recent approval of the Green Deal, which aims to make Europe the first climate-neutral continent by 2050.

In 2019, we took another step forward in the fight against climate change with the following lines of action.

In addition, during 2019, Gestamp has been one of the sponsoring companies of COP 25, held in Madrid in December 2019, which was a meeting point for political leaders worldwide.





# Environmental indicators and carbon footprint

Since 2006, we have been monitoring the energy consumption of our plants at corporate level each quarter. Together with information taken from other sources, this provides the basis for calculating Scopes 1 and 2 of our Carbon Footprint.



Energy

All our processes need a source of energy in order to function. Therefore, we comprehensively track the different sources of energy consumed at our facilities: Electricity, natural gas, diesel oil and LPG.

The distribution of energy consumption globally is divided into 59% electricity, 35% natural gas and 6% other fuels.

Electricity is the main type of energy consumed by the Group, given that its plants use electricity as an energy source for most of the production processes, and also to power the facilities. Natural gas is used mainly for air conditioning in buildings, so consumption is usually seasonal. In addition, some production plants use it in processes like hot stamping and in painting lines. The other fuel types are linked primarily to the fleet of forklifts at the plants.

## ENERGY CONSUMPTION BY FUEL TYPE (GJ) INTERNAL

	2017	2018	2019
Electricity	3,757,798	3,979,575	<b>3,983,194</b>
Natural gas	1,841,862	2,066,730	<b>2,368,867</b>
LPG	210,926	272,862	<b>297,741</b>
Diesel	33,276	41,707	<b>36,203</b>

## Our commitment

In line with the Group's commitment to Climate Change, in 2019 we finished calculating Scope 3 of our Carbon Footprint based on the guidelines set out in the Greenhouse Gas Protocol (GHG) and the Intergovernmental Panel on Climate Change (IPCC), taking into account all the categories affecting the Group.

Internally, we use the CO<sub>2</sub> Emissions Index (defined as tCO<sub>2</sub> Scope 1 and 2/€100,000 AV) as a tool to assess our Group level performance in terms of emissions.

In recent years, despite the increase in production plants and the introduction of hot stamping, technology that is more intensive in the use of energy, Gestamp has managed to reduce CO<sub>2</sub> emissions (in relative terms) thanks to improved environmental management and process improvement.

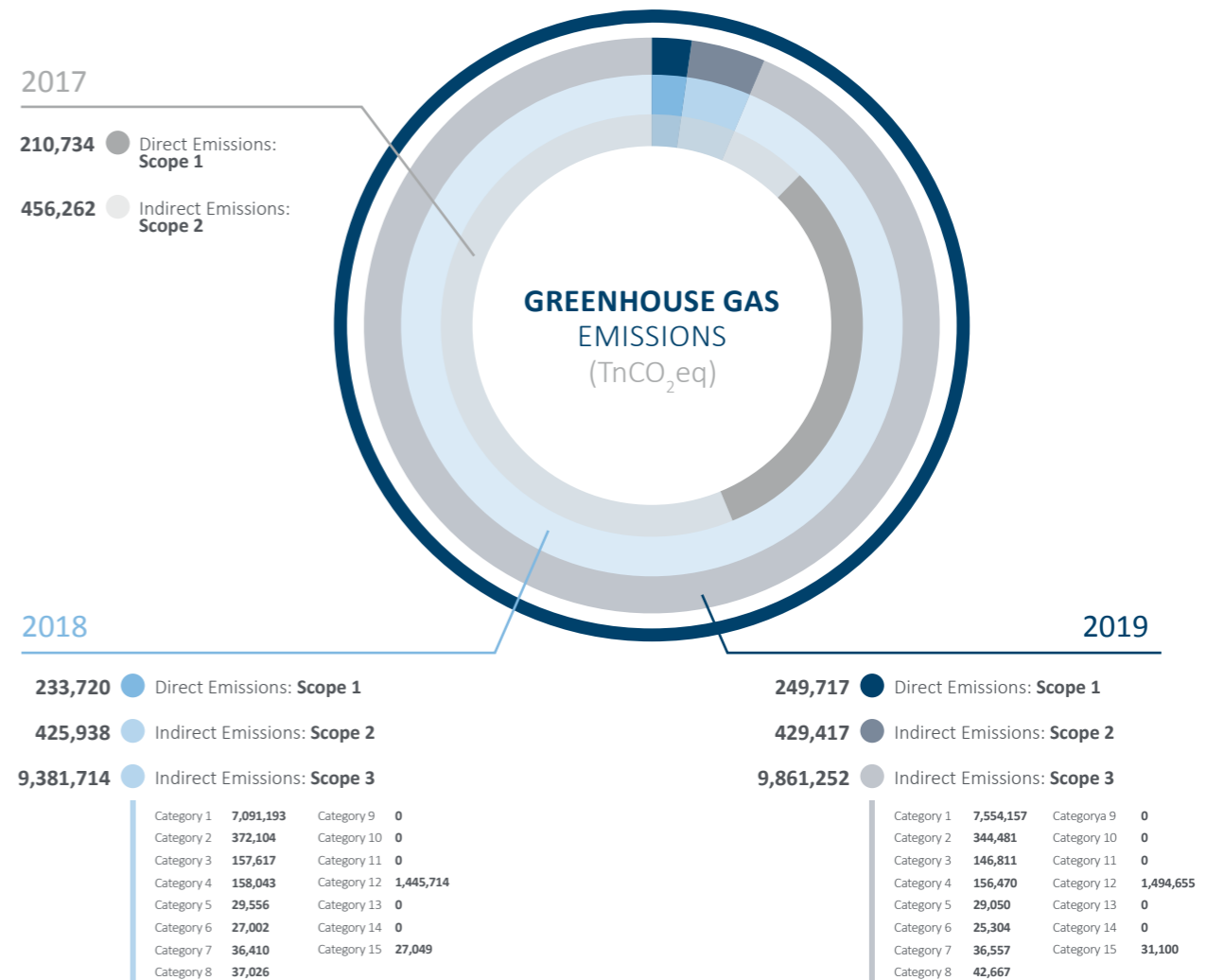
## SCOPE 3 OF GESTAMP CARBON FOOTPRINT

- Cat 1 - Purchased goods and services
- Cat 2 - Capital goods
- Cat 3 - Fuel- and energy-related activities (not included in scopes 1 or 2)
- Cat 4 - Upstream transportation and distribution
- Cat 5 - Waste generated in operations
- Cat 6 - Business travel
- Cat 7 - Employee commuting
- Cat 8 - Upstream leased assets
- Cat 12 - End-of-life treatment of sold products
- Cat 15 - Investments

## Carbon footprint



SO2 AND NOX EMISSIONS (TN)	2017	2018	2019	VOC'S (TN) EMISSIONS	2019
SO2 Emissions	2.0	2.6	<b>2.4</b>	VOC's Emissions	<b>222</b>
NOx Emissions	231.5	267.7	<b>302.7</b>		



## CDP Score

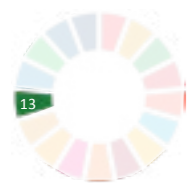
The Group voluntarily reports its emissions performance annually through the international *Carbon Disclosure Project* (CDP) initiative. In 2019, Gestamp raised its score to B (the average of the companies in the metal sector is C) as a result of the implementation of various measures.

### CDP 2019 CLIMATE SCORE

<b>B</b> Gestamp	<b>C</b> European Average
<b>C</b> Average of Metal Sector Companies	<b>C</b> Global Average

### CDP 2019 SUPPLIER ENGAGEMENT RATING

<b>A-</b> Gestamp	<b>C</b> European Average
<b>C-</b> Average of Metal Sector Companies	<b>C</b> Global Average



SDG 13 Climate Action

## GESTAMP HAS IMPROVED ITS CLIMATE ACTION PERFORMANCE

### Carbon Disclosure Project

The Carbon Disclosure Project (CDP) is a global organisation that works with shareholders and corporations to publish the greenhouse gas emissions performance of major corporations.

In 2019, Gestamp was listed as one of the leading companies in Spain in the index published by this organisation. Our performance improved compared to the previous year, rising to category B in the index. This improvement was prompted by the implementation of the Group's annual environmental action plans.

According to our policy, each member of the Group must implement an environmental management system and meet the environmental

performance indicators. These indicators include monthly energy consumption, water use and generation of waste.

In addition, Gestamp's voluntary membership in the CDP is seen in a positive light by customers, investors and other stakeholders because it entails great efforts in terms of transparency and continual improvement.

Through our voluntary membership in the CDP, we are helping to achieve SDG 13 "Climate Action", because we are measuring the carbon footprint of our activities and setting goals for reduction. Furthermore, we implement certified environmental management systems.

# Opportunity and risk analysis and assessment

During 2019, at Gestamp we carried out an analysis and evaluation of the risks and opportunities of Climate Change that affect our business in order to:

- Anticipate and adapt to the climatic risks that affect business, as well as take advantage of the opportunities it may offer
- Measure the financial impacts of Climate Change according to different scenarios and possible futures

As a result of the study we have identified the following risks and opportunities.

Currently, we continue with this work with the objective of financially quantifying both the opportunities and risks identified.

<p><b>RISKS</b></p> <p><b>PHYSICAL</b></p> <ul style="list-style-type: none"> <li>• Interruption of the raw material supply due to the occurrence of extreme weather events (droughts or prolonged flooding.)</li> <li>• Extreme climatic phenomena in own factories that may bring production to a halt or cause damages in the facilities.</li> </ul> <p><b>TRANSITION</b></p> <ul style="list-style-type: none"> <li>• Increase in the price of energy leading to increased production costs</li> </ul>	<p><b>OPPORTUNITIES</b></p> <ul style="list-style-type: none"> <li>• Better positioning with respect to competitors by reducing the weight of the products (less emissions).</li> <li>• Opening new business lines and developing new products as a result of emission regulations.</li> <li>• Improvement of energy efficiency and cost reduction as a result of regulations in this regard.</li> </ul>
--	--

## Science Based Targets Initiative

The Paris Agreement, concluded at COP21 and signed by 178 countries, creates a global consensus about the importance of fighting against climate change. The global commitment is to limit the temperature increase to 1.5-2 °C above pre-industrial levels. According to the IPCC, this means reducing GHG emissions by 80% by 2050, compared with levels from 1990.

At Gestamp, we have worked throughout the year to present a proposal to the SBTi, in order to get official validation of the proposal. The targets must encompass all the company's operations, including its Scope 1 and 2 emissions, as well as Scope 3 emissions, since they represent more than 40% of the total emissions inventory, using emissions from 2018 as the baseline:

As our Carbon Footprint shows, Scope 3 represents a very high percentage of total emissions at Gestamp, so any reduction goals proposed within the Group must be aligned with those set by our suppliers in the supply chain.

CARBON FOOTPRINT (TCO <sub>2</sub> EQ AND %)	2018
Scope 1	233,720 (2%)
Scope 2	425,938 (4%)
Scope 3	9,381,715 (94%)
<b>Total</b>	<b>10,041,373 (100%)</b>

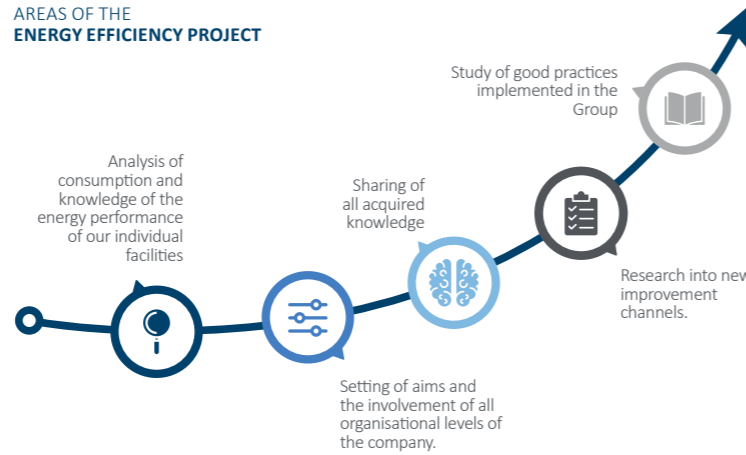
# Energy efficiency

At Gestamp, controlling the energy consumption of our plants is essential. Our objective is to reduce said consumption to meet our efficiency principles and our commitment to reducing CO<sub>2</sub> emissions.

In 2013, based on this principle, we commenced an ambitious Energy Efficiency project aimed at making improvements through several areas:

To achieve our aims, we monitor the instantaneous consumption of electricity and gas of our equipment in order to create a model of its performance. Based on those consumption patterns, we establish algorithms to identify, quantify and notify of deviations.

## AREAS OF THE ENERGY EFFICIENCY PROJECT



## Figures 2019

In 2019, 34 plants were part of our Energy Efficiency initiative, an increase of over 20% compared to the number of participants last year.

The specific Energy Efficiency measures were identified and implemented at each of these plants to optimise the functioning of equipment and to reduce its consumption. These measures have afforded the Group a reduction of more than 36 GWh in 2019.

In 2020, we will increase the scope of the initiative to include more plants and consolidate it at the main plants in North America and China, where the major production plants of these regions will participate.

## SUMMARY OF CONSUMPTION REDUCTIONS ACHIEVED IN 2019

2018	Electricity MWh	Gas MWh
Recurring 2016- 2018	82,000 MWh	55,000 MWh
Achieved in 2019	24,000 MWh	13,000 MWh
<b>TOTAL</b>	<b>106,000 MWh</b>	<b>68,000 MWh</b>

**REDUCTION**  
**14,000 Tn CO<sub>2</sub>**  
**REDUCTION OF CONSUMPTION**  
**36 GWh**

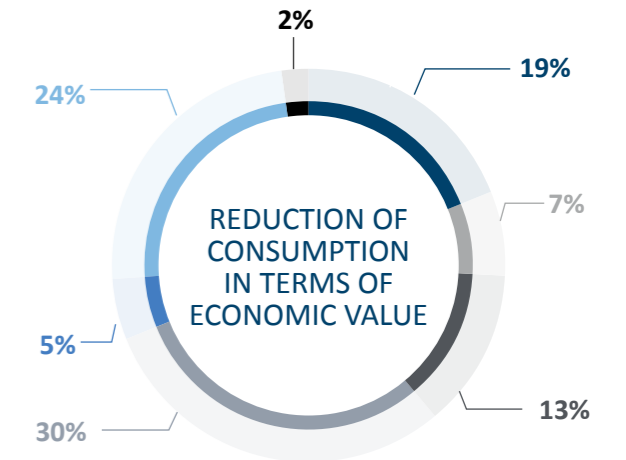
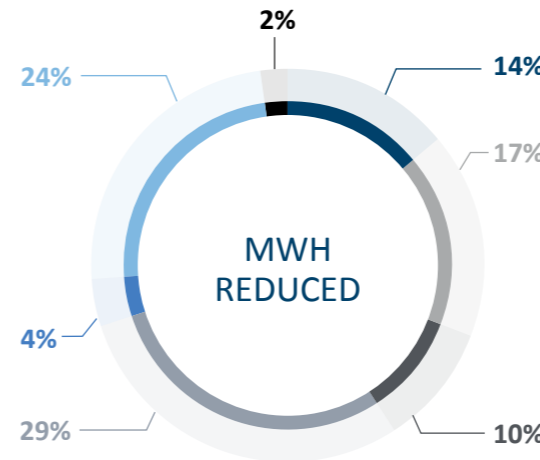
**>50% HAVE REQUIRED NO INVESTMENT**

**RETURN ON INVESTMENT PERIOD: < AVERAGE OF 2.3 YEARS**

**34 PLANTS INVOLVED**

**140 IMPROVEMENT MEASURES IMPLEMENTED**

## BREAKDOWN OF MEASURES BY TYPE (%)



## TYPES AND EXAMPLES OF MEASURES UNDERTAKEN

### COMPRESSED AIR

At Gestamp Puebla, consumption was reduced by more than 500 MWh by optimising the use of compressed air in the head paths of laser cutting cells.

### NEW TECHNOLOGIES

Through automated lighting control and the use of more efficient technologies, Gestamp Shenyang managed to reduce its electricity consumption by more than 300 MWh.

### OPTIMISATION OF MANUFACTURING PROCESSES

Gestamp Kunshan managed to reduce its energy consumption by more than 1,000 MWh by optimising hot stamping furnace temperatures based on the plant's production needs.

### TECHNOLOGICAL DEVELOPMENT

at Gestamp Puebla the cooling temperature on hot stamping dies was raised, thus leading to a drop in consumption of 300 MWh.

### VARIABLE SPEED DRIVES (VSDS)

Gestamp Navarra has optimally regulated its extraction system in beam cells, using speed regulators to achieve a reduction in consumption of more than 50 MWh.

### USE OF GAS

**OTHERS**

### Long-term expected outcomes

From 2020 forward, we will continue to optimise consumption at the plants involved in the project, endeavouring to find ideal consumption levels for production and auxiliary equipment. We will consolidate the dynamics of responsible consumption at the plants by implementing an energy performance standard at the plants. In this way, and by monitoring energy consumption, we will be capable of standardising the expected performance and assessing and predicting deviations by using energy production indicators for equipment and energy management at the plants.

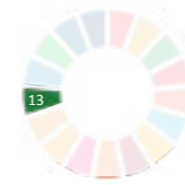
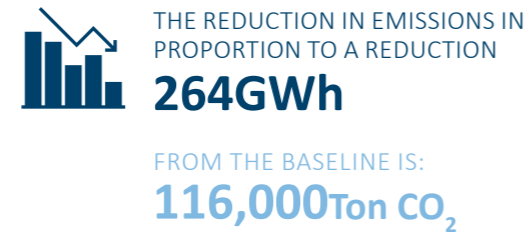
Energy-related best practices are being integrated and consolidated in a cross-disciplinary manner across all the Group's policies: R&D, new construction, expansions, etc.

### Project expectations and plan for 2020

The consumption reduction achieved through the measures implemented from 2016 to 2019 will continue in 2020.

#### NEW OBJECTIVES FOR 2020

	Electricity MWh	Gas MWh
Recurrent	106,000 MWh	68,000 MWh
Estimated	56,000 MWh	34,000 MWh
<b>Total</b>	<b>162,000 MWh</b>	<b>102,000 MWh</b>



SDG 13  
Climate Action

### ENERGY EFFICIENCY: HEAT RECOVERY FROM PAINTING FURNACES

Vigo (Spain)

For the first time in Gestamp, wasted heat has been recovered from cataphoresis painting furnaces. This measure has been implemented in the Spanish plant of Vigo. The heat recovered from two furnaces is used to support the boiler that heats the cataphoresis painting tanks. Thanks to this measure, the boiler gas consumption is reduced. During most of the production hours, only with the recovered energy, the tanks' heating needs are satisfied (which means no gas consumption in the boiler).

The preliminary studies showed an energy saving potential of 1,544 MWh/year in gas. After the installation was finished, using real data, it was found that higher savings were achieved. The real/measured savings are 1,781 MWh/year. The installation has a minimum lifetime of twenty years, which means that thanks to this measure, more than 35,620 MWh are going to be saved. In terms of CO<sub>2</sub>, it implies savings of 363,324 kgCO<sub>2</sub>/year, which means that in 20 years more than 7,200,000 kgCO<sub>2</sub> are going to be avoided.

In the plant of Vigo, wasted heat is also recovered from air compressors. Both sources of (recovered) heat are used to minimize the required energy to heat the painting tanks. The following graph shows the plant's gas consumption. It can be seen how the energy efficiency measures have reduced the overall gas consumption.



After several months, it was found that part of the recovered heat could also be used for heating purposes (air conditioning). That means that not only the energy demand for painting tanks could be covered, but also part of the energy required for heating part of the plant. This project will be evaluated this year and most likely, implemented.

Thanks to this initiative, Gestamp Vigo is contributing to achieving the Sustainable Development Goal number 13 "Climate Action". Specifically, target 13.2 "Incorporating measures related to climate change" is being impacted, as this initiative reduces CO<sub>2</sub> emissions.

# Lower impact products

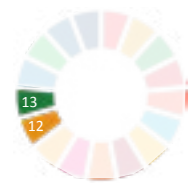
Our commitment to mitigate climate change also extends to the conception, design and development of our products by our R&D teams around the world. This is one of the strategic cornerstones for innovation within the Group.

As mentioned in the Innovation chapter of the Economic Dimension, we invest heavily to include in-

creasing amounts of manufacturing technology that enables us to offer customers lighter products.

We have a wide variety of products in our portfolio that, due to the lighter-weight design achieved by Gestamp, help improve energy consumption and the environmental impact of vehicles

← Innovation



SDG 12  
Responsible production and consumption

SDG 13  
Climate Action

## LIFE CYCLE ANALYSIS' OF CHASSIS PRODUCTS



The development of chassis products is a complex process because it involves the fulfilment of various requirements related to their static and dynamic behaviour (torsional stiffness, resistance, durability and safety), with their manufacturing feasibility (stamping, welding, assembly, corrosion protection processes and painting, among others), and with strict requirements for light-weighting and cost reduction.

New design concepts are evaluated taking into account the requirements highlighted above, with the weight of the new product being the main indicator related to the sustainability of the new chassis. However, the latest publications related to automotive sustainability indicate that a component life cycle analysis should be carried out along the entire value chain to understand and efficiently reduce the carbon footprint of vehicles.

In this context, over the last year, the innovation team of Gestamp Chassis has begun with the study of the life cycle analysis of chassis components to extend the scope of new designs, taking into account all the phases related to the component, from obtaining and producing the base material, manufacturing the component, transport, use phase, disposal and recycling. In this way, Gestamp approaches the concept of sustainability from a broad point of view, within which the weight of the component is only one of the factors affecting the carbon footprint related to chassis components. This concept is known today as cradle to grave analysis, as can be seen in the diagram below.

Continue →

## CRADLE-TO-GRAVE – “LIFE CYCLE ASSESSMENT”



### OBJECTIVES

The main objective of the project has been the development of a complete life cycle analysis procedure for chassis products, while also taking into account energy consumption values acquired in real time directly from the stamping, welding and painting manufacturing lines.

The main steps taken in this project have been:

- Identify a characteristic chassis product: Lower suspension arm
- Acquire real time energy consumption values
- Development of the life cycle analysis procedure to improve the sustainability of new chassis products under consideration:
  - a) Base materials and thicknesses
  - b) Manufacturing processes
  - c) Transport
  - d) Life cycle
  - e) Disposal and Recycling
- Analyse the energy consumption of the reference product
- Analyse the CO<sub>2</sub> emissions of the reference product

### OUTCOMES

Gestamp Chassis Innovation team has successfully developed a life cycle analysis procedure for chassis components. This procedure is capable of providing impact results on the total carbon footprint of each component. In addition, this procedure allows Gestamp to address eco-design methodologies that not only take into account the weight of the component as an indicator of sustainability.

For example, there is also the case where Gestamp has innovated a component in steel, with a weight slightly higher than an aluminium equivalent, but this project helps to demonstrate a lower level of CO<sub>2</sub> emissions and half the cost.



Therefore, Gestamp is able to offer its customers new chassis components using the appropriate material for each application for a sustainable future.

---

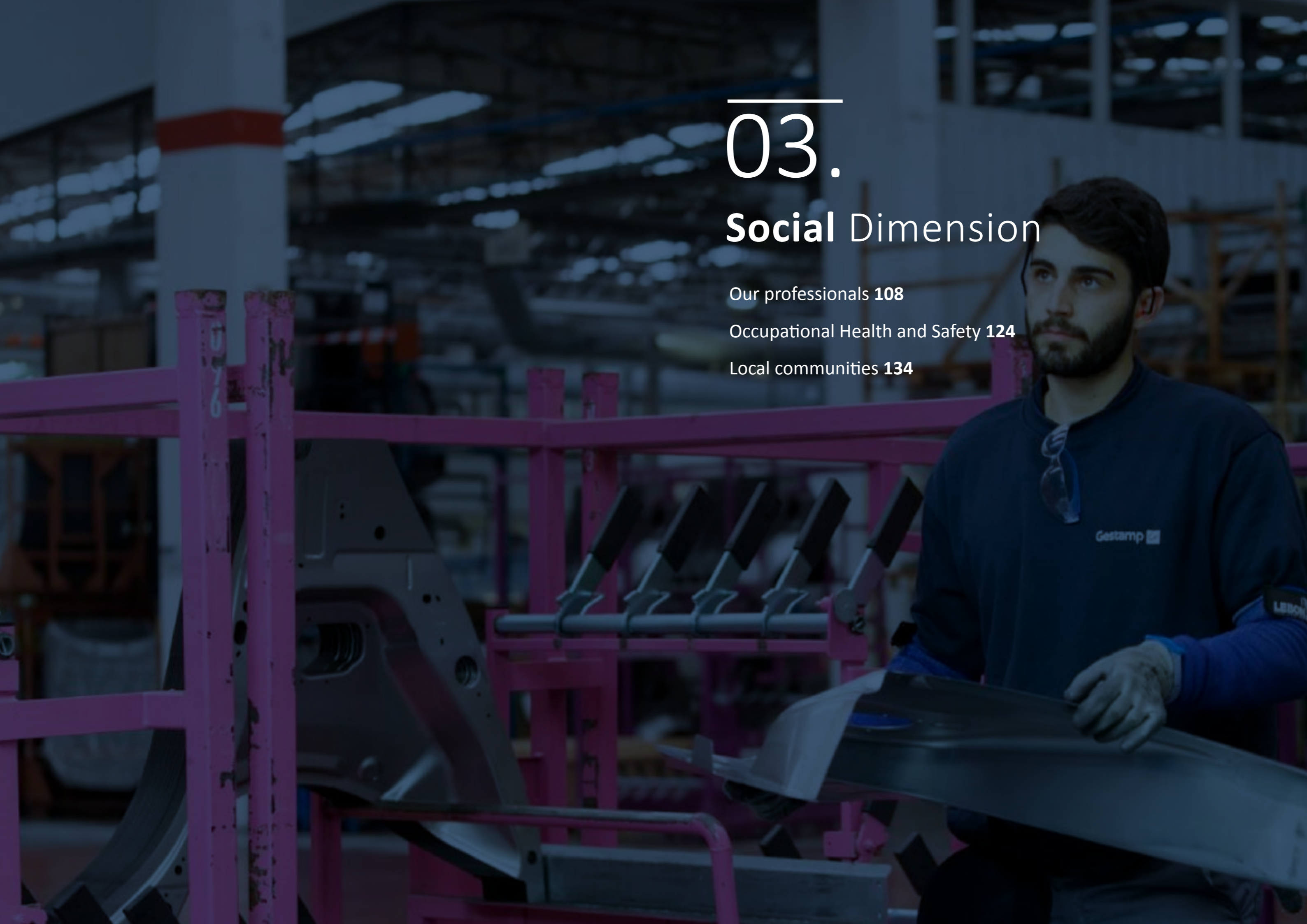
# 03.

## Social Dimension

Our professionals **108**

Occupational Health and Safety **124**

Local communities **134**



# 03.1

## Our professionals

109 Our approach

110 Workforce evolution and profile

112 Diversity and equal opportunities

113 Management of labour and organisational relations

114 Talent management

114 International mobility

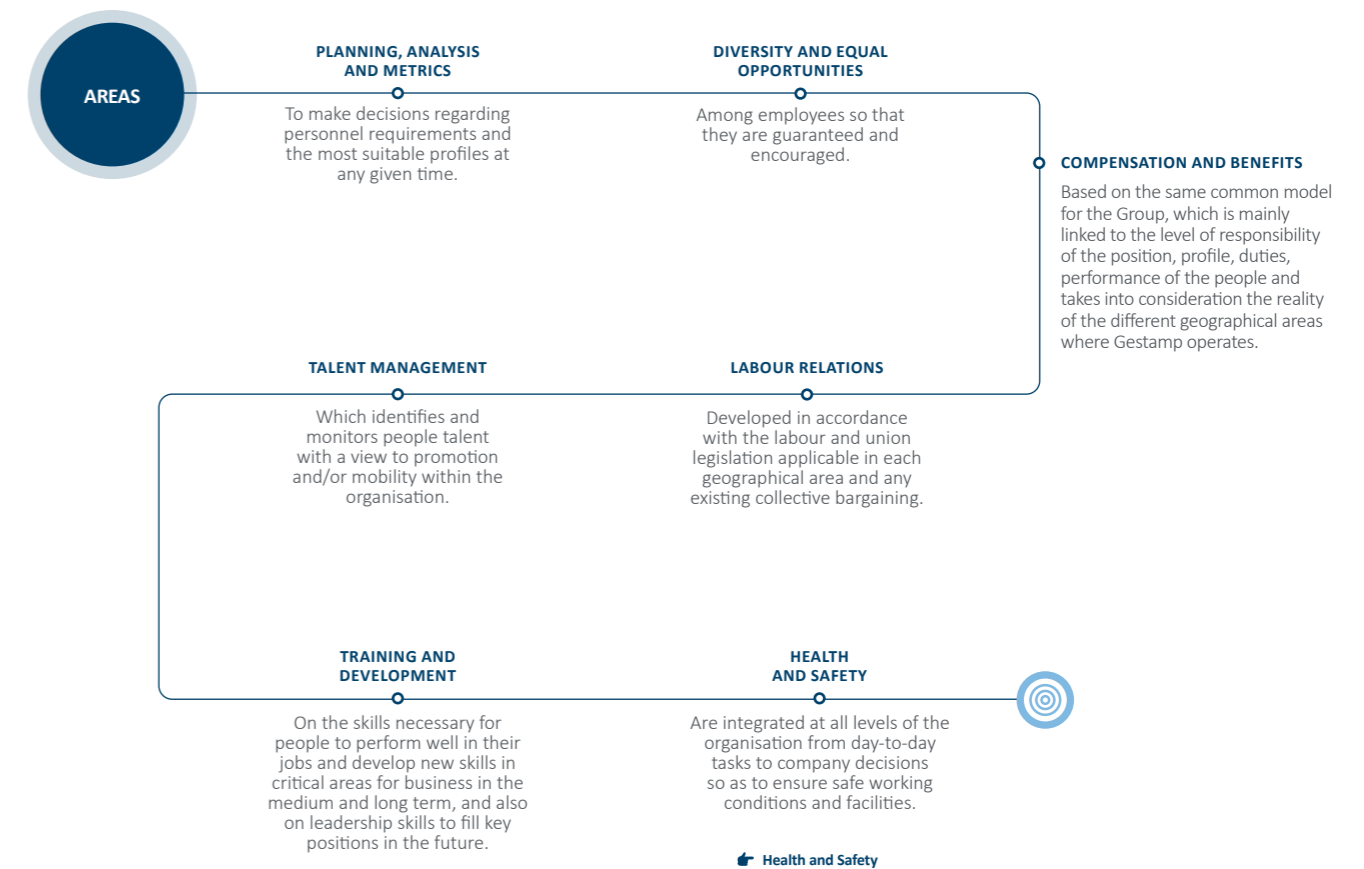
115 Professional training and development

123 Corporate culture

## Our approach

Gestamp's continuous growth and internationalisation process has brought with it major challenges in terms of culture and human resource organisation and management: ongoing adaptation of the organisational structure to the growing needs of the Group, downsizing of staff, standardisation of processes, training on new technologies, talent management and boosting corporate culture.

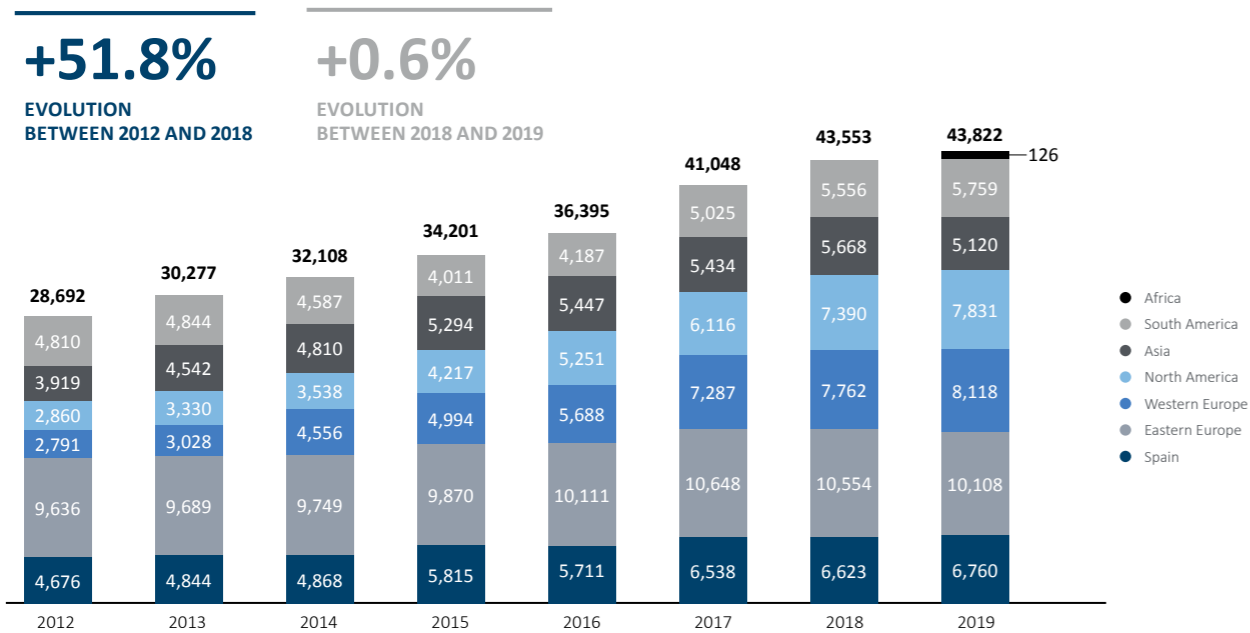
Through the Human Resources and Organisation Department, we manage the organisational structures and personnel at the corporate level, as well as at the divisional, regional and production-centre level through the following areas:



# Workforce evolution and profile

The global workforce continued to grow in 2019, reaching 43,822 employees. This is 0.6% more than in 2018 and 51.8% of accumulated organic growth over the last years after the large acquisitions of 2010 and 2011. Mexico, Brazil, the United States, the Czech Republic and Spain are the countries seeing the biggest growth.

To better adapt to market demands, the Group has another 5,190 people who provide professional services through temporary employment agencies.



## Workforce evolution and profile

In the Group, regarding the kind of employment, we have established the following major professional categories:

- **Direct labour** employees of production plants directly involved in the processing of raw materials and components into intermediate or finished products.
- **Indirect labour** employees of production plants whose job is to provide direct support to the production process, thus ensuring that the process is not interrupted.
- **Staff labour** any office employee in production plants or service centres.

Thus, at 31 December 2019, 19,571 (44.7%) of the Group's employees fell into the category of direct labour, 14,699 (33.5%) into the category of indirect labour and the remaining 9,552 (21.8%) into the category of staff labour.

### CLASSIFICATION BY TYPE OF LABOUR



**Direct labour**  
44.7%  
19,571

**Indirect labour**  
33.5%  
14,699

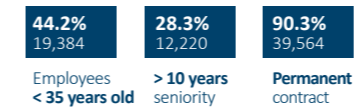
**Staff labour**  
21.8%  
9,552

## Workforce profile

### TOTAL GESTAMP

43,822

Number of employees



### DISTRIBUTION BY COUNTRY



38.5% Western Europe  
18.5% South America  
17.9% North America  
13.1% South America  
11.7% Asia  
0.3% Africa

### WESTERN EUROPE

16,868

Number of employees



### NORTH AMERICA

7,831

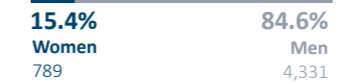
Number of employees



### ASIA

5,120

Number of employees



### EASTERN EUROPE

8,118

Number of employees



### SOUTH AMERICA

5,759

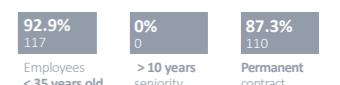
Number of employees



### AFRICA

126

Number of employees





# Diversity and equal opportunities

Gestamp respects the rights of equality and non-discrimination on the grounds of gender, sexual orientation, social origin, ethnic origin, age, disability and religion, among others. This is provided for in our Code of Conduct and under the 6th goal of the UN Global Compact, which we have complied with since 2008.

## Gender diversity

At Gestamp, women represent 18% of the Group's total workforce. In terms of holding positions of responsibility, according to the Gestamp Global Grading System (G3S) methodology, 18.6% of management and 18.8% of medium level positions were held by women.

In 2019, as an addition to the non-discrimination rule in the Code of Conduct, 85 work centres developed local plans and specific measures to foster equal opportunities, mainly in selection processes, salary policy, training and development, as well as in organising work and personal time.

In general, the relative scarcity of female job seekers with technical-scientific profiles makes it difficult to achieve numerical equality in terms of gender, particularly regarding certain positions that are common in our business, such as die makers, welders or maintenance specialists. However, some exceptions do exist at certain work centres, where there is almost an equal number of men and women. This is the case in Gestamp Cerqueira (Portugal) and Edscha Kamenice (Germany).

## Functional diversity

In order to facilitate access to employment for people with disabilities, the Gestamp Group companies directly hire them, whereby they thus forming part of their staff, or they may outsource products and services to special employment centres.

The number of employees with a disability in the entire Group in 2019 was 837, representing 1.9% of the Group's workforce. The direct contracting of services to special employment centres in Spain was over 1.2 million euros.

For the construction of new facilities, Gestamp hires local engineers that prepare the projects in accordance with local regulations, complying with the requirements in the field of accessibility.

Furthermore, in order to make information more accessible, the Gestamp website has been adapted and complies with all of the Level AA conformance criteria developed by the World Wide Web Consortium's (W3C) Web Accessibility Initiative (WAI).

## Cultural and geographical diversity

The cultural diversity among our professionals brings innovative and enriching ideas and approaches. As such, at Gestamp we believe that a heterogeneous workforce entails an opportunity for the Group in terms of finding the best solutions to the current global challenges.

Working 23 countries, there are 76 different nationalities in our workforce. In every country we work in, there is an average of 10 different nationalities in each workforce. The most culturally and geographically diverse country is Germany, where there are employees of 38 different nationalities within the workforce, followed by Spain, with 33.

## Organisation of work, reconciliation measures and work absenteeism

Due to the nature of the business, Gestamp's production plants are in continuous operation, sometimes operating 24 hours a day. Therefore, certain groups, generally those classified as Direct and Indirect Labour, have to work in shifts. This organisation of work does not prevent Gestamp from promoting the rotation of such shifts, with the aim of facilitating the adjustment of working hours to the specific needs of workers.

In addition, 68% of Gestamp's work centres implement measures related to the reconciliation of work and private life, in positions where this is possible, such as: flexible working hours, intensive working days, reduced working days or adapting the working hours in certain family circumstances.

18% OF TOTAL WORKFORCE ARE WOMEN

1.9% OF TOTAL WORKFORCE ARE PEOPLE WITH DISABILITIES

76 DIFFERENT NATIONALITIES IN OUR WORKFORCE

# Management of labour relations

At Gestamp, the management of labour relations is undertaken in accordance with the union and labour legislation applicable in each geographic area.

We negotiate all aspects relating to union, labour and the contractual relations of employees with the union representatives at each plant. In 2019, 68% of employees were covered by a collective agreement. In most production plants there are specific Committees on Occupational Safety and Health.

In geographic areas that call for it, due to historical, cultural or legal obligations, we have inter-centre committees that complement the in-plant negotiating framework.

The company has a European Committee that represents all of the countries integrated into its perimeter.

At Gestamp, we place special emphasis on issues that are unavoidable for the Group: respect for union and labour legislation, policies of non-discrimination, compliance with the Code of Conduct, occupational health and safety, and training and development in key areas to ensure the correct implementation of the business strategy, which always follows the framework of the

fundamental labour rights set out in the agreements of the International Labour Organization (ILO).

Communication with our employees and their representatives is fundamental for Gestamp, as it allows open relationships of trust to be built.

Furthermore, we facilitate two-way communication channels to provide them with important information and to understand their real concerns and worries.

Each centre has its own formal communication channels between the company and the employees. The most common channels are the local and corporate intranet, the internal newsletter, the satisfaction and work environment survey, the suggestion box and the information channels.

Employees also have access to established communication channels at the Compliance Office through which they can report or submit queries regarding the Code of Conduct. The Group has a corporate intranet that provides information on the most significant matters relating to the organisation on a corporate, divisional, plant and individual level.

Corporate Culture.

68% OF EMPLOYEES ARE COVERED BY A COLLECTIVE AGREEMENT



# Talent management

The process of attracting, developing and retaining talent for the Group is essential to have the best professionals and ensure success in the execution of the strategy.

The company's growth in new markets or geographies has meant developing and providing career opportunities for professionals in the organisation outside their place of origin. At the same time, it has allowed us to create a talent pool of highly trained professionals, as well as to increase the internal vs external promotion ratio for the most significant critical positions.

The position ratio covered by internal promotion in the case of Division Directors and Country Managers is 87%.

In the case of Plant Managers, the ratio is somewhat lower, standing at 72%, due to the existence of new markets where, for reasons of culture and language, it is advisable to use local resources. If we look at mature areas, such as Spain, France and Portugal, the internal vs. external promotion ratio increases to 86%.

In 2019, we worked on a global talent management initiative that will allow us to identify, on a global and homogeneous basis, talent in the Group. This identification will improve the process of building training, development and career plans for Group employees. Internally, this initiative will also help us to keep the status of the existing talent constantly up to date, so as to be able to make the decisions required at any time based on organisational needs.

# International mobility

One of the Group's strong points is that it has highly qualified personnel that can work for a period of time in countries where new projects are being launched (the commissioning of a new plant or implementing new technology or processes, etc.)

We differentiate between two groups: personnel assigned short-term transfers, who are employees that are transferred for periods of 3-12 months, and personnel assigned long-term transfers, who are employees that, due to project or country circumstances, are transferred for periods of 1-5 years (at most), in the majority of cases with their family.

Once the final aim has been achieved, said personnel return to their country of origin, leaving the plant under the full or almost full management of the local employees.

We have a Corporate Policy that aims to establish, order, define and regulate regulations and guidelines that govern the expatriation of employees in the entire Group, regardless of the country of origin and/or destination country.

EMPLOYEES WITH LONG-TERM TRANSFERS PER COUNTRY OF ORIGIN AND DESTINATION

Country	ORIGIN	DESTINATION
Argentina	-	2
Brazil	4	6
China	30	-
Czech Republic	23	-
France	3	5
Germany	6	6
Hungary	4	-
India	2	4
Japan	3	-
Mexico	14	1
Poland	13	-
Romania	2	-
Russia	3	-
Slovakia	10	-
South Korea	2	3
Spain	3	115
Sweden	-	4
United Kingdom	1	8
United States	32	2
<b>Total</b>	<b>156</b>	<b>156</b>

In 2019, we had a total of **156 expatriate employees** living abroad for over a year, giving support at an international level.

# Professional training and development

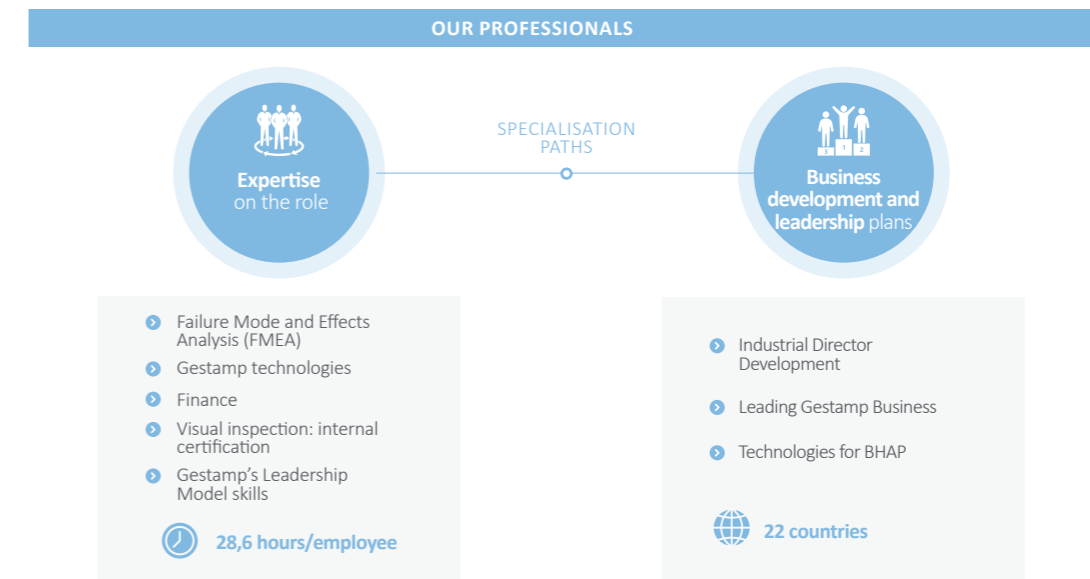
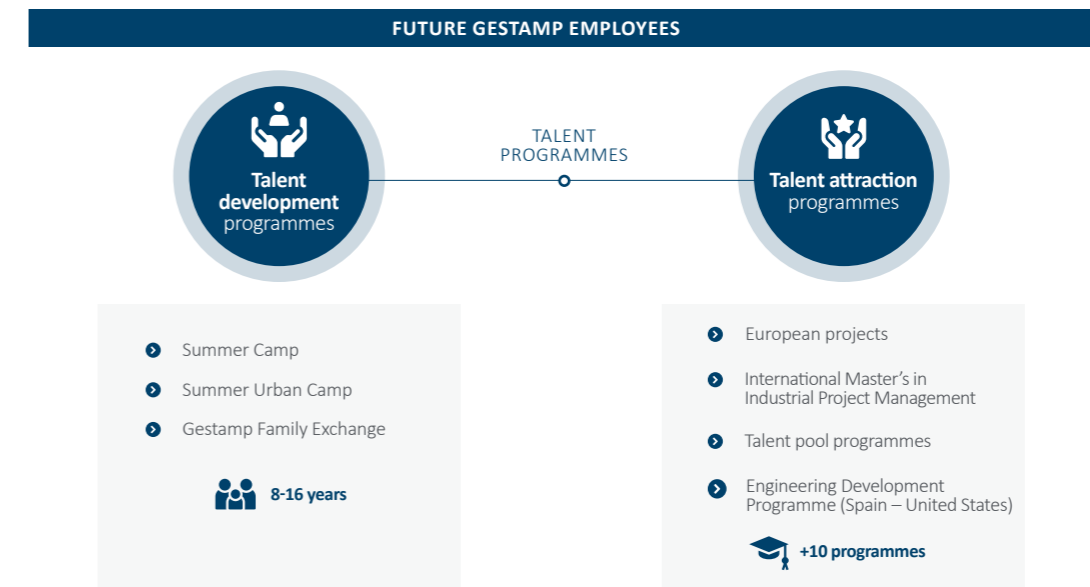
At Gestamp, we believe that people are the architects of success and we are passionate about finding and bringing out their talent.

In 2019, we continued to work on fostering a culture of learning by strengthening internal and external collaborative alliances as a means of generating, attracting, training and developing talent.

At Gestamp, and the automotive industry in general, we work to ensure that the changes called for by the sector are accompanied by the development of the skills of both our current professionals and future generations.

As part of our commitment to the sustainability of our investments and to the long-term stability of the Group as a benchmark in the automotive sector, we undertake our activity in the following areas:

## OUR COMMITMENT TO PROFESSIONAL DEVELOPMENT





## Talent development

At Gestamp, we believe that fostering the talent of future generations that will take the Group forward is the best way of guaranteeing our long-term stability. That includes fostering female talent and trying to reverse the primarily male trend in the sector, as well as ensuring the development of digital skills.

- For the third consecutive year, the programme **Gestamp Automotive English Summer Camp (GAESC)** was undertaken in Bilbao. The aim of this project is to promote a passion for cars among children, particularly girls, and to develop STEM skills (science, technology, engineering and maths) through different workshops and activities in English. At the camp, 30 of our professionals made an electric car through creative and innovative solutions. Furthermore, the camp was located close to our plants in the Basque Country so as to facilitate work and family life.

- Gestamp also participated in the **Children with Talent Bootcamp**, organised by the Créate Foundation in Madrid. For one week during the school holidays, the children of Gestamp employees and of employees from other companies, solved some of the challenges that arise in the companies where their parents work. Children aged 10-16 provided creative and innovative solutions to the challenges posed by Gestamp, which regarded the future of sustainable mobility in the city of Madrid.

- Along the same lines, with the aim of developing future talent for the company, we held the **Gestamp Family Exchange** for the third consecutive year. This initiative is a perfect opportunity for the children of our employees to gain international experience by spending a few weeks living with another Gestamp family and subsequently becoming the host family.



## Talent attraction

At Gestamp, to meet our short-term human capital needs, we undertake talent attraction initiatives. In this regard, these programmes prioritise attracting candidates with a passion for the sector, a restless spirit, global ambition, innovative ideas and a clear focus on service excellence.

**Gestamp Technology Institute (GTI)** is a centre of excellence for training in the Gestamp Group. Since 2015, it has developed technical and management training programmes in Biscay (Spain) for both Group employees at the global level and youths pursuing a career in the automotive industry.

Continuing with the actions undertaken to attract new talent, 2019 has proved to be a particularly active year at Gestamp Technology Institute (GTI).

At GTI, in response to our business demand, both at a corporate and global level, we have developed this year new editions of the Product Lifecycle Management (PLM) analyst programmes, certificates of professionalism in tooling and die making, metrology, press line commissioning and maintenance, hydraulics and mechanics.

Furthermore, as a new element, we have developed the Master's in Hybrid and Distributed Architectures for Industry 4.0, aimed at covering the growing need for professional profiles in the field of advanced manufacturing and Industry 4.0.

## Alliances with universities and vocational schools

New alliances have also been forged with different universities and vocational schools in order to undertake programmes related to highly specialised profiles.

We especially point out the collaboration with the Technological University of Huejotzingo (Mexico), which is the seed to generate a pool of toolmakers (manufacturing and die maintenance profiles) at

Gestamp Technology Institute facility in Puebla, and that has trained 14 students dedicating 1,400 hours of dual training per student. We also highlight the exchange of good practices that the trainers of GTI Boroa and GTI Mexico carried out in order to guarantee the adequate adoption of the program from one country to another, from one educational system to another.

### COMILLAS PONTIFICAL UNIVERSITY



In collaboration with the Comillas Pontifical University, the seventh edition of the Master's in Industrial Project Management has taken place. In 2019, this programme trained 26 students in developing skills that are in high demand in our company and in the industrial sector.

In line with other initiatives launched to promote female talent, the collaboration agreement formalised with the Comillas Pontifical University has been maintained in 2019 through the Master's Degree in Engineering for Mobility and Safety. Gestamp's financial support for this programme is directly linked to the University's commitment to achieving an almost 40% female-participation rate on the Master's degree.

In total, over 230 students have taken part this year in these training programmes **aimed at bringing talent to the Group**, learning a profession with a high employability level in both Gestamp and other companies in the sector.

### EUROPEAN ERASMUS + PROJECTS



The main areas of collaboration with external institutions include the European Erasmus + Projects, in which Gestamp actively participates (Drives, OpenAuto and AEVA). We also received a special mention during the World Manufacturing Forum in September 2019, where the collaboration project between Gestamp Technology Institute and Innovalia was highlighted: "Zero Defect Manufacturing (ZDM) Digital Innovation Hub".

### INTERNAL COLLABORATION INITIATIVES

Among the internal collaboration initiatives aimed at attracting talent, the Engineering Development Programme deserves a special mention. The programme was developed to train an academy of American and Spanish engineers who, after an extensive 11-month theoretical and practical training programme undertaken at GTI and the Basque Country plants, joined the Gestamp United States plants to continue their development.

The programme included training in materials and forming processes, hot and cold stamping, as well as a module in assembly, robotics and PLC. In addition to the practical training at the tooling plants in the Basque Country, participants were also able to learn about other technologies at the Arasur and Solblank plants.



### Expertise on the role

The training of our workforce mainly takes place on the job, as it is of a largely practical nature. Gestamp has a training model that guarantees knowledge of our industrial processes, as well as constant adaptation to technological innovations and to the safety and weight-reduction requirements of our clients. Our commitment to a practical training model achieves three fundamental objectives:

1. To ensure that all Gestamp professionals have the skills required to undertake their work with excellence
2. To reflect the business priorities of Gestamp at all times
3. To plan the development of our employees who will hold key positions for our activity in the immediate future.

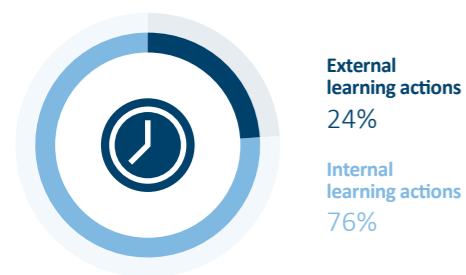
To ensure that this model works, Gestamp entrusted over 76% of its learning activities in 2019 (specifically, 18,200 training actions) to a network of internal experts and trainers who transmitted to participants the principles and values of the company, as well as the current and future processes and operations of the Group.

During the 2019 financial year, Gestamp taught 1.2 million hours of training (1,254,848 hours). The number of training attendees amounted to 193,000 in 22 countries and the average number of training hours undertaken per employee was over 28.

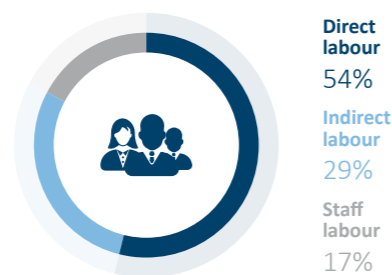


### Figures

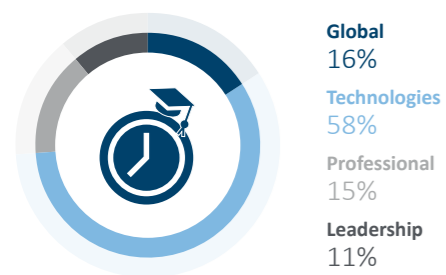
#### LEARNING HOURS



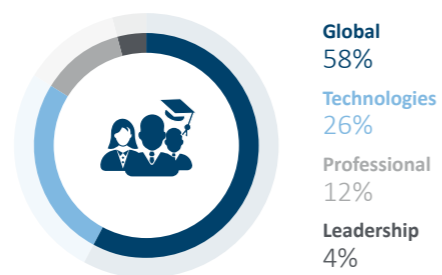
#### ATTENDEES BY TYPE OF LABOUR



#### LEARNING HOURS PER ACADEMY



#### ATTENDEES PER ACADEMY



### Corporate University: Academies

At Gestamp, knowledge is structured and deployed through the Academies of the Corporate University. It can be accessed at any time and from any location through the University's Virtual Campus, Gestamp Global Learning or face-to-face through the Group's different training centres, which includes GTI

(Gestamp Technology Institute) in Boroa (Spain), joined in 2019 by Gestamp Technology Institute in Puebla (Mexico). In particular, this new centre has trained 14 students to be a talent pool of die maintenance technicians for Gestamp, dedicating 1,400 hours of dual training per student.

**+ 47,600 HOURS THROUGH THE GESTAMP CORPORATE UNIVERSITY**

#### GTI MEXICO GRADUATES FIRST TOOLMAKERS GENERATION

In 2019, at the Gestamp Corporate University and Gestamp Mexico, we opened a new training centre in die-manufacturing and maintenance in Puebla (Mexico), where 14 future die-makers have graduated.

In 2019, Gestamp identified the need to expand its academy of toolmakers in Mexico and its human resources team contacted GTI to propose the setting up of a training centre in the city of Puebla that would reproduce the educational management model of Gestamp Technology Institute.

GTI Mexico has started its activity this year with the academy programme on tool design, manufacturing and maintenance. Furthermore,

internal Gestamp experts and professors from the Technology University of Huejotzingo collaborate on designing the academic challenges and on teaching the subjects developed according to the Group's global needs.

In addition to the effort made by the 14 young people over the 1,400-plus hours of theoretical and practical (dual) training at the plants in Puebla, Aguascalientes and San Luis Potosi, we would like to highlight the thorough coordination work carried out between GTI and GTI Mexico in achieving a programme that stays true to the tooling training standards and that will therefore be able to meet the objective of providing Gestamp with a sustainable global team of specialists-

Furthermore, the Corporate University spent over 47,600 hours teaching Gestamp professionals in 2019. This knowledge is distributed as follows:

#### BUSINESS KNOWLEDGE AND ORGANISATIONAL CULTURE

7,700 hours

6,000 new Group recruits

#### MANAGEMENT AND LEADERSHIP SKILLS

6,000 hours 470 Gestamp managers

Have received training in competencies linked to the Group's leadership model, investing more than 6,000 hours in developing their capacity for decision-making in uncertain environments, multicultural team management and operational excellence.

#### KNOWLEDGE OF REQUIREMENTS BY JOB POSITION

6,900 hours (14% of training hours)

The Professional Academy of the Corporate University concentrates efforts to offer a training itinerary to each professional profile in the company.

#### KNOWLEDGE OF PRODUCTS, TECHNOLOGIES AND PROCESSES

More than 27,000 hours

Have been dedicated to developing the technical skills of our professionals in disciplines such as assembly technologies, stamping and metal forming processes, new materials, etc.

Two initiatives stood out in 2019:

### VIRTUAL REALITY: APPLIED TO THE INTERNAL CERTIFICATION SYSTEM IN VISUAL INSPECTION LEVEL 1

The arc welding learning itinerary began three years ago with a module in visual inspection level 0 and the subsequent launch of the certification in visual inspection level 1 of Gestamp.

During the last two years, more than 1,100 employees have obtained our certification which, among other things, increases quality control efficiency and knowledge on client requirements and international standards.

The incorporation of arc welding in new plants, as well as the potential of virtual reality in other projects, has led us to develop a comprehensive solution for the certification system of our employees, which entails the following:

- An app that allows participants to take an exam in a virtual setting. Employees evaluate the possible welding defects in 10 samples through high-quality images.
- Certification Manager allows the certification process to be managed and the results to be stored.

In addition, it involves incorporating new learning methods into those already used by the Corporate University that seek not only to improve the learning experience of our employees, but also to familiarise them with this kind of technology.



#### Advantages

- Complete traceability of the exams taken using the application.
- Management of certifications through a management panel with different levels of visibility adapted to the needs of each profile (human resources, internal trainers or quality teams)
- A scalable system as new plants can be incorporated into the project.
- Cost reduction as it avoids having to generate new samples.
- No maintenance of physical samples is required.

### CONSOLIDATION OF THE INDUSTRIAL PLANNING MODEL

As the main aim is to raise awareness of the great impact that decisions made in the field of industrial planning have on the income statement of each plant, the Corporate University and the GPS team have collaborated on designing and implementing training based on a business simulator.

The programme is implemented at a regional level and involves all the profiles involved in the industrial planning process, such as plant managers, financial directors, operations directors, logistics managers and planners. In 2019, 66 people were trained in the 3 editions organised in Portugal, Russia and Brazil, exceeding 1,000 hours of training.

Assuming the role of a management team in a fictitious but real plant, attendees participate in a challenging and highly interactive simulation, compete face to face in different teams and implement strategies aimed at optimising the industrial planning process. Participants also experience first-hand the impact that these decisions have on the EBITDA, working capital and on the satisfaction of clients and employees.



Therefore, the objectives we pursue with this training are:

- Creating a holistic view of the plant and the decision-making process for industrial planning, from monthly sales to daily forecasts.
- Ensuring a 100% service level
- Achieving maximum efficiency in the use of the industrial assets available so as to obtain lower production costs.
- Understand the key elements of business performance and how to optimise them through a consistent planning process.
- Optimising the Working Capital involved.

### Business development and leadership plans

One of Gestamp's strategic axes at a global level is to promote the development of our professionals to prepare them for future challenges within the company.

In this sense, there have been several actions carried out that have included the Divisions of Northern Europe, Southern Europe, North America and Asia.

**The Industrial Directors Development program** has been run by 20 professionals from Northern and Southern Europe who, since April, have developed their technical, industrial, economic, financial and leadership skills. The program combines face-to-face and distance training and has both external and internal trainers, who in full coordination have delved into the deployment of global initiatives such as GPS, GQS and GPCS.

In total, the programme corresponds to 170 hours of training per participant. In addition, participants have been accompanied throughout the programme by a coaching process.

Continuing with the initiative that started the previous year, in 2019 we continued to roll out the **Leading Gestamp Business Programme** in different perimeters. The programmes developed in Mexico, the United States and Russia, with a total of 72 participants with responsibilities in plant and regional area management, as well as in the quality, purchasing, finance and HR divisions, among others, are worth mention.

Finally, and within the collaboration framework established following the Joint Venture in China with BHAP, through which Gestamp is committed to training its industrial managers in Gestamp processes and technologies, in 2019 we welcomed two professionals from the Tianjin and Beijing plants who have received training over several months in different corporate areas and have joined the workforce of Gestamp Palencia to develop their skills in hot stamping and assembly processes.

— THE PROGRAMME HAS A TOTAL OF 170 HOURS OF TRAINING PER PARTICIPANT



## Corporate culture

Gestamp fosters internal communication tools as a means for increasing company knowledge and the sense of belonging to the Group. During the year, we have worked on various internal communication campaigns to foster the commitment of employees to issues such as the environment, health and safety, and labour and social practices. In addition, we have carried out campaigns relating to the business, the strategy plan and to cultural transformation.

OneGestamp is the corporate platform that allows news about the Group to be published, while also maintaining private collaboration spaces for geographical areas and work teams. The aim of the corporate intranet is to serve as a channel for the launch of global campaigns, as well as the Group's strategy and the projects undertaken, in accordance with Gestamp's corporate principles.

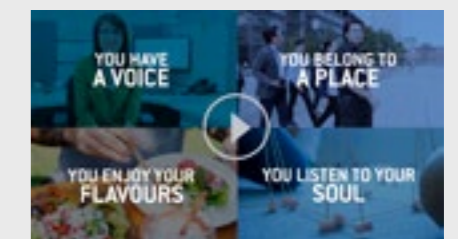
In 2019, the dissemination of information was carried out more frequently and with different formats, including through the 'People' blog, a space in which social stories are published weekly. Despite the general interest in technical information, this section was visited by more than half of the One Gestamp users. As an information channel, the strategic Group messages [Leadership Meeting 2018], with interviews and videos from the management team on Gestamp's key projects in 2019, was the best received.

MOST VISITED INTRANET SITES	USERS	VISITS
Blog People (weekly)	6,859	24,303
Leadership Meeting 2018	5,106	15,597
Diversity (annual campaign)	3,775	10,130

### PRESS PLAY DIVERSITY CAMPAIGN

As Gestamp is an international group, we have people with different languages, interests, traditions, ages, genders and backgrounds. Our corporate culture is based on a common and successful "one team" strategy, aligning our strengths and allowing local expressions to grow.

The Press Play Diversity Campaign aims to capitalise on the unique characteristics that exist in Gestamp by undertaking personal interviews throughout the Group and sharing them on our "One Gestamp" Intranet in order to highlight our diversity. It's an initiative that presents our international teams and shares intergenerational stories and experiences gained every day in the company, calling on Gestamp's partners to continue pressing Play to Diversity, as some of our employees have already done in Mexico, India, Argentina, Russia, China and Brazil. They are the true protagonists and creators of the content celebrating our diversity.



# 03.2

## Health and Safety

125 Our policy

126 Evolution

128 Health and Safety Management System

130 Balance 2019

132 Future challenges

## Our policy

Gestamp is committed to providing its employees, and any company working at its facilities, a safe and healthy work environment. It therefore has an ambitious occupational risk prevention policy and its own comprehensive management system, called Gestamp Health and Safety System (GHSS), which covers all the Group's production plants.

Our policy is based on the following principles:

- We comply with the legislation in all countries, but the reference for our centres is an internal one, which often goes further than the requirements provided for in legislation. It is the same for everyone.
- We believe that important risks, which are serious risks that may lead to serious accidents, must be prevented or minimised through technical means.
- The establishment of regulations and procedures, as well as training, is the correct path to controlling risks that we have not been able to prevent.
- Integrating health and safety matters into daily tasks and decision-making.
- Preventing occupational accidents and professional illnesses, which is the ultimate aim of our policy. It is achieved by avoiding and minimising risk to the health and safety of people. To do that, we undertake continuous improvement and actions relating to the risk analysis.



# Evolution



## Beginning: Accident rates

Up to 2006, we only worked with traditional accident rate indicators, which corresponded to our own workers, subcontracted workers and part-time agency workers that carried out their own tasks or tasks relating to our activity.



## Gestamp Health and Safety Indicator (GHSI)

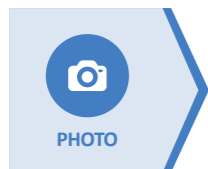
Accident rates are affected by external factors, social security and cultural differences, which allows us to compare the level of action in the area of safety.

implemented in plants in Spain and Portugal, and subsequently in all of the other plants around the world.

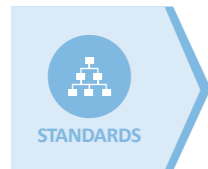
As such, in 2006 the GHSI was created. The indicator, which goes beyond international standards, was first

This indicator maintains the same level of requirement in all of the production plants and it has been adapted to the particularities of our activity.

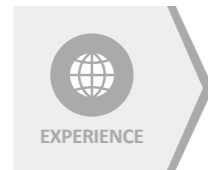
The uses of the GHSI as a tool:



**Precisely evaluating safety performance**, based on the conditions of industrial plants and on the improvement efforts that have been carried out.

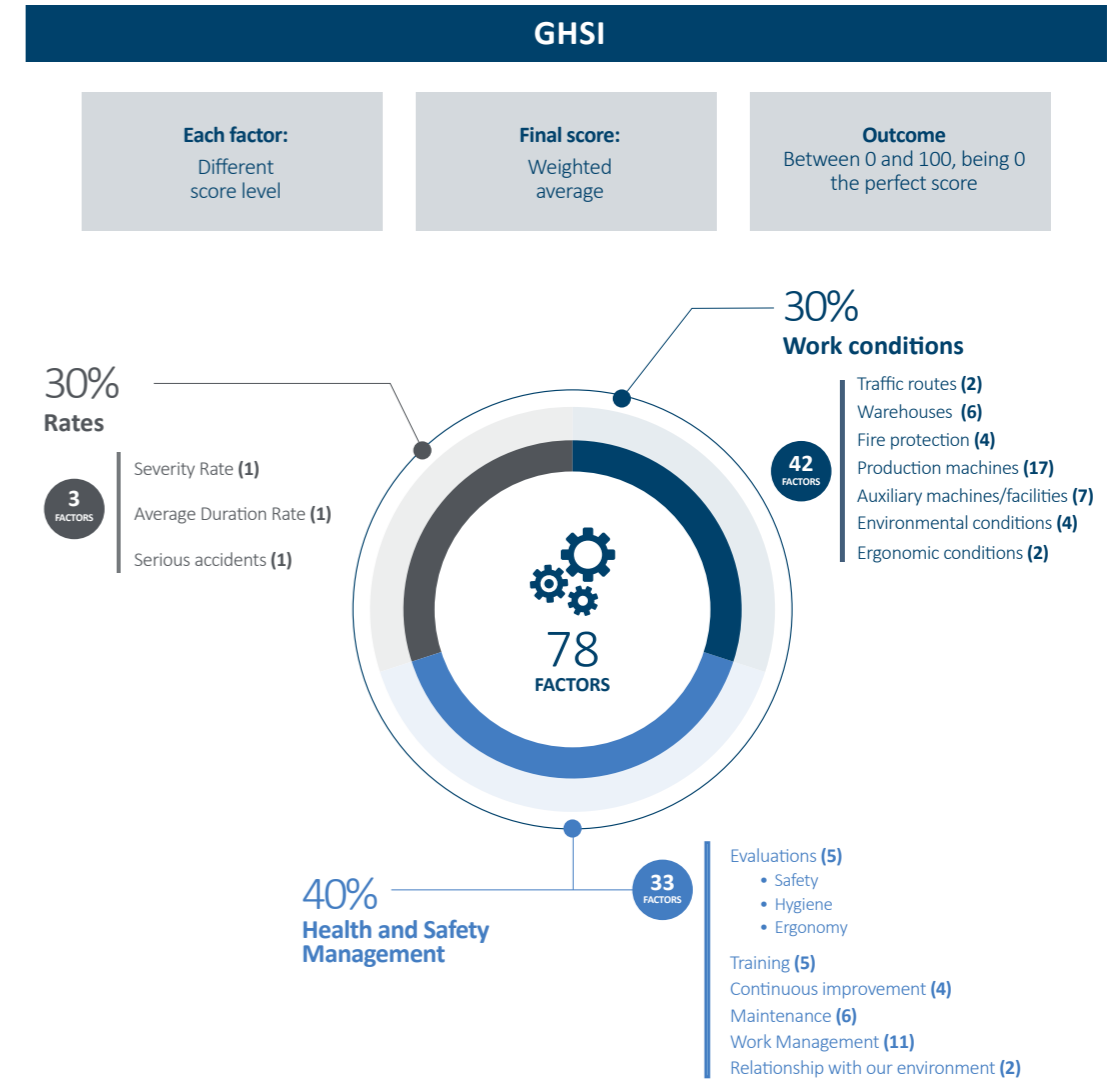


**Establishing a safety standard** for Gestamp that everyone knows about and that could be a reference for comparing all plants.



**Reflecting in the standard the knowledge** that has been accumulated over the years. Therefore, it may be used as a reference for improvement.

The analysis of diverse factors helps Gestamp to implement working and prevention management conditions that are safe and appropriate for its activity. All production plants must report the improvements carried out on a quarterly basis and they are all comprehensively audited every two years.



## Gestamp Health and Safety System (GHSS)

The Group has had an integrated system at all organisational levels since 2017. All the departments are involved in the system and it receives regional, divisional and corporate support. It is implemented at all (100%) our production plants without exception.

The GHSI has become the tool with which we measure performance in the area of health and safety and through which we detect improvement opportunities and the management undertaken.



# Health and Safety Management System

Our GHSS Management System encompasses all fields of action and it is implemented at all levels in our organisation. Its main features are:

## PROFESSIONALISM

**Wide team of professionals** dedicated to prevention from Corporate to Plant, to give criteria when making improvements and undertake new projects.

**Experts in working conditions and prevention management** who seek good practices and solutions and set the direction of the system.

## MEASUREMENT

**Health and Safety Indicator (GHSI)** is our own tool, designed and adapted to the particularities of the company's activity, reaching levels of demand greater than those required by international standards. It allows analyzing 78 factors equally in all the plants of Group.

## EXPERIENCE

Creation of publications and support documents such as Security standards, Management guides, Technical reports and Good practices.



## COMMUNICATION

**IT applications and Web Communities** that support the system. The IT applications allow to control everything related to GHSI: quarterly reviews, audits and reports; while through the Web Communities, discussion forums and document repositories are generated. Moreover, information is shared with all the plants.

## INTEGRATION

**Collaboration with other corporate departments** to make Safety and Health a further point to take into account in new projects, full integration is sought: layout design, purchase of machinery and facilities, training, corporate policies. In 2018 the Health and Safety team participated in numerous audits and several collaborative projects with 8 key areas of the Group such as Industry 4.0, GPCS, Standardization, Purchasing or Sustainability.

## ISO 45001 vs Gestamp Health and Safety System

We work with the highest level of demand, our GHSS system goes beyond legal compliance and the ISO 45001 certification framework, below is a comparison between the two:

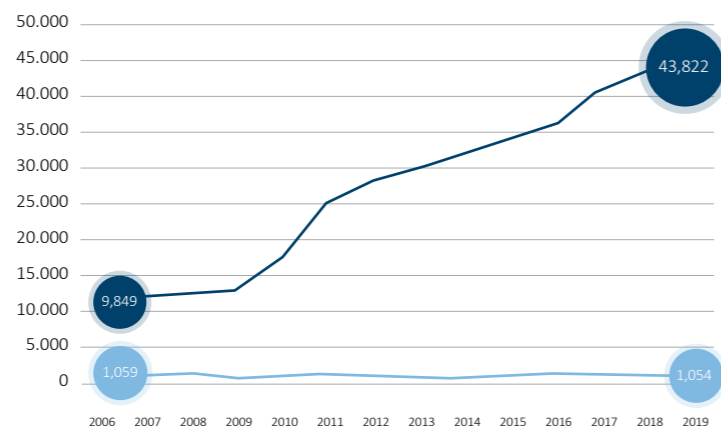
	ISO 45001 reference framework	GHSS – Gestamp reference framework
	<b>CONTEXT OF THE ORGANISATION</b>	<ul style="list-style-type: none"> <li>Gestamp has its own system, which goes beyond mere compliance with the law to also define courses of action</li> <li>It applies to all the plants in the Group and promotes integration at every level and across all departments</li> <li>It provides tools to implement and monitor progress based on GHSIs</li> </ul>
	<b>LEADERSHIP AND INVOLVEMENT OF EMPLOYEES</b>	<ul style="list-style-type: none"> <li>Leadership through senior management, which sets targets, monitors progress and provides resources to maintain and develop the system</li> <li>GHSS, through the agendas of the different management committees and boards of directors</li> <li>The system fosters employee engagement by means of committees and other tools, even though there is no legal obligation. It also facilitates communication, with a corporate mailbox and an open community</li> </ul>
	<b>PLANNING</b>	<ul style="list-style-type: none"> <li>Risk assessments represent the cornerstone of the system, as tools for quality and the basis for prioritisation of the improvement activities</li> <li>Surpassing legal requirements, it goes beyond the existing safety standards</li> </ul>
	<b>SUPPORT</b>	<ul style="list-style-type: none"> <li>Human and financial resources at corporate, division and plant levels</li> <li>Specific training and awareness activities with managerial involvement</li> <li>Multiple cascading and two-way communication methods</li> <li>Updated documents available to the entire organisation in both official languages</li> </ul>
	<b>TRANSACTION</b>	<ul style="list-style-type: none"> <li>System focused on eliminating or minimising existing and emerging risks using innovative technical solutions and specific documentation for our production processes</li> <li>Collaboration with other corporate departments and manufacturers in defining the standards for equipment, machinery, facilities, suppliers and processes</li> <li>Requirements are set for fire protection resources at the plants and their emergency plans, including training sessions and conducting regular drills</li> </ul>
	<b>PERFORMANCE EVALUATION</b>	<ul style="list-style-type: none"> <li>Plant performance is gauged through internal audit system of the GHSI, conducted by fully dedicated internal auditors</li> <li>GHSI outcomes reviewed by management on a quarterly and annual basis at leadership meetings, becoming part of the KPIs</li> </ul>
	<b>IMPROVEMENT</b>	<ul style="list-style-type: none"> <li>Accident and incident investigation using systematic, logical and reasoned methods, analysing root causes. Investigation findings, safety alerts, accident drills, etc., are distributed to the entire group.</li> <li>Gestamp holds departmental meetings to establish strategies and discuss proposals for improvement. Best practices generated are distributed across the group</li> <li>Comparative system with other companies, seeking opportunities for improvement</li> </ul>

# Balance 2019

Around 60 complete audits were carried out in the plant and almost 1,400 improvements were reviewed through the GHSI application in 2019 to maintain system consistency.

Despite the Group's growth, in terms of business and people, we have maintained and even improved the rates, which is a clear indication of our effort in the area of prevention.

The system used by Gestamp differentiates between occupational disease and accident, and between genders. In 2019, according to this classification, there were three occupational diseases and no fatal accidents.



EMPLOYEES ACCIDENTS

### EMPLOYEES

2006  
**9,849**

EVOLUTION  
**346%**

2019  
**43,882**

### ACCIDENTS

2006  
**1,059**

EVOLUTION  
**-0.5%**

2019  
**1,054**



In 2019, Gestamp joined the **Luxembourg Declaration** as a healthy company within the European Network for Workplace Health Promotion (ENWHP). The principles of this Declaration are fully aligned with corporate policy.

## MAIN ACTIONS TAKEN AND IMPROVEMENTS MADE IN 2019

- Safety Climate Program Nosacq-50 continued at 3 more plants
- Annual update of the GHSI and technical documentation
- New specific documents published on shelf maintenance, insulation materials on hot-stamping lines, management of uncontrolled inputs in production machines
- Distribution of safety alerts and best practices at global level
- Annual meeting to choose the best practice of the group: Abrera, three new lines of work to improve crane safety
- Workshops and training sessions for Divisions and Regions
- Specific studies and improvement plans designed at several plants
- Internal consulting with all work sites
- Training/awareness-raising material for crane operators developed using new technologies, VR. Clipping tool turn over operation
- Close collaboration with corporate departments
- Creation of a direct means of communication for all Gestamp employees with the corporate prevention team, the GHSS inbox
- Organisation of the 90th MNC EHS Meeting in Kunshan, China
- Participation in external forums and benchmarking in pursuit of enhancements for the system
- Publication of articles in specialist prevention magazines

## Working conditions and prevention management

According to performance in the previous year and the starting situation, each production plant establishes its action plan with the aim of making improvements. The following table shows, per Division, the variations in percentages compared to the 2018 figures.

DIVISION	WORKING CONDITIONS IMPROVEMENT %	PREVENTION MANAGEMENT IMPROVEMENT %
South America	4%	5%
Southern Europe	2%	-2%
Asia	0%	1%
North America	4%	-9%
Germany- Hungary	-2%	-2%
Northern Europe	1%	-1%
Edscha	2%	1%
TTE	7%	1%
<b>Gestamp</b>	<b>2%</b>	<b>-2%</b>

TRADITIONAL INDICATORS	2018	2019
Frequency Rate <sup>1</sup>	12	<b>11</b>
Severity Rate <sup>2</sup>	0.19	<b>0.18</b>
Fatal accidents	0	<b>0</b>

TRADITIONAL INDICATORS BY GENDER IN 2019	MALE	FEMALE	GROUP
Frequency Rate <sup>1</sup>	13	2	11
Severity Rate <sup>2</sup>	0.20	0.05	0.18
<b>Total Accidents<sup>3</sup></b>	<b>1,016</b>	<b>38</b>	<b>1,054</b>
Direct Employees	907	33	940
Subcontracted Employees	109	5	114
Fatal accidents	0	0	0
<b>Total Occupational Disease<sup>4</sup></b>	<b>2</b>	<b>1</b>	<b>3</b>
Direct Employees	2	1	3
Subcontracted Employees	0	0	0

\*Data not available by gender in 2018

(1) Frequency Rate: Number of occupational accidents with sick leave and diseases/per 1,000,000 hours worked.

(2) Severity Rate: Number of work days (M-F) lost due to occupational accidents or diseases/per 1,000 hours worked.

(3) Accidents occurred with sick leave regarding all workers who carry out tasks inherent to or necessary for our activity. TEA workers and outsourced services are included. Does not include commuting accidents

(4) Occupational disease: contracted as a result of exposure to risk factors inherent in work activity and reported by a doctor.

# Future challenges

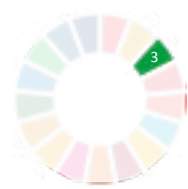
## Plan 2020

All divisions are located in good or excellent performance zones in the GHSI Work Conditions block.

From last year and up until the end of 2020, efforts are to focused on promoting and enhancing improvements in the Prevention Management block. To date, 36% of the target plants under Plan 2020 have mana-

ged to lift themselves out of the improvable performance zone in the Prevention Management block.

Work will continue with the goal of having all the Group's plants in the good or excellent performance zone by the end of 2020.



SDG 3 Health and Wellbeing

## HOST OF THE 90TH MNC ENVIRONMENT, HEALTH AND SAFETY MEETING

Gestamp Kunshan (China)



Gestamp organised the 90th Environment, Health and Safety (EHS) meeting in Kunshan, China, for the Multinational Corporations (MNC) association. The association promotes EHS management by sharing the systems, best practices and experience in occupational health and safety of multinationals operating in China. The event was attended around 90 people, including government representatives and health and safety and environmental professionals from multinational corporations and the automotive sector.

Those attending the meeting went on a tour of the plant and learned about the Gestamp Health and Safety System (GHSS), its methodology, achievements and the good practices that have been developed thanks to it.

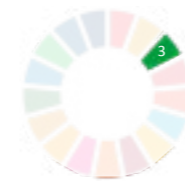
The participants highly valued both the system and its deployment, which is the result of comprehensive theoretical and practical training aimed at managers and specialists, as well as regular awareness campaigns relating to potential risks identified in the business.

*"I like the Gestamp Health and Safety System. It is comprehensive and specific to the risks present at the plant. Gestamp is an excellent reference point for other companies and the government. We should learn from Gestamp to improve health and safety management in our community."*

**LIU YANG**  
DEPUTY DIRECTOR OF SAFETY, KUNSHAN OCCUPATIONAL SAFETY ADMINISTRATION

*"I thank Gestamp for giving us the opportunity to learn about their good practices. The Gestamp Health and Safety System is so professional that it could become a technical guide, the standard of which could be followed by local factories. I also like how the system has been implemented at the Kunshan plant. Despite the fact the system is very demanding, the plant is meeting all its requirements and it is a great example of what can be achieved with it."*

**SUSAN SUN**  
SENIOR EHS SPECIALIST, FIAT CHRYSLER AUTOMOBILES APAC



SDG 3 Health and Wellbeing

## DIGITISATION OF CRANE OPERATOR TRAINING THROUGH VIRTUAL REALITY

In 2019, development began on a training module using virtual reality for crane operators. This module consists of a die-turning simulation, which is one of the riskiest tasks in crane operating.

Before the VR die-turning exercise, the crane operators review the safety rules of the task and become familiar with the virtual platform. The exercise, which can be done in a guided or individual manner, takes into account the most frequent mistakes. Once finished, detailed information is given on how the different steps have been carried out.

The aims of digitalising this training are as follows:

- To avoid physical risks during training.
- To repeat the turning operation as many times as necessary.
- To avoiding interruptions in plant activity.
- To raise awareness of the importance of following safety protocols.



It is an innovative initiative within the industrial sector, as it allows employees to be trained in their own workplace, developing them professionally with a methodology that improves their experience and learning capacity, while fostering adaptation to the digital world and guaranteeing their safety and physical integrity at all times.



SDG 3 Health and Wellbeing

## INCREASED CRANE SAFETY

Gestamp Abrera (Spain)

The Abrera plant, in its ongoing search to guarantee the safety of all its employees, has implemented good practices to improve the control of risks derived from the use of cranes.

The Abrera plant, in addition to increasing operator safety, has improved productivity, as possible problems with the cranes can be detected early.

Through the implementation of this type of occupational health and safety system, Gestamp Abrera is contributing to the achievement of the UN Sustainable Development Goal (SDG) number 3, "Health and Wellbeing".

These good practices entail three main lines of work:

- **Control of side pulling:** System comprising a laser emitter placed in the centre of the trolley or bridge and a reflector placed on the hook, which only allows lifting movements

when the crane and load are fully aligned vertically. This prevents undesirable load movements during hoisting.

- **Reduction gear vibration control system:** thanks to vibration analyses and particle sensors in the oil, we can undertake real-time monitoring of the status of cranes, receiving instant alerts regarding any kind of risk. As such, we can envisage possible problems and schedule maintenance more effectively.

- **Area control system:** through programming, total control of the crane's movement is achieved (speed, orientation, elevation, etc.). This entails creating areas in the plant of normal operation, areas of reduced speed and crane-only areas, given that they are considered particularly dangerous for operators and/or facilities.

# 03.3

## Local communities

135 Our approach

136 Social contribution

138 Areas of social action

143 Youth employment training

145 Social contribution through associations and organisations

## Our approach

At Gestamp, we believe that economic growth must always go hand in hand with social development and environmental impact management. Responding to the needs of the communities where we operate is our responsibility and poses an opportunity for our business to achieve sustainable development.

Therefore, we integrate into local communities and take part in the search for solutions to their needs and concerns. At Gestamp, we understand that the best way to focus our social and environmental contribution is by harnessing our strengths, which stem from the nature of our product and our business, as well as from how we manage it.

Our main objective, as regards our industrial activity, is to undertake responsible management, seeking to cause no negative impact whatsoever on the community.

On a local level, we collaborate on initiatives promoted by economic organisations (business, technology and innovation clusters and associations) and social and environmental ones (road safety, environmental awareness, socio-economic development, etc.).

On a Group level, socio-economic development and technical and industrial training and preparing of young people is one of our strongest commitments. We are committed to new generations having the studies and skills required to enter the labour market and to improve their level of employability.

On a global level, we participate in international programmes to meet the biggest challenges of our century. In 2008, we signed up to the UN Global Compact and, since they were approved in 2015, have adhered to the Sustainable Development Goals.



# Social contribution

## Collaboration with non-profit organisations

Collaboration with non-profit organisations is one of the ways we address the needs of the communities in which we operate. Most of them arise from the interest of our work centres, because we believe that it is necessary to understand the circumstances and needs of the community in order to have a greater social and environmental impact and to provide better solutions.

On a corporate level, these initiatives are monitored and spotlighted, seeking to exchange best practices and thus, facilitating replicability.

To do this, we have been classifying and assessing these social initiatives using the LBG method (London Benchmarking Group) since 2013.

Following application of the methodology, in 2019, a total of 213 social and not-for-profit activities were identified that have benefited 300 organisations and in which a total of 5,515 employees voluntarily participated. The total value of the contribution amounts to 1,339,723 euros (+5,949 euros of management cost).

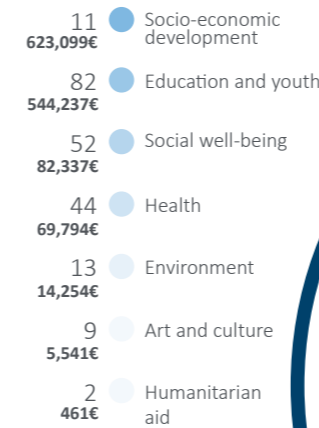
In terms of the type of contributions, the majority of activities undertaken related to monetary contributions (86.2%), which was followed by the time employees dedicated to causes during their work hours (9.3%). Another contribution, albeit representing a small percentage (4.5%), were in-kind contributions, such as donating leftover construction materials to non-profit organisations, or surplus office supplies and furniture to families affected by natural disasters.



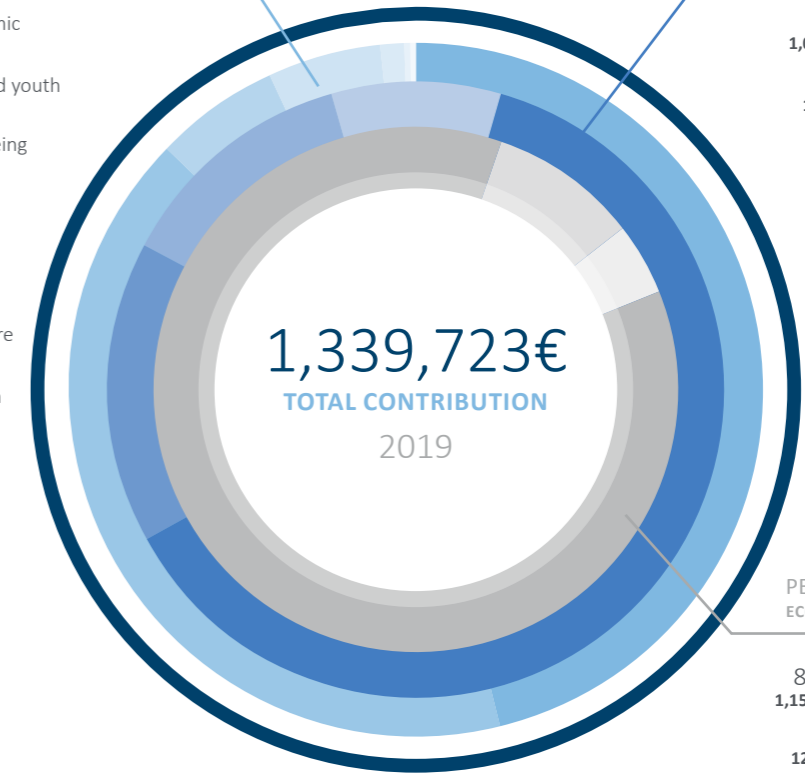
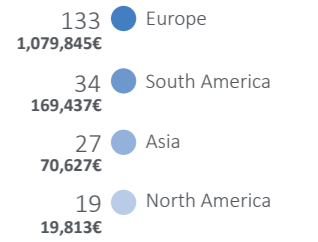
## MAIN SOCIAL CONTRIBUTION FIGURES



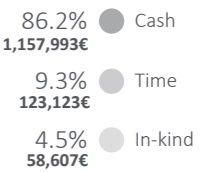
### PER AREA OF ACTION NR. INITIATIVES AND ECONOMIC VALUE €



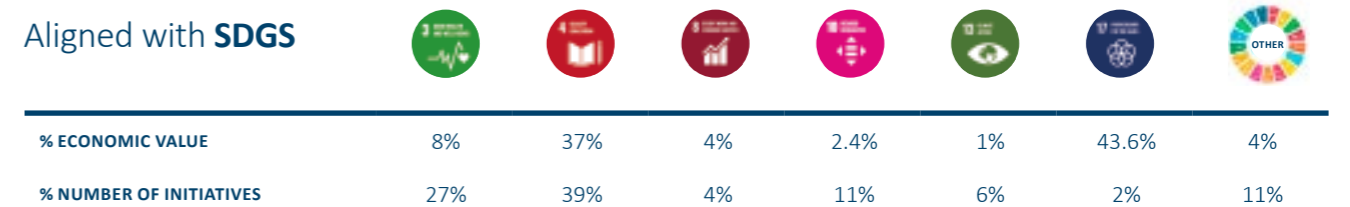
### PER GEOGRAPHICAL AREA NR. INITIATIVES AND ECONOMIC VALUE €



### PER TYPE OF CONTRIBUTION ECONOMIC VALUE € AND %



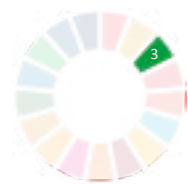
## Aligned with SDGS



# Areas of social action

Our work sites collaborate with a number of organisations in an effort to have a greater social and environmental impact on the communities where we operate. Each site attempts to provide solutions to the needs of the surrounding area, focusing especially on those issues in which, because of the nature of our business or our management, we feel we have more room for action.

Thus, because of the nature of our business, at Gestamp we believe that the areas in which our social contribution will have the strongest impact are road safety and the environment.



SDG 3  
Health and Wellbeing

## ROAD SAFETY AND THE SUSTAINABLE DEVELOPMENT GOALS

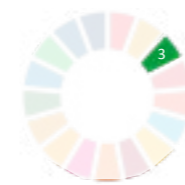
Gestamp Servicios (Spain)

In 2019, we worked with Fundación Mapfre to create a guide entitled “Road Safety and the SDGs. A Guide for Private Sector Organisations”. This document provides a general overview of the opportunities offered in terms of road safety through the United Nations Sustainable Development Goals (SDGs). The guide outlines the steps to be taken to boost the commitment made by companies to help reduce road fatalities under the guidance of the UN’s 2030 Agenda by applying the best practices described in the document.

It was presented at the Third Global Ministerial Conference on Road Safety: Achieving Global Goals 2030, held in Stockholm (Sweden) on 19 and 20 February 2020, with the aim of sharing the success stories and lessons learnt by applying the Global Plan for the Decade of Action for Road Safety 2011-2020.

Gestamp strives to achieve cars that are safer, thus helping accomplish SDG 3 “Health and well-being”. Specifically, through our collaboration in the creation of this guide, at Gestamp we are focused on contributing to target 3.6 “By 2020, halve the number of global deaths and injuries from road traffic accidents”, since the study is based on identifying formulas that make it possible to increase the safety of vehicle occupants and pedestrians.

Furthermore, through innovation in manufacturing processes, we directly contribute to this goal. Through hot stamping, one of the most advanced technologies available for improving performance in the event of a collision and passenger safety, as well as our research in high strength steel, Gestamp’s products significantly enhance passive safety in vehicles by increasing their capacity to withstand impact and reduce damage to vehicle occupants.



SDG 3  
Good Health and Well-being

## ROAD SAFETY: SAFE STUDENTS ON THE ROAD

Gestamp Wrzesnia (Poland)

In 2019, the Gestamp Wrzesnia plant in Poland carried out a series of activities at 13 schools to raise awareness among children about roadside health and safety, in an effort to prevent future accidents and reduce accident severity.

The plant partnered with the town council, the police department and the local radio station to conduct this initiative to help familiarise first grade students with traffic rules and roadside health and safety. They were also taught to use reflective strips to make them more visible, especially at times when the weather conditions reduce visibility.

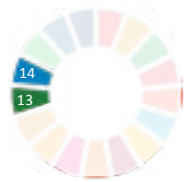
Thanks to this initiative, the students learnt about traffic rules and became more aware of road safety. In addition, they can now use their Gestamp reflective strips if need be, making them more visible.

Through this initiative, Gestamp Wrzesnia is helping to achieve Sustainable Development Goal (SDG) number 3, “Good Health and Well-being”. Specifically, it is contributing to target 3.6 “By 2020, halve the number of global deaths and injuries from road traffic accidents”.



### THE INITIATIVE WAS UNDERTAKEN IN:

- **Phase 1**  
Working with the police and the local radio station, Gestamp Wrzesnia taught students road safety and traffic regulations and rules of conduct. Each student was given a reflective strip to make them visible in the event of an accident or breakdown at night or in bad weather conditions. More than 500 strips were handed out to the students.
- **Phase 2**  
A contest about behaviour related to road safety was organised, in which eleven local schools participated. The winning class received a contribution to help them fund their class trip.



SDG 13  
Climate Action

SDG 14  
Life below water

## ENVIRONMENT: “PICK-IN-RED” ENVIRONMENTAL VOLUNTEER WORK

Gestamp Shanghai Office (China)



The Gestamp Shanghai Office carried out a corporate volunteering initiative to combat abandoned waste, thus protecting the environment. The Shanghai coast was covered in waste washed up by the tides after the typhoon. Therefore, a group of 19 volunteers set out to pick up the waste in the coastal area of the Shanghai Binjiang forest park.

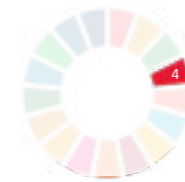
The initiative was called “Pick-in-red” and was done in collaboration with Shanghai United Foundation. All the volunteers were given gloves and tongs to pick up the waste. Despite the heavy rain and strong winds, they all worked hard to pick up as much rubbish as possible. In general, the types of waste found most were plastic bottles, polyethylene foam and rubber.

In addition, between the volunteers and Gestamp Asia, they collected around € 2,500, which they donated for waste collection on the

Shanghai coast. Thus, through this initiative, the volunteers became more aware about protecting the environment and about the urgent need to separate waste and to recycle.

Through this initiative Gestamp Shanghai is helping to have an impact on Sustainable Development Goal number 13 “Climate Action”. Specifically, this volunteering initiative has a strong impact on target 13.13 “Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning”.

In turn, this activity also contributes to SDG number 14 “Life below water”, focusing especially on target 14.1 “By 2025, prevent and significantly reduce marine pollution of all kinds, in particular from land-based activities, including marine debris and nutrient pollution”.



SDG 4  
Quality education

## EDUCATION: MANUFACTURING OPPORTUNITIES

Gestamp Chattanooga (USA)

Gestamp Chattanooga launched a K-12 dual training programme in 2017 based on the approach we endeavour to foster in the Group, which is known as “Learning by Doing”. Gestamp Chattanooga is aligned with this overall approach by the Group, and for this reason it is committed to specialised training for future professionals in the sector.

This programme was created because there is a large gap between the skills required by the companies operating in the region where the plant is located and those acquired by the students. Moreover, at this time, just 35% of the region’s students earn a post-secondary degree, which is the educational level required by the companies in the region.

Therefore, Gestamp is working with the region’s educational authorities to turn this situation around. Instead of sitting in a classroom at school every day, the students in this programme come to the plant, where they take courses in a laboratory and then they receive paid training for working at the plant.

This programme recently accepted 77 new students and its progress is highly successful. The students’ skills levels are improved, increasing both their employability and their interest in continuing their education and growing professionally.

In addition, in May 2019 the plant received a visit from Bill Gates. The philanthropist and founder of Microsoft took an interest in this training system based on the “learning by doing” concept of the Work-Based Learning

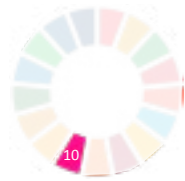
Program (WBL) that Gestamp has implemented at this US plant in collaboration with the local authorities.

With this initiative, Gestamp Chattanooga is helping to achieve SDG number 4 “Quality education”. Specifically, through this initiative it seeks to contribute directly to target 4.4 By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship.



*“I came away from my visit impressed by the tremendous impact Gestamp’s programme is having on students and the community. I hope other industries in Tennessee and other parts of the country will learn from their success”*

**BILL GATES**  
PHILANTHROPIST AND FOUNDER OF MICROSOFT



SDG 10  
Reduced  
Inequalities

## SOCIO-ECONOMIC DEVELOPMENT AND SOCIAL WELL-BEING INTEGRATING FUNCTIONAL DIVERSITY

Gestamp Solblank (Spain)

The Barcelona plant took part in the "Integrados" project, aimed at raising awareness among the businesses in the region about the specific needs of workers with disabilities.

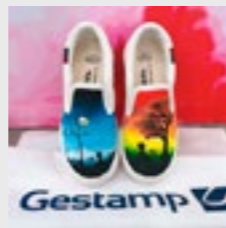
This project, which is carried out through an initiative by Randstad Foundation, is also a social and occupational integration programme for people with functional disabilities. Thus, specific occupational training workshops are developed to raise the employability level of the participants, thereby helping them become independent in the task of actively searching for a job.



The plant participated in this project and, through its collaboration and commitment, three people with disabilities were able to complete their training in Warehouse Management. Furthermore, thanks to this course, one of these people was hired.

## LOVE FULFILLMENT

Gestamp Shanghai (China)



The Shanghai Regional Office carried out a corporate volunteering activity aimed at helping children in a rural area of China who are living in poverty and cannot go to school because they have no shoes.

In response, Gestamp Shanghai collected 81 pairs of shoes and the Gestamp volunteers painted them, with assistance from the Hozon Youth Volunteer Service, to give them a brighter appearance. Then, the shoes were given to the assigned children at school before the cold weather arrived.

In this way, Gestamp Solblank and Gestamp Shanghai are contributing to Sustainable Development Goal number 10 "Reduced Inequalities". They are directly impacting target 10.2 "By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status".

# Youth employment training

At Gestamp we believe that the social development of the communities where we are present is crucial to developing our business in a sustainable manner.

Therefore, we foster the employability of our local community, managing to detect and develop talent, which not only helps contribute to society but also represents an opportunity for our business.

We provide young people with the opportunity to combine theory and practice through dual study programmes, which are taught around the world. These young people are known as apprentices. Apprentices combine practical training in the company with theoretical sessions taught in vocational training centres.

The aim of this kind of training is to:

- **Ensure that youths under the age of 25 obtain** a post-compulsory secondary education certificate through vocation training studies.

- **Improve the employability of youths** thanks to the high capacity the system has for putting theory into practice.

- **Form close relationships between educational centres and Gestamp work centres**, establishing greater connections and communication in the youth and worker training process.

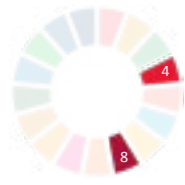
In general, apprentices who work at a Gestamp centre are accompanied by a tutor, perform normal working days, have a contract, are registered with the Social Security and earn a small wage. During 2019, Gestamp hosted 553 trainees and interns.

On a corporate level, there are a number of other initiatives, such as those mentioned in the Professional Training and Development section of the "Our Professionals" chapter.

Our Professionals







SDG 4  
Quality  
education

SDG 8  
Decent work  
and economic  
growth

## YOUTH EMPLOYMENT OPERATIONAL TRAINING

Gestamp Santa Isabel (Brazil)



In 2011, the Santa Isabel plant (Brazil) launched the Operational Training Programme with a view to meeting both a social need and a business demand.

The Operational Training Programme arose because the region needed to promote the employability of its youth, while the business had a need for skilled labour to operate in the industrial setting.

In the first phase, possible candidates are chosen to participate in the course. The participants are trained in activities including welding, stamping and logistics, in line with the hiring needs.

Training lasts 4 days (32 hours) and focuses on topics such as workplace safety, quality tools, production processes, maintenance, quality concepts, professional ethics and other industry-relevant activities. The programme is associated with SENAI (National Industrial Learning Service).

Some 170 people were trained in the programme in 2019, amounting to more than 1500 people in the Santa Isabel region since 2011.

In addition, about 80% of the participants were then hired. Some of the professionals who participated in the early courses are now coordinators, supervisors, engineering process analysts, quality inspectors and maintenance planners, to name a few, who began their careers at Gestamp through this operational training programme.

With this training programme, Gestamp Santa Isabel is helping to achieve SDG number 4 "Quality education". Specifically, through this initiative it seeks to contribute directly to target 4.4 "By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship."

Through the increased employability and high hiring rate resulting from the programme, the Brazil plant is also having an impact on SDG 8 "Decent work and economic growth". In particular, this programme is helping to achieve target 8.6 "By 2020, substantially reduce the proportion of youth not in employment, education or training."

# Social contribution through associations and organisations

We at Gestamp endeavour to promote the sector and local development from various perspectives. Putting this commitment into practice, we are actively involved in a range of initiatives geared towards social issues and economic issues, in the form of business clusters and associations.

We participate in organisations, institutions and forums that aim to foster socio-economic development, innovation and quality and to contribute to spreading knowledge about the automotive sector.

Innovation is a strategic priority at our company, which we promote through our participation in organisations like the University Institute of Automobile Research and the COTEC Foundation. We practice what is known as sustaining innovation, which seeks to strengthen the core business and ensure sustainability, efficiency and competitiveness.

Technology transfer and knowledge management are also priority issues in our business model, which is why we take part in numerous educational programmes and dual vocational training schemes through CLEPA, the European Association of Automotive Suppliers.

Participation in technological associations helps us in the transfer process of new technologies, which is the usual mechanism through which the organisation adapts to the requirements entailed in new projects. These new projects also end up fostering socio-economic development as a whole.

We have listed some of the associations and organisations that we participate in:

### INDUSTRIAL ASSOCIATIONS

- CLEPA (European Association of Automotive Suppliers)
- SERNAUTO (Spanish Association of Automotive Suppliers)
- ASEPA (Spanish Association of Automotive Professionals)
- STA (Association of Automotive Engineers)
- INSIA (University Institute of Automobile Research)
- CDTI (Centre for the Development of Industrial Technology)
- AEC (Spanish Quality Association)
- Industry 4.0 Chair of the Comillas Pontifical University

### PROFESSIONAL ASSOCIATIONS

- AED (Spanish Association of Executives)
- APD (Association for Management Progress)
- Corporate Excellence- Centre for Reputation Leadership
- DIRCOM (Association of Communication Managers)
- FUNDACOM (Spanish-Portuguese communication platform)
- Forética (Corporate Social Responsibility association for businesses and professionals)
- Spanish Network of the United Nations Global Compact

### ECONOMIC ASSOCIATIONS

- Círculo de Empresarios (Businesspersons Association)
- Spanish Exporters and Investors Club
- IADG (Atlantic Institute of Governance)
- IEF (Family Business Institute)
- CEOE (Spanish Confederation of Business Organisations)
- CCE (Spanish Chamber of Commerce)
- COTEC Foundation for Innovation

### BILATERAL CHAMBERS OF COMMERCE

- German-Spanish Chamber of Commerce (AHK)
- British Chamber of Commerce in Spain
- Brazilian-Spanish Chamber of Commerce (CCBE)
- Spain-China Council Foundation
- Spain-US Council Foundation
- Spain-Japan Council Foundation
- Spain-Russia Council Foundation
- Moroccan-Spain Economic Council (CEMAES)

### SPANISH REGIONAL CLUSTERS

- Basque Automotive Cluster
- Automotive Cluster of Aragon (CAAR)
- Automotive Cluster of Cantabria (GIRA)
- Automotive Cluster of the Community of Valencia (AVIA)
- Automotive Company Cluster of Galicia (CEAGA)
- Automotive Industry Cluster in Catalonia (CIAC)
- Automotive Forum of Castilla y León (FaCyl)



---

# 04.

## Governance Dimension

Governing Bodies **148**

Risk management **166**

Ethics and regulatory compliance **174**



# 04.1

## Governing Bodies

149 Shareholding Structure

150 Corporate Governance System

150 Governing bodies

151 Annual General Meeting

152 Board of Directors

158 Committees of the Board of Directors

163 Management Committee

165 Annual Corporate Governance Report

## Shareholding Structure

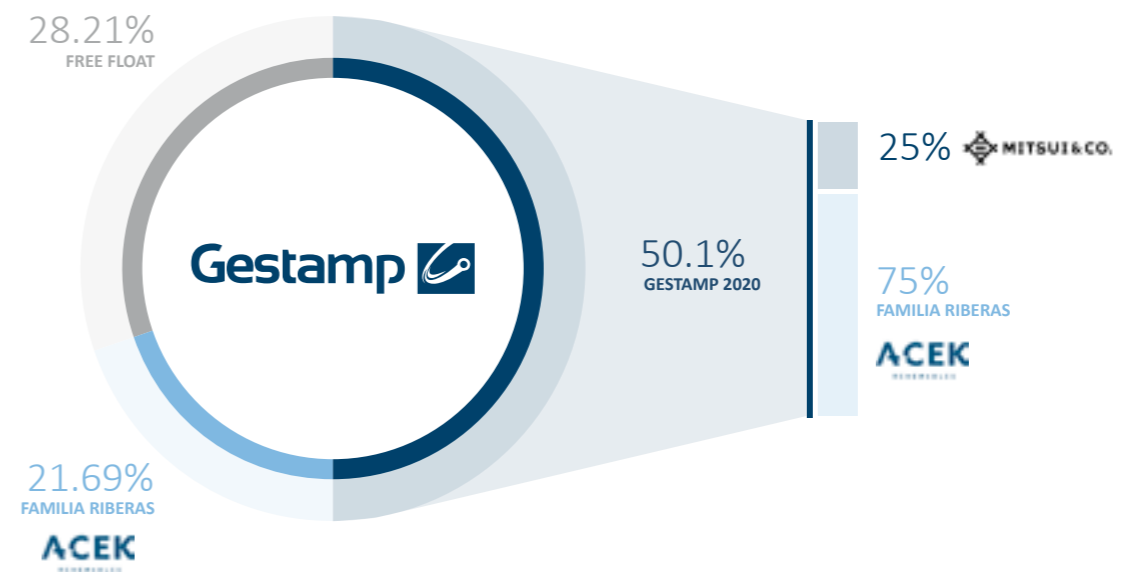
As of the date of approval of this Report, in accordance with the data recorded in the official register of the National Securities Market Commission (CNMV), the current shareholding structure of Gestamp Automoción S.A. (hereinafter, "Gestamp" or the "Group") is as follows:

- Acek Desarrollo y Gestión Industrial, S.L. ("Acek") holds 124,810,191 shares, representing 21.69% of the Company's total share capital;
- Gestamp 2020, S.L. ("Gestamp 2020") holds 124,810,191 shares, representing 21.69% of the

Company's total share capital. Acek holds 75% of the share capital of Gestamp 2020, while Mitsui & Co. Ltd. holds the remaining 25%.

- The rest of the share capital, i.e., 28.21% is free float

**All shares** belong to a single class and series and provide their owners with the same rights and duties.



\*To see the updated shareholding structure visit:

🔗 Visit <https://www.gestamp.com/Investors-Shareholders/General-Information/Shareholding-Information/Shareholder-Agreements>

# Corporate Governance System

Our Corporate Governance rules are periodically reviewed and updated.

The contents are modelled and based on our commitment to the Best Corporate Governance Practices, business ethics and social responsibility in all areas of action.



**OUR CORPORATE GOVERNANCE IS CURRENTLY BASED ON THE FOLLOWING RULES, WHICH ARE AVAILABLE ON OUR WEBSITE WWW.GESTAMP.COM:**

- Company By-Laws
- Regulations of the General Shareholders' Meeting
- Regulations of the Board of Directors
- Code of Conduct
- Internal Code of Conduct with regard to the Securities Market
- Particular corporate policies

## Governing Bodies

To meet the transparency and business ethics commitments, the Company implements its rules of corporate governance through the following Governing Bodies, which distinctly undertake strategy and supervision, and administration and management functions:



### General Shareholders' Meeting

The General Shareholders' Meeting is the shareholders' main way of participating in Gestamp, and it is our highest decision-making body where all duly-convened shareholders gather to discuss and decide on, subject to the majority requirements applicable in each case, matters falling within its scope of authority.



### Board of Directors

Focuses on establishing, supervising and monitoring the policies, strategies, and general guidelines to be followed by the Company and the companies in its consolidated Group.

### Committees of the Board of Directors

The Board of Directors receives support from specialist internal committees in the undertaking of its work. In this regard, the Board of Directors has formed an Audit Committee and a Nomination and Compensation Committee.



### Management Committee

Is responsible for the organisation and strategic coordination of the Group by disseminating, implementing and monitoring the business strategy and guidelines.



## Annual General Meeting

The General Shareholders' Meeting is the shareholders' main way of participating in Gestamp, and it is our highest decision-making body where all duly-convened shareholders gather to discuss and decide on, subject to the majority requirements applicable in each case, matters falling within its scope of authority.

### Functions

The General Shareholders' Meeting decides on any matter falling within its scope of authority in accordance with the Law, the By-laws and the Regulations of the Company's General Shareholders' Meeting, having authority to pass resolutions on the matters listed below, without limitation:

1. Appointment, re-election and removal of members of the Board of Directors.
2. Appointment, re-election and dismissal of the auditor of the Company and its consolidated group.
3. Approval of the financial statements and allocation of profits and approval of the Company's management.
4. Authorisation to acquire treasury shares or shares of the parent company.
5. Amendment of the By-laws.
6. Increase and reduction of the share capital, and the exclusion or limitation of pre-emptive rights.
7. Issuance of bonds convertible into shares, or any other security conferring the right to subscribe for newly-issued shares at the Company.
8. Acquisition, disposal or contribution to another company of essential assets and transfer to subsidiaries of essential activities.
9. Transformation, merger, spin-off or global assignment of assets and liabilities, and transfer of the registered offices overseas.
10. Dissolution of the Company and approval of any actions having liquidation-related consequences for the Company.
11. Approval of the liquidation final balance sheet.
12. Approval of the remuneration policy applicable to directors.
13. Establishment of any share-based remuneration system for directors involving delivery of shares or share options, or any payment tied to the value of shares.
14. Authorisation or waiver for directors of any prohibition derived from the duty of loyalty and the duty to avoid situations of conflict of interest.
15. Approval and amendment of the Regulations of the General Shareholders' Meeting.
16. Any other matter reserved for the General Shareholders' Meeting, whether by law or under the By-laws.

### Rights of shareholders

Shareholders are entitled to examine all the documents related to the General Shareholders' Meeting as of the date on which the Meeting is called, at the company's registered office or via the Gestamp website.

Moreover, between the date of publication of the notice of call to the General Shareholders' Meeting and the fifth day before the date scheduled to hold it on first call, shareholders may request in writing any reports or clarifications they deem necessary, or draw up in writing any questions they deem pertinent, concerning the matters included in the agenda.

In addition, a number of shareholders representing at least three percent (3%) of the share capital will be entitled to request publication of an addendum to the General Meeting's notice, to include one or more additional items in the agenda, within the deadlines and in the manner set forth by Law.

Similarly, shareholders representing at least three percent (3%) of the share capital may submit substantiated proposed resolutions on any matters already included or which should be included in the agenda, within the term and in the manner established by Law. Said proposed resolutions and, where appropriate, supporting documentation, will be published continuously on Gestamp's website.

02.

## Board of Directors

The Board of Directors is responsible for supervising, managing, controlling and representing the Company.

At the core of its mission, it must establish the approval of the Company's strategy and the organisation required to put it into practice, as well as the supervision and control of goal achievement by management, and respect for the Company's purpose and interests.

### Functions

The following non-delegable competencies are assigned to the Board of Directors:

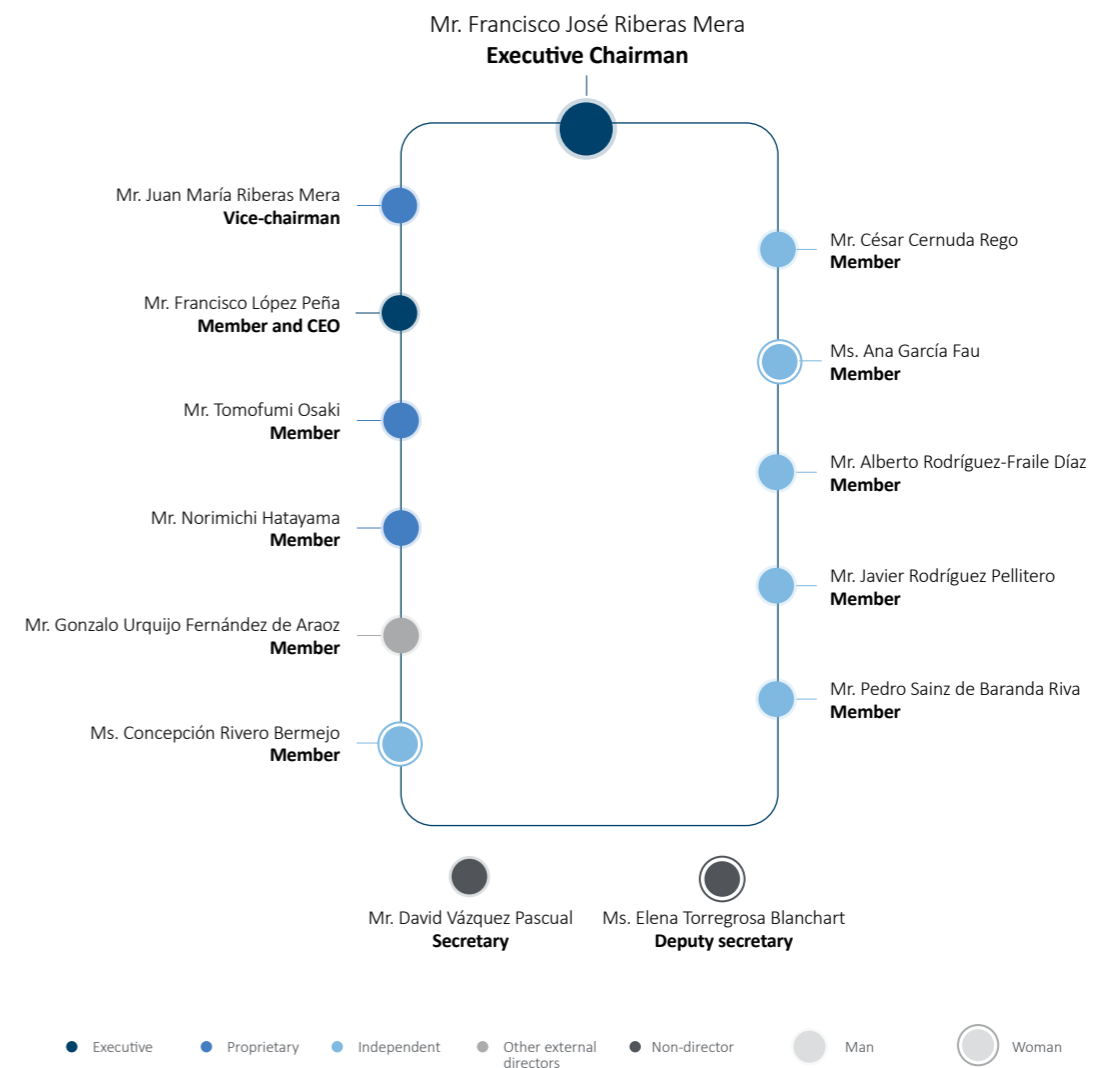
- a) The Company's general policies and strategies:
- the strategic or business plan, as well as management objectives and annual budgets;
  - the investment and financing policy;
  - the definition of the structure of the Company and its group;
  - the Company and its group's Corporate Governance policy;
  - the corporate social responsibility policy;
  - the remuneration policy and senior management's performance assessment. For these purposes, "senior management" shall be understood as managers that report directly to the Board of the Chief Executive of the Company; this concept will necessarily include the Internal Audit Director;
  - the dividend and treasury stock policy and, in particular, its limits;
  - the risk control and management policy, including tax risks, as well as the periodic monitoring of internal information and control systems.
- b) The following decisions:
- upon proposal by the Company's chief executive, the appointment and possible dismissal of senior managers, as well as their severance conditions;
  - distribution among the directors of the fixed annual remuneration determined by the General Meeting, which will be held by the Board of Directors, taking into account the conditions of each director, the roles and responsibilities allocated to them and their relevance to the various committees and, in relation to executives, determining their additional remuneration for their executive functions and other conditions that their contracts must observe;
  - the financial reporting that the Company, due to its status as a listed company, must periodically publish;
- all kinds of investments or operations which, due to their significant amount or special characteristics, are strategic or have a special tax risk, unless their approval corresponds to the General Meeting;
- and the creation or acquisition of shares in special-purpose entities or entities based in countries or territories classified as tax havens, as well as any other transaction or operation of a similar nature that, due to their complexity, could diminish the Company's transparency.
- c) The preparation of any kind of report legally required from the Board of Directors provided that the operation referred to in the report cannot be delegated.
- d) Monitoring the effective functioning of the committees formed and the performance of the delegated bodies and appointed managers.
- e) Convening the General Meeting and drawing up the agenda and proposed resolutions.
- f) The powers that the General Meeting delegates to the Board of Directors, unless authorisation is expressly given by it to sub-delegate them.
- g) Transactions that the Company, or companies belonging to the Group, undertakes with Directors, major shareholders or shareholders represented in the Board of Directors of the Company or of other companies belonging to the Group, or with persons related to it, after a favourable report from the Audit Committee, and with the abstention of the affected directors, except for exempt cases set out in the legislation in force.
- h) Other decisions specifically set out in the Regulations of the Board of Directors.

The structure, responsibilities and functioning of our Board of Directors are governed by the Spanish Capital Companies Act, the Company By-Laws and the Regulations of the Board of Directors.

## Structure

The Board of Directors comprises 12 members, of whom 6 are independent directors, 3 are proprietary, 2 are executive, and 1 is an external director. Thus, Gestamp complies with Recommendation 17 of the Good Governance Code for Listed Companies, which entails having at least 50% of the Board of Directors represented by independent directors.

A description of the structure of the Company's Board of Directors as of 31 December 2019, stating the position and category of each member, is set out below. Likewise, a link to the professional profile and biography of the directors is included.



For more information on Directors, visit the Gestamp website

## Diversity of the Board

The Board of Directors' Selection Policy approved by the Company's Board of Directors on 14 December 2017, at the proposal of the Appointments and Remuneration Committee, sets out the procedures and mechanisms for the selection of Directors in order for the Company's Board of Directors to have the knowledge, skills and experience necessary to guarantee suitable governance of the Company at all times. This policy sets out the underlying principles that are to govern it, which include the following:

- **Equal treatment and transparency.** This principle states that the selection of directors shall be transparent and free from implicit bias, so as to guarantee the same opportunities for all qualified candidates.
- **Diversity.** This principle states that diversity of experience, knowledge and gender is to be encouraged.

The Board of Directors' Knowledge, Skills, Diversity and Experience Guide sets out the knowledge, skills, diversity and experience that the Board of Directors as a whole must possess such that it serves as a reference and support tool for the Board of Directors' Selection Policy. This guide, approved on

14 December 2017 by the Board of Directors at the proposal of the Appointments and Remuneration Committee, develops the aforementioned principles and establishes that, for the purposes of selecting candidates and re-electing Directors, and in the face of equal knowledge and experience, diversity is to be encouraged, thus preventing discrimination on grounds of gender, age, culture, religion and race, and that the composition of the Board of Directors is to be in accordance with the demographic reality of the markets in which the Company operates.

In response to the vacant position arising in 2019 as a result of the resignation of Mr. Geert Maurice Van Poelvoorde, for the purposes of complying with the terms of the Selection Policy of the Board of Directors and the Board of Directors' Knowledge, Skills, Diversity and Experience Guide, and also to foster diversity on the Board, the Company's Appointments and Remuneration Committee, at its meeting held on 25 July 2019, resolved to adopt a measure that would favour the election of a woman to fill the position, as long as the candidates were equal in terms of knowledge and experience. Therefore, Ms. Concepción Rivero Bermejo was appointed as independent director of Gestamp to fill this position, effective on 29 July 2019.



## Collective knowledge of the Board of Directors

As a whole, the Board must possess sufficient knowledge, skills and experience to guarantee adequate governance of the Company in line with its activities, including its main risks, ensuring that it has effective capacity for independent and autonomous decision-making in the Company's interest. For the purposes of defining the skills, knowledge and experience that are deemed most appropriate for

the Board of Directors as a whole and in order to verify the suitability of a candidate whenever a vacant position on the Board opens up, the Appointments and Remuneration Committee approved a matrix that will be updated on a regular basis in line with the potential vacancies that arise in the Board of Directors and the new challenges and opportunities faced by the Company in the short, medium and long terms.

### MATRIX FOR THE BOARD OF DIRECTORS

	César Carruda Rego	Tomofumi Osaki	Francisco López Peña	Francisco J. Ribera Mera	Concepción Rivero Bermejo	Norimichi Hatayama	Alberto Rodríguez Fraile	Pedro Sainz de Baranda Riva	Georgio Urquillo Fernández de Alarcón	Ana García Fau	Juan María Ribera Mera	Javier Rodríguez Pellicero
<b>PROFESSIONAL EXPERIENCES</b>												
Experience on governing bodies, steering committees or in the management of other listed or relevant companies	●	●	●	●	●	●	●	●	●	●	●	●
Experience in strategy definition and execution	●	●	●	●	●	●	●	●	●	●	●	●
Experience in growing companies or /and in consolidation process	●	●	●	●	●	●	●	●	●	●	●	●
Experience in international environments	●	●	●	●	●	●	●	●	●	●	●	●
Experience in sectors with a high technological development or companies undertaking a digital transformation process.	●				●			●		●		
Experience in the automotive industry		●	●	●		●					●	
Experience in the steel industry		●		●		●			●		●	
<b>SKILLS &amp; KNOWLEDGE</b>												
Legal												●
Accounting and Finance		●	●				●	●	●	●	●	●
Audit			●						●	●		●
<b>GOOD CORPORATE GOVERNANCE</b>												
Independence	●				●		●	●			●	●
Diversity (nationality, gender, culture...)		●			●	●					●	

## Assessment of the Board of Directors' performance

Pursuant to the Regulations governing Gestamp's Board of Directors, the Board shall devote the first of its annual meetings to evaluating its own functioning in the previous year and, where appropriate, adopting an action plan to correct any aspects seen to be of scant functionality. Furthermore, the Board of Directors shall also assess (i) the performance of the duties of the chairperson of the Board and, should the position be held by a different person, that of the chief executive of Gestamp, based on the report submitted by the Appointments and Remuneration Committee; as well as (ii) the functioning of the Committees of the Board of Directors, based on the reports they submit to it.

The process of evaluating Gestamp's Board of Directors began on 31 October 2019 and was coordinated by the Appointments and Remuneration Committee, at the request of the chairperson of the Board of Directors.

To this end, the Appointments and Remuneration Committee approved an evaluation form that was sent to all Gestamp directors to fill out and return within a specified period of time. The areas evaluated were as follows:

- Quality and efficiency of the Board of Directors.
- Diversity in the composition and functions of the Board of Directors.
- Performance of the chairperson of the Board of Directors.
- Performance of the Chief Executive Officer of Gestamp.
- Performance of the secretary of the Board of Directors.
- Performance and contribution of each director.
- Functioning and composition of the Audit Committee.
- Functioning and composition of the Appointments and Remuneration Committee.

On 3 December 2019, the Audit Committee submitted the results of their evaluation. On 16 December 2019, the results of their evaluation were submitted to the Appointments and Remuneration Committee, as well as those regarding the evaluation of the Board of Directors, the chairperson of the Board of Directors, the Chief Executive Officer and the Secretary of the Board of Directors. After analysing the results, each of the Committees issued a report on the evaluation. In addition, the Appointments and Remuneration Committee prepared an action plan to be presented at the first meeting of the Board of Directors in 2020 together with the reports issued by each of the Committees, in line with the provisions of the Board of Directors' Regulations.

## Calling and regularity of meetings

The Board of Directors shall meet as often as necessary to effectively perform its functions, provided this is required in the interest of Gestamp, and at least six (6) times a year with at least one meeting being held per quarter.

In 2019, the Board of Directors met on 7 occasions. All the meetings were presided over by the chairman.



## Chairman of the Board of Directors

**Name:** Mr. Francisco J. Riberas Mera  
**Appointed:** 03/03/2017 effective as of 24/03/2017

The Chairman of the Board of Directors of the Company is elected from among the members of the Board after a report from the Appointments and Remuneration Committee. The Board, after receiving the report from the Appointments and Remuneration Committee, may appoint one Vice-Chairman or more to replace the Chairman in the event of absence or incapacity.

### Functions

- Holds this status for the Company and all corporate bodies thereof, which he will permanently represent.
- May hold the position of Chief Executive of the Company and as such be responsible for the effective management of the Company's business, always in accordance with the decisions and criteria established by the General Shareholders' Meeting and Board of Directors.
- Prepares and submits to the Board a schedule of meeting dates and agendas; organises and coordinates regular evaluations of the Board and, where applicable, of the Chief Executive Officer. He exercises leadership of the Board and is accountable for its proper functioning; he ensures that sufficient time is given to the discussion of strategic issues, and approves and reviews introductory and knowledge refresher courses for each Director, when circumstances so advise.
- Chairs the General Meeting and guides the discussions and deliberations held.
- Is responsible for convening and chairing Board meetings, setting the agenda and guiding discussions and deliberations. He ensures that Directors timely receive enough information to discuss items on the agenda. He encourages debate and active participation during the meetings.

As Chairman and Executive Director of Gestamp he is responsible for corporate strategy and development, including business relations at the highest level with the Group's clients, Corporate Governance and institutional representation of Gestamp.

## Chief Executive Officer (CEO)

**Name:** Mr. Francisco López Peña  
**Appointed:** 14/12/2017 effective as of 20/02/2018

The Board of Directors can permanently delegate its powers to one or more members of the Board, except for those powers reserved for the Board by Law, the Articles of Association or the Regulations herein.

The permanent delegation of the Board of Directors' powers and the appointment of the Director or Directors vested with the delegated powers shall not be valid unless they receive the favourable vote of at least two thirds of the members of the Board of Directors. The CEO's appointment is proposed by the Chairman following a report by the Appointments and Remuneration Committee.

### Functions

- The CEO is tasked with effectively representing and steering the Company's business, always in line with the decisions reached and criteria set by the General Shareholders' Meeting and the Board of Directors, within their respective spheres of authority.

## Coordinating Director

**Name:** Mr. Alberto Rodríguez Fraile (Independent Director)  
**Appointed:** 24/07/2017

Given the Chairman's status as executive Director, the Board of Directors, following a proposal by the Appointments and Remuneration Committee agreed to appoint Mr. Alberto Rodríguez Fraile as Coordinating Director.

### Functions

- Ask the Chairman to call a Board of Directors meeting or to include new items on the agenda of a meeting already called, when deemed appropriate.
- Chair the Board of Directors meeting if the Chairman and Vice-chairman are absent.
- Contact investors and shareholders to hear their perspectives in order to form an opinion about their concerns, particularly those relating to the Company's corporate governance.
- Coordinate and meet with non-executive Directors to discuss their concerns, and to coordinate the succession plan for the Chairman of the Board of Directors.
- Lead the periodic assessment of the Chairman of the Board of Directors.

## Committees of the Board of Directors

Greater efficiency and transparency in exercising the powers and performing the functions assigned to the Board of Directors warrant the establishment of committees.

These committees are not only called upon to facilitate decisions of the Board (by assessing the matters in advance), but also to strengthen the principles of objectivity and reflection with which the Board of Directors must address certain issues. To this end, the Board of Directors has formed an Audit Committee and Appointments and Remuneration Committee.

## Audit Committee

### Functions

The Audit Committee is responsible, in addition to informing the General Shareholders' Meeting about issues raised by the shareholders on matters under its competency and, in particular, about the audit findings, among others to:

#### With regard to information systems and internal control:

- Supervising the preparation, integrity and presentation of financial information.
- Periodically reviewing the internal control and risk management systems, including fiscal risks, and also discussing with the auditor any significant weaknesses in the internal control system found during the audit.
- To safeguard the independence and effectiveness of the internal auditing function: to propose the selection, appointment, re-election and dismissal of the head of the internal audit service; to propose the budget for this service; to receive regularly information about its activities; to verify whether senior management takes into account the conclusions and recommendations in its reports; and to discuss with the auditor or auditing firms any significant weaknesses in the internal control system detected in the audits.
- To set up and supervise a mechanism that enables employees to anonymously and confidentially report irregularities they are aware of within the Company.
- Approving, monitoring, reviewing and ensuring compliance with the Company's policy on corporate social responsibility.

#### With regard to the account auditor:

- Submitting proposals to the Board on the selection, appointment, re-election and replacement of the auditor.
- Regularly receiving information from the auditor regarding the audit plan and results of its implementation.
- Establishing an appropriate relationship with the account auditor to receive information about any issue that could jeopardise his or her independence, as well as any other correspondence stipulated in the corresponding legislation on accounts auditing and auditing standards.
- To issue a report expressing an opinion on the independence of the auditor once a year, prior to the issuance of the auditor's report.

#### As regards the risk management and control policy:

- Proposing to the Board of Directors a risk management and control policy.
- Overseeing the operation of the Company's risk management and control unit.

## Structure

Below is a description of the structure of the Company's Audit Committee as of the date of this report, stating the position and category of each member.



## Calling and regularity of meetings

The Audit Committee meets as often as necessary and whenever its chairman considers it appropriate. In any case, the chairman of the Committee will call a meeting of the Audit Committee whenever the Board of Directors or its chairman requests the preparation of a report or the adoption of a proposal, or whenever it is requested by at least 2 members of the Audit Committee.

In 2019, the Audit Committee met on 9 occasions. All the meetings were presided over by the chairman.

## Sustainability and CSR issues addressed by the Audit Committee

The Gestamp Audit Committee is tasked with approving, monitoring, reviewing and ensuring compliance with the Group's policy on corporate social responsibility.

In this regard, in 2019, the Audit Committee reviewed and approved the Group's Sustainability Report for 2018, issued a favourable report of the non-financial information contained in the directors' report for 2018, approved the Strategic Sustainability Plan and submitted the Group's Human Rights Policy to the Board of Directors for approval.



## Appointments and Remuneration Committee

### Functions

The Appointments and Remuneration Committee is responsible for, among other matters:

#### Functions relating to the appointment of directors and senior managers:

- a) Assessing the competencies, skills and experience of the Board, describing the duties and required skills of the candidates to fill vacancies, and assessing the time and dedication required for them to perform the assigned tasks.
- b) Annually checking compliance with the director selection policy.
- c) Examining and arranging the procedure for replacing the chairman of the Board of Directors and, as the case may be, the Chief Executive Officer.
- d) Guiding the proposals for appointment and dismissal of Senior Management members that the chairman submits to the Board and the basic conditions of their contracts.
- e) Submitting proposals to the Board of Directors for the appointment, re-election or removal of independent directors
- f) Reporting on proposals for the appointment, re-election or removal of remaining directors.
- g) Guiding the Board on gender diversity issues, setting representation targets for the under-represented gender on the Board of Directors and creating guidelines for achieving such targets.
- h) Arranging and coordinating periodic assessments of the chairman of the Board of Directors and, in conjunction with such person, periodic assessments of the Board of Directors, its committees and the Chief Executive of the Company.

#### Functions relating to the remuneration of directors and senior managers:

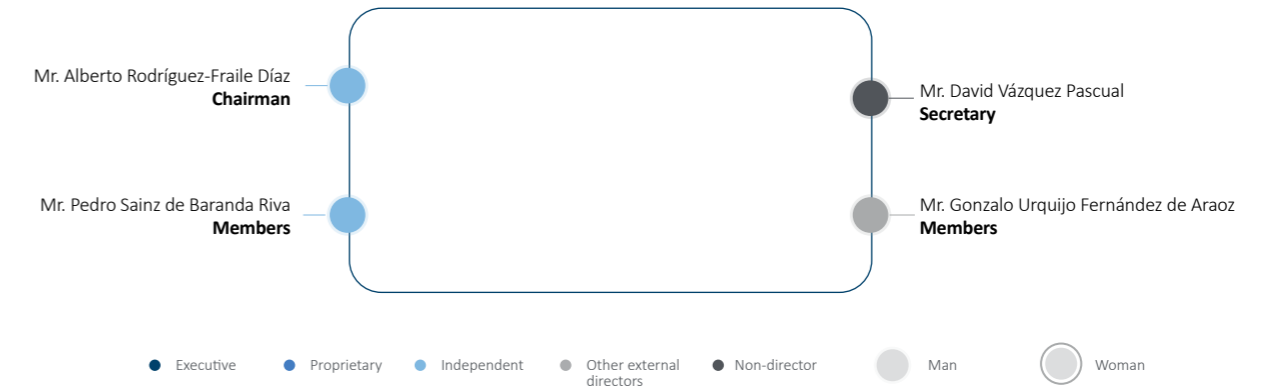
- a) Proposing to the Board of Directors the remuneration policy for directors and for the parties that carry out senior management duties and directly report to the Board, executive committees or managing directors, as well as the individual remuneration and other contract conditions of executive directors, ensuring compliance with such policy.
- b) Proposing to the Board of Directors the individual remuneration of directors and approval of the contracts entered into by the Company and its directors who carry out executive duties.
- c) Proposing types of contracts for Senior Management to the Board of Directors.
- d) Ensuring compliance with the remuneration policy for directors approved in the General Meeting.

#### Other functions:

- a) The chairman of the Audit Committee shall inform the Board of Directors of the issues discussed and the resolutions adopted at meetings during the first Board of Directors' meeting held after the Committee meeting.
- b) The Audit Committee shall submit, within three months after the financial year-end, a comprehensive report on its activities in said year to the Board of Directors for approval, which shall be made available to shareholders at the Annual Shareholders' Meeting.

### Structure

A description of the structure of the Company's Appointments and Remuneration Committee as of the date of this report is set out below, stating the position and category of each member.



### Calling and regularity of meetings

The Appointments and Remuneration Committee meets as often as necessary and whenever its chairman considers it appropriate. In any case, the chairman of the Committee will call a meeting of the Appointments and Remuneration Committee whenever the Board of Directors or its chairman

requests the preparation of a report or the adoption of a proposal, or whenever it is requested by at least 2 members of the Committee.

In 2019, the Appointments and Remuneration Committee met on 7 occasions. All the meetings were presided over by the chairman.



## Remuneration of the Board of Directors

The Remuneration Policy for Directors of the Company approved at the General Shareholders' Meeting held on 6 May 2019 defines the following principles, which guide the remuneration of directors for holding such position:

- **Adequacy.** It must be sufficient to compensate the dedication, qualification and responsibility of the directors while at no time compromising their independence.
- **Competitiveness.** It must be able to attract and retain the talent of directors, while also being in line with the market criteria at companies of similar characteristics at a national and international level.
- **Dedication.** It must meet the dedication and responsibility of each director.
- **Reasonability.** It must be capable of reflecting the Company's reality and that of the sector in which it operates, as well as the economic situation at any given time.

- **Transparency.** It must follow transparency criteria to guarantee the trust of investors and shareholders.

Remuneration of directors for undertaking their executive duties shall also be guided by the following principles contained in the Remuneration Policy:

- **Performance.** It shall include a variable component linked to the achievement of specific targets, aligned with the strategic objectives and the creation of value for the Group.
- **Sustainability.** It aligns part of the remuneration with sustained growth over time.
- **Equity.** Director remuneration for the performance of executive duties is proportional to the level of responsibility and experience.

### AVERAGE REMUNERATION OF DIRECTORS (THOUSANDS OF EUROS)\*

Member	Fixed	Subsistence allowance	Membership on Board Committees	Salaries	Short-Term Variable	Long-Term Variable	Severance payments	Other items	Total 2018	Total 2019
Mr. Francisco José Riberas Mera	0	0	0	714	260	0	0	0	974	960
Mr. Francisco López Peña	0	0	0	561	217	0	0	15	793	780
Mr. Alberto Rodríguez-Fraile Díaz	80	0	30	0	0	0	0	0	110	105
Mrs. Ana García Fau	80	0	15	0	0	0	0	0	95	90
Mr. César Cernuda Rego	80	0	0	0	0	0	0	0	80	75
Mr. Pedro Sainz De Baranda	80	0	15	0	0	0	0	0	95	90
Mr. Javier Rodríguez Pellitero	80	0	30	0	0	0	0	0	110	105
Mrs. Concepción Rivero Bermejo	34	0	0	0	0	0	0	0	34	0
Mr. Geert Maurice Van Poelvoorde	0	0	0	0	0	0	0	0	0	0
Mr. Gonzalo Urquijo Fernández de Araoz	80	0	15	0	0	0	0	0	95	90
Mr. Juan María Riberas Mera	80	0	15	0	0	0	0	0	95	90
Mr. Tomofumi Osaki	20	0	0	0	0	0	0	0	20	75
Mr. Shinichi Hori	80	0	0	0	0	0	0	0	80	56
Mr. Katusutoshi Yokoi	59	0	0	0	0	0	0	0	59	0
<b>Total</b>	<b>754</b>	<b>0</b>	<b>120</b>	<b>1,275</b>	<b>477</b>	<b>0</b>	<b>0</b>	<b>15</b>	<b>2,641</b>	<b>2,516</b>

(\* ) The Other External Director, Mr. Geert Maurice Van Poelvoorde, waived his right to the remuneration accrued in his favour as Company Director for professional reasons, with no amounts or remuneration items whatsoever paid to him since he was appointed. Geert Maurice Van Poelvoorde submitted his resignation, effective on 15 July 2019. Ms. Concepción Rivero was appointed as director of Gestamp Automoción on 29 July 2019. Mr. Tomofumi Osaki submitted his resignation on 2 April 2019 and Mr. Katusutoshi Yokoi was appointed, fully effective on 4 April 2019. In the information provided for financial year 2018, the remuneration paid to Noburu Katsu for the period from 1 January 2018 to 2 April 2018, the date on which his resignation was received, is not included. As such, it does not coincide with the information provided in the Annual Remuneration Report corresponding to financial year 2018. Other items are Remuneration in kind: life and company car insurance premiums

The remuneration paid to each Gestamp director is also published in the

 **Directors' Remuneration Report and Annual Corporate Governance Report, section C.1.13.**

## 03.

### Management Committee

The Management Committee is responsible for the strategic organisation of the Group by disseminating, implementing and monitoring the business strategy and guidelines.

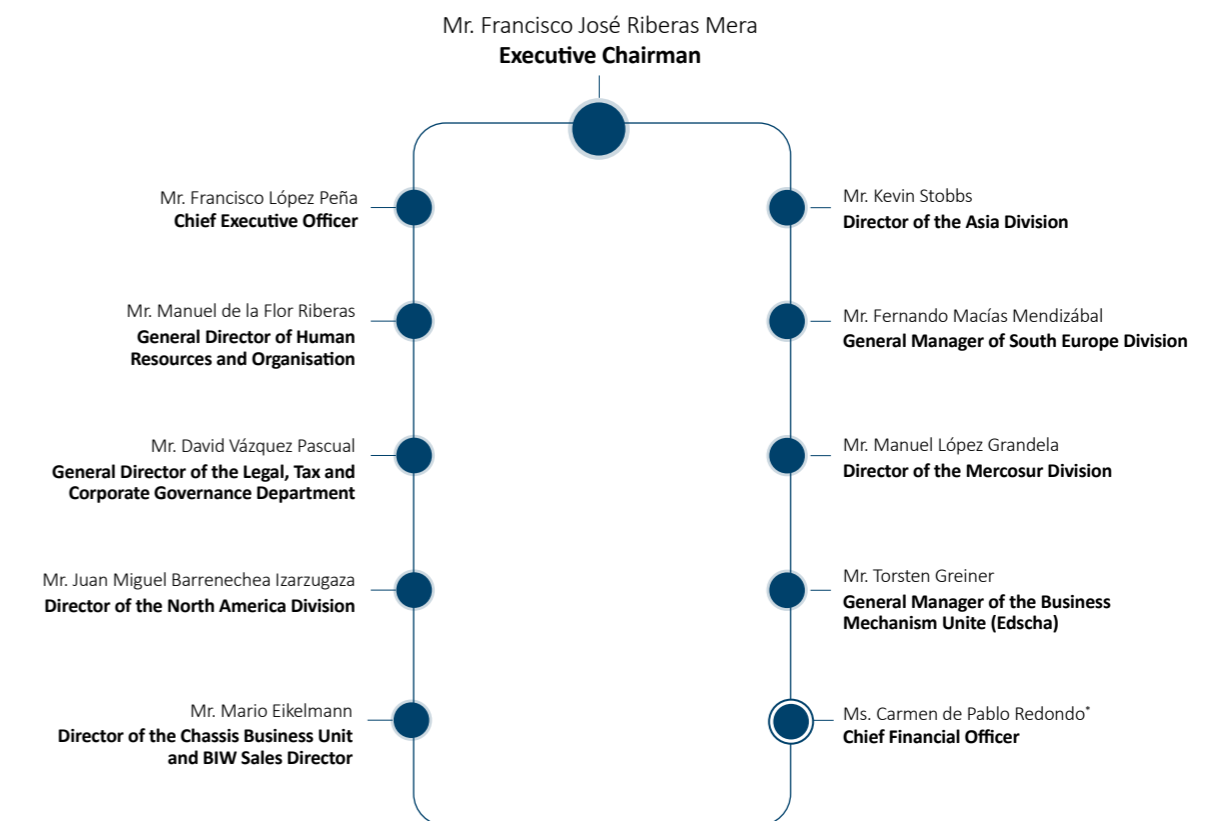
We have a Management Committee comprised of members of Senior Management and Executive Directors of the Company, Mr. Francisco José Riberas Mera and Mr. Francisco López Peña. From an organisation standpoint, the Management Committee performs its functions in accordance with the different

geographical markets and operating segments where the Company operates.

The Management Committee has extensive experience in the automotive industry, which is paramount to the success of our business. In fact, many members have been working in our Group for over 10 years. The Management Committee is chaired by Mr. Francisco José Riberas Mera. The following table contains the name and position of each member of the Management Committee.

### Structure of the Management Committee

A description of the structure of the Company's Management Committee as of the date of this report is set out below, stating the position held by each member.



(\* ) Since 19 December 2019, replacing Miguel Escrig

# Annual Corporate Governance Report

In its meeting held on 27 February 2020, the Board of Directors approved the Company's Corporate Governance Annual Report for the 2019 financial year. According to this report, the Company complies with 50 out of the 64 Recommendations from the Good Governance Code of Listed Companies, partially complies with 3 Recommendations, does not comply with 2, and is not subject to a further 9.

## Remuneration of the Management Committee

### REMUNERATION OF THE MANAGEMENT COMMITTEE (THOUSANDS OF EUROS)\*

Member	Position
Mr. Fernando Macías Mendizábal	General Manager of South Europe Division
Mr. Manuel López Grandela	Director of the Mercosur Division
Mr. Juan Miguel Barrenechea Izarzugaza	Director of the North America Division
Mr. Kevin Stobbs	Director of the Asia Division
Mr. Torsten Greiner	General Manager of the Business Mechanism Unite (Edscha)
Mr. Manuel de la Flor Riberas	General Director of Human Resources and Organisation
Mr. David Vázquez Pascual	General Director of the Legal, Tax and Corporate Governance Department
Mr. Mario Eikermann	Director of the Chassis Business Unit and BIW Sales Director
Ms. Carmen de Pablo Redondo	Chief Financial Officer
<b>6,640</b>	

(\* ) The total figure for remuneration of senior management includes the amounts paid to Mr. Miguel Escrig Meliá, who ceased to be a member of the Company's Management Committee during the year referred to herein.

The total remuneration accrued by members of the Management Committee, not including executive directors, amounted to 6,640 thousand euros in 2019.

 **The remuneration of Gestamp's Management Committee is published in the Annual Corporate Governance Report section C1.14.**



 For more information, please see the **Gestamp 2019 Corporate Governance Annual Report** published on the Gestamp and CNMV websites.

# 04.2

## Risk management

167 Our approach

167 Risk management system

168 Main risks

## Our approach

Risk management is one of the essential elements that have always formed an integral part of our philosophy and culture. To deal with the uncertainties inherent in complex scenarios such as those faced by Gestamp on

a day-to-day basis, the Group has a CRMS (hereinafter, CRMS) that aims to facilitate the correct identification, assessment, management and control of the potential outcomes of these uncertainties.

**RISK MANAGEMENT,**  
AN INTEGRAL  
PART OF OUR  
CULTURE

## Risk management system

Gestamp's CRMS has been designed and continues to be developed on the basis of the best corporate risk management practices set out in the ISO 31000 standard and the COSO (Committee of Sponsoring Organizations of the Treadway Commission) reference framework for Risk Management (known as COSO ERM), among other sources. The CRMS policy establishes:

- the different risk categories (operational, strategic, financial, compliance and reporting),
- the basic principles and guidelines for action to be observed in the control and management of risks,
- the bodies responsible for ensuring the proper functioning of the internal risk control and management systems, together with their roles and responsibilities,
- the level of risk considered acceptable.

The model is of a comprehensive nature, given that everyone contributes to risk management, from managers of departments, business units and divisions of the Group, to the various Governing Bodies, with the coordination of the Internal Audit and Risk Management Department.

This way, through the various meetings of the (Operational and Executive) Risk Committees and of the Audit Committee which reports to the Board of Directors, the Group is able to improve the capacity to generate economic, environmental and social value, in favour of the shareholders and other stakeholders.

Ever since the CRMS was implemented, Gestamp has kept its Corporate Risk Map up to date by conducting interviews and meetings with the Risk Committees. In

conjunction with the members of the Risk Committees, the updated Map approved at the end of the year includes, among other aspects, a prioritisation of risk based on the assessment of their likelihood of occurrence and their possible impact in the event of occurrence, analysing the risk from different points of view, both from a purely economic perspective and from reputational, legal and operational impact perspectives. Similarly, for the prioritisation of the risks, consideration has been given to the effectiveness of the controls that mitigate them.



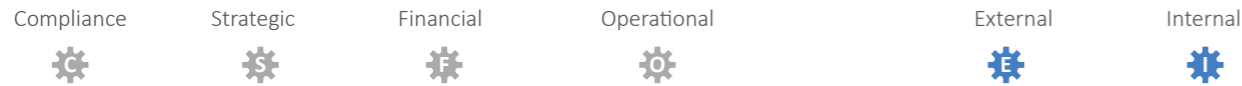
# Main Risks

The main risks faced by the Group have not changed substantially from those identified in previous years, with slightly more relevance now being placed, due to the current environment and recent regulatory changes, on the risk of computer application security and cybersecurity, the impact that our operations could have on climate change, uncertainty in relation to forecast vehicle sales

volumes, financial risks and the necessary progress in the field of Industry 4.0

These risks are detailed below, grouped according to the strategic priorities of the Group that are most directly linked to them in terms of sustainability.

## TYPOLOGY



## Integrity and responsibility in our action



### RISKS RELATED TO REGULATORY COMPLIANCE



The integrity and transparency of our actions is fundamental in maintaining relationships of trust with our stakeholders. Compliance with the legislation and regulations in force in each of our areas of action and with the Code of Conduct and internal regulations that implement it form the basis of our framework for action. Gestamp encourages respect for the aforementioned legislation, regulations and standards of conduct and, in the event of non-compliance, the adoption of corrective measures regarding any conduct that infringes them.

Another risk related to regulatory compliance is the risk linked to the Group's exposure to numerous regulations of a disparate nature. Given that Gestamp does business in several different jurisdictions, it is subject to a range of often complex domestic and international regulations. In order to reduce the likelihood of occurrence of this risk and its potential impact, we keep a constant eye out for any amendments to existing rules and any new rules passed that apply to us in order to, on the one hand, foster conscientious and responsible compliance and, on the other, to anticipate possible changes, seeking to manage them appropriately and to make the most of the opportunities they might afford.

One risk related to regulatory compliance is the risk arising from the possibility that companies pertaining to our group might incur in liability for the legal entity as a result of illicit conduct by their employees or members of their administrative bodies. In order to mitigate the likelihood of occurrence of this risk and to reduce its potential impact, at Gestamp we strive to constantly improve our Crime Prevention Model



## Financial strength

### CLIENT CONCENTRATION



The automotive sector is highly concentrated on few clients that individually provide a high percentage of business. Changes and modifications in the customer's market share and, therefore, order volumes, can have a significant impact on the Group. As re-

gards this type of risk, at Gestamp we monitor sales and look to diversify as much as possible our client and product portfolios in different geographical areas.

### DEVIATIONS FROM PROJECT PROFITABILITY



#### • Possible deviations in costs, investment and deadlines in the various launches of the Group's new projects

Taking into consideration our desire to support and grow alongside our customers on a global scale, our geographic diversification, the significant number of opportunities we have with customers due to our strategic position and the relatively short deadlines in the decision-making process, there is a risk that we may not always make the most appropriate investment decision.

Gestamp has several kinds of control measures for this key business stage, which include the development of a standard for the launch of products (GPCS- Gestamp Product Creation System), holding executive committees and/or monitoring at different levels on key projects, and the reporting of information and different indicators that allow projects to be analysed and monitored from each essential perspective.

Therefore, we have implemented mechanisms to obtain the appropriate information and to conduct homogenous analyses that measure economic and strategic impacts and that allow us to establish priorities and to undertake an analysis of associated potential risks.

#### • Deviations in the profitability of a project with respect to demand forecasts

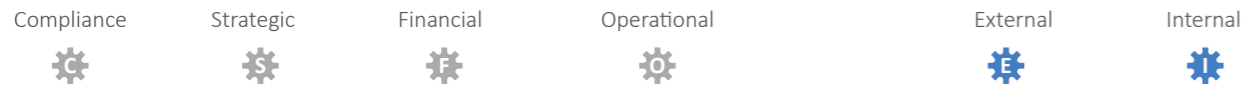
A volume of actual orders lower than that envisaged, can cause a reduction in the profitability of a project regarding the return expected.

Once the decision to undertake a new project has been made, the product creation stage starts, which must be managed ensuring that the requirements, budget and deadlines agreed with our clients are met.

The launch of new projects is commonly connected to new investments. The volume included in the project documentation takes the return of said investment into account. For this reason, at Gestamp we carry out continuous monitoring of the volume in all key projects so that we can review them with our clients and agree the most appropriate action to take amid potential changes.



## TPOLOGY



### FINANCIAL RISKS



The main risks relating to financial market fluctuations that the Group's activity is exposed to are:

- **Fluctuating exchange rates**

The Group's presence in the international market obliges it to establish a policy for managing exchange rate risks.

Our fundamental objective is to reduce the negative impact on our business in general, and on our income statement in particular, brought about by the variability in exchange rates, allowing us to protect ourselves from adverse movements and, where possible, leveraging favourable ones to our advantage. To manage this risk, we use diverse tools to track our sales and financial balances denominated in currencies other than the reference currency at each company, which lead to exposure to the currency risk, and we hedge any balances that might have a significant impact.

- **Fluctuating interest rates**

The overall objective of the strategy is to reduce the negative impact of increases in interest rates and to benefit as much as possible from the positive impact of tentative interest rate drops. To meet this objective, we use financial instruments, such as swaps or other derivatives, which convert the variable reference interest rate either totally or partially into a fixed one.

- **Cost of raw materials**

Raw materials, particularly steel, account for a significant part of the cost of our products.

Historically, the Group has used control and traceability tools to guarantee the correlation between the price variation of steel and our sale prices.

Furthermore, we actively participate in re-sale programmes with our clients. In these programmes, it is the client who negotiates the steel price, which is directly included in the sale price of our product. As such, the variations for Gestamp are neutral.

In the case of products that use steel purchased outside the re-sale modality, our objective is to negotiate our steel purchase agreements under suitable terms with the iron and steel industry so that the impact, whether positive or negative, of price variations is minimal. Furthermore, we sometimes incorporate into our agreements adjustment mechanisms regarding our sale prices that are based on steel prices in reference indices.

### POLITICAL AND ECONOMIC INSTABILITY



The economic and political instability in the countries where we operate may cause a possible fall in sales in the automotive sector.

At Gestamp, we monitor the international situation and adjust our business plans, where necessary, to incorporate the effects of the instability into the Group's forecasts and into our strategic and operational decisions.



## Operational excellence

### OCCUPATIONAL HEALTH AND SAFETY



The activities carried out at our plants, due to their characteristics, and the trips made by the Group's employees, are likely to entail health and safety risks for any person who is at our facilities or who travels to them.

To monitor these situations of risk, which may potentially result in serious occupational accidents or illnesses, we have a Health and Safety Policy and a Comprehensive Prevention System that is applicable to all of our plants, regardless of their geographical location. This system includes training and guidance for plant workers and travellers, monitoring of indicators, monitoring of initiatives and periodic measures and audits, as well as reviews for continuous improvement.

### STOPPAGE IN THE CLIENT'S ACTIVITY



In order for our customers to undertake their activity without interruption, it is essential that we maintain our capacity to supply them with parts. There are several factors in the Group's production chain that could lead to interruptions:

- **Supply problems due to incidents with suppliers**

To mitigate this type of risk, we take action at both the supplier selection stage and the subsequent provision stage. As regards the selection stage, we develop purchasing strategies geared towards avoiding single supplier situations. At the provision stage, we undertake the corporative global system of supplier monitoring and related risk assessment, different periodic quality controls, a monthly analysis of their activity and performance, and audits of key suppliers.

- **Internal problems**

- **Social conflicts**

To prevent certain situations from potentially leading to a social conflict, we undertake diverse preventative actions, such as monitoring incident indicators at plants, maintaining permanent dialogue with workers' representatives and making channels of communication available to the entire personnel of the Group so they can notify the corresponding person of any situation that may be considered as irregular.

- **Prolonged breakdown or stoppage of machinery, equipment and facilities**

To prevent this risk, at Gestamp we undertake continuous improvement programmes, regular machinery load and capacity studies and facility maintenance. As regards the latter, we have contingency plans to avoid eventualities that may cause our production processes to stop.

- **Technology Risks**

We continue to work proactively on our security robustness, protecting the Company's assets and systems from potential cyberattacks.

➔ See risk related to "Security of computer applications and cyberattacks"

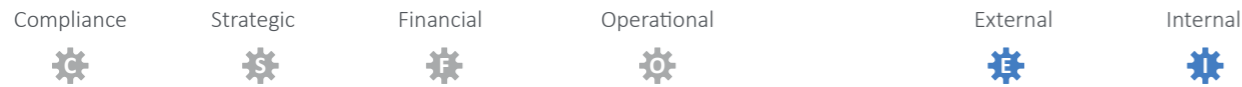
- **Serious Accidents**

➔ See risk related to "Health and Safety of People"

- **Other unexpected factors (weather-related disasters, earthquakes, floods, etc.)**

Our facilities comply with the local building requirements and recommendations on disaster prevention and mitigation. Additionally, Gestamp has established and implemented an insurance strategy focused on achieving the optimal balance between company protection (risk transfer) and the cost of such protection.

## TYOLOGY



### INCIDENTS REGARDING PRODUCT QUALITY



Gestamp has several control processes, relating both to the product and the production process, which aim to prevent non-compliant products from being sent to customers. Furthermore, we have a quality management system that helps us to make good use of those controls and to act as quickly and effectively as possible in the event that, despite everything, a non-compliant or suspect product is detected by the customer in its production plants or by the end customer.

This entails the adoption of not only containment measures, but also prevention measures, ensuring that the problem does not reoccur. This is achieved by investigating the root cause, implementing more appropriate corrective measures and capitalising on those experiences to mitigate any future risks. The quality system ensures that this improvement cycle is permanently active and it involves all levels of the organisation, including the plants at the corporation, the regions, divisions and the Business Units. The system also provides feedback at the project phase through commonly used tools in the automotive sector, such as the Failure Mode and Effects Analysis (FMEA) or lessons learnt.

### TECHNOLOGICAL CHANGES



Using the appropriate technology, materials and processes is fundamental for us to hold onto our competitive advantage and offering our customers the best products in the most favourable conditions. However, identifying and choosing the right technology, materials and processes to use, implement and adopt is a very complicated strategic decision.

At Gestamp, we undertake different actions in this sense, such as participating in co-development with customers, who view us as an element to complement their internal knowledge, particularly regarding more complicated products and technology, in which Gestamp has specialised over recent years. Other actions include holding Executive R&D Committees and conducting regular analyses and market research, to name a few.

The Industry 4.0 initiative can be highlighted in this regard. The aim of this initiative is to conduct a comprehensive analysis of the data collected from the systems, tasks and processes that we have or carry out at all of our plants and to use common digital platforms to create more efficient plants and more consistent and reliable processes.

### SECURITY OF COMPUTER APPLICATIONS AND CYBERATTACKS



The security risks of the Group's information systems have become increasingly relevant in recent years, on the one hand as a result of regulatory changes in data protection and, on the other as a result of the rapid advance in technologies, sometimes without the necessary security guarantees, together with the lack of knowledge of these vulnerabilities on the part of users. In addition, the Group's size correlates with an increase in the intrusion attempts detected daily.

For these reasons, the Group works very proactively to continuously improve the security of its communications, applications and IoT components ("Internet of Things") in order to have increasingly robust control mechanisms that adequately protect its assets from potential cyberattacks.



## The best professionals

### DIFFICULTY IN DEVELOPING AND RETAINING TALENT IN ACCORDANCE WITH FUTURE NEEDS IN AN ENVIRONMENT OF GLOBAL TECHNOLOGICAL CHANGE AND GROWTH



The environment of accelerated change in which we are operating creates uncertainty in terms of the identification and quantification of future needs for resources and of the skills and knowledge that will be required to meet the Group's objectives.

We are certain that the Group's sustainability is based on the people belonging to it and their ability to respond to the challenges we face. In order to meet our goal of ensuring that the right people hold the right positions, Gestamp is working on a project to identify talent, to give us better knowledge of the professionals who

work with us, helping them to develop and offering them career opportunities wherever there are opportunities for growth.

Due to the growth experienced by the Group at global level and the increased complexity of the technology used in production and on new machinery (which is increasingly sophisticated), we strive to ensure that Gestamp employees are able to develop their knowledge and skills on a continuous basis, in line with our operational excellence objective.

### DIFFICULTY IN RECRUITING/REPLACING KEY PERSONNEL



Having key management personnel in strategic positions and highly qualified staff is an asset of great value for Gestamp.

To fill those essential positions, we endeavour to prioritise internal talent by carrying out promotion or replacement processes, and then externally, through specific recruitment and selection processes.

We have different processes and initiatives aimed at identifying talent within the Group in order to develop it and cover the needs of critical positions within the organisation based on a preliminary needs' analysis.



## Minimising environmental impact and climate change

### ENVIRONMENTAL AND CLIMATE CHANGE RISKS



As an integral part of the automotive sector, we believe that our environmental impact must be analysed from the perspective of a vehicle's life-cycle beyond the direct impact generated purely on the manufacturing process. Moreover, our stakeholders are increasingly committed to climate change, including automobile manufacturers, which have raised their demands on the supply chain in this regard.

As such, in relation to the environmental risks entailed in our activity, it is the Group's policy to implement an environmental management

system, ISO 14001 and/or EMAS, and the activities we are performing include implementation of energy efficiency measures and raising awareness among our employees about reducing the amount of waste generated and recycling.

In terms of the environmental impact linked to the vehicle life-cycle, we are investing in projects and research on new materials and products that involve reduced CO<sub>2</sub> emissions. One such activity we are working on is the development of new products for hybrid and electric vehicles.

# 04.2

## Ethics and Regulatory Compliance

**175** Code of Conduct

**176** Respect for Human Rights

**177** Crime prevention

**178** Corruption, fraud and bribery prevention

**178** Intellectual and Industrial Property

**179** Personal Data Protection

**179** Internal Code of Conduct with regard of the Securities Markets

**179** Conflicts of interest

**180** Bodies involved in the Code of Conduct and Compliance

**181** Complaint channels

Ethics and integrity are fundamental pillars of the Gestamp business model. The Group and its employees' decisions and actions contribute to building and maintaining its reputation and impact the confidence that stakeholders have in the Group. For this reason, Gestamp has a commitment to integrity and transparency in the development of its business.

## Code of Conduct

At Gestamp we have had a Code of Conduct since 2011. This Code is the common reference framework for the ethical and respectful behaviour of the members of the governing bodies and employees contractually linked with the Group companies.

It contains the Rules of Conduct based on the Corporate Principles and on the Ten Principles of the UN Global Compact relating to human rights, labour standards, environmental standards and the fight against corruption.

On 7 May 2018, the Board of Directors of Gestamp Automoción, S.A. approved the current version of the Code of Conduct in order to adapt and update its content to meet the requirements arising from the new listed company status of the Group's parent company.

The Code of Conduct is available on the Group's website, where it can be downloaded by users in any of the 18 languages spoken in the Group.

During 2018 and 2019, we implemented a campaign to disseminate and train all our employees and members of the governing bodies regarding the Code of Conduct, and they were also asked to confirm receipt of the Code of Conduct online. Currently, each new employee is given a document in their induction plan and asked to adhere to it.



We have a **Code of Conduct** since 2013 and its last update was made in 2018



### External audits

In 2019, we continued with the audit rotation plan conducted by an independent auditor to verify the degree of implementation and knowledge of the Code of Conduct by employees. Specifically, in 2019 audits were carried out in all work centres in India, Russia and Mexico. In addition to these countries that were already audited in 2014, other areas that are important for the Group such as Germany, Argentina, Brazil, China, United States, France, Portugal and the United Kingdom should be added.

Specific improvements are identified through the external audits. Measures and action plans are carried out to resolve particular aspects and to improve the application and knowledge of the Code of Conduct and the communication channels.

Taking the Code of Conduct as reference, over the years we have developed specific internal regulations to ensure better compliance with the Code and other regulations that apply to it.

### Training

Regarding training, all Group employees and members of the governing bodies must have completed the introduction course on the Code of Conduct at least once, which may be taken in one of the following ways:



**Online training**  
Through the Gestamp Corporate University.



**Face-to-face training**  
For cases where the employee does not have access to an electronic device that allows them to carry out said online training.

## Respect for Human Rights

For a global group like Gestamp, with an intensive workforce, it is relevant and strategic to respect Human Rights as universal rules of conduct that must be applied to all companies through which it operates in the market.

At Gestamp we consider that respect for Human Rights is fundamental and, therefore, these are largely reflected in our Code of Conduct, the fundamental axis of our commitment to integrity. We are also aligned with the main international initiatives in this area.

In 2017, a study on Human Rights was conducted in all our workplaces worldwide, which allowed key Human Rights issues to be defined, classifying them by relevance, criticality, probability of compliance as well as the capacity to manage them.

Based on this study, we have drawn up a Human Rights Policy. This policy was approved by the Board of Directors on 16 December 2019 and is

intended to establish the general parameters of action that should govern the daily activity of the Group and convey the will of the Group to comply with international best practices in the field of Human Rights' protection.



**MAIN INTERNATIONAL INITIATIVES**

- The International Bill of Human Rights.
- ILO Declaration on Fundamental Principles and Rights at Work.
- Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy.
- The Guiding Principles on Business and Human Rights of the United Nations.
- The OECD Guidelines for Multinational Enterprises.
- The Ten Principles of the UN Global Compact.

### Fundamental principles contained in the Policy

**LABOUR PRINCIPLES**

- Fair working conditions
- Equality and non-discrimination
- Decent employee treatment
- Eradication of forced labour and other forms of modern slavery
- Condemnation of child labour
- Health and safety in the workplace
- Freedom of association and the right to collective bargaining

**MATTERS RELATING TO THE WORK ENVIRONMENT**

- Freedom of expression and opinion of employees
- Foster local employment
- Physical safety of employees in complicated contexts
- Decent work and rights regarding migrants

Moreover, with the aim of extending this respect for human rights to the supply chain, Gestamp has Corporate Social Responsibility Requirements for its suppliers, which include, among other matters, labour and human rights, and business ethics. The do-

document is available on the website and on the Supplier Portal. It is mandatory to accept these requirements to be a Gestamp supplier and is included in the Group's General Procurement Conditions.

## Crime prevention

Gestamp has a Crime Prevention Model that aims to analyse and assess the risks arising from the potential commission of crimes within the Group, as well as identify the controls necessary to prevent, mitigate or detect said criminal risks.

On 16 December 2019, the Gestamp Board of Directors approved, on a proposal from the Audit Committee, the current version of the Criminal Risk

Map and the Crime Prevention Manual that are part of the Prevention Model and that include a catalogue of crimes identified for which the impact, probability, risk and effectiveness of the existing controls have been assessed.

Likewise, we have identified controls implemented or to be implemented in the Group for their effective prevention and detection.

## Corruption, fraud and bribery prevention

Corruption, fraud and bribery are prevalent in today's society. These illegal activities stunt economic and social development, weaken the Rule of Law and, from a business perspective, are detrimental to the market and corporate reputation.

Corruption, fraud and bribery are part of the catalogue of crimes included in the Group's Crime Prevention Manual. On 17 December 2018, the Gestamp Board of Directors approved the Anti-Corruption and Fraud Policy, which develops more specifically the internal regulations regarding corruption, fraud and bribery already established in the Code of Conduct. The Policy is applicable to directors, managers and employees who are contractually bound to the Group's companies, as well as any third parties that liaise with the Group. The aim

of this Policy is to send a strong and clear message of opposition to all forms of corruption, fraud and bribery and to explicitly state our commitment to avoiding said conduct within the organisation. To this end, it establishes certain guidelines for action and the rules applicable to the performance of any business-related activity conducted within the Group in relation to (i) corruption, fraud and bribery, (ii) gifts and hospitality and (iii) donations and grants.

The Group is also aligned with the main international references on corporate responsibility and anti-corruption, including the tenth principal of the UN Global Compact, the recommendations of the Organisation for Economic Co-operation and Development (OECD), the US Foreign Corrupt Practices Act and the UK Bribery Act, among others.

— ON 17 DECEMBER 2018, THE GESTAMP BOARD OF DIRECTORS APPROVED THE ANTI-CORRUPTION AND FRAUD POLICY

## Intellectual and Industrial Property

We believe that our intellectual and industrial property rights and the implementation of the related trade secrets and know-how are a component of the competitive advantage of our business. Therefore, we devote our efforts and invest resources in submitting, registering, maintaining, monitoring and defending our intellectual and industrial property rights.

These intellectual and industrial property rights cover both the technologies, processes and products encompassed in Gestamp's core business and any technologies aimed at optimising and increasing the flexibility and efficiency of the processes and the quality of the products in the area of Industry 4.0.

Many of the technologies and processes that we use are the result of our scientific and technical personnel's knowledge, experience and skills. In some cases, these technologies and processes cannot be patented or protected through intellectual and industrial property rights. To protect our trade secrets, know-how, technologies and processes, we formalise confidentiality agreements with our employees, clients, suppliers, competitors, contractors, consultants, advisors and collaborators that prevent confidential information from being disclosed to third parties.

When we formalise development agreements, we hold onto our pre-existing intellectual and industrial property rights and we do not transfer them to our collaboration partners, clients, suppliers, competitors or third parties. We claim ownership of any intellectual and industrial property rights that may arise during the course of said agreements and that relate to or are based on our know-how, trade secrets, technology and processes.

— AS OF 31 DECEMBER 2019, WE HAD MORE THAN 1,200 PATENTS, UTILITY MODELS AND CORRESPONDING APPLICATIONS

## Personal Data Protection

At Gestamp we are committed to the protection of personal data. For this reason, within the Group we are constantly adapting and strengthening our resources to comply with the personal data protection legislation in force in the regions where Gestamp operates and/or carries out personal data processing activities.

In this regard, Gestamp has a Data Protection Policy in place that complies with General Data Protection Regulation (EU) 2016/679 of the European Parliament and of the Council, of 27 April 2016 (GDPR), which sets out guarantees and principles, as well as the main obligations and rights in terms of personal data protection at Gestamp Group companies. This Data Protection Policy is the key element of the Gestamp Group's commitment to the protection of the fundamental rights and freedoms of natural persons and, in particular, their right to personal data protection.

At Gestamp we continually strive to implement any and all mechanisms that are required in order to ensure that personal data remain secure and to prevent tampering, loss, or unauthorised processing or access, even in regions that are beyond the scope of application of this GDPR, by adapting the Data Protection Policy to local laws. In this way, we apply Gestamp Group standards across all the territories in which we operate, are present and/or conduct personal data processing activities. In many regions, since these standards are based on the GDPR, they are more stringent than the national regulations.

Moreover, the Group has conducted a risk assessment of the corporate applications that process personal data, to evaluate the security measures implemented, and it has developed a procedure for the execution of privacy impact assessments (PIA) that determines the level of risk entailed whenever data are processed with a view to establishing the most appropriate control measures to limit this risk.

At Gestamp, we also know that the training of our employees is crucial to the success of any new project. Therefore, to ensure compliance with and implementation of the GDPR, the Group has offered face-to-face training sessions for certain corporate services employees who regularly work with personal data, thus providing them with theoretical and practical information about how to apply the GDPR.

In addition, there is an online data protection training course available to employees free of charge and accessible at any time.

## Internal Code of Conduct with regard to the Securities Markets

The Internal Code of Conduct with regard to the Securities Markets determines the standards of conduct and performance to be followed by those to whom they are addressed, including, but not limited to, the members of the Board of Directors, senior management, employees or external advisors who have access to insider information belonging to Gestamp, as well as those involved in handling, using and disseminating insider information, all for the purpose of fostering transparency, protecting the interests of investors with regard to Gestamp securities and avoiding any situation that potentially qualifies as market abuse.

## Conflicts of interest

To avoid possible conflicts of interest, in addition to the Code of Conduct, which applies to employees and people related to them, Article 22 of our Board Regulations stipulates that our directors are required to inform the Board of Directors of any circumstances that may lead to a direct or indirect conflict of interest as soon as they become aware of such circumstance.

In any event, each member of the Board of Directors must abstain from attending and participating in deliberations and votes (including by means of proxy vote) concerning matters in which they or a related party, as defined in the applicable law, have a direct or indirect conflict of interest.

Additionally, directors should abstain from engaging in commercial or professional transactions that may lead to a conflict of interest, without having first informed and received approval from the Board of Directors, which shall request a report from the Audit Committee.

# Bodies involved in the Code of Conduct and regulatory compliance

At Gestamp we have the following bodies that, among other functions, ensure compliance with internal regulations and legislation applicable to the Group and are involved in the supervision and control of our Code of Conduct and our Crime Prevention Model and complaint channels :

## Board of Directors

The Board of Directors, as the maximum supervisory, management and control body of the Company, has, among others, the function of approving the Code of Conduct and other general policies related to it, as well as supervising the proper functioning of the Compliance Model with due diligence and effectiveness.

## Audit Committee

The Board of Directors has delegated the following functions related to ethics and integrity to the Audit Committee:

- Guaranteeing compliance with the Group's Code of Conduct.
- Supervising the Group's complaints channel.
- Reviewing and proposing for approval the Prevention Model and the Crime Prevention Manual to the Board of Directors.

## Ethics Committee

The Ethics Committee is a collegiate body with initiative and control powers. Its activity is supervised by the Audit Committee and consists in:

- Promoting the dissemination and knowledge of the Code of Conduct and ensure compliance with the established standards and prevention mechanisms.
- Establishing and developing the necessary procedures for the faithful and complete compliance with the Code of Conduct as well as proposing the implementation of specific measures for the prevention and detection of breaches.
- Preparing an annual report on compliance and development of the Code of Conduct that will be reported to the Board of Directors and its Audit Committee.
- Seeking reparation and assistance to those who may have been affected by any irregular activity carried out by the company, especially irregularities with criminal relevance.
- Promoting the creation of a risk map of serious breaches of the Code of Conduct

## Compliance Office

The Compliance Office reports to the Ethics Committee. Its functions include receiving, directing, monitoring, suitably informing and documenting:

- Any doubts, issues, enquiries and improvements proposed by employees in relation to the content of the Code of Conduct and of any document or implementing regulation.
- Any reports of employees or third parties relating to procedures which could potentially amount to violations of the Code of Conduct or that may be unlawful.

## The Regulatory Compliance Unit

The Regulatory Compliance Unit reports to the Ethics Committee and is responsible for guaranteeing compliance with any internal and external regulations applicable to the Group. Its functions include, but are not limited to, the following:

- Devising the Prevention Protocol under the supervision of the Board of Directors and its Audit Committee.
- Producing and regularly reviewing the Prevention Protocol in accordance with any legislative amendments or any changes affecting the day-to-day activities of the Group.
- Establishing the primary policies, procedures, controls and internal regulations to be implemented within the Group relating to regulatory compliance.
- Monitoring the operation, effectiveness and compliance of the Prevention Model.
- Regularly informing the Audit Committee and, if applicable, the Board of Directors of (i) the risk areas which may affect the Group, (ii) the results of assessments and monitoring of the Prevention Protocol, (iii) the measures implemented to control and mitigate criminal risks.
- Working alongside the Compliance Office to investigate any reports made via the authorised channels which may incur the criminal liability of the legal person.
- Guaranteeing compliance with legal and regulatory obligations regarding the use and disclosure of privileged information.

# Complaint channels

In order to respond to communications in relation to possible breaches of the Code of Conduct and other internal regulations or legislation applicable to the Group as well as in relation to suggestions, queries or doubts, the Group has a complaints channel with the following communication channels in which the confidentiality of the process and the rights of the people who communicate in good faith and of the people denounced are guaranteed.

The reports are analysed and investigated as quickly as possible, applying the principles of confidentiality, non-retaliation and protection of personal data to all those involved in the investigation process, with a focus on the whistleblower and accused party. If an infringement is proven, the corresponding sanction shall be imposed by the competent internal bodies. The Group is committed to collaborating and cooperating with the authorities and judicial and administrative bodies in relation to the investigation of alleged criminal acts that may be committed within the Group.

In 2019, 116 reports were received through the different channels, 115 of which were complaints regarding potential breaches and 1 was a query.

Taking into account the communication channels used: 18 complaints were received through the Representatives, 44 directly through the Compliance Office by email and 53 through Speak Up Line.

AS OF 31 DECEMBER 2019	<b>REPORTED CASES</b> <b>115</b> +1 QUERY RECEIVED	<b>WERE CLOSED</b> <b>97</b>	<b>REMAINED OPEN</b> <b>18</b>
------------------------	--	---------------------------------	-----------------------------------

SUBJECT MATTER	CASES
<b>Integrity in our workplace</b>	
Health and Safety	21
Discrimination and unfair treatment	11
Harassment	2
Respectful working environment	48
Equal opportunities	4
Respect for freedom of association and thought	0
Forced or child labour	0
<b>Integrity in the supply chain</b>	
Limitations and incompatibilities	3
Conflict of interest	7
Acceptance/offering of gifts and hospitalities	1
Bad practices with suppliers	9
Corruption	0
Political activity	0
<b>Integrity regarding our shareholders and business partners</b>	
Reliability of information	0
Handling of information*	3
Privacy and confidentiality	0
Control of insider information	0
Asset protection	4
<b>Integrity in our environment</b>	
Environment	0
Community commitment	2
<b>TOTAL</b>	<b>115</b>

\*No case has been related to financial matters

As a result of the investigations, appropriate measures have been taken in cases that have been deemed necessary, including:

<b>17</b>	<b>1</b>	<b>10</b>	<b>10</b>	<b>3</b>	<b>16</b>
Dismissals	Salary and job termination cessation	Change of supplier	Cautions	Audits	Other internal actions

## COMPLAINT CHANNELS



### Compliance Office mailbox

Corporate email address managed directly by the Compliance Office.

### Human Resources Managers (Delegates)

There is the possibility of reporting through the Delegates, who report the submitted complaints to the Compliance Office.



### SpeakUp Line

A complaints channel managed by an external company has been available since December 2016. Such communication may take place via telephone, web form or email. It is available at all times in all the languages of the Group. Communications are managed through the Compliance Office.

---

## ANNEXES

Companies of the Group **184**

Methodology used in  
drawing up the Report **186**

Index of contents and  
GRI Standards **188**

UN Global Compact **194**

Report on Independent Review **195**

# Companies of the Group

As of 31 December 2019, the Group comprised the following subsidiaries throughout the world whose holding company is Gestamp Automoción S.A.:



## EUROPE

- Adral, Matricería y Puesta a Punto, S.L.
- Almussafes Mantenimiento de Troqueles, S.L.
- Automotive Chassis Products, UK Limited
- Autotech Engineering, S.L.
- Autotech Engineering Deutschland, GmbH
- Autotech Engineering R+D, UK Limited
- Beyçelik Gestamp Kalip, A.S.
- Beyçelik Gestamp Teknoloji Kalip, A.S.
- Beyçelik Gestamp Şasi, I.S.
- Celik Form Gestamp Otomotiv, A.S.
- Diede Die Developments, S.L.
- Edscha Automotive Hauzenberg GmbH
- Edscha Automotive Hengersberg GmbH
- Edscha Automotive Kamenice S.R.O.
- Edscha Automotive Italia, S.R.L.
- Edscha Briey, S.A.S.
- Edscha Burgos, S.A.
- Edscha Engineering, GmbH
- Edscha Engineering France, S.A.S.
- Edscha Hauzenberg Real Estate, GmbH & Co. KG
- Edscha Hengersberg Real Estate, GmbH & Co. KG
- Edscha Holding, GmbH
- Edscha Hradec, S.R.O.
- Edscha Togliatti, LLC
- Edscha Kunststofftechnik, GmbH
- Edscha Santander, S.L.
- Edscha Velky Meder, S.R.O.
- Gestamp Palau, S.A.
- Gestamp Funding Luxembourg S.A.
- Gestamp 2008, S.L.
- Gestamp 2017, S.L.
- Gestamp Abrera, S.A.
- Gestamp Aragón, S.A.
- Gestamp Automoción, S.A.
- Gestamp Bizkaia, S.A.
- Gestamp Cerveira, Lda.
- Gestamp Esmar, S.A.
- Gestamp Etem Automotive Bulgaria, S.A.
- Etem Gestamp Aluminium Extrusions, S.A.
- Gestamp Finance Slovakia, S.R.O.
- Gestamp Global Tooling, S.L.
- Gestamp Griwe Haynrode, GmbH
- Gestamp Griwe Hot Stamping, GmbH
- Gestamp Griwe Westerburg GmbH
- Gestamp Hardtech, AB
- Gestamp Holding Argentina, S.L.
- Gestamp Holding China, AB
- Gestamp Holding México, S.L.
- Gestamp Holding Rusia, S.L.
- Gestamp Hungaria, KFT
- Gestamp Ingeniería Europa Sur, S.L.
- Gestamp Levante, S.A.
- Gestamp Linares, S.A.
- Gestamp Louny, S.R.O.
- Gestamp Manufacturing Autochasis, S.L.
- Gestamp Metalbages, S.A.
- Gestamp Navarra, S.A.
- Gestamp Nitra, S.R.O.
- Gestamp North Europe Services, S.L.
- Gestamp Noury SAS
- Gestamp Palencia, S.A.
- Gestamp Polska, S.P. Z. O. O.
- Gestamp Prisma, S.A.S.
- Gestamp Ronchamp, S.A.S.
- Gestamp Servicios, S.A.
- Gestamp-Severstal-Kaluga, LLC
- Gestamp Severstal Vsevolozhsk LLC
- Gestamp Solblank Barcelona, S.A.
- Gestamp Solblank Navarra, S.L.
- Gestamp Sweden, AB
- Gestamp Tallent, Limited
- Gestamp Tech, S.L.
- Gestamp Technology Institute, S.L.
- Gestamp Togliatti
- Gestamp Toledo, S.A.
- Gestamp Tool Hardening, S.L.
- Gestamp Tooling Engineering Deutschland GmbH
- Gestamp Tooling Erandio, S.L.
- Gestamp Tooling Services, AIE
- Gestamp Try Out Services, S.L.
- Gestamp Umformtechnik GmbH
- Gestamp Vendas Novas Ltda
- Gestamp Vigo, S.A.
- Gestamp Washington, UK Limited
- Gestamp Wroclaw, SP.Z.O.O.
- Gestión Global de Matricería, S.L.
- Global Láser Araba, S.L.
- GMF Holding GmbH
- Industrias Tamer, S.A.
- Ingeniería Global Metalbages, S.A.
- Ingeniería y Construcción de Matrices, S.A.
- IxCxT, S.A.
- Loire SAFE
- Matricería Deusto, S.L.
- Metalbages Aragón P21, S.L.
- MPO Providers Rezistent, SRL
- Mursolar 21, S.L.
- Sofedit S.A.S.
- Todlem, S.L.
- Reparaciones Industriales Zaldibar, S.L.
- Autotech Engineering Spain, S.L.
- Autotech Engineering France, S.A.S.



## ASIA

- Anhui Edscha Automotive Parts, Co. Ltd.
- Autotech Engineering (Shanghai) Co., Ltd.
- Edscha Aapico Automotive Co. Ltd.
- Edscha Automotive Components Kunshan Co., Ltd.
- Edscha Automotive Technology (Shanghai) Co., Ltd.
- Edscha PHA, Ltd.
- Gestamp Autocomponents (Beijing) Co., Ltd.
- Gestamp Auto Components Chongqing Co., Ltd.
- Gestamp Autocomponents Shenyang Co., Ltd.
- Gestamp Auto Components Wuhan Co., Ltd.
- Gestamp Autocomponents Dongguan Co., Ltd.
- Gestamp Autocomponents Kunshan Co. Ltd.
- Gestamp Auto Components (Tianjin) Co., LTD.
- Gestamp Automotive Chennai Private Ltd.
- Gestamp Automotive India Private Ltd.
- Gestamp (China) Holding, Co. Ltd
- Gestamp Automotive Sanand, Private Limited
- Gestamp Autotech Japan Co., Ltd.
- Gestamp Edscha Japan Co., Ltd.
- Gestamp Hot Stamping Japan K.K.
- Gestamp Kartek, Corporation, Ltd
- Gestamp Metal Forming (Wuhan) Ltd.
- Gestamp Pune Automotive Private Limited
- Gestamp Services India, Private Limited
- Kunshan Gestool Tooling Manufacturing Co., Ltd.
- Jui Li Edscha Body Systems Co., Ltd.
- Jui Li Edscha Hainan Industry Enterprise Co., Ltd.
- Jui Li Edscha Holding Co., Ltd.
- Shanghai Edscha Machinery Co., Ltd.

### CORPORATE HEADQUARTERS



## NORTH AMERICA

- Autotech Engineering R&D USA, Inc.
- Edscha Automotive Michigan, INC
- Edscha Automotive SLP, S.A.P.I. de C.V.
- Edscha Automotive SLP Servicios Laborales, S.A.P.I. de C.V.
- Gestamp Aguas Calientes, S.A. de C.V.
- Gestamp Alabama, LLC
- Gestamp Cartera de México, S.A de C.V.
- Gestamp Chattanooga, LLC
- Gestamp Chattanooga II, LLC
- Gestamp Mason, LLC
- Gestamp Mexicana de Servicios Laborales, S.A. de C.V.
- Gestamp North America, Inc.
- Gestamp Puebla, S.A. de C.V.
- Gestamp Puebla II, S.A. de C.V.
- Gestamp Servicios Laborales de Toluca, S.A. de C.V.
- Gestamp South Carolina, LLC
- Gestamp Toluca, S.A. de C.V.
- Gestamp West Virginia, LLC
- GGM Puebla S.A. de C.V.
- GGM Puebla Servicios Laborales, S.A. de C.V.
- Mexicana de Servicios Laborales, S.A. de C.V.
- Gestamp Mexicana de Servicios Laborales II, S.A. de C.V.
- Gestamp San Luis Potosí, S.A.P.I. de C.V.
- Gestamp San Luis Potosí Servicios Laborales, S.A.P.I. de C.V.
- Gestamp Washtenaw, LLC
- Edscha North America Technologies, LLC

### GESTAMP AUTOMOCIÓN

Polígono industrial de Lebario  
48220 Abadiño – Vizcaya (España)



## SOUTH AMERICA

- Gestamp Argentina, S.A.
- Gestamp Baires, S.A.
- Gestamp Brasil Industria de Autopeças S/A
- Gestamp Córdoba, S.A.
- Edscha Do Brasil, Ltda.
- Gestamp Sorocaba Industria Autopeças Ltda
- NCSG Sorocaba Indústria Metalúrgica Ltda.



## AFRICA

- Tuyauto Gestamp Morocco

### GESTAMP GROUP

Calle Alfonso XII, 16  
28014 Madrid (España)

# Methodology used in drawing up the report

## Scope and coverage of the Report

This report corresponds to the period between 1 January and 31 December 2019 and it applies to all of the Group's activities in the regions in which we operate. This report is published on a yearly basis.

In the event of limitations regarding scope, coverage, consolidation perimeter changes or other information restrictions, the appropriate specifications have been either made throughout the chapters or in the performance indicator tables (Global Reporting Initiative (GRI)).

Furthermore, we have used other reports to provide more specific information on particular matters:

- Report on the consolidated Financial Statements of Gestamp Automoción S.A. corresponding to the financial year ending 31 December 2019.
- Annual Corporate Governance Report.
- Annual Report on the Remuneration of Directors.

All of the foregoing was published by the Spanish National Securities Market Commission (CNMV) on 27 February 2019.

## Materiality analysis

This report seeks to comprehensively identify and inform on all aspects relating to the company that regard a significant economic, environmental, social or governance impact, aiming to align our strategy and action with the priorities and expectations of our stakeholders.

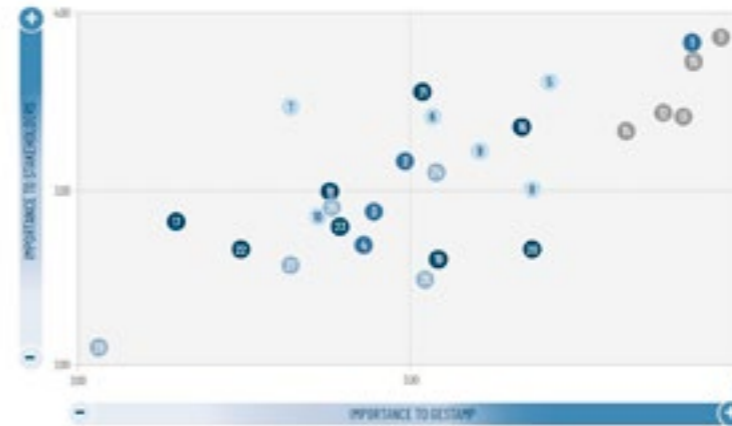
In 2018-2019, we conducted a materiality analysis using an external company in order to evaluate the Group's sustainability performance. This enabled us

to identify potential risks, gaps and opportunities for improvement with regards to CSR/Sustainability standards and regulations, customer requirements, customers, best business practices and emerging trends. A total of 158 preliminary issues were identified in the internal and external analysis, which were later prioritised (according to their importance for Gestamp and its stakeholders, as well as their management capacity) and grouped into 5 categories and 28 critical or material issues.



Every aspect has been analysed from the perspective of our main stakeholders and of the company, resulting in the following matrix:

### MATERIAL ASPECTS IN ORDER OF IMPORTANCE



Material aspects	Score	Material aspects	Score
1 Quality and safety products	4	11 Application of best practices in corporate governance	4
2 Financial strength	3	12 Attracting expert talent	4
3 Quality and operational excellence	3	13 Responsible supply chain management	3
4 Safeguarding of the supply of products and services	3	14 Quality of employment	4
5 Client satisfaction	3	15 Professional training and development	4
6 Ethics and integrity in business	3	16 Environmental management system	4
7 Innovation applied to the development of new products	3	17 Strategic collaborations	3
8 Health and safety at work	3	18 Privacy and confidentiality of the information	4
9 Respect for human rights	3	19 Relationship and engagement with stakeholders	3
10 Transparency and information management	3	20 Efficient and responsible use of materials	4
11 Regulatory compliance	3	21 Circular economy	3
12 Comprehensive management of risks and opportunities	3	22 Involvement in local communities	3
13 Climate change	3	23 Equality and non-discrimination	4
14 Tax contribution and transparency	3	24 Water resources	3

## International standard

The Gestamp Automoción S.A. 2019 Sustainability Report was prepared following the “comprehensive” option of the Global Reporting Initiative’s GRI Standards.

## Independent review

To strengthen the veracity and precision of the information set out in the report, it was independently reviewed by Ernst & Young, which followed:

- The Action Guide on Corporate Responsibility Report Reviews issued by the ICJCE (Spanish Institute of Certified Public Accountants).
- The ISAE 3000 Standard: Assurance Engagements Other than Audits or Reviews of Historical Financial

Information issued by the International Auditing and Assurance Standard Board (IAASB) of the International Federation of Accountants (IFAC), with limited assurance.

Furthermore, the Annual Financial Statements of Gestamp S.A. and subsidiary companies are audited each year by external independent companies pursuant to current legislation.

# Index of contents and GRI Standards

## 100: Universal Standards

### GRI 101: Foundation

GRI STANDARD	CONTENT	PAGES
101	Name of the organization	Gestamp Automoción, S.A.

### GRI 102: General Disclosures

GRI STANDARD	CONTENT	PAGES
<b>1. ORGANISATIONAL PROFILE</b>		
102-1	Name of the organization.	Gestamp Automoción, S.A.
102-2	Activities, brands, products, and services.	p. 10- 21
102-3	Location of headquarters.	p. 184- 185
102-4	Location of operations.	p. 184- 185
102-5	Ownership and legal form.	p. 149
102-6	Markets served.	p. 14- 15
102-7	Scale of the organization.	p. 10- 21
102-8	Information on employees and other workers.	p. 110- 111
102-9	Supply chain.	p. 58- 63
102-10	Significant changes to the organization and its supply chain.	p. 20- 21
102-11	Precautionary Principle or approach.	p. 24, 47, 67, 83, 95, 109, 125, 135, 166- 173, 175
102-12	External initiatives.	p. 93, 135- 145
102-13	Membership of associations.	p. 145
<b>2. STRATEGY</b>		
102-14	Statement from senior decision-maker.	p. 6- 7
102-15	Key impacts, risks, and opportunities.	p. 166- 173
<b>3. ETHICS &amp; INTEGRITY</b>		
102-16	Statement from senior decision-maker.	p. 10, 24-31, 174- 180
102-17	Key impacts, risks, and opportunities.	p. 181
<b>4. GOVERNANCE</b>		
102-18	Governance structure.	p. 150- 165
102-19	Delegating authority.	p. 150- 165
102-20	Executive-level responsibility for economic, environmental, and social topics.	p. 26- 27, 159
102-21	Consulting stakeholders on economic, environmental, and social topics.	p. 28- 29, 186- 187
102-22	Composition of the highest governance body and its committees.	p. 150-165
102-23	Chair of the highest governance body.	p. 157
102-24	Nominating and selecting the highest governance body.	p. 157, 160- 161
102-25	Conflicts of interest.	p. 179
102-26	Role of highest governance body in setting purpose, values, and strategy.	p. 26- 27, 159

GRI STANDARD	CONTENT	PAGES
<b>4. GOVERNANCE</b>		
102-27	Collective knowledge of highest governance body.	p. 155
102-28	Evaluating the highest governance body's performance.	p.156 Section C.1.17 Corporate Governance Annual Report
102-29	Identifying and managing economic, environmental, and social impacts.	p. 12- 13 , 30-31
102-30	Effectiveness of risk management processes.	p. 166- 173
102-31	Review of economic, environmental, and social topics.	p. 6- 7, 12- 13 , 30-31, 35- 143
102-32	Highest governance body's role in sustainability reporting.	p. 26-27, 159 Corporate Governance Annual Report
102-33	Communicating critical concerns.	p.167
102-34	Nature and total number of critical concerns.	p.167, 173
102-35	Remuneration policies.	p. 162, 164 Remuneration Policy
102-36	Stakeholders' involvement in remuneration.	p. 160- 162
102-37	Stakeholders' involvement in remuneration.	p. 160- 162
102-38	Annual total compensation ratio.	There is no information available with the level of detail required.
102-39	Percentage increase in annual total compensation ratio.	There is no information available with the level of detail required.
<b>5. STAKEHOLDERS' ENGAGEMENT</b>		
102-40	List of stakeholder groups.	p. 13, 28- 29
102-41	Collective bargaining agreements.	p.113
102-42	Identifying and selecting stakeholders.	p. 13, 28- 29
102-43	Approach to stakeholder engagement.	p. 13, 28- 29
102-44	Key topics and concerns raised.	p. 13, 28- 29, 186- 187
<b>6. REPORT PROFILE</b>		
102-45	Entities included in the consolidated financial statements.	p. 184- 185
102-46	Defining report content and topic Boundaries.	p. 186- 187
102-47	List of material topics.	p. 186- 187
102-48	Restatements of information.	No information from previous Reports has been re-expressed during 2019.
102-49	Changes in reporting.	During 2019 there have been no changes in the report.
102-50	Reporting period.	p. 186
102-51	Date of most recent report.	Sustainability Report 2018 (May 2019)
102-52	Reporting cycle.	p. 186
102-53	Contact point for questions regarding the report.	p. 196
102-54	Claims of reporting in accordance with the GRI Standards.	p. 186
102-55	GRI content index.	p. 188- 193
102-56	External assurance.	p. 187, 195
<b>7. MANAGEMENT APPROACH</b>		
103-1	Explanation of the material topic and its boundary.	p. 186- 187
103-2	The management approach and its components.	p. 24, 47, 67, 83, 95, 109, 125, 135, 166- 173, 175
103-3	Evaluation of the management approach.	p. 6- 7, 12- 13 , 30-31, 35- 181
419-1	Non-compliance with laws and regulations in the social and economic area.	Gestamp has not had any fines or significant sanctions during 2019 for breach of social and economic regulations

## 200: Economic Standards

GRI STANDARD	CONTENT	PAGES
<b>1. MANAGEMENT APPROACH</b>		
103-1	Explanation of the material topic and its boundary.	p. 34- 44
103-2	The management approach and its components.	p. 34- 44
103-3	Evaluation of the management approach.	p. 34- 44
<b>2. ECONOMIC PERFORMANCE</b>		
201-1	Direct economic value generated and distributed.	p. 12- 13
201-2	Financial implications and other risks and opportunities due to climate change.	p. 95- 96, 99, 173
201-3	Defined benefit plan obligations and other retirement plans.	There is no information available with the level of detail required.
201-4	Financial assistance received from government.	Consolidated Annual Accounts Gestamp 2019
202-1	Ratios of standard entry level wage by gender compared to local minimum wage.	There is no information available with the level of detail required.
202-2	Proportion of senior management hired from the local community.	p.114 There is no information available with the level of detail required
203-1	Infrastructure investments and services supported.	Consolidated Annual Accounts Gestamp 2019
203-2	Significant indirect economic impacts.	There is no information available with the level of detail required.
204-1	Proportion of spending on local suppliers.	p. 13 There is no information available with the level of detail required
205-1	Operations assessed for risks related to corruption.	p.178, 181
205-2	Communication and training about anti-corruption policies and procedures.	p.178, 181
205-3	Confirmed incidents of corruption and actions taken.	p.178, 181

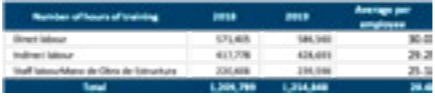
## 300: Environmental Standards

GRI STANDARD	CONTENT	PAGES
<b>1. MANAGEMENT APPROACH</b>		
103-1	Explanation of the material topic and its boundary.	p.83- 85
103-2	The management approach and its components.	p.83- 85
103-3	Evaluation of the management approach.	p. 83- 105
<b>2. ENVIRONMENTAL PERFORMANCE</b>		
<b>MATERIALS</b>		
301-1	Materials used by weight or volume.	p. 87
301-2	Recycled input materials used.	There is no information available with the level of detail required.
301-3	Reclaimed products and their packaging materials.	The packaging of Gestamp products are done according to the client technical specifications.
<b>ENERGY</b>		
302-1	Energy consumption within the organization.	p. 96- 97
302-2	Energy consumption outside of the organization.	Total energy consumption outside of the organization: 101.045.855 GJ
302-3	Energy intensity.	MWh per ton of consumed steel: 0,59
302-4	Reduction of energy consumption.	p. 100- 102
302-5	Reductions in energy requirements of products and services.	There is no information available with the level of detail required. Lightening weight is one of the strategic lines of research and development for Gestamp because it contributes to improving the efficiency of vehicle engines and thus reducing CO <sub>2</sub> emissions. p. 69, 72- 77, 104- 105

GRI STANDARD	CONTENT	PAGES
<b>WATER AND EFFLUENTS</b>		
303-1	Water withdrawal by source.	p. 86
303-2	Management of water discharge-related impacts	It is not material because only 27% of the Group's plants have an industrial process that uses water. These processes have closed-loop systems.
303-3	Recycled and reused water	Only 27% of the Group's production plants have a process that uses water which means a consumption of 466,588 m <sup>3</sup> . These systems are, in all cases, closed circuit so that water is reused for long periods of time.
<b>BIODIVERSITY</b>		
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	p. 92
304-2	Significant impacts of activities, products, and services on biodiversity.	p. 92
304-3	Habitats protected or restored.	The risk of impacting protected or restored habitats is very low. p. 92
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations.	The risk of affecting species that appear on the IUCN Red List whose habitats are protected or restored is very low. P.92
<b>EMISSIONS</b>		
305-1	Direct (Scope 1) GHG emissions.	p. 97
305-2	Energy indirect (Scope 2) GHG emissions.	p. 97
305-3	Other indirect (Scope 3) GHG emissions.	p. 97
305-4	GHG emissions intensity.	Tons of CO <sub>2</sub> / Tons of consumed steel= 0,22
305-5	Reduction of GHG emissions.	p. 100- 103
<b>EMMISSIONS AND WASTE</b>		
305-6	Emissions of ozone-depleting substances (ODS).	Gestamp has not generated significant emissions of substances that destroy the ozone layer.
305-7	Nitrogen oxides (NOX), sulphur oxides (SOX), and other significant air emissions.	p. 97
306-1	Water discharge by quality and destination.	The waste water generated is managed according to the regulations and normative that apply in the country, so that in all the Gestamp centres discharging of waste water in done in a controlled way to the sewerage system where it will receive the appropriate treatment. In addition, all the waste water from our facilities is periodically analysed to check that it meets the specific restrictions of authorization os discharges.
306-2	Waste by type and disposal method.	p. 88- 91
306-3	Significant spills.	p. 85
306-4	Transport of hazardous waste.	Not material. 2% of the Group's waste is hazardous and all of it is managed locally in accordance with applicable legislation. p. 90
306-5	Bodies of water affected by water spills and / or runoff.	The Group has 12 plants that discharge directly into public channels. In 2019 it was the discharge volume was 309,432 m <sup>3</sup> In all cases, proper management of possible derived environmental risks is made, certified by the ISO14001 standard.
<b>ENVIRONMETNAL COMPLIANCE</b>		
307-1	Non-compliance with environmental laws and regulations.	Gestamp has not had significant fines or penalties in 2019 because of breaches of environmental regulations.
<b>SUPPLIER ENVIRONMENTAL ASSESSMENT</b>		
308-1	New suppliers that were screened using environmental criteria.	p. 58- 63
308-2	Negative environmental impacts in the supply chain and actions taken.	p. 58- 63



## 400: Social Standards

GRI STANDARD	CONTENT	PAGES
<b>1. MANAGEMENT APPROACH</b>		
103-1	Explanation of the material topic and its boundary.	p. 109 , 125, 135
103-2	The management approach and its components.	p. 109 , 125, 135
103-3	Evaluation of the management approach.	p. 107-145
<b>2. SOCIAL PERFORMANCE</b>		
<b>EMPLOYMENT</b>		
401-1	New employee hires and employee turnover.	Average turnover rate of employees with an open-ended contract is: 9% Further information available on NFIR on Consolidated Annual Accounts Gestamp 2019.
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees.	There is no information available with the level of detail required.
401-3	Parental leave.	There is no information available with the level of detail required.
<b>LABOR/MANAGEMENT RELATIONS</b>		
402-1	Minimum notice periods regarding operational changes.	There is no minimum notice period at Group level. In any case, these are always carried out according to what is specified in the regulations of each country.
<b>OCCUPATIONAL HEALTH AND SAFETY</b>		
403-1	Workers representation in formal joint management-worker health and safety committees.	p. 113
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities.	p. 131 The absenteeism rate at Gestamp has been maintained compared to last year on 3.9%.
403-3	Workers with high incidence or high risk of diseases related to their occupation.	p. 131
403-4	Health and safety topics covered in formal agreements with trade unions.	p. 113
<b>TRAINING AND EDUCATION</b>		
404-1	Average hours of training per year per employee.	p. 118 
404-2	Programs for upgrading employee skills and transition assistance programs.	p. 115- 122
404-3	Percentage of employees receiving regular performance and career development reviews.	There is no information available with the level of detail required.
405-1	Diversity of governance bodies and employees.	p. 112, 153- 154
405-2	Ratio of basic salary and remuneration of women to men.	In a recent analysis carried out in Spain for the Corporate areas, Business Units, Divisional teams, the salary gap identified between men and women regarding employees classified at the same level of the professional classification system is 5.4%, taking the fixed remuneration as a reference, and 5.6 % taking the total remuneration as a reference. These differences are due to the composition of the workforce in each of the levels whose distribution by men and women includes different profiles of seniority in the company, age and work experience.
<b>DIVERSITY AND EQUAL OPPORTUNITY</b>		
406-1	Incidents of discrimination and corrective actions taken.	p. 181
<b>FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING</b>		
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk.	p. 113, 176, 177, 181 No work site and / or supplier has been identified where freedom of association and collective bargaining may be at risk.

GRI STANDARD	CONTENT	PAGES
<b>CHILD LABOUR</b>		
408-1	Operations and suppliers at significant risk for incidents of child labour.	p. 35-41, 181 It is included in our Code of Conduct and Corporate Social Responsibility requirements for Gestamp suppliers No work site and / or provider has been identified where child labour is a risk factor for our organisation.
<b>FORCED OR COMPULSORY LABOUR</b>		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour.	p. 35-41, 181 It is included in our Code of Conduct and Corporate Social Responsibility requirements for Gestamp suppliers No work site and / or provider has been identified where forced labour is a risk factor for our organisation.
<b>HUMAN RIGHTS ASSESSMENT</b>		
412-1	Operations that have been subject to human rights reviews or impact assessments.	p. 176- 177
412-2	Employee training on human rights policies or procedures.	p. 176 100% of the workforce has received training on policies and procedures related to relevant Human Rights aspects.
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening.	p. 60- 63
<b>LOCAL COMMUNITIES</b>		
413-1	Operations with local community engagement, impact assessments, and development programs.	p. 135- 145
413-2	Operations with significant actual and potential negative impacts on local communities.	p. 135- 145 As of December 31, 2019, there are no operations with significant actual negative impacts on local communities.
<b>SUPPLIER SOCIAL ASSESSMENT</b>		
414-1	New suppliers that were screened using social criteria.	p. 58- 63
414-2	Negative social impacts in the supply chain and actions taken.	p. 58- 63
<b>CUSTOMER HEALTH AND SAFETY</b>		
416-1	Assessment of the health and safety impacts of product and service categories.	p. 48- 57, 67, 70 All Gestamp products meet the quality and safety criteria established by its clients. Safety is a strategic line of research and development for the Group, identifying formulas that lead to greater safety both for the occupants of the vehicle and pedestrians. During 2019, no vehicle in the possession of a final user was recalled for a revision for any reason relating to the products supplied by the Group.
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services.	p. 55
<b>MARKETING AND LABELLING</b>		
417-1	Requirements for product and service information and labelling.	p. 48- 57, 67, 70 All products and services comply with the information and / or labels required by each client.
417-2	Incidents of non-compliance concerning product and service information and labeling	There were not incidents of non-compliance concerning product and service information labelling.
417-3	Incidents of non-compliance concerning marketing communications.	There were not incidents of non-compliance concerning marketing communications.

# The Global Compact

In 2008 we endorsed the Principles of the Global Compact, and in 2011 we became a partner. Our commitment to these principles related to human rights, labour rights, environment and corruption is reflected each year in the Sustainability Report and in the progress report published annually, which is available on the Global Compact website:


[www.pactomundial.org](http://www.pactomundial.org) and at <https://www.unglobalcompact.org/what-is-gc/participants/4608>

Furthermore, we go beyond linking the Principles of the Global Compact with the GRI indicators and SDGs, thus affording a more defined and specific vision of our responsibility and commitment.



ISSUES	GLOBAL COMPACT PRINCIPLES	GRI INDICATORS	SDG
Human Rights	1. Businesses should support and respect the protection of internationally proclaimed human rights within their sphere of influence	102-41, 403-2, 403-3, 405-1, 405-2, 412-3, 406-1, 409-1, 414-1, 416-1	1, 2, 3, 4, 5, 6, 7, 8, 10, 11, 16, 17
	2. Businesses should make sure they are not complicit in human rights violations	412-3, 414-1, 406-1-409-1	1, 2, 3, 4, 5, 6, 7, 8, 10, 11, 16, 17
	3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	102-41, 402-1, 407-1, 412-3, 414-1	1, 3, 5, 8, 9, 10, 16, 17
Labour Rights	4. Businesses should uphold the elimination of all forms of forced or compulsory labour	409-1, 412-3, 414-1	1, 3, 5, 8, 9, 10, 16, 17
	5. Businesses should uphold the effective abolition of child labour	409-1, 412-2, 412-3	1, 3, 5, 8, 9, 10, 16, 17
	6. Businesses should uphold the elimination of discrimination in employment and occupation	202-2, 401-1, 405-1, 405-2, 406-1, 412-3, 414-1	1, 3, 5, 8, 9, 10, 16, 17
Environment	7. Businesses should support a precautionary approach to environmental challenges	301-3, 302-1, 303-1, 304-1, 304-2, 305-1-305-3, 306-1, 306-2, 307-1, 416-1, 417-1	2, 6, 7, 9, 11, 12, 13, 14, 15, 17
	8. Businesses should undertake initiatives to promote greater environmental responsibility	201-2	2, 6, 7, 9, 11, 12, 13, 14, 15, 17
	9. Businesses should encourage the development and dissemination of environmentally friendly technologies	301-3	2, 6, 7, 9, 11, 12, 13, 14, 15, 17
Fight against corruption	10. Businesses should work against corruption in all its forms, including extortion and bribery	205-1-205-3	3, 10, 16, 17

# Report on Independent Review



Ernst & Young, S.L.  
C/ Raimundo Fernández Villaverde, 65  
28003 Madrid

Tel: 902 365 456  
Fax: 915 727 300  
ey.com

**INDEPENDENT REVIEW REPORT ON  
GESTAMP AUTOMOCION GROUP 2019 SUSTAINABILITY REPORT**

To the Management of Gestamp Automoción, S.A.

**Scope**

We have conducted the review of the information of sustainability in the Sustainability Report 2019 (hereinafter the Report) of Gestamp Automoción (hereinafter Gestamp) and in the "Index of contents and GRI Standards" contained in the "Annexes" section. This memory has been elaborated according to the Guide for the preparation of Sustainability Reports of Global Reporting Initiative GRI Standards.

The scope determined by Gestamp for the preparation of this Report is defined in the section "Scope and coverage of the report" of the accompanying Report.

The preparation of the accompanying Report, as well as the information contained therein, is the responsibility of the Management of Gestamp, who is also responsible for defining, adapting, and maintaining the management and internal control systems from which the information is obtained. Our responsibility is to issue an independent report based on the procedures applied in our review.

**Criteria**

Our review was carried out based on:

- The guidelines for reviewing Corporate Responsibility Reports, issued by the Spanish Official Register of Auditors of Accounts (ICJCE).
- Standard ISAE 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standard Board (IAASB) of the International Federation of Accountants (IFAC), with a limited level of assurance.

**Applied Procedures**

Our review consisted in requesting information from Gestamp's Sustainability Management and the various managers of business units involved in preparing the Report, and applying certain analytical procedures and sampling review tests, including:

- Interviews with the staff in charge of the preparation of the sustainability information, in order to gain an understanding of how the objectives and Sustainability policies are considered and put into practice and integrated in Gestamp global group strategy.
- Reviewing the processes for the compilation and validation of the sustainability information included in the attached Report.
- Verification of the Gestamp's processes to determine the material aspects, as well as the participation of stakeholders in them.
- Review of the adequacy of structure and contents of the sustainability information, in accordance with the statements of the Guide for the preparation of Sustainability Reports of Global Reporting Initiative GRI Standards, according to the exhaustive compliance option.

- Checking, through review tests based on a selection of both qualitative and quantitative information samples of the indicators included in the Content Index of contents and GRI Standards in Annexes, and its adequate compilation from the data provided from different information sources. The review tests have been defined to provide assurance levels in line with the criteria described in this report
- Verification on the fact that the financial information included in the Report has been audited by independent third parties.

These procedures were performed on information published in Gestamp's 2019 Sustainability Report and in the "Index of contents and GRI Standards" in Annexes, with the above mentioned perimeter and scope.

The scope of this review is considerably lower than in a reasonable assurance report. Therefore, the degree of assurance is also less extensive. This report in no case should be considered an audit report.

**Independence**

We have met the independence requirements and other ethical requirements of the Code of Ethics for Accounting Practitioners issued by the International Ethics Standards Board for Accountants (IESBA).

Our firm applies the International Quality Control Standard 1 (NICC 1) and maintains, therefore, a global quality control system that includes documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory provisions.

**Conclusions**

As a result of our review of Gestamp's 2019 Sustainability Report, within the previously described scope, we conclude that no matter came to our attention that would lead us to believe that the Report was not prepared, in all its significant aspects, according to Global Reporting Initiative (GRI) Preparation Guide for Sustainability Reports version GRI Standards, as it is stated in the Report, having reviewed the "Index of contents and GRI Standards".

This report has been prepared solely for the Management of Gestamp, in accordance with the terms set out in our engagement letter.

ERNST & YOUNG, S.L.

(Free translation from the Original Report on Independent Review in Spanish dated May 27<sup>th</sup>, 2020. In case of any discrepancy, the Spanish version always prevails)

195

---

## EDITED BY

### **Gestamp Automoción S.A.**

C/ Alfonso XII, 16  
28014, Madrid, España  
[www.gestamp.com](http://www.gestamp.com)

### **Design and Layout**

21gramos  
<https://21gramos.net/>

If you need any clarifications, or have questions  
or suggestions related to the report:

### **Contact person**

Ines Ruiz de Arana Marone  
Sustainability Manager  
[sustainabilityreport@gestamp.com](mailto:sustainabilityreport@gestamp.com)



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

[www.gestamp.com/Sustainability/Sustainability-Report](http://www.gestamp.com/Sustainability/Sustainability-Report)

© Gestamp 2020