

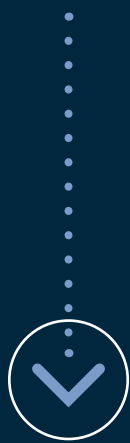
# 2019 SUSTAINABILITY

report



# Introduction

Aciturri Aeronáutica S.L.U. Is the parent company which owns the others. Below is the organization chart for **Aciturri Aeronáutica, S.L.U.**:



The entities included in Aciturri's consolidated financial statements are Aciturri Aeronáutica, S.L.U.; Aciturri Aerostructures, S.L.U.; Aciturri Engineering, S.L.U.; Aciturri Assembly, S.A.U.; Aciturri Aeroengines, S.L.U.; Aciturri Additive Manufacturing, S.L.U; Aciturri Getafe S.L.U.; and Alestis Aerospace, S.L.

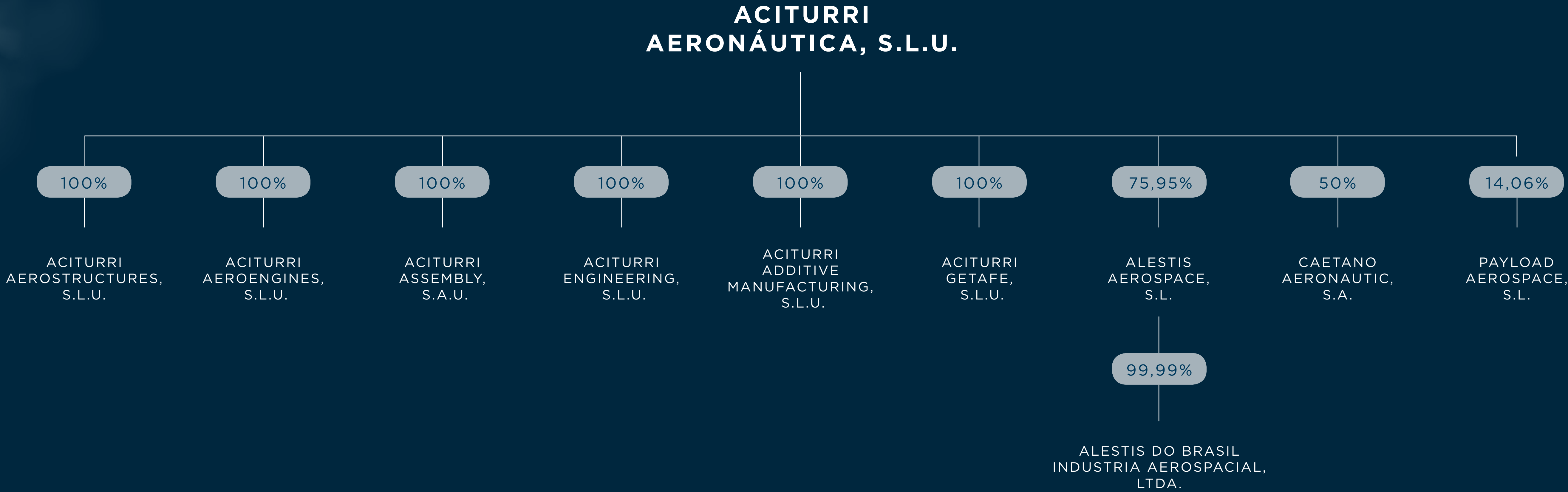
Aciturri Aeronáutica, S.L.U. acquired its stake in Alestis Aerospace, S.L. on July 30, 2019, although at least at the time this report was submitted, the latter had kept its own management and administration bodies.

Therefore, the non-financial information statement of Aciturri Aeronáutica, S.L.U. is presented in two separate blocks:

- The one belonging to **Aciturri Aeronautics, S.L.U.** and the organizations whose management and administration are under its control; namely, Aciturri Aeronáutica, S.L.U.; Aciturri Aerostructures, S.L.U.; Aciturri Engineering, S.L.U.; Aciturri Assembly, S.A.U.; Aciturri Aeroengines, S.L.U.; Aciturri Additive Manufacturing, S.L.U.; and Aciturri Getafe S.L.U.

- The one belonging to **Alestis Aerospace, S.L.**, which includes Alestis Do Brasil, Industria Aeroespacial, Ltda.

The companies Caetano Aeronautic, S.A., owned at 50%, and Payload Aerospace, S.L. Owned at 14.06%, are independent organizations, and Aciturri isn't involved in their management, so they are not included in any of the above documents.







Choose the report you want to  
consult



[aciturri.com](https://aciturri.com)



[alestis.aero](https://alestis.aero)



# 2019 SUSTAINABILITY report

[aciturri.com](https://aciturri.com)



- LETTER FROM THE CEO
- REPRESENTATIVE BODIES
- HISTORY
- GLOBAL FOOTPRINT
- VALUE CHAIN
- BUSINESS OVERVIEW
- STAFF
- R + D + I
- ENVIRONMENTAL MANAGEMENT
- 2019 MILESTONES
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- ANNEX I

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ACITURRI AERONÁUTICA, S.L.U.’S NON-FINANCIAL  
INFORMATION STATEMENT (SINGLE-MEMBER  
COMPANY) / SUSTAINABILITY REPORT FOR 2019

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ACITURRI'S MANAGEMENT  
**MODEL IS BASED ON ETHICAL  
AND RESPONSIBLE PRACTICES**  
IN ORDER TO EVOLVE INTO AN  
INCREASINGLY SUSTAINABLE  
COMPANY FROM AN ECONOMIC,  
ENVIRONMENTAL, AND SOCIAL  
STANDPOINT.

WE WANT TO HAVE **A POSITIVE  
IMPACT** IN THE ENVIRONMENTAL  
AND OUR STAKEHOLDERS.





# Letter from the CEO

Dear friends, I would like to thank you for taking a few minutes to read Aciturri's Sustainability Report for 2019, a year in which we have renewed one more time our commitment to the United Nations Global Compact as signatory partners.

With the purpose of sharing details about the social, economic and environmental impact of our activity with our stakeholders, we drafted this document based on the guidelines of the law aimed at amending the requirements regarding non-financial information, and following the guidelines of the Global Reporting Initiative (GRI).

The acquisition of the companies Acatec Aeroassembling and Alestis Aerospace in 2019 confirmed our will to grow and make our business project more competitive. The result was a turnover of approximately €1 billion.

Both operations took place within the framework of the Operational Excellence and Sustainability goals defined in Acturri's Strategic Plan, Reflex 2022. The incorporation of Acatec allowed to internalize the assembly of the wing box of horizontal stabilizers for the A320, a core activity within a key program for our company which, additionally includes important technical developments in the latest versions. The official acquisition of Alestis Aerospace marked an important quantitative and qualitative leap that helped to achieve the growth target we had set.

The fact that different entities participated in the development of the financing solutions required to conduct this operation corroborated the assessment carried out by the financial market on how our project is evolving. This was particularly relevant to our company in a year in which our turnover increased, and we focused on enhancing

**THE REALITY OF THE  
AEROSPACE INDUSTRY WILL BE  
RADICALLY DIFFERENT FROM  
WHAT WE HAVE KNOWN UNTIL  
NOW**

the continuous improvement, raise our competitive capacity, and continue to grow in the programs in which we are involved.

I had to change the content of this letter in mid-April 2020, amidst an unprecedented health and economic crisis whose magnitude or length we can only guess at this point.

As the virus continues to expand and without any certainty about when the air traffic will resume, it is safe to say that the reality of the aerospace industry will be radically different from what we have known until now.

With little information on the medium- and long-term effects of this crisis, the only certainty is that the sector will face a complex recovery, and how



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Letter from the CEO



the crisis evolves, how long it lasts, and how deep it goes will determine our return to pre-pandemic workload levels. In this scenario, our commitment as shareholders is to do everything within our power to preserve the continuity of Aciturri.

Regarding the industry, according to data provided by IATA, the passenger demand continued to increase (4.2%) in 2019, and up to the onset of the crisis, it was expected to behave similarly in 2020. By April, air traffic had decreased by approximately 80%, and it is difficult to make a forecast on how the situation will evolve, for it depends on multiple variables.

Even before the onset of Covid-19, the aerospace industry was rather vulnerable as the result of the cancellation of the A380 model, the standstill of the B737 MAX, or a lower-than-anticipated sales rate in some programs. These issues had already

led the sector to a significant reduction in workload that, in the short term, meant a slowdown on a global level.

We face an uncertain future which will require commitment and effort on everyone's part to adapt to this new scenario and speed up the recovery process. We will have to channel our efforts on aspects like process improvement, company internationalization, digitalization, anticipating the needs of our customers, or contributing to the reduction of environmental impact.

Sooner or later, the health crisis will come to an end, and everyone who is part of this sector has the arduous task to ensure the continuity of those companies that can move forward, try to rescue all those which have not been able to resume their activity, and recover all the lost jobs. I am sure that both trade unions and employer orga-

nizations, as well as the different administrations, will do their bit where possible to ensure that the Spanish aerospace industry continues playing a key role in promoting the country's technological, industrial and economic development.

**WE FACE AN UNCERTAIN  
FUTURE WHICH WILL REQUIRE  
COMMITMENT AND EFFORT ON  
EVERYONE'S PART TO ADAPT TO  
THIS NEW SCENARIO**

*Ginés Clemente*



>

LETTER FROM THE CEO

REPRESENTATIVE BODIES

HISTORY

GLOBAL FOOTPRINT

VALUE CHAIN

BUSINESS OVERVIEW

STAFF

R + D + I

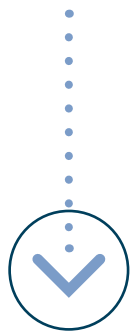
ENVIRONMENTAL MANAGEMENT

2019 MILESTONES

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The entities included in Aciturri’s consolidated financial statements are Aciturri Aeronáutica, S.L.U.; Aciturri Aerostructures, S.L.U.; Aciturri Engineering, S.L.U.; Aciturri Assembly, S.A.U.; Aciturri Aeroengines, S.L.U.; Aciturri Additive Manufacturing, S.L.U; Aciturri Getafe S.L.U.; and Alestis Aerospace, S.L.

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There are also other companies (Caetano Aeronautic, S.A., owned at 50%, and Payload Aerospace, S.L.), which belong to Aciturri Aeronáutica but are not included in the consolidated financial statements.

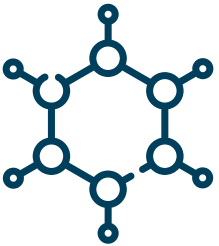
Unless otherwise specified, in this document the term “Acurturri” refers to the following companies: Aciturri Aeronáutica, S.L.U.; Aciturri Aerostructures, S.L.U.; Aciturri Engineering, S.L.U.; Aciturri Assembly, S.A.U.; Aciturri Aeroengines, S.L.U.; Aciturri Additive Manufacturing, S.L.U.; and Aciturri Getafe S.L.U.

# Representative Bodies

ACITURRI'S GOAL IS TO ACHIEVE **SUSTAINABLE  
MANAGEMENT OF ECONOMIC, ENVIRONMENTAL,  
AND SOCIAL ASPECTS** AS A GUARANTEE  
OF OUR SUCCESS.



# Board of Directors<sup>1</sup>



PRESIDENT

ACITURRI AEROSTRUCTURES, S.L.U.



REPRESENTED BY **FRANCISCO FERNÁNDEZ SAINZ**

CEO

GOVERA INVERSIONES, S.L.U.



REPRESENTED BY **GINÉS CLEMENTE ORTIZ**

MEMBERS

ACITURRI ENGINEERING, S.L.U.



REPRESENTED BY **RAFAEL BARBERO MARTÍN**

SECRETARY (NON-COUNSELOR)

.....



**PEDRO MEJÍAS VILLATORO**

1. As of December 31, 2019.





# Aerostructures<sup>2</sup> Management Team

2. The Steering Committee consists of the CEO and the Management.  
The Executive Committees are the same as the management teams.  
The persons included in this report are the appointees at the moment this document was published.

CEO



GINÉS **CLEMENTE**

CHIEF CORPORATE OFFICER



JESÚS **DE LA VIUDA**

CHIEF STRATEGY OFFICER



ÁLVARO **FERNÁNDEZ**

CHIEF OPERATING OFFICER



ÁLVARO **FERNÁNDEZ**

CHIEF BUSINESS DEVELOPMENT OFFICER



FRANCISCA **RODRÍGUEZ**

HEAD OF ACITURRI AYUELAS



MANU **AGUILAR**

HEAD OF ACITURRI TRES CANTOS



PABLO **LAYNEZ**

HEAD OF ACITURRI SEVILLA



JAVIER **JIMÉNEZ**

HEAD OF ACITURRI BOECILLO



PABLO **LAYNEZ**

PROCESS ENGINEERING OFFICER



EDUARDO **ESCUDERO**

INNOVATION OFFICER



RAÚL **ARRANZ**

PRODUCT DEFINITION ENGINEERING OFFICER



AGUSTÍN **SALABERRÍA**

SALES OFFICER



VICENTE **BRISA**

SUPPLY CHAIN OFFICER



SERGIO **CAMPS**

LEAN MANUFACTURING OFFICER



JOSÉ ÁNGEL **GALINDO**

QUALITY ASSURANCE OFFICER



SOCORRO **GARCÍA**

PROGRAMS OFFICER



JAVIER **PEZZI**

HUMAN RESOURCES OFFICER



ISABEL **VALLEJO**



Aeroengines  
Management  
Team

CEO



GINÉS CLEMENTE

CHIEF CORPORATE OFFICER



JESÚS DE LA VIUDA

CHIEF STRATEGY OFFICER



ÁLVARO FERNÁNDEZ

CHIEF OPERATING OFFICER



ITZIAR DíEZ

CoE LARGE MACHINING OFFICER



LAURA GONZÁLEZ

CoE SMALL & MEDIUM MACHINING OFFICER



ÁNGEL ALTEMIR

QUALITY ASSURANCE OFFICER



ELISA ARESO

SUPPLY CHAIN OFFICER



SERGIO CAMPS

LEAN MANUFACTURING OFFICER



JOSÉ ÁNGEL GALINDO

QUALITY ASSURANCE OFFICER



SOCORRO GARCÍA

SALES OFFICER



RUBÉN GONZÁLEZ

ORGANIZATION AND CONTROL OFFICER



DIEGO PINACHO

ENGINEERING OFFICER



ESTER PORRAS

HUMAN RESOURCES OFFICER



ISABEL VALLEJO



# History

A **SUSTAINABLE** INDUSTRIAL PROJECT  
SINCE 1977







# History

1977

**Establishment** of  
Talleres Ginés

Kickoff of metallic  
manufacturing

1984

**First project** for the  
aeronautical sector

1986

Kickoff of composites  
manufacturing  
**(Grupo Aries)**

1987

**AQAP** certification

1988

**A310.** Elevator parts  
and structural repair  
station

**A320.** Elevators

1989

Kickoff of  
*Aerostructures*  
(Aerosur)

**CN235.** Central box  
structural assembly  
and tip wings  
integration  
IPTN (Nurtanio):  
manufacturing of two  
aircraft per year

1990

Kickoff of Aeroengines

**ITP** // EJ200 Nozzle  
Mechanisms

History



1991

**A330 & A340**  
Leading Edge Ribs

1994

Components for satellites

Hispasat satellite  
**(SENER)**. Baffle disc

Integral satellite  
**(GACE)**: masks

1997

**Sikorsky** - Horizontal stabilizer and ATT parts

**Embraer 145** - Flaps

1999

**Dornier 728** - Spoilers, elevator, rudder and ailerons

**A320** - HTP Detail Parts

2000

Manufacturing of **C295** prototype

Integration of **CN235** aircrafts

2001

**NH90** - Vertical Tail Plane

2002

**A380** - Zone 2 Belly Fairing, Rudder and Elevator

**A320** - Main Landing Gear Doors

2003

**A380** - Ribs, wing braces and HTP





History



2004

**F7X** - Elevator

**EFA** - Fairings and  
HTP  
**A310 MRTT**

2005

**Trent 500** - Casings

**A400M** - Sponsons,  
Rudder Spar, Fixed  
Vane & Flaps

2006

**B737** - Rudder

**Trent 1000**  
TBH structural  
components

2007

**A330 MRTT** - Fuel  
system structural  
elements

**Sukhoi 30** – Pylon

2008

**A350 XWB** - VTP

**NH90** - Sponsons

Takeover of **Grupo  
Aries**

2009

**A350 XWB**  
Section 19

**A320** - HTP Skins and  
Spars

2010

**A320** - HTP  
Integration

**A380** - Sección 19.1  
APU Air Intake

Takeover of **Aerosur**

2011

**KC390** -Wing Fuselage  
Fairing (WFF)

**A380** – Belly Fairing  
Zone 3





History



2012

**B777** - Flaperon Skins

2013

**ISO 14001** certification

**LEAP 1B** - TRV Shrouds & Platforms

**A400M** - Ras Wedge

2014

**LEAP X** - SP5/FHF

**B787** - Passenger Door Surround

**A350** - Outboard Flaps

2015

**B787** - Keel Beams and Keel Shear Ties

**Beluga XL** - Ventral Fin, HTP Box Extension & Auxiliary Fins

2016

**A320** - VTP Dorsal Fin

**LEAP X** - Brackets

2017

**OHSAS 18001** certification

**Beluga XL** - HTP Auxiliary Fins and Ventral Fins

First direct delivery to **Rolls Royce**

2018

**LEAP1B** - SP5

**LEAP1A** - VBV DUCTs

**A330** - Outboard Aileron Spars

2019

Acquisition of **Alestis Aerospace**

Acquisition of Acatec Aeroassembling (**Aciturri Getafe**)

First contract for aircraft parts by **additive manufacturing**



# Global Footprint

ACITURRI DESIGNS, MANUFACTURES, AND  
ASSEMBLES **AERONAUTICAL STRUCTURES**,  
AND MANUFACTURES **AIRCRAFT ENGINE  
COMPONENTS**.







1

MIRANDA DE EBRO (BURGOS),

Engineering  
Metallic manufacturing  
Assembly

IRCIO, MIRANDA DE EBRO (BURGOS)

Engineering  
Metallic manufacturing

ORÓN, MIRANDA DE EBRO (BURGOS)

Engineering  
Metallic manufacturing

AYUELAS, MIRANDA DE EBRO (BURGOS)

Engineering  
Metallic manufacturing  
Assembly

We are here

84,000 sqm (20 acres) in Spain exclusively devoted to the advanced development of aerostructures and engine components.

2

TRES CANTOS (MADRID)

Engineering  
Product definition  
Composites manufacturing  
Assembly

GETAFE (MADRID)

Engineering  
Assembly

3

BOECILLO (VALLADOLID)

Ingeniería  
Fabricación de composites  
Montaje

4

BERANTEVILLA (ÁLAVA)

Engineering  
Metallic manufacturing  
Logistics

5

ALCALÁ DE GUADAIRA (SEVILLA)

Engineering  
Assembly

6

GIJÓN (ASTURIAS)

Engineering  
Innovation  
Process Engineering  
Additive manufacturing

7

VILA NOVA DE GAIA (PORTUGAL)

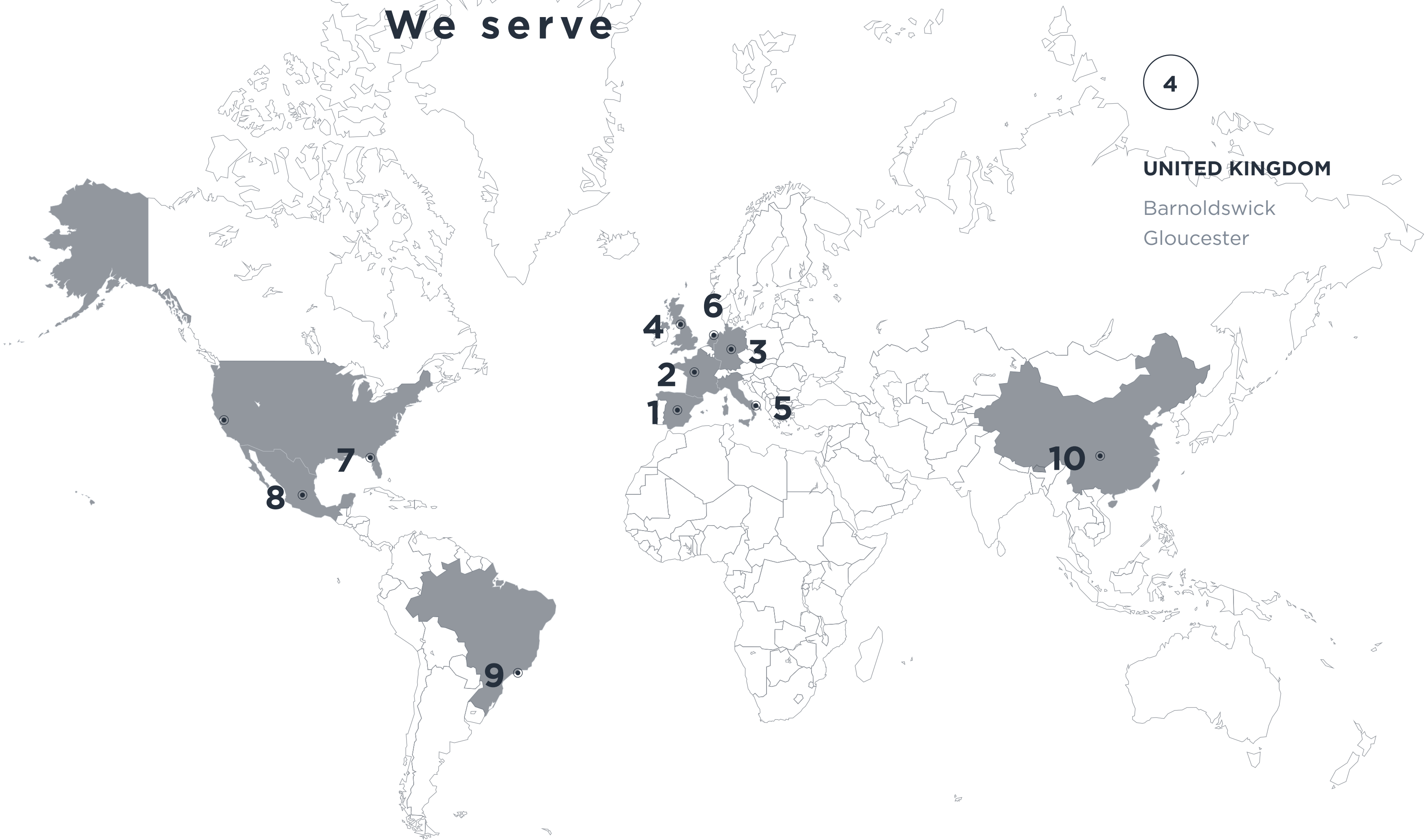
Engineering  
Composites manufacturing  
Metallic manufacturing





# Places We serve

Our products are delivered to companies from the aerospace sector based in **Europe, Asia** and **America**, both aircraft engine manufacturers and OEMs (*Original Equipment Manufacturer*<sup>3</sup>).



1

**SPAIN**

Ajalvir (Madrid)  
Bilbao (Vizcaya)  
Getafe (Madrid)  
Illescas (Toledo)  
Puerto Real (Cádiz)  
Sevilla (Sevilla)  
Zamudio (Bilbao)

2

**FRANCE**

Bidos  
Corbeil (París)  
Nantes  
Saint Nazaire  
Toulouse  
Villaroche (París)

3

**GERMANY**

Berlín  
Bremen  
Hamburgo  
Stade

4

**UNITED KINGDOM**

Barnoldswick  
Gloucester

5

**ITALY**

Grottaglie

6

**THE NETHERLANDS**

Papendrecht

7

**USA**

Fort Myers (Florida)  
Seattle

8

**MEXICO**

Querétaro

9

**BRAZIL**

Sao José Dos Campos

10

**CHINA**

Chengdu



3. Benchmark companies in the aerospace industry such as Airbus, Boeing or Embraer.

# Value Chain

THROUGH NINE CENTERS OF EXCELLENCE (PRODUCTIVE FACILITIES), ACITURRI COVERS **THE ENTIRE VALUE CHAIN**, FROM PRODUCT DEFINITION TO ITS FINAL INTEGRATION.





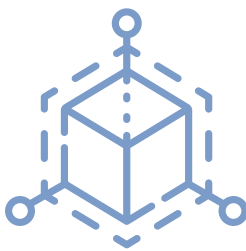


# Value Chain



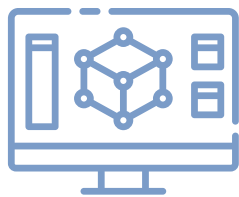
## INNOVATION

Manufacturing  
for the future



## PRODUCT DEFINITION

Conceptual design  
Structural design  
Calculus  
Systems installation  
MRB  
Product support  
Functional testing



## PROCESS ENGINEERING

Definition of manufacturing processes  
Concurrent engineering for materials  
and processes



## TOOLING ENGINEERING

Conceptual and detailed design  
Manufacturing Management  
and implementation



Value chain



METALLIC  
MANUFACTURING



Conventional machining and EDM  
Welding  
Painting  
Heat treatment  
Chemical treatments



COMPOSITES  
MANUFACTURING



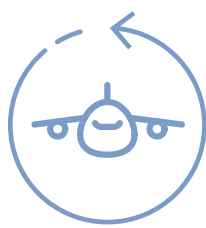
Automatic lay-up  
Manual lay-up  
RTM  
Hot forming



ADDITIVE  
MANUFACTURING



DMLS, metal and polymers  
SLS and FDM technologies



ASSEMBLY

Equipped parts and subassemblies  
Aerostructures assembly  
Final delivery  
FAL support  
Mechanical and functional testing

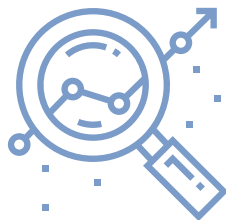




Value chain



CERTIFICATION



POST EIS PHASE



Product validation  
Verification and conformity tests  
Certificate of Airworthiness (CofA)

Modifications in airworthiness  
Spare parts and repairs  
Product support





# Business Overview

**SUSTAINABLE SOLUTIONS** FOR THE  
AERONAUTICAL SECTOR.





The company

PRODUCTIVITY, EFFICIENCY,  
PROFITABILITY, QUALITY  
AND PRODUCTIVITY—**THESE  
QUALITIES** ARE ALL HARDWIRED  
INTO THE COMPANY’S DNA.





# Business development<sup>4</sup>

**FAMILY COMPANY**  
FOUNDED IN 1977



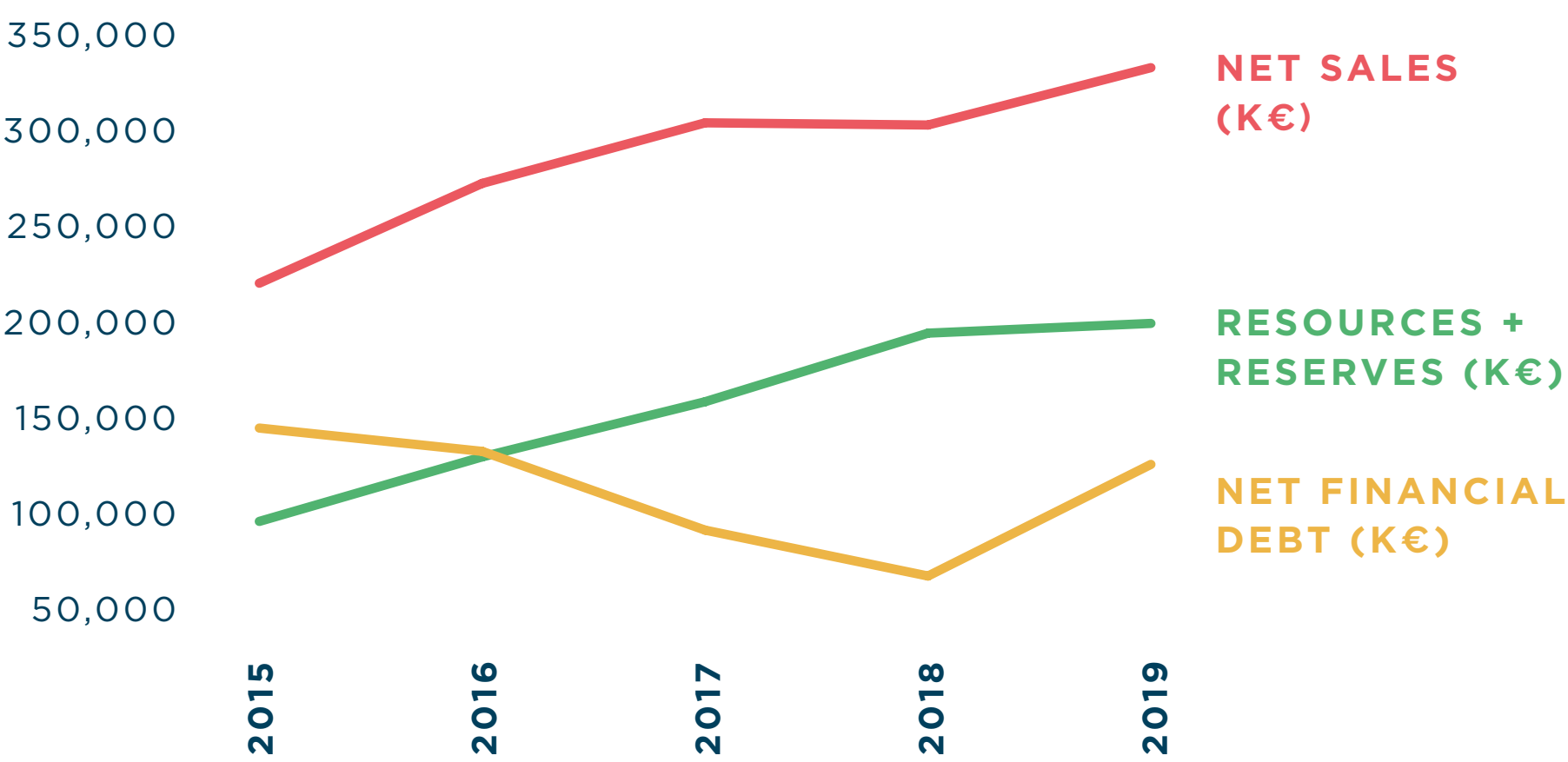
**1,610**  
EMPLOYEES



**84,000 sqm**  
**(20 acres)**  
WORTH OF FACILITIES



**€332m**  
TURNOVER <sup>5</sup>



4. Unless otherwise specified, all figures are for 2019.  
5. m stands for 'million' here and throughout the document.







# Main customers

AIRBUS



AIRBUS  
DEFENCE & SPACE

SAFRAN  
AIRCRAFT ENGINES



SAFRAN  
LANDING SYSTEMS

DAHER

ITP Aero

EMBRAER

Rolls-Royce





# Vision, mission and values



## MISSION

“TO DEVELOP INNOVATIVE TECHNOLOGIES AND PROCESSES, GLOBALIZE ACTIVITIES AND PROMOTE THE ADVANCEMENT OF OUR PROFESSIONALS TO OFFER COMPREHENSIVE, COST-EFFECTIVE, DIFFERENTIATED AND CUSTOMER-DRIVEN SERVICES”



## VISION

“TO BECOME AN INNOVATIVE AND WORLD-RENOWNED COMPANY FOR OUR KNOWLEDGE AND TECHNOLOGICAL EXPERTISE IN THE AERONAUTICAL SECTOR”



## VALUES

TRANSPARENCY, RESPECT, DYNAMISM, COMMITMENT, FLEXIBILITY AND VALUE CREATION.

# Corporate principles



## VALUE CREATION



## DEDICATION TO SERVICE



## TEAM BUILDING



## SAFE COMPANY



## CARING FOR THE ENVIRONMENT



## RELATIONSHIP WITH OUR SURROUNDINGS



## SOCIAL ACTION







# Brands





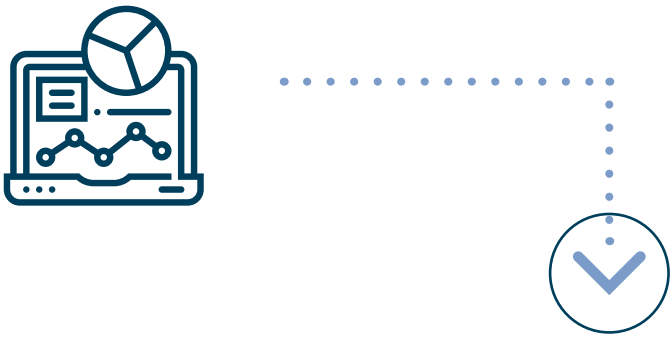


# Results

(DATA IN THOUSANDS OF EUROS)

	2015	2016	2017	2018	2019
Funds (including capital grants)	116,861	148,014	174,217	206,963	205,774
Own funds (equity)	95,611	129,221	157,955	193,675	198,751
Resources	19,537	19,537	19,537	19,537	19,537
Long-term debt	162,728	141,478	108,739	78,071	168,898
Debt to companies from the cluster and partners	0	0	381	3,335	6,877
Short-term debt	19,543	45,460	37,591	34,825	20,578
Net revenue	219,691	271,693	303,239	302,101	331,971
Operating result	34,841	41,769	58,809	52,310	47,609
EBIT	28,817	34,335	41,635	49,973	42,371
EAIT <sup>6</sup>	31,095	33,866	30,838	37,773	31,076

6. All these earnings are generated in Spain.



# Economic value generated and distributed<sup>7</sup>

In 2019, Aciturri received €2,427,902 in the form of grants from various public institutions.

(DATA IN THOUSANDS OF EUROS)

	2015	2016	2017	2018	2019
<b>DIRECT ECONOMIC VALUE GENERATED (k€)</b>	221,556	271,964	304,083	302,925	<b>333,101</b>
Revenue (k€)	221,156	271,964	304,083	302,925	<b>333,101<sup>8</sup></b>
<b>ECONOMIC VALUE DISTRIBUTED (k€)</b>	213,887	264,294	287,691	278,672	<b>337,910</b>
Operating expenses (k€)	139,027	179,074	198,260	190,437	<b>215,830</b>
Employees' wages and benefits (k€)	45,888	52,764	58,315	58,308	<b>69,203</b>
Payments to capital providers (k€)	7,399	5,773	8,106	6,203	<b>26,000</b>
Taxes (k€)	21,548	26,666	22,967	23,667	<b>26,828</b>
Resources for the community (k€)	25	17	43	57	<b>49</b>
<b>ECONOMIC VALUE RETAINED (k€)</b>	7,669	7,670	16,392	24,253	<b>-4,809</b>

7. The 2017 Sustainability Report included Caetano Aeronautic S.A. as part of the consolidated financial statements, which was incorrect.

8. The different data between the net revenue (first table) and the revenue is due to the fact that the latter includes financial income. The same applies to the data from 2018.





# Sustainable Funding

In 2019, Aciturri was granted a syndicated loan by several banks that was labeled as “sustainable financing” on the part of the correspondent bank (Banco Santander). This was done based on four sustainability indicators which, according to the bank, show the company’s commitment regarding sustainability.

As long as three out of the four are complied with, the funding will maintain its “sustainable” label for the next 12 months.

These indicators are measured at the end of each financial year by Banco Santander’s sustainability auditor.

ACITURRI WAS GRANTED A SYNDICATED LOAN THAT WAS LABELED AS “SUSTAINABLE FINANCING” ON THE PART OF THE BANCO SANTANDER

INDICATOR	GOAL	2019 RESULT	MOTIVATION
% of permanent contracts	> 80%	83%	It reflects the company’s commitment to the workers and their employment stability.
Energy intensity ratio	<0.75 GJ/K€	0,49	It measures the effectiveness of the actions implemented to reduce the environmental impact of the organization.
Control of CO2 emissions	<0.05 tCO2/K€	0,045	The calculation of the carbon footprint enables the company to play an active role in the fight against climate change.
Accident Frequency Rate <sup>9</sup>	<0.10	0,060	The number of lost workdays due to accidents against the average number of workdays per year, every 1,000 days, shows Aciturri’s commitment to the safety of its employees.

9. An error has been detected in the definition of this indicator. The one included in the “Sustainability indicators” document, agreed upon with Banco Santander, does not match the one in the 2018 Sustainability Report (page 66). We have asked the bank to review the aforementioned document.





# Stakeholders

Aciturri has established a **dialog model with the stakeholders**, who are all the people, organizations or institutions that either have an impact on or are impacted by the decisions of all Aciturri companies, including our subsidiaries. These criteria are closeness, influence, responsibility, and dependency. Urgency, power and legitimacy are our prioritization criteria.

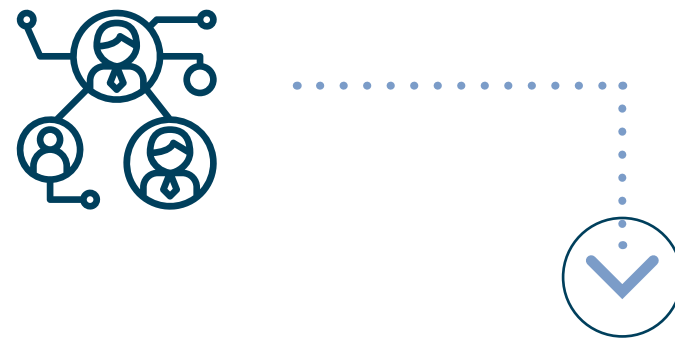
Based on these criteria, at Aciturri, we identify our stakeholders and establish an ongoing dialogue with them, which leads to relationships based on trust.

The insight we glean thanks to this dialogue allows us to gain a more realistic perception of the company’s operating environment. Thanks to this reliable information we can better develop the business and identify opportunities and threats.

**AT ACITURRI WE IDENTIFY OUR STAKEHOLDERS AND ESTABLISH AN ONGOING DIALOGUE WITH THEM, WHICH LEADS TO RELATIONSHIPS BASED ON TRUST**







# Stakeholders

## BUSINESS PARTNERS

## COMMITMENT

Value creation in the short and long term.

Implementation of best management practices.

Timely information and equal conditions.

Open, real, and close dialogue.

## CHANNEL OF COMMUNICATION

CEO

Aciturri's Legal Consulting team

### Interlocutors

CEO and Chief Corporate Officer, according to the relationships with partners protocol.

Continued  
on next page.



# Stakeholders

## EMPLOYEES AND FAMILY MEMBERS

### COMMITMENT

Continuity of the business project and employment stability.

Recognition based on our commitment, performance and achievement of objectives.

Equal opportunity and work-life balance.

Continuing professional development (CPD).

Guarantee of occupational health and safety.

Ethical, responsible, social, and environmental behavior on the part of the company.

Receptiveness to freedom of association and direct dialogue with the management.

Compliance with the laws and the collective agreement.

### CHANNEL OF COMMUNICATION

E-mail address for general inquiries and complaints about the Code of Conduct.

NEXO, Employee Portal.  
JAM (internal social network).

Breakfast with the CEO.

Escuch&Do.

Handbook and protocol for new recruits and employees.

Bulletin boards.

Meetings with trade union representatives  
Communication procedure and e-mail address for the Joint Prevention Service.

Employee's Day  
Christmas party  
Management forum  
Annual Convention

#### Interlocutors

HR Officer for each plant, Head of Communications and CSR and middle management.

Continued  
on next page.





# Stakeholders

## CLIENTS

## COMMITMENT

## CHANNEL OF COMMUNICATION

Customer service, open dialogue and an efficient management of problems and complaints.

A comprehensive, cost-effective, differentiated and customer-driven service.

Implementation of quality processes that meet our clients' needs.

Clear and accurate information on the commercial offer.

Security guarantee of our products.

Respect for the principles of responsible advertising

Corporate website.

Sustainability report.

Aciturri's Head of programs.

Customer satisfaction questionnaires.

Reports of customer complaints .

Regular meetings.

Annual meetings between clients and major suppliers.

Participation in trade fairs and business meetings.

Involvement in industry associations.

### Interlocutors

Focal Point Program, Programs Officer, Plant Manager, Chief Operations Officer, Quality Assurance Officer, Key Account Managers, Sales Officers, Business Development Officer and CEO.

Continued  
on next page.



# Stakeholders

## SUPPLIERS AND SUBCONTRACTORS

### COMMITMENT

- Responsible behavior.
- Promotion of business sustainability.
- Transparency and equal opportunity.
- Confidentiality.
- Recruitment of local suppliers.
- Dialogue and communication.

### CHANNEL OF COMMUNICATION

- Audits/Assessments.
- Meetings with the SPACE association.
- Visits to the facilities.
- Corporate website.
- Sustainability report.
- Regular meetings.
- Regular electronic communications.
- Interlocutors**  
Supply Chain Officer, Provisioning teams and Supply Chain Management teams.

Continued  
on next page.





# Stakeholders

## SOCIAL SETTING <sup>10</sup>

## COMMITMENT

## CHANNEL OF COMMUNICATION

Timely and transparent information of the activities carried out and their environmental and social impact on the setting.

Security of the facilities.

Sustainability of the business plan.

Ethical business practices.

Compliance with the law and the Universal Declaration of Human Rights.

Participation in training programs and projects that generate knowledge and innovation.

Promotion of employment and job opportunities.

Visits to the facilities.

Corporate website.

Sustainability report.

Press releases distributed to the media.

Collaboration agreements with educational institutions.

Involvement in the governing of educational institutions.

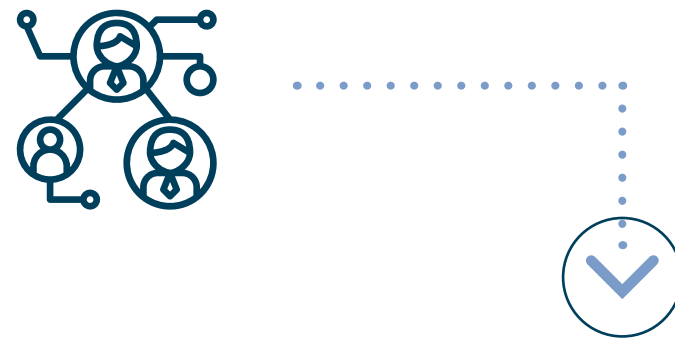
### Interlocutors

HR Officer for each plant, Head of Communications and CSR and Head of Environmental Management.

✓ Continued  
on next page.



10. This includes local governments, NGOs and foundations, educational institutions, the media, the environment, and society in general.



# Stakeholders

## INDUSTRY <sup>11</sup>

## COMMITMENT

Promotion of fair competition and respect for our competitors' property rights.

Fostering cooperation and partnerships, and sharing experiences between companies within the sector and other business organizations.

## CHANNEL OF COMMUNICATION

Taking part in industry associations such as PAE (Spanish Aerospace Platform), TEDAE, Hélice or HEGAN.

Taking part in business organizations like the Chamber of Commerce, FAE or Empresa Familiar.

Participation in meetings with competitors.

### Interlocutors

Sales Officers, Innovation Manager, Head of Communications and CSR.

Continued  
on next page.



11. This category includes competitors, industry associations and other business associations.





# Supply chain

ACITURRI'S SUPPLY CHAIN IS SELECTED ACCORDING TO THREE CORE VALUES—**EXCELLENCE, ETHICS, AND SUPPORT**. AS A RESULT, **OUR SUPPLIER BASE IS RELIABLE, HIGH-QUALITY, AND WITH A GLOBAL REACH**.

The company purchases raw and auxiliary materials for our manufacturing process, as well as industrial supplies and tools. We outsource some activities; namely, transportation, maintenance, testing, inspections and calibrations, ancillary services for the production, and the cleaning and security of our facilities.

In accordance with **Aciturri's Purchases and Subcontracting Policy**, we seek to develop the business fabric and promote job creation in the communities in which we operate, hence resorting to local suppliers and subcontractors (local mea-

ning national) whenever possible. What is more, we promote the acquisition of goods and services between the companies that are part of the different industry clusters, for example TEDAE, Hélice o HEGAN..

This Purchases and Subcontracting Policy, in line with the company's Code of Conduct and Moral Management and Socially Responsible Policy, aims to encourage suppliers and subcontractors to comply with the basic standards or criteria concerning human and labor rights, as well as their employees' occupational health and safety;

to respect the environment and show an ethical behavior; and to ensure the implementation and general awareness of the principles of the United Nations Global Compact.

**65% OF THE BUDGET ALLOCATED FOR SUPPLIES OR OUTSOURCING GOES TO LOCAL SUPPLIERS, 12% MORE THAN IN 2018.**

**38% OF THE BUDGET ALLOCATED FOR SUPPLIES GOES TO SUPPLIERS THAT BELONG TO INDUSTRY CLUSTERS, 3% MORE THAN IN 2018.**

Supply chain



The company has a procedure in place for **assessing** our suppliers. Such procedure establishes the methodology used to perform a standardized evaluation of their industrial processes. It analyzes their industrial capacity and identifies opportunities for improvement, with the ultimate goal of internally evaluating Aciturri's ability to meet the needs and expectations of our clients. The main tool in this process is **Aciturri Supplier Assessment (ASA)**, which includes the evaluation of four aspects: processes, organization, tools, and indicators. Other tools are IPCA+, PMCA, TDCA, SPCA and SIA.

As a result of the *assessment*, a report is generated. It lists all participants, the opportunities for improvement that have been identified, the asso-

ciated plan of action, and an overall assessment with the grades A+, A, B, C or D. The person in charge of the assessment keeps track of all this, paying special attention to the percentage of solved issues within the established time frame.

Aciturri observes and overtly supports the **United Nations' Universal Declaration of Human Rights**, the social policy of the **International Labour Organization** and the Ten Principles of the **UN Global Compact**. This leads to strict compliance monitoring of a series of basic criteria that both Aciturri and our suppliers and subcontractors fulfill. These relate to the fight against all forms of forced and compulsory labor; harsh or inhuman treatment of workers; the effective abolition of child labor; regularized employment; the freedom of associa-

100% OF OUR SUPPLIERS HAVE BEEN ASSESSED AND VETTED ACCORDING TO ETHICAL AND SOCIAL CRITERIA

100% OF OUR SUPPLIERS AND OPERATIONS GUARANTEE THE RIGHT TO FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING





Supply chain

tion and the recognition of the right to collective bargaining; non-discrimination based on gender, age or any other personal traits; and wages and a work schedule that guarantee a decent life. The company ensures compliance with the basic principles established by law in relation to occupational health and safety.

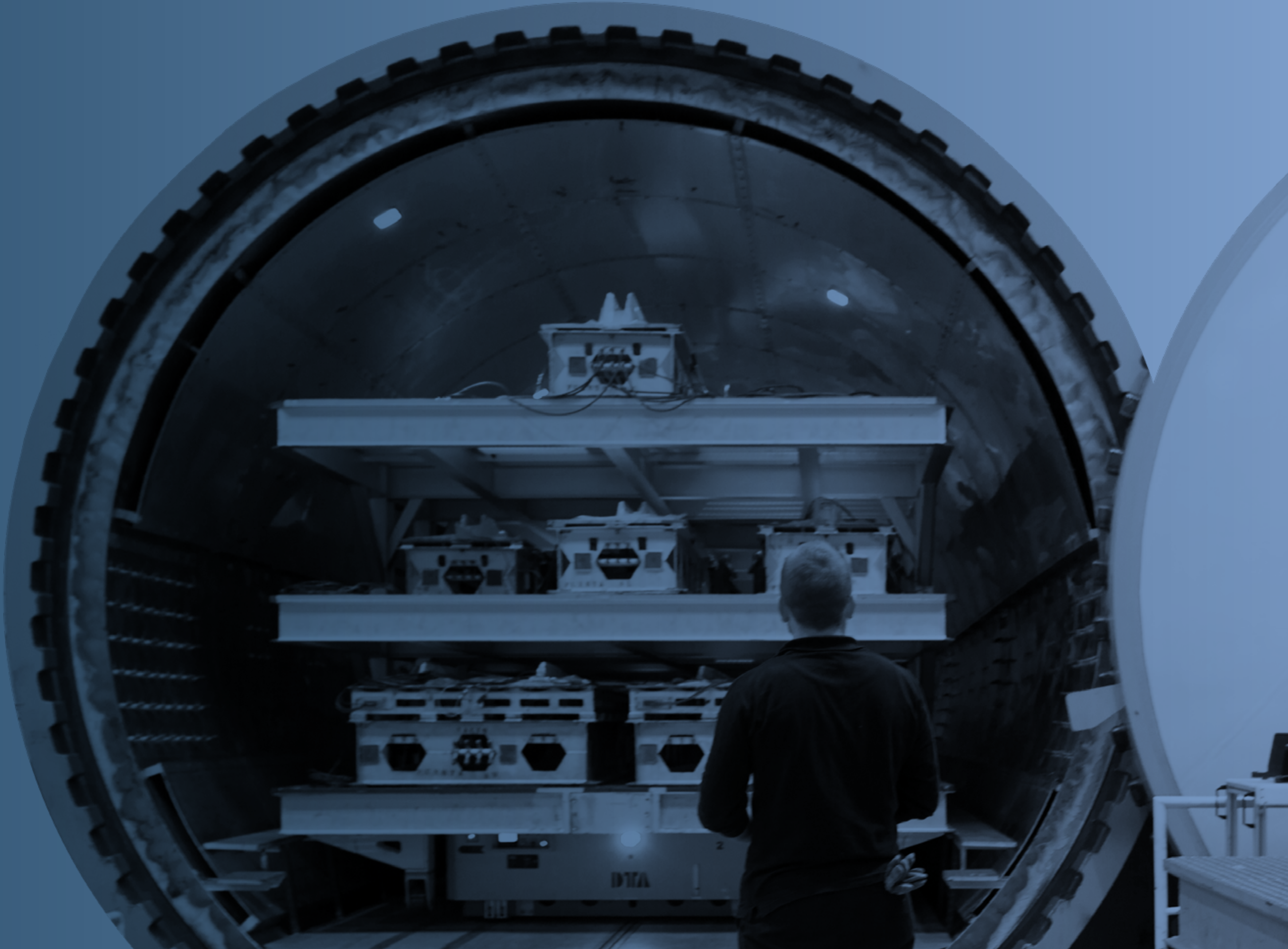
Likewise, Aciturri expects suppliers to scrupulously observe the applicable environmental legislation in each case, as well as unquestionable behaviors and attitudes with regards to their environmental practices.

**100% OF OUR SUPPLIERS HAVE BEEN ASSESSED AND VETTED ACCORDING TO ENVIRONMENTAL CRITERIA.**





Supply chain







# Aerostructures

In 2019, the Aciturri Aerostructures teams restructured and adapted their internal industrial capacity and their supply chain to meet the increasing demand and honor all the commitments with their customers.

Aciturri delivered over 700 **A320** aircraft in 2019, and 95 between both versions of the **A350**: V900 and V1000. As for the **B787**, the number of deliveries received by the clients went over 145, counting all three versions: V8, V9 and V10.

Additionally, the team has successfully completed key changes in the **A350XWB** related to the enhancement of the aircraft's features, that will lead to a better performance in pollution indexes per passenger. In this context, the focus was on implementing major structural changes in the Section 19 and VTP programs in a timely manner. Within the first program, this year we completed the delivery of the first two units, whose quality left a

great impression on the customer.

Regarding longer-term programs such as the A320 HTP, the acquisition of a new plant in Getafe required considerable effort to integrate it into the company's structure. In the first few months, relevant steps have been taken to boost production. The teams will continue to look for industrial solutions to improve the processes.

As for the **Beluga XL**, for which Aciturri designs and manufactures the Ventral Fin and Auxiliary Fin & HTP Box Extension packages, we delivered the third aircraft and provided the necessary support to complete its certification routines. Achieved by the end of 2019, this has been an important milestone for AIRBUS, which expects for it to become operational in early 2020 to move components around its assembly plants.

Last but not least, in 2019 Aciturri delivered the

fourth **KC390** to Embraer—the same year in which the Brazilian aerospace manufacturer received its first aircraft.

**IN 2019, THE ACITURRI AEROSTRUCTURES TEAMS RESTRUCTURED AND ADAPTED THEIR INTERNAL INDUSTRIAL CAPACITY AND THEIR SUPPLY CHAIN TO MEET THE INCREASING DEMAND AND HONOR ALL THE COMMITMENTS WITH THEIR CUSTOMERS.**



Aeroestructuras

Organizational Chart<sup>12</sup>



CEO ACITURRI

GINÉS CLEMENTE ORTÍZ

HUMAN RESOURCES  
ISABEL VALLEJO

COMMUNICATIONS AND CSR  
NACHO FERNÁNDEZ

CHIEF CORPORATE OFFICER

JESÚS DE LA VIUDA

CHIEF OPERATING & STRATEGY  
OFFICER

ÁLVARO FERNÁNDEZ BARAGAÑO

CHIEF BUSINESS DEVELOPMENT  
OFFICER

FRANCISCA RODRÍGUEZ PRIETO

CONSOLIDATION AND REPORTING  
ALFREDO TEJEDOR

CONTROL & BUDGETING  
REYES RODRÍGUEZ

ADMINISTRATION AND ACCOUNTING  
JESÚS DE LA VIUDA

LEGAL COUNSEL  
YOLANDA GÓMEZ

TAXES  
ÍÑIGO ROLDÁN

IT  
JESÚS DE LA VIUDA

ACITURRI AEROSTRUCTURES BOECILLO  
PABLO LAYNEZ

ACITURRI AEROSTRUCTURES TRES CANTOS  
PABLO LAYNEZ

ACITURRI AEROSTRUCTURES AYUELAS  
MANU AGUILAR

ACITURRI AEROSTRUCTURES SEVILLA  
JAVIER JIMÉNEZ

ACITURRI AEROSTRUCTURES GETAFE  
JAVIER JIMÉNEZ

QUALITY ASSURANCE  
SOCORRO GARCÍA

TECHNICAL SERVICES  
JAVIER MARTÍNEZ

LEAN MANUFACTURING  
JOSE ÁNGEL GALINDO

SUPPLY CHAIN  
SERGIO CAMPS

PRODUCT DEFINITION ENGINEERING  
AGUSTÍN SALABERRÍA

PROCESS ENGINEERING  
EDUARDO ESCUDERO

PROGRAMS  
JAVIER PEZZI

SALES  
VICENTE BRISA

INNOVATION  
RAÚL ARRANZ

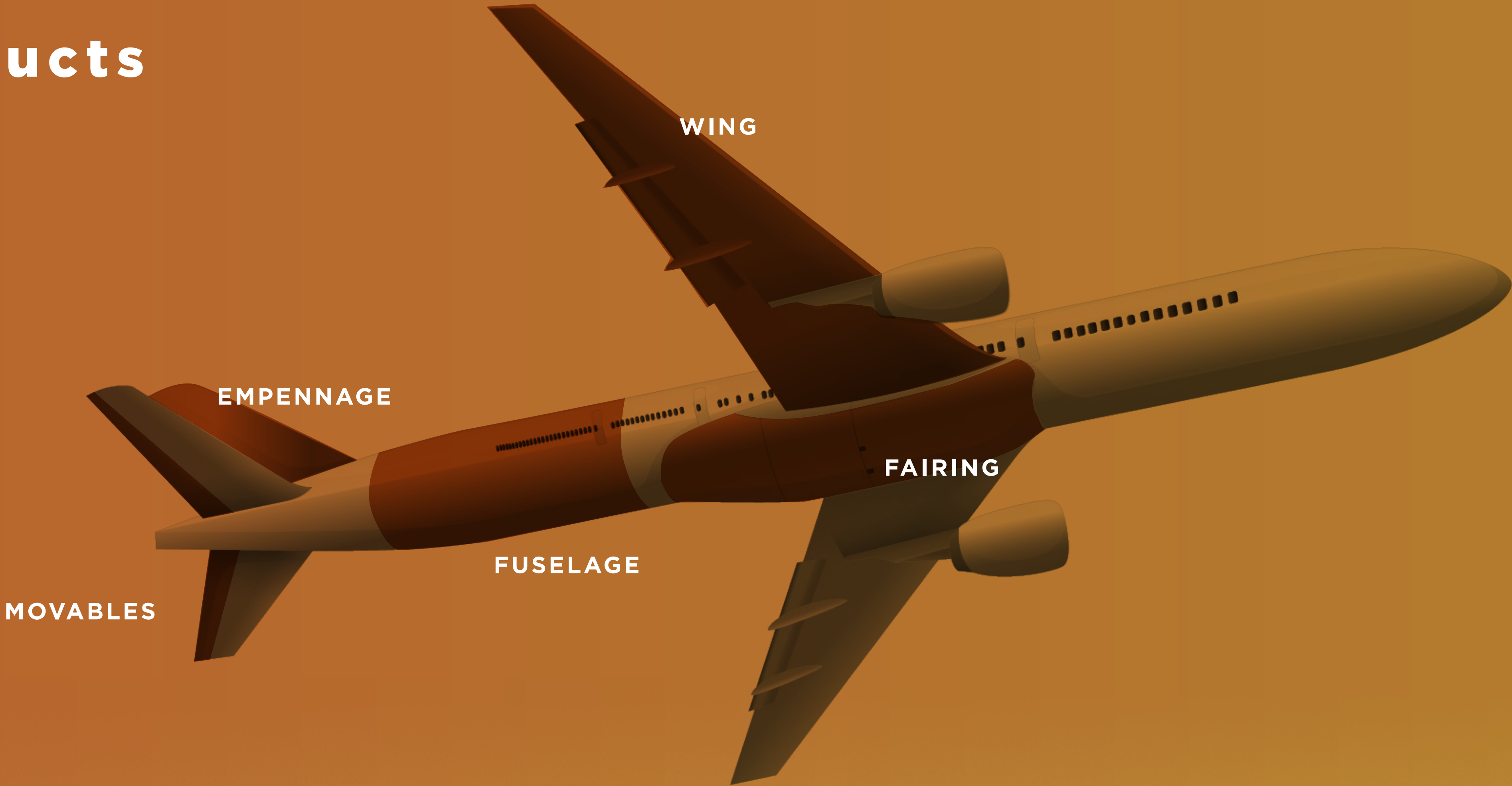
12. As of the date of publication of this report.



Aerostructures



# Products



Aerostructures



# Figures

2019 TURNOVER

€305m

IN 2019

# 1,500 AIRCRAFTS

RECEIVED PARTS MADE BY ACITURRI

**1,076** SINGLE-AISLE AIRCRAFT

**332** TWIN-AISLE

**25** BUSINESS JET

**26** HELICOPTERS

**41** MILITARY AIRCRAFT



## MAIN CLIENTS

**AIRBUS**  
DEFENCE & SPACE

**AIRBUS**



**DAHER**



## THE MOST RELEVANT PROGRAMS

**A350 XWB**

**B787**

**B737**

**A320**

**A330/340**

**A380**

**F7X**

**BELUGA XL**

**A400M**

**KC390**

**C295**

**NH90**

**EUROFIGHTER**



Aerostructures





# Aeroengines

The most important milestones achieved in 2019 are related to the development of MTF (Medium Turbine Frame) components—whose final destination is the Pratt & Whitney programs—and which received approval for the first FAIs (First Article Inspections) and managed the ramp up of several references for the **PW1000** engine and the **PW800** family.

With regard to the **LEAP** programs, Aeroengines added new products in 2019. The highlight is the industrialization of the new TRF (Turbine Rear Frame) structure for the LEAP-1B. In 2019, we delivered over 1,000 titanium and Inconel structures for the LEAP.

Likewise, the company continues to thrive in the area of engine structures. We obtained the rate proving for the turbine structures of the **Trent T900** and **TXWB** programs, and delivered the first

titanium structure for the fan of the LEAP-1C. From a business standpoint, in 2019 the company grew and consolidated its role as supplier for tractor clients by incorporating contracts for new components for LEAP engines, which will be produced in the plant at Orón (Miranda de Ebro). We also expanded our product range with a new small steel structure for the two versions of the TXWB, and other products such as compressor rings for the PW800 family or the static seals for the Trent family.

At the same time, and thanks to the landing of contracts for rings and casings, we strengthened our position among expanding clients and in the niche of business jet engines.

In 2019, the team spared no effort to earn new certifications; namely, the Nadcap for painting in the plant at Ircio, and the LCS (Laboratory Con-

trol at Source) certification by Pratt & Whitney for their products (there is **only one other supplier in Spain with this certification**), and thread rolling.

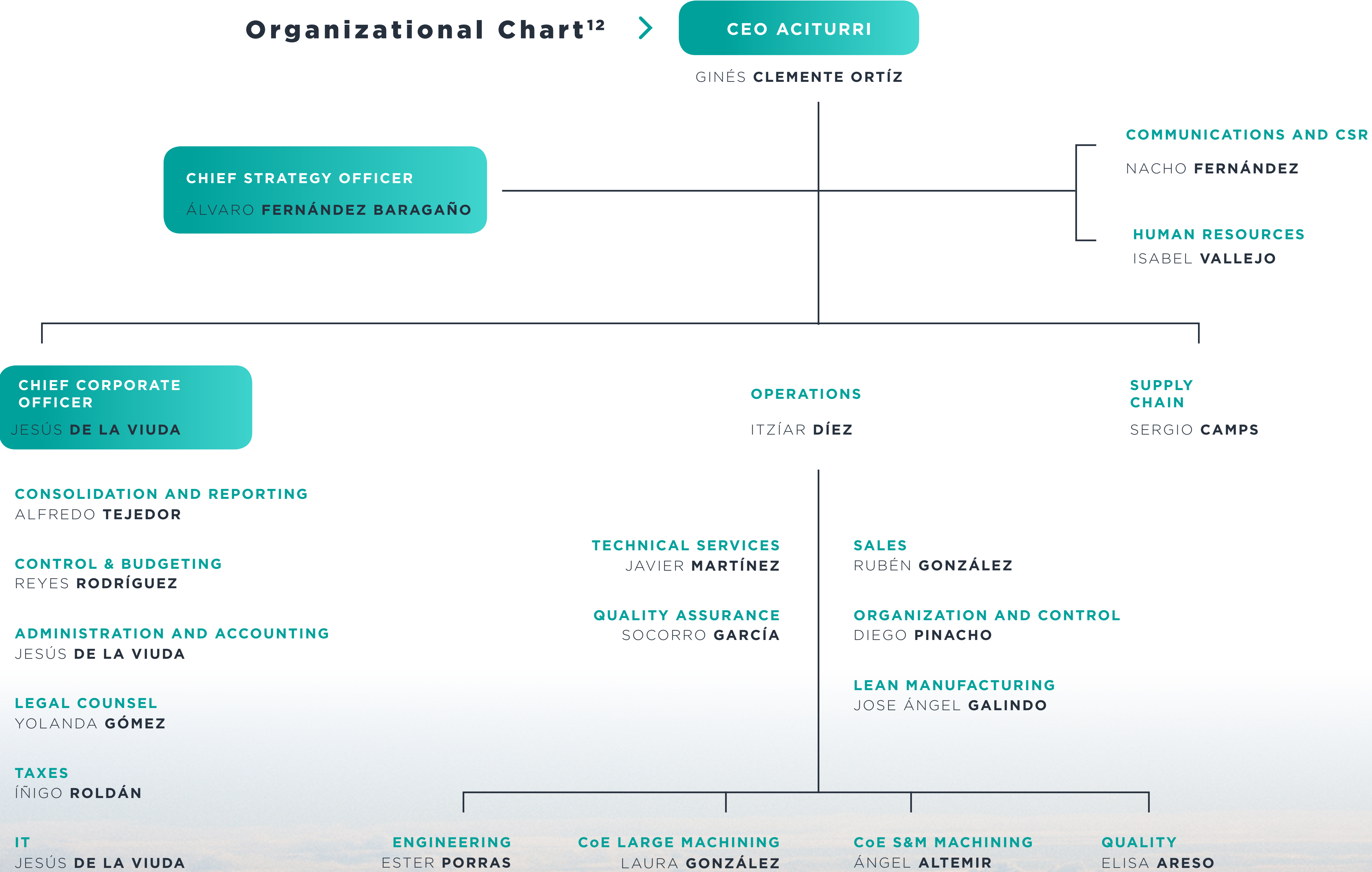
Throughout the year, the engine division increased significantly its participation in the industry’s main events and fairs by taking part in a reverse mission with the United States in Seville, AerospaceForum Birmingham, Aeromart Montreal, Le Bourget in Paris, the Canadian Aerospace Summit in Ottawa, and ADM Torino.

**THE MOST IMPORTANT MILESTONES ACHIEVED IN 2019 ARE RELATED TO THE DEVELOPMENT OF MTF, WHOSE FINAL DESTINATION IS THE PRATT & WHITNEY.**



Aeroengines

Organizational Chart<sup>12</sup>

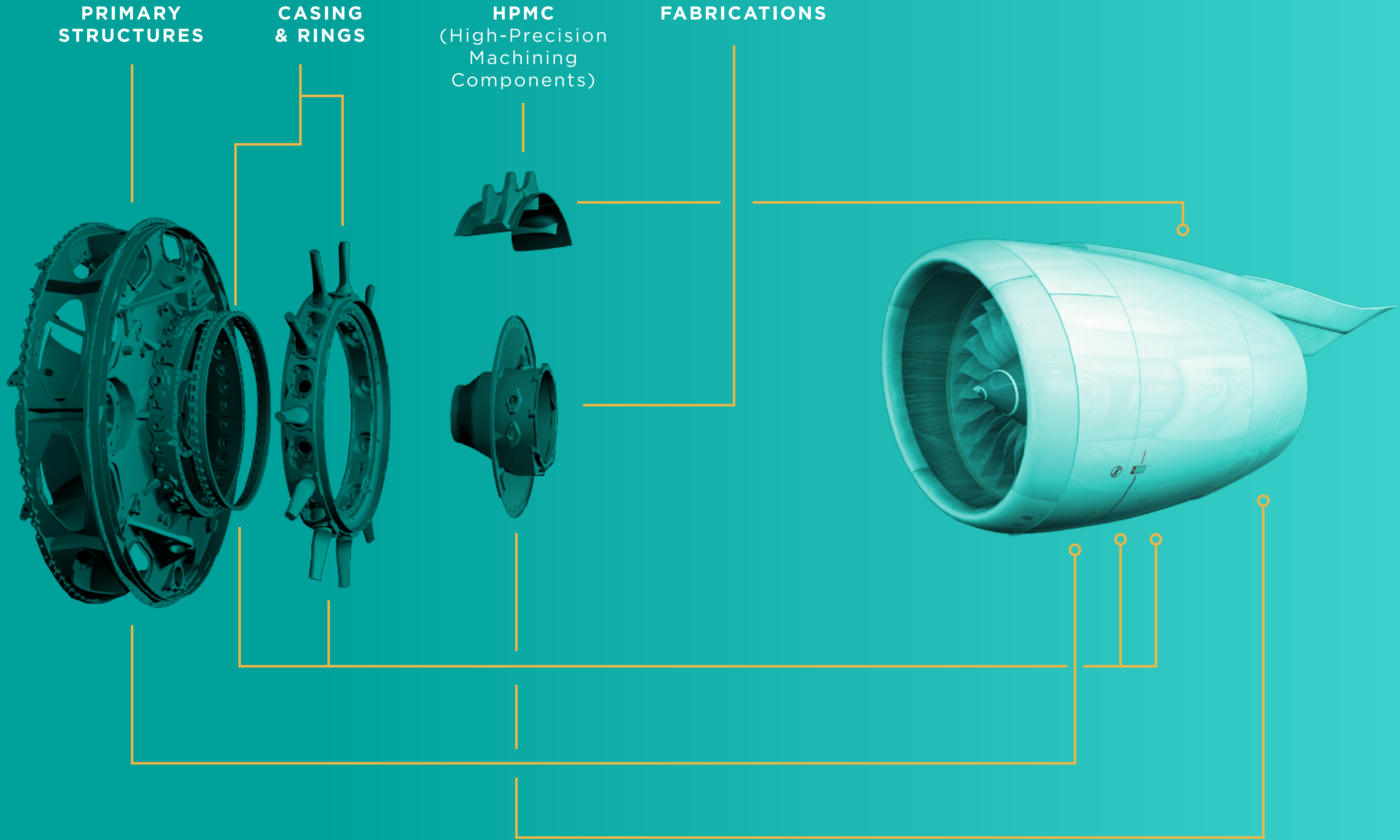


12. As of the date of publication of this report.

Aeroengines



# Products





Aeroengines



# Figures

2019 TURNOVER

€27m

IN 2019

## 165,504 ENGINE

COMPONENTS DELIVERED

**410** CASING & RINGS

**1,132** ENGINE STRUCTURES

**681** HUBS O SMALL STRUCTURES

**163,281** MEDIUM COMPLEX MACHINING COMPONENTS

### MAIN CLIENTS



### THE MOST RELEVANT PROGRAMS

LEAP 1B / 1A / 1C

CFM56

TRENT 1000/7000

TRENT XWB

TRENT 700

TRENT 900

PW1000

PW800

TP400

EJ200

PEARL 15

PEARL 700







# Staff

AT ACITURRI, THE EMPLOYEES’ **SKILLS, EFFORT, AND TALENT** ARE KEY FACTORS FOR OUR SUCCESS<sup>13</sup>.



13. These data correspond to the average staff from January 1 to December 31 of the year in question, unless otherwise specified. To calculate the data on average workforce, we counted the total days of employment for all the staff and divided them by 365. The data by professional category are not available. The term “region” should be understood as “country”.



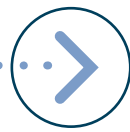




## Staff

To assess the personal capabilities of each person, the company has a system in place which ensures individual merit is the sole criterion for recruitment. This is how we guarantee the same opportunities for access to employment and career advancement for men and women, as well as for people of all ages, ethnic origin, or any other diversity factor.

**TO GUARANTEE THE SAME OPPORTUNITIES FOR ACCESS TO EMPLOYMENT AND CAREER ADVANCEMENT FOR MEN AND WOMEN**



**1,610**  
**EMPLOYEES**  
(155 more than in 2018)

**1,298**  
**MEN**

**312**  
**WOMEN**

**9.21**  
**YEARS**  
OF AVERAGE LENGTH  
OF EMPLOYMENT<sup>14</sup>



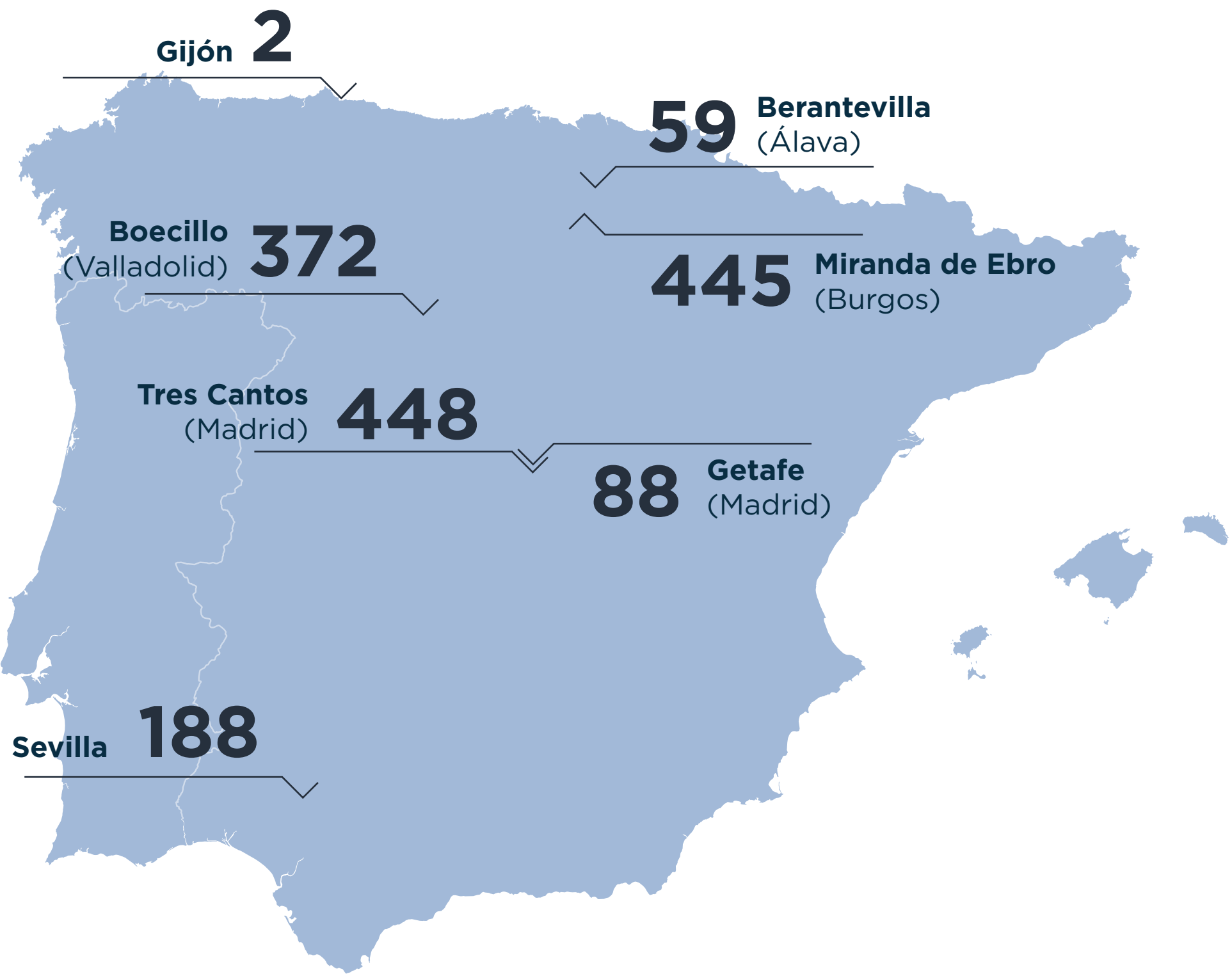
## EDUCATION

**46%** VOCATIONAL TRAINING

**25%** UNIVERSITY DIPLOMA

**29%** OTHER TYPES OF TRAINING

## BREAKDOWN BY FACILITIES



14. Data based on the staff employed on 12/31/2019.



Staff



It’s important to notice that, in addition to the staff directly employed by the company through a contract, we rely on outsourcing for ongoing services: 174 people working on ancillary services for production, cleaning, concierge tasks, security, and engineering. It also has operators from sub-contracted companies (471), supply companies (739), and other personnel subcontracted for discontinuous services (21 people who take care of the maintenance of all machinery and tooling, the facilities and the computer systems).

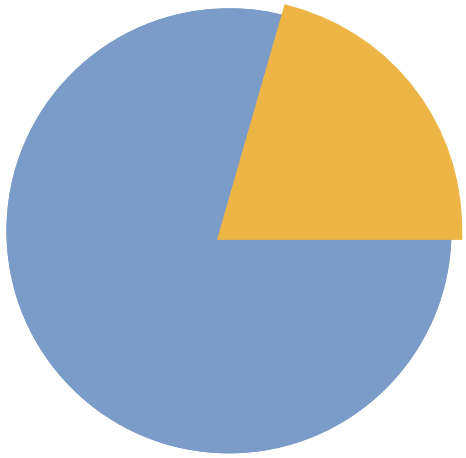
Our recruitment system combines **Aciturri’s Employment Portal** with the use of social networks to attract more and better-prepared candidates. Employees can help find new candidates through our “referral system”.

Aciturri also promotes employment and help to join the labor market by attending career fairs, presentations at training centers and universities, providing training in job centers (internships for vocational school) and support with Bachelor’s theses, involvement in dual training, and training programs that lead to employment within the firm.

ACITURRI’S EMPLOYMENT PORTAL ATTRACTS MORE AND BETTER-PREPARED CANDIDATES



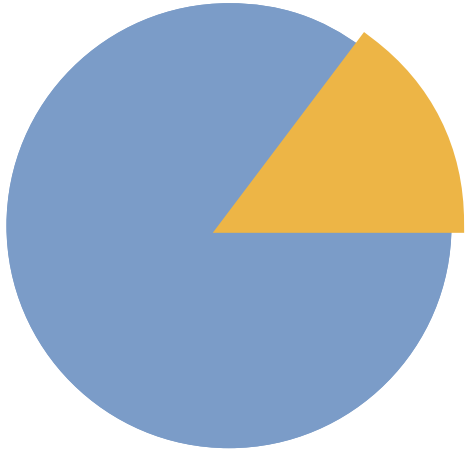
WORKFORCE BREAKDOWN BY GENDER AND TYPE OF CONTRACT <sup>15</sup>



UNLIMITED CONTRACTS

♀ 272

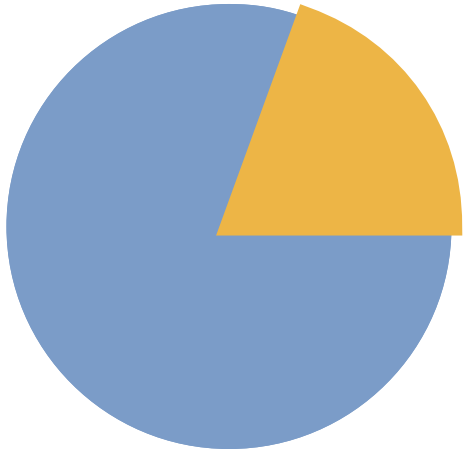
♂ 1.065



TEMPORARY CONTRACTS

♀ 40

♂ 233



TOTAL <sup>16</sup>

♀ 312

♂ 1.298

15. There is no breakdown by professional category available because the large number of agreements applicable within the company makes it impossible to have data subject to be compared.  
16. Data on average staff, gender, and contracts have been retrieved from a report template generated by the automatic payroll (A3 Equipo).

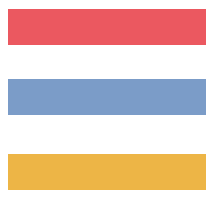


Staff



WORKFORCE BREAKDOWN  
by gender 2018 - 2019

TOTAL  
MEN  
WOMEN



2018



2019

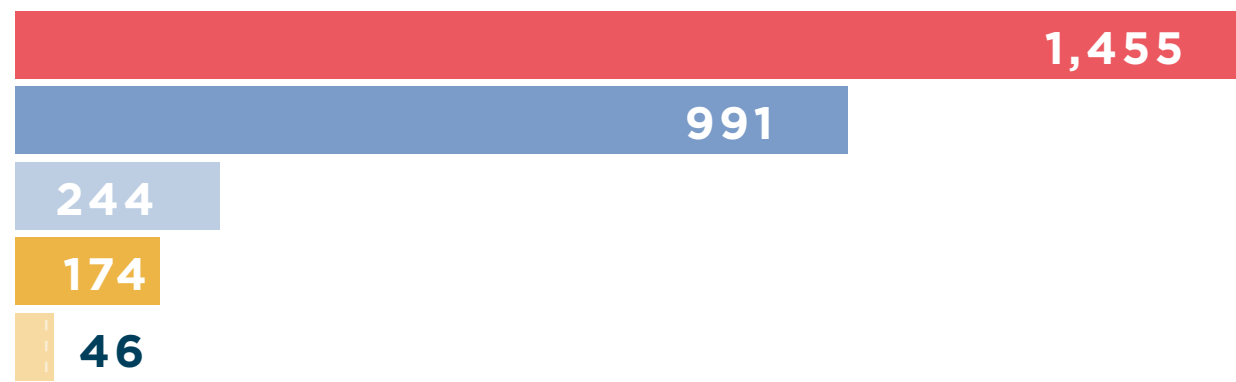


WORKFORCE BREAKDOWN  
by gender and type of contract  
2018 - 2019

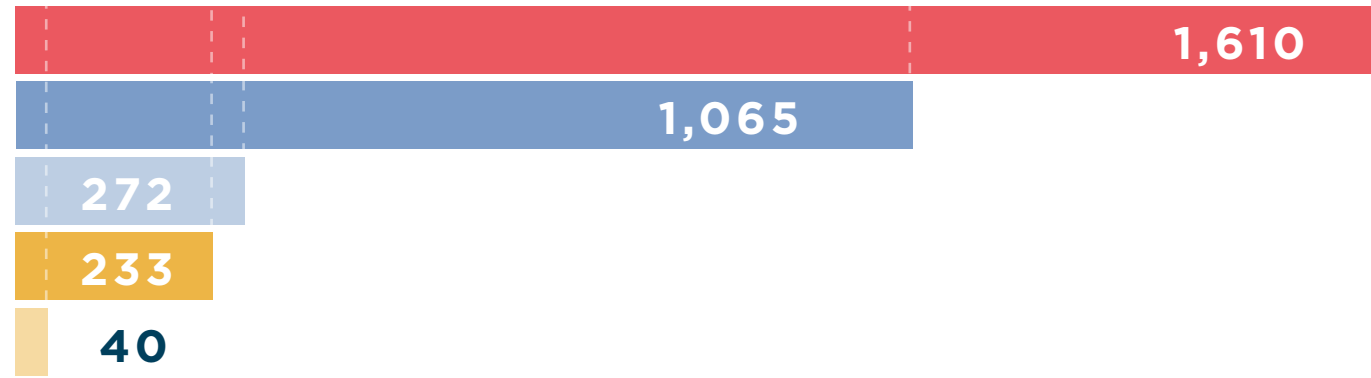
TOTAL  
UNLIMITED MEN  
TEMPORARY MEN  
UNLIMITED WOMEN  
TEMPORARY WOMEN



2018



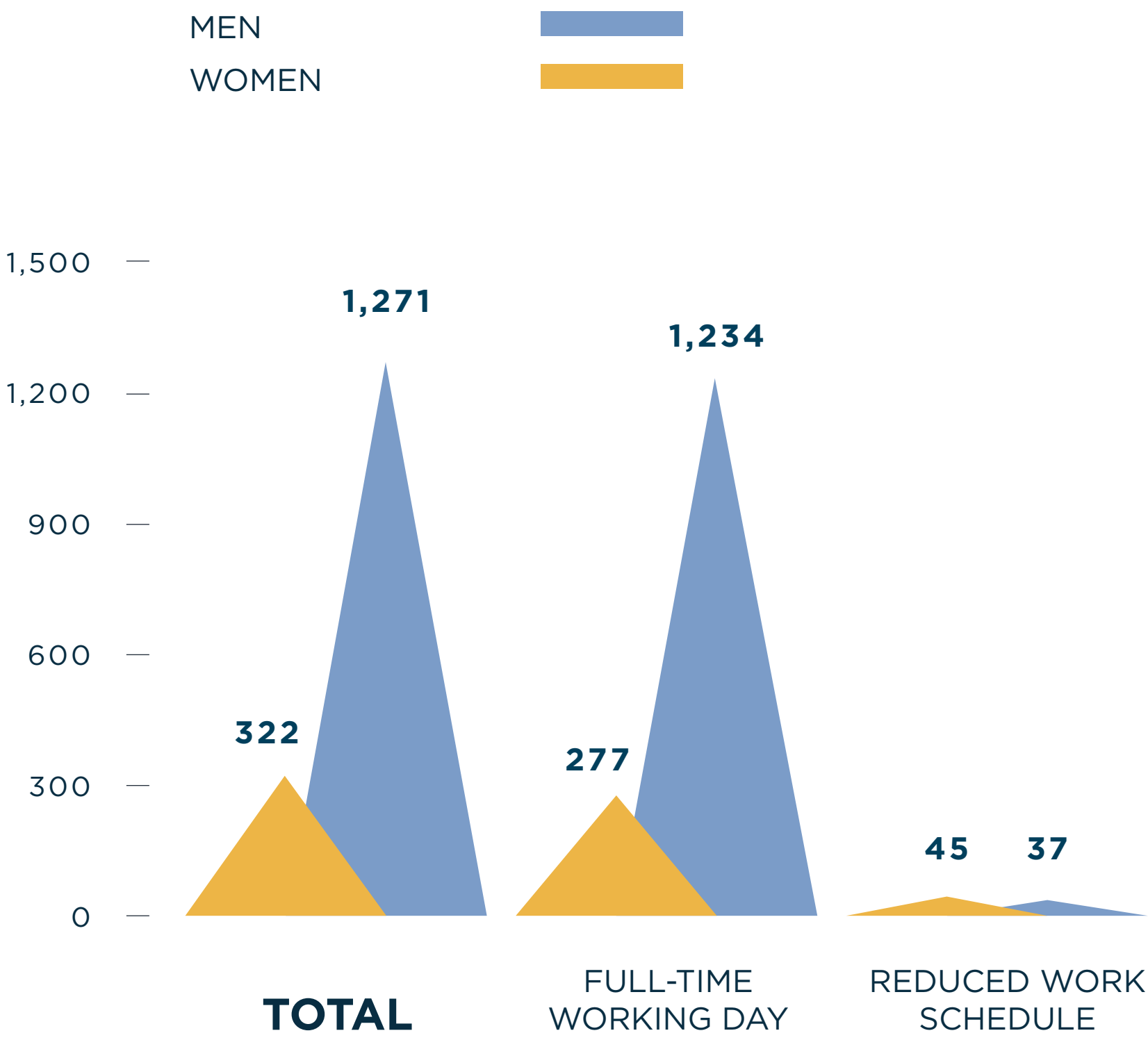
2019





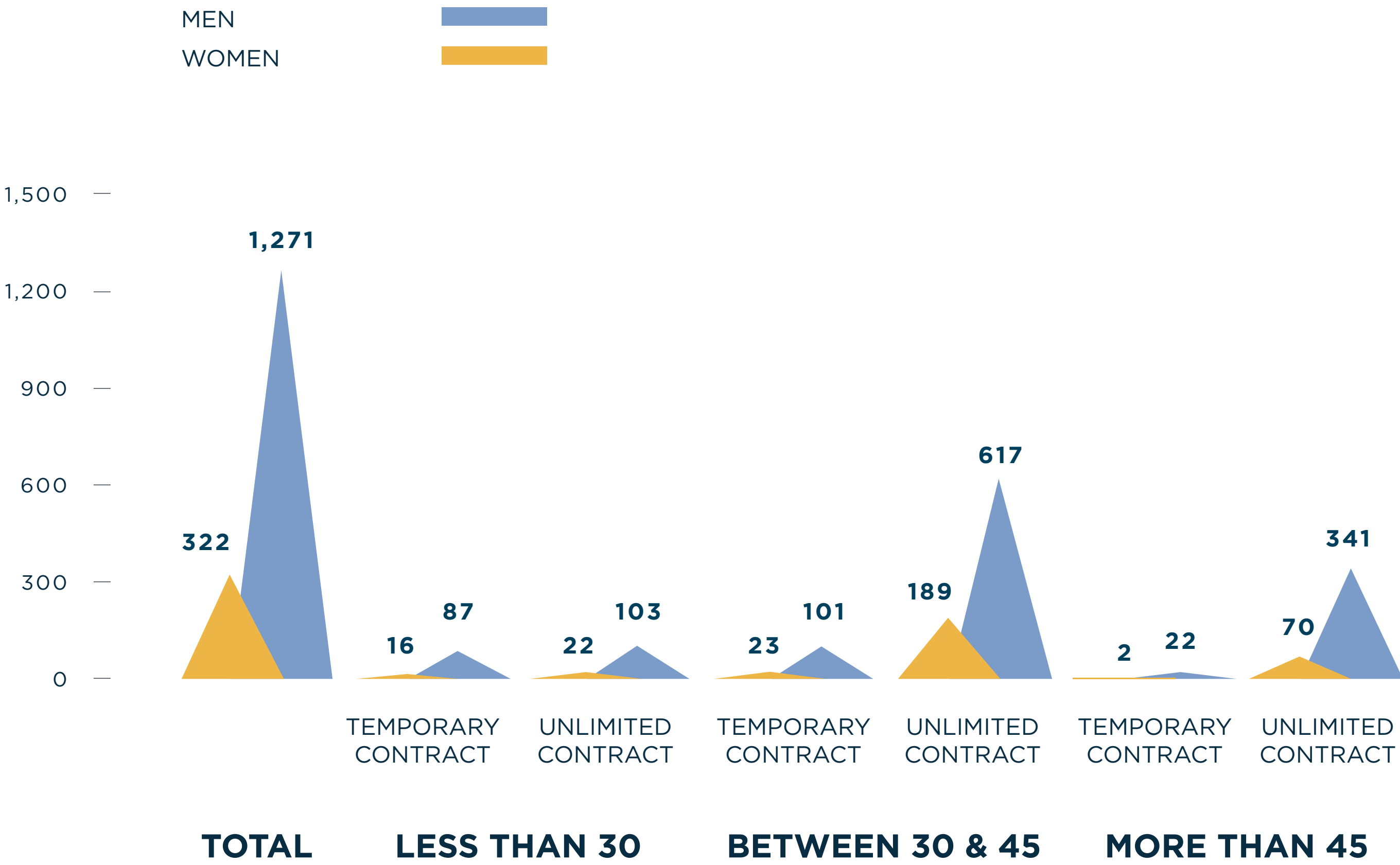
Staff

STAFF<sup>17</sup>  
with a reduced working schedule on 12/31/2019



17. Aciturri always awards full-time contracts except in cases where the person requests a reduction of working hours for legal guardianship or any other reason.

WORKFORCE BREAKDOWN  
by age and type of contract



Staff

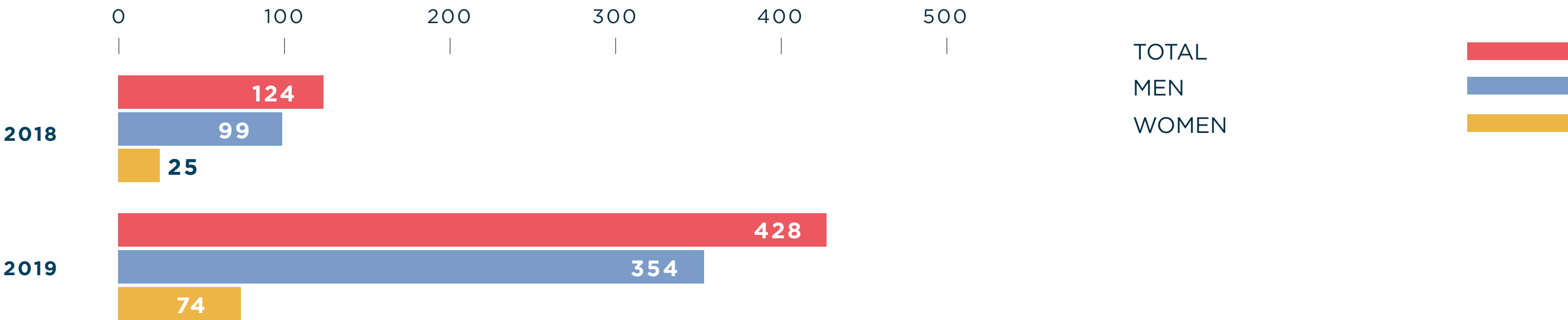


Aciturri’s Code of Conduct establishes the **principle of protection of collective rights** regarding rights of unionization, association, and collective bargaining within the existing law. According to this Code, relations with workers’ legal representative organizations are based on mutual respect and call for an open, transparent, and constructive dialogue aiming at consolidating employment stability.

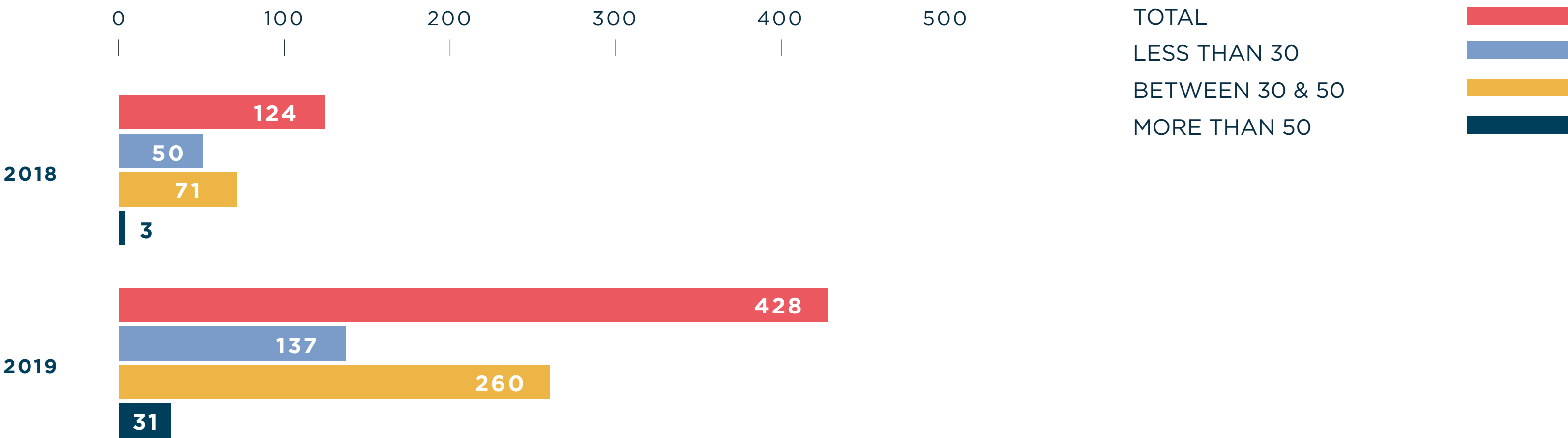
100% of the Aciturri’s employees are covered by collective bargaining agreements—industry, national, or regional collective agreements that establish the minimum requirements to be fulfilled, and have been negotiated by social actors and employers. Although we don’t have our own collective agreement, we have agreed on certain improvements on the provisions in these texts.

RELATIONS ARE BASED ON  
MUTUAL RESPECT AND CALL FOR  
AN OPEN, TRANSPARENT, AND  
CONSTRUCTIVE DIALOGUE

BREAKDOWN OF NEW CONTRACTS  
by gender 2018 - 2019



BREAKDOWN OF NEW CONTRACTS  
by age 2018 - 2019

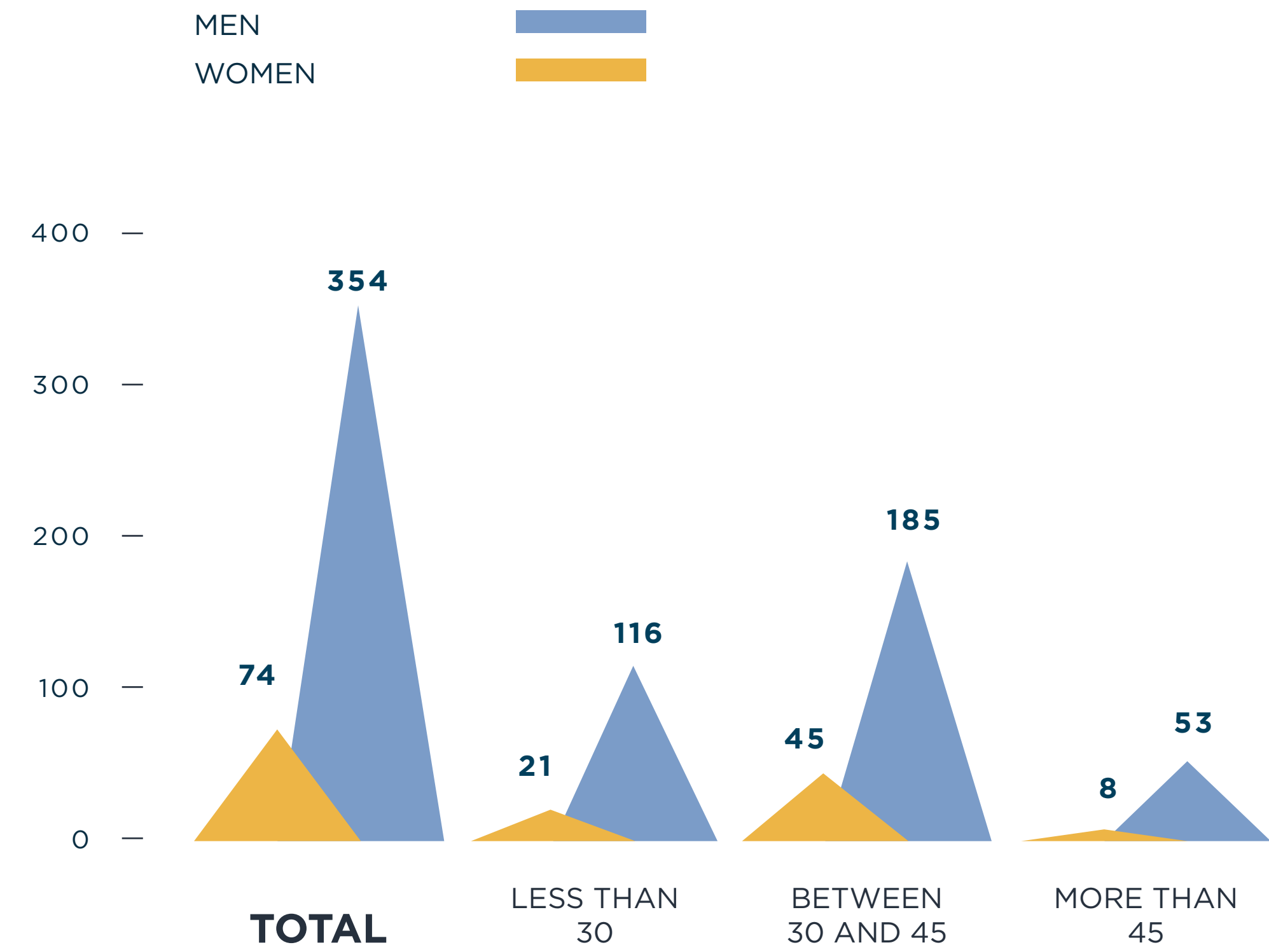




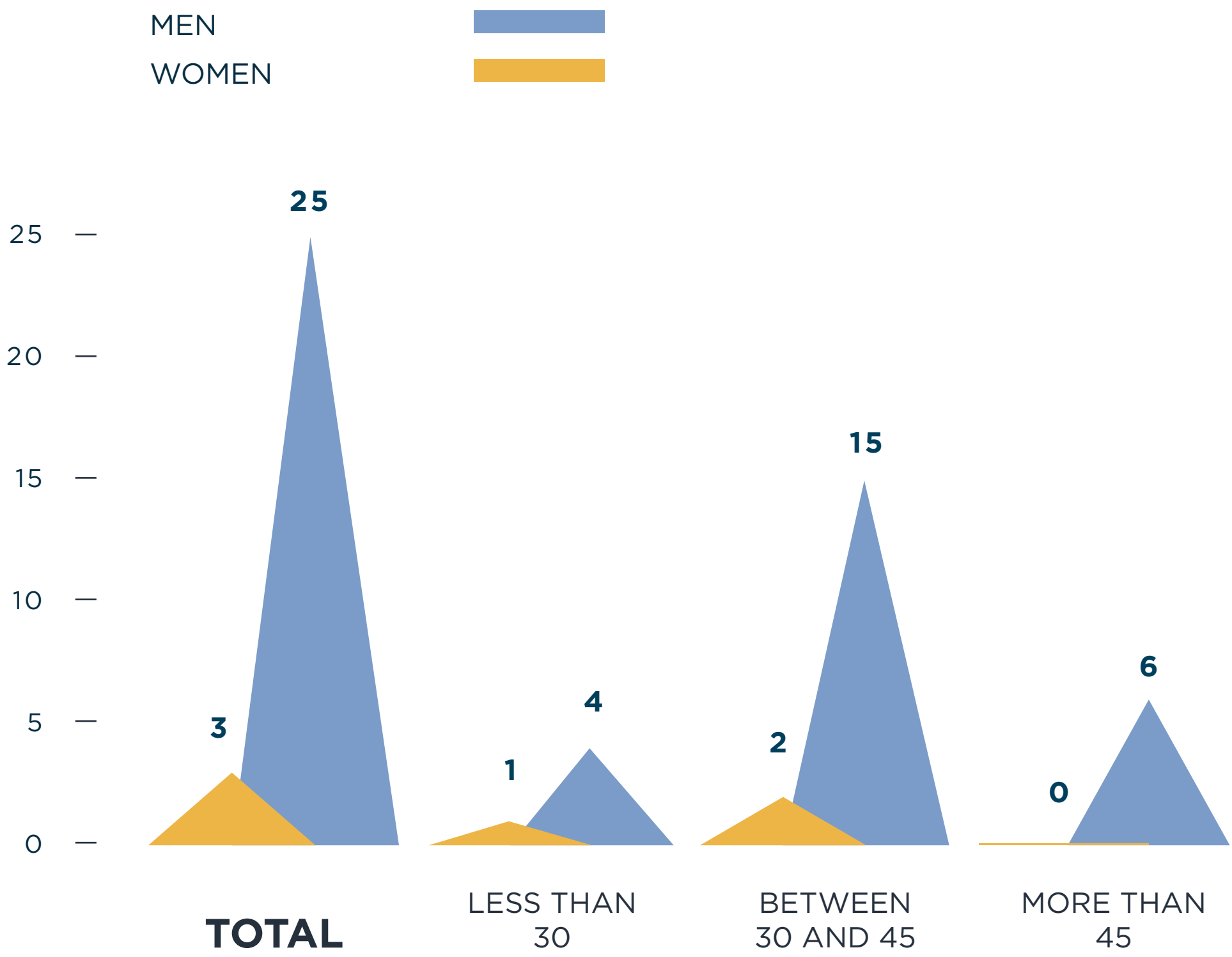
Staff



BREAKDOWN OF NEW CONTRACTS  
by age & gender 2018 - 2019



BREAKDOWN OF CESSATIONS  
by age & gender 2018 - 2019





Staff



In all of Aciturri's companies, except for the parent, there are work councils which function as channels for social dialogue and negotiations.

When operational changes which are likely to significantly affect employees occur, we proceed on the provisions of article 15 in the Estatuto de los Trabajadores (Workers' Rights Act).

More specifically, in the event of an individual modification, the person concerned is notified at least 15 days prior to the effective date of the modification. When it is a collective modification, there is a previous period for discussions with the workers' representative body which shall not exceed 15 days. After this period, and depending on the results of the discussions, the affected workers.

2019  
TURNOVER RATE<sup>18</sup>



15,53%



18. Calculated as ("workforce cessations for the period / average workforce for the period) \*100".





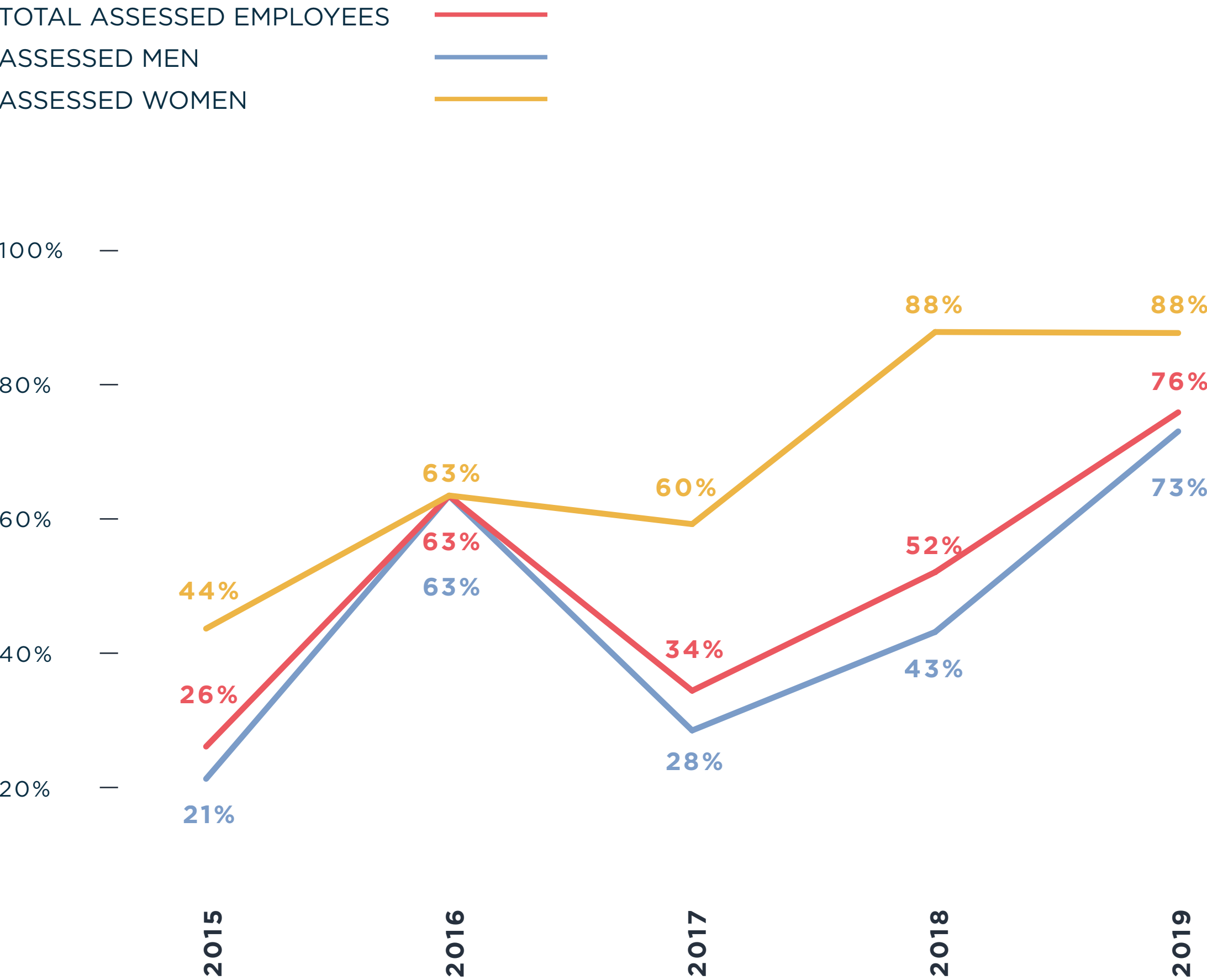
# Training and development

**Professionalism** is one of Aciturri’s signature traits. The people who work in the company carry out their professional activity in the most skilled way possible as a means to achieve excellence.

The tool we use for managing our staff is **Aciturri’s Performance Evaluation System (SEDA in Spanish)**, which measures their individual annual contribution. It is based on their level of achievement of the goals previously set and the given responsibilities according to the role they have been assigned. It also factors in their skills (both soft—personal, social, and group skills—and hard—thematic and business), as well as the expertise they’ve shown while performing their tasks. SEDA is a three-step process: agreement, midterm evaluation, and final evaluation. Both the employee and their direct manager are actively involved, and the HR department provides information to ease the process.

**THE PEOPLE WHO WORK IN THE COMPANY CARRY OUT THEIR PROFESSIONAL ACTIVITY IN THE MOST SKILLED WAY POSSIBLE AS A MEANS TO ACHIEVE EXCELLENCE**

## % ASSESSED EMPLOYEES



19. Traditionally, performance evaluations are carried out every other year, which explains the difference between the values for the 2015-2017 and for the 2016-2018 period. However, following a request by the plant managers, such evaluation will be carried out annually from now on.

Formación y desarrollo



**Success Factors** is the development module that allows the automation of the process and a better analysis of the information compiled by SEDA and **Skill Matrix**.

The information obtained from this evaluation, together with other factors such as new investments and/or facilities, regulatory changes, or new projects, is taken as the starting point for designing the **Annual Training Plan**, which includes, at least, training related to the **Kaizen Project** and in matters of **occupational risk prevention**. Regarding the Kaizen Project, levels 1 through 4 were taught in 2019.

**Aciturri Academy**, which stemmed from the Success Factors learning module, also saw the light of day in 2019. This module is organized around six schools, each led by the corresponding manager. The schools are Quality, Lean Management, Compliance, HR or General, ORP and Systems.

In order to implement this tool, the HR team welcomed a graphic designer on board. They are in charge of editing videos and documents regarding different training contents which are then made available through Aciturri Academy. An example is the on-boarding materials for each school, which all new employees have access to.

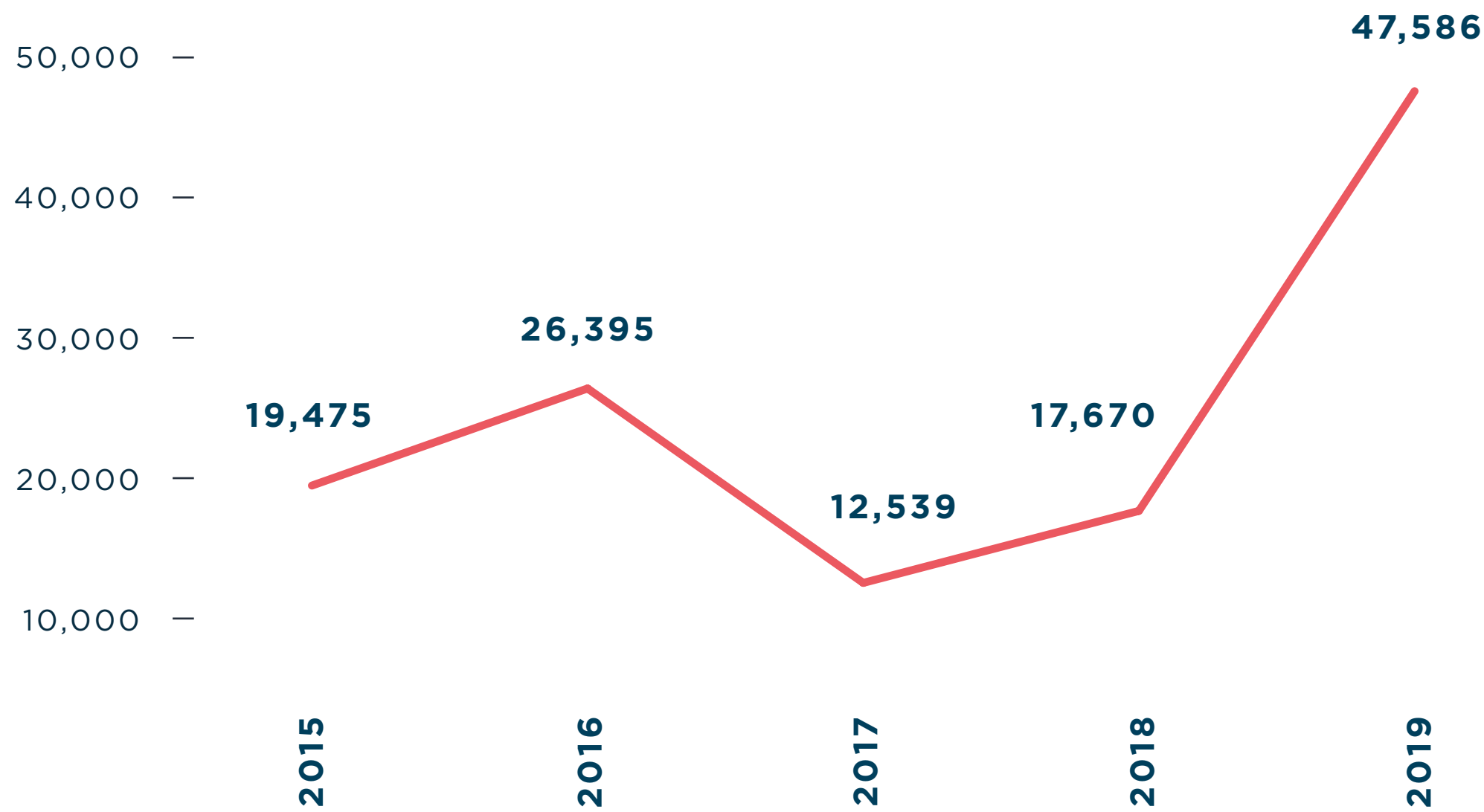
**GameLearn** was also introduced in 2019 as a way of learning in a fun way by means of video games and the gamification of the training experience. Two examples are Pacific (Leadership Serious Game) and Merchants (Negotiation Serious Game). There is also a new **english learning** program via two platforms, 7Speaking and Learnlight.

At the same time, there was a new “refresher course” program for all the operators at the Tres Cantos plant. It will reach the other plants throughout 2020 in order to define the on-boarding training for new employees.

ACITURRI ACADEMY SAW THE LIGHT IN 2019, ORGANIZED AROUND SIX SCHOOLS: QUALITY, LEAN, COMPLIANCE, HUMAN RESOURCES, ORP & SYSTEMS



TOTAL TRAINING HOURS<sup>20</sup>

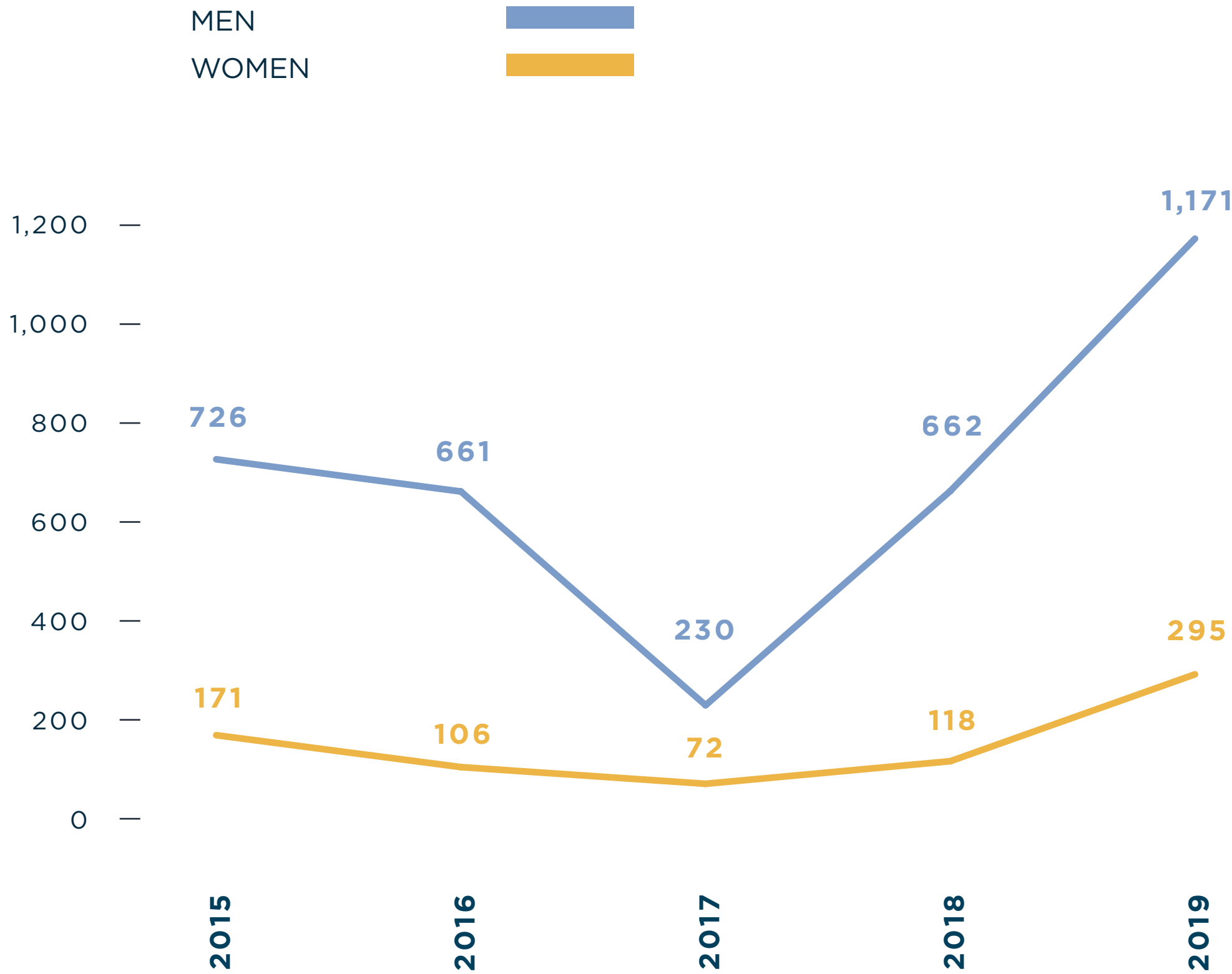


20. There is no breakdown by professional category available because the large number of agreements applicable within the company makes it impossible to have data subject to be compared.

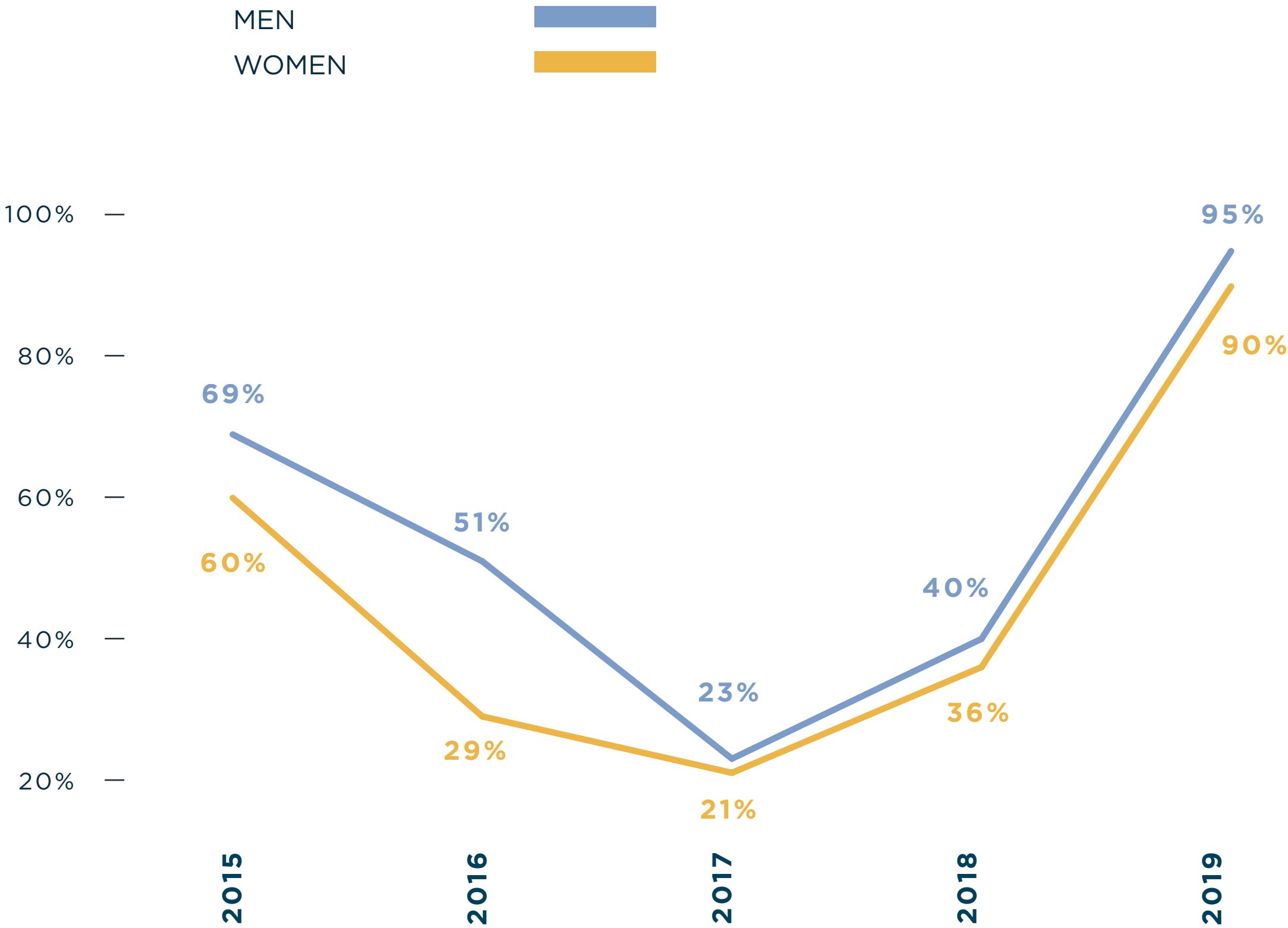


Training and development

TOTAL TRAINED MEN/WOMEN



% TRAINED MEN/WOMEN





Training and development



Aciturri has been certified as a training body by Fundación del Metal (a foundation aimed at promoting the metal industry and training its workers), so both parties agree on every action taken in this regard. In order to comply with the **mandatory training** specified in the National Metal Agreement, one of the ORP technicians in the Ayuelas plant has been released to work full-time drafting guidelines and training the production staff. If need be, this person can ask for support from other ORP technicians.

The result of all these initiatives has been an increased number of hours devoted to training in 2019: a total of 46,586 (almost 30,000 more than in 2018), from which 91% of the staff has benefited.

The HR team has also been involved in a new development; namely, the creation of the **Aciturri Experience**—the employee’s journey from the first contact with the company until they leave, including their feelings, attitudes, and behaviors.

In 2019, we defined the key stages within the Aciturri Experience, working particularly **in 5 processes:**

STANDARDIZATION

of the candidate selection process and communication channels



The employer  
**BRAND**



**FIRST DAY**  
at work



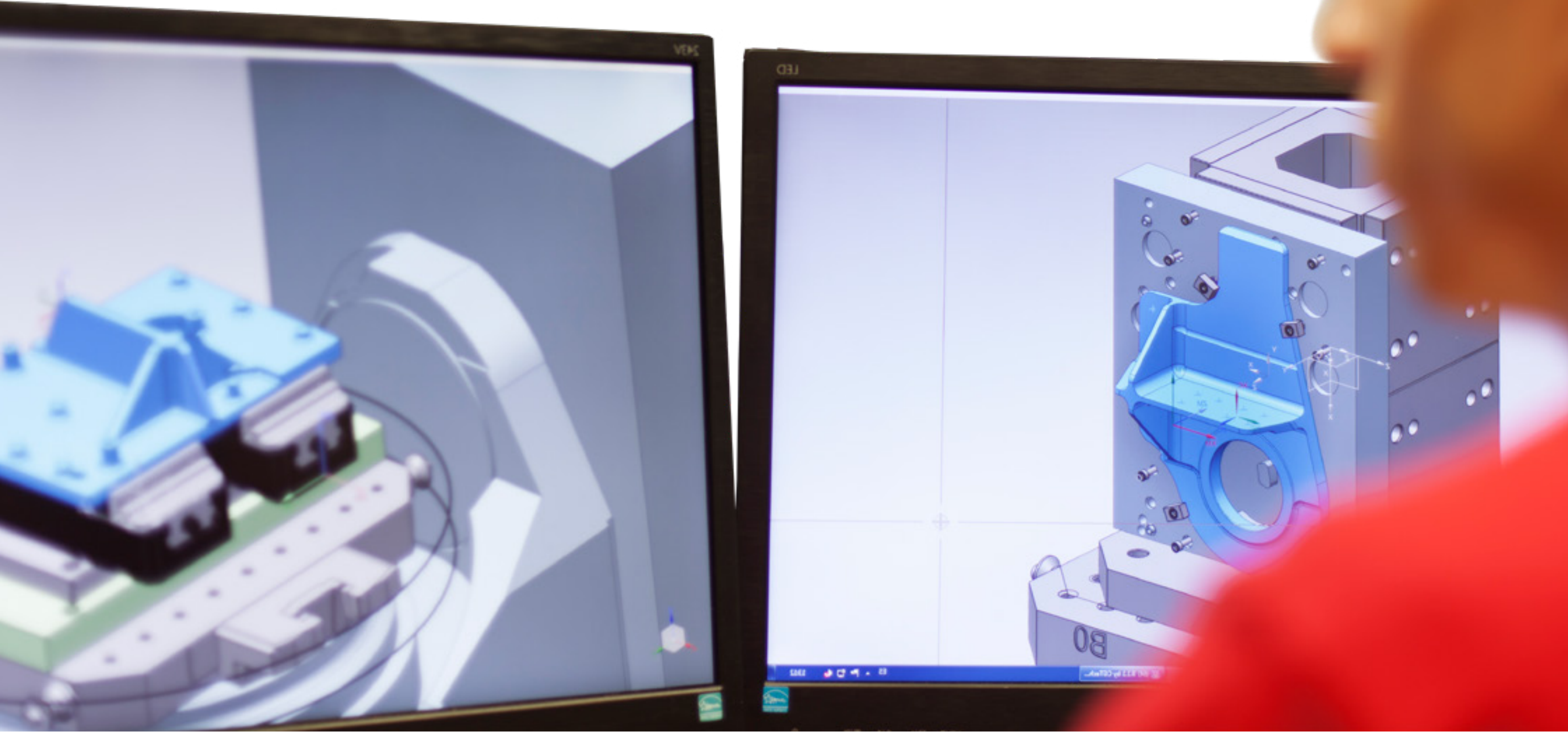
STANDARDIZATION

of policies to manage exceptional personal circumstances



**PROFESSIONAL DEVELOPMENT**  
through the “Impulsa Program”

**46,586 HOURS DEVOTED TO TRAINING, ALMOST 30,000 MORE THAN IN 2018, FOR 91% OF THE STAFF**





Training and development

The Development division has launched the executive training **“Impulsa Program”**, which aims at providing employees with the potential, knowledge, and skills needed to take over managerial responsibilities in a division or plant to successfully develop their current mission and those they may undertake in the future. To ensure the quality of the program, Deusto Business School has been selected as a strategic partner in the design and delivery.

The goal is to meet the strategic objective of “being one of the best companies to work for” and become a tool of continuing professional development, framed within the Aciturri Experience.

In the first edition (November 2019 to June 2020) the participants are 16 employees (ten men and six women) from different divisions and with different responsibilities.

IMPULSA PROGRAM PROVIDES EMPLOYEES WITH THE POTENTIAL, KNOWLEDGE, AND SKILLS NEEDED TO TAKE OVER MANAGERIAL RESPONSIBILITIES

In 2019, all HR management work teams have joined the Kaizen Project to support Aciturri in different ways. The department is working on the launch of “Kaizen Diario”, which consists in implementing virtual working panels for “natural teams” to define indicators, establish improvement efforts, and plan their daily activity.

The firm has continued to develop the **Learning Communities**, a tool used for the creation of its own leadership style which is based on respect for people and the company’s involvement in their development. In 2019, we extended the Engineering Community and also launched the Cross-functional Teams communities and the Management Team at Three Cantos, welcoming 23 new people into the initiative.







# Work-life balance

In 2014, Aciturri implemented the **TRESDé** program, whose main aim was to help employees achieve a better work-life balance than the one described in the collective bargaining.

The measures adopted are organized in **three different programs**:



## FLEXIBLE COMPENSATION



All employees may choose to receive part of their salary in kind. The options available are child care or restaurant vouchers, transport cards, health insurance, and training.

## FLEXIBLE WORKSPACE



As long as the job permits, workers who so wish may work from home in any of the following modalities:

- They may work from home the first half of the day, arriving at the office for the second part.
- They may work from home the second half of the day.
- They may work from home all day.

## FLEXIBLE WORKING HOURS



There is a series of unpaid leaves to meet exceptional circumstances:

- Unpaid leave to take care of a seriously ill family member (parents, spouse, children, and/or siblings), from five to 60 working days per year.
- Unpaid leave to prepare for or attend exams for official degrees or courses, up to 5 working days per year.
- Unpaid leave to extend parental leave, up to 10 working days per child.
- o Unpaid leave for international adoption, up to 30 working days.



Work-life balance

In addition, the indirect staff may benefit from flexible clock-in and clock-out hours regarding their split working day. Also, they can choose a continuous working day on Friday and every day in the month of August.

The staff employed directly by the company works mostly split working days, Monday through Friday in one, two or three shifts, or in a fifth shift on the weekend. In any case, they have the option to request a fixed work shift or modifications in their current shift to tend to personal matters.

As per the various corresponding collective agreements, Aciturri’s employees have life and accident insurance with different protection levels and insured amounts.

All the workers have access to these benefits, regardless of whether they have a full-time or part-time contract, except those limited to the Steering

OUT OF THE EMPLOYEES WHO TOOK PARENTAL LEAVE IN 2019, 100% RETURNED TO THEIR JOB AFTER IT

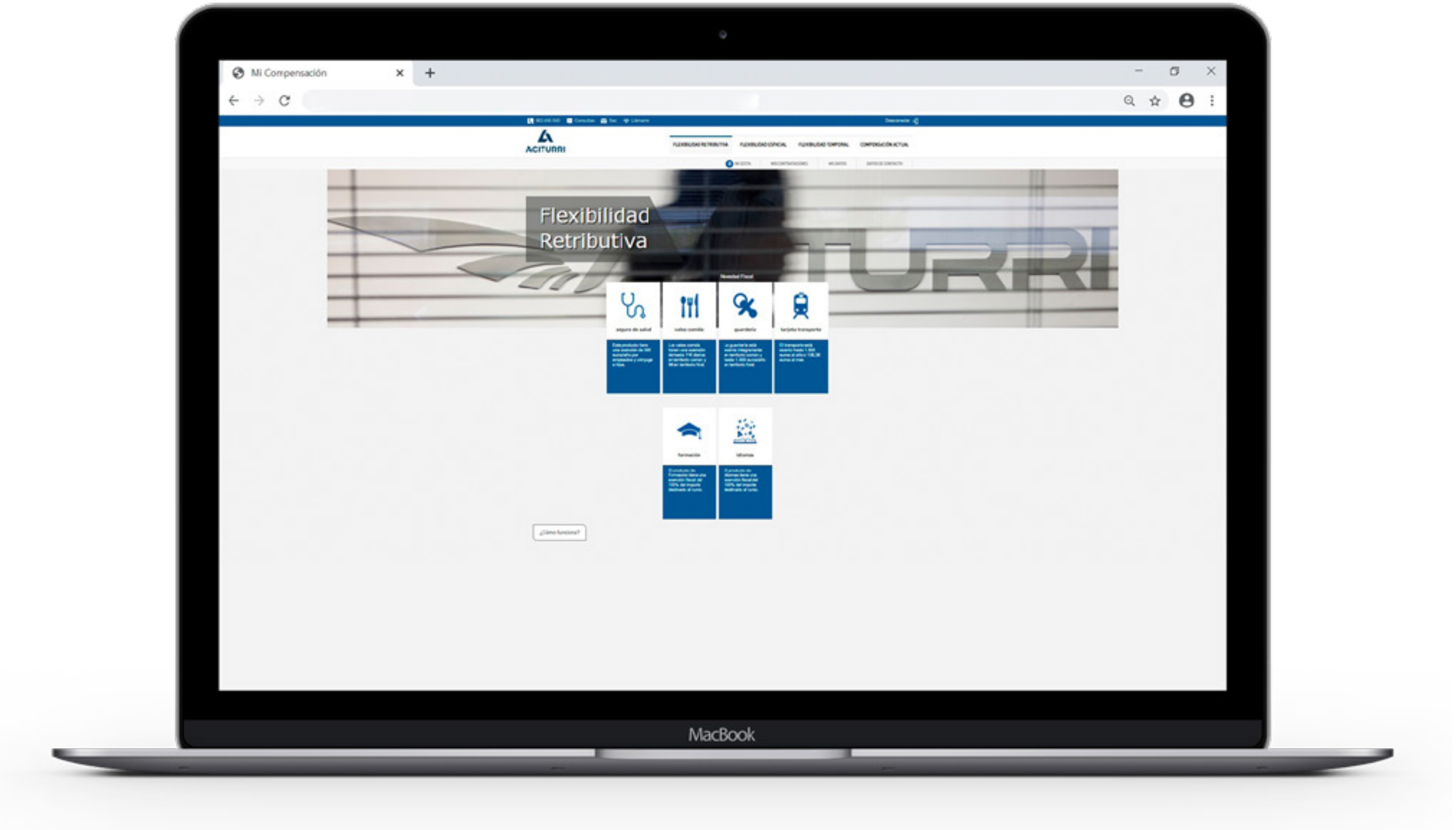
Committee; namely, a company car and additional life insurance coverage that exceeds the one in the general agreement.

As for the right to disconnect, Aciturri has no formal policies in place since there is no evidence that suggests this might be an issue for our employees.

In 2019, 89 people enjoyed **parental leave**: 66 men and 23 women. Of these, 72 (81%) are now back at work after their leave; 15 (17%) are still off work for legal guardianship; and 2 (2%) decided to take leave of absence to take care of their children.

Out of the employees who took **parental leave** in 2019, 100% returned to their job after it. These were specifically 78 people (58 men and 20 women).

In 2019, 78 employees were off on parental leave. A total of 72 have been back at work for 12 or more months; four decided to take voluntary leave during this period; and two extended their parental leave to take care of their children.





# Diversity

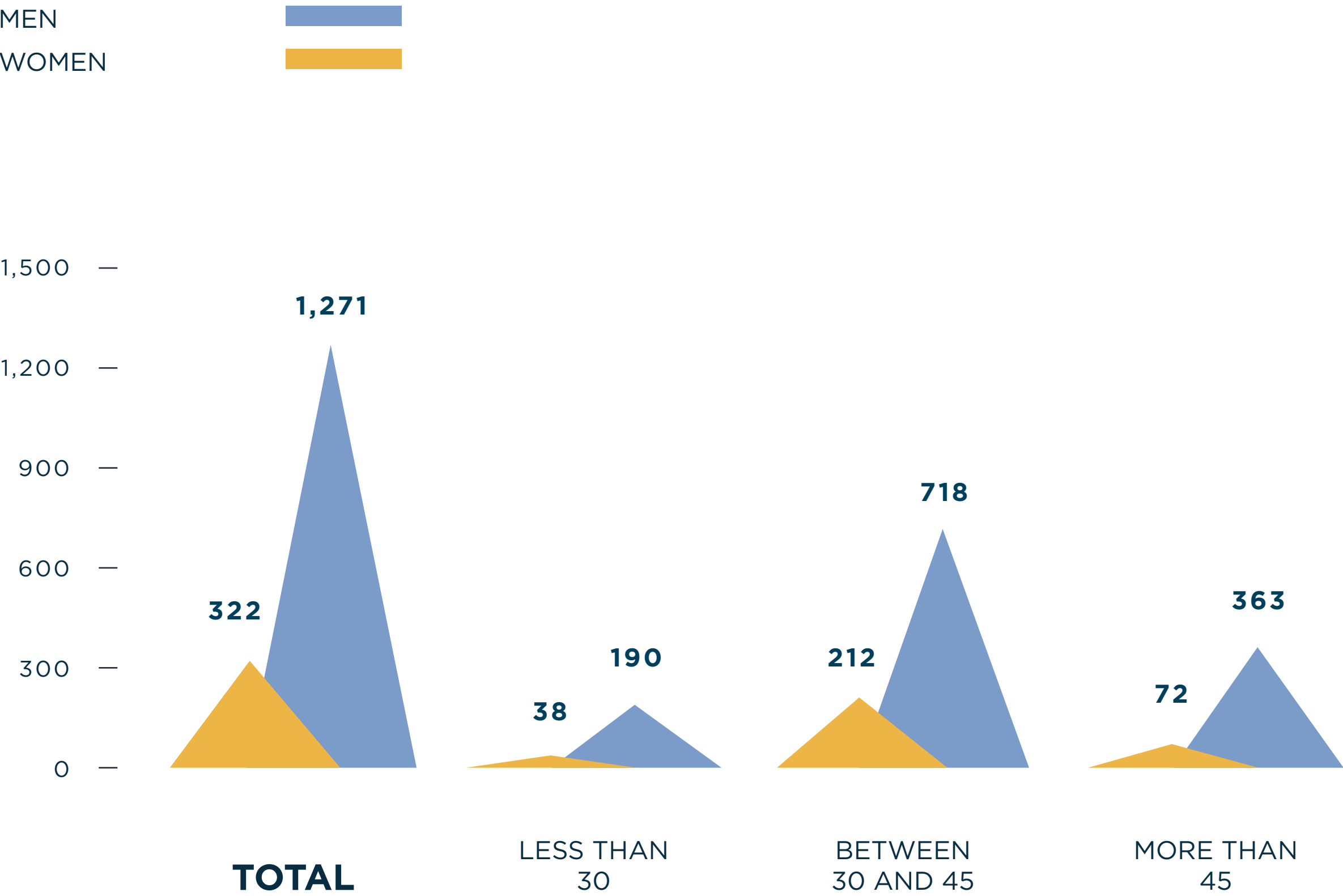
At Aciturri, we support and are strongly committed to diversity as a way to promote innovation and harness new talent. According to our **Code of Conduct**, the personal and professional dignity of all members of our team is always protected, regardless of their status, role, gender, race and/or cultural background.

Our Steering Committee is made up of three persons—two men and one woman, all of them over 45 years of age. The Executive Committee has 17 members, 12 men (4 between 30 and 45, the rest over 45) and 5 women (3 between 30 and 45, two over 45).

100% OF SENIOR EXECUTIVES HIRED ARE FROM THE LOCAL COMMUNITY <sup>23</sup>



## BREAKDOWN <sup>21</sup> by age and gender



21. Data from December 31, 2019.

23. Senior executives are chief officers; namely, the Chief Corporate Officer, the Chief Business Development Officer, and the Chief Strategy and Industrial Operations Officer. By local community we mean Spain.





Diversity



BREAKDOWN <sup>22</sup>  
by nationality

1,593  
TOTAL



1,271 MEN

1,125  
SPAIN

11  
ROMANIA

8  
PORTUGAL

5  
COLOMBIA

3  
FRANCE  
ECUADOR  
URUGUAY  
VENEZUELA

2  
BRAZIL  
MAROCCO  
PERU

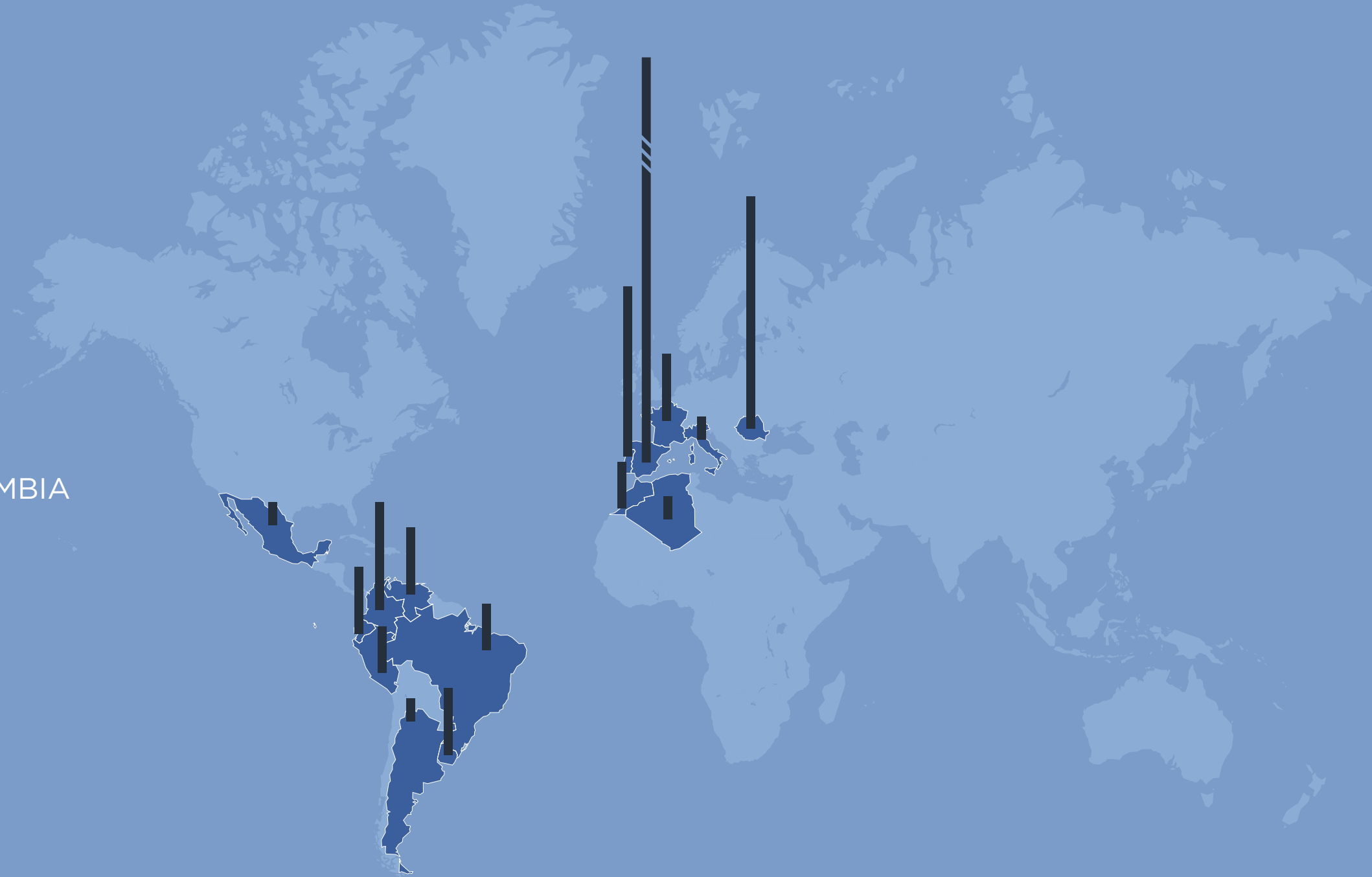
1  
ALGERIA  
ARGENTINA  
MEXICO  
ITALY

322 WOMEN

315  
SPAIN

2  
ARGENTINA

1  
PORTUGAL  
BRAZIL  
ROMANIA  
VENEZUELA  
EL SALVADOR



22. Data from December 31, 2019.



Diversity

Aciturri hires 1.74% of **people with different abilities** (28 people, of which 24 are men and 4 are women). To comply with the minimum required by law (2%), the company takes alternative measures, which amount to an investment of€€ 437,526.

In 2017, the Special Center for Employment was launched at our plant in Tres Cantos. This project was a collaboration with the Good Job Foundation and is currently supporting 22 people (17 men and five women).

On November 18, 2019, following the excellent results achieved in Tres Cantos, the plant at Boecillo began its supported employment enclave program. In this case, the employment enclave is made up of six production operators with different abilities, four of whom work in the auxiliary material cutting areas and the other two in pattern organization. Once again, the supported employment scheme is carried out in collaboration with Good Job.

In regard to the accessibility of our facilities, in 2015 we carried out an audit in collaboration with Ilunion. This led to a series of recommendations and actions that had to be prioritized.

In fact, the design of all new facilities keeps in mind all parameters and applicable regulations in force with regard to accessibility and the removal of architectural barriers, exactly as in Ircio in 2018.

Aciturri's Corporate Culture is based on a set of shared values, beliefs, and customs, and it is inherent to the firm to take action against facts, attitudes, and/or behaviors that threaten those values and ethical principles that we deem fundamental rights, regardless of whether or not they are considered a crime. This is why, regardless of what is stipulated in our Criminal Compliance Plan (see "Compliance"), Aciturri has a **Prevention Protocol and Plan of Action against Harassment and Discrimination** which describes the procedure for reporting and prosecuting any conduct constituting sexual or psychological harassment, and/or discrimination of any kind.

We take pride in the fact that no discrimination cases were reported in 2019.

WE TAKE PRIDE IN THE FACT THAT NO DISCRIMINATION CASES WERE REPORTED IN 2019







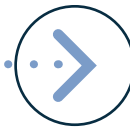
# Equal opportunities between women and men

As part of our commitment to diversity, Aciturri pays special attention to all matters related to gender equality. For this reason, we have had a **Plan for Equality** in place since 2015 which will be reviewed in 2020.

This plan was devised based on the results of an assessment of the situation, and then approved by management and shared with the workers' various representative bodies. It has specific goals and associated plans of action whose progress is analyzed on a regular basis.

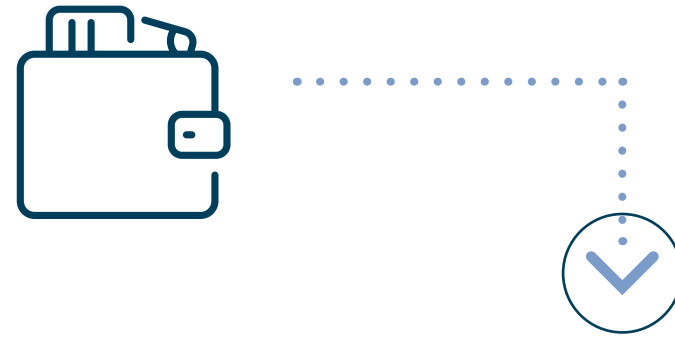
**Here are some of the most relevant measures included:**

**THE PLAN FOR EQUALITY  
HAS SPECIFIC GOALS WHOSE  
PROGRESS IS ANALYZED ON A  
REGULAR BASIS**



- 1 When candidates have the same qualifications and experience, the under-represented gender is favored.**
- 2 Internal job notice board: Implementation of an internal tool that allows every employee to learn about open vacancies, favoring non-discrimination and the transparency of the process.**
- 3 Equal access to training for all employees, regardless of their working day: full-time or reduced working hours.**
- 4 Child care vouchers, medical insurance, training, and transport cards as part of flexible compensation.**
- 5 The option of a continuous working day after a partial maternity leave and until the child turns one.**
- 6 The possibility to enjoy nursing mother's leave by taking off full days after maternity leave.**
- 7 Likewise, employees may align their annual vacation with the end of their paternal leave to extend their time off.**





# Compensation Policy



Aciturri’s **Compensation Policy** for staff we hire indirectly is defined within the firm’s **Role System**. The term “role” is understood as the goal of a group of people and is defined as “the set of responsibilities, knowledge, and skills required for optimal performance of the tasks they are in charge of.” The same role may require different jobs with different technical content, depending on the area or department.

**This Compensation Policy consists of four principles:**

## INTERNAL EQUITY

direct connection between the assigned responsibilities for each role and the compensation received.

## COMPETITIVENESS

it analyzes the relevant market with the aim of attracting and building loyalty from Aciturri’s professionals.

## MOTIVATION

in addition to monetary compensation for a specific role, employees’ contribution to the achievement of results is openly acknowledged and, to the extent permitted by the law, to their own personal and/or family needs.

## FLEXIBILITY

to quickly adapt to the market, the competition, and their own needs. When defining the compensation for each employee, several factors are taken into account: their role, their performance level, their potential, and their personal and family circumstances.

The fixed compensation for each role is defined according to the assessment of roles carried out by CompensaVal—a job rating tool developed by the firm Compensa Capital Humano. It assesses seven factors: required training and experience; complexity of the problems; managerial tasks; leadership and motivation; decision-making; organizational responsibility; and nature of the results.

As standard policy for Aciturri, assessment determines the combination between internal equity (80%) and market (20%) in order to maintain the internal equity as shown in the analyses carried out and to improve competitiveness within the market.

**THE COMPENSATION POLICY CONSISTS OF FOUR PRINCIPLES: INTERNAL EQUITY, COMPETITIVENESS, MOTIVATION & FLEXIBILITY**



Compensation Policy



The graph shows how the overall structure is generated for a specific level of content:



The average for each of the different levels of content is calculated based on the formula for the fixed compensation market Median (MD):

MEDIAN (MD)



$$Y = 90.117 \times \text{Points} + 3,924.6$$

Based on this result, there are set limits for each level of content, being -20% the minimum and +20% the maximum. Then, the dispersion is divided by -20% and +20% in 9 different levels so the employees can receive compensation raises without having to change the content of their role according to their experience, performance and potential.

The compensation analysis is conducted based on the 16 roles applicable to our indirect staff which, for the purpose of this analysis, are **arranged in 10 groups:**

- > FUNCTIONAL SUPPORT: IT COMPRISES LEVELS 1 & 2 OF FUNCTIONAL SUPPORT ROLES
- > TECHNICAL SUPPORT
- > LEVEL-I ENGINEERING TECHNICIANS
- > LEVEL-II ENGINEERING TECHNICIANS
- > LEVEL-III ENGINEERING TECHNICIANS
- > LEVEL-I CORPORATE TECHNICIANS
- > LEVEL-II CORPORATE TECHNICIANS
- > LEVEL-III CORPORATE TECHNICIANS
- > MANAGEMENT: PRODUCTION MANAGEMENT, FUNCTIONAL MANAGEMENT, BUSINESS MANAGER AND FUNCTIONAL MANAGER
- > MANAGERIAL ROLES

Compensation Policy



The following table shows the fixed compensation details for 436 employees based in different locations and in charge of different technical tasks. Salary ranges are the same, regardless of the location.

	AVERAGE SALARY (MEN)	AVERAGE SENIORITY (MEN)	POST HOLDERS (MEN)	AVERAGE SALARY (WOMEN)	AVERAGE SENIORITY (WOMEN)	POST HOLDERS (WOMEN)	GLOBAL AVERAGE SALARY	AVERAGE SALARY WOMEN VS MEN	WOMEN'S AVERAGE SALARY VS GLOBAL AVERAGE SALARY	MEN'S AVERAGE SALARY VS GLOBAL AVERAGE SALARY
FUNCTIONAL SUPPORT	€23,821	9.77	3	€23,749	9.24	23	€23,757	-0.30%	-0.04%	0.27%
TECHNICAL SUPPORT	--	--	--	€23,367	10.52	2	€23,367	--	--	--
LEVEL-1 ENGINEERING TECHNICIANS	€24,784	2.29	11	€25,000	2.05	1	€24,802	0.86%	0.79%	-0.07%
LEVEL-2 ENGINEERING TECHNICIANS	€33,040	9.07	50	€33,143	6.00	18	€33,067	0.31%	0.23%	-0.08%
LEVEL-3 ENGINEERING TECHNICIANS	€43,563	13.94	19	€47,178	14.51	3	€44,056	7.66%	6.62%	-1.13%
LEVEL-1 CORPORATE TECHNICIANS	€25,108	3.25	31	€25,796	6.94	38	€25,487	2.67%	1.20%	-1.51%
LEVEL-2 CORPORATE TECHNICIANS	€32,417	7.30	58	€31,509	8.90	44	€32,025	-2.88%	-1.64%	1.21%
LEVEL-3 CORPORATE TECHNICIANS	€50,487	14.79	20	€44,742	10.50	9	€48,704	-12.84%	-8.86%	3.53%
MANAGEMENT	€50,574	14.04	63	€51,751	13.62	25	€50,909	2.27%	1.63%	-0.66%
MANAGERIAL ROLES	€101,314	14.83	12	€108,026	15.62	5	€103,288	6.21%	4.39%	-1.95%



Compensation Policy

In line with Aciturri’s Compensation Policy, and after analyzing all individual data within each group, it is safe to state that there are no differences in employees’ retribution on the basis of gender, geographic location, or any other discriminatory factor. In fact, the differences in average compensation shown in the previous table are due to the following causes:

- Different level of seniority: in 2010, Aciturri employed 750 people (the first company integrated in Aciturri was founded in 1977); today we have over 1600 employees. This creates a significant difference in the length of service between different members of the staff. Also, the different collective agreements applicable impose different levels of compensation according to seniority.
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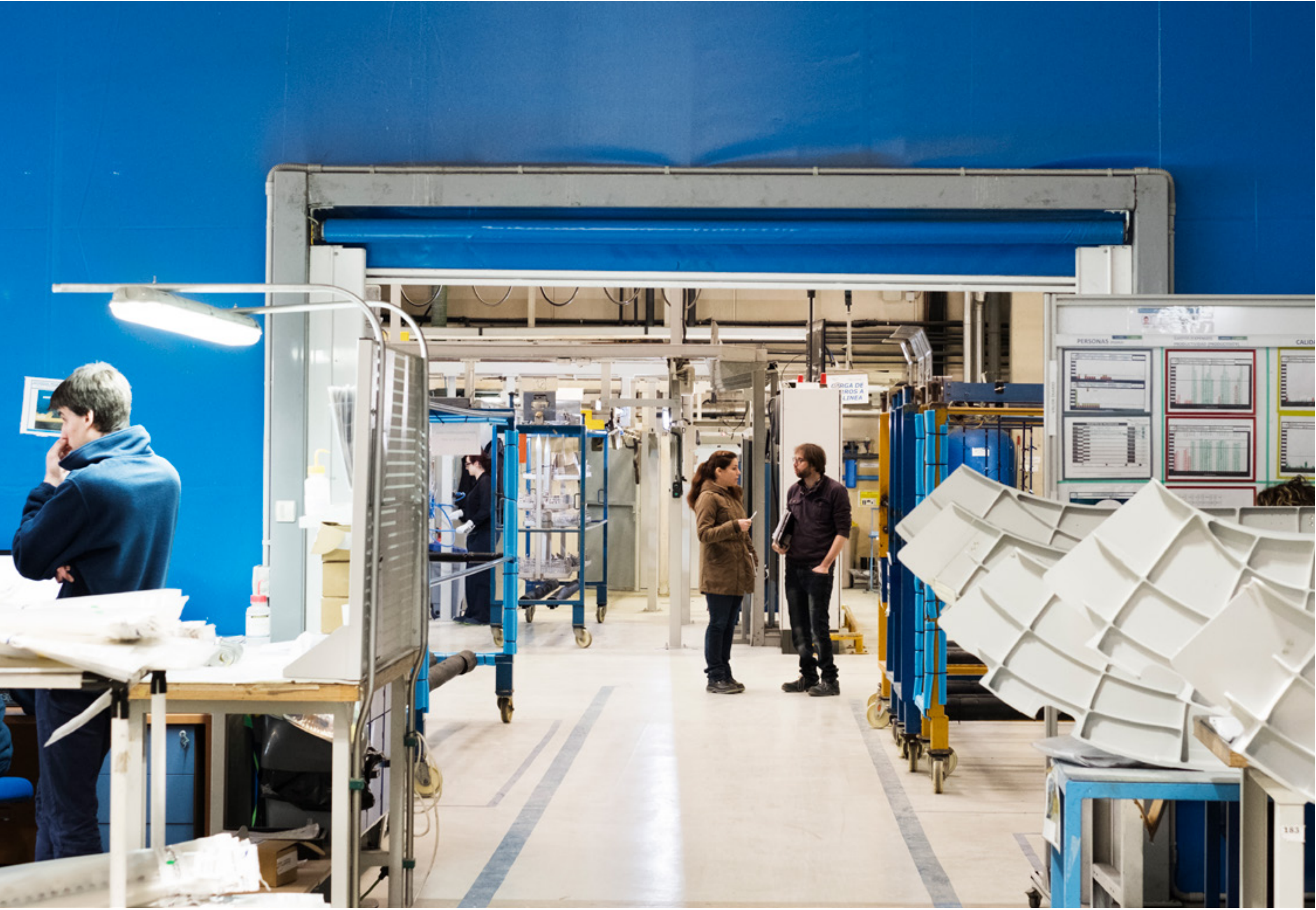
rent levels of compensation according to seniority.

- Role relevance: the same role may be considered more or less relevant depending on the turnover it generates, the responsibility that comes with it, and the number of people that make up the team. This determines the different compensation levels within the same role.

With regard to our **direct employees**, Aciturri applies several collective agreements depending on the plant—Collective Agreement for the Chemical Industry, Collective Agreement for the Iron and Steel Industry in Seville, Collective Agreement for the Iron and Steel Industry in Valladolid, Collective Agreement for the Iron and Steel Industry in Burgos, Collective Agreement for the Iron and Steel Industry in Álava.

In addition to the provisions of the above-mentioned collective agreements, the company has a **Production-based Incentive System** that is equally applied in all of our plants, save those related to the Aeroengines business due to their recent incorporation.

THERE ARE NO DIFFERENCES  
IN EMPLOYEES’ RETRIBUTION  
ON THE BASIS OF GENDER,  
GEOGRAPHIC LOCATION OR ANY  
OTHER DISCRIMINATORY FACTOR







Compensation Policy



Therefore, the compensation of our direct employees is determined by the salary established in the collective agreements, plus incentives and bonuses according to the job or managerial responsibilities.

In the agreements that include professional groups, all jobs are associated with one of them. Hence, the compensation assigned to each group is the one received by anyone with a post within that group, regardless of who they are. In the agreements that include professional categories, these are determined by the evaluation from Skill Matrices and are also independent of the person holding the post.

Therefore, the fixed compensation for similar posts with the same level of experience and seniority is identical, regardless of any other factor (including age or gender). The variable compensation (incentive system) is directly linked to the employee's performance, regardless of any other variables.

As for compensation for the **Executive Board**, in compliance with the firm's articles of association

the consultants and/or trustees receive no remuneration. The above holds true irrespective of the compensation received by some consultants or representatives for their managerial work or the services they provide to the Aciturri Group companies.

In 2019, trustees received no contribution whatsoever in the form of funds or pension plans nor were they promised such benefits. Trustees received no compensation in the form of profit share, life insurance premiums or long-term pension plan systems. Neither were they granted shares or stock, nor outstanding stock options, advances or loans. Finally, they did not receive subsistence allowance, variable compensation, or indemnity.

**THE FIXED COMPENSATION FOR SIMILAR POSTS WITH THE SAME LEVEL OF EXPERIENCE AND SENIORITY IS IDENTICAL, REGARDLESS OF ANY OTHER FACTOR**





# Health and safety

With continuous improvement in mind, Aciturri has an **Occupational Health and Safety Policy** in place whose aim is to prevent risks that may affect our employees’ health and safety, as well as to protect the people associated with our activity or products.

To achieve this, we believe it is key to involve all the workers, especially through their legal representatives.

86.7% of our staff is represented by prevention delegates from Health & Safety Committees. That figure corresponds to the staff from the following companies and production plants: Assembly, Aerostructures Tres Cantos, Aerostructures Boecillo, Aerostructures Ayuelas, Aerostructures Berantevilla, Aeroengines Orón, and Aeroengines Ircio and Getafe. The remaining locations have not appointed representatives for their workers, so no Health & Safety Committees have been established.

However, all employees may communicate with the Department of Occupational Risk Prevention via email or by means of the forms available or the department’s ORP technicians at each plant.

All the current agreements regarding health and safety stem from the corresponding collective agreements.

The company uses a system called DELTA for reporting accidents to the labor authorities.

The accident rates for 2019 are below the industry average, and so is absenteeism.

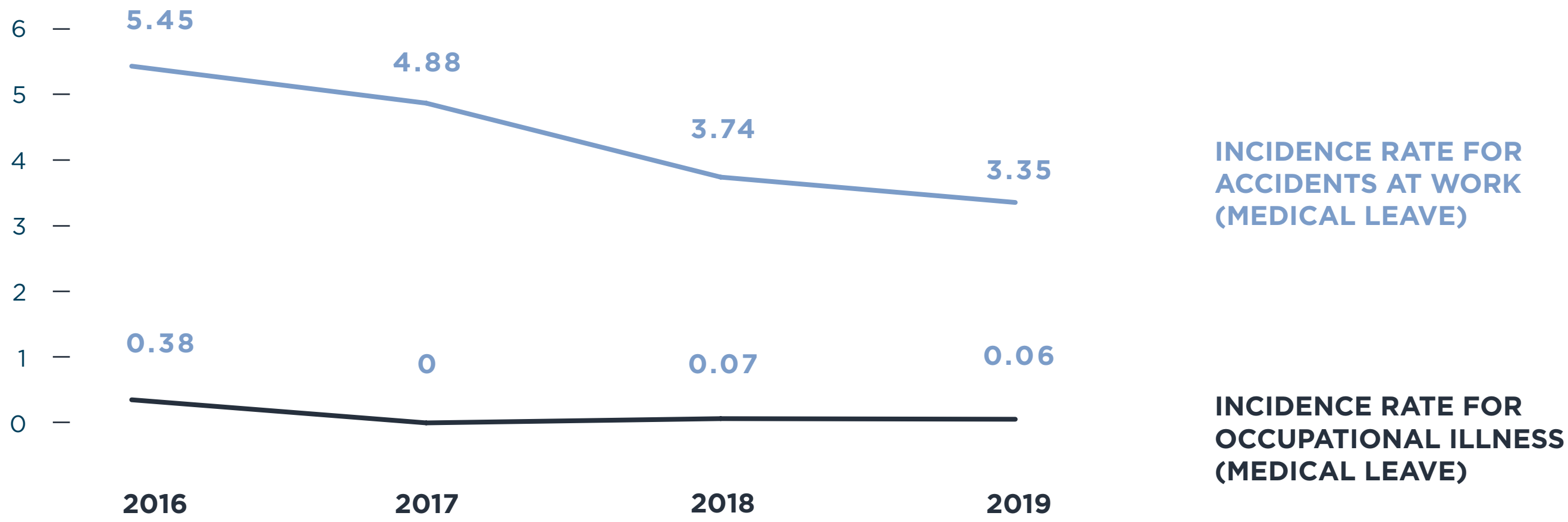
At Aciturri, the **severity rate** for accidents at work stands at 14.13 (15.11 for men; 7.71 for women). This is based on the number of lost workdays while on medical leave in comparison with the number of accidents that required medical leave as of December 31.

**THE ACCIDENT RATES FOR 2019  
ARE BELOW THE INDUSTRY  
AVERAGE**



Health and safety

	2016			2017			2018			2019		
	TOTAL	WOMEN	MEN	TOTAL	WOMEN	MEN	TOTAL	WOMEN	MEN	TOTAL	WOMEN	MEN
INCIDENCE RATE <sup>24</sup> FOR ACCIDENTS AT WORK (MEDICAL LEAVE)	5.45	2.64	6.17	4.88	3.91	5.11	3.74	0.28	4.90	3.35	2.24	3.63
INCIDENCE RATE FOR OCCUPATIONAL ILLNESS (MEDICAL LEAVE)	0.38	0	0.48	0	0	0	0.07	0	0.09	0.06	4.17	0
FATALITIES	0	0	0	0	0	0	0	0	0	0	0	0
ABSENTEEISM <sup>25</sup>	0.49%			0.45%			0.36%			0.32%		
INDUSTRY AVERAGE <sup>26</sup>	NOT AVAILABLE			0.37%			0.40%			0.42%		



24. To calculate the incidence rate percentage, we compare the number of accidents or occupational illness that led to medical leave with the number of workers during the same time period.  
25. Only absenteeism associated with accidents at work and occupational illness is factored in; other causes have not been accounted for, e.g. accidents sustained on the journey to or from work.  
26. Industry average, according to annual absenteeism reports provided by FREMAP.



Health and safety

	AVERAGE STAFF <sup>27</sup>	ACCIDENTS AT WORK (NO MEDICAL LEAVE)	ACCIDENTS AT WORK (MEDICAL LEAVE)
TOTAL	1,580	113	53
MEN	1,268	89	46
INDEX OF INJURED MEN (X 100 MEN)	--	7.02	3.63
WOMEN	312	24	7
INDEX OF INJURED WOMEN (X 100 WOMEN)	--	7.68	2.24
	AVERAGE STAFF	OCCUPATIONAL ILLNESS (NO MEDICAL LEAVE)	OCCUPATIONAL ILLNESS (MEDICAL LEAVE)
TOTAL <sup>28</sup>	1,580	--	1
MEN	1,268	--	--
INDEX OF OCCUPATIONAL ILLNESS IN MEN (X 100 MEN)	--	--	--
WOMEN	312	--	1
INDEX OF OCCUPATIONAL ILLNESS IN WOMEN (X 100 WOMEN)	--	--	4.17

27. Average staff calculations are based on the number of active employees on the first day of each month.  
28. The Aciturri plant at Getafe, taken over in April 2019, is factored in these calculations. The workforce has been estimated at 82 on average from January to May.  
29. The average annual hours are calculated based on the number of working hours per year (1,740 h) divided by the average number of employees.  
30. Based on the number of lost workdays due to accidents against the average number of workdays per year, every 1,000 days.



ACCIDENT FREQUENCY RATE (AFR)  
EVERY 1,000 HOURS <sup>29</sup>

ACCIDENTS AT WORK  
(NO MEDICAL LEAVE)

0.041

ACCIDENTS AT WORK  
(MEDICAL LEAVE)

0.019

TOTAL NUMBER OF  
ACCIDENTS AT WORK

0.060



LOST WORKDAYS RATE  
EVERY 1,000 DAYS <sup>30</sup>

LOST WORKDAYS RATE  
(MEDICAL LEAVE)

3.13

LOST WORKDAYS RATE  
(NO MEDICAL LEAVE)

0.16

TOTAL  
LOST WORKDAYS RATE

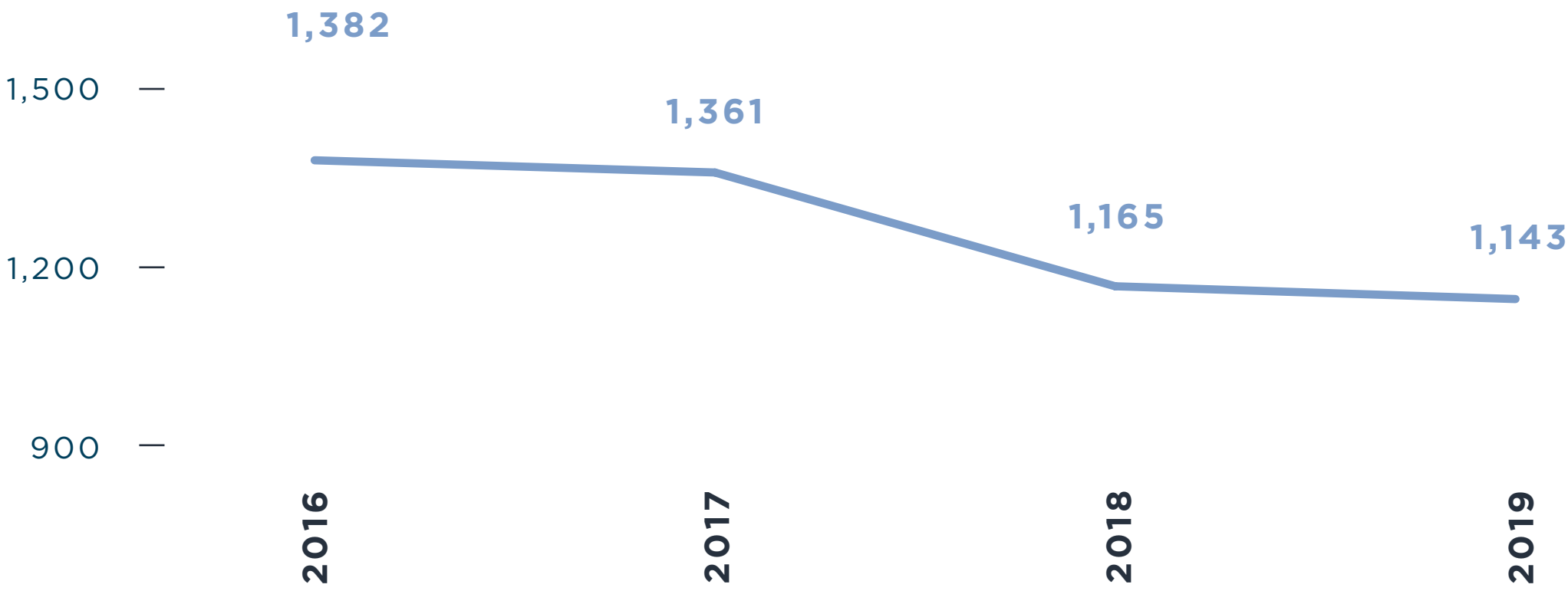
3.30



Health and safety



DAYS LOST  
due to accidents at work and occupational illness  
with medical leave <sup>31</sup>



31. Calculated based on workdays lost by accidents at work and occupational illness, both with medical leave and relapses after an accident.

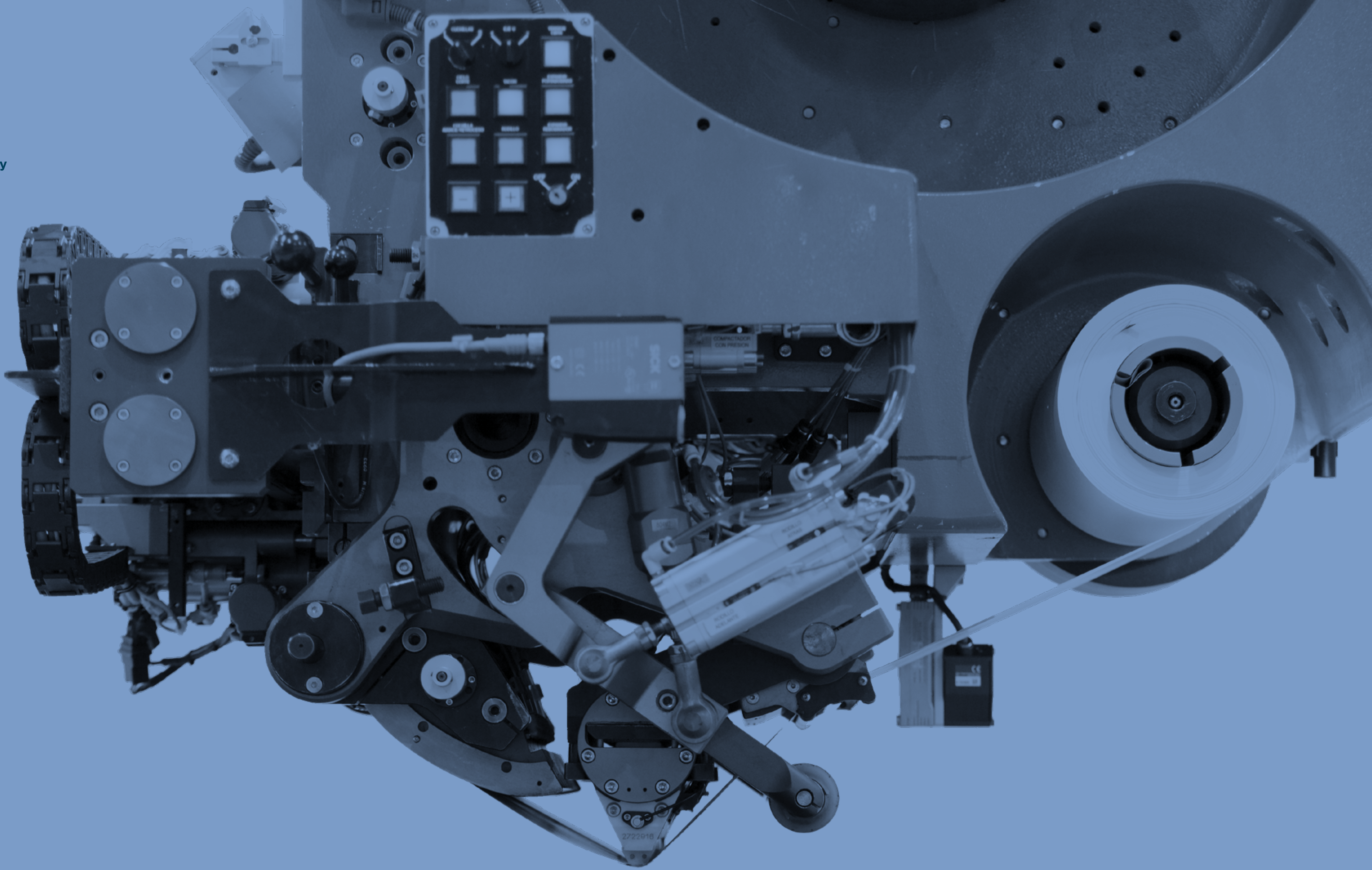
ACCIDENT RATES  
derived from RSIs

	2018	2019
ACCIDENTS WITH MEDICAL LEAVE	32	27
ACCIDENTS WITH NO MEDICAL LEAVE	56	46
LOST WORK HOURS DUE TO RSI-DERIVED MEDICAL LEAVE <sup>32</sup>	4,344	3,032

32. This figure reflects the lost hours due to events that occurred in 2019 and does not include those lost due to events that occurred in previous years and that were not closed as of 31 December 2018.



Health  
and safety





Health  
and safety

An occupational risk prevention system in compliance with OHSAS 18001 is in place in all of Aciturri's companies and plants. This system is aimed at reducing accidents at work and promoting a culture of prevention to face the risks associated with each job.

All the companies that make up Aciturri, with the exception of those located in the plant at Tres Cantos, are subject to the provisions of the II State Agreement for the Metal Industry, which has a significant impact on the compulsory training of workers according to their jobs, and beyond the legal training requirement established in article 19 of the Law on the Prevention of Occupational Risks, which establishes a minimum of 20 hours of training in the risks inherent to their activity.

In order to comply with this obligation, and ensuring the training quality standards set by the company, Aciturri's Joint Prevention Service got accredited as a training body in the Metal Labor Foundation and, in 2019, it took the necessary actions to provide the 55.76% members of staff affected by this Convention with accredited courses.

Through the risk assessments carried out, the Prevention Service identified three risks in terms of occupational disease: two hygienic and one ergonomic.

The main hygienic risks are linked to the use of carcinogenic compounds of strontium chromate and to noise exposure. As a way to prevent them, exhaustive technical and work controls are carried out and work conditions are monitored; we have a zero-tolerance policy on deviations. In recent years, the company has been working to reduce the use of acetone-based solvent, and this type of compounds has now virtually disappeared in all the plants.

With regard to the ergonomic risk, derived from repetitive strain injuries (RSI), in 2019 the company implemented the “**Lesión Cero**” program (Zero Injuries) in the plants at Tres Cantos, Boecillo, and Getafe. This had a significant impact on the reduction of accidents and lost workdays due to musculoskeletal disorders causing medical leave. Specifically, accidents leading to medical leave were reduced by 15% compared to 2018, which translated in a 30% decrease in lost hours.

ACITURRI'S JOINT PREVENTION  
SERVICE GOT ACCREDITED AS A  
TRAINING BODY IN THE METAL  
LABOR FOUNDATION







# Internal communication

Aciturri’s **corporate social network** has become the main internal communication channel. Not in vain, every employee can communicate in real time with everyone else within the company via the web platform and the app for mobile devices.

Throughout 2019, the activity on this network continued to grow thanks to the creation of four new groups, the publication of more than 40 new pieces of content in the corporate group, and close to 4,000 total impressions.

**THE CORPORATE SOCIAL NETWORK COMMUNICATES IN REAL TIME WITH EVERYONE ELSE WITHIN THE COMPANY VIA WEB AND THE APP FOR MOBILES**





# Other initiatives

ACITURRI FOSTERS AT ALL TIMES A WORK ENVIRONMENT THAT FAVORS **A BALANCED PERSONAL LIFE AND** PROMOTES DIFFERENT INITIATIVES TO THE ONES SPECIFICALLY RELATED TO THE JOB AND THE **PROFESSIONAL PERFORMANCE**.



## FAMILY DAY

Every other year Aciturri organizes a Family Day and encourages all employees to bring along their partners and children.

This last happened in 2018 in Miranda de Ebro (Burgos), and was attended by 1,144 people, including more than 300 children, from all the locations where the company has plants.



## CHRISTMAS PARTY

Every year in December, Aciturri gathers all employees in their specific plants.

The goal of this meeting is to share the expected results for the current year with the team and introduce the agenda for the following year. The manager for each plant and at least one member of the Steering Committee take part in these meetings.

The four meetings held in 2019 were attended by 80% of the Steering Committee, and the Chief Executive Officer was present in all of them.

The total participation exceeded 50% of the workforce, including those from the new plant at Getafe.



## DRAWING CONTEST FOR CHILDREN

Once a year, Aciturri holds a drawing contest for employees' children up to the age of 12. In 2019, the company extended the invitation to the kids at the San Agustín de las Hijas de la Caridad en Vera children's home, in Almería, a center Aciturri collaborates with through different channels.

The winning drawings are used to illustrate the Christmas cards Aciturri sends to employees, clients, suppliers, and different institutions.

In this edition, there was a record number of participants—263. All of them were thanked for their drawing with a gift.





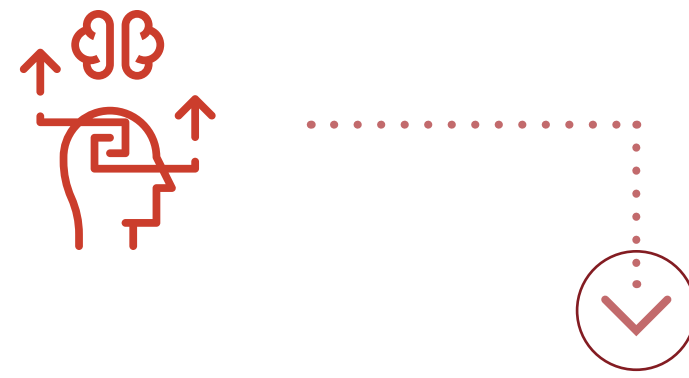
# R + D + I

AT ACITURRI, WE AIM TO CONTINUOUSLY DESIGN AND DEVELOP **NEW PRODUCTS, PROCESSES, AND MANUFACTURING TECHNOLOGIES** THROUGH R&D&I AS A WAY TO SUSTAIN LONG-TERM SUCCESS.



To achieve it, we take up an active role in industrial innovation and work both on our own and in collaboration with clients, suppliers, universities, technological centers, and research bodies on research and technology alignment programs. The ultimate goal is to improve the industry and increase our own competitiveness.





# R+D+I initiatives

## EWIRA PROJECT

The EWIRA Project (Extended Wing for Regional Aircraft demonstrator) is a consortium formed by Aciturri Engineering, Aciturri Assembly, Caetano Aeronáutica and MTC (The Manufacturing Technology Centre) whose activity carried on throughout 2019, a key year in the project’s development.

This year, we manufactured and assembled the wing and spoilers both for the FTB#2 in-flight demonstrator and for the ground test demonstrator, which were delivered to Airbus D&S. This confirmed the TRL6 level maturity of the spoiler detail parts’ co-curing, as well as the jigless assembly concept.

With regard to the wing box components, we have continued to develop technologies applied to this component: liquid and solid shimming techniques, One Shot Drilling (OSD) and One-Way Assembly (OWA) assembly techniques, and a larger scale application of the jigless and flexible assembly tooling concept. We have completed the

design and manufacturing of a flexible assembly zone which allows for both the wing box components and the external wings (left and right) to be mounted. As for these components, we have finished the manufacturing of all metal detail parts for the wing box components, which means we can move to the component assembly stage.

We’ve reached the Preliminary Design Review (PDR) milestone for the external wing.

We continued spreading the word about our activity through the different tools provided by the company, several meetings in Boecillo and Miranda de Ebro, as well as the participation in technological workshops.

**THE EWIRA PROJECT CARRIED ON THROUGHOUT 2019, A KEY YEAR IN ITS DEVELOPMENT**





R&D&I initiatives

COMMUNION PROJECT

The COMMUNION Project, funded by H2020 as part of their Factories of the Future (FoF) Program, came to an end in 2019.

In the last year, we worked on the metal to composite hybrid component demonstrator by laying-up composite supports with thermoplastic matrix using an AFP (Automatic Fiber Placement) head on a titanium detail part. This demonstrator has allowed us to detect the influence that surface preparation has on the performance of the bond, as well as to identify—by comparing it with other projects—the different morphology required of the surface to be prepared depending on the materials to be bound and the processes that will be used.

THIS DEMONSTRATOR HAS ALLOWED US TO DETECT THE INFLUENCE THAT SURFACE PREPARATION HAS ON THE PERFORMANCE OF THE BOND

MULTI-SPAR PROJECT

Based on the previous manufacturability prototypes and the conclusions derived from them obtained in 2019, we continued working on the development of the co-cured multi-spar torsion wing box.

We invited the different departments to a tender which included the calculation, design, and manufacturing requirements. This led to the analysis of different alternatives and the choice of a specific architecture, which was assessed as part of the FDR (Feasibility Design review) milestone. Once its feasibility was confirmed, the concept design stage was initiated.

WORKING ON THE DEVELOPMENT OF THE CO-CURED MULTI-SPAR TORSION WING BOX





R&D&I initiatives



COSMOS PROJECT

In 2019, we launched the COSMOS project, aimed at the research and development in the eco-innovation of thermoplastic components with welding integrations for their application in the aeronautical industry. This project was presented to and approved by the Center for Industrial Technological Development (CDTI in Spanish).

The goal of this project is to analyze, identify, and develop materials and processes for manufacturing thermoplastic compounds which can replace components made of heat-resistant resins and take advantage of their repairability and recyclability qualities. It also aims at the feasibility of binding parts through welding instead of using mechanical bonds as a potential solution to achieve integrated structures.

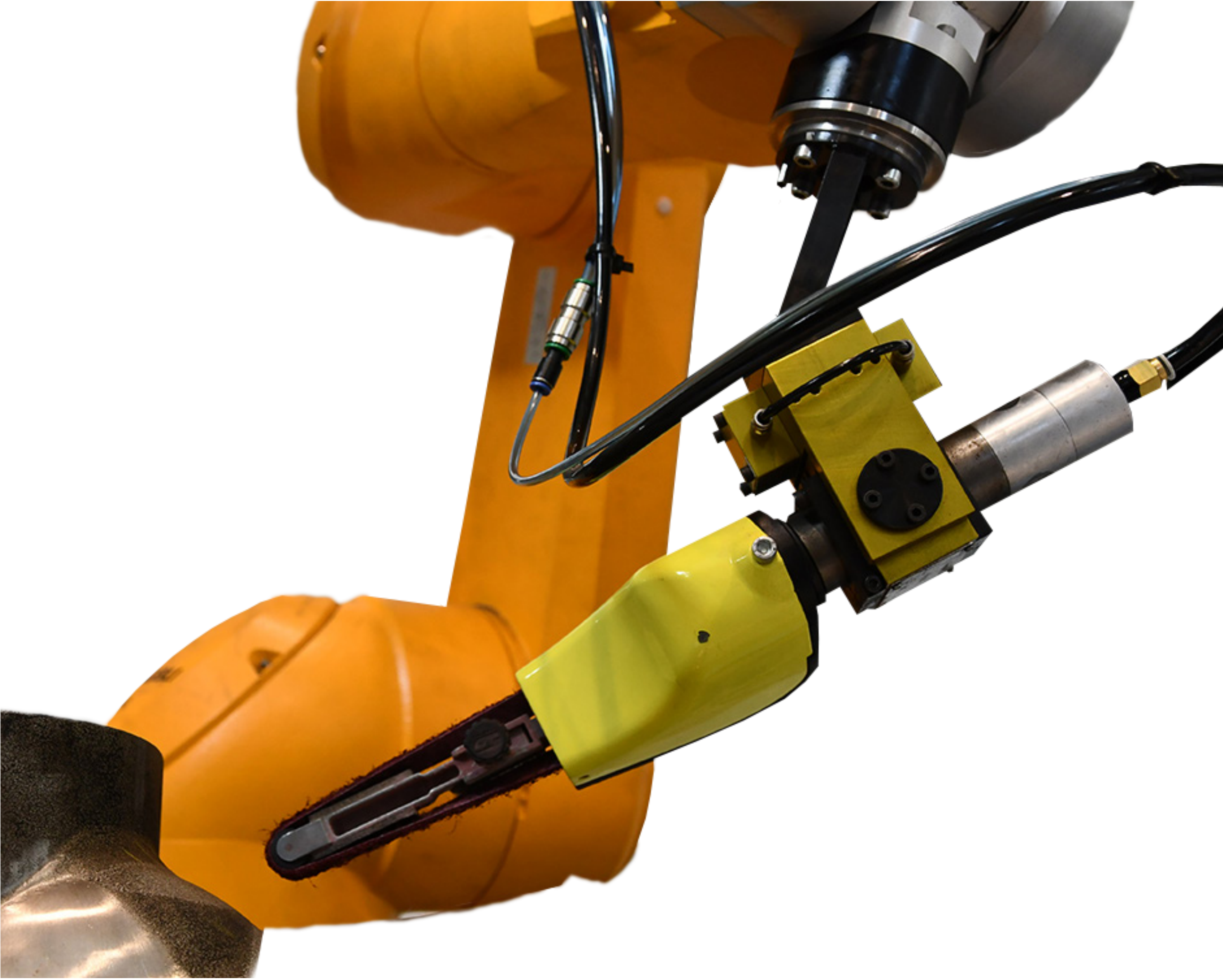
THE ECO-INNOVATION OF THERMOPLASTIC COMPONENTS WITH WELDING INTEGRATIONS

CIMA PROJECT

Within the multiple applications offered by additive manufacturing, we have identified a technological development line that enables us to find solutions to avoid aerodynamic discontinuities in the binding of components. This line would provide improved aerodynamic efficiency, with a corresponding reduction in drag, and therefore in fuel and CO2 emissions.

With these goals in mind, we launched the CIMA project, which in 2019 tackled the production of different test panels at coupon level in order to find an architecture that meets the requirements of this type of components. These prototypes have allowed to test different configurations, find their technological limits, and learn how these structures behave in order to move from trial and error stage to predictive analysis.

ADDITIVE MANUFACTURING TO AVOID AERODYNAMIC DISCONTINUITIES IN THE BINDING OF COMPONENTS





**R&D&I initiatives**







R&D&I initiatives



OPTIFLY3D PROJECT

The OPTIFLY3D research project aimed to integrate adaptive design and topological optimization by means of advanced manufacturing technology capable of generating highly-demanding aeronautical components. The project was being developed in collaboration with the Fundación IDONIAL and funded by the Asturian Government via IDEPA (Asturian Institute of Economic Development) as part of the PCTI funding package, and from the EU via the ERDF.

During the development of the project, the physical and morphological characteristics of the elements subject to be optimized (structure and engine) were analyzed. As part of these optimization, their mechanical properties were maintained while the amount of material used was reduced. Finally, the optimal manufacturing strategies were defined and the associated costs analyzed.

TO INTEGRATE ADAPTIVE DESIGN AND TOPOLOGICAL OPTIMIZATION BY MEANS OF ADVANCED MANUFACTURING TECHNOLOGY

POLE PROJECT

In 2019, we completed the POLE Project, and with it the first phase of Aciturri's R&D&I Strategic Plan within the engine division.

This project, with a final investment of €2.3m in R&D&I activities and framed within the scope of the Research and Innovation Strategies for Smart Specialisation (RIS3), was funded by Castilla y León's agency for funding and corporate internationalization and the European Union, through ERDF.

During this last year of the project, efforts aimed mainly at the development of two types of components: those made of carbon fiber composite material using RTM technology, and those derived from additive manufacturing technologies, for which Inconel demonstrators were developed and tested.

DEVELOPMENT OF COMPOSITES USING RTM TECHNOLOGY AND THOSE DERIVED FROM ADDITIVE MANUFACTURING







R&D&I initiatives



COROMA PROJECT

2019 was the final year for the European Project COROMA (Cognitively Enhanced Robot for Flexible Manufacturing of Metal and Composite Parts), part of the Factories of the Future Program within the European project Horizon 2020.

In the framework of this project, Aciturri and IK4-IDEKO (project leader), developed a pilot of a polishing cell equipped with cognitive elements that assist the process in order to ensure the final quality of the product.

A PILOT OF A POLISHING CELL  
EQUIPPED WITH COGNITIVE  
ELEMENTS

DAAMAS PROJECT

In 2019, the DAAMAS (Development of Wire Arc Additive Manufacturing Processes for Aeronautical Large Structures) Project was approved in the European call for proposals of the Manunet Network 2019. The funding comes from Castilla y León’s Institute for Business Competitiveness and it is to be completed between 2020 and 2022.

The project is aimed at the industrial implementation of WAAM (Wire Arc Additive Manufacturing) technology through research into two systems: one based on TIG welding technology, and another on MIG/MA welding in order to compare both alternatives with different materials (Ti and Al alloys, and Ni superalloys).

With a planned investment of €157,600, Aciturri Aeroengines is the project leader and the end user.

THE INDUSTRIAL  
IMPLEMENTATION OF WAAM  
(WIRE ARC ADDITIVE  
MANUFACTURING) TECHNOLOGY

INDUSTRY 4.0

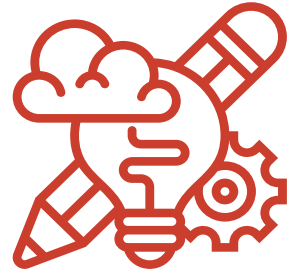
In 2019, Aciturri Aeroengines worked hard around the concept Factory of the Future, undertaking activities in several areas:

- 1. Automation:** Integration of the TIG welding automated station and approval of the automated polishing cell.
- 2. In-plant data analysis:** In 2019, the MES solution already in place in the plants at Orón and Ircio was implemented in Ayuelas and Berantevilla (Connected Maintenance and Production), and Tres Cantos and Boecillo (Connected Maintenance).
- 3. RFID (Radio Frequency Identification):** A pilot radio frequency application project to avoid errors and ensure traceability and consumption of raw material in the plant.

AUTOMATION, IN-PLANT DATA  
ANALYSIS & RFID



R&D&I initiatives



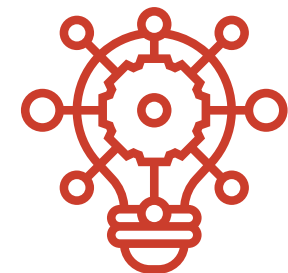
RESEARCH



€3.90m



11% + THAN IN 2018



DEVELOPMENT OF  
NEW PRODUCTS



€12.57m



36% + THAN IN 2018





# Environmental Management

THE SUSTAINABLE USE OF NATURAL RESOURCES, THANKS TO EFFICIENT AND CONTROLLED PRODUCTION PROCESSES, ALLOWS TO MINIMIZE ACITURRI'S ENVIRONMENTAL IMPACT, A KEY ISSUE IN THE AERONAUTICAL INDUSTRY AS A WHOLE, AND FOR US IN PARTICULAR.







# Environmental management

Aciturri has an environmental management system in place designed, implemented, and certified based on the UNE-EN-ISO 14001 standard. It allows a systematic management of environmental issues, ensuring we comply with all legal requirements of application and with our commitment to minimizing the impact.

At Aciturri, we perform an annual assessment of the environmental impact and risks in accordance with the operational control procedure. Based on the results, we design and implement mitigation plans when we identify an issue which is unacceptable. This process is repeated every year in compliance with the procedure for operational control of environmental aspects.

**ACITURRI HAS AN ENVIRONMENTAL  
MANAGEMENT SYSTEM IN PLACE  
DESIGNED, IMPLEMENTED, AND  
CERTIFIED BASED ON THE  
UNE-EN-ISO 14001**



Environmental management



Below are the results of this environmental impact assessment for 2019 at each facility:



	CONSUMPTION	WASTE	DISCHARGE	EMISSIONS
AYUELAS	SODIUM DICHROMATE ACETONE UNIVERSAL SOLVENT ADHESIVES AND SEALANTS	FLAKES FROM THE PAINTING BOOTH EXPIRED CHEMICALS NON-HAZARDOUS PAPER AND CARDBOARD WASTE	CHROMIUM VI	VOCS (VOLATILE ORGANIC COMPOUNDS) TOTAL CR CO
BERANTEVILLA	ELECTRICITY PLASTIC, CARDBOARD AND OTHER PACKAGING MATERIAL	SLUDGE FROM MACHINING ACTIVITIES AND CUTTING FLUIDS	NITROGEN OILS AND GREASES	--
LOGÍSTICA	ELECTRICITY	PAPER AND CARDBOARD WASTE	--	--
BOECILLO	NATURAL GAS MEK SOLVENT SEALANTS AND RESINS	CONTAMINATED ABSORBENTS AQUEOUS CLEANING SOLUTIONS WATER WITH PAINTS AND ADHESIVES FLOW CLEANING WASTE BATTERY WASTE HYDROCARBONS	--	VOCS FROM THE MIXING ROOM AND PAINTING BOOTH 1 AND 3 PARTICLE EMISSIONS, SANDING BOOTH 1 AND 2
TRES CANTOS	DIESEL OIL CARDBOARD	AQUEOUS CLEANING SOLUTIONS CURED FIBER	TEMPERATURE PH	--
ASSEMBLY	ISOPROPYL ALCOHOL TOLUENE DIESTONE PAINT PAINT THINNER SEALANTS	PAINTING BOOTH FILTERS URBAN SOLID WASTE	--	--
ADDITIVES	--	--	--	--
ORÓN	WATER DIELECTRIC OIL PLASTICS	SLUDGE FROM MACHINING ACTIVITIES AND CUTTING FLUIDS	--	--
IRCIO	NATURAL GAS CUTTING FLUIDS ISOPROPYL ALCOHOL	AQUEOUS LIQUIDS CUTTING FLUIDS	--	--



**Environmental management**



Also, according to the procedure for operational control, the most serious environmental risks are spills in the plants of Berantevilla, Ircio, Tres Cantos and Orón, and the risk of non-compliance with the discharge limits in the plant of Ayuelas. Specific measures have been approved for managing these risks.

Aciturri's Environment Management Department has the necessary resources to effectively tackle environmental issues; namely a coordinator, an appointed environmental technician for all the plants in Castilla y León, Álava and Madrid, as well as one for the plant in Sevilla who devotes 25% of their workday to environmental management. Finally, there is a person in charge of data management and KPI (Key Performance Indicator). Every plant has a contingency plan and all the resources necessary for spill containments or any other potential environmental accidents.

Aciturri's activity is within the scope of Law 26/2007 on Environmental Responsibility (in group 3). Therefore, we have planned a risk assessment to determine the cost of the financial

guarantees to be established. For the time being, however, the company has liability policies, which include specific sections on environmental risks.

Through our **Environmental Policy**, we are committed to complying with the applicable environmental legislation, but also to collaborating with the authorities to enact measures to minimize the effect of adverse situations that may have an impact on the environment.

There have been no fines or sanctions due to non-compliance with environmental laws and regulations.

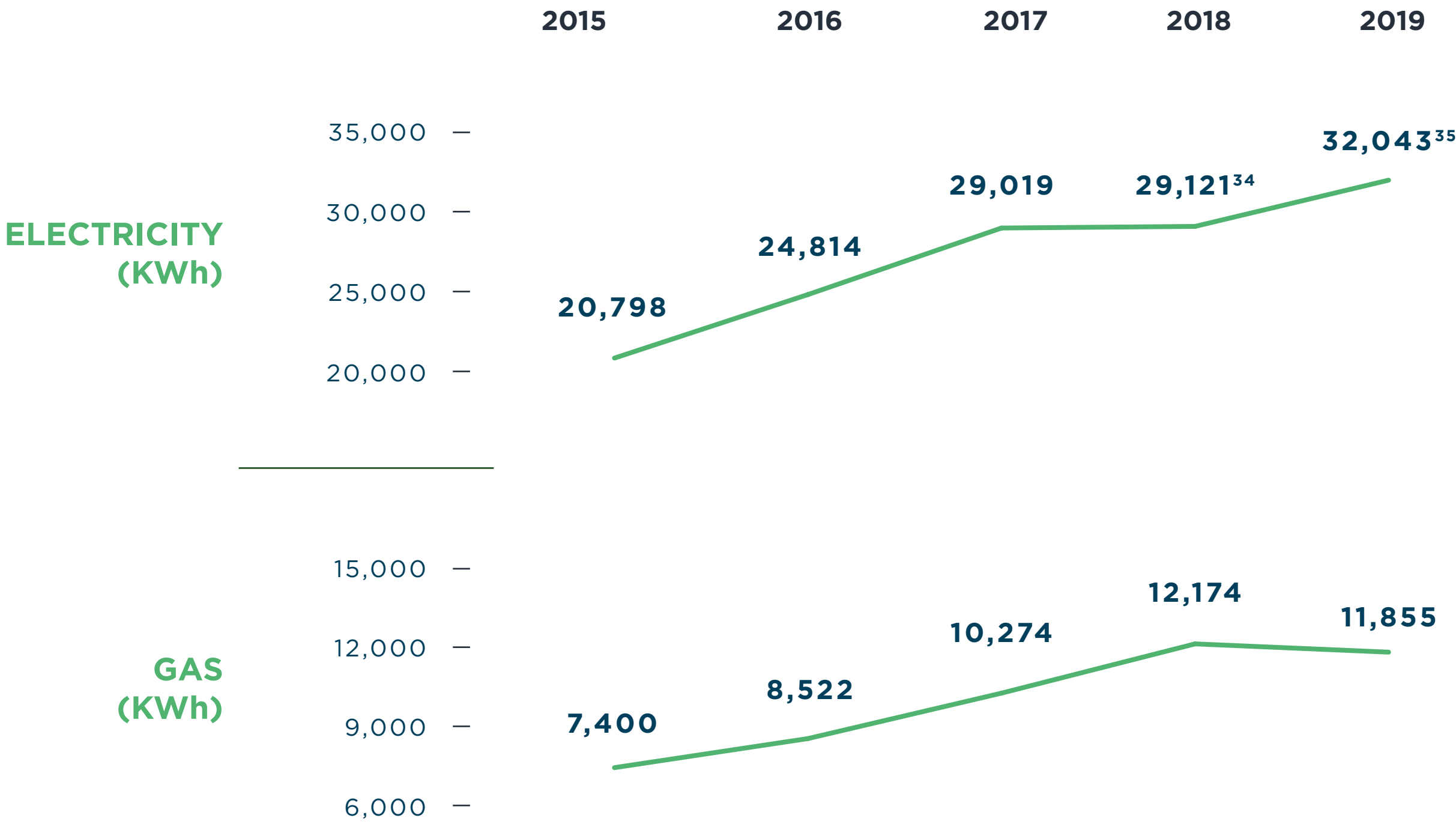
Our activities at Aciturri have no impact on biodiversity or any protected areas, therefore we have not adopted measures aiming at preserving or restoring them. .

**WE ARE COMMITTED TO COMPLYING WITH THE APPLICABLE ENVIRONMENTAL LEGISLATION, BUT ALSO TO COLLABORATING WITH THE AUTHORITIES TO ENACT MEASURES TO MINIMIZE THE EFFECT OF ADVERSE SITUATIONS**





# Energy consumption 33

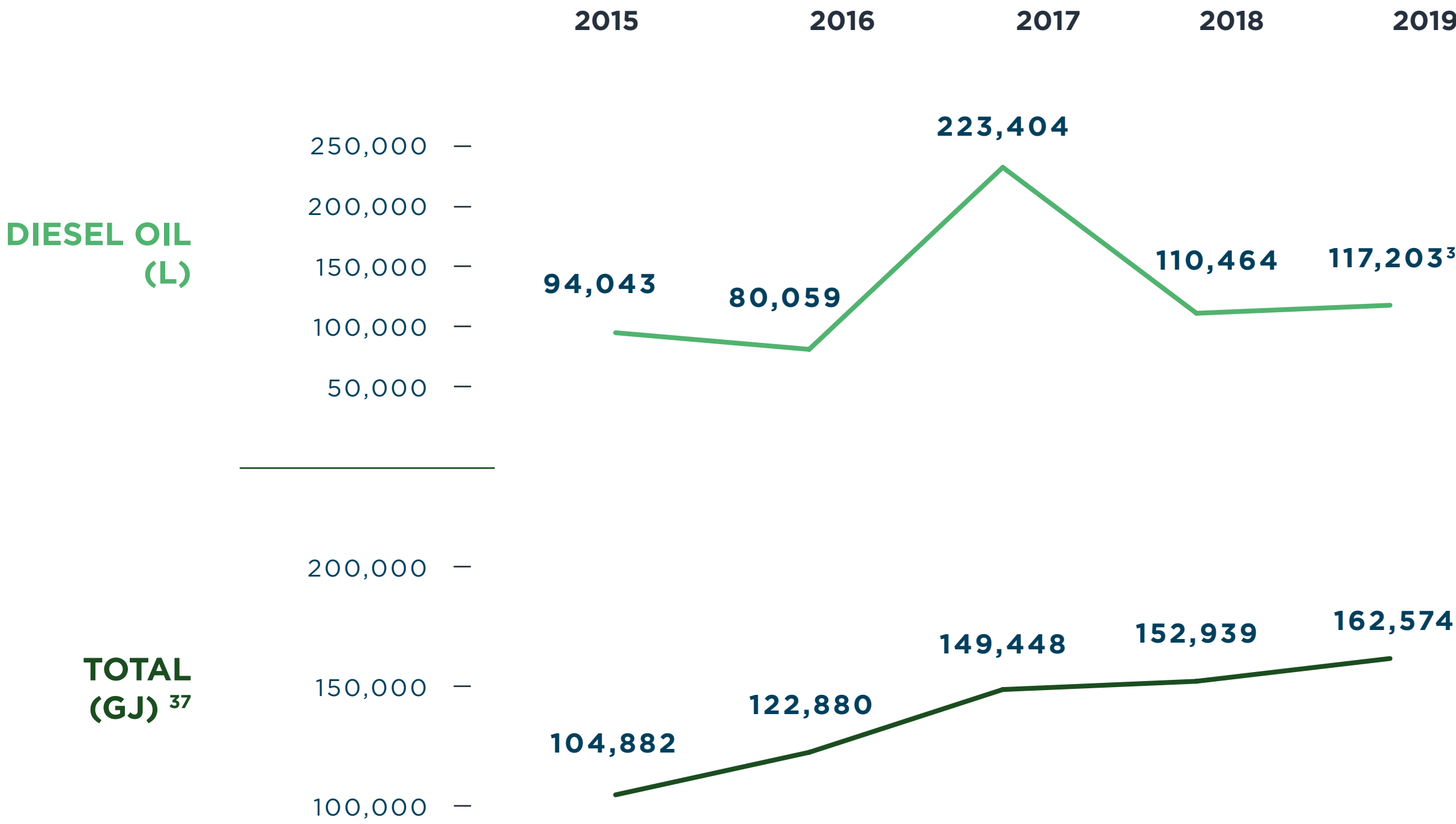


33. According to the information provided by the supplier, 13.8% of the electric energy we use derives from renewable sources. The rest of energy resources used are non-renewable.

34. The electricity consumption included in the 2018 report included an estimate of the consumption of the plant at Sevilla for the months of November and December. The figure specified in this document corresponds to the actual number. This change also affects the total (GJ), as well as the energy intensity ratio.

35. This is an estimate, since at the time this document was published, the invoice for November and December for the Assembly plant was not available yet. The estimate is made based on actual consumption of 2018.

As a way of minimizing environmental impact, Aciturri is always looking for efficiency in the consumption of energy resources, which also has a positive impact on the company’s economic sustainability.



36. The increase, compared to previous years, is due to the high gas oil consumption from the new plant at Getafe.

37. Los factores de conversión utilizados son 1 kWh = 0,0036 GJ, densidad gasóleo = 832 kg/m3, PCIThe used conversion factors are as follows: 1 kWh = 0.0036 GJ; diesel oil density = 832 kg/m3; diesel oil NCV = 43 GJ/t.

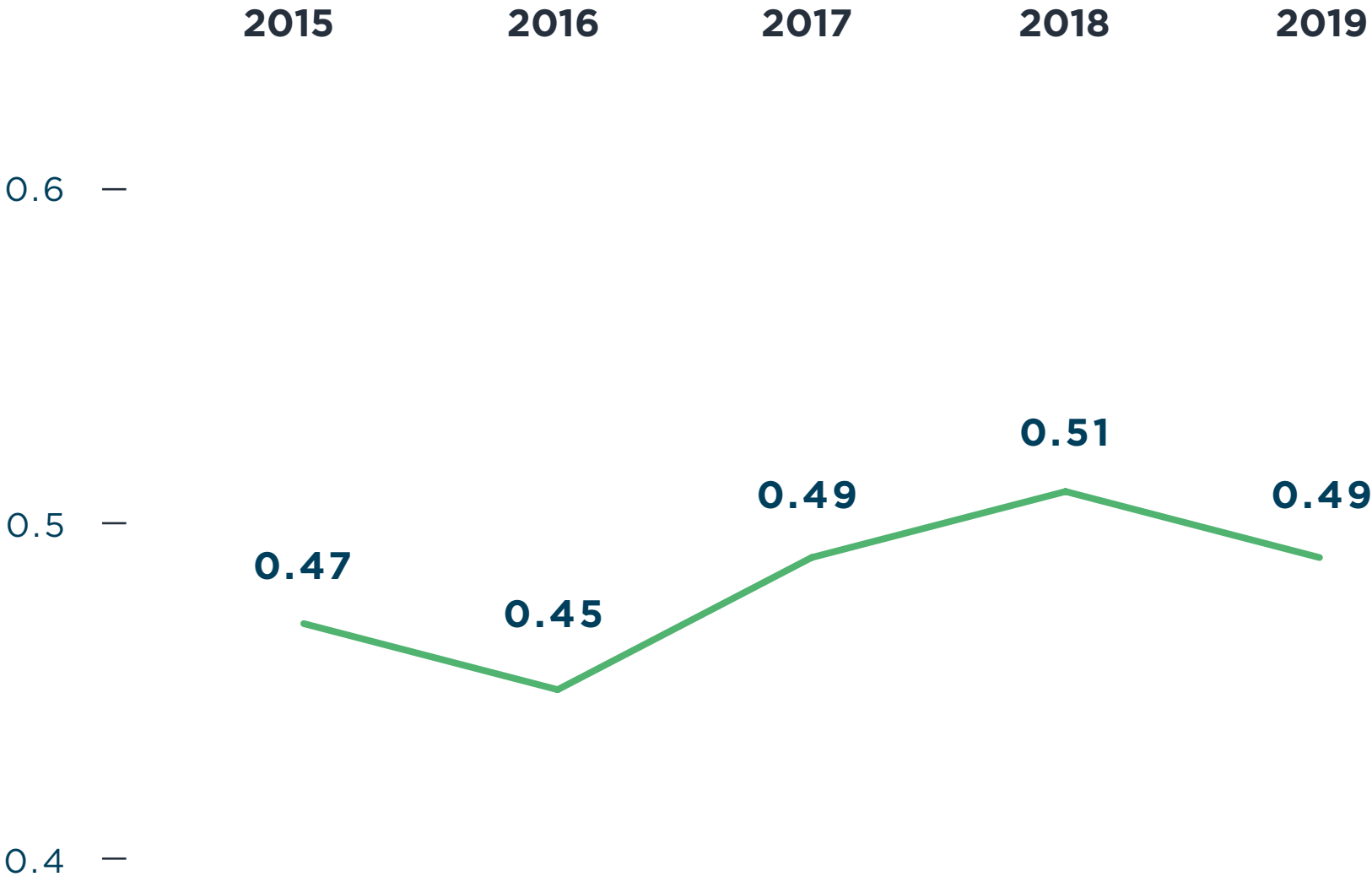




Energy consumption



ENERGY INTENSITY RATIO (GJ/K€)<sup>38</sup>



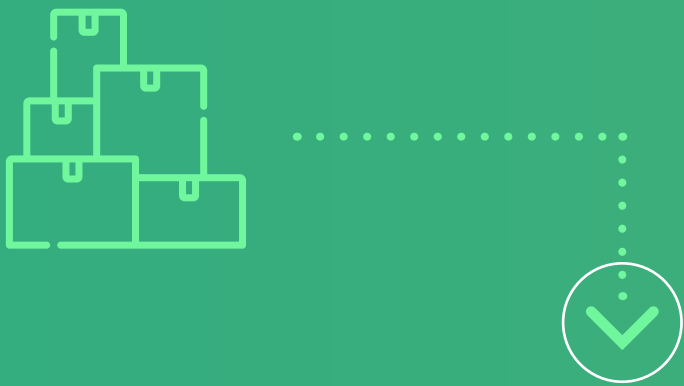
In 2019, we introduced some initiatives to reduce energy consumption. The most significant are the replacement of diesel oil with natural gas in the paint burners in Tres Cantos, and an optimized operation of some of the boilers in Boecillo, together with the assembly of forced air inlet from the outside, depending on the temperature. Likewise, at the Tres Cantos plant, the vacuum generation equipment for the autoclaves has been replaced with new high energy-efficient motor systems.

In addition, we continued to work on the lighting improvement we started in 2018 by replacing the older lamps with new high-performance LED ones at the Ayuelas, Tres Cantos and Orón plants.

WE CONTINUED TO WORK ON THE LIGHTING IMPROVEMENT BY REPLACING THE OLDER LAMPS WITH NEW HIGH-PERFORMANCE LED ONES

38. The ratio has been calculated based on the total energy consumed within the company against the turnover.





# Use of resources and materials<sup>39</sup>

At Aciturri, we seek to optimize the consumption of resources and raw materials by using only what is strictly necessary, which together with the exhaustive control of our processes, enables us to

minimize the environmental impact. This is particularly important in the case of paints, solvents, and other components that have a negative impact on the environment.

RAW MATERIALS	2016	2017	2018	2019
STEEL <sup>40</sup> (m)	27,295	32,760	39,333	42,925
ALUMINUM <sup>41</sup> (m²)	19,123	15,115	8,900	8,910
TITANIUM <sup>42</sup> (m²)	2,006	19,465	32,189	33,301
PRE-PREG (m²)	1,296,467	1,543,881	1,469,843	1,663,340
INCONEL <sup>43</sup> (m)	1,978	1,305	1,473	1,374
CUTTING OIL (L)	4,366	7,552	10,836	10,820
CUTTING FLUIDS (Kg)	16,150	16,998	29,518	32,600

WE SEEK TO OPTIMIZE THE CONSUMPTION OF RESOURCES AND RAW MATERIALS BY USING ONLY WHAT IS STRICTLY NECESSARY, WHICH TOGETHER WITH THE EXHAUSTIVE CONTROL OF OUR PROCESSES

39. Likewise, we do not have data regarding the percentage of renewable and non-renewable materials.  
40. Rods with a diameter between 25.4 and 220 mm. Casts and forgings are excluded.  
41. Sheets with a thickness between 30 and 220 mm. Forgings, profiles, and tubes are excluded.  
42. Sheets with a thickness between 20 and 101.6 mm.  
43. Rods with a diameter between 12.7 and 150 mm. Casts and forgings are excluded.



Use of resources and materials

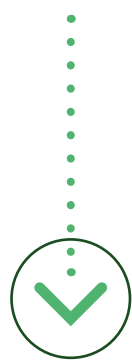


Aciturri is constantly striving to increase efficiency in the consumption of resources and materials. The following two initiatives developed in 2019 were the most important in this regard:



CARBON FIBER CONSUMPTION OPTIMIZATION PROGRAMS.

ADNs (improvement projects) were developed to reduce carbon fiber consumption through two initiatives:



IMPLEMENTATION OF THE MRP SYSTEM TO AVOID EXPIRATION.

1. Optimized nesting programs for cutting machines and ATLs (Automated Tape Layering), reducing excess material cuts.

2. Improvement of the processes to prevent scrap parts.

This system controls the safety stock necessary to maintain production without anything expiring before it is used.



Use of resources  
and materials





Use of resources and materials

RECYCLING OF MATERIALS IS CARRIED OUT IN ALL TYPES OF PACKAGING

PACKAGING <sup>44</sup>	2015	2016	2017	2018	2019
PLASTIC CONTAINERS (plastic used for packaging) (Kg)	174,517	269,611	153,502	298,427	215,684
CARDBOARD CONTAINERS (corrugated cardboard and cardboard packaging) (Kg)	14,335	19,094	20,437	65,913	76,849 <sup>45</sup>
METAL CONTAINERS (lightweight metal strips for packaging) (Kg)	--	--	--	1,378	168
WOOD PACKAGING AND COMPOSITE CONTAINERS (wood packaging, pallets and similar platforms for goods handling) (Kg) <sup>46</sup>	404,165	84,113	62,395	118,529	80,293

44. Material recycling is performed in all cases.

45. The increase in paper and cardboard packaging in the last year is due to the replacement of plastic packaging as part of the #PlasticChallenge project.

46. Although up to 2018, the quantity of composite containers and wood packaging was reported independently, in 2019 we decided to unify them because, in many plants, it is impossible to separate this type of packaging.



Use of resources and materials

One of the company’s goals during 2019 was to reduce the use of plastics through the **#PlasticChallenge** campaign. Thanks to this initiative, Aciturri’s employees have signed an environmental commitment to reduce the use of plastics both in their daily lives and in the workplace. Some of the most meaningful actions developed as part of this challenge were:

- The signatories of the commitment were given **a reusable metal bottle**.
- **The plastic cup** option, set by default on coffee machines, **was removed**.
- The parts transported from Orón and Berantevilla to Ayuelas are now **hot-sealed, thus saving bubble wrap**.

ACITURRI’S EMPLOYEES HAVE SIGNED AN ENVIRONMENTAL COMMITMENT TO REDUCE THE USE OF PLASTICS BOTH IN THEIR DAILY LIVES AND IN THE WORKPLACE

Likewise, **specific actions** have been addressed in the workplaces:

IN TRES CANTOS

Replacement of single-use plastics with a tent to cover the tools stored in the open in Tres Cantos. The estimated saving is one ton of waste.

IN AYUELAS

Implementation of a wooden box return system for forgings.

Replacement of cardboard boxes with returnable boxes for the transport of parts to be mechanized and parts to be shipped to Airbus.

Re-use of heat-sealed bags.

IN ORÓN

Replacement of the washers and pins packaging system for internal shipments to avoid using plastic bags.

Reuse of the caps used for parts shipment

IN BOECILLO

Re-use of the plastic protectors used for transporting parts between this plant and Getafe.

Container installation to re-use the heat-sealed bags used in the storage kit for the A320 rowing.





# Carbon footprint and other atmospheric emissions

Aciturri uses the carbon footprint as an indicator for measuring its impact on climate change. These data allow us to assess the impact of the

company (direct emissions and indirect emissions associated with electricity consumption) regarding greenhouse gases.

ACITURRI USES THE CARBON FOOTPRINT AS AN INDICATOR FOR MEASURING ITS IMPACT ON CLIMATE CHANGE

CARBON FOOTPRINT <sup>47</sup>	2015	2016	2017	2018	2019 <sup>48</sup>
→ LEVEL 1 IMPACT (tCO <sub>2</sub> eq)	1,765	1,951	2,731	3,110	2,969
LEVEL 2 IMPACT (tCO <sub>2</sub> eq)	5,329	8,437	11,189	11,076	11,819
TOTAL IMPACT (tCO <sub>2</sub> eq)	7,094	10,388	13,920	14,186	14,788
RATIO ((tCO <sub>2</sub> eq)/K€ from net sales)	0.032	0.038	0.046	0.047	0.045

47. In 2019, we decided to change the methodology used to calculate the carbon footprint. We are now using the tool provided by the Department for Ecological Transition, as well as the emission factors they describe. Until then, our carbon footprint was calculated based on the method developed by Ihobe, a publicly-owned company that supports the Basque Country's Government with environmental issues, and the emission factors proposed by the Spanish Department for Ecological Transition. The data for 2018 have been re-calculated according to the new method, so the data reported here do not match those reported in the 2018 Sustainability Report. All Aciturri plants have been included in the calculation.

48. The data reported are provisional, as they are based on the 2018 emission factors. Emission factors for 2019 were not yet available at the time this report was being written.



Carbon footprint and other atmospheric emissions

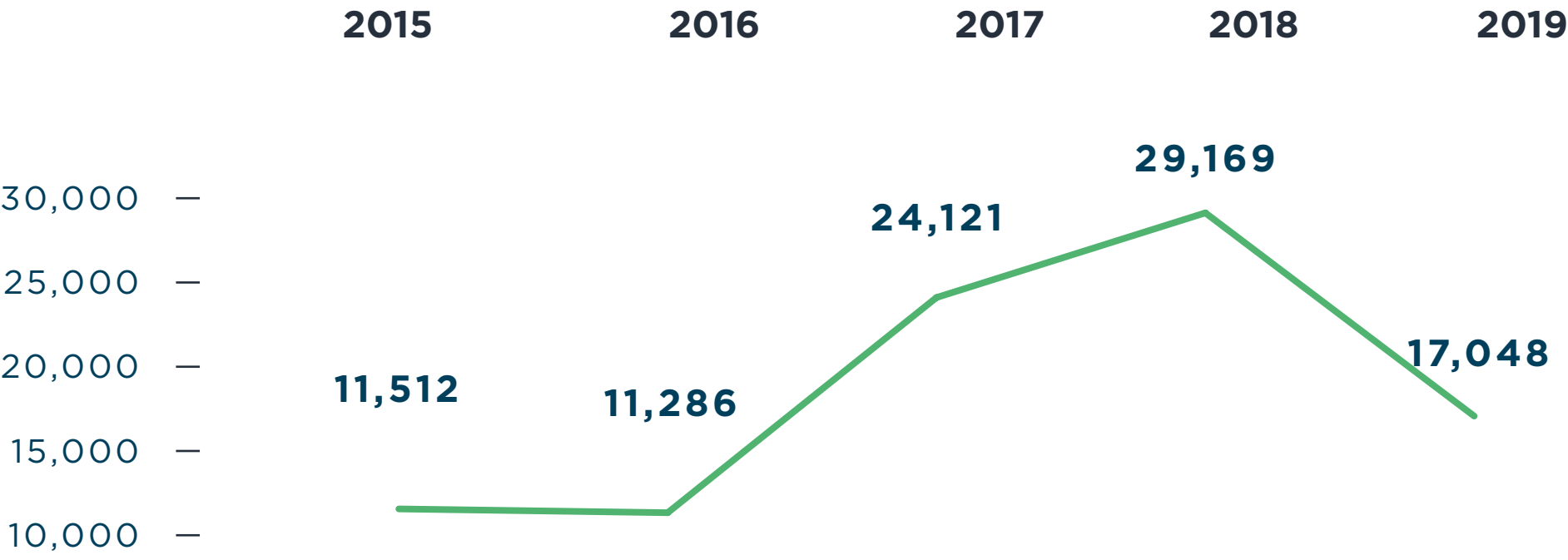
The most important initiatives undertaken to reduce Aciturri’s greenhouse gas emissions in 2019 were the **#PlasticChallenge** project described above, and the replacement of diesel oil with natural gas in the paint booths burners in Tres Cantos.

We also consider these issues while designing parts and components, always trying to make them as light as possible to ensure the weight of the aircraft is kept to a minimum, hence reducing fuel consumption and, consequently, the carbon footprint.

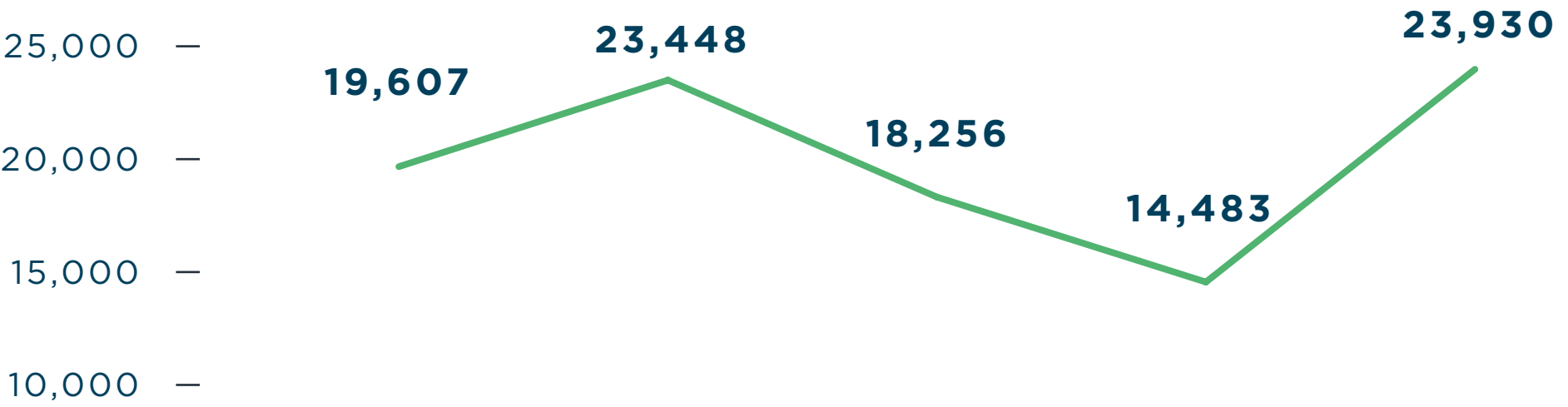
Aciturri’s industrial activities generate other significant emissions such as those stemming from volatile organic compounds (VOCs). These emissions are particularly relevant in the plants of Alcalá de Guadaira, Ayuelas, Boecillo and Tres Cantos. In order to manage them, we follow the measures proposed by Royal Decree 117/2003 on the limitation of emissions of volatile organic compounds as a by-product of the use of solvents for certain activities.

COVs EMISSIONS

SUMMARY 5 (Kg)



SUMMARY 8 (Kg)





**Carbon footprint and other atmospheric emissions**



It must be clarified that, for summary 5, emissions have been substantially reduced in most plants by replacing certain substances with others that have lower volatility. On the other hand, the data corresponding to summary 8 has increased because, in Tres Cantos, it was impossible to sort in-house consumption from that of one of the external suppliers.

Acoustic measurements are performed periodically in every plant. In 2019 these were carried out only in Getafe, and were aimed at understanding the situation of the new facility. The results showed it is within the legal limits. However, the know from our data that the plant at Boecillo has exceeded the legal noise levels before. This is why we devised a plan of action, which has been partly implemented. Some of the measures that have already been introduced include the modification of an outlet pipe in one of the autoclaves, the installation of a silencer in a vacuum

pump and the replacement of another pump with a model whose noise emissions are lower.

Light pollution in Aciturri's production plants is comparable to the lighting in the surrounding areas: the necessary level to be able to move around safely. Therefore, no specific actions were taken in this respect.

**EMISSIONS HAVE BEEN SUBSTANTIALLY REDUCED IN MOST PLANTS BY REPLACING CERTAIN SUBSTANCES WITH OTHERS THAT HAVE LOWER VOLATILITY**







# Water consumption and discharges

WE ARE AWARE THAT **WATER IS A SCARCE NATURAL RESOURCE WE NEED TO STAY ALIVE**, WHICH IS WHY WE ARE COMMITTED TO USING IT RESPONSIBLY.

The water used in Aciturri plants comes from the local sewage network, except in the plant of Ayuelas, where there is a well.

All the water returns to the corresponding sewage network in the form of discharge, and every physical facility complies with the legal limitations.

We are aware of the lack of permit for discharges at the plant in Alcalá de Guadaira, this is why we are actively collaborating with the local government to take any measures necessary to address the situation.

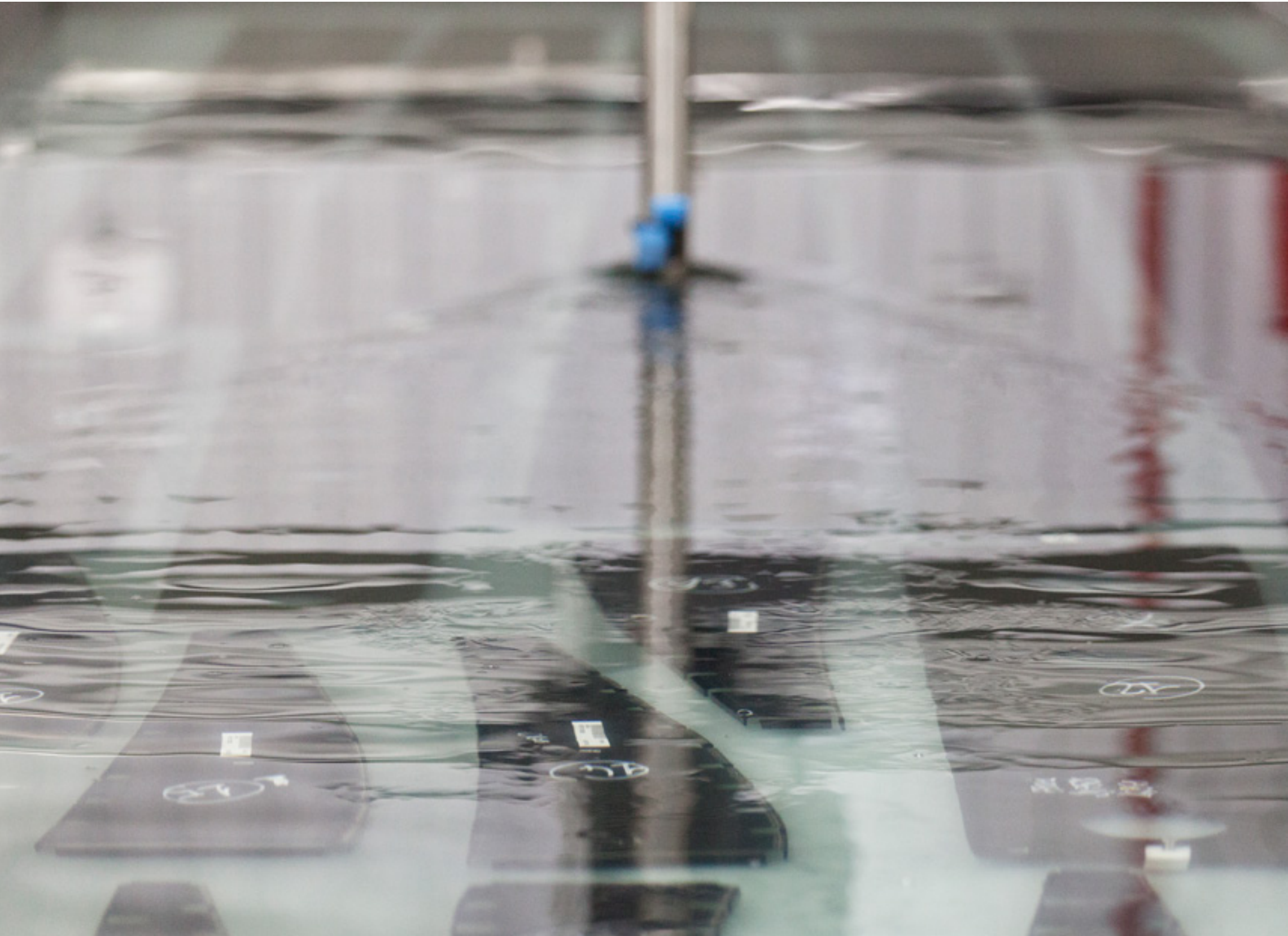
There is no water reuse. And neither any evidence of water bodies or habitats having been significantly affected by Aciturri's activity.

No significant spills occurred in any of our production plants in 2019. Notwithstanding, the workers have been trained on how to act in the event

of a spill in order to ensure that we comply with all environmental and occupational risk prevention regulations, and the environmental impact is minimized if a spill were to happen in the future.

**NO SIGNIFICANT SPILLS OCCURRED IN ANY OF OUR PRODUCTION PLANTS IN 2019**

**THE NECESSARY TRAINING ACTIONS WERE CARRIED OUT ON HOW TO ACT IN CASE OF A DISCHARGE. THE GOAL WAS TO ENSURE THAT, IN THE EVENT OF ANY UNFORESEEN CIRCUMSTANCES, WE COMPLY WITH ALL THE REGULATIONS**





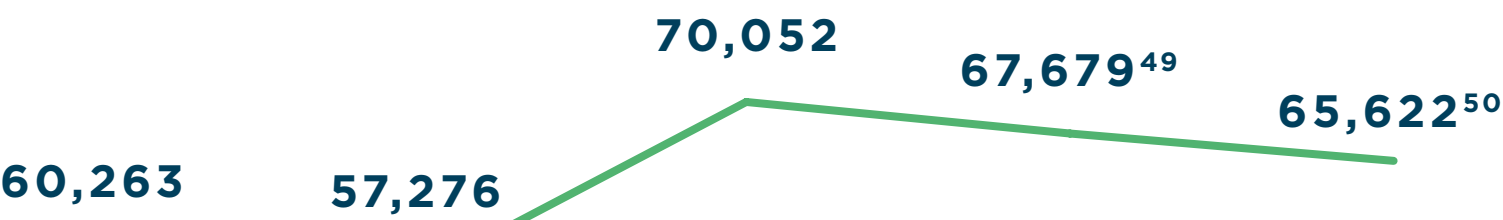
Water consumption and discharges

WATER AND DISCHARGES

WATER CONSUMED (m³)

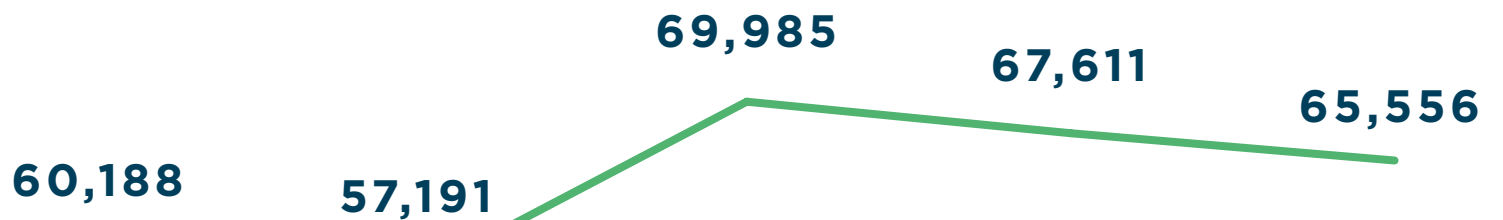
20152016201720182019

80,000 —  
70,000 —  
60,000 —  
50,000 —



DISCHARGES INTO WATER (m³)<sup>51</sup>

80,000 —  
70,000 —  
60,000 —  
50,000 —



49. The data reported regarding water consumption in the 2018 Sustainability Report was an estimation and differs from this because, at the time that document was published, the actual data on water consumption in Ayuelas and Orón were not available for quarter four of 2018. The figure specified in this document corresponds to the actual number.  
50. At the time this report was finished we did not have final water consumption data available for all the plants for the last quarter of 2019, so we have calculated it based on the data from 2018.  
51. Given we have no current meters to measure the discharges, these are approximate data based on general consumption.





# Waste

The industrial activity carried out in every one of our plants generates waste, which is separated on location and sent to authorized management bodies. These ensure a proper and specific treatment according to their nature. In every case, we choose the option with the lowest environmental impact and try our best to avoid sending it to a landfill.





Waste



WASTE	2015	2016	2017	2018	2019
HAZARDOUS WASTE DEPOSITED IN A LANDFILL (Kg)	313,748	401,065	410,374	351,954	366,161
CONTAMINATED ABSORBENTS	17,079	24,023	23,627	24,219	29,445 <sup>52</sup>
ADHESIVES AND SEALANTS	1,569	1,809	806	0	2,265
EMPTY AEROSOL CANS	0	12	0	36	37
WATER CONTAINING CHROMIUM	47,875	84,924	44,101	35,833	33,350
BATTERIES	0	0	0	0	40
PAINTING BOOTH FILTERS	687	763	939	4,129	4,133
FIXATIVE LIQUID	76	387	416	119	0
DEVELOPER LIQUID	469	404	355	280	0
HAZARDOUS AQUEOUS LIQUID WASTE	0	0	22,750	136,407	75,835
SLUDGE FROM MACHINING ACTIVITIES	4,145	3,841	4,455	11,760	9,995
FLAKES FROM THE PAINTING BOOTH	0	0	0	77	0
EXPIRED CHEMICALS	1,827	1,505	3,433	3,187	10,789 <sup>53</sup>
WASTE CONTAINING HYDROCARBON	0	0	0	47	0
LAB WASTE	0	0	12	23	0
RESIN	1,430	771	713	723	839
INDUSTRIAL X-RAY	0	0	0	0	0
CUTTING FLUIDS	118,439	129,303	121,329	151,319	185,102
SLUDGE CAKES FROM TREATMENT PLANTS	15,828	29,159	22,765	19,593	14,331

52. The increase is linked to the plant at Getafe.  
53. The increase is due to changes made to the processes of some surface treatment baths at the Ayuelas plant.



Waste



WASTE	2015	2016	2017	2018	2019
RECOVERABLE HAZARDOUS WASTE (Kg)	39,115	172,491	132,565	181,435	180,521
NON-CHLORINATED HYDRAULIC OIL	3,277	3,517	735	973	2,157
WATER WITH PAINTS AND INKS	0	0	0	0	555
NON-HALOGENATED SOLVENT	1,710	3,980	8,745	4,567	2,520
CONTAMINATED METAL CONTAINERS	8,438	7,962	9,578	7,969	10,507 <sup>54</sup>
CONTAMINATED PLASTIC CONTAINERS	3,472	5,264	6,254	7,335	7,565
ELECTRICAL AND ELECTRONIC EQUIPMENT	71	0	46	280	265
OIL FILTERS	5,558	3,842	6,126	9,639	10,934
FLUORESCENT TUBES	49	179	80	223	31
ZINC AND ALKALINE BATTERIES	0	0	0	15	54 <sup>55</sup>
PAINT RESIDUES	10,724	9,151	10,744	7,679	11,341
PRE-PEG RESIDUES	110,219	134,260	167,155	142,420	148,179

54. The increase is linked to the plant at Getafe.  
55. The increase is due to an agreement with Ecopilas, which installed battery collection points for the employees to dispose of the batteries they use at home.



Waste



WASTE

2015

2016

2017

2018

2019

NON-HAZARDOUS WASTE DEPOSITED IN A LANDFILL (Kg)

539,450

673,755

777,569

863,468

861,515

SANDBLASTING SAND

0

2,900

2,200

1,233

3,341

FLOW CLEANING WASTE

24,000

39,000

63,000

120,000

110,000

INERT WASTE (COMPARABLE TO URBAN)

515,457

631,855

716,350

742,235

748,174



RECOVERABLE NON-HAZARDOUS WASTE (Kg)

689,852

1,204,701

1,112,543

2,664,516

1,268,684

ALUMINUM BRIQUETTES

208,985

322,558

400,515

1,141,898

475,341

TITANIUM BRIQUETTES

0

12,124

11,883

24,007

31,234

SCRAP METAL

16,438

6,140

10,824

71,112

14,483

SOLID IRON

0

0

0

0

7,695

WOOD

113,897

216,648

190,261

142,534

210,694

PAPER AND CARDBOARD

85,527

105,814

92,596

128,377

148,667

PLASTIC

29,820

34,752

28,440

31,297

35,842

STAINLESS STEEL (SOLID AND CHIPS)

0

0

0

0

73,449

TONER

0

379

100

323

250

CHIPS <sup>56, 57</sup>

178,497

174,192

145,993

186,933

165,270

INCONEL CHIPS

23,047

36,035

13,401

9,453

19,731

TITANIUM CHIPS

30,447

24,675

18,883

51,721

66,719



56. It includes all chips generated other than Inconel and titanium.  
57. Errors have been detected in the data reported so far regarding chips, Inconel chips, and titanium chips, so the historical data collected in this document do not match those reported in previous reports.



Waste



WASTE FROM CONTAINERS AND PACKAGING <sup>58</sup>



PLASTIC CONTAINERS  
(plastic packaging waste) (Kg)

2015

2016

2017

2018

2019 <sup>59</sup>

294,537

284,062

213,600

20,783

11,276

CARDBOARD CONTAINERS  
(cardboard packaging waste) (Kg)

63,789

25,658

30,529

56,253

38,004

METAL CONTAINERS  
(metal packaging waste) (Kg)

3,795

8,734

810

5,312

--

WOODEN AND COMPOSITE CONTAINERS  
(wood and composite container waste) (Kg)

422,049

79,750

61,123

140,960

77,614

OTHER CONTAINERS  
(textile packaging waste) (Kg)

200

800

1,172

50

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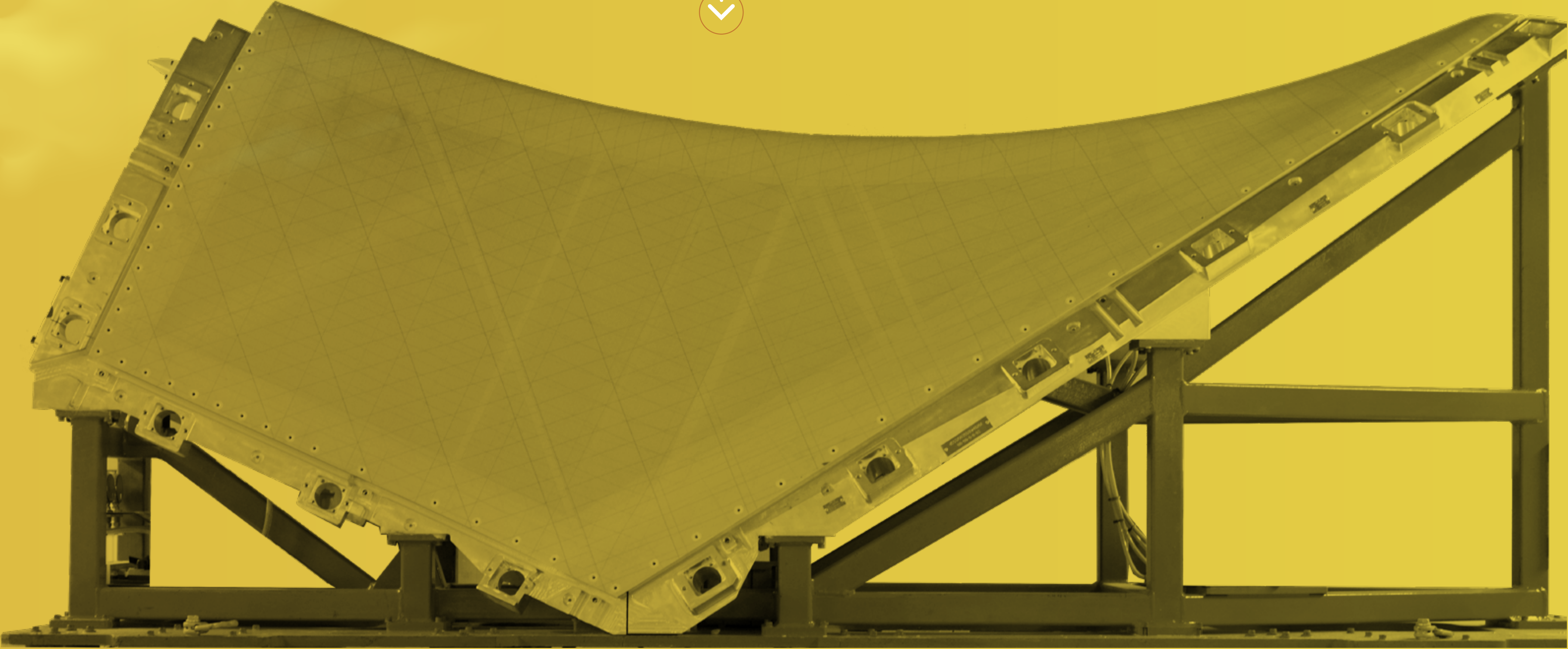
58. Material recycling is performed in all cases.  
59. The amount of packaging waste generated is calculated based on the fact that 60% of all packaging becomes waste in all plants, except for logistics, where this applies to 100% of the packaging.



# 2019 Milestones

## Corporate services

CORPORATE AREAS THAT WORK FOR THE  
SUSTAINABLE GROWTH OF ACITURRI







# Technical Services

Throughout 2019, the Technical Services team has focused on the installation and implementation of new production equipment in both business divisions.

In the Aerostructures division, important actions were carried out. One was the foundation and installation of the flexible assembly zone for the Ewira project in Sevilla. Another was the upgrades in efficiency and energy use which significantly improved the closure of the curing ovens to prevent heat loss and achieve a more comfortable working temperature in the storage area.

As for Additive Manufacturing, the team has supported the installation of manufacturing equipment at the Gijón plant for the production of aeronautical components by deposition of high mechanical capabilities thermoplastic resins.

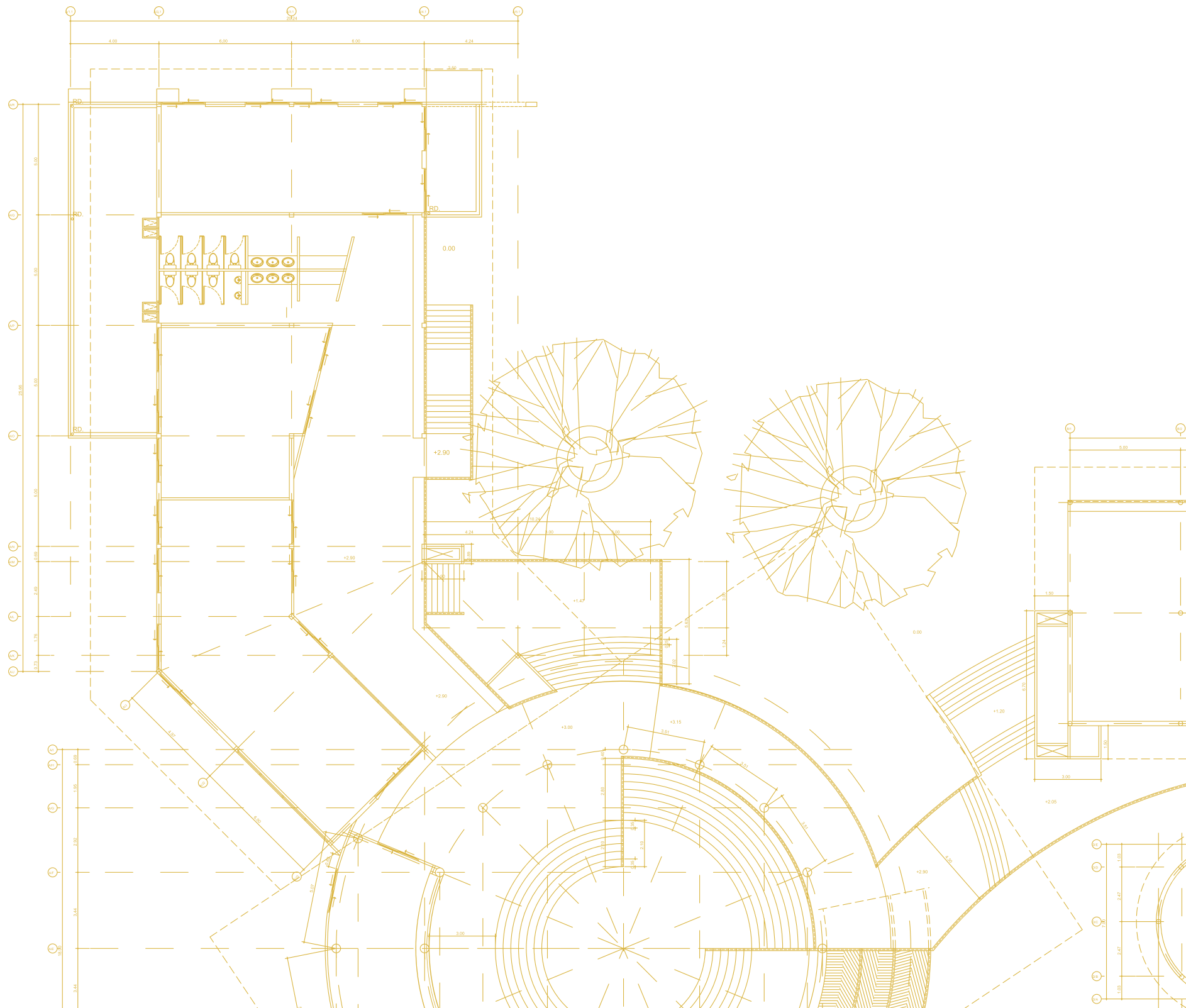
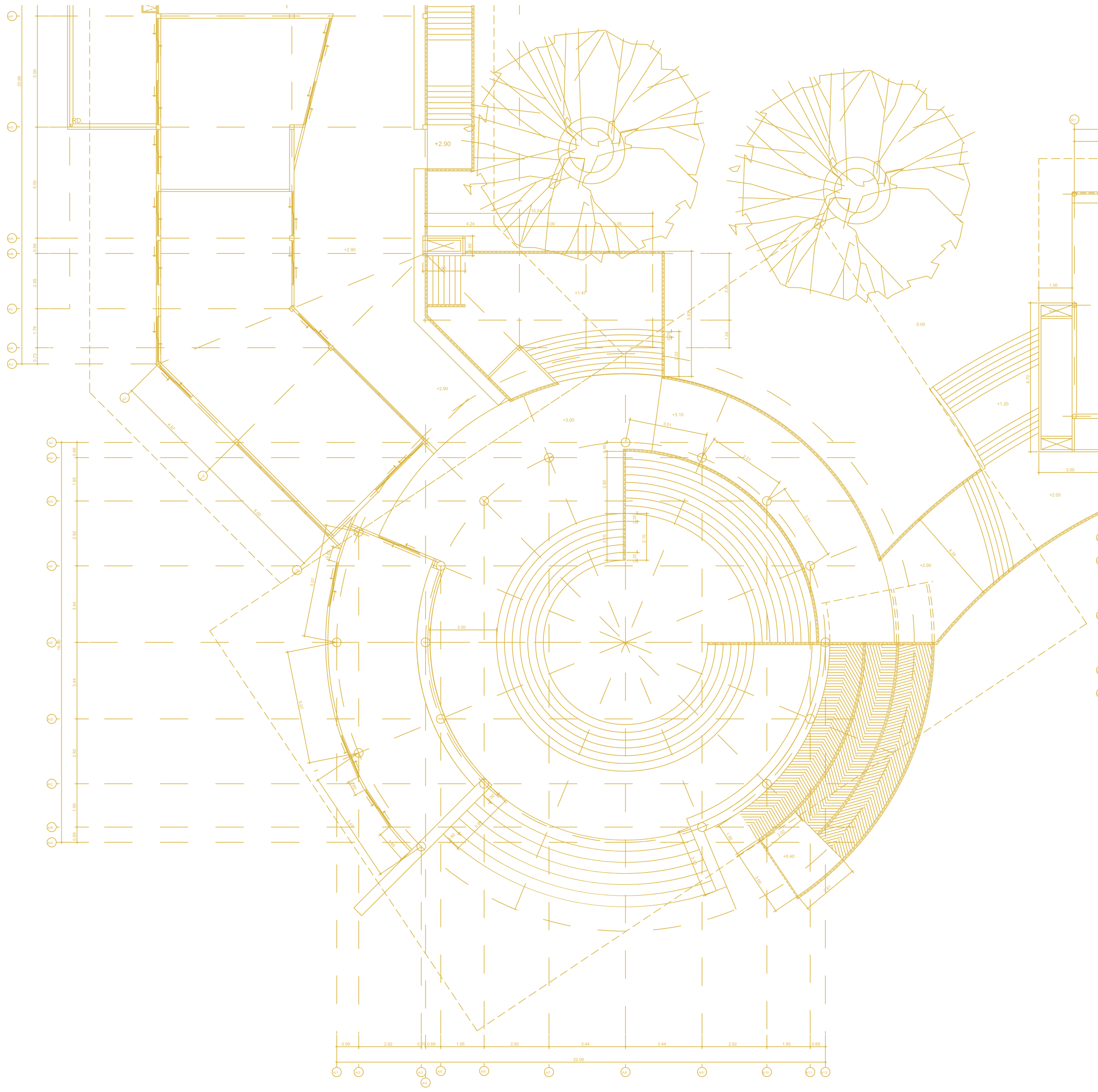
Regarding the engine division, the plant at Ircio incorporated three new five-axis centers for engine components manufactured in titanium and Inconel into its machinery pool. It also expanded

its capabilities by adding a new robotic welding facility.

In Orón, the team managed to reconfigure the plant layout without altering the daily production activity, an enormous challenge that involved re-locating eight machines (plus their respective installation processes) to separate areas, as well as installing a new EDM by penetration machining center.

In addition, the Technical Services team has worked towards the implementation of three new presses and one injection machine for engine components manufacturing in Tres Cantos.

**THE TECHNICAL SERVICES TEAM HAS FOCUSED ON THE INSTALLATION AND IMPLEMENTATION OF NEW PRODUCTION EQUIPMENT IN BOTH BUSINESS DIVISIONS**





Technical Services



Regarding the company’s investments towards improving the facilities, the highlight is the addition of more than 3,000 m2 (approx. 32,290 ft2) to the plant at Boecillo, in order to house new preparation, painting, and drying zones with the necessary capacity to bring in-house previously outsourced tasks. These improvements also include a break room and new locker rooms.

In Tres Cantos, the improvements include a 600 sqm-area (6,458 ft²) covered with light structures for the storage of plant tooling, and the reconfiguration of the warehouse to free up 75 sqm (807 ft²) of surface area to make it easier to handle the materials. At the same time, the acoustic attenuation works began in the functional test and equipment rooms. These will be completed with a sound-absorbing coating to improve the working conditions in the area.

The works on the premises were completed with a significant investment in the Ayuelas plant to re-configure the space and build a new locker room,

toilets, and a dining area for the staff.

Regarding the MES Project (Manufacturing Execution System), in 2019, the automatic data capture and maintenance module via MAPEX was completed in all the plants, except for Getafe.

THE PLANT AT IRCIO INCORPORATED THREE NEW FIVE-AXIS CENTERS FOR ENGINE COMPONENTS





Technical Services







# Quality assurance

The work completed at the beginning of 2019 helped us earn the latest versions (EN9100:2016) of two certifications: EN 9100 Quality Management System and PECAL 2110.

As part of Aciturri’s adaptation to the new edition, in 2018 we developed a context assessment for the company. This comprises aspects of general interest, some of them stemming from strategic reflection, and displays the firm’s evolution as well as the vision of all the stakeholders’ needs.

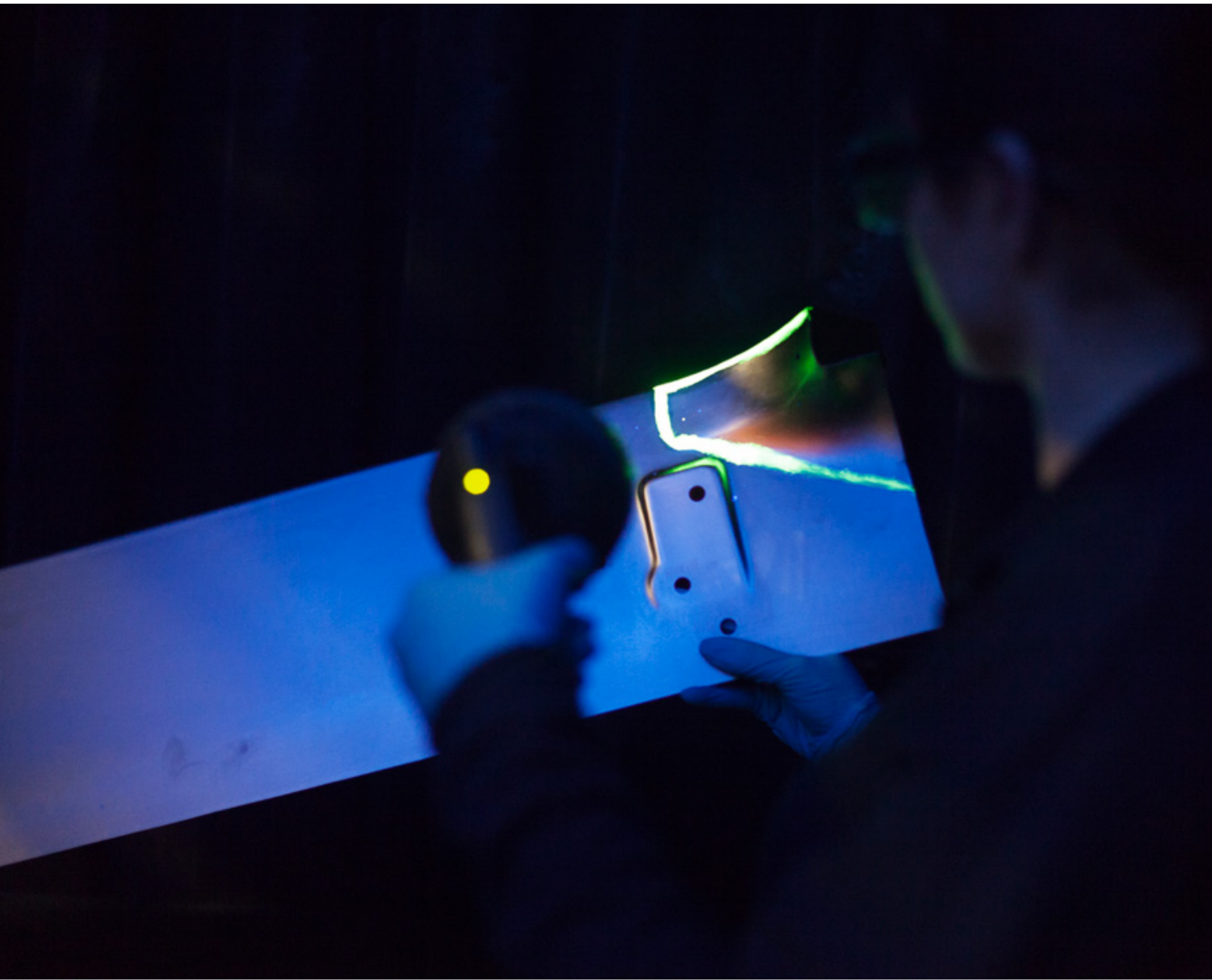
This assessment is called Context Matrix and shows the annual evolution of the goals that are usually evaluated in the long term. The result of this assessment is a SWOT Analysis (Strengths, Weaknesses, Opportunities, and Threats) that considers both the internal and external visions of the goals.

In the same vein, we aim to continue improving and identifying the risks and needs in the early stages so we can adopt a preventive approach. For this purpose, we intensified the efforts to improve the review, establishment and implementation of client requirements, both at the offer stages and

after having signed the contract. As a result, there is now a new version of the procedure governing this process and we have revisited the conditions that apply to the supply chain.

In 2019, additionally, Aciturri’s Quality Assurance System integrated two new plants: Aciturri Getafe, and Additive Manufacturing in Gijón. Both were integrated into the management system and certified as an extension of EN9100 in the last quarter of the year.

As a way of increasing the competitiveness of our products, some final processes such as painting in Ircio and Tres Cantos were internalized. This decision meant the necessary facilities at these plants had to be updated in accordance with the regulations, and the certification process had to be completed with both the customers and the Nadcap international program, a mandatory requirement that ensures the correct execution of the processes in the aeronautical environment.





Quality assurance

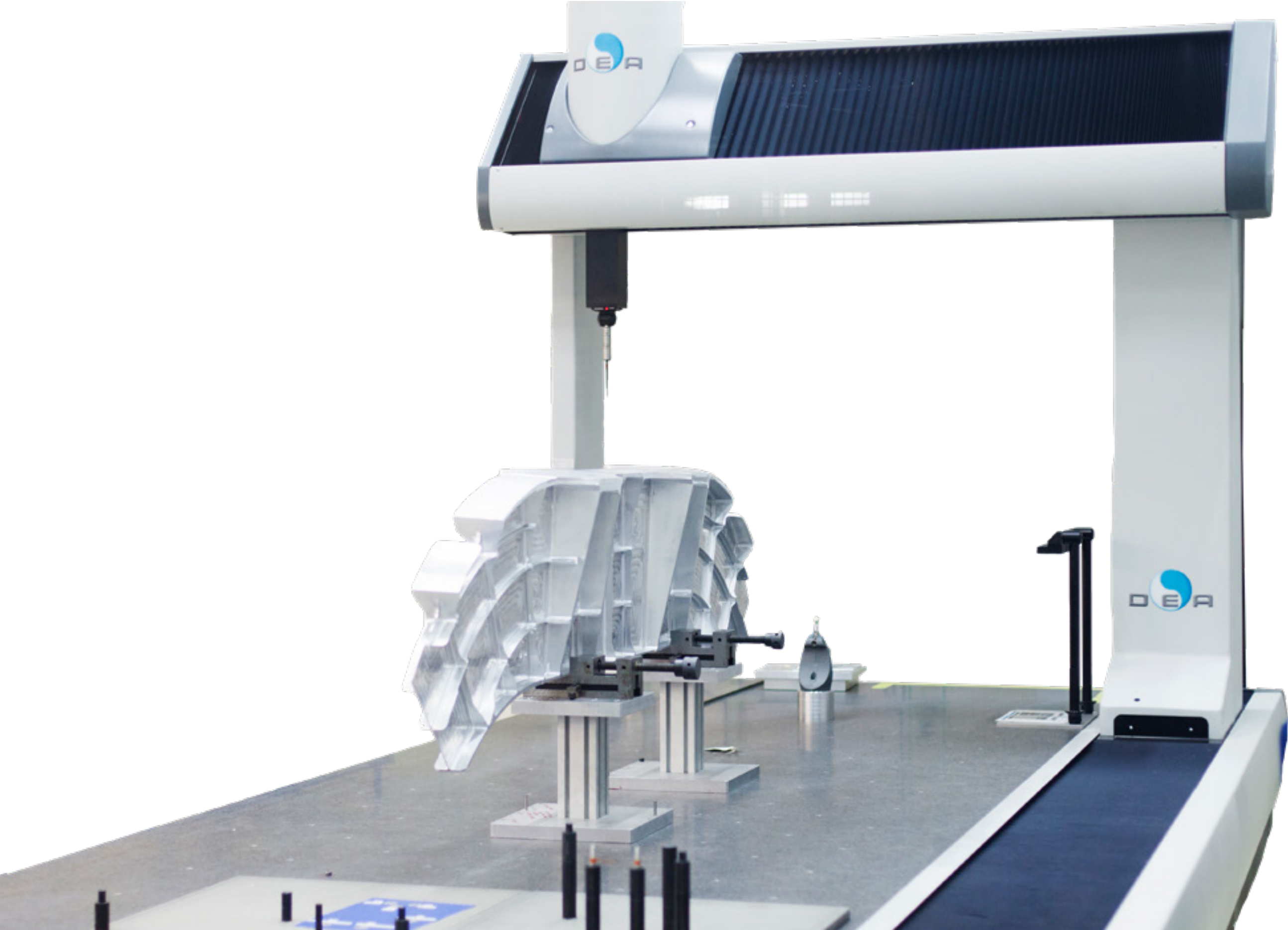


The Quality Assurance team worked very hard with the aeronautical industry stakeholders, especially with two: the Spanish Association for Quality (AEC), in which Aciturri is a management member for the Aerospace Committee, and the Working Groups at TEDAE (Spanish Association of Defense, Aerospace and Space Technologies). Here, the team collaborated with other industry companies to develop, and lead in some cases, working guidelines on practical tools for the Defense, Security and Aerospace sector, e.g. product safety, counterfeit products, root-cause analysis, or externally purchased product management.

The contribution to the improvement of processes and the success derived from clients’ assessments helped stabilize the processes of those parts industrialized in previous years, hence achieving higher product quality and reducing the faults in each both within the goals set by the client.

The Quality Assurance team ensured compliance with contractual requirements and with those linked to existing certifications—both standards like ISO or EN, and those imposed by clients, civil aviation and defense authorities. Specifically, Aciturri has certifications which comply with the following rules: EASA 145, EASA21G, EN9100, EN9110, ISO 14001, ISO 17025, ISO 9001, Nadcap Processes, PECAL 2110, and PECAL 2310.

These certifications represent strict compliance with the applicable regulations and laws, and the traceability of every product, not only the materials used, but also the people involved in their manufacturing and assembly, as well as the certifications of the processes that back them up. Their use and maintainability are contingent to revisions of the design, first article inspections (FAIs), and official certification tests.





Quality assurance



According to the context matrix, these are key issues for clients, civil and military aviation authorities, subcontractors, service companies that operate in our facilities and the employees themselves.

Proper management allows us to ensure quick response times, adaptability to clients’ needs and any legal changes that may occur and monitor subcontractors.

All products launched into the market by Aciturri are monitored and evaluated to ensure their compliance with contractual requirements, the standards behind the applicable certifications and current regulations. Needless to say, they are also assessed in terms of security, a key aspect for the industry.

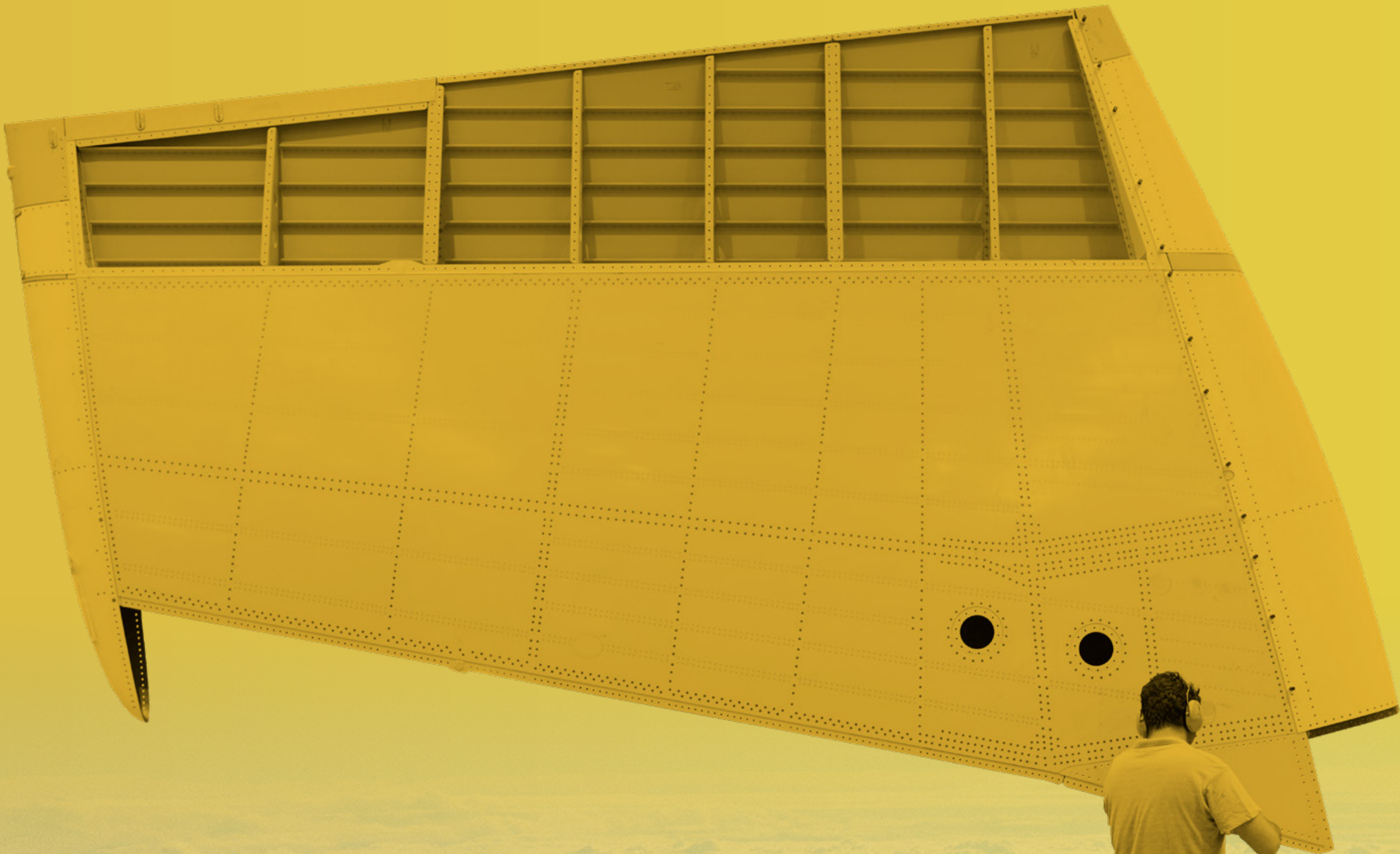
**THE QUALITY ASSURANCE TEAM WORKED VERY HARD WITH THE AERONAUTICAL INDUSTRY STAKEHOLDERS, ESPECIALLY WITH THE SPANISH ASSOCIATION FOR QUALITY (AEC)**

**THE CERTIFICATIONS REPRESENT STRICT COMPLIANCE WITH THE APPLICABLE REGULATIONS AND LAWS, AND THE TRACEABILITY OF EVERY PRODUCT**





Quality assurance







# Lean Management

The company bases its methodology on the Lean model and focus on achieving strategic goals and moving ahead with the global business plan. We work hard to develop improvement projects in every production plant.

The activity developed in 2019 allowed us to consolidate the model of continuous improvement for the 130 so-called “natural teams” (those that work together on a day-to-day basis) in the Operations division. Two new players were integrated into this dynamic: Corporate Services (with 26 additional teams from the HR, Programs, Sales Management, Quality Assurance, Technical Services, and Supply Chain divisions), and Aciturri’s new plant in Getafe. In total, more than 160 of these teams review the established indicators daily in all Aciturri plants and set in motion initiatives for improvement in their area of influence.

Over the course of the year, these teams adopted over 4,600 upgrades put forward by 750 people, almost twice as many employees as in the previous year. There are two main factors that have

contributed significantly to this increase in participation: the optimization of the database and the web platform through which improvements are recorded, and the activation of a specific group in the corporate social network, where natural team leaders share their proposals with the rest of the organization as a way to rapidly spread the best practices across the company.

Likewise, all plants moved forward in the continuous process of improving their workplaces and have established a process for creating and improving their standards through initiatives led by the same natural teams.

For the selection and prioritization of the most complex projects, the team uses the *Hoshin Kanri* approach. Each plant has an average of 20 multi-disciplinary teams which hold biweekly follow-ups in their Oobeya room and participate actively in the corporate support functions.





Lean Management



The results associated with the projects certainly reflect significant progress. However, the main achievement in 2019 was the fact that the team adopted the methodology to such extent that, by the end of the year, it was able to define in detail the projects for 2020. This will help to meet the business objectives, eliminate waste, improve the flow, and ensure the quality and level of delivery our customers expect.

In 2019, the Lean Management team’s activity was completed with the adoption of the Business Intelligence module at all levels as the basis for collecting, organizing and displaying information that enables process leaders to make faster, better informed decisions.

**ACITURRI CONSOLIDATED THE MODEL OF CONTINUOUS IMPROVEMENT FOR THE 130 SO-CALLED “NATURAL TEAMS” IN THE OPERATIONS DIVISION, CORPORATE SERVICES & OUR NEW PLANT IN GETAFE**







# Systems Management

The System Management division addressed the different needs, ensuring the continuity of the activity throughout the year with a system availability level of 99%, as well as putting forward solutions in line with the demand of the different business areas. The main focus of these initiatives was cost reduction.

The System Management team ensured the implementation of the systems in Aciturri's new facilities at Gijón and Getafe. In Getafe, they also had to overcome the challenge of providing business continuity without impacting production.

In collaboration with the Operations division, the team launched several OT projects which contributed, for example, to improving the management of raw material subject to expire in the cold storage facility by applying RFID technology, or the interconnection of RTM with SAP press systems for the automatic generation of process deviation warnings over the standard. Likewise, the SAP connection was extended to the automated

warehouses, an action which managed to reduce the time to send consumables to the different lines within the workshop.

Regarding customer and supplier relationships, we carried out projects such as the implementation of a new CRM tool and its integration with SAP to support business-related activities, or the adoption of a new model for managing non-recurring costs associated with parts supplied by the supply chain.

Some high-impact projects are still under analysis; namely, the migration to the cloud of the infrastructure for business-critical services and the implementation of a new PLM tool, both of which will be carried out in 2020.







# Legal

**ACITURRI WASN'T INVOLVED IN ANY INVESTIGATION** IN RELATION TO ANTI-COMPETITIVE BEHAVIOR OR MONOPOLISTIC PRACTICES.

However, a notification of economic concentration was made to the National Commission on Markets and Competition as a result of us seeking to acquire the majority of the registered capital of Alestis Aerospace, S.L., which constitutes a concentration in accordance with Article 7 of Law 15/2007 on the Defense of Competition. The National Commission on Markets and Competition issued a resolution on July 4, 2019 authorizing the merger.

To the best of our knowledge, in 2019 there were no formal complaints concerning violations of customer privacy—no data leaks, theft or loss.

In any case, in compliance with the confidentiality obligations with our clients, and also with the intention to protect our own confidential information, at Aciturri we ask suppliers and third parties to sign confidentiality agreements before they

can access any sensitive information. In 2019, 154 NDAs were signed with customers and suppliers. In addition, all employment contracts include specific confidentiality clauses.

No information is available as for the existence of fines or sanctions for non-compliance with laws or regulations in the economic or social scopes, with the exception of a penalty of €44 imposed by the Valladolid Regional Labor Office; a penalty of €104 from the National Statistics Institute; €300 tax penalty for late submission of forms 123 and 349; and €5,058.39 in penalties and surcharges for customs documentation managed by third parties. Additionally, we incurred a penalty of €2,046 for the management of an occupational illness, but the company has lodged an appeal against it.

Finally, Aciturri has drawn up a **Responsible Advertising Policy**. There were no breaches in marketing communications in 2019.







# Compliance

Aciturri has a **Regulatory Compliance Program** (Corporate Compliance) whose ultimate goal is to ensure compliance with legal requirements, paying special attention to those that may incur criminal responsibility for the company from actions taken by our employees.

Our **Anti-corruption Policy**, together with our **Code of Conduct**, include the measures we adopted to prevent and combat corruption. The External Compliance Officer shall ensure, together with the different departments and divisions within the company, compliance with such measures, detection of new risks and resolution of any questions through the channel for inquiries enabled by Aciturri (codigodeconducta@aciturri.com).

According to the normative mandate of article 31 bis 5. 6th of the Criminal Code, companies “will periodically check the report and its potential

modifications will be conducted in the event of infringements of its provisions, or when there are changes in the organization, in the management or in the activity carried out.” Therefore, the company performs constant reviews to prevent and/or detect possible criminal risks affecting Aciturri and take action against them. This regular verification is recorded in an annual review report, drawn up by the External Compliance Officer.

**THE COMPANY PERFORMS  
CONSTANT REVIEWS TO  
PREVENT AND/OR DETECT  
POSSIBLE CRIMINAL RISKS**





Compliance



CRIME PREVENTION REPORT

We are constantly striving to improve and further develop our **Crime Prevention Report** by establishing specific protocols, procedures, and policies. These are the 2019 highlights:

- Creation, implementation, and dissemination of an **Electronic Device Use Policy** as a basic tool to prevent criminal behavior through the use of devices and digital resources owned by Aciturri. It is mandatory to report any irregularities a person on the team is aware of. All employees with access to corporate e-mail have received in their inbox a copy of this policy digitally signed by the Compliance Officer. It is also published on the company’s intranet.
- Development, implementation, and dissemination of a specific procedure among the employees, called PSC-1004, and integrated within the internal document management system—GES-DOC.

All employees with access to corporate e-mail have received a copy of this procedure via e-mail digitally signed by the Compliance Officer.

- **Specific training** on the Crime Prevention Report via the **Success Factor** platform describing the actions that must be carried out by Aciturri’s employees and representatives to avoid committing crimes in the workplace.

A total of 469 employees completed this training in 2019, which amounts to 29% of Aciturri’s staff. Out of these 469, 304 are management and administration personnel, while the other 165 are directly linked to production. This training will continue throughout 2020.

- **Regarding suppliers**, we worked to improve the communication and dissemination of the provisions of the Code of Conduct by sending them to strategic suppliers. Moreover, the terms of supplier contracts have been revised to ensure

compliance with national and international export control regulations, which are crucial to ensure a safe transportation of the goods and to avoid sanctions from regulatory agencies.

- We established a specific procedure to ensure regulatory compliance regarding export and import control regulations, which will be adopted in 2020.

A TOTAL OF 469 EMPLOYEES COMPLETED THIS SPECIFIC TRAINING IN CRIME PREVENTION



Compliance



CHANNEL FOR COMPLAINTS

The **Channel for Complaints** (canaldedenuncias@aciturri.com) may be used to report social, environmental or any other type of irregularities. There is a form available so anyone may confidentially report irregularities concerning Aciturri.

ETHICS AND COMPLIANCE COMMITTEE

The **Ethics and Compliance Committee** is the autonomous body that ensures regulatory compliance. Among other tasks, they are in charge of handling any submitted complaints previously investigated by the Compliance Officer.

THE CHANNEL FOR COMPLAINTS MAY BE USED TO REPORT SOCIAL, ENVIRONMENTAL OR ANY OTHER TYPE OF IRREGULARITIES

PREVENTION OF MONEY LAUNDERING

Where **prevention of money laundering** is concerned, Aciturri is not required to comply, according to article 2 of Law 10/2010, of April 28, on the prevention of money laundering and the financing of terrorism. Nonetheless, we adopted measures to combat it. Some of them are as follows:

- Any person who wants to establish a relationship with Aciturri must show **relevant identification**.
- **Cash payments are not accepted**; bank transfers are the only method to take payments justified by a commercial relationship.
- The Finance Department pays special attention to so-called “**triangular operations**”—when a client or supplier informs that a third party will be receiving the payment for an invoice.
- All the company’s **payments and receipts** are carefully recorded on a daily basis. In the event

that the finance manager should detect unjustified operations, they will immediately report the incident to the Compliance Officer.

- All financial transfers are identified and duly recorded in the accounting books, designed to ensure there are no “**secret accounts**” or non-existent expenditure records.
- In cases where there is evidence or suspicions that the entity wanting to work with Aciturri is participating in **money laundering** operations, we conduct diligent checks of the account holder’s identity. If such suspicions turn out to be true, the Compliance Officer shall bring it to the attention of SEPBLAC, the Spanish Commission for the Prevention of Money Laundering and Monetary Offenses.



Compliance



CODE OF CONDUCT

Our **Code of Conduct** is published and readily available on our website in Spanish and English. It is also available to the entire organization via the intranet. After its approval in 2017, the code was ratified by all management members (17) and partners, who showed their commitment to ensuring compliance in writing.

In 2019, it was also sent to Aciturri’s strategic suppliers through GESDOC, the company’s document management system. Likewise, all employees with access to corporate e-mail have received a copy via e-mail, and we conducted an internal outreach campaign consisting of 16 publications describing the main aspects of the Code of Conduct in the internal corporate social network (JAM).

In 2019, we received 18 inquiries concerning the Code of Conduct, all of which were resolved, and two suspected cases, both archived once the likelihood of the crime was ruled out.

PURCHASES AND SUBCONTRACTING POLICY

In 2014, we published our **Purchases and Subcontracting Policy**, a document in which we demand that our suppliers and contractors comply with the principle of Ethical Behavior, referring explicitly to “the development of their business showing a behavior based on integrity and professional ethics, avoiding conflicts of interest, bribery or any other form of corruption, as well as the practice of anti-competitive behavior.”

Since its approval by our Senior Management, this policy is part of the documentation handed to subcontractors and has also been distributed to Aciturri’s supply chain via GESDOC.

All the contracts we signed with our suppliers in 2019 included an Ethics and Compliance clause in the which requires that all suppliers “comply with Aciturri’s Code of Conduct, as well as with our Supply Chain and Anti-corruption policies and the Protocol for the Prevention of Harassment. They must state that they have read and understood the obligations contained in these documents.”

Since we implemented this, no disciplinary proceedings or corruption-related complaints of any type have been filed.





# Partners

ACITURRI UNDERSTANDS **CORPORATE RESPONSIBILITY AS A MODEL OF SUSTAINABLE MANAGEMENT** COMMITTED TO THE ADVANCEMENT OF THE COMMUNITIES WHERE WE CONDUCT OUR BUSINESS.







# Partners

In order to address the needs and expectations of our stakeholders, Aciturri takes an active role in the development of those communities. We do this through dialogue and collaboration with business organizations, education centers, local governments and society as a whole.

Many of these initiatives are aimed at promoting entrepreneurship and inclusion in the job market, and advocating human rights as a partner of the UN Global Compact.

**MANY OF THESE INITIATIVES  
ARE AIMED AT PROMOTING  
ENTREPRENEURSHIP AND  
INCLUSION IN THE JOB MARKET**





# Professional organizations

Aciturri is a member of several professional organizations with which we collaborate to develop strategic plans and promote the industry, as well as professional training and exchange of good practices.

ADDIMAT (SPANISH ASSOCIATION OF ADDITIVE MANUFACTURING TECHNOLOGIES)

AERCE (SPANISH ASSOCIATION OF PURCHASING REPRESENTATIVES)

ASSOCIATION OF SAP USERS IN SPAIN

SPANISH ASSOCIATION OF METHODS-TIME MEASUREMENT TECHNICIANS

SPANISH ASSOCIATION FOR NON-DESTRUCTIVE TESTING

SPANISH ASSOCIATION FOR QUALITY

ASSOCIATION FOR MANAGEMENT ADVANCEMENT

CHAMBER OF COMMERCE OF VALLADOLID

CHARTERED INSTITUTE OF INDUSTRIAL ENGINEERS OF BURGOS

EMPRESA FAMILIAR DE CASTILLA Y LEÓN

BURGOS FEDERATION OF BUSINESS ASSOCIATIONS

ANDALUCÍA AEROSPACE

FUNDACIÓN HÉLICE (ANDALUSIA’S AEROSPACE CLUSTER)

HEGAN (BASQUE AEROSPACE CLUSTER)

MANU-KET (SPANISH TECHNOLOGICAL PLATFORM FOR ADVANCED MANUFACTURING)

MATERPLAT (SPANISH TECHNOLOGICAL PLATFORM FOR ADVANCED MATERIALS AND NANOMATERIALS)

PAE (SPANISH TECHNOLOGICAL AEROSPACE PLATFORM)

SPANISH NETWORK OF HR DIRECTORS

SPANISH NETWORK OF THE UN GLOBAL COMPACT

SPACE (SUPPLY CHAIN PROGRESS TOWARDS AERONAUTICAL COMMUNITY EXCELLENCE)

TEDAE (SPANISH ASSOCIATION OF DEFENSE, AEROSPACE AND SPACE TECHNOLOGIES)



# Knowledge centers

AIMEN TECHNOLOGY CENTER

CARTIF TECHNOLOGY CENTER

CEIP SIMÓN DE COLONIA (STATE PRIMARY SCHOOL)

CIDAUT (FOUNDATION FOR RESEARCH AND DEVELOPMENT IN TRANSPORT AND ENERGY)

CIFP JUAN DE HERRERA (STATE VOCATIONAL SCHOOL)

CIFP MEDINA DEL CAMPO (STATE VOCATIONAL SCHOOL)

CTME (MIRANDA DE EBRO TECHNOLOGY CENTER)

DEUSTO BUSINESS SCHOOL

ENASA

VALLADOLID CHAMBER OF COMMERCE’S BUSINESS SCHOOL

FIDAMC (FOUNDATION FOR RESEARCH, DEVELOPMENT, AND APPLICATION OF COMPOSITE MATERIALS)

FP CRISTO REY VALLADOLID (VOCATIONAL SCHOOL)

TECHNOLOGY CENTER FOUNDATION IN MIRANDA DE EBRO

NATIONAL PARAPLEGIC HOSPITAL FOUNDATION FOR RESEARCH AND INTEGRATION

IES COSME GARCIA (STATE SECONDARY SCHOOL)

IES FRAY PEDRO DE URBINA (STATE SECONDARY SCHOOL)

IES JUAN DE LA CIERVA (STATE SECONDARY SCHOOL)

IES LA MERCED (STATE SECONDARY SCHOOL)

IES LABORAL ZAMORA (STATE SECONDARY SCHOOL)

IES MENDIZABALA (STATE SECONDARY SCHOOL)

IES POLITÉCNICO DE SEVILLA (STATE SECONDARY SCHOOL)

IES PROFESOR RAÚL VÁZQUEZ (STATE SECONDARY SCHOOL)

Aciturri collaborates with various institutions to conduct research projects, offer professional and non-professional internships, and help with Bachelor’s theses and case studies.

IES SAN COSME (STATE SECONDARY SCHOOL)

IK4 RESEARCH ALLIANCE

INDUSTRIAL TECHNICAL INSTITUTE

MANUFACTURING TECHNOLOGY CENTRE (MTC)

IDONIAL

TECNALIA RESEARCH & INNOVATION

TECNUN

TWI (THE WELDING INSTITUTE, UK)

UNED (SPANISH DISTANCE LEARNING UNIVERSITY)

UNIVERSIDAD ALFONSO X EL SABIO

UNIVERSIDAD AUTÓNOMA DE MADRID

UNIVERSIDAD CARLOS III

UNIVERSIDAD DE BURGOS

UNIVERSIDAD DE CÁDIZ

UNIVERSIDAD DE LA RIOJA

UNIVERSIDAD DE LEÓN

UNIVERSIDAD DE NAVARRA

UNIVERSITY OF OXFORD

UNIVERSIDAD DEL PAÍS VASCO

UNIVERSIDAD DE SEVILLA

UNIVERSIDAD DE VALLADOLID

UNIVERSIDAD POLITÉCNICA DE MADRID



# Public institutions

Aciturri collaborates with public institutions and local governments by offering non-professional internships and training and employment programs.

AYUNTAMIENTO DE BERANTEVILLA (LOCAL GOVERNMENT)

AYUNTAMIENTO DE BOECILLO (LOCAL GOVERNMENT)

AYUNTAMIENTO DE ALCALÁ DE GUADAIRA (LOCAL GOVERNMENT)

AYUNTAMIENTO DE MIRANDA DE EBRO (LOCAL GOVERNMENT)

AYUNTAMIENTO DE TRES CANTOS (LOCAL GOVERNMENT)

ECYL (CASTILLA Y LEÓN EMPLOYMENT AGENCY)

GOBIERNO DEL PRINCIPADO DE ASTURIAS (REGIONAL GOVERNMENT)

GOBIERNO VASCO (REGIONAL GOVERNMENT)

JUNTA DE ANDALUCÍA (REGIONAL GOVERNMENT)

JUNTA DE CASTILLA Y LEÓN (REGIONAL GOVERNMENT)



# Social action

AT ACITURRI, WE ARE **TOTALLY AWARE OF HOW OUR INDUSTRIAL ACTIVITY IMPACTS SOCIETY** AND THE BENEFITS IT COULD HAVE FOR OUR SURROUNDINGS.

For this reason, and aside from promoting activities at the corporate level, we support initiatives coming from our employees such as charity and sports projects, and programs to promote a healthy lifestyle.

In 2019, we donated to several organizations in the hope of promoting physical exercise and healthy habits, as well as cultural activities in local communities. We also collaborated with associations that help the sick and people with different abilities.

In 2019, Aciturri renewed the agreement with the Hijas de la Caridad de San Vicente de Paul de Vera reception center, in Almería, whereby we committed to providing young people placed in the center with financial support to advance their academic training, including university studies, vocational training, and internships with us. More specifically, the 2019 budget included line items to cover tuition, accommodation, and meal expenses for one student who started vocational school, as well as 805 tutoring hours for the students who live in the center.

**ASBEM (BURGOS ASSOCIATION FOR MULTIPLE SCLEROSIS PATIENTS)**

**ASOCIACIÓN DE AMIGOS RAFAEL IZQUIERDO (LOCAL CULTURAL ASSOCIATION)**

**BURGOS ASSOCIATION FOR DOWN SYNDROME PATIENTS**

**CÁRITAS**

**CLUB BALONMANO MIRANDA (HANDBALL CLUB)**

**CLUB MIRANDÉS DE MONTAÑA (MOUNTAINEERING CLUB)**

**NATIONAL PARAPLEGIC HOSPITAL FOUNDATION FOR RESEARCH AND INTEGRATION**





# Development in the local communities

AT ACITURRI, WE WORK HARD **TO CREATE VALUE AND BRING STABILITY TO THE AREAS WHERE WE RUN OUR BUSINESS**

For starters, all our industrial facilities remain in the area where they were originally opened or incorporated into the society: Miranda de Ebro, since 1977; Tres Cantos and Boecillo, since 2008; Alcalá de Guadaira, since 2010; and Aciturri Getafe (previously Acatec), since 2019.

We also promote economic activity and job creation beyond our own business. Some examples are the following initiatives undertaken in Miranda de Ebro.

**ALL OUR INDUSTRIAL FACILITIES REMAIN IN THE AREA WHERE THEY WERE ORIGINALLY OPENED**





Development in the local communities



FUNDACIÓN INSTITUTO TÉCNICO INDUSTRIAL

This is a vocational school located in Miranda de Ebro offering intermediate and advanced training and courses on supply and demand.

The school opened under the sponsorship of the religious order Compañía de Jesús. However, in 1999 the order announced the center’s closure, which could have had devastating consequences in a town with such industrial tradition. We couldn’t let that happen, for this school was one of the main sources of professional qualification in industrial sectors, and the only one in the field of machining.

For this reason, Ginés Clemente, Aciturri’s CEO and president of the local Chamber of Commerce at the time, promoted a foundation of different enterprises (including Aciturri) which took it upon themselves to ensure the continuity of the school. This allowed to provide further formal education, while boosting training and services to companies.

Currently, the Instituto Técnico Industrial trains qualified professionals for the nearby businesses and is one of the educational references in the area. In addition, its staff was able to keep their jobs.

Recently, the center has expanded its offer with the creation of a Hospitality Management School, and the incorporation of vocational school intermediate and advanced modules.

MIRANDA DE EBRO TECHNOLOGY CENTER

The CTME is a technology center established in 1992 and funded by the nonprofit organization Fundación CTME.

This privately-managed foundation is made up of 40 companies based in or around Miranda de Ebro. Ginés Clemente, CEO and founder of Aciturri, is the president of the board of trustees, whose goal is to help nearby enterprises by increasing their competitiveness and technological development through R&D&I.

From Aciturri, we have promoted the implementation of one of our lines of business in the center—the aerospace industry. Today, it offers an extensive service portfolio for a sector that sells both in Spain and other European countries.





Development in the local communities

BEBOT

Since 2018 and together with Fundación Caja de Burgos and Fundación Galletas Coral, Aciturri has supported the Bebot educational project, set in Miranda de Ebro and aimed at promoting scientific and technological interests in children and young people.

It includes different activities; namely, a robotics program for 6-to-16-year-olds involving a project to participate in the *First Lego League* international competition, talks on scientific topics, and scholarships for local students, among others.

They have the support of eight employees from Aciturri, who voluntarily dedicate some hours of their weekend to taking part in the robotics workshops and guiding the work of the groups to prepare their project for the different stages of the *First Lego League* competition.

In 2019, there were two new additions: the *Science of Film\** series, aimed at both children and adults and led by scientists who support their speeches with films, and the 1st Science Fair of Miranda de Ebro, where more than 700 people gathered around the exhibition area and enjoyed different shows like *Clowntifics* or *BigVan Science*.

POLO POSITIVO

Polo Positivo is an industrial project accelerator aimed at promoting industrial entrepreneurship in Burgos and launched by two foundations—Fundación Caja de Burgos, and Fundación Tomás Pascual y Pilar Gómez-Cuétara—and three companies—Gonvarri, Grupo Antolín, and Aciturri.

The companies involved wanted to give back after the opportunity they received back in the day, which put them on the path to become major industry references. With that goal in mind, they developed three programs that cover a company’s full life cycle. IMÁN de ideas (MAGNET for ideas), IMPULSO pymes (BOOSTING SMEs) and I DESAFÍO industrial (1st Industrial CHALLENGE).

In 2019, the program issued a call for the I Desafío Industrial (industrial challenge) in search of real solutions for the challenges faced by the sector. Also, *IMÁN de ideas* led to the first project of entrepreneurial development in a rural setting, which resulted in the integration of a company using a new ornamental stone polishing technique.





Development in the local communities

FAMILY BUSINESSES IN THE CLASSROOM

In collaboration with the association Empresa Familiar and since 2018, Aciturri has been participating in the *Family Businesses in the Classroom* Program, a project aimed at strengthening the content related to companies and entrepreneurship included in the school curricula for the senior year in primary school and three different years in high school.

The program promotes the direct contact of students and teachers with family companies in order to learn about their values and their role and relevance in our economy and society, while also promoting an entrepreneurial spirit among young people.

In the 2019 edition, María Eugenia Clemente, shareholder of Aciturri, was involved in the activities carried out in the classrooms in the Sagrados Corazones school (Miranda de Ebro), and in the students' visits to the Aciturri plants in Miranda de Ebro.

NO SIGNIFICANT, NEGATIVE IMPACTS, WHETHER REAL OR POTENTIAL, HAVE BEEN IDENTIFIED IN LOCAL COMMUNITIES.







# Healthy lifestyle

In 2019, Aciturri introduced several initiatives to promote healthy living. The main ones are:

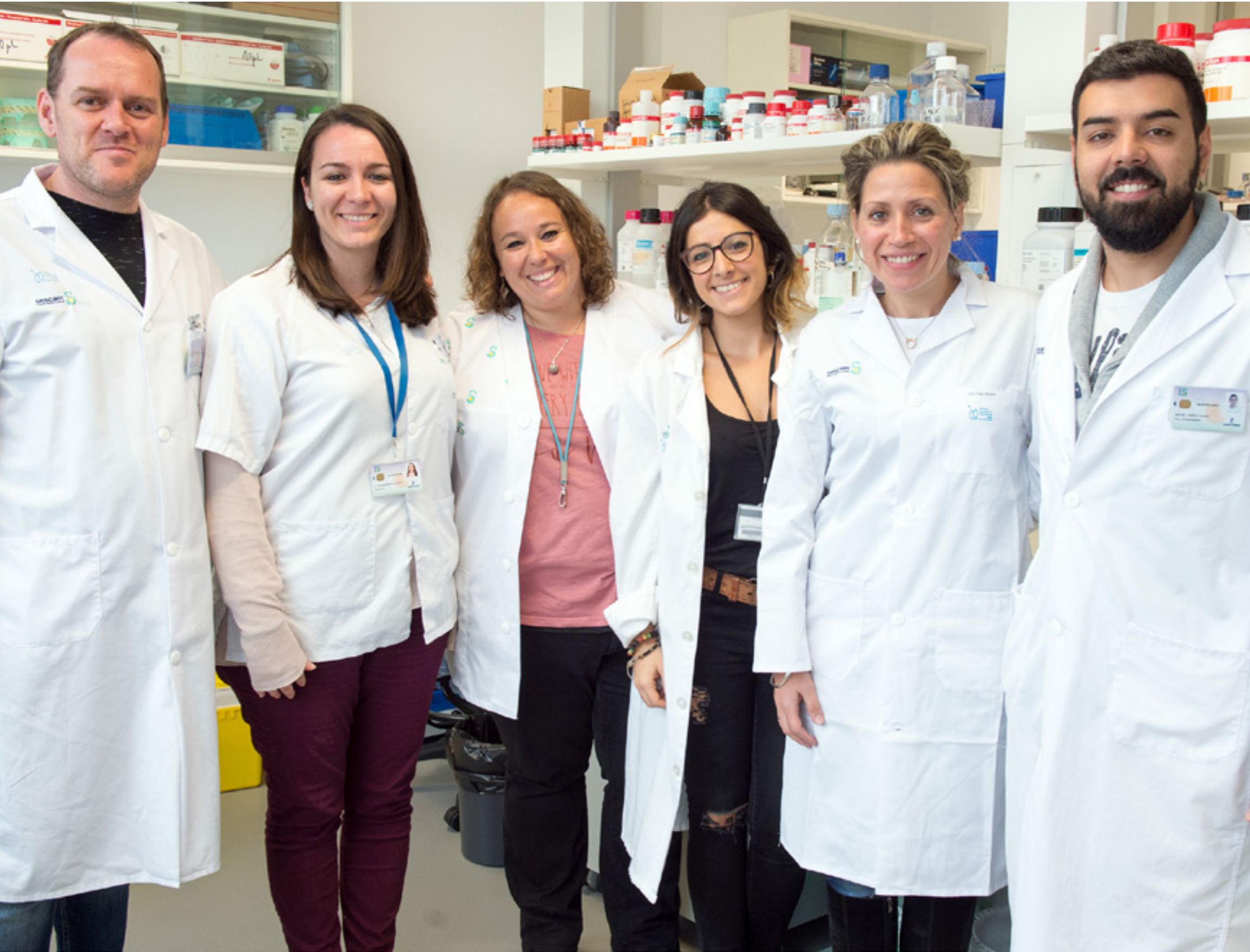
- > Sponsorship of Miranda de Ebro's **Mountain Run and the Cross-country Race** organized by the **Príncipe de España** school.
- > Sponsorship of the Miranda de Ebro's **Walk and Race in in support of multiple sclerosis patients**. Celebrated on World MS Day and organized by the association ASBEM, it aims to raise awareness of this condition and of amyotrophic lateral sclerosis (ALS).
- > Sponsorship of the **1st Walk in Miranda** in support of Fundación GIAFyS to purchase equipment for a gym for cancer patients.
- > Volunteering participation of Aciturri's employees in **Madrid's Company Race**.

## NATIONAL PARAPLEGIC HOSPITAL FOUNDATION FOR RESEARCH AND INTEGRATION

It is a nonprofit institution with different goals in mind; some of them are research, development and innovation (R&D&I), with a special focus on interdisciplinary aspects to share scientific knowledge with society, companies and entrepreneurs; and the use of the R&D&I results for products, processes and services, as well as for continuing professional development aimed at updating the knowledge necessary for economic and social development.

Aciturri's goal by collaborating with this foundation is to research and disseminate the work conducted by the Neuroimmune and Reparation Group, dedicated to the study of demyelination repair in various CNS (central nervous system) pathologies, especially MS.

Once again in 2019, two outreach activities about this condition took place in Miranda de Ebro, both open to the public.







# Cultural activities

## EBROVISIÓN

Once again, Aciturri renewed its collaboration agreement with the nonprofit Asociación de Amigos Rafael Izquierdo to help organize Ebrovisión—a renowned independent music festival held annually in Miranda de Ebro since 2001.

This is the second year in a row that the sponsorship supports the EBROEMERGENTES contest: a call to novice music bands which will be given the opportunity to play live in the festival next to more established musicians.



# Employability for people under 30

Aciturri collaborates with the Chamber of Commerce and Industry of Valladolid in the Comprehensive Training and Employability Program (PICE in Spanish), which includes a multi-action plan focused on orientation, training, internships and employability.

In 2019, 41 young people participated in these activities. In the last nine years, 120 participants have joined Aciturri’s workforce in Boecillo (18 of them in 2019).





# About this Report

ACITURRI'S 2019 SUSTAINABILITY REPORT IS **AN ACCOUNT OF OUR ECONOMIC, ENVIRONMENTAL AND SOCIAL PERFORMANCE** AND ITS RESULTS BETWEEN JANUARY 1 & DECEMBER 31, 2019. THIS IS THE THIRD ONE THAT HAS BEEN PUBLISHED, FOLLOWING THE ONES FROM 2017 AND 2018.







# About this Report

This report was drawn up in accordance with the GRI Standards, a key aspect to us. We also took into account at all times the provisions under Law 11/2018, of December 28, an amendment to the Code of Commerce. This revised text of the Capital Corporations Act was approved by Royal Legislative Decree 1/2010, of July 2, and Law 22/2015, of July 20, on accounts auditing regarding non-financial information and diversity.

This document on non-financial statements was included as a separate item on the agenda for its approval by the Board of Directors on April 7, 2020.

We are committed to publishing a Sustainability Report on an annual basis.

One of the most significant changes that took place during this reporting period was the acquisition of Aciturri Getafe, S.L.U. (formerly Acatec Aeroassembling, S.L.U.) in April 2019. This is 100% owned by Aciturri Aeronáutica, S.L.U. and included in the consolidated financial statements.

In addition, on July 30, 2019, 75.95% of the shares of Alestis Aerospace, S.L. by Aciturri Aeronáutica,

S.L.U. were made publicly available for trading to the companies of the Airbus Group and the Unicaja Group. The Sociedad Estatal de Participaciones Industriales (SEPI) is a Spanish state holding company that owns the remaining 24.05% of the registered capital of Alestis.

The entities included in this Sustainability Report are Aciturri Aeronáutica, S.L.U., Aciturri Aerostructures, S.L.U., Aciturri Engineering, S.L.U., Aciturri Assembly, S.A.U., Aciturri Aeroengines, S.L.U., Aciturri Additive Manufacturing, S.L.U., and Aciturri Getafe, S.L.U. As the parent company, Aciturri Aeronáutica wholly owns the others.

There are other companies linked to Aciturri Aeronautics; namely, Caetano Aeronautic, S.A., owned at 50% and run together with another partner; and Payload Aerospace S.L., owned at 14,06%. They are both independent organizations, so Aciturri doesn't intervene in their management. This is why this report includes no information about them, unless otherwise specified.

**THIS DOCUMENT ON NON-FINANCIAL STATEMENTS WAS INCLUDED AS A SEPARATE ITEM ON THE AGENDA FOR ITS APPROVAL BY THE BOARD OF DIRECTORS**





About this Report



Also, this document includes no information about Alestis Aerospace, S.L. because this company and Aciturri Aeronáutica, S.L.U. keep their own management and administration bodies—each company has its own Board of Directors. Therefore, Alestis Aerospace, S.L. Has its own independent report.

Nacho Fernandez, Head of Communications and CSR at Aciturri, is the contact person for questions about this document (Nacho.Fernandez@aciturri.com).

The contents of this report (and the previous ones presented by the company) have been selected based on the stakeholders’ principles of inclusion, sustainability context, materiality and thoroughness. We started compiling the content with two things in mind—the analyses the company had carried out among stakeholders, as well as their needs and expectations (dialogue model with these interest groups); and the commitments we took on as signatories of the United Nations Global Compact.

On this basis, a few members of the organization were selected to represent stakeholders in the 2017 report. The specific group was chosen on account of their ongoing dialogue with those same stakeholders. These people individually assessed the relevance of the economic, environmental and social impact of each of the topics proposed by the GRI Standards, and also how much influence these three aspects have on the stakeholders’ evaluations and decisions. The result of this analysis shaped Aciturri’s materiality matrix. This was reviewed prior to the preparation of this Sustainability Report and no necessary modifications were identified.

THE CONTENTS OF THIS REPORT ARE BASED ON THE STAKEHOLDERS’ PRINCIPLES OF INCLUSION, SUSTAINABILITY CONTEXT, MATERIALITY AND THOROUGHNESS

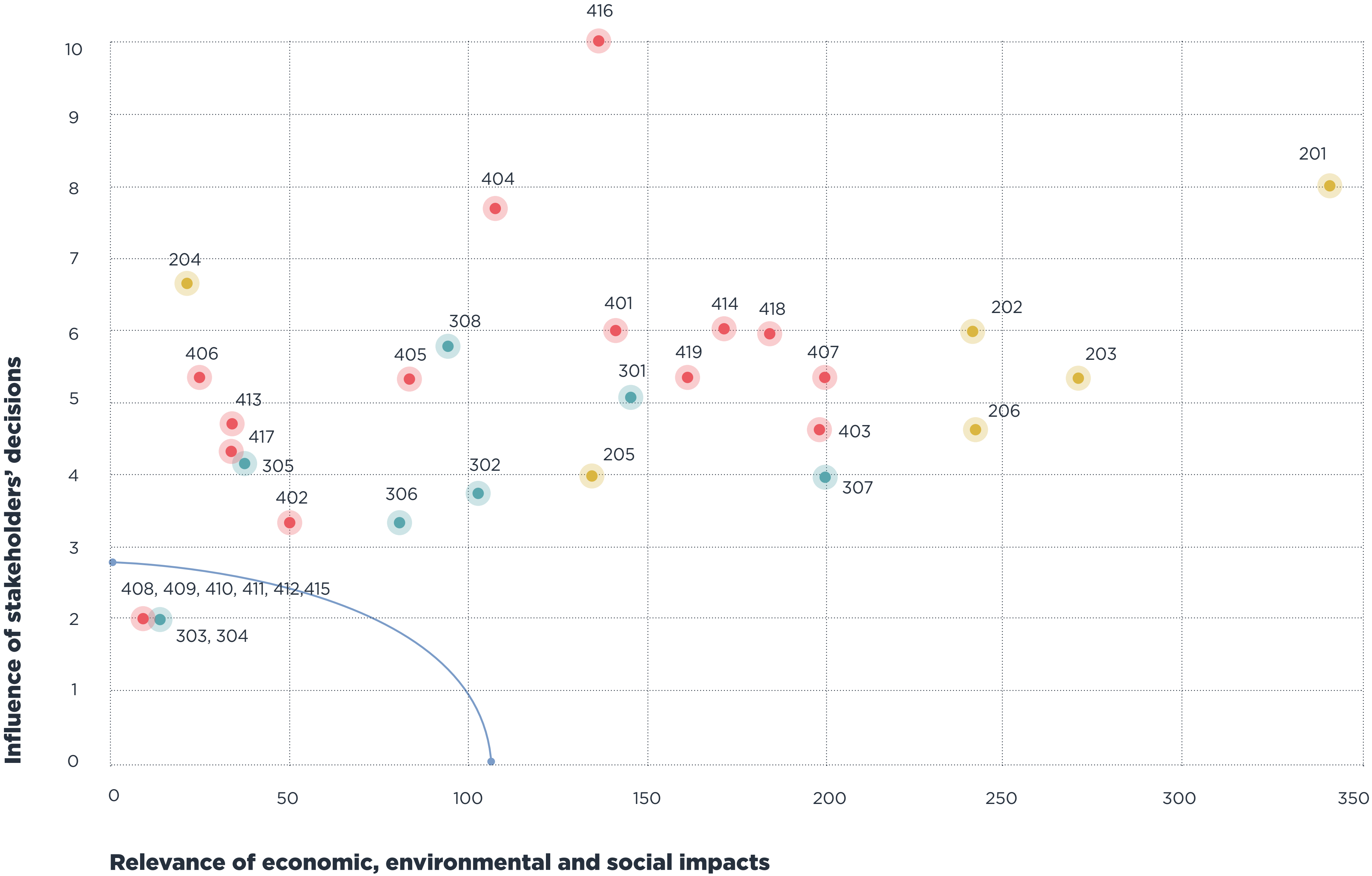




# Materiality Matrix

A third party independent from the company audited all contents required by Law 11/2018, of December 28, included in this sustainability report. However, the company’s management decided not to audit the contents related to GRI Standards (Global Reporting Initiative).

Material issues are located on the curve, plotted by mutual agreement between all the actors involved in the process. See table:



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- 202 Market presence
- 203 Indirect economic impacts
- 204 Procurement practices
- 205 Anti-corruption
- 206 Anti-competitive behavior

## ENVIRONMENTAL TOPICS

- 301 Materials
- 302 Energy
- 305 Emissions
- 306 Effluents and waste
- 307 Environmental compliance
- 308 Supplier environmental assessment

## SOCIAL TOPICS

- 401 Employment
- 402 Labor/Management relationships
- 403 Occupational health and safety
- 404 Training and education
- 405 Diversity and equal opportunity
- 406 Non-discrimination
- 407 Freedom of association and collective bargaining
- 413 Local communities
- 414 Supplier social assessment
- 416 Customer health and safety
- 417 Marketing and labeling
- 418 Customer privacy
- 419 Socioeconomic compliance





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102-4	Locations of operations	20
102-5	Ownership and legal form	9, 11, 146
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GRI 102: GENERAL DISCLOSURES (2016)

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60. This report includes no information on measures for consumer health and safety or complaint procedures at their disposal based on the fact that Aciturri's clients are not the end consumer.



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## GLOBAL COMPACT PRINCIPLE

## GRI INDICATORS

## PAGE

### PRINCIPLE 1 - HUMAN RIGHTS

Companies should respect and protect the internationally proclaimed basic human rights within their sphere of influence.

103-2-406, 103-2-407, 413-2

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### PRINCIPLE 2 - HUMAN RIGHTS

Companies should ensure their employees are not complicit in human rights violations.

414-1

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### PRINCIPLE 3 - LABOUR

Companies should support the freedom of association and the effective recognition of the right to collective bargaining.

102-41, 402-1, 407-1

61, 63, 43, 61

### PRINCIPLE 4 - LABOUR

Companies should support the elimination of all forms of forced or compulsory labor..

414-1, 103-1-414, 103-2-414, 103-3-414

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### PRINCIPLE 5 - LABOUR

Companies should support the elimination of child labor.

414-1, 103-1-414, 103-2-414, 103-3-414

43, 42





GLOBAL COMPACT PRINCIPLE

PRINCIPLE 6 - LABOUR

Companies should support the elimination of discriminatory practices in the workplace.

PRINCIPLE 7 - ENVIRONMENT

Companies should adopt a preventive approach to protect the environment.

PRINCIPLE 8 - ENVIRONMENT

Companies should endorse initiatives to promote greater environmental responsibility.

PRINCIPLE 9 - ENVIRONMENT

Companies should encourage the development and dissemination of environmentally-friendly technologies.

PRINCIPLE 10 - ANTI-CORRUPTION

Companies should work against corruption in all its forms, including blackmail and bribery.

GRI INDICATORS

102-8, 406-1, 103-1-406, 103-2-406, 103-3-406

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# 2019 SUSTAINABILITY report

[alestis.aero](https://alestis.aero)





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STATEMENT OF ALESTIS AEROSPACE, S.L.

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THE ENTITIES INCLUDED IN THIS REPORT ARE ALESTIS AEROSPACE, S.L., BASED IN SPAIN, AND THE AFFILIATED COMPANY ALESTIS DO BRASIL, INDUSTRIA AEROSPACIAL LTDA., LOCATED IN BRAZIL. THE TERM “ALESTIS” REFERS TO BOTH FIRMS, UNLESS OTHERWISE SPECIFIED. [102-45] ALESTIS DOESN’T ISSUE ITS OWN CONSOLIDATED FINANCIAL STATEMENTS, WHICH ARE INCLUDED IN THOSE OF ACITURRI AERONÁUTICA, S.L.U.<sup>61</sup>



61. In addition, on July 30, 2019, 75.95% of the shares of Alestis Aerospace, S.L. by Aciturri Aeronáutica, S.L.U. were made publicly available for trading to the companies of the Airbus Group and the Unicaja Group. The Sociedad Estatal de Participaciones Industriales (SEPI) is a Spanish state holding company that owns the remaining 24.05% of the registered capital of Alestis.

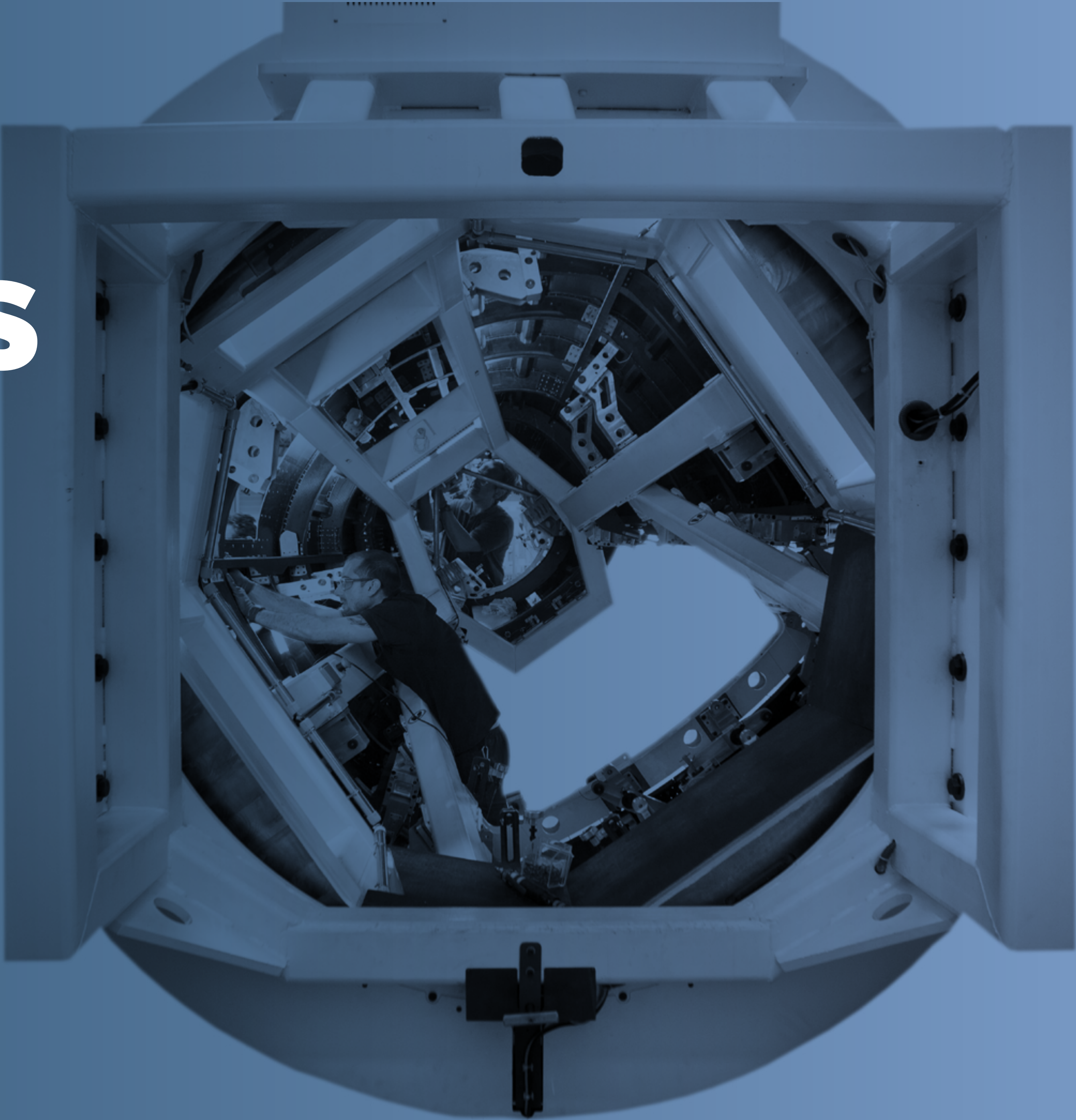


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# Business model

WITH A LEAN BUSINESS MANAGEMENT  
MODEL AND THROUGH THE USE OF A ROBUST  
PLANNING METHODOLOGY, ALESTIS DEFINES  
**THE LONG-TERM STRATEGIC OBJECTIVES**  
**WITH ANNUAL ACTION PLANS** THAT ARE  
IMPLEMENTED AT ALL LEVELS OF THE COMPANY.





>

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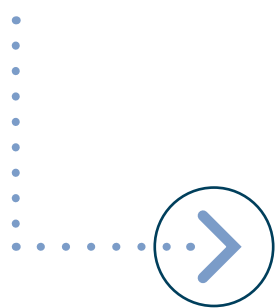
# Business model

Alestis designs, manufactures, and assembles ae-rostructures and provides related services for the main OEMs (Original Equipment Manufacturer) worldwide in the aeronautical industry, in which it is considered a Tier 1 supplier.

**It is the leading firm in the engineering and ma-nufacturing technologies of composite mate-rials.**

Alestis’s **business model** is responsible, capable of inspiring trust in customers, investors, emplo-yees, partners, and society as a whole, and it is integrated within the aeronautical industry, with which it shares its future business expectations.

To promote this model, the company has annual operational plans—approved and followed by the Board of Directors with a three to five-year vision towards the future—which together with their stra-tegic objectives, make up the firm’s annual prio-rities. In 2019, Alestis’s strategic objectives were based on five main pillars:



## STRATEGIC OBJECTIVES 2019-2021

GROWTH IN TURNOVER	>	Growth in the <b>2024 company’s turnover up to €400m</b> , preferably in full-cycle aerostructures and diversification of clients and activities.
CASH GENERATION AND ECONOMIC PROFITABILITY	>	<b>To guarantee in 2021</b> a free cash flow of €30m and a ROS of 10%.
DIGITALIZATION	>	The <b>Alestis 4.0 digitization model</b> by 2021
DEVELOPMENT AND COMMITMENT OF THE TEAM	>	A <b>high motivated and committed staff</b> by 2021, fostering managerial, technical and leadership skills.
EXCELLENCE	>	To achieve <b>excellence in the complete product cycle</b> by 2021: Development, operations and internal management processes.



Business model

Taking these as a base, the Hoshin Kanri planning tool is used to set objectives, priorities, and action plans for the current year at all levels of the company. By using this systematic planning methodology, it is easier to align the annual objectives and their corresponding implementation in each department with the strategic objectives defined for the 2019-2021 period.

These objectives are replicated at all levels of the company, which also share a Lean Business Management model. This way, the entire organization cooperates to meet the long-term strategic objectives and implement the short-term management plan.

The management and regular follow-ups of these operational plans are led by the General Management, supported by its Steering Committee.

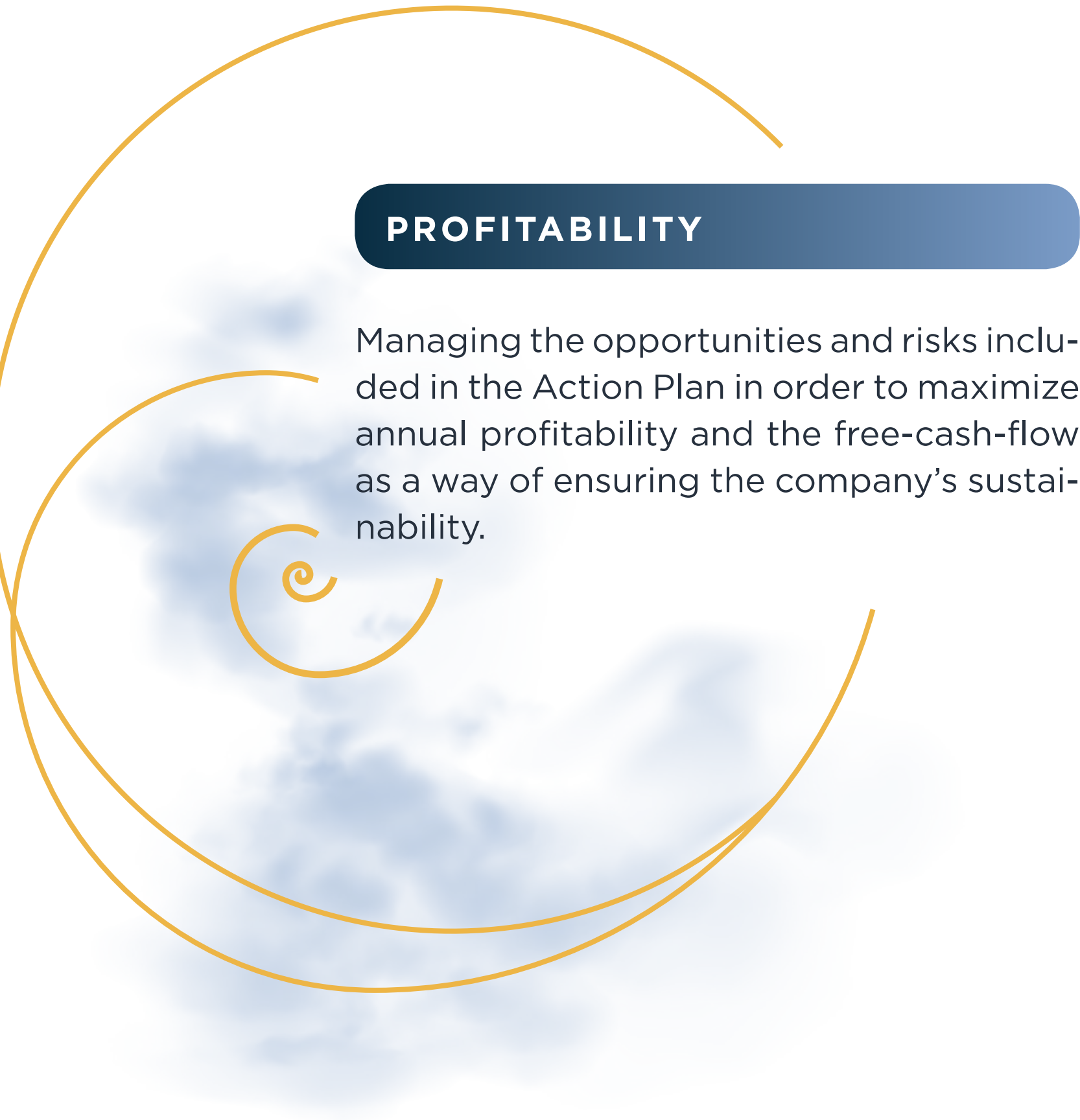
HOSHIN KANRI PLANNING TOOL  
IS USED TO SET OBJECTIVES,  
PRIORITIES, AND ACTION PLANS  
FOR THE CURRENT YEAR AT ALL  
LEVELS OF THE COMPANY







PRIORITIES  
2019



PROFITABILITY

Managing the opportunities and risks included in the Action Plan in order to maximize annual profitability and the free-cash-flow as a way of ensuring the company’s sustainability.

- PROCESSES

>

Promoting the standardization and optimization by means of processes and continuous improvement with the AMES strategy to achieve excellence with our Management System.
- CREATE VALUE

>

Creating value to exceed customer expectations and honor our commitments to help Alestis grow and thrive in the long term.
- INNOVATION

>

Promoting innovation and technological development programs to expand our product and service portfolio. Implementing state-of-the-art technology in our processes as a tool for commercial positioning.
- DIGITALIZATION

>

Meeting all the company’s digital agenda to evolve towards the ALESTIS 4.0 MODEL.
- TALENT

>

Harnessing the talent and fostering the development of the team by offering the necessary tools to successfully perform their functions.
- COMMITMENT

>

Encouraging programs that maintain an optimal work environment and increase the team’s satisfaction and commitment.



Business model

The goals for the 2019-2021 period are linked to cash generation and economic profitability, digitalization, development and commitment of the team, excellence, and growth in turnover. Each of them is explained in the corresponding section.

This business model is strengthened by three **key processes**:

- > **AMES**, a management excellence program that stands for Alestis Management Excellence System.
- > The effective and stable **COMPLIANCE SYSTEM**, based on the Code of Ethics (or Alestis Code) and developed through conduct procedures related to issues such as crime prevention, conflicts of interest, giving and receiving gifts, or training.
- > **THE ENTERPRISE RISK MANAGEMENT SYSTEM (ERM).**

THE ALESTIS BUSINESS MODEL  
IS STRENGTHENED BY THREE  
KEY PROCESSES





Business model



The **Alestis Code** contains the lines of action followed by all the people who make up the company, and that govern their internal and external relations with the different stakeholders. It is the reference and support guide for the daily decision-making.

This document is based on the balance between the results and the way they are achieved and gives the same importance to both factors. It applies to all members of the organization, regardless of their location or role.

Alestis has a management system certified under the ISO 9001, EN9100 and POA Part 21 Subpart G standards, as well as the following certified processes: Nadcap Chemical Process (Alesti do Brasil, Vitoria, San Pablo, Aerópolis, Puerto Real, and Tecnobahía), Nadcap Composites (Alestis do Brasil, San Pablo, and Tecnobahía), Nadcap Non-Destructive Testing (Alestis do Brasil, Vitoria, San Pablo, and Tecnobahía), Nadcap Heat Treatment (Vitoria), Nadcap Welding (Vitoria), and Nadcap Measurement & Inspection (Vitoria, and San Pablo). In addition, there are over 550 certifications for each client’s specific processes.

In December 2019, Alestis adheres to the **Manifiesto por la innovación en España**, a manifesto for innovation promoted by the Asociación para el Progreso de la Dirección (association for the advancement of management). Its goal is to promote innovation urgently within an inclusive and sustainable environment as an engine of competitiveness in Spain. This commitment is established in accordance with the ten basic principles contained in the above-mentioned manifesto.

**Goal for the 2019-2021 period:** Reach the ALESTIS 4.0 digitalization model defined in the Digital Bluebook by 2021.

**ALESTIS ADHERES TO THE MANIFESTO FOR INNOVATION IN SPAIN TO PROMOTE IT AS AN ENGINE OF COMPETITIVENESS.**

GOAL  
2019-2021

DIGITALIZATION

TO REACH THE ALESTIS 4.0  
DIGITALIZATION MODEL





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# Representative Bodies

VALUE CREATION FOR **CLIENTS, EMPLOYEES AND SHAREHOLDERS** IS ALESTIS'S WORK FOUNDATION AS A GUARANTEE OF SUSTAINABILITY.





>

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# Board

of  
Directors

Alestis’s Board of Directors consists of a six-member Board of Directors appointed by the partners and highly committed to strengthening a business activity based on values, principles, criteria, and attitudes that create value for their partners and promote the well-being of their employees, the excellent service provided to their clients, the compliance with the laws, and the ethical commitment to society in general.

75.95%

ACITURRI

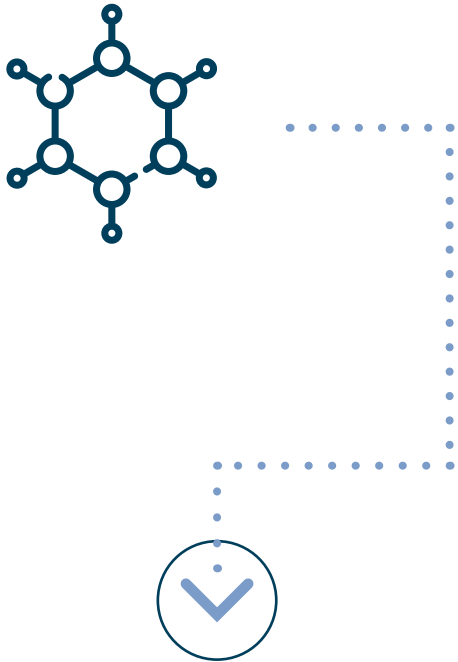
4 REPRESENTATIVES

24.05%

SEPI\*

2 REPRESENTATIVES

\*Sociedad Estatal de Participaciones Industriales, a Spanish state holding company



- [
- SEBASTIÁN ARIAS TOBALINA

ROBERTO REY PERALES

FELIPE GALÁN GARCÍA

JAVIER GONZÁLEZ DE LARA Y SARRIA
- ]

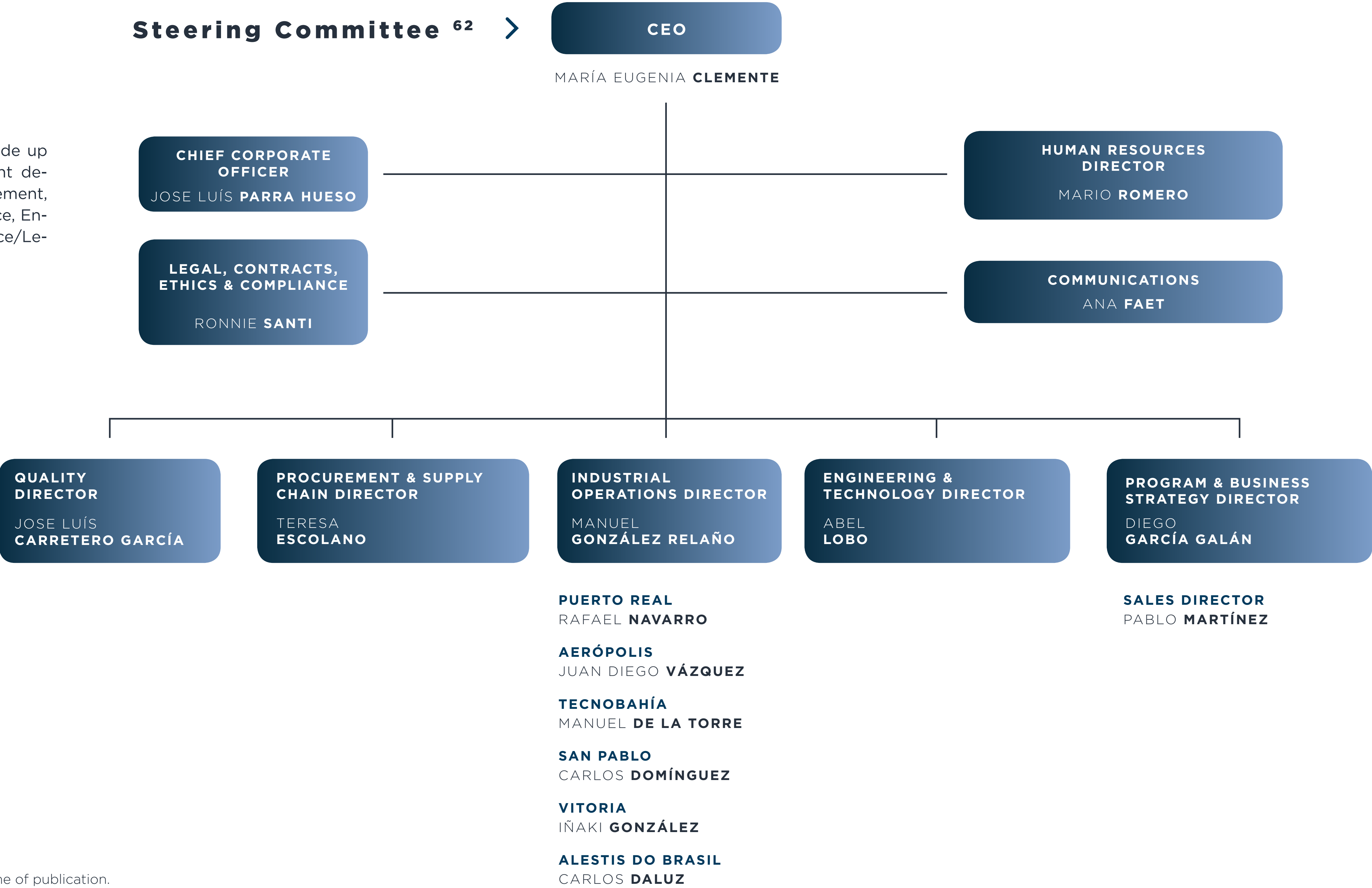
- [
- MIGUEL ÁNGEL SANTIAGO MESA

ROSARIO MARTÍNEZ MANZANEDO
- ]



Representative  
Bodies

The **Steering Committee** is made up of executives from the different departments: Operations, Procurement, Programs, HR, Quality Assurance, Engineering, Corporate, Compliance/Legal, and Excellence Systems.



62. Organization chart effective at time of publication.



>

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# Mission, Vision & Values<sup>63</sup>



## MISSION

“WE PROVIDE **COMPREHENSIVE AND INNOVATIVE SOLUTIONS** IN THE AEROSTRUCTURES MARKET, GENERATING ADDED VALUE TO OUR CUSTOMERS THROUGH THE TALENT OF OUR TEAM AND THE DOMAIN OF ADVANCED TECHNOLOGIES.”



## VISION

“TO BE **STRATEGIC PARTNERS** OF THE MAIN AEROSPACE MANUFACTURERS AND RECOGNIZED AS A SUSTAINABLE AND RESPONSIBLE COMPANY.”



63. This Mission, vision and values are those in force at the time this report was published. They were updated in December 2019 and officially published on January 15, 2020.



Mission, Vision & Values



> VALUES

> RESPONSIBILITY

“RESPONSIBILITY, OUR WAY OF ACTING”.

Aware of the impact of our actions, we develop activities that strengthen the sustainability of the Company and the environment.

> VALUE CREATION

“WE FOCUS OUR PERFORMANCE ON THE PROFITABILITY OF THE COMPANY”.

We are focused on value creation for our clients, employees and shareholders as a guarantee of sustainability.

> INNOVATION

“WE INNOVATE, BUILDING THE FUTURE”.

We combine creativity and technological knowledge to generate value, offering remarkable and advanced solutions.

> COMMITMENT

“OUR SUCCESS IS THE RESULT OF OUR COMMITMENT”.

We do our best to reach our goals.

> EXCELLENCE

“EXCELLENCE IS THE ENGINE THAT DRIVES US”.

Our ability to overcome drives us to challenge ourselves each day to obtain outstanding results as a team.

> ENTHUSIASM

“IT IS THE ATTITUDE WITH WHICH WE FACE CHALLENGES”.

We put our heart in what we do, we are a company with its own personality, our motivation and enthusiasm makes us unique.



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# Global Footprint

ALESTIS AEROSPACE **DESIGNS, MANUFACTURES, AND ASSEMBLES** AEROSTRUCTURES FOR THE MAIN OEMs WORLDWIDE IN THE AERONAUTICAL INDUSTRY.

CONSIDERED **A TIER 1 SUPPLIER**, IT IS THE LEADING FIRM IN THE ENGINEERING AND MANUFACTURING TECHNOLOGIES OF COMPOSITE MATERIALS.





# We are here

Alestis is a Spanish limited liability company based in Spain, the country where most of its operations take place. Among its consolidated financial statements is Alestis do Brasil, a company located in Brazil.

1

HEADQUARTERS

Parque Tecnológico y Aeronáutico de Andalucía, Centro de Empresas Aerópolis, C/ Ingeniero Rafael Rubio Elola nº1, La Rinconada (Sevilla).

2

GETAFE

Pq. Empresarial La Carpetanía, C/ Miguel Faraday, Edificio Charmex, Getafe (Madrid)

3

AERÓPOLIS

Parque Tecnológico y Aeronáutico de Andalucía, C/ Calbraith P. Rodgers nº2-4. La Rinconada (Sevilla).

4

SAN PABLO

Carretera Nacional IV, Km. 531, La Rinconada (Sevilla).

5

PUERTO REAL

Polígono Industrial Trocadero, C/ Portugal s/n., Puerto Real (Cádiz).

6

TECNOBAHÍA

Parque Tecnológico Tecnobahía, Avda. Sindicalista Isidoro Gálvez s/n Parcela 39-40-41, Puerto de Santa María (Cádiz).

7

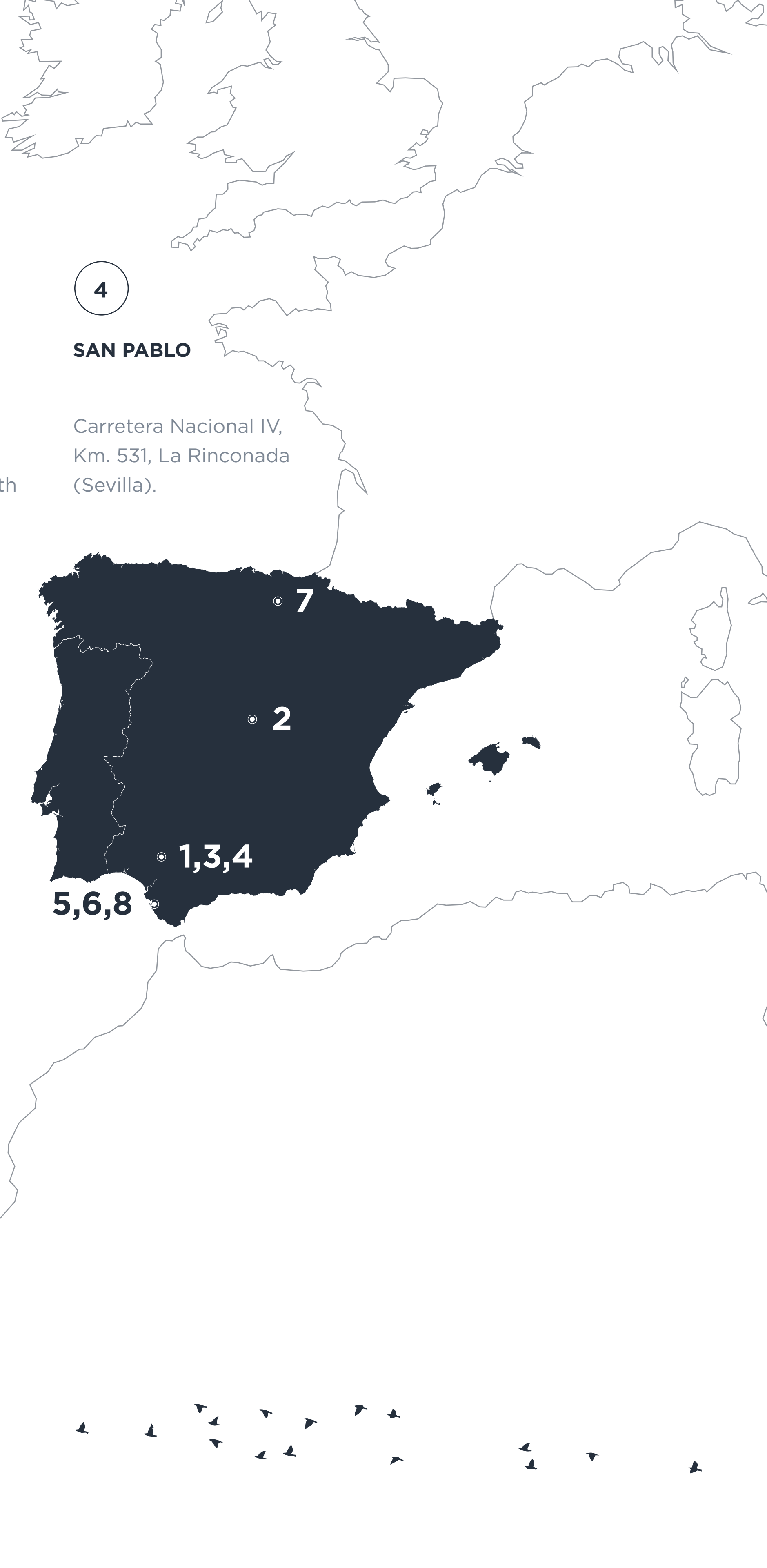
VITORIA

Parque Tecnológico de Álava, C/ Marie Curie 2, Miñano (Álava).

8

HUB

Edificio Antigua Tabacalera, Ronda de vigilancia s/n, Zona Franca, Cádiz.





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We are  
here



1

ALESTIS SPAIN

Headquarters  
Getafe  
Aerópolis  
San Pablo  
Puerto Real  
Tecnobahía  
Vitoria  
Hub

2

ALESTIS DO BRASIL

Av. Brigadeiro Faria Lima, 1.699 – Jardim da  
Granja,  
São José dos Campos – SP,12227-010, Brasil

3

ALESTIS NORTH  
AMERICA

Columbia Tower, 701 5th Ave, Seattle,  
WA 98104, USA<sup>64</sup>

64. It is a representative office, without any industrial activity.



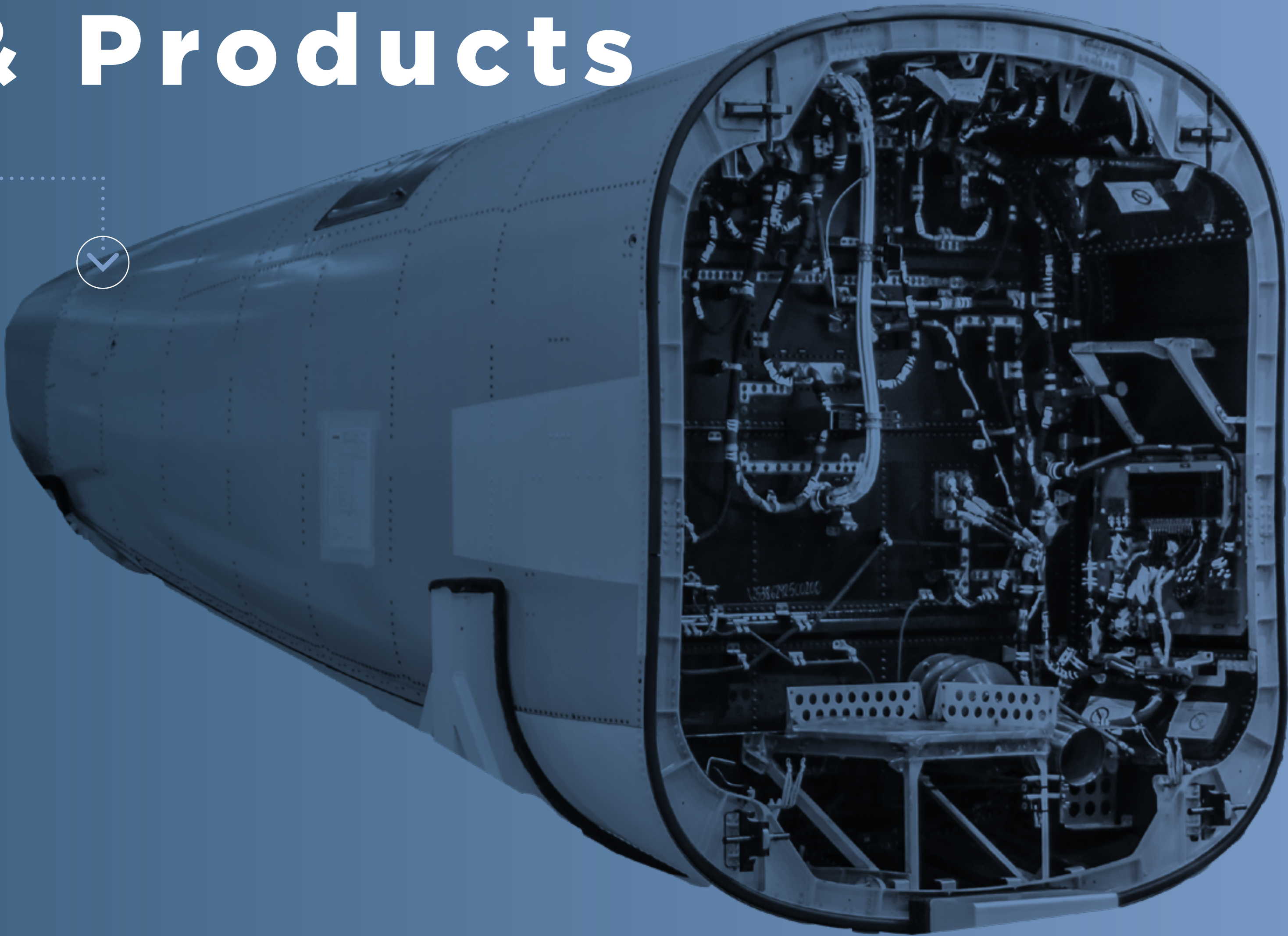


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# Key Customers & Products

ALESTIS PROVIDES **COMPREHENSIVE AND INNOVATIVE SOLUTIONS** TO THE AEROSTRUCTURES MARKET THROUGH OUR MASTERY OF ADVANCED MANUFACTURING TECHNOLOGIES OF COMPOSITE MATERIALS AND PROMOTING INNOVATION AS A KEY FACTOR OF COMPETITIVENESS





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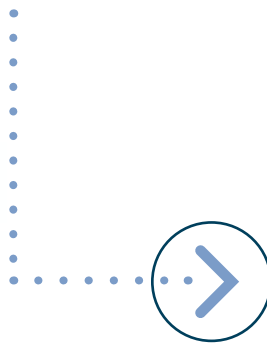


# Customers

At Alestis, our customers are the company’s raison d’être. Meeting their needs and expectations, and earning their trust is the organization’s ultimate goal. To make this possible, Alestis seeks to achieve the highest levels of credibility and reliability in the delivery of all our products and services.

It is an organization that strives for continuous improvement and excellence as a way of working, and that promotes innovation as a key competitiveness factor.

Alestis’s main clients are:



AIRBUS

AIRBUS  
DEFENCE & SPACE



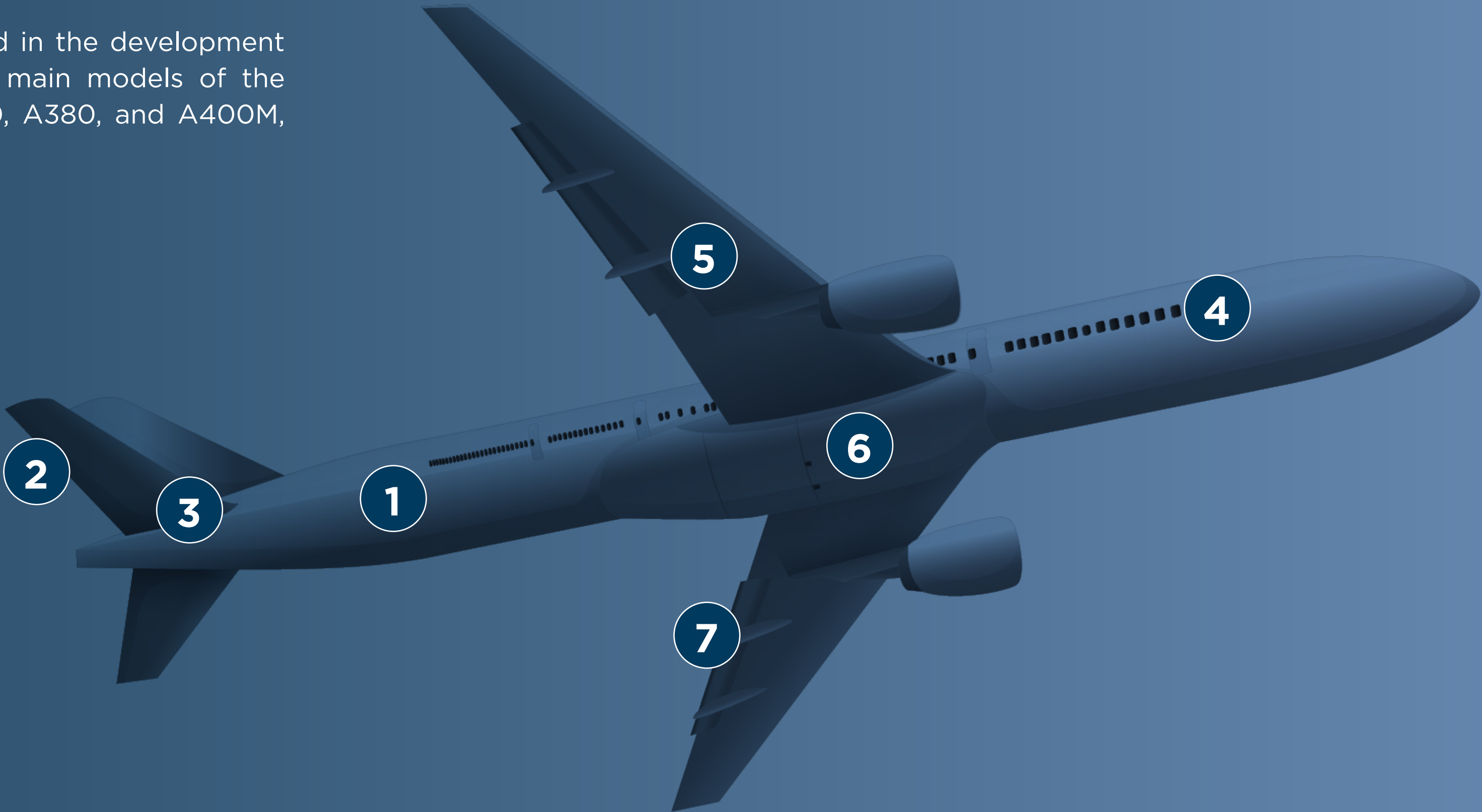




# Products

This is how we are involved in the development and manufacturing of the main models of the market—A320, A330, A350, A380, and A400M, among others.

Alestis’s main products are:



1

## FUSELAGES

A350 XWB TAIL CONE  
C295 AFT FUSELAGE

2

## CONTROL SURFACES

A400M ELEVATOR  
C295 ELEVATOR & RUDDER  
EMBRAER PHENOM

3

## EMPENNAGES

A320 HTP  
A330 HTP RIBS  
C295 VTPA  
EMBRAER PHENOM  
B787 TIPS & STRAKELET

4

## DOORS

A330 PAX DOORS  
A330 FRONT PASSENGER DOOR  
A380 MAIN LANDING GEAR DOORS

5

## WING

E190 / E195 WING STUB  
E190 / E195 WING TIP

6

## FAIRINGS & NACELLES

A350 XWB BELLY FAIRING  
A380 BELLY FAIRING  
A400M COWLING  
A400M WING TO FUSELAGE FAIRINGS

7

## MOVABLES

B777 FLAPS Y AILERON  
C295 FLAPS



Key Customers & Products



Figures

2019 TURNOVER

€291m

IN 2019

788 AIRCRAFTS

RECEIVED PARTS MADE BY ALESTIS

108 A350 BF

108 A350 S19.1

341 A320 HTP

37 PAX DOORS

48 A330 HTP PARTS

5 A380 BF

5 A380 MLGD

50 B777 FLAPPERON

59 B787 TIPS/STRAKELET

6 ERJ190 WING STUB / WINGLET

11 C295 FUSELAGE REAR

10 C295 REAR EMPENNAGE



Goals  
2019-2021



GROWTH IN TURNOVER

GROWTH IN THE 2024 COMPANY’S TURNOVER  
UP TO €400m, PREFERABLY IN FULL-CYCLE  
AEROSTRUCTURES AND DIVERSIFICATION OF  
CLIENTS AND ACTIVITIES.



EXCELLENCE

TO ACHIEVE EXCELLENCE IN THE COMPLETE  
PRODUCT CYCLE BY 2021: DEVELOPMENT,  
OPERATIONS AND INTERNAL MANAGEMENT  
PROCESSES.



>

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# Results

The aeronautical industry is a sector in continuous technological progress whose future estimates are, all in all, satisfactory. There is no doubt about the upward trend in the market: the increasing number of passengers leads to the need for more aircraft. One example is the high demand for A320neo jet-airliners, which are being produced in substantial numbers. Equally important is the demand for the A350 XWB model, with stable order rates, and the same goes for its American counterpart, the Boeing 787 Dreamliner.

However, the industry is currently going through a difficult time and faces a slowdown that will have short- and medium-term consequences.

Some of the causes that are impacting on an already uncertain sector right now are the standstill in production of the A380 model, the high costs of the A400M military aircraft, and the setbacks in the Boeing 737 MAX, which has forced the American manufacturer to halt production. Although indirectly, these circumstances in the aeronautical programs have a significant impact on their supply companies such as Alestis. As a result, the large manufacturers' reaction is to adjust their capacity. On the one hand, by announcing a significant number of redundancies; on the other, by taking on tasks that were previously outsourced in an attempt to minimize those redundancies. The latter trend has a direct impact on the activity of these supply companies.

THE HIGH DEMAND FOR  
A320NEO JET-AIRLINERS,  
WHICH ARE BEING PRODUCED IN  
SUBSTANTIAL NUMBERS

THE DEMAND FOR THE A350  
XWB, WITH STABLE ORDER  
RATES, AND THE SAME  
GOES FOR ITS AMERICAN  
COUNTERPART, THE B787  
DREAMLINER

Against this backdrop, the result of the tax year 2019, amounting to -€3.35m, includes the registered decline of the investments held in the Brazilian affiliated company Alestis do Brasil, Industria Aerospacial Ltda., which amounts to -€2.29m. Therefore, it can be said that, based on the tax year 2019 for Alestis, -€1.06m came from Spain and -€2.29m from Brazil.

In 2019, net sales amounted to 291.4m, with the total assets of the company at €384.670m. The total capitalization of the company is €277.1m: €34.3m corresponds to net worth, and €242.7m to financial debt.



Results

During the fiscal year 2019, Alestis paid €1m to the Spanish Tax Authorities on account of the Corporate Income Tax and deductions for this tax. Its Brazilian affiliated company did not pay anything under income taxes. For its part, Alestis received €694,000 from the Spanish Tax Authorities in monetization of R&D deductions recognized in the Corporate Income Tax for the financial year 2017, plus a €2,000 refund for the same tax for the fiscal year 2018.

During the financial year 2019, Alestis did not receive any public capital or operating subsidies.

Between 2012 and 2014, Alestis was involved in bankruptcy proceedings, which resulted in a 5-year Feasibility Plan which set the debt repayment deadline for 2034. So far, the company has fulfilled its commitments to the creditors.

Goals  
2019-2021



CASH GENERATION AND  
ECONOMIC PROFITABILITY

TO GUARANTEE IN 2021  
A FREE CASH FLOW OF €30m  
&  
A ROS OF 10%





# Supply Chain

ALESTIS HAS AN **AUDIT PLAN FOR SUPPLIERS** AND CARRIES OUT AN ASSESSMENT TO ENSURE INDUSTRIAL STRENGTH AND PROMOTE THE DEVELOPMENT AND IMPROVEMENT OF ITS SUPPLY CHAIN PERFORMANCE.







# Supply Chain

ALESTIS RECEIVES MATERIALS AND SERVICES FROM THE **AERONAUTICAL INDUSTRY MAJOR SUPPLIERS**. THEY ARE LOCATED ALL AROUND THE WORLD, BUT THE MAIN PROVIDERS ARE BASED IN CHINA, THE UNITED STATES, BRAZIL, JAPAN, AND THE EUROPEAN UNION.

## 52% OF SUPPLIER SPENDING GOES TO SUPPLIERS AND SUBCONTRACTORS LOCATED IN SPAIN

The **Purchases Policy** in effect when this document was published, which is applicable to both products and services, establishes lines of action to consolidate a stable and long-lasting relationship with suppliers, which are also aligned with the company’s plan to generate value on a sustained basis.

Alestis strives to find suppliers who share its ethical values and can prove it, particularly all aspects related to respecting human rights, health and safety in the workplace, the environment and sustainability principles. Such standards must work together with the application of current legislation applicable in each case.

Thus, as a leading company, Alestis has included a mandatory clause in its supply chain contracts imposing respect for the Universal Declaration of Human Rights and the provisions of the International Labor Organization, with regard to the fight against all forced and compulsory labor, harsh or inhuman treatment of workers, the effective abolition of child labor, regularized employment, and non-discrimination practices.

As for occupational safety and health conditions, providers are required to have a safe and healthy work environment in order to minimize risks, provide their staff with PPEs, etc.

Likewise, suppliers and subcontractors must also establish and enforce clear rules regarding environmental regulations and waste management, emission treatment, discharges, and handling and disposal of chemicals and hazardous materials.

## ALESTIS REQUIRES ITS SUPPLIERS TO MAKE EXPRESS COMMITMENTS TO FIGHT CORRUPTION AND IMPLEMENT SPECIFIC COMPLIANCE PROGRAMS

Similarly, Alestis requires its suppliers to make explicit commitments to combat corruption and to implement specific compliance programs in accordance with the United Nations Convention against Corruption.

All contracts entered into by Alestis include the following clause: *“Both Parties declare that, in all matters relating to this Agreement, they have acted and will continue to act during the term of this Agreement in accordance with internationally accepted ethical and business integrity standards, including the Universal Declaration of Human Rights, and provisions of the International Labor Organization or the United Nations Convention against Corruption. The Supplier declares to be aware of and agrees to comply with and to have*



Supply Chain



*its management, employees, subcontractors, and other individuals or entities reasonably under its control comply with the content and scope of the current and updated Alestis’s Code of Ethics at any time, available through the company’s website.”*

The **supplier selection and contracting procedure** sets out the guidelines to be followed at all times, ensuring that each new purchase or hire is carried out on fair and equitable criteria, with equal information for all suppliers.

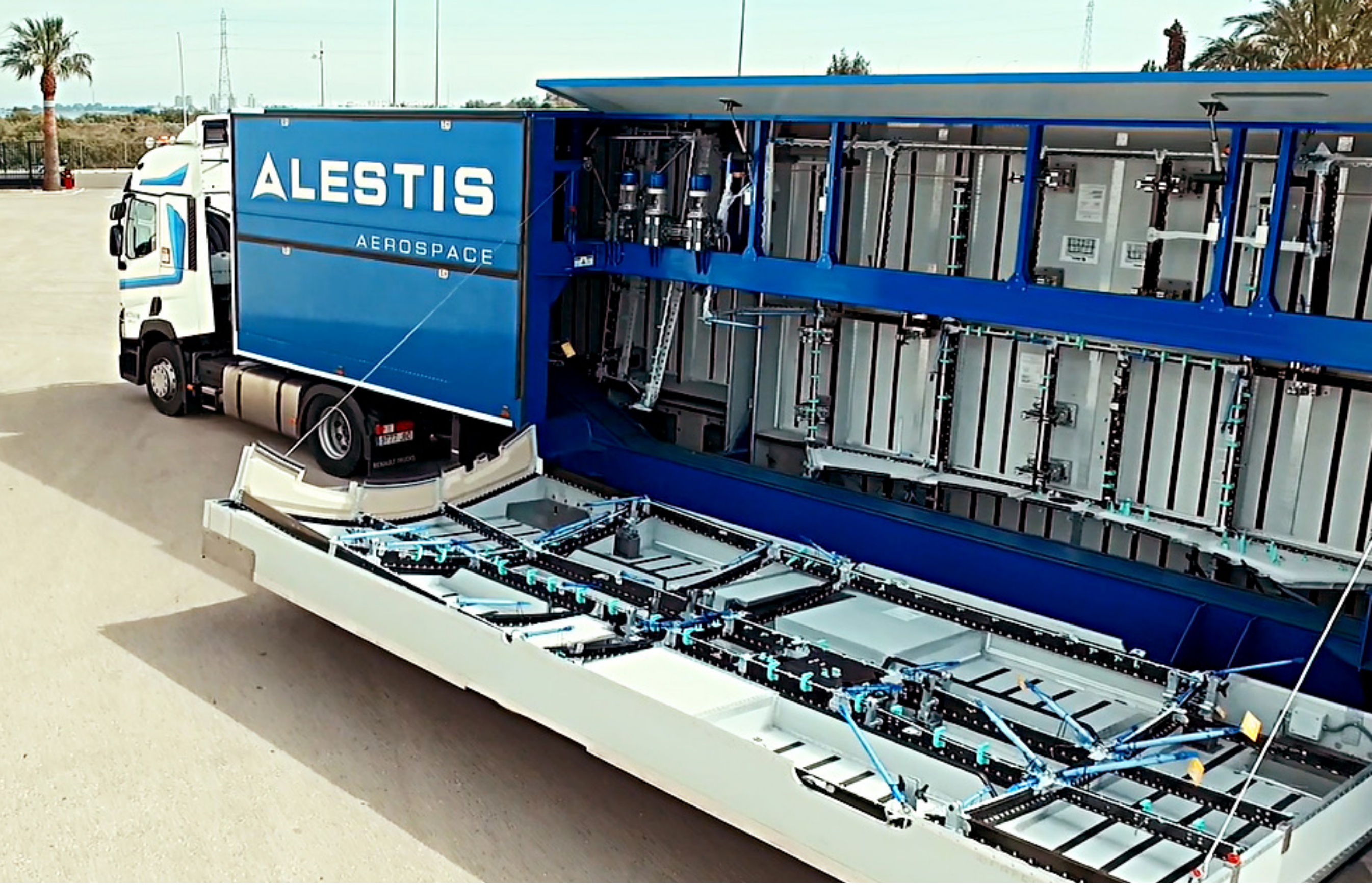
Also, the **procedure to evaluate, approve, and on-board suppliers**, applied to all suppliers of airworthy materials, raw materials, standard and auxiliary services, and those carrying out subcontracted operations that affect the quality of the product, establishes the criteria to assess the suppliers, which can be through documentation or through an actual visit. The on-boarding consists of several stages, which include the preparation by the supplier of a Quality Plan, a Special Adaptation Plan based on the evaluation, or a Set-up

Action Plan if deviations are identified.

Alestis assesses suppliers in order to ensure that they comply with the company’s policy and goals, that their industrial process is robust enough, and that orders meet the quality requirements and are delivered on time. All this is framed by continuous improvement and development, following the expectations and strategies set by Alestis. We analyze the fulfillment of delivery times, quality, annual turnover, load and capacity, risks, and other issues of interest to Alestis.

Every year, the Procurement and Supply Chain Department draws up a **Supplier Audit Plan** which includes the following suppliers: those with a high impact on customers; those defined by our business strategy; those who are high risk; those who exceed the previously established business impact threshold; and those new and old that have not been audited for three years.

A total of 19 planned audits were carried out in 2019, and all of them had a positive result (of the





Supply Chain



four existing levels, they ranked either A or B). Ratings ranged from 62% to 96% of the total score.

These actions led to significant improvements in the main indicators that show our suppliers’ performance: OTD (on-time deliveries) in a one-year period, compared to total deliveries in the same year; and R1, number of non-conformity parts in a one-year period, compared to total deliveries in the same year, per million.

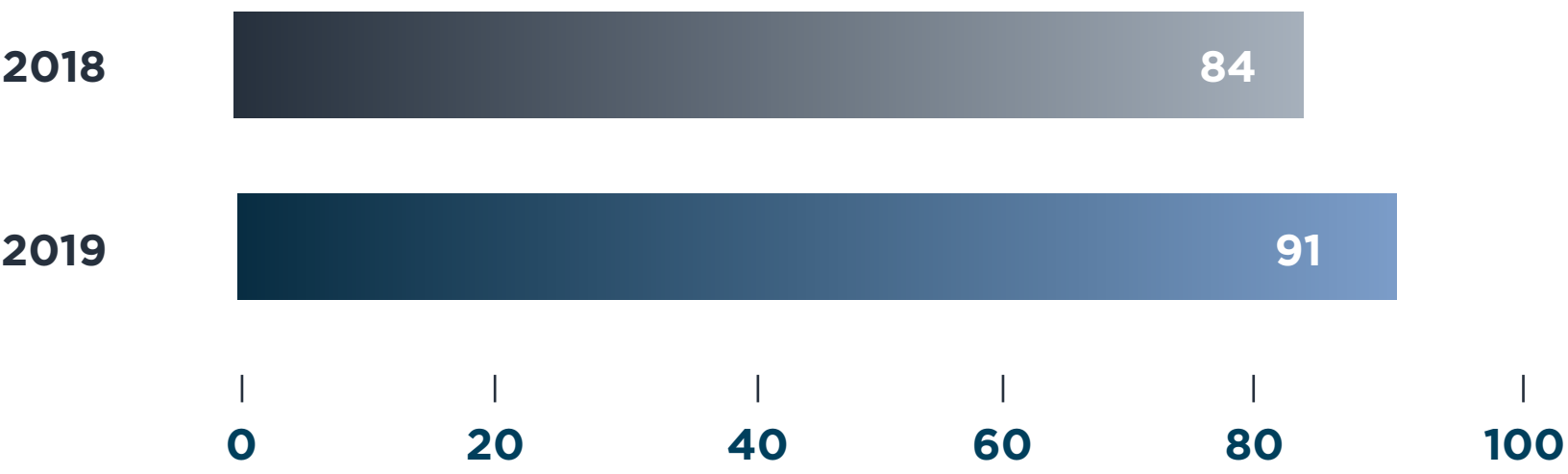
The Ethics & Compliance Management is developing a new procedure for the recruitment of intermediaries or facilitators for the negotiation or sale of products, which is subjected to a strict due diligence and approval process.

We also established an Export Compliance procedure aimed at identifying the countries where purchases or subcontracting are not permitted (countries with international sanctions) in application of Alestis’s principle of responsibility and its commitment to human rights compliance.

WE ALSO ESTABLISHED  
AN EXPORT COMPLIANCE  
PROCEDURE AIMED AT  
IDENTIFYING THE COUNTRIES  
WHERE PURCHASES OR  
SUBCONTRACTING ARE NOT  
PERMITTED

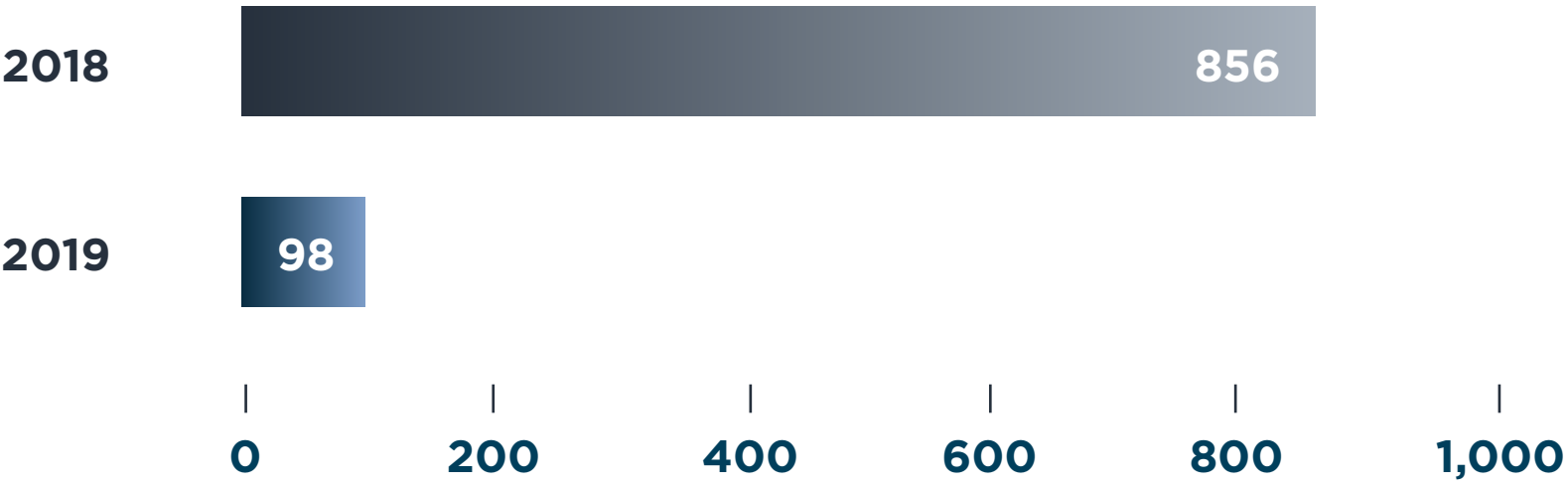
OTD PROGRESSION 2018/2019

On-time deliveries in a one-year period, compared to total deliveries in the same year (%)



R1 PROGRESSION 2018/2019

number of non-conformity parts in a one-year period, compared to total deliveries in the same year, per million







# Risk Management

Our **Integrated Risk Management and Assurance Model** is implemented equally across the company and used to monitor the group’s material risks quarterly. This model is based on method references such as the “Enterprise Risk Management - Integrated Framework” issued by COSO, or the ISO31000 standard, among others.

Across the firm’s organization chart, there are risk managers so that everyone within the company feels the need to contribute to risk management. The Board of Directors oversees the risk management system, which identifies the risk categories faced by the company, and defines the acceptable risk levels, the measures to mitigate the impact of the risks that have been identified, and the control and information systems to control and manage these risks.

At the same time, the safety and compliance, environmental, and occupational risks must be managed, too.

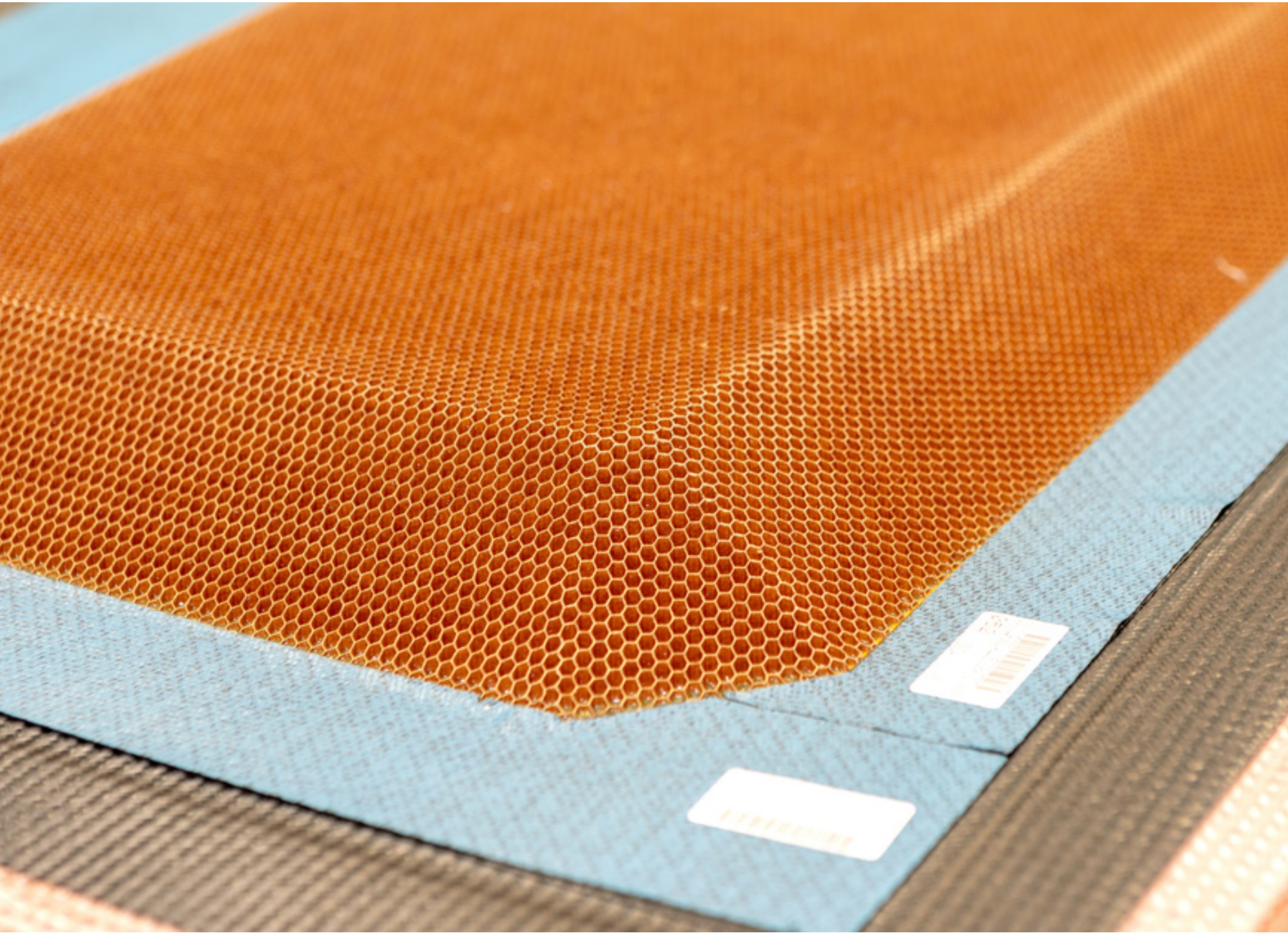
Thanks to a risk and opportunity management system, ERM, Alestis can fulfill its commitments to the Board of Directors, partners, and the man-

datory compliance regulations.

Following this method, the company has identified and prioritized risks and opportunities of all kinds—strategic, environmental, and social, among others. In summary, we could say that the company’s main risks and opportunities that were identified are linked to the adaptation of current resources to the needs of the sector, the need to maintain and expand the cost-effective work packages, avoiding risks related to plant and employee safety, the concentration of customers and suppliers in the industry, and the risks related to obtaining funds for the payment of our financial debt.

Each of these risks has a specific action plan and follow-up.

THANKS TO A RISK AND OPPORTUNITY MANAGEMENT SYSTEM, ALESTIS CAN FULFILL ITS COMMITMENTS TO THE BOARD OF DIRECTORS, PARTNERS, AND THE MANDATORY COMPLIANCE REGULATIONS





Risk Management



DUE TO THE HIGH SAFETY AND  
RELIABILITY REQUIREMENTS OF  
AERONAUTICAL COMPONENTS,  
QUALITY IS AT THE HEART OF  
ALESTIS’S INDUSTRIAL DNA

On the other hand, due to the high safety and reliability requirements of aeronautical components, **quality** is at the heart of Alestis’s industrial DNA. Because of its impact on our customers’ processes, or even in the safety of the components, the treatment of non-conformities plays an essential role in our management system.

This non-conformities treatment procedure has two courses of action:



CUSTOMER NON-CONFORMITIES

Which have caused or are causing problems in the assembly lines or during aircraft operation. In these cases, Alestis analyzes and identifies the root cause of the problem, as well as its immediate correction, and implements containment measures to ensure that all products shipped from the moment we are made aware of the incident are compliant. In addition, we put in place prevention plans to ensure that this problem will never happen again either in this component or in similar elements.

INTERNAL NON-CONFORMITIES

Which occur during the productive process and, depending on the type of contract, may or may not require a detailed analysis and description of the repair carried out by the customer or by Alestis. This decision is based on approved and recognized agreements on delegation of responsibility.

In both cases, the company has indicators in place to measure the effectiveness of these processes by controlling and tracking the number of non-conformities. These indicators are part of the industrial management control panel in all Alestis’s plants and have improvement objectives on a year-by-year basis.

The teams at each center work together to improve these indicators by analyzing the problems with management tools that make it easier, sharing experiences, and identifying red flags that may cause problems in the future in order to avoid their recurrence.

Alestis has no direct contact with the end customer, the airline, or the passenger. In the event of any incident, the airline contacts the manufacturer: Alestis’s customer.



# Staff

PEOPLE ARE **THE FIRM'S MOST IMPORTANT ASSET**. THE COMPANY'S SUCCESS LIES IN TALENT, CREATIVITY AND TECHNOLOGICAL KNOWLEDGE.







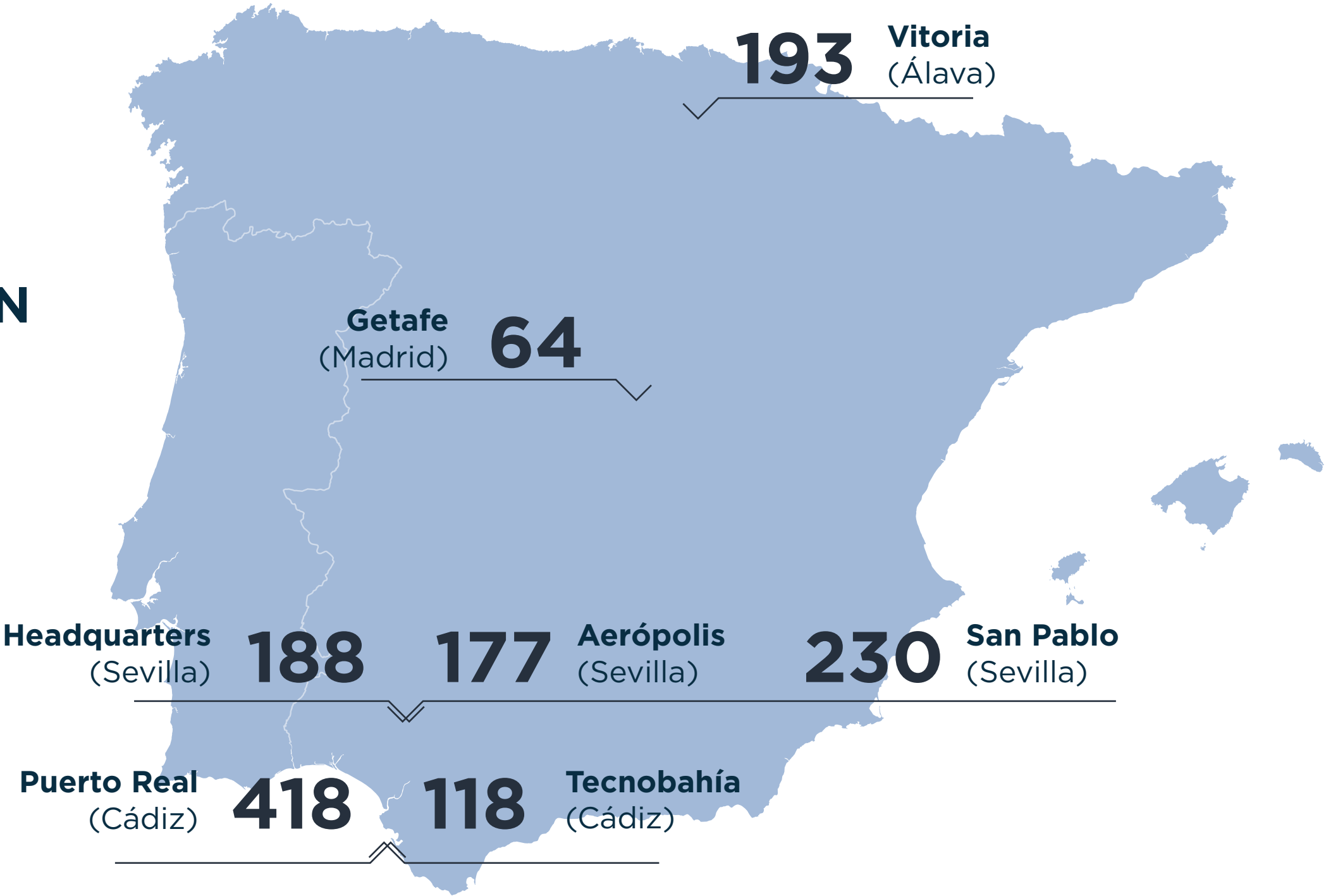
# Staff

As stated in our Ethics & Compliance Policy, Alestis **prioritizes talent** and **is committed to diversity**.

People are the firm’s most important asset and, working as a team, we help each other develop and feel like a key part of the company in order to meet the objectives together.



## FACILITIES BREAKDOWN IN SPAIN



## BRAZIL



65. All data reported are from December 31, 2019, unless otherwise specified.

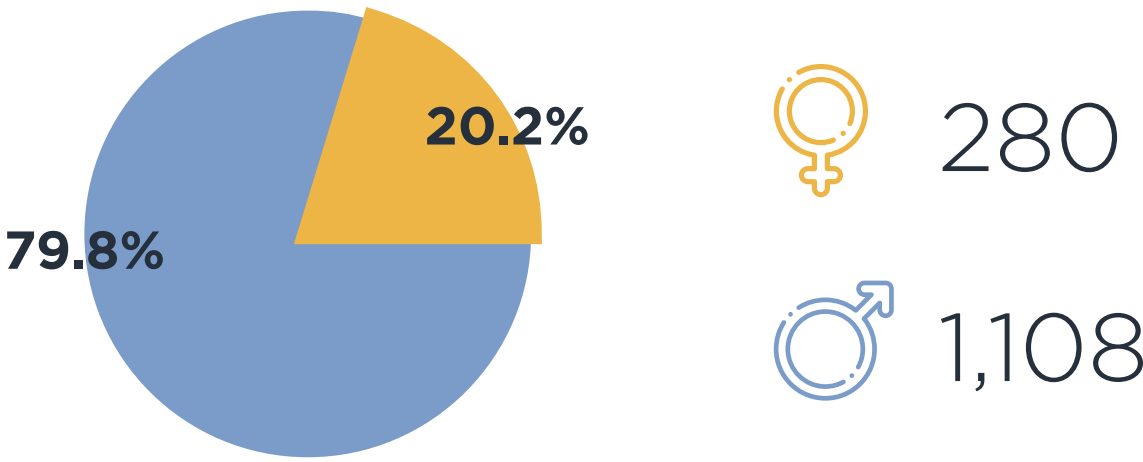


Staff



WORKFORCE BREAKDOWN  
by country and gender

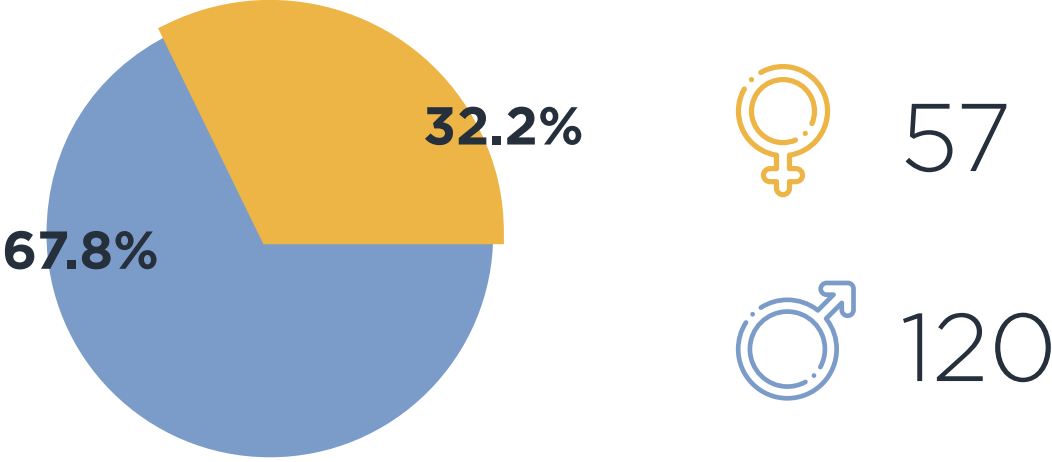
SPAIN



TOTAL SPAIN

1,388

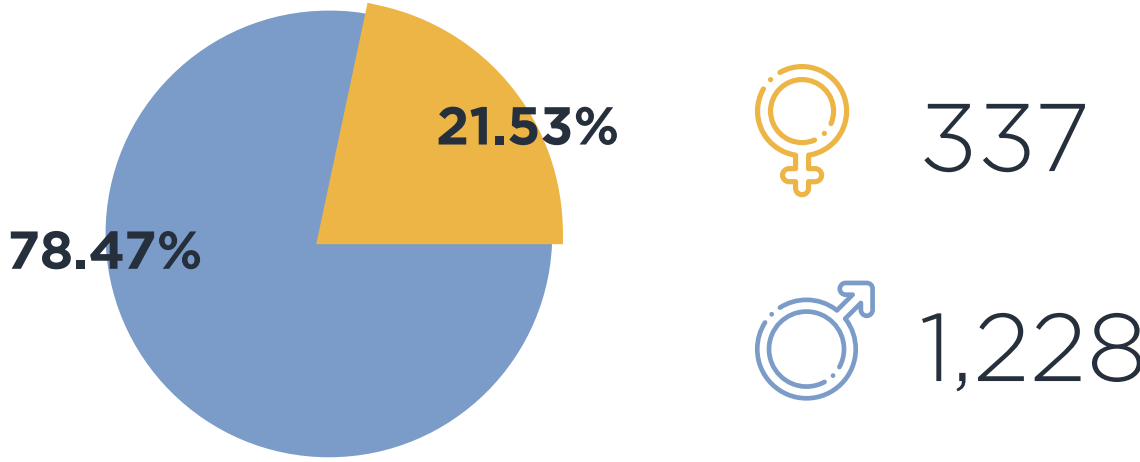
BRAZIL



TOTAL BRAZIL

177

TOTAL



TOTAL ALESTIS

1,565



Staff

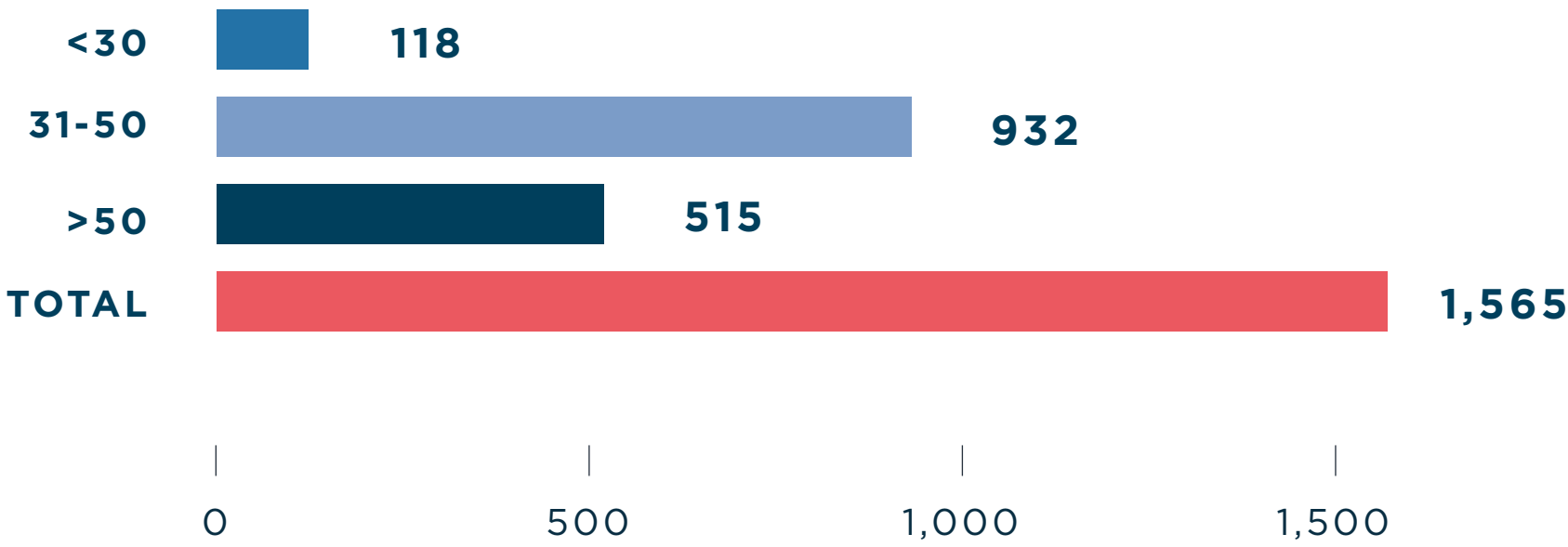


WORKFORCE BREAKDOWN  
by country and age

	<30 years old	31 -50 years old	>51 years old	TOTAL
→				
SPAIN	31	851	506	1,388
	2.23%	61.31%	36.46%	100%
BRAZIL	87	81	9	177
	49.15%	45.76%	5.08%	100%
TOTAL	118	932	515	1,565
	7.54%	59.55%	32.91%	100%



TOTAL



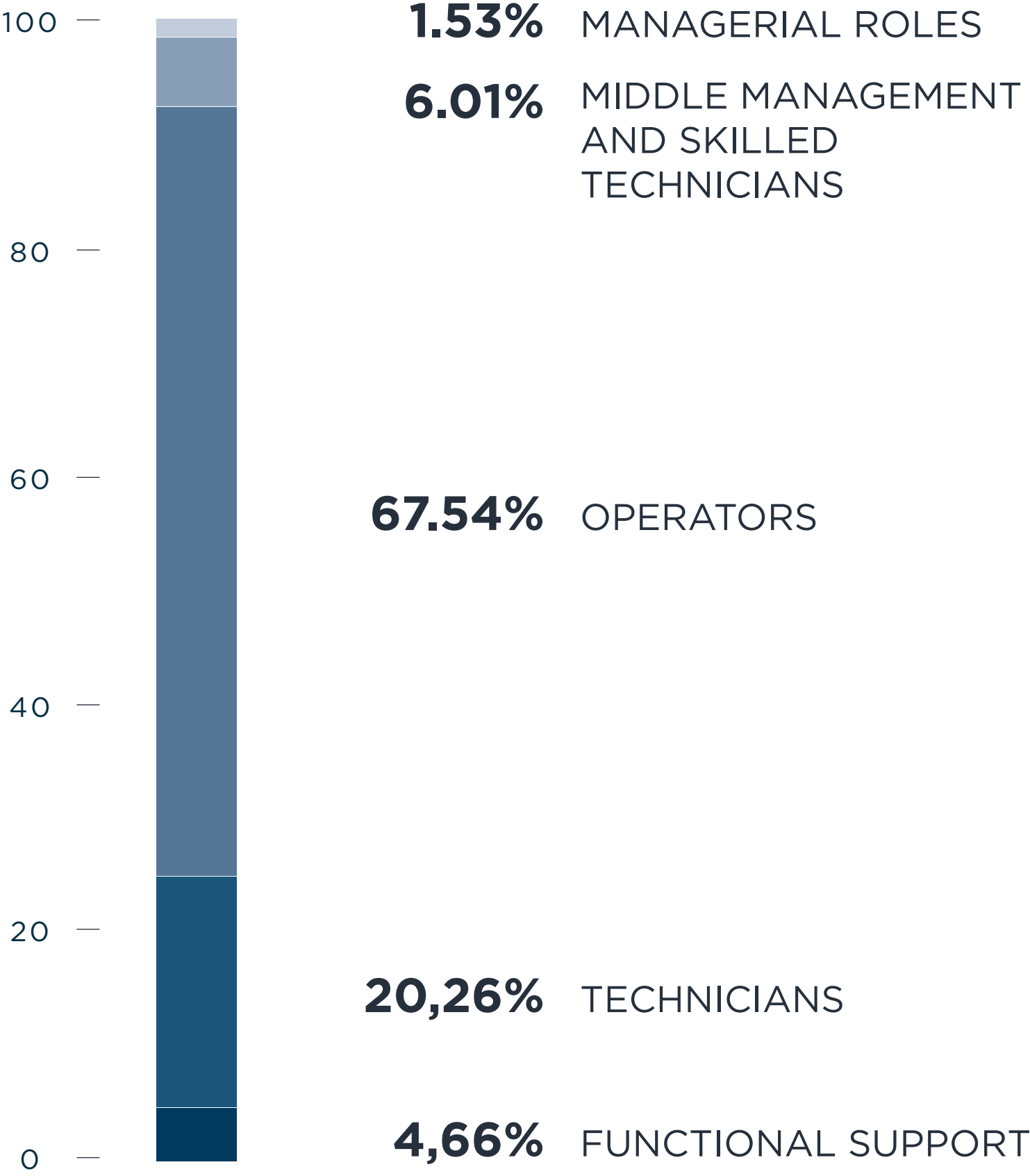


Staff

WORKFORCE BREAKDOWN  
by country and professional category

	MANAGERIAL ROLES	MIDDLE MANAGEMENT AND SKILLED TECHNICIANS	TECHNICIANS	FUNCTIONAL SUPPORT	OPERATORS
→ SPAIN	22	85	313	52	916
	1.59%	6.12%	22.55%	3.75%	65.99%
BRAZIL	2	9	4	21	141
	1.13%	5.08%	2.26%	11.86%	79.66%
TOTAL	24	94	317	73	1,057
	1.53%	6.01%	20.26%	4.66%	67.54%

TOTAL

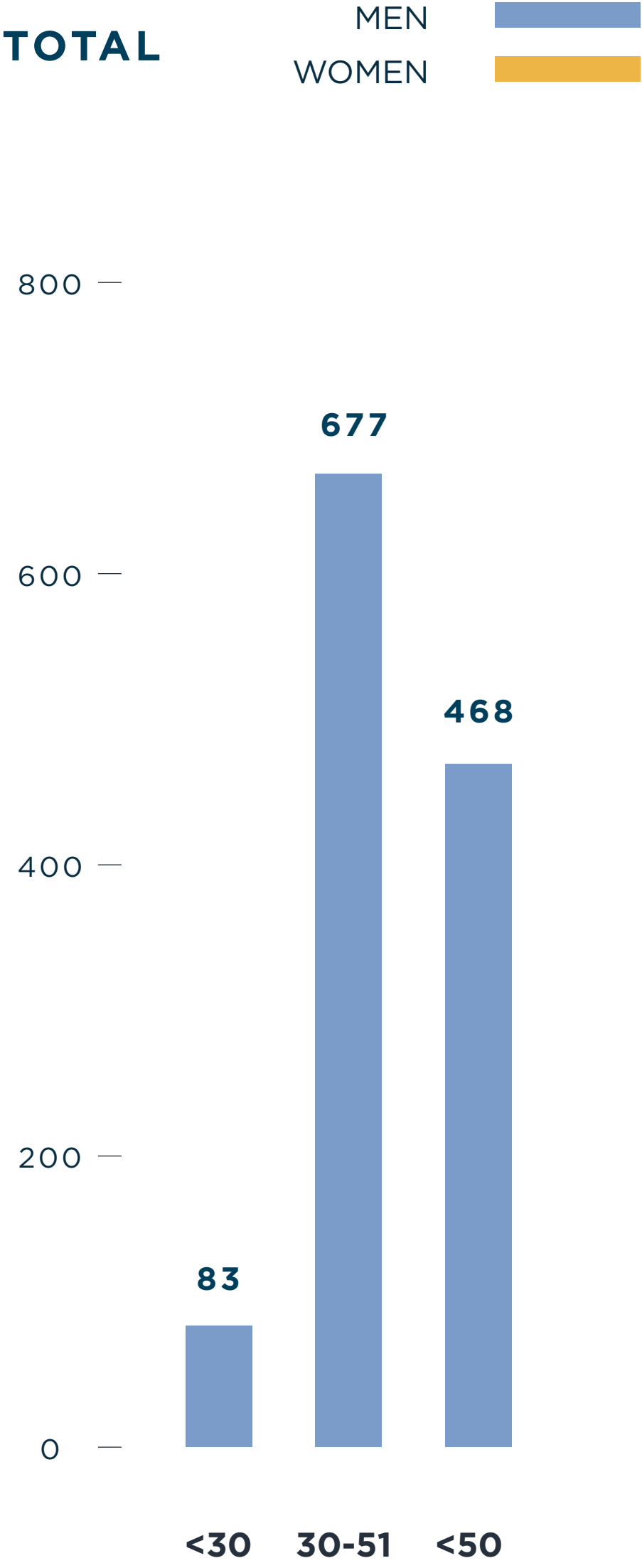




Staff

WORKFORCE BREAKDOWN  
by gender and age

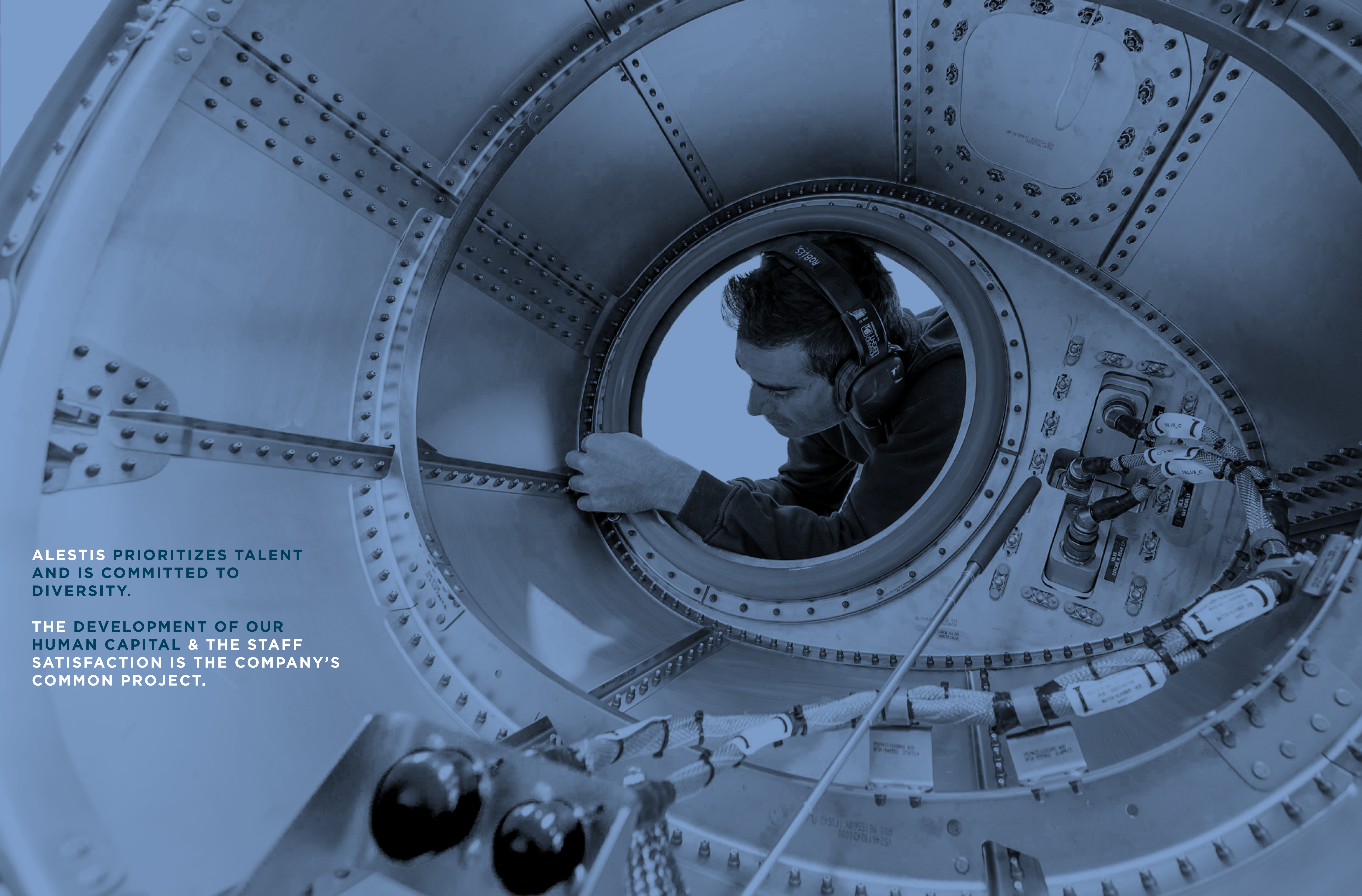
		<30 years old.	31 -50 years old	>51 years old	TOTAL
SPAIN	MEN	24	622	462	1,108
	WOMEN	7	229	44	280
	TOTAL	31	851	506	1,388
BRAZIL	MEN	59	55	6	120
	WOMEN	28	26	3	57
	TOTAL	87	81	9	177
TOTAL	MEN	83	677	468	1,228
	WOMEN	35	255	47	337
	TOTAL	118	932	515	1,565





**ALESTIS PRIORITIZES TALENT  
AND IS COMMITTED TO  
DIVERSITY.**

**THE DEVELOPMENT OF OUR  
HUMAN CAPITAL & THE STAFF  
SATISFACTION IS THE COMPANY'S  
COMMON PROJECT.**

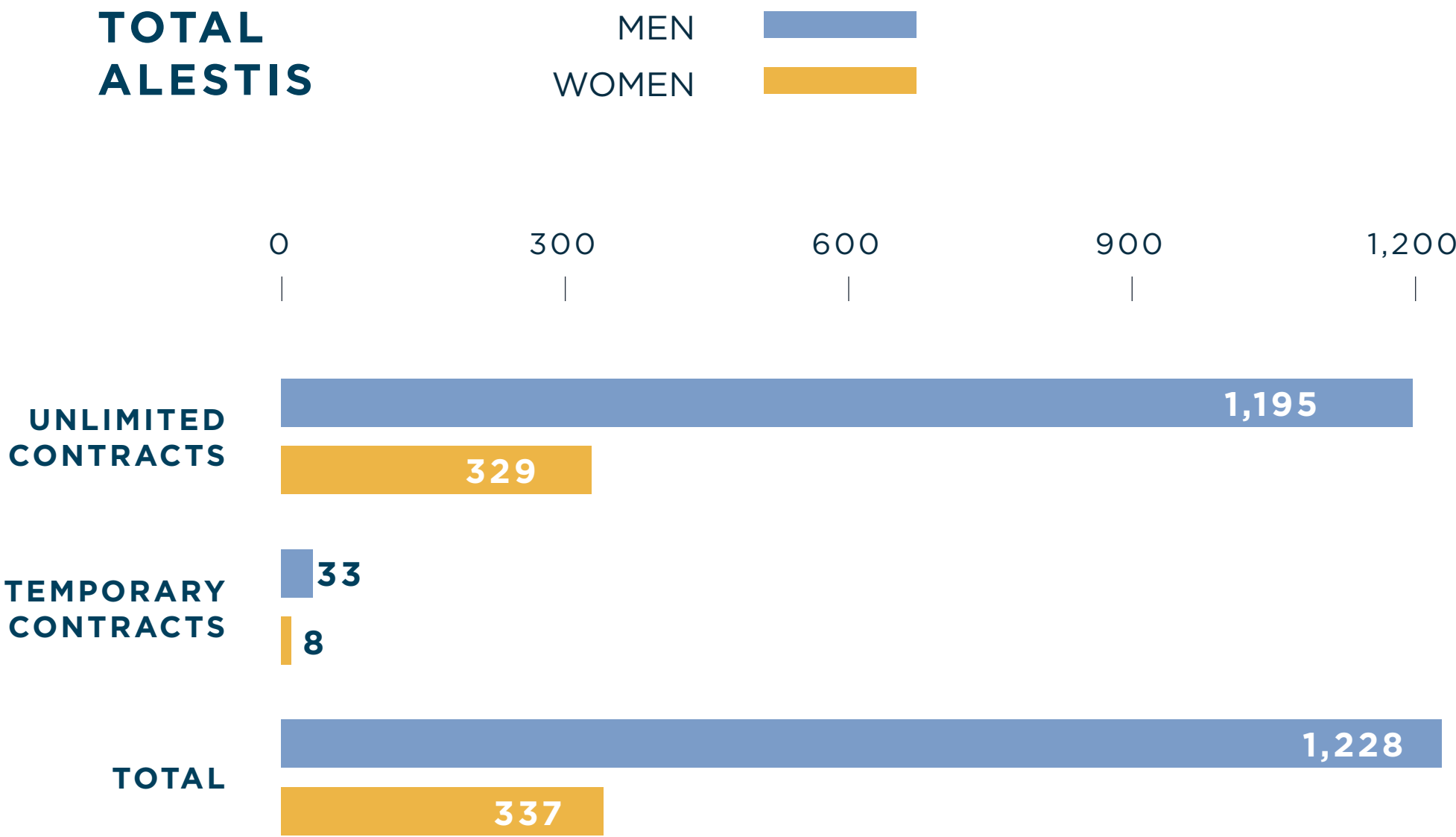




Staff

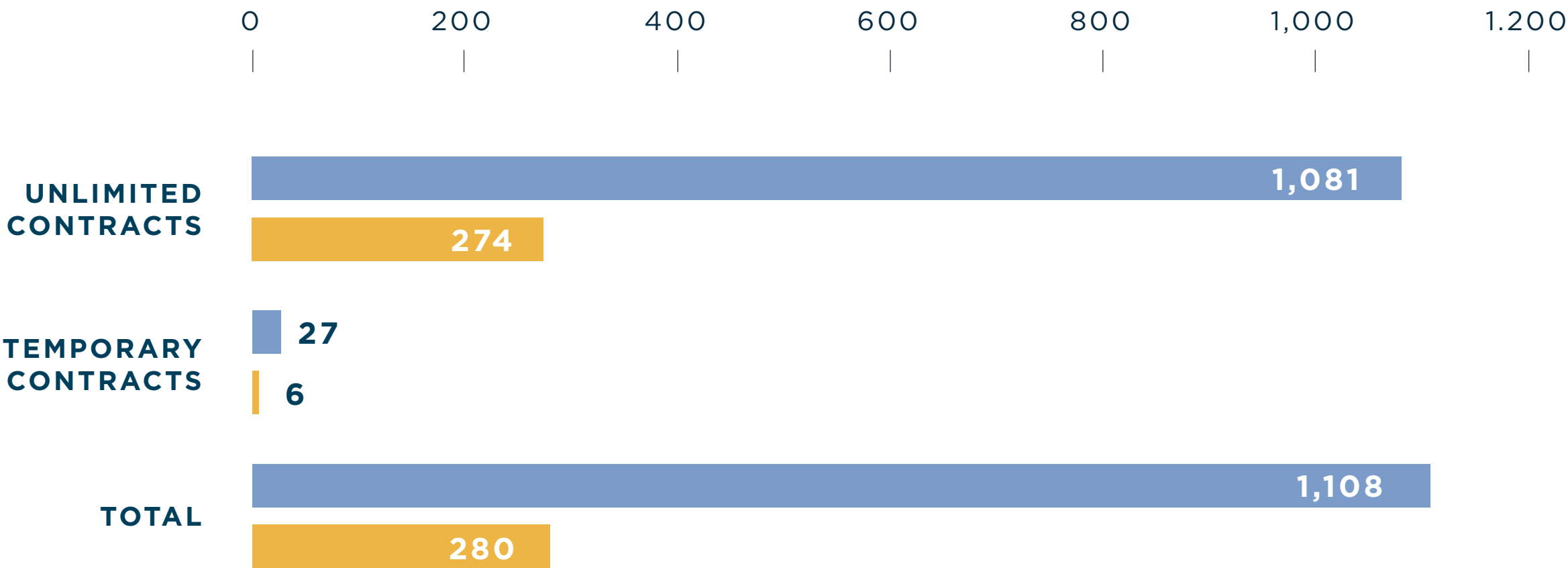


WORKFORCE BREAKDOWN  
by gender and type of contract



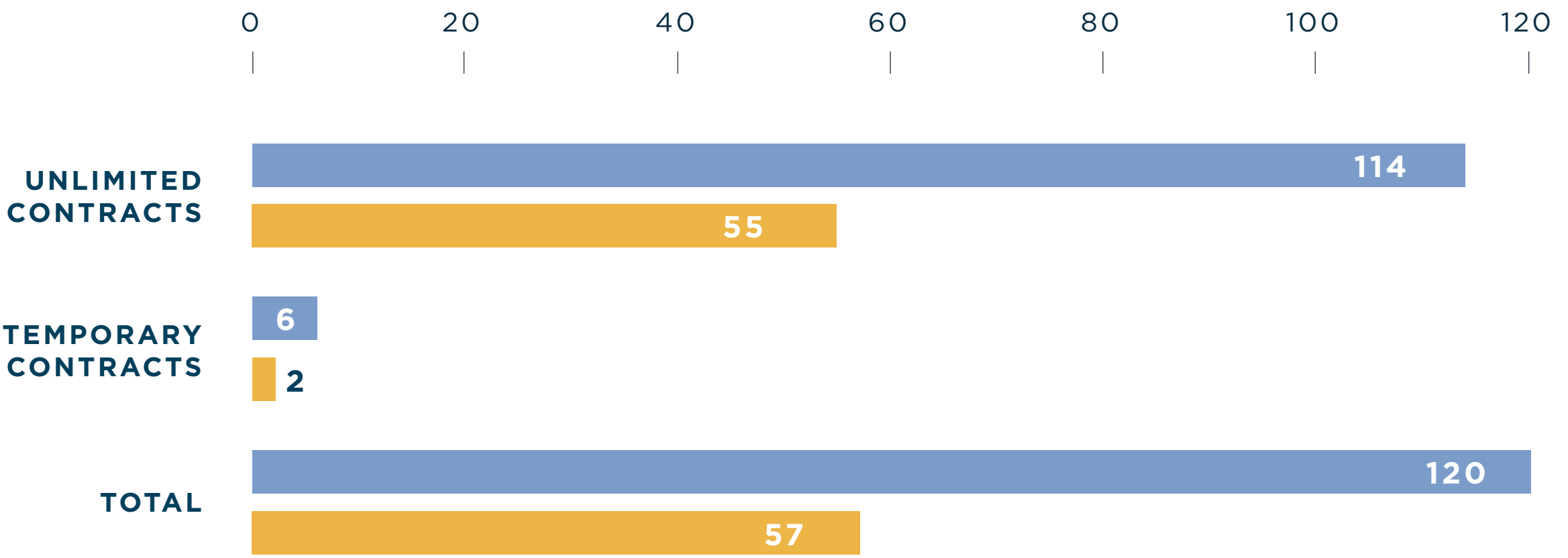
SPAIN

MEN WOMEN



BRAZIL

MEN WOMEN





Staff

WORKFORCE BREAKDOWN  
by age and type of contract

	UNLIMITED CONTRACTS			TEMPORARY CONTRACTS			TOTAL		
	<30 years old	31 -50 years old	>51 years old	<30 years old	31 -50 years old	>51 years old	<30 years old	31 -50 years old	>51 years old
SPAIN	26	837	492	5	14	14	31	851	506
BRAZIL	83	77	9	4	4	0	87	81	9
TOTAL	109	914	501	9	18	14	118	932	515



Staff



WORKFORCE BREAKDOWN  
by professional category and gender

		MANAGERIAL ROLES	MIDDLE MANAGEMENT AND SKILLED TECHNICIANS	TECHNICIANS	FUNCTIONAL SUPPORT	OPERATORS
SPAIN	MEN	21	63	213	29	782
	WOMEN	1	22	100	23	134
	TOTAL	22	85	313	52	916
BRAZIL	MEN	2	6	3	4	105
	WOMEN	0	3	1	18	35
	TOTAL	2	9	4	22	140
TOTAL	MEN	23	69	216	33	887
	WOMEN	1	25	101	41	169
	TOTAL	24	94	317	74	1,056



Staff



WORKFORCE BREAKDOWN  
by professional category and type of contract

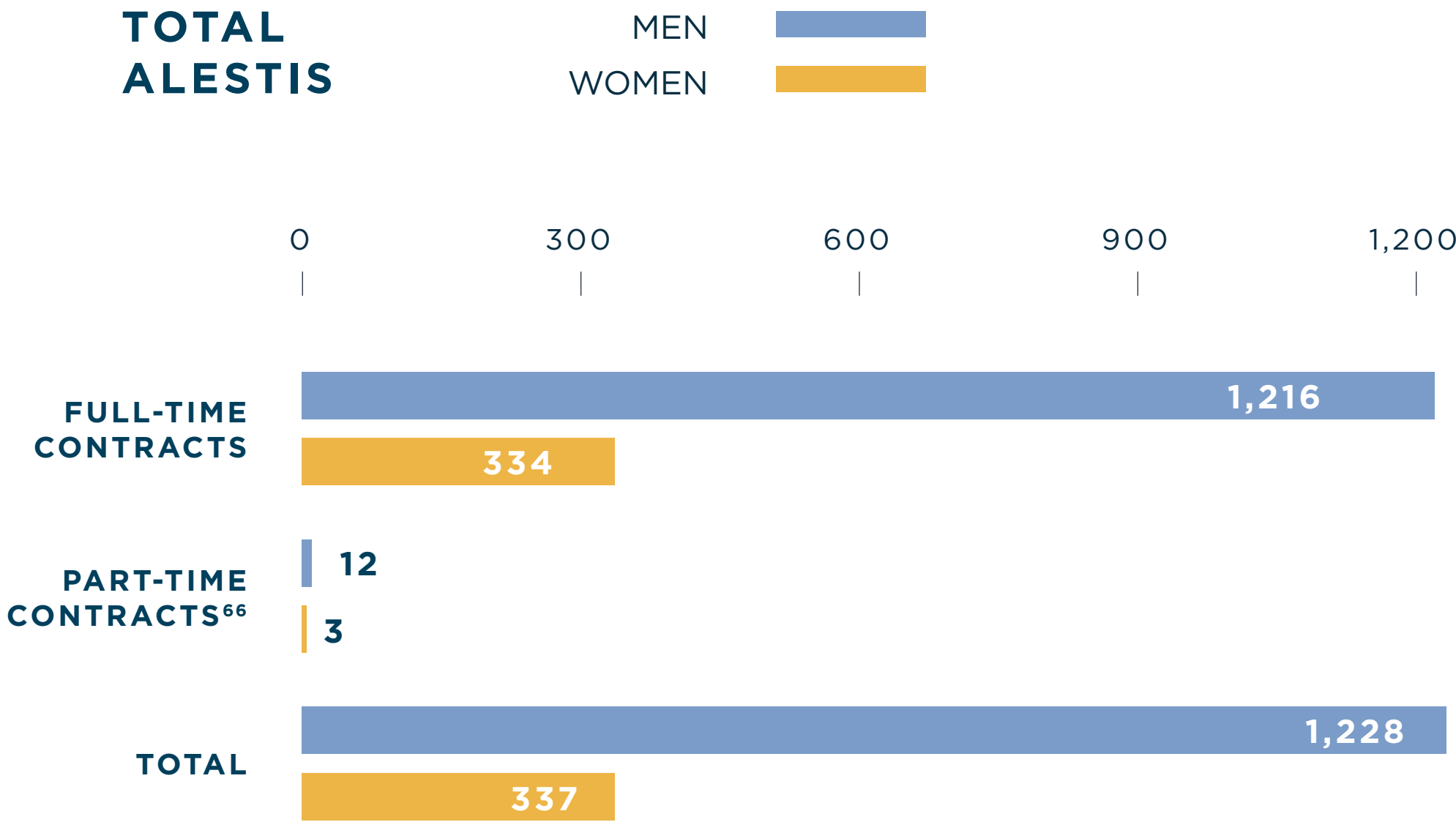
		MANAGERIAL ROLES	MIDDLE MANAGEMENT AND SKILLED TECHNICIANS	TECHNICIANS	FUNCTIONAL SUPPORT	OPERARIOS
SPAIN	UNLIMITED CONTRACTS	22	85	310	51	887
	TEMPORARY CONTRACTS	0	0	3	1	29
	TOTAL	22	85	313	52	916
BRAZIL	UNLIMITED CONTRACTS	2	9	4	19	135
	TEMPORARY CONTRACTS	0	0	0	2	6
	TOTAL	2	9	4	21	141
TOTAL	UNLIMITED CONTRACTS	24	94	314	70	1,022
	TEMPORARY CONTRACTS	0	0	3	3	35
	TOTAL	24	94	317	73	1,057



Staff



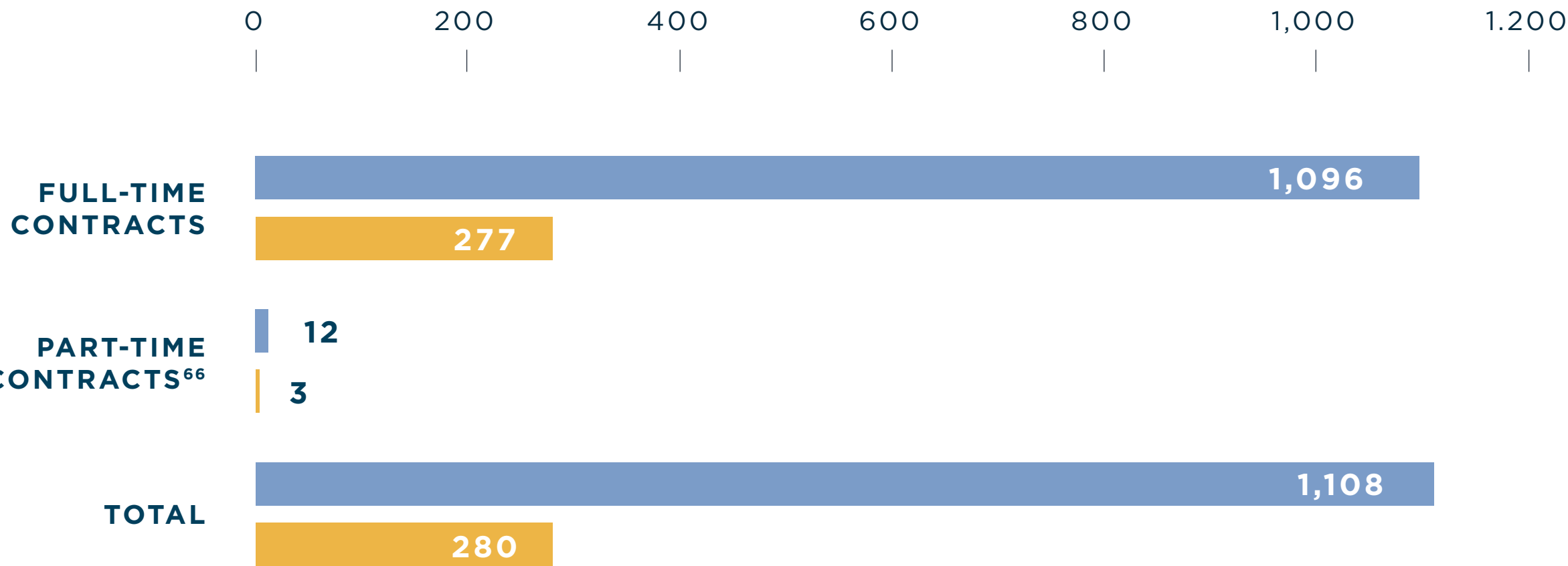
WORKFORCE BREAKDOWN  
by gender and type of contract



66. Reductions in working time for legal guardianship are factored into the full-time contracts data.

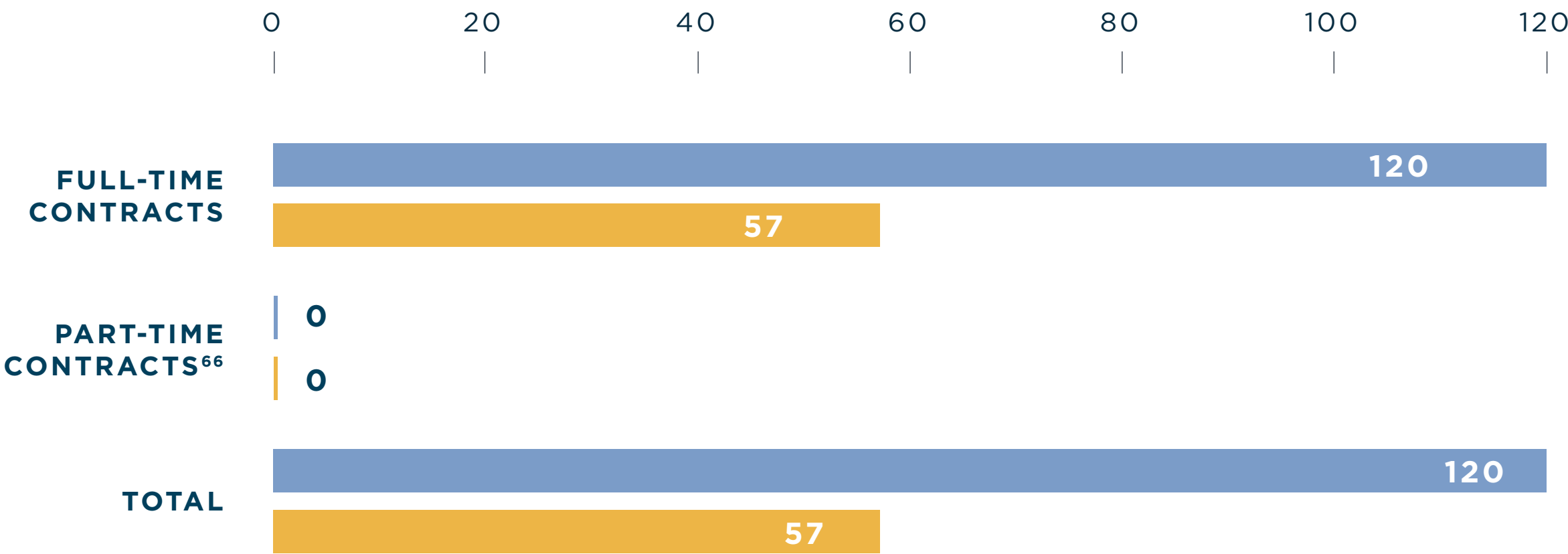
SPAIN

MEN  
WOMEN



BRAZIL

MEN  
WOMEN





Staff



WORKFORCE BREAKDOWN  
by age and type of contract

	FULL-TIME CONTRACTS			PART-TIME CONTRACTS			TOTAL		
	<30 years old	31 -50 years old	>51 years old	<30 years old	31 -50 years old	>51 years old	<30 years old	31 -50 years old	>51 years old
SPAIN	31	849	493	0	2	13	31	851	506
BRAZIL	87	81	9	0	0	0	87	81	9
TOTAL	118	930	502	0	2	13	118	932	515



Staff



WORKFORCE BREAKDOWN  
by professional category and type of contract

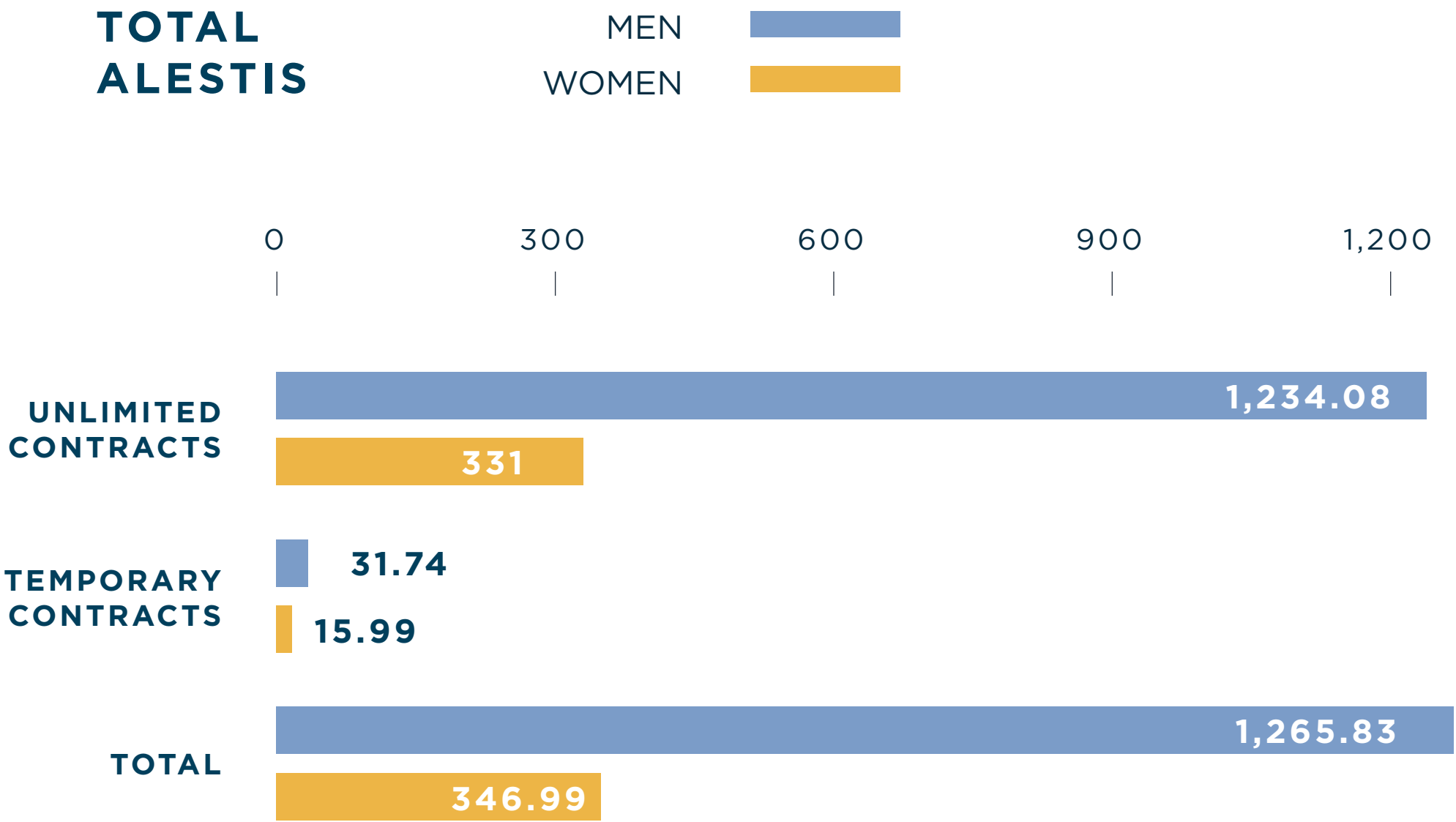
		MANAGERIAL ROLES	MIDDLE MANAGEMENT AND SKILLED TECHNICIANS	TECHNICIANS	FUNCTIONAL SUPPORT	OPERATORS
SPAIN	FULL-TIME CONTRACTS	22	85	309	51	906
	PART-TIME CONTRACTS	0	0	4	1	10
	TOTAL	22	85	313	52	916
BRAZIL	FULL-TIME CONTRACTS	2	9	4	21	141
	PART-TIME CONTRACTS	0	0	0	0	0
	TOTAL	2	9	4	21	141
TOTAL	FULL-TIME CONTRACTS	24	94	313	72	1,047
	PART-TIME CONTRACTS	0	0	4	1	10
	TOTAL	24	94	317	73	1,057



Staff

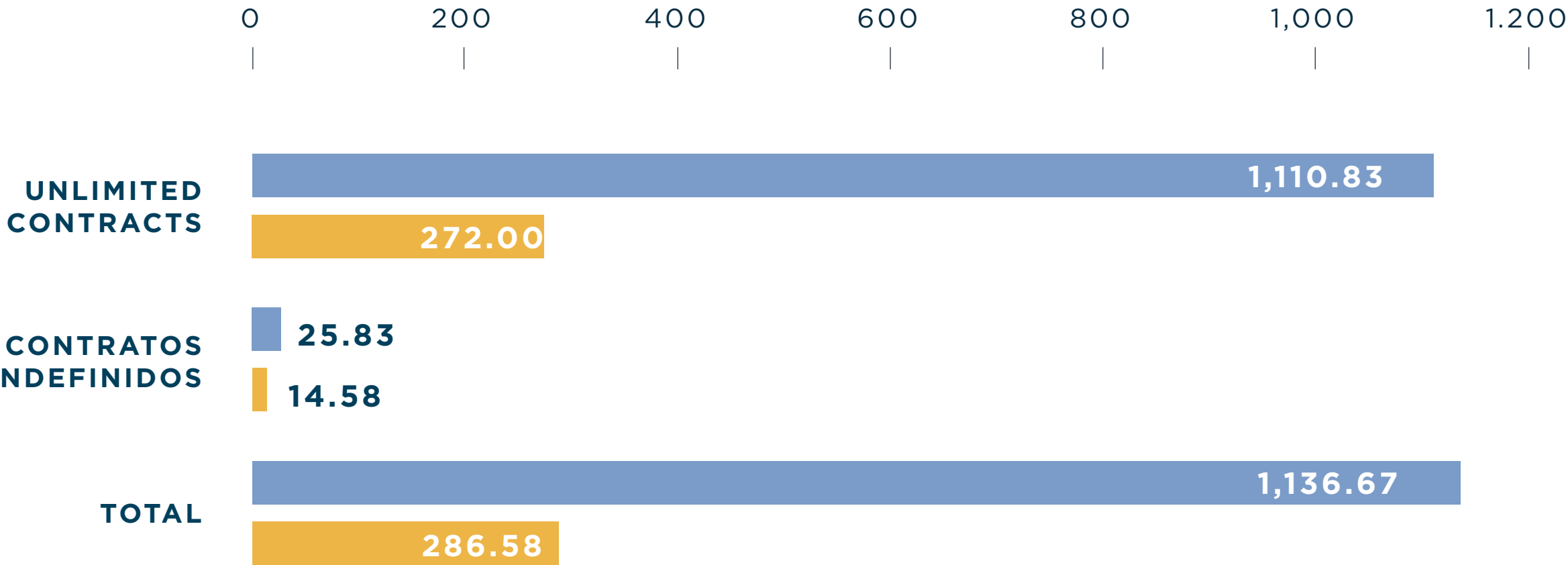


WORKFORCE BREAKDOWN  
by gender and type of contract (annual average)



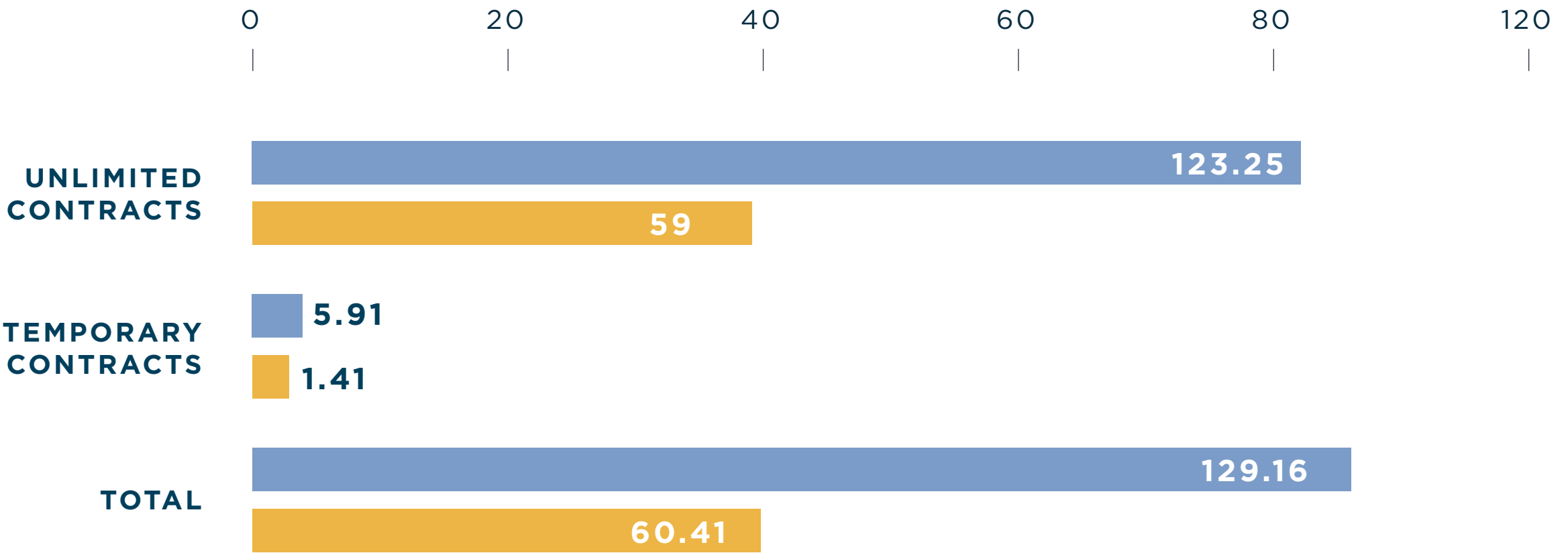
SPAIN

MEN  
WOMEN



BRAZIL

MEN  
WOMEN





Staff

WORKFORCE BREAKDOWN  
by age and type of contract (annual average)

	UNLIMITED CONTRACTS			TEMPORARY CONTRACTS			TOTAL		
	<30 years old	<30 years old	31 -50 years old	<30 years old	<30 years old	31 -50 years old	<30 years old	<30 years old	31 -50 years old
SPAIN	23	846	514	13	24	3	36	870	518
BRAZIL	87.25	83.41	11.92	6.41	0.91	0	93.66	84.32	11.92
TOTAL	110.25	929.41	525.92	19.41	24.91	3	129.66	954.32	529.92



Staff



WORKFORCE BREAKDOWN  
by professional category and type of contract  
(annual average)

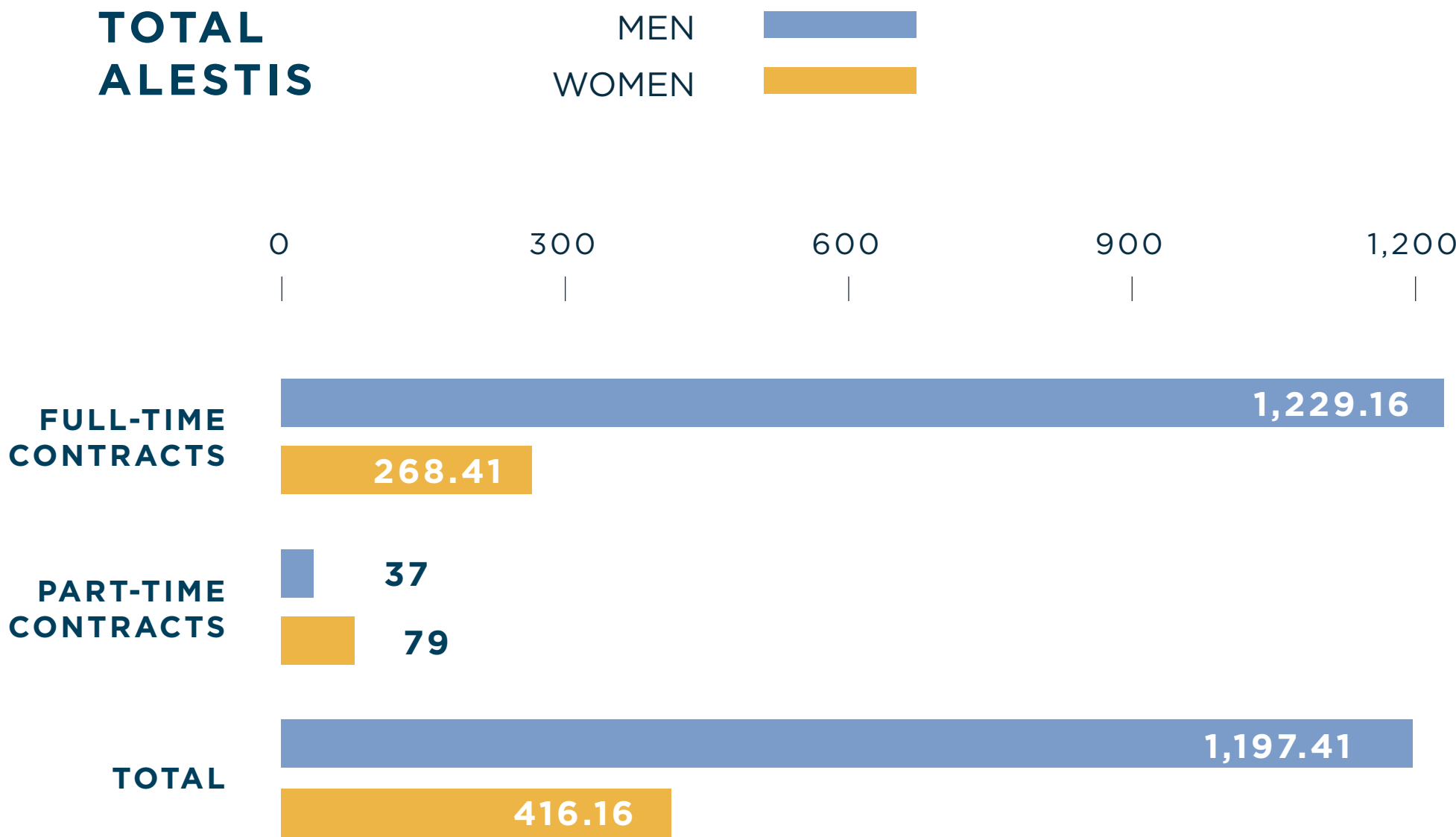
		MANAGERIAL ROLES	MIDDLE MANAGEMENT AND SKILLED TECHNICIANS	TECHNICIANS	FUNCTIONAL SUPPORT	OPERATORS
SPAIN	UNLIMITED CONTRACTS	9.17	89.33	338.58	48.83	896.92
	TEMPORARY CONTRACTS	0.08	0.83	3.90	5.58	30.58
	TOTAL	9.25	90.17	342.48	54.42	927.50
BRAZIL	UNLIMITED CONTRACTS	2.17	9.08	4.08	25.50	143.75
	TEMPORARY CONTRACTS	0	0	0	1.41	5.91
	TOTAL	2.17	9.08	4.08	26.91	149.66
TOTAL	UNLIMITED CONTRACTS	11.34	98.41	342.66	74.33	1040.67
	TEMPORARY CONTRACTS	0.08	0.83	3.9	6.99	36.49
	TOTAL	11.42	99.25	346.56	81.33	1,077.16



Staff

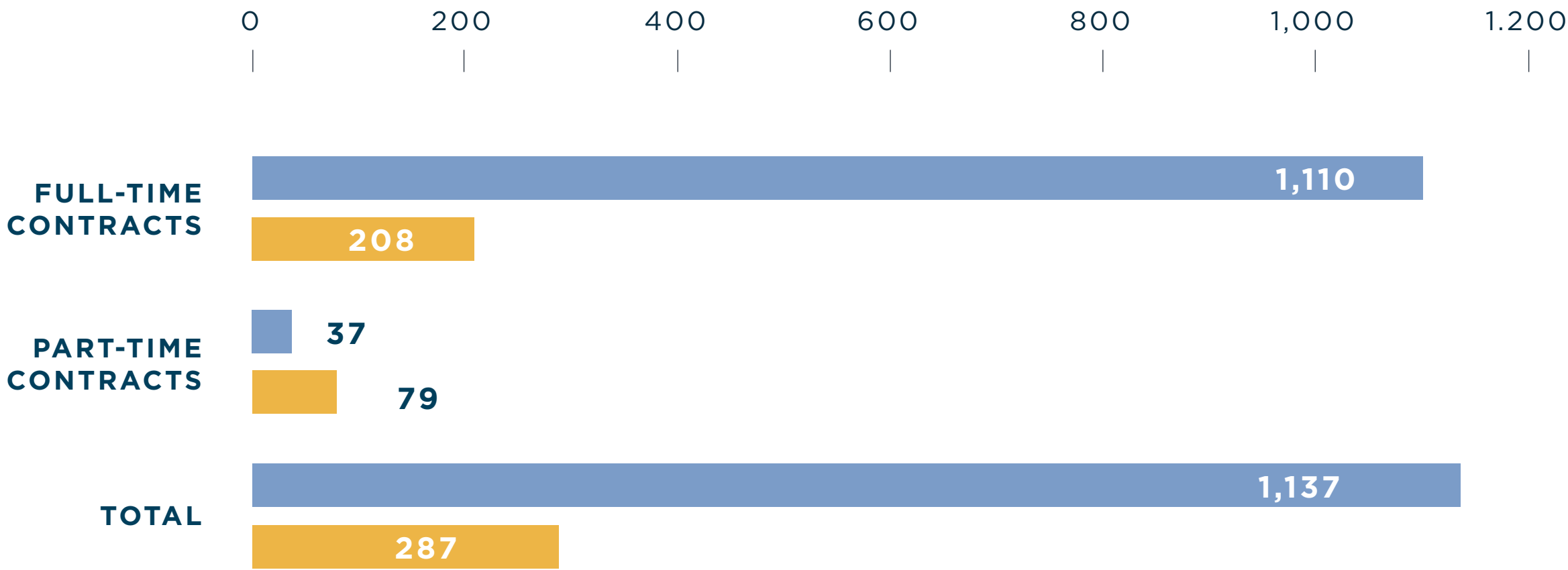


WORKFORCE BREAKDOWN  
by gender and type of contract  
(annual average)



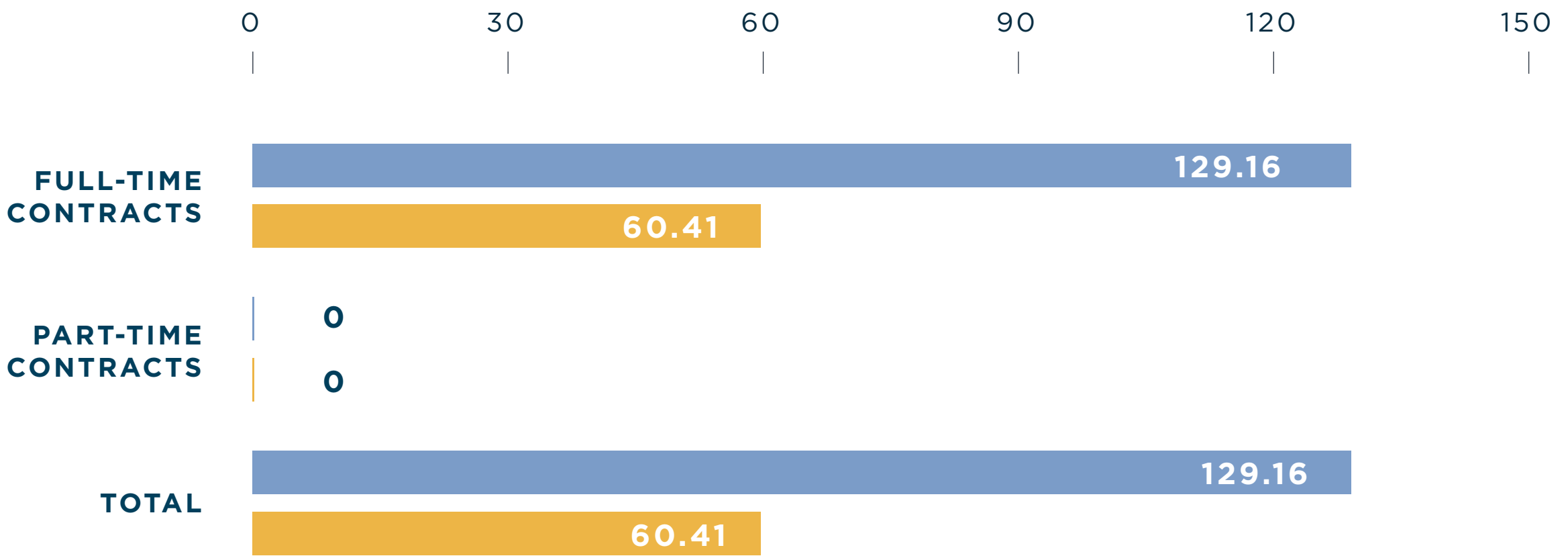
SPAIN

MEN  
WOMEN



BRAZIL

MEN  
WOMEN

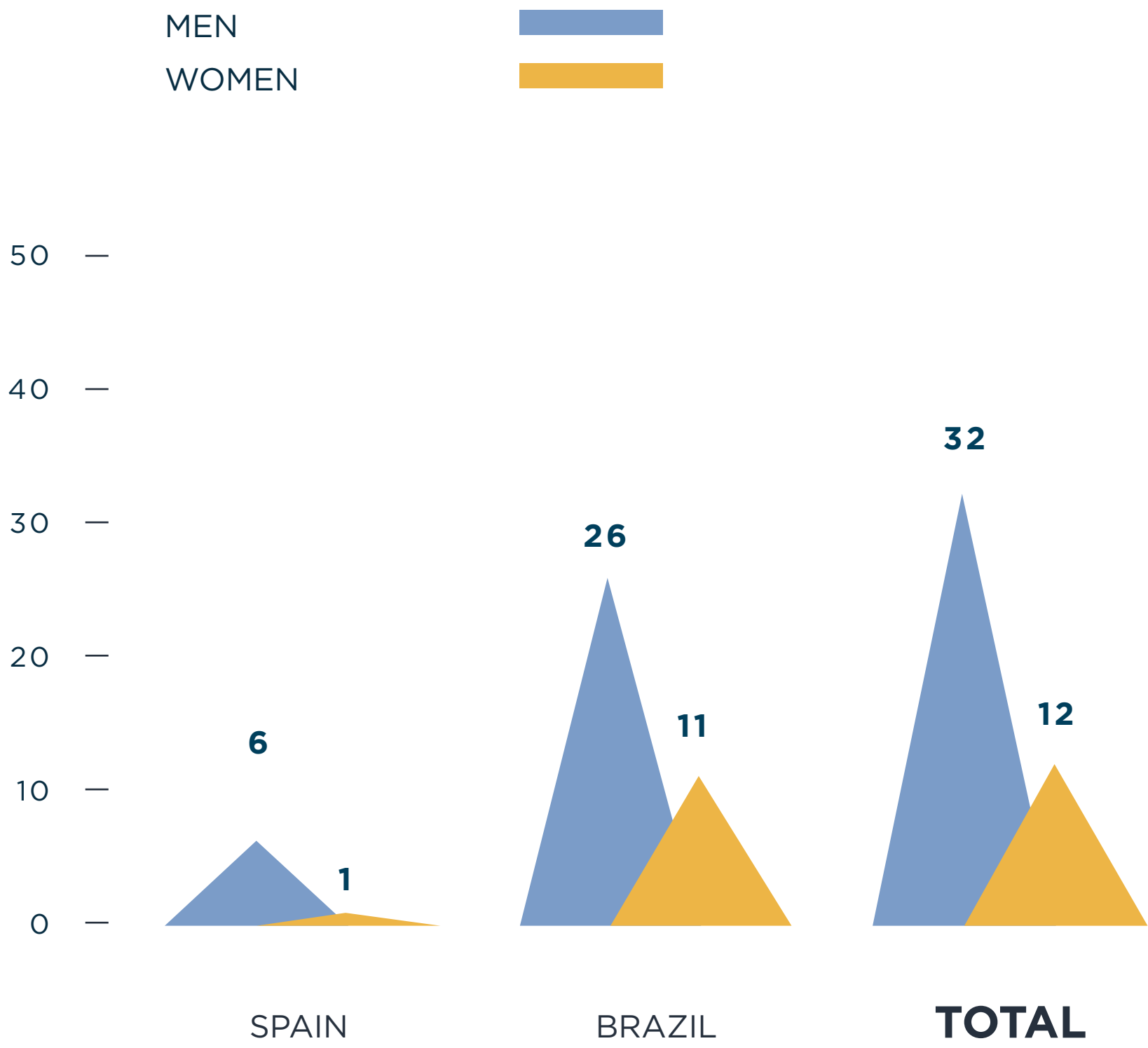




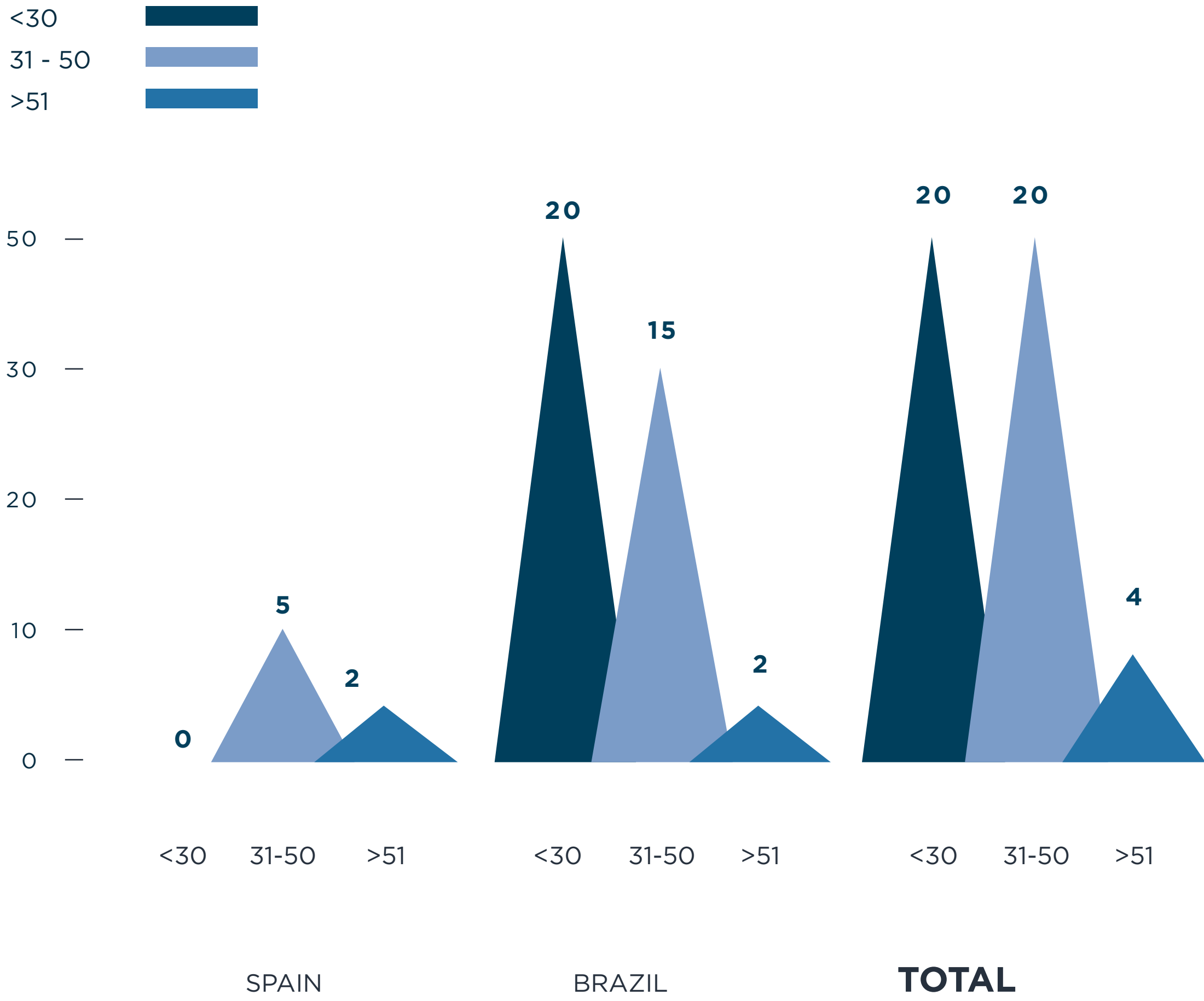
Staff



BREAKDOWN OF REDUNDANCIES by gender



BREAKDOWN OF REDUNDANCIES by age



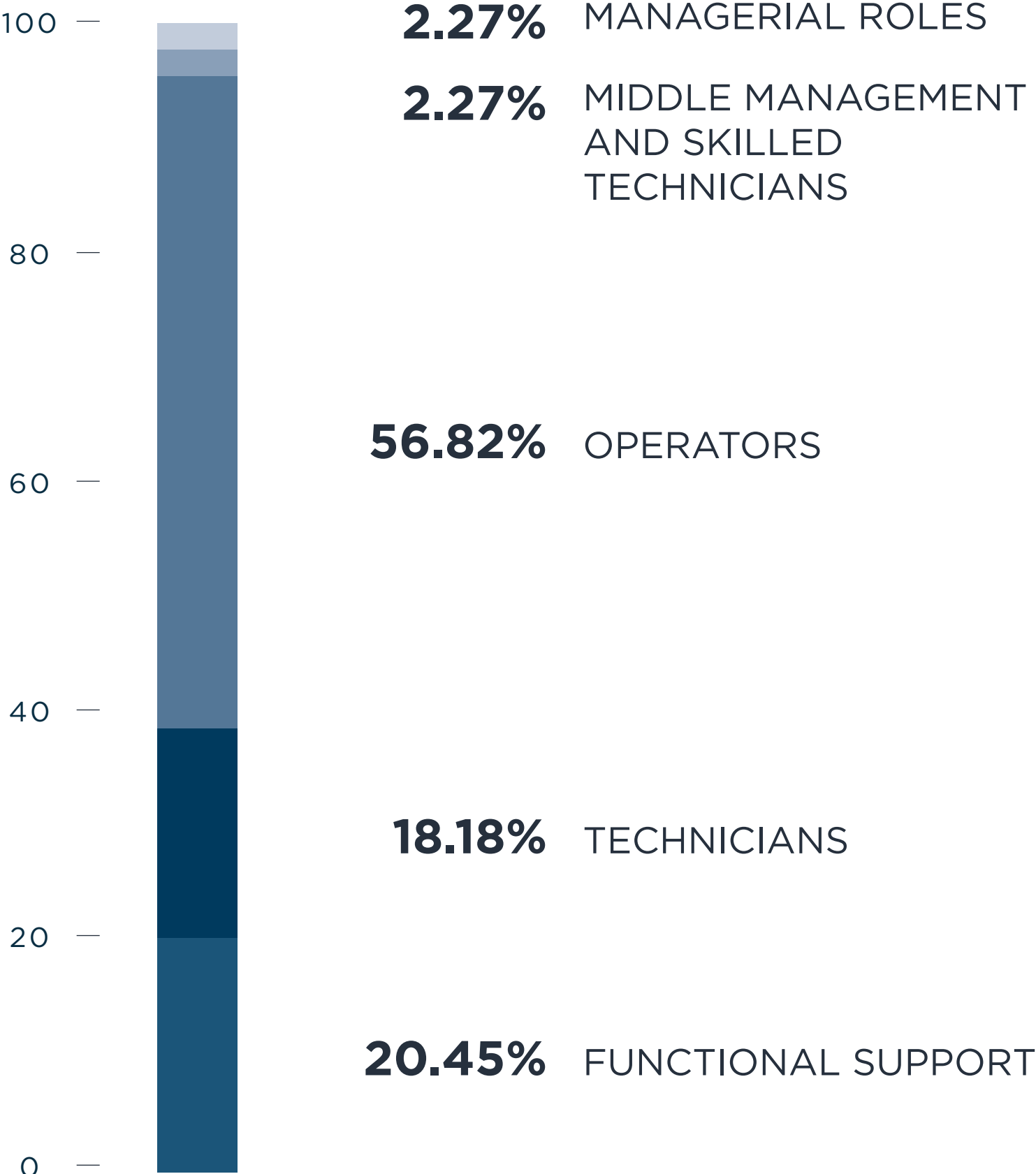


Staff

BREAKDOWN OF REDUNDANCIES  
by professional category

	MANAGERIAL ROLES	MIDDLE MANAGEMENT AND SKILLED TECHNICIANS	TECHNICIANS	FUNCTIONAL SUPPORT	OPERATORS
SPAIN	0	0	6	0	1
BRAZIL	1	1	2	9	24
TOTAL	1	1	8	9	25

TOTAL





Staff



It is important to say that, in addition to the personnel directly linked to the company through a contract of employment, there are 78 other people dedicated to ancillary services to support production (cleaning, maintenance, engineering, surveillance or nursing) who provide their services through external suppliers.

Alestis has registered representatives for its workers in all plants in Spain and Brazil, as well as representatives through trade unions.

Labor relations are governed by the sectoral collective agreement and the different regional collective agreements applicable by their functional area. In addition, Alestis has its own in-house collective agreement in the plant at Vitoria. Thus, 100% of the workforce is covered by a collective agreement in all the countries where we work.

**ALESTIS HAS REGISTERED REPRESENTATIVES FOR ITS WORKERS IN ALL PLANTS IN SPAIN AND BRAZIL, AS WELL AS REPRESENTATIVES THROUGH TRADE UNIONS**







# Training & Continuing Professional Development (CPD)

As a way of recognition and professional development, Alestis is committed to the training of all employees to ensure their knowledge and skills are always up to date.

In order to achieve high motivation and commitment among its employees while also encouraging their professional training and development of managerial, technical, and leadership skills, Alestis devises an annual CPD plan aimed at helping the company achieve the highest quality and efficiency, and enabling the staff to access tools to improve their knowledge, skills, and attitudes.

The **2019 CPD plan** included specific training for each work area, as well as an “open training cata-

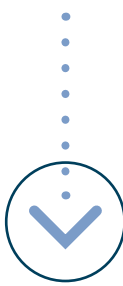
log” with a variety of courses available to all employees on a voluntary basis.

In 2019, 1,165 employees (82% of the staff) completed a total of **21,617 hours of training** in Spain. This is an average of **15.19 hours per person**. Across the Atlantic, in Brazil, the employees completed **348.72 hours of training**, an average of **1.93 per person**. The average assessment of training quality was 4.17 (on a scale from 1 to 5).

**21,617**  
**HOURS**  
OF TRAINING IN SPAIN  
IN 2019

**1,165**  
**EMPLOYEES**

**15.19**  
**HOURS**  
PER PERSON



**TRAINING**



**82%** OF THE STAFF

**ALESTIS DEVISES AN ANNUAL CPD PLAN AIMED AT HELPING THE COMPANY ACHIEVE THE HIGHEST QUALITY AND EFFICIENCY**

**348 HOURS**  
OF TRAINING IN BRAZIL  
IN 2019

**1.93**  
**HOURS PER PERSON**

**4.17**  
**AVERAGE ASSESSMENT**  
(OUT OF 5)



Training & Continuing Professional Development (CPD)

BREAKDOWN OF TRAINING HOURS  
by sex and professional category

SPAIN	MEN		WOMEN		TOTAL	
	TOTAL HOURS	HOURS PER PERSON	TOTAL HOURS	HOURS PER PERSON	TOTAL HOURS	HOURS PER PERSON
MANAGERIAL ROLES	282	31.33	58	29	340	30.91
MIDDLE MANAGEMENT AND SKILLED TECHNICIANS	2,482.5	32.66	1,820.5	62.78	4,303	40.98
TECHNICIANS	5,939.5	27.5	2,512.5	25.13	8,452	26.75
FUNCTIONAL SUPPORT	168	56	467	46.70	635	48.85
OPERATORS	6,835	11.02	1,052	10.52	7,887	10.95
TOTAL	15,707	17	5,910	24.52	21,617	18.56



Training & Continuing Professional Development (CPD)

BREAKDOWN OF TRAINING HOURS  
by sex and professional category

BRAZIL	MEN		WOMEN		TOTAL	
	TOTAL HOURS	HOURS PER PERSON	TOTAL HOURS	HOURS PER PERSON	TOTAL HOURS	HOURS PER PERSON
MANAGERIAL ROLES	0	0	0	0	0	0
MIDDLE MANAGEMENT AND SKILLED TECHNICIANS	0	0	0	0	0	0
TECHNICIANS	20.4	10.2	10.2	10.2	31.4	20.0
FUNCTIONAL SUPPORT	82.42	13.4	13.4	13.4	96.3	13.4
OPERATORS	150.3	1.3	72.0	1.3	222.3	2.6
TOTAL	253.12	2.04	95.6	1.68	348.72	1.93



Training & Continuing Professional Development (CPD)

In 2019, one of the trainings in the plants in Spain was **Talentos Program**, a talent spotting program aimed at providing indirect employees with an unlimited service contract, and included in the assessment system, with a leadership profile to identify their strengths and the areas where there is room for improvement.

Using this program as a base, individual action plans were implemented to establish follow-up sessions, training, seminars, and so on in order to develop the leadership of the company’s partners.

As a way of promoting change and improvement of leadership skills, we also launched a program for senior and team-leading indirect staff—the **Coaching Program**. Several people were selected to participate in individual and group coaching sessions directly with the people they are in charge of.

A third program was implemented together with the two mentioned above: the **Team Program**, aimed at the newly recruited indirect staff. The latest additions of the year were able to meet for one full day and discuss the strategy, mission and corporate culture of Alestis, as well as the importance of sharing the same values, an aspect that is hardwired into the company’s DNA.

ALESTIS DEVELOPS TALENTOS PROGRAM FOR INDIRECT EMPLOYEES, COACHING PROGRAM TO IMPROVE LEADERSHIP SKILLS AND TEAM PROGRAM FOR THE NEWLY RECRUITED INDIRECT STAFF





Training & Continuing Professional Development (CPD)

In addition to these three training programs, a Training Catalog was made available to the employees. It included courses and workshops on computer tools, languages, occupational health, ORP, and the EFR work-life balance management model. Finally, they could also attend workshops on emotional intelligence, stress management, and effective communication, among others.

**Goal for the 2019-2021 period:** To achieve high motivation and commitment among its employees by 2021, while also encouraging their professional training and development of managerial, technical and leadership skills.

Regarding Alestis do Brasil, in 2019 their training focused on the areas of quality assurance, production, administration, and engineering. The objective for 2020 is to provide training on recycling in all areas of production, including logistics, quality assurance, and production control.

Goals  
2019-2021



DEVELOPMENT AND  
COMMITMENT OF THE TEAM

A HIGH MOTIVATED AND COMMITTED  
STAFF BY 2021, FOSTERING  
MANAGERIAL, TECHNICAL AND  
LEADERSHIP SKILLS.







# Work-life Balance

With regard to the working day in Alestis’s plants in Spain, we find two models: a split working day for technical staff, and a continuous working day for direct employees. The split working day offers flexible starting times, as specified in the work schedules for each plant, as well as intensive working days to be able to clock out earlier at certain times of the year.

For its part, Alestis do Brasil has specific schedules for each of the four shifts: 1st, 2nd, 3rd, and administrative, and there are no differences between work areas and roles.

As part of Alestis’s commitment to our employees’ work-life balance, development and diversity, we worked hard towards the EFR certificate, a work-life balance management model, which was granted to our plants in Spain in October of 2019.

The race for the certificate began with a survey about work-life balance. We created focus groups

that were representative of the diversity among Alestis’s employees and plants. This gave us a realistic diagnosis of what the company’s situation was in this regard and served as a base to work on during regular staff meetings. These were used to inform about all the new developments, to create an online portal for everyone to access what Alestis has to offer in terms of people management, and to disseminate work-life balance measures for direct labor and indirect labor (MOD and MOI respectively in Spanish). Thanks to these actions, and after successfully passing the audit, certification was achieved.

## THE EFR CERTIFICATE RECOGNIZES ALESTIS’S COMMITMENT TO OUR EMPLOYEES’ WORK-LIFE BALANCE, DEVELOPMENT AND DIVERSITY





Work-life Balance



As a way of promoting work-life balance, the company launched the **“Bolsa de Estudios Hij@s”** program in the plants at Cádiz, Sevilla, and Getafe to grant study scholarships. All employees with children over three years of age can apply for it and benefit until their children turn 18. They just have to prove to the company that the child is enrolled in school.

The annual Training Catalog includes another section for parents: the **“Parent School”**—a series of seminars, talks, and symposiums to offer support and experts’ opinions on matters of education and ways to stimulate the little ones at home. It’s available to all parents in the company who wish to attend.

To improve our employees’ quality of life, we launched the **Alestis Club**, an exclusive portal where the staff can find discounts and other advantages on products and services from major consumer brands including travel, food & drink, and leisure, among others.

In the Spanish plants in 2019, one person (a woman) was on leave of absence to take care of her child, while 105 people (78 women and 27 men) were granted a reduction in working time for the same reason. In Brazil, two women were on maternity and nursing leaves.

At the time this document was being written, Alestis did not have a right to digital disconnection policy.

ALESTIS IS PROMOTING WORK-LIFE BALANCE AND SUPPORTS THE EQUALITY NEEDS OF THE COMPANY







# Equality & Diversity

At Alestis, we are aware of how important it is to properly **manage diversity** and show respect for individual traits and personal dignity, for privacy and the personal rights of each employee within the organization.

Therefore, we do not tolerate and actively pursue any action that may result in **discrimination** on the grounds of origin, nationality, ideology, religion, race, gender, age or sexual orientation, or harassment or injury to a person’s dignity.

The **talent** of all members of the organization is at the heart of Alestis and our management practices. To ensure that this is done, the company guarantees that employees are promoted based on their potential, performance and conduct.

Alestis has a Plan for Equality in place for each plant, in accordance with Organic Law 3/2007, of March 22, for the effective equality of women and men. Each plan has been negotiated, agreed, and co-signed with the corresponding labor representatives, except for the Plan for Equality in Vitoria, included in the corresponding collective agreement. All these plans have a **protocol for the pre-**

**vention of harassment** which reinforces what is stated in the Alestis Code regarding diversity. This protocol was not activated in 2019.

As for gender equality, HR ensures equal opportunities between men and women during the recruitment processes, whether internal or external.

**ALESTIS DOES NOT TOLERATE AND ACTIVELY PURSUE ANY ACTION THAT MAY RESULT IN DISCRIMINATION ON THE GROUNDS OF ORIGIN, NATIONALITY, IDEOLOGY, RELIGION, RACE, GENDER, AGE OR SEXUAL ORIENTATION**





Equality & Diversity



Alestis do Brasil does not have a Plan for Equality in place because there is no such legal requirement in the country. However, we strive to maintain the balance between all employees, regardless of their gender, and follow criteria that promote inclusion, respect, and diversity.

As part of our commitment to gender diversity, and specifically in an effort to have a varied workforce and welcome more women into the company, in particular into leadership positions, we launched **WAT (Women Alestis Talent)**. This is a specific network that, in line with management, has worked to represent Alestis in forums revolving around gender equality, to promote a proactive environment in training centers to help women join the industry, and to generate specific projects through talks, seminars, conferences, etc. All with the goal to help overcome barriers in women's professional development.

Yet another initiative was the collaboration with the University of Cadiz in the **UNIVERGEM Program**, aimed at promoting the insertion, employability and entrepreneurship of female university

students through internships in Alestis. In 2019, one female student joined the team for environmental issues in the plant of San Pablo (Sevilla).

Alestis aims to hire the best professionals for each position, regardless of gender, age, religion, race, sexual orientation, etc.

Alestis also supports the integration into working life of people with disabilities. In Spain, we have nine 33% disabled employees, and alternative measures have been approved to cover the remaining 20 posts available; namely, hiring the services of three specialemployment centers, which amounted to a total of €389,959.66 for the tax year 2019.

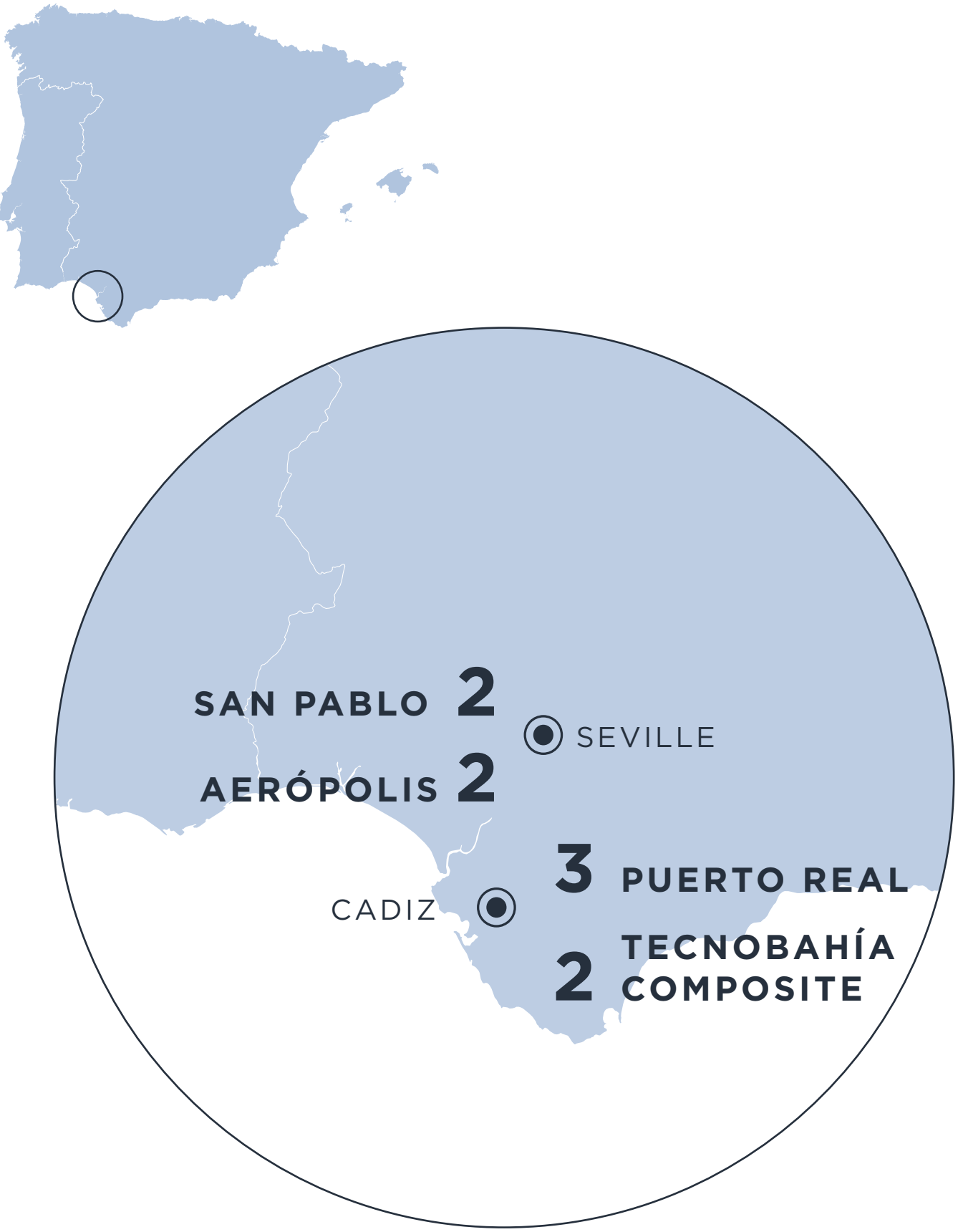
**ALESTIS SUPPORTS THE  
INTEGRATION INTO WORKING  
LIFE OF PEOPLE WITH  
DISABILITIES. IN SPAIN, WE  
HAVE NINE 33% DISABLED  
EMPLOYEES**



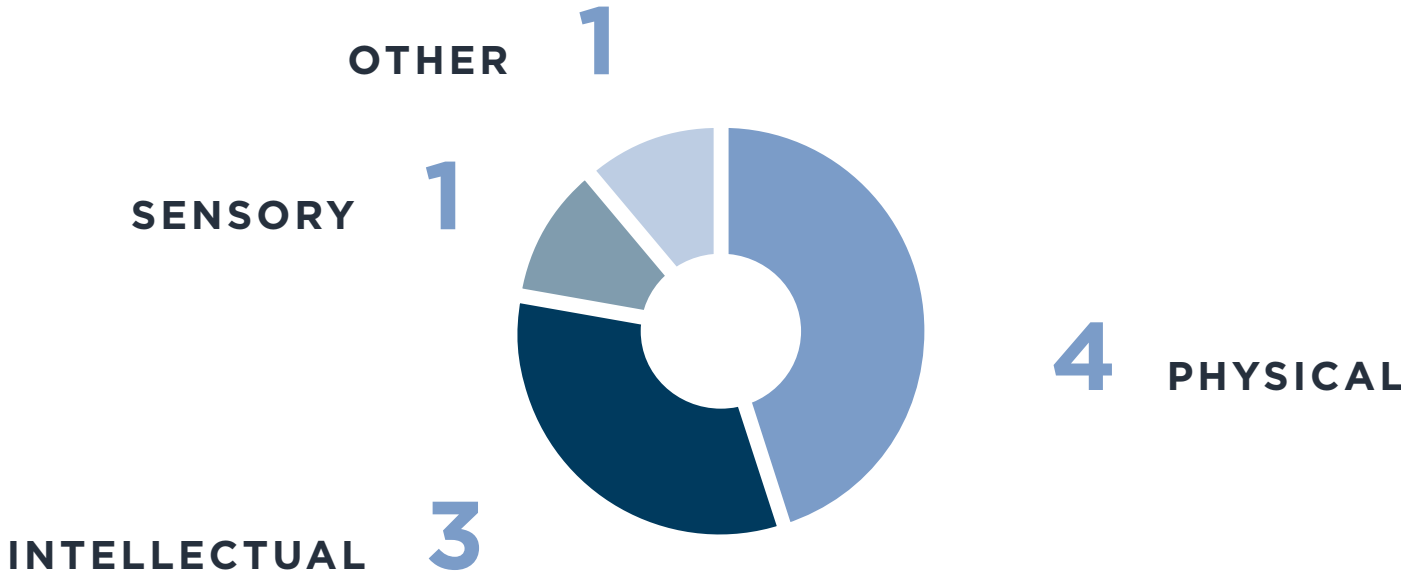


Equality & Diversity

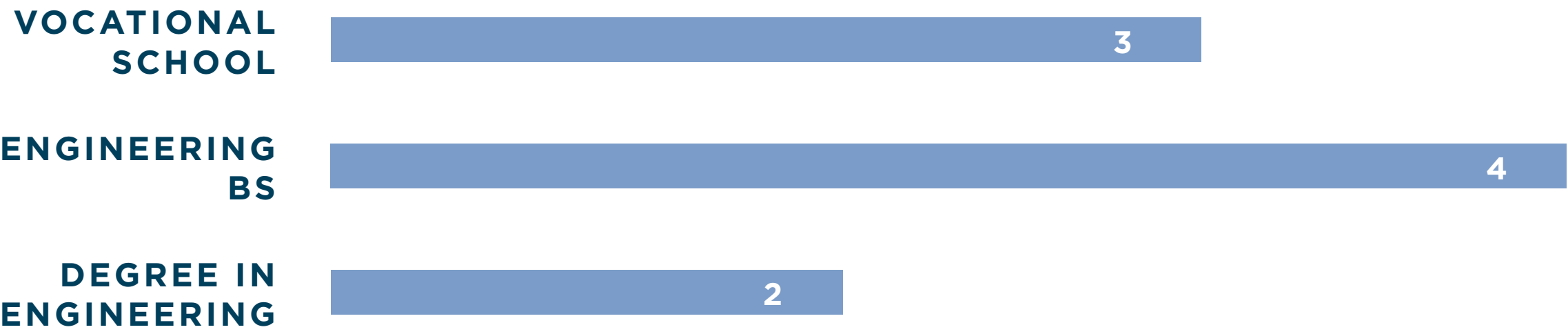
ADAPTED JOB POSITIONS  
by Plant



TYPE  
of disability



LEVEL OF EDUCATION  
of adapted job positions





Equality & Diversity



In Alestis do Brasil, there were no members of the staff with disabilities in 2019 due to the difficulty involved in recruiting candidates with the necessary qualification and disability certificate.

In addition, the company promotes integration plans, an example of which is **Rompiendo Barreras** (Breaking Down Barriers): an internship program for people with functional limitations.

Within this program, volunteers from different departments created “support units” to help students integrate in their new work environment by acting as a link between their own departments and the students.

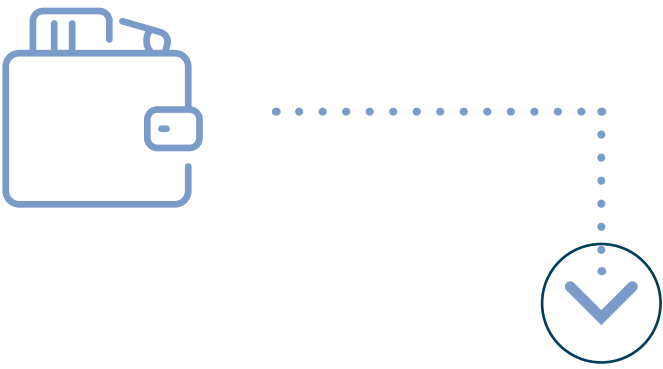
In 2019, a total of nine students took part in this program: three in Puerto Real, two in Tecnobahía, two in San Pablo, and two in Aerópolis.

The **“Ayuda a hij@s con diversidad”** Program, implemented at the plants in Sevilla, Cádiz, and Getafe, was another measure to help parents of children with functional limitations by granting them a monthly allowance.

Alestis did not launch specific initiatives concerning the universal accessibility for handicapped people.







# Compensation Policy

At Alestis, employees are classified according to “roles”: groups of positions with similar levels of responsibility and task complexity, to which the company assigns similar salary ranges. These roles are:

## ROLES

- SENIOR MANAGEMENT
- MANAGERIAL ROLES
- MANAGEMENT AND MIDDLE MANAGEMENT
- TECHNICIANS
- SUPPORT STAFF
- DIRECT EMPLOYEES (OPERATORS)

## FRAMEWORK

Trusted people not included in the Compensation Policy.

Included in Alestis’s Compensation Policy for technicians and management.

Staff covered by the collective agreement.





Compensation Policy

Alestis’s **Compensation Policy** in Spain covers the workers whose jobs are included in the job family ranges from M to T, that is, managers of technical or functional areas (M), managers of technical or functional areas or sub-areas (P), senior team coordinators or technicians (C), and engineers and technicians (T). In other words, these are people in leadership, technical, or project management roles. They are a key group for the company, and as such they are expected to show great engagement and commitment, as well as a special interest in the company’s strategic objectives and the results achieved.

According to the Compensation Policy, similar jobs are grouped together to form job families (the above-mentioned M, P, C, and T). These families fall within certain salary ranges, which are used to define wages and benefit levels.

To classify the positions within the roles we specified above, we have carried out an assessment based on **key factors** which measure the relative contribution of these jobs to the company. Once each position has been assessed, it is possible to assign them a fair compensation directly proportional to the responsibility they involve.

The total compensation (the monetary amount a person can receive) for the people in ranges M, P,

and C, and for all those excluded from the Compensation Policy (senior management and managerial roles) includes a fixed salary and a variable salary based on achieved objectives. The other range (T) only includes a fixed salary.

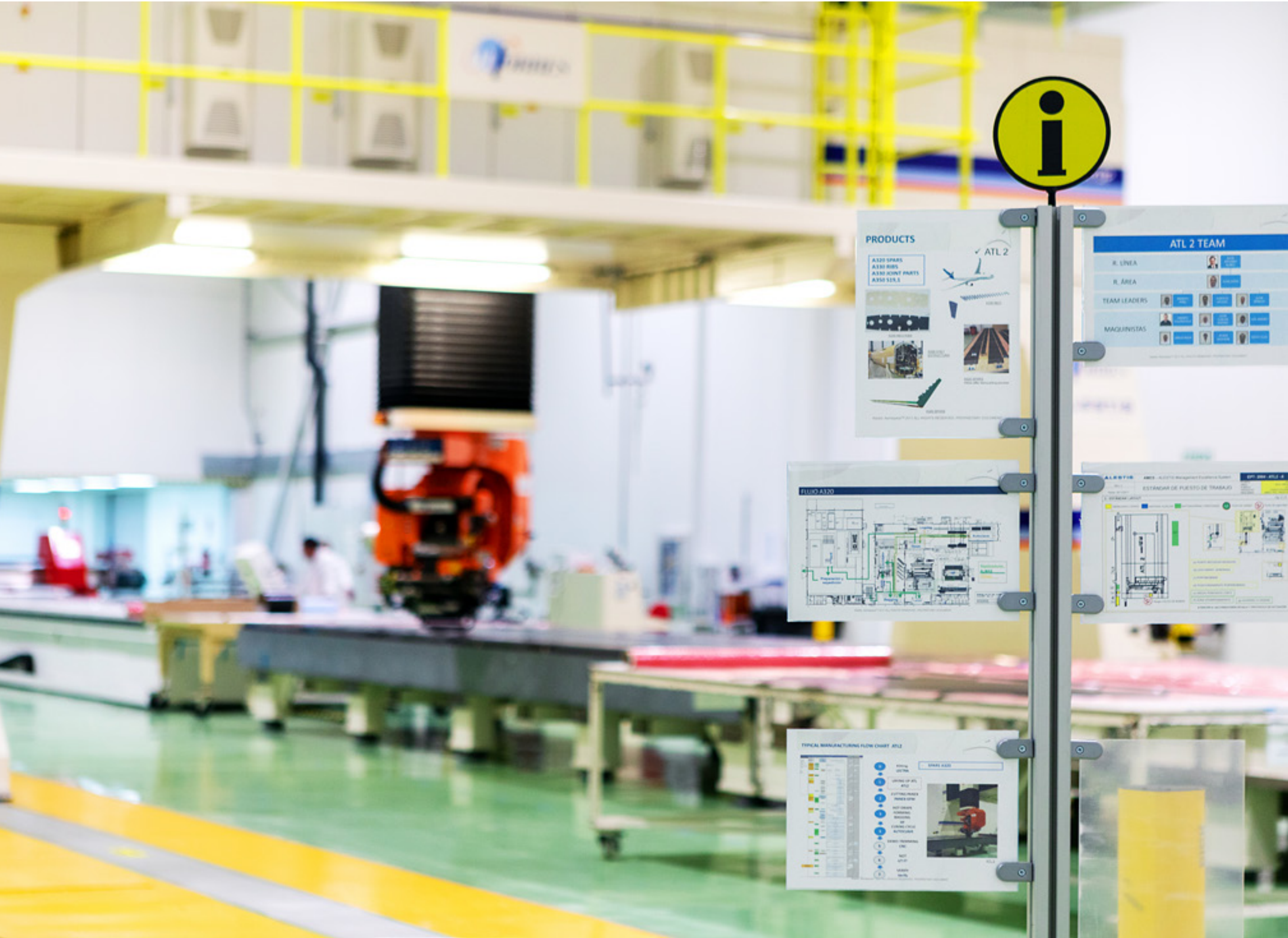
The **fixed salary** is classified in salary ranges according to the different job levels at Alestis and the job assessment carried out through key factors (features that are present in every job, to a greater or lesser extent).

Each level is based on points, so it is possible for positions at the same level to receive a different compensation based on the result of the assessment. And, based on individual characteristics, each person may have a different salary from other colleagues in the same range.

The criteria considered for individual promotion within a salary range are individual performance, suitability of key behaviors, position within the range, expertise, and assessment by the direct manager.

The result from all these criteria makes it possible for an employee to move within the range.

THE FIXED SALARY IS  
CLASSIFIED IN SALARY RANGES  
ACCORDING TO THE DIFFERENT  
JOB LEVELS AND THE JOB  
ASSESSMENT CARRIED OUT  
THROUGH KEY FACTORS





Compensation Policy

The **variable compensation** is linked to the fulfillment of a series of objectives which are reviewed annually against Alestis’s procedure “Result-oriented Management”.

Depending on which range the person’s role is framed in, their variable compensation will have a maximum percentage.

There is a **key factor**: the economic indicator that, when fulfilled, generates the right to receive a variable salary (collective and individual). This economic indicator is the **EBIT** (Earnings Before Interest and Taxes) and the **recurring EBITDA** (earnings before interest, taxes, depreciation and amortization) indicated in the budget.

**THE VARIABLE COMPENSATION IS LINKED TO THE FULFILLMENT OF A SERIES OF OBJECTIVES WHICH ARE REVIEWED ANNUALLY AGAINST ALESTIS’S PROCEDURE “RESULT-ORIENTED MANAGEMENT”**

The goal management model includes two types of goals:

COMPANY OBJECTIVES

defined by Management and related to the economic, productive, employee, and quality objectives.

INDIVIDUAL GOALS

those that help meet the business goals from each individual role.

The impact an employee who receives variable compensation may have on the company goals changes considerably, this is why the weight of the goals set for each person is based on their salary range and job family.





Compensation Policy

Decisions about the Compensation Policy are made once a year by the **Compensation Committee**, made up of HR and some members of the Steering Committee. They analyze the following topics:

- The frameworks within the wage policy (access to it by people in lower ranges).
- Calibration and homogenization of performance assessment results and salary reviews.
- Salary reviews and promotions, according to the available budget and the results given by the different managers.
- Promotions by those granted the Technical Specialist diploma.

For annual salary reviews and level upgrades due to promotions or technical diplomas, a fund is created based on a percentage of the total wage bill of the levels referred to in the Compensation

Policy. This fund is distributed among the different departments and used by the Compensation Committee to propose salary changes.

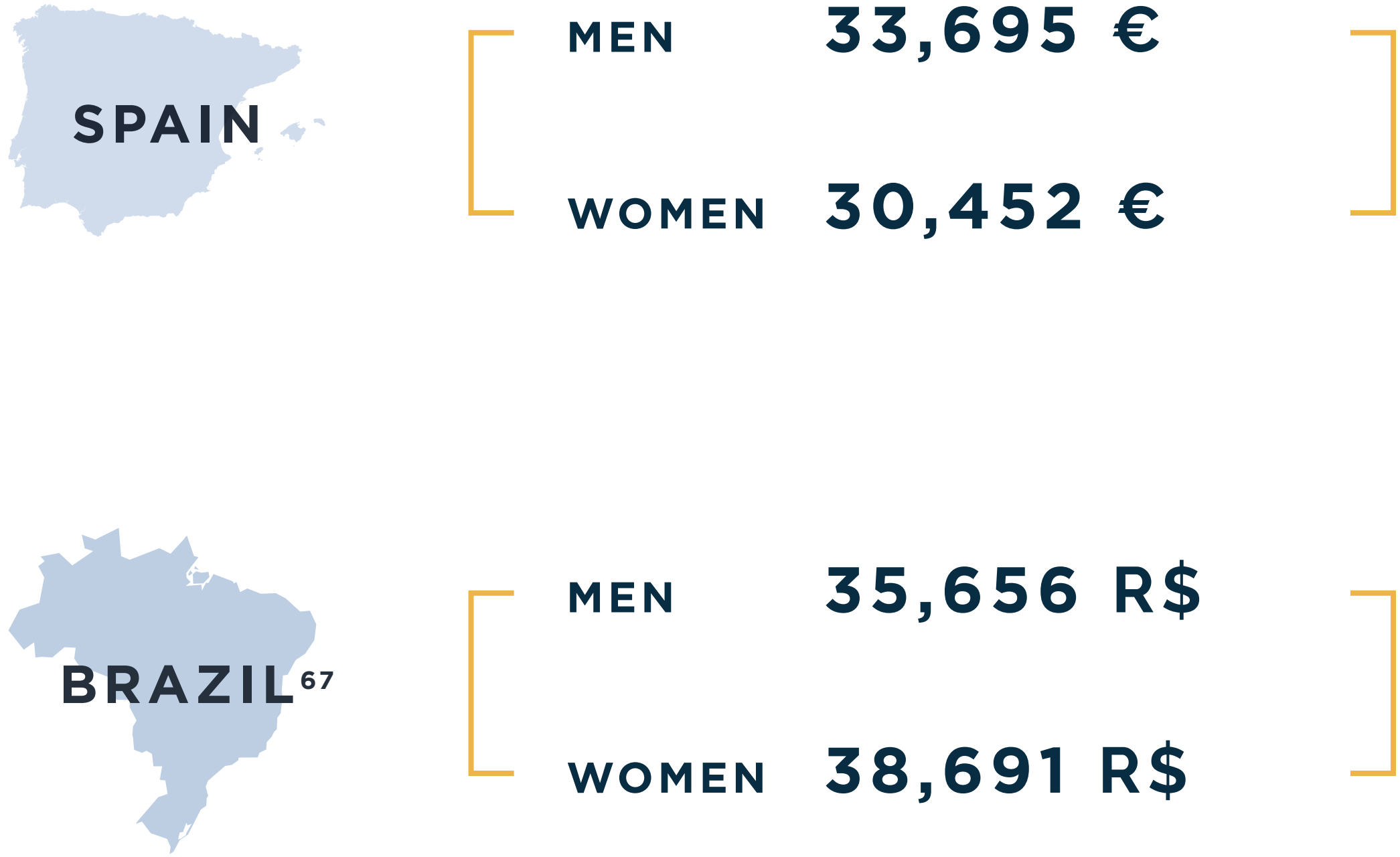
In the case of Alestis do Brasil, the fixed salary is organized and grouped in salary ranges. People move within the ranges and groups based on their individual performance, position within the range/group, their expertise, assessment by their direct manager, and seniority.

Variable compensation for members of the Steering Committee is linked to the fulfillment of individual (and general) objectives, which are reviewed annually against defined criteria (many of them agreed upon with the employee).

Support personnel and direct personnel (operators) are governed by a collective agreement both in Spain and Brazil.

All this generates the below average compensation linked to the annual fixed salary.

AVERAGE COMPENSATION  
by gender



67. Only the staff on unlimited contracts is factored in salary calculations in Brazil.



Compensation Policy

AVERAGE COMPENSATION  
by gender and professional category

		MEN	WOMEN
SPAIN (€)	MANAGERS	100,370	--68
	MIDDLE MANAGEMENT AND SKILLED TECHNICIANS	52,991	47,669
	TECHNICIANS	34,567	31,459
	FUNCTIONAL SUPPORT (NOT COVERED BY THE COLLECTIVE AGREEMENT)	31,246	23,973
	OPERATORS AND FUNCTIONAL SUPPORT (COVERED BY THE COLLECTIVE AGREEMENT)	29,906	26,369
BRAZIL (R\$)	MIDDLE MANAGEMENT AND SKILLED TECHNICIANS	119,163	104,695
	TECHNICIANS	51,909	33,641
	FUNCTIONAL SUPPORT	56,045	51,731
	OPERATORS	27,881	27,218

The economic difference in the average annual compensation is not due to discrimination between men and women, but rather to the fact that the overall presence of women among the staff is significantly smaller (in our industry, engineers are the most in-demand profiles, and they are usually men), and was even more so in the past, which may affect these data in terms of seniority.

68. The CEO's compensation has been excluded for reasons of confidentiality.



Compensation Policy

AVERAGE COMPENSATION  
by age



SPAIN

<30 years old  
29,116 €



31-40 years old  
30,852 €



>41 years old  
33,832 €



BRAZIL

<30 years old  
24,457 R\$



31-40 years old  
42,765 R\$



>41 years old  
57,690 R\$



AVERAGE COMPENSATION  
by professional category <sup>69</sup>

	MANAGERIAL ROLES	MIDDLE MANAGEMENT AND SKILLED TECHNICIANS	TECHNICIANS	FUNCTIONAL SUPPORT	OPERATORS
→ SPAIN (€)	103,151	51,507	33,560	26,224	29,506
BRAZIL (R\$)	-- <sup>70</sup>	114,340	47,342	52,594	27,708

69. By Management, we refer to people on managerial roles, middle management and skilled technicians, leaders of functional and/or technical departments, technicians, qualified personnel with technical skills in different areas, support functions, personnel who perform supportive tasks for the rest of the organization, operators, and workshop specialists who perform manufacturing and/or assembly tasks.  
70. The compensation of Alestis do Brasil's CEO is issued from Spain, so it is included in the data reported for Spain.



Compensation Policy



With regard to the Board of Directors, and following the latest amendment to the company’s articles of association, adopted on 30 July, 2019, consultants do now receive compensation; namely, a fixed annual allowance determined at the General Meeting for each financial year. In the period between this amendment and the end of the tax year 2019, the total compensations paid by the company to consultants amounted to €97,500: an average of €18,750 were paid to women and €15,750 to men. All members of the Board of Directors receive the same compensation, regardless of their sex. The difference in the average is due to the start date when some of the consultants started to receive theirs.

In 2019, trustees received no contribution whatsoever in the form of funds or pension plans nor were they promised such benefits. Trustees received no compensation in the form of profit share, life insurance premiums or long-term pension plan systems. Neither were they granted shares or stock, nor outstanding stock options, advances or loans. Finally, they did not receive subsistence allowance, variable compensation, or indemnity.

**IN 2019, TRUSTEES RECEIVED NO CONTRIBUTION WHATSOEVER IN THE FORM OF FUNDS OR PENSION PLANS. NEITHER WERE THEY GRANTED SHARES, NOR VARIABLE COMPENSATION OR INDEMNITY**







# Health & Safety

Our commitment to safety moves us to aim for the highest level of health and safety in the workplace. In accordance with the applicable law, we have a series of policies and procedures in place, all included in the Health and Safety Management System that, when followed closely, ensure that all activities within the company are carried out with the necessary health and safety measures.

Alestis has an **ISO 45001**-compliant Management System which was pre-audited throughout 2019 and is ready to qualify for certification.

In addition, in Spain it has its own consolidated Prevention Service, which covers all three technical specialties—safety, hygiene, and ergonomics—and an external company, Quirón Prevención, to monitor health and safety issues and help coordinate the protocols to be applied for each task on account of the risks it poses.

The management of accident indicators is governed by the INSST's (the Spanish National Institute of Health and Safety at Work) criteria and defines the frequency rate as the number of accidents which lead to medical leave per million hours worked. Other rates provided by the company's mutual association are also factored in such as incidence or absence. Additionally, this mutual society compares its results with other companies in the sector in order to continue to improve.

Looking at the 2010-2018 period, and bearing in mind Alestis did not start to manage directly the prevention in its plants until 2010, the frequency rate was reduced by 61.5%.

**OUR COMMITMENT TO SAFETY MOVES US TO AIM FOR THE HIGHEST LEVEL OF HEALTH AND SAFETY IN THE WORKPLACE**





Health & Safety



ACCIDENT  
rates <sup>71</sup>

**ACCIDENT FREQUENCY RATE**  
(n° of accidents at work occurring per million hours worked).

**SEVERITY RATE**  
(n° of days lost due to accidents at work per thousand hours worked).

**N° OF LEAVES DUE TO OCCUPATIONAL ILLNESS**

**ABSENCE HOURS**

SPAIN

22.17

0.75

4

99,511

BRAZIL

7.27

0.05

0

16,653

71. The breakdown by sex is unavailable because there is no information on the hours worked by men and women. The company is committed to reporting this information in the future.





Health & Safety



Alestis promotes a safe workplace by encouraging the staff to submit proposals to improve the current measures and make the company an even safer and more productive place to work.

Union representatives are also involved in health and safety matters. In Spain, the Prevention Delegates and the Health and Safety Committees ensure that all workers take part in the decision making regarding occupational risk prevention. In the case of Brazil, they have the Commission for the Prevention of Internal Accidents (CIPA), where trade union representatives play a part.

At Alestis, all employees have annual check-ups (or more often, depending on the health and safety criteria), where they undergo mandatory tests. Additionally, there are PSA tests (prostate-specific antigen) for men over 50 as a measure to prevent prostate cancer; thyroid tests for employees with related symptoms; and fecal occult blood tests to try and detect colon cancer in its earliest stage.

These tests are by no means mandatory, but they give the staff an opportunity to take greater care of their health through early detection.

In 2019, volunteer specialists from the Spanish Association Against Cancer (AECC) conducted a workshop on breast self-exam to teach employees how to detect breast cancer. The aim was to raise awareness of the importance of early detection by sharing the most frequent symptoms that can help diagnose it in time and minimize the extent and progression of the disease.

In addition, we ran several blood donation campaigns together with Seville's Blood Transfusion Center, which installed a mobile unit in our facilities.

We also ran road safety workshops with the help of the mutual association MC-Mutual to raise awareness of the importance of responsible driving both at work and outside of work, yet another initiative towards our goal of being a **“Healthy Company”**. These sessions tackled different topics: The human factor, means of transport, prevention and efficient driving, and mobility and means to ensure it.

**AT ALESTIS, ALL EMPLOYEES HAVE AN ANNUAL CHECK-UP WHERE THEY UNDERGO MANDATORY TESTS. ADDITIONALLY, THERE ARE PSA TESTS (PROSTATE-SPECIFIC ANTIGEN) FOR MEN OVER 50 AND WORKSHOPS ON BREAST SELF-EXAM TO DETECT BREAST CANCER**





Health & Safety



Likewise, the company promotes physical exercise through an app ([www.alestisalud.es](http://www.alestisalud.es)) which encourages competition and challenges the participants in fun ways. This initiative was granted a special second place in the MC Mutual Antonio Baró Awards for Occupational Risk Prevention.

At Alestis, we are proactive about leading a healthy lifestyle. As a result, we have adhered to the **Luxembourg Declaration on Workplace Health Promotion** to encourage healthy habits among our workers inside and outside the workplace.

In Brazil, the company has an **Occupational Risk Prevention Management System** based on the Brazilian standard set by the Ministry of Labor.

In addition, all departments receive assistance and are 100% covered against chemical, physical, biological and ergonomic contamination risks by standard NR 9 in the Environmental Risk Preven-

tion Program (PPRA in Portuguese), compliant with Ordinance 33,214 of 1978.

Likewise, Alestis do Brasil has launched the **World Program of Occupational Gymnastics**, aimed at the physical fitness of the most used muscle groups while working and focused on the specific demands of each task.

Every year, the company holds an Internal Week for the Prevention of Accidents at Work (SIPAT). The program includes talks and other activities aimed at preventing accidents at work and diseases like cancer, HIV, STDs, etc.

ALESTIS IS PROACTIVE ABOUT LEADING A HEALTHY LIFESTYLE. WE HAVE ADHERED TO THE LUXEMBOURG DECLARATION TO ENCOURAGE HEALTHY HABITS





# Environmental Management

ALESTIS IS AWARE OF THE IMPACT ITS  
INDUSTRIAL ACTIVITY HAS ON THE  
ENVIRONMENT AND **IS COMMITTED TO THE MOST  
SUSTAINABLE BUSINESS PRACTICES.**







# Environmental Management

Alestis is aware of **the impact its industrial activity has on the environment** and is committed to **the most sustainable business practices**. The Alestis Code includes a formal commitment to minimizing the effects of our actions and managing waste efficiently. The company also strives to conserve and save energy and other resources.

To ensure compliance with this commitment, in 2015 Alestis created an Environment Management Department within the Excellence System & Global Transformation Department. The following year, Alestis's **Environmental Plan** was drafted as a framework for our environmental management, and Alestis's Environmental Policy was formalized.

This **Environmental Policy** comes directly from the Management and is at the heart of the duties and responsibilities of the different bodies that make up the company. Our environmental policy provides the framework for all the activities ca-

ried out at our plants. The implementation of this policy, as well as the specific strategies and plans, is the responsibility of every single person who works at Alestis.

In line with Alestis's environmental commitment, its Environmental Policy is based on absolute respect for the environment while carrying out all its productive and non-productive activities, but also during the previous stages of Design Engineering.

**THE ALESTIS CODE INCLUDES  
A FORMAL COMMITMENT TO  
MINIMIZING THE EFFECTS OF  
OUR ACTIONS AND MANAGING  
WASTE EFFICIENTLY**



Environmental Management



Below are the basic principles that govern Alestis’s Environmental Policy, applicable to all activities:

- **To document, implement and maintain** an environmental management system within the company’s continuous improvement system.
- **To meet our customers’ needs and expectations** by ensuring the protection and conservation of the environment. This includes pollution prevention as one of Alestis’s main goals from the very initial stages of Design Engineering.
- **To comply with the existing and applicable environmental legislation**, including the EU REACH Regulation for the replacement of Substances of Very High Concern (SVHC), and any related requirements from programs, agreements, etc., ensuring compliance at every one of our plants.
- **To go beyond compliance with existing legislation** by using the ISO 14001 standard as a reference to establish procedures to control and reduce as much as possible Alestis’s environmental impact, mainly derived from atmospheric emissions, discharges, and generated consumption and waste.

- **To monitor systematically** the environmental aspects of our facilities and processes by taking the necessary corrective measures.
- **To act proactively** to detect and prevent the environmental defects and incidences before they occur, especially those caused by waste emissions.
- **To guarantee the competence of our employees** by means of information and awareness in order to ensure the proper environmental performance of all our activities.
- **To strive to minimize the consumption** of natural resources such as water and energy, as well as to reduce CO2, VOCs, etc.
- **To promote good environmental practices** among our suppliers and take appropriate measures to ensure that those who work in any of our plants comply with the applicable guidelines.

- **To inform Alestis’s staff** about our Environmental Policy.
- **To improve continuously** our Environmental Management System to boost our environmental performance.

**SINCE THE BEGINNING OF 2016, THE COMPANY HAS ACTIVELY PARTICIPATED IN THE COMMITTEE FOR THE MINIMIZATION OF WASTE IN THE AERONAUTICAL INDUSTRY, LAUNCHED BY THE REGIONAL ANDALUSIAN GOVERNMENT**



Environmental Management



Each one of Alestis’s plants has a different type of environmental authorization (Integrated Environmental Authorization, Unified Environmental Authorization, Environmental Report or Environmental Qualification), and each of these documents determines the type of environmental monitoring to be performed at each plant.

Throughout 2017, Alestis reviewed all its environmental authorizations to adapt them to the latest changes in each plant (elimination of chemical treatments at the San Pablo plant and elimination and unification of several plants), thus ensuring compliance with the legal requirements regarding resource optimization.

Alestis do Brasil follows at all times the guidelines defined by the Conama Resolution, as well as those of the Environmental Company of the State of São Paulo through the qualification of the facilities by means of analytical reports applied by norm NBR 10.004.

In those plants where sound measurements are required, these are carried out with the prescribed frequency and, until now, the limits have not been exceeded. For its part, Alestis do Brasil complies with the applicable noise regulation (NBR 10151,

Conama Resolution for urban noise and NR 15 from the Ministry of Economy, Annex I: Tolerance limits for continuous or intermittent noise) by performing annual measurements.

With respect to **light pollution**, the Unified Environmental Authorization for the plant at San Pablo established the need for an audit, which was carried out with the help of an external body. As a result, the lighting fittings placed outside were re-oriented to ensure as little light pollution as possible. No related impacts were identified in any of the other plants (in Brazil, the legal requirements regarding light pollution—regulation NBR 5313 on occupational risk prevention—refer only to interior lighting).

Regular measurements of discharges or emissions are also taken at each plant when necessary.

**ALESTIS DO BRASIL FOLLOWS AT ALL TIMES THE GUIDELINES DEFINED BY THE CONAMA RESOLUTION, AS WELL AS THOSE OF THE ENVIRONMENTAL COMPANY OF THE STATE OF SÃO PAULO**





Environmental Management



However, Alestis’s measures to protect the environment go beyond compliance with mandatory regulations. For example, since the beginning of 2016, the company has actively participated in the committee for the minimization of waste in the aeronautical industry, launched by the regional Andalusian Government under the provisions of the Plan for the Prevention and Management of Hazardous Waste of Andalusia for the 2012-2020 period. After going through two diagnostic phases, a sector-based general one and a more specific one to determine the scope and object of the processes, a detailed study of the most relevant production processes was carried out.

In 2017, the current corporate environmental plan was adapted to the latest revision of ISO 14001:2015 standard, and in 2018, it was launched for all its plants in Spain. The first stage was an initial diagnosis of each location and then, throughout 2018, it was implemented in the pilot plant, Puerto Real. At the same time, the corporate documentation for the new environmental management system,

applicable to the whole company and to each specific plant, was generated. Implementation at the Puerto Real plant was completed in April 2019.

Also in 2019, the implementation of the ISO 14001:2015 standard was completed in our other production plants, Tecnobahía, San Pablo, Aerópolis, and Vitoria, and in the offices at Sevilla and Getafe. All the specific procedures of each plant were generated and the implementation was completed with an audit. That prepared all plants for the internal and external audits required to achieve the ISO 14001:2015 certification planned for 2020.

The ISO 14001 Environmental Management System allows the organization to go beyond legal compliance by conducting an environmental analysis through indicators, setting environmental objectives, and anticipating risks and opportunities.

IN 2019, THE IMPLEMENTATION  
OF THE ISO 14001:2015  
STANDARD WAS COMPLETED  
IN OUR OTHER PRODUCTION  
PLANTS





Environmental Management



Within the ISO 14001 Environmental Management System, there is a corporate procedure on **Environmental Risk Management**, applicable to all plants and work centers in Spain. Thus, possible risks are identified and assessed in order to take actions or develop action plans in the cases where they exceed the established limits.

During the last assessment, two risks were identified: exceeding the legally established limit for environmental parameters, and non-compliance with chemical storage conditions. In both cases, we have an action plan in place to keep these risks under control.

The use of Cr-VI, commonplace in the aeronautical industry and strictly controlled by the appropriate authorities, was identified as a third risk. In addition to complying with the applicable regulations, in Vitoria, the only plant where this pro-

cess is carried out, we have replaced chromic acid anodizing with tartaric-sulphuric acid anodizing, a substance that does not contain Cr-VI and is much less dangerous.

Alestis has a liability policy that covers any environmental incident up to 15 million euros, including cleaning expenses where appropriate.







# Energy Consumption

In 2019, the energy consumption of Alestis’s facilities in Spain amounted to 19,694,628 kWh of electricity<sup>72</sup>, 4,277,280 kWh of natural gas, and 260 tons of propane gas.

As a result of the company’s commitment to fight climate change, we implement actions to reduce energy consumption on a regular basis. The following initiatives developed in 2019 were the most important in this regard:

## > LIGHTNING REPLACEMENT

The lighting at the Puerto Real plant, and lay-ups 1 and 2 at Tenobahía have been **replaced by energy efficient lighting** (LEDs). What’s more, we implemented a system that regulates the lighting generated according to the existing light.

## > REMOVAL OF DIESEL OIL CONSUMPTION

In San Pablo, we **eliminated the consumption of diesel oil**, which was used for both the painting booths and the leaking test bath.

- Regarding the painting booths, the previous diesel oil boiler was replaced by a lower power propane boiler, which is a better fit for our current needs. It has been located next to the point of consumption in order to optimize the use of the generated heat.
- As for the leaking test bath, it was completely closed.

## > PROPANE SUBSTITUTION BY NATURAL GAS

At Tecnobahía, **propane has been replaced with natural gas**, thereby reducing the carbon footprint.

72. These figures do not include office work centers, as consumption levels here are insignificant in comparison to those in the plants.



Energy Consumption



It is also worth mentioning that the San Pablo plant has solar panels for heating water, and that the offices at Getafe are located in a sustainable, eco-friendly building (Charmex). In 2019, we began studying the feasibility for switching to solar energy in other plants, too.

And last but not least, in order to raise employee awareness of the importance of energy saving, we launched a communication campaign to promote a responsible use of electric power through measures like switching off the room lights after a meeting, respecting the temperature indications when switching on the air conditioning or heating, turning off their computers at the end of the day, etc.

In 2019, the consumption at the Alestis do Brasil plant was 3,638 MWh, all coming from renewable sources, plus 8,658 kg of LPG gas.

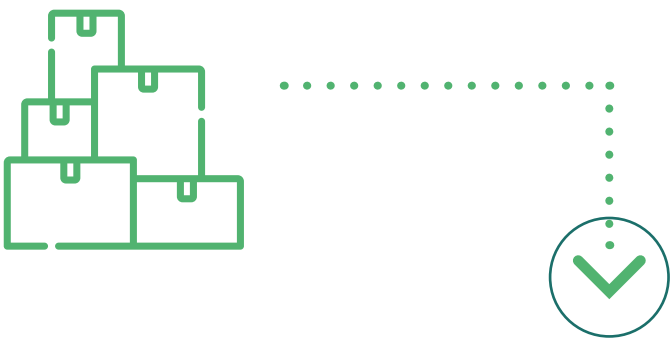
In this case, the measures put in place for the reduction of energy consumption are related to production optimization. Specifically:

- > **Reduction** of autoclave curing process
- > **Migration** to the free energy market (renewable energy)
- > **Reduction** of coating cures

IN ORDER TO RAISE  
EMPLOYEE AWARENESS OF  
THE IMPORTANCE OF ENERGY  
SAVING, WE LAUNCHED A  
COMMUNICATION CAMPAIGN TO  
PROMOTE A RESPONSIBLE USE  
OF ELECTRIC POWER







# Use of Resources & Materials

		2016	2017	2018	2019
→	ALUMINUM (KG)	934,231	1,096,525	649,863	920,586
	SPAIN <sup>73</sup> TITANIUM (KG)	90,803	101,343	82,624	92,965
	PREPREG (m²)	638,310.63	459,966.37	400,911.75	481,269.89
BRAZIL PREPREG (m²)		105,941	143,836	169,997	161,765

Following the implementation of the ISO 14001 standard, we carried out an evaluation of our consumption of raw and auxiliary materials. The most used raw materials were titanium, aluminum, and prepreg.

Within the frame of continuous environmental improvement, several actions were carried out. For example, the closure of the chromic acid anodizing treatment bath at the Vitoria plant, together with its associated processes, which also contained Cr-VI (sealing in the presence of dichromate and de-anodized). As a result, tartaric-sulphuric acid is the only anodizing used since January 2019 for all programs—a less dangerous substance which is in line with the requirements of the REACH Regulation on registration, evaluation, authorization, and restriction of chemicals. Currently, and until an approved substitute is made available, we only use the Cr-VI treatment bath for chemical conversion. Thanks to these actions, the area used for treatment baths with Cr-VI was reduced from 13 m³ to 4.2 m³ [from 459 ft³ to 148 ft³]—a significant decrease in the consumption and production of hazardous substances and waste. Our goal for the Vitoria plant is to reduce the use of solvents by 20% in 2020.

73. The data about titanium and aluminum consumption come from Conbid Airbus and includes both Alestis's and those of its supply chain. The figures for prepregs come from SAP and refers to Alestis only.



Use of Resources & Materials



Likewise, we try to rationalize the use of **solvents** at all times. Alternatively, we use solvent wipes or waterborne paints from the latest programs.

At Alestis, we also work to reduce the **consumption of single-use plastics** which are used on a daily basis. Within the communication plan for the development of good environmental practices, we issued statements to raise awareness of the importance of reducing plastic consumption and the consequences of not doing it. To put the cap on the plan, we offered a reusable glass bottle as a corporate gift to avoid the use of plastic bottles for water consumption.

**THERE ARE DIFFERENT  
INITIATIVES FOR RATIONALIZE  
THE USE OF SOLVENTS AND  
REDUCE THE CONSUMPTION OF  
SINGLE-USE PAPER OR PLASTICS**

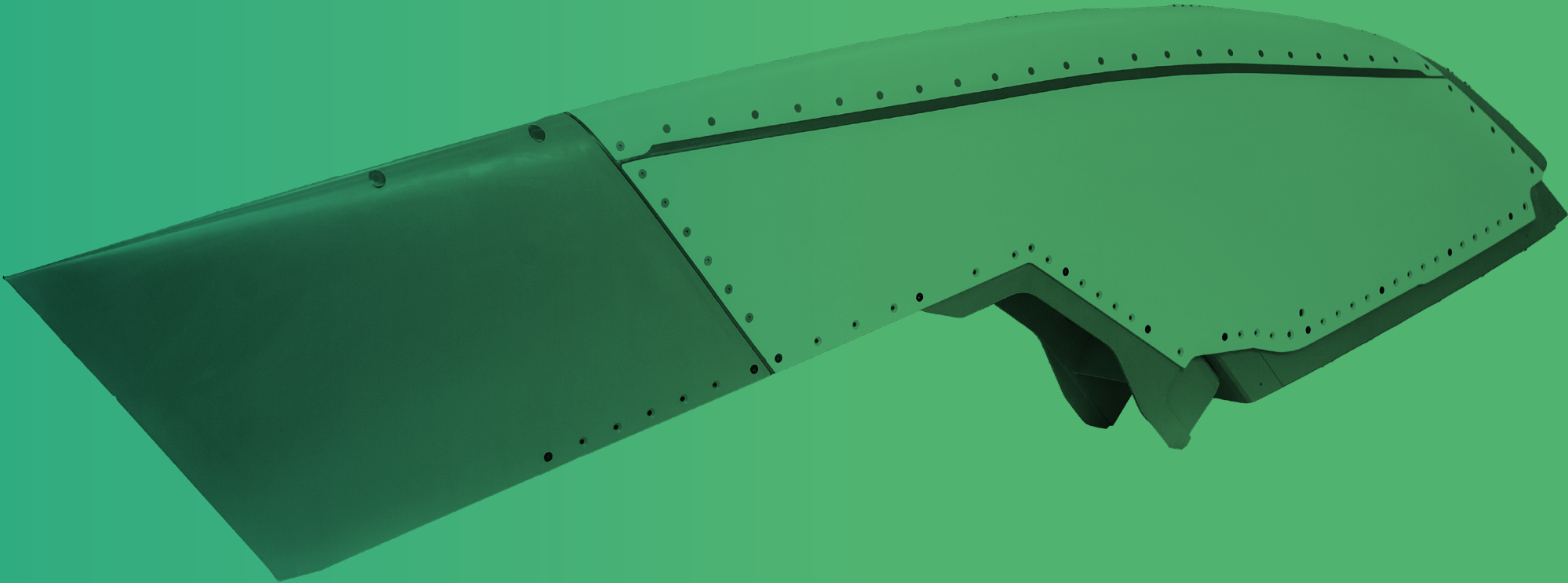
We worked equally to cut down on **paper** by promoting initiatives to reduce the misuse of this material, and hence the negative environmental impact it leads to. Some of these initiatives are to reuse single-sided printed paper as scrap paper, to print on both sides, to avoid any unnecessary use, etc. The goal for 2020 is to reduce the use of non-recycled paper by 10% while increasing the use of recycled paper in several plants and offices.

For its part, Alestis do Brasil also introduced specific initiatives to minimize consumption of raw materials in 2019. These are the most important:

- > **Reorganization of production** blocks for the A350 program and resulting reorganization of the nesting programs with a reduced consumption of prepregs.
- > **Re-evaluation of ink** consumption with the new booth, which let to fewer purchases of some painting materials.
- > **Manual cutting tools with increased durability**, including recycling of fabric cutting machine blades.



**MOVING TOWARDS MORE SUSTAINABLE  
INDUSTRIAL PROCESSES. SINCE JANUARY  
2019, WE USE TARTARIC-SULPHURIC ACID  
ANODIZING, AS REACH REGULATIONS  
DEMANDS FOR WORRYING CHEMICALS**







# Water Consumption & Discharges

In 2019, water consumption amounted to 25,888 m<sup>3</sup> in Spain and 5,307 m<sup>3</sup> in Alestis do Brasil. All water consumption comes from the water-supply system (none of the plants has a well).

Water consumption is related to the drainage, so all discharges go to the sewage network, and from there to the corresponding local sewer, except for the Vitoria plant, where there is a line of anodizing baths. When there is concentrated liquid waste that needs to be disposed of, it is removed by authorized waste managers, and never disposed of as discharge. After an internal purification process, all the other water goes to the public water domain. This is monitored by the appropriate authorities and includes discharge controls every two weeks, as established by its Integrated Environmental Authorization.

**An initiative to reduce water consumption was launched at the Alestis do Brasil plant,** through the filtering improvement in Tecnatom machine. The plants located in Spain have set a goal for 2020: to reduce water consumption.

SPAIN  
2019



25,888 m<sup>3</sup>  
WATER CONSUMPTION

BRAZIL  
2019



5,307 m<sup>3</sup>  
WATER CONSUMPTION







# Carbon Footprint & other Atmospheric Emissions

In all facilities located in Spain, Alestis performs the calculation of its carbon footprint for scopes 1 and 2. The results for 2019 are as follows:

## SCOPE 1

Linked to the consumption of propane and natural gas in boilers, as well as fugitive coolant gas emissions: 1,835.3346 CO2eq.

## SCOPE 2

Indirect emissions related to electricity consumption in the facilities, calculated from the actual consumption and the emission factor obtained from the carbon footprint calculator provided by the Department for Ecological Transition and the Demographic Challenge. The scope 2 greenhouse gas emissions amount to 5,908.3886 CO2eq.

Altogether, Alestis's scope 1 and 2 carbon footprint in Spain is **7,743.7232 CO2eq.**

The measures put in place to reduce greenhouse gas emissions are the same as those already discussed regarding an efficient energy use.

At Alestis, we also release emissions linked to painting booths into the atmosphere. In the plants located in Spain, they are dealt with in accordance with the provisions of Royal Decree 117/2003 on the limitation of emissions of volatile organic compounds as a by-product of the use of solvents for certain activities (in 2019, the total of VOCs emitted from the Vitoria plant was 13.7 tons). In Alestis do Brasil, these booths are in the final stage of adjustments to be compliant with the Conama Resolution.







# Waste

In 2019, Alestis’s plants in Spain generated a total of 169 tons of hazardous waste, which were sent to authorized agents for an appropriate treatment. Another 439 tons of non-hazardous waste were generated, which included paper and cardboard, plastic, general waste, wood, scrap metal, fluorescent tubes, electrical and electronic waste, and toner.

We strive to steadily improve the ways we sort and manage hazardous and regular waste in all our plants by implementing a selective collection of waste by both authorized waste managers and cleaning service providers, placing separate ecological collection points, and reorganizing hazardous waste containers. The external storage areas for hazardous and non-hazardous waste were refurbished so that waste is easier to sort and handle.

**WE STRIVE TO STEADILY  
IMPROVE THE WAYS WE SORT  
AND MANAGE HAZARDOUS AND  
REGULAR WASTE IN ALL OUR  
PLANTS**





Waste



The sorting is also carried out in the so-called “office rooms”, where organic compostable waste from food is separated from the rest (plastics and cardboard). However, food waste production at Alestis’s facilities is limited to the food employees bring from home, for there are no cafeterias or dining areas.

Likewise, in Alestis do Brasil, all industrial waste is conveniently sorted in color-coded bins according to their nature, and sent to the Internal Waste Center, where it is separated and prepared to be compressed and loaded. It is then taken to managing agents who check it, weigh it, and dispose of it following the most appropriate treatment according to the type of waste.

All hazardous waste is shipped with an emergency form, which contains all the details on composition and reactivity, and vehicles set up with containment equipment, emergency treatments, and telephone numbers for contacting environmental emergency centers. They have waste dis-

posal certificates specifying the final destination and treatment of the waste and issued by the managing agents, all licensed by CETESB, a state environmental agency.

Class IIA non-inert waste is sent to the ENGEP unit (an industrial landfill), while Class I waste is sent to the RECINTEC unit for recycling and/or co-processing. This full process complies with all national environmental regulations in force as per the Conama Resolution, as well as with other treaties like the Montreal Protocol. In 2019, 17.99 tons of Class I waste and 153.14 tons of Class IIA waste were generated.

**IN ALESTIS DO BRASIL,  
ALL INDUSTRIAL WASTE IS  
CONVENIENTLY SORTED IN  
COLOR-CODED BINS ACCORDING  
TO THEIR NATURE, AND SENT TO  
THE INTERNAL WASTE CENTER**







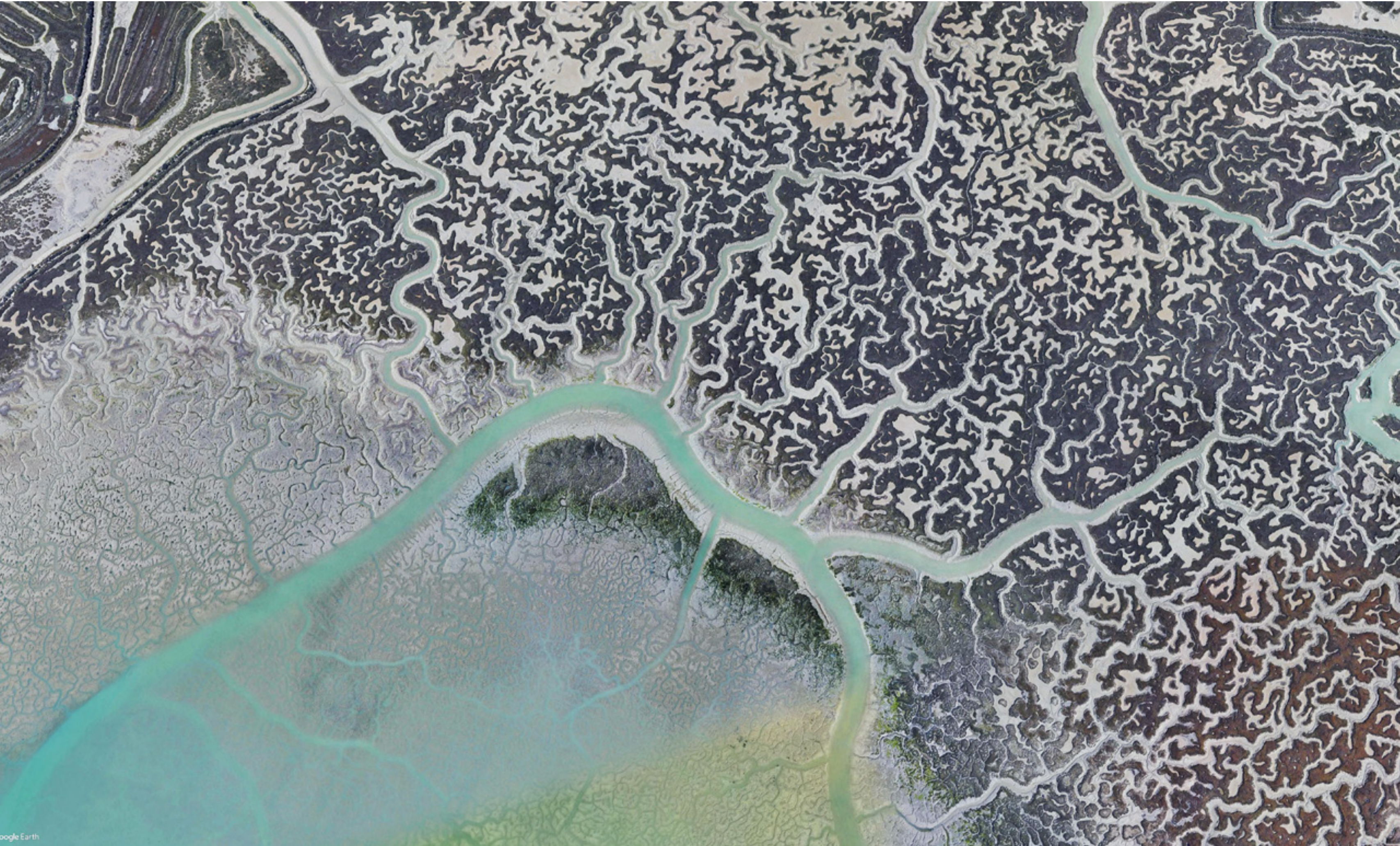
# Biodiversity

Alestis takes into account the protection of biodiversity within the context analysis of all plants in Spain, as established in its Environmental Management System ISO 14001:2015.

This is particularly relevant in the case of Puerto Real, since this plant is located near the Isla de Trocadero Natural Park. These marshes are part of the Bahía de Cádiz Natural Park, and the ecological and naturalistic value of its communities of crustaceans, mollusks, fish, and birds is very high.

Although the activities carried out at the plant in Puerto Real are not among the most potentially polluting, we comply strictly with the regulations to ensure that our industrial activities have no impact on the surrounding biodiversity.

For its part, the Alestis do Brasil plant is located within an area classified as “predominantly industrial area”, so there is no risk to biodiversity.





# Partners

ALESTIS **PROMOTES SPONSORSHIP ACTIVITIES** WITH EDUCATIONAL CENTERS AND BUSINESS ASSOCIATIONS, AS WELL AS SPECIFIC **DONATION PROGRAMS** TO NON-PROFIT ENTITIES, IN CLOSE COLLABORATION WITH ITS EMPLOYEES.







# Partners

Following our Ethics & Compliance Policy, at Alestis we take care of our **relationship with our surroundings** and promote an open dialogue. We are a company committed to **Corporate Social Responsibility and transparency**.

Alestis creates value for its partners and for society as a whole. As a company, we are not an isolated entity; we exist in an environment on which we depend and on which our actions could have an impact. This is why, as a proof of Corporate Social Responsibility, we plan and execute actions that have positive effects on the community.

**AS A PROOF OF CORPORATE  
SOCIAL RESPONSIBILITY,  
ALESTIS PLANS AND EXECUTES  
ACTIONS THAT HAVE POSITIVE  
EFFECTS ON THE COMMUNITY**

## Professional Organizations

In Spain, Alestis is a member of several professional organizations with which we collaborate to develop strategic plans and promote the industry, as well as professional training and exchange of good practices.

### ALESTIS SPAIN

ANDALUCÍA AEROSPACE

FUNDACIÓN HÉLICE (ANDALUSIA’S AEROSPACE CLUSTER)

ASOCIACIÓN ESPAÑOLA PARA LA CALIDAD (AEC) (SPANISH ASSOCIATION FOR QUALITY)

ASOCIACIÓN ESPAÑOLA DE MATERIALES COMPUESTOS (AEMAC).(SPANISH ASSOCIATION OF COMPOSITE MATERIALS)

HEGAN (BASQUE AEROSPACE CLUSTER)

SPACE (SUPPLY CHAIN PROGRESS TOWARD AERONAUTICAL COMMUNITY EXCELLENCE)

### ALESTIS DO BRASIL

FIESP (FEDERATION OF INDUSTRIES OF THE STATE OF SAO PAULO).



- SOCIAL ACTION
  - DEVELOPMENT IN THE LOCAL COMMUNITIES
  - HEALTHY LIFESTYLE
  - CULTURAL ACTIVITIES



# Social Action

Beyond the internal stakeholders such as partners, managers or employees of Alestis, the company focuses its social action on nurturing its relations with the rest of the community, that is, with the external stakeholders. These include clients and suppliers, but also non-governmental organizations, associations and foundations, educational institutions (universities, business forums, etc.), and other entities Alestis’s actions have an impact on, one way or another.

**ALESTIS ENGAGES IN DIALOGUE AND COOPERATION WITH THE STAKEHOLDERS. THE COMPANY PRIORITIZES LOCAL ENTITIES IN THE LOCATIONS WHERE WE ARE PRESENT.**





**Social Action**



In this regard, through actions such as the ones shown in the following paragraphs, Alestis encourages and engages in dialogue and cooperation with the above-mentioned stakeholders. To decide the recipients of our social initiatives, the company tries to prioritize local entities in the locations where we are present, for we are fully aware of the relevance of the nearby environment. This aims at improving the quality of life of the people in the communities. According to Alestis's Code of Ethics, this is done through ethical business practices and relationship management with these stakeholders based on three pillars:

> **DIALOGUE**

Maintaining an appropriate dialogue with the most relevant stakeholders (foundations and NGOs, local governments and institutions, training centers, etc.) in order to know their expectations about the company, and identify aspects to be improved by mutual agreement.

> **SOCIAL ACTION**

Promoting different initiatives to strengthen their positive impact by establishing partnerships with organizations both through economic contributions and dissemination of knowledge in forums, participation in working groups, etc.

> **SOCIAL ANALYSIS**

The implementation of the projects leads to positive and negative social impact on the environment. The company manages this impact by identifying its potential consequences and defining actions to maximize the positive effects and reduce or eliminate the negative ones.





**ALESTIS COLLABORATES WITH  
OTHER ORGANIZATIONS TO  
DEVELOP STRATEGIC PLANS  
AND PROMOTE THE INDUSTRY,  
AS WELL AS PROFESSIONAL  
TRAINING AND EXCHANGE OF  
GOOD PRACTICES.**

- SOCIAL ACTION
  - DEVELOPMENT IN THE LOCAL COMMUNITIES
  - HEALTHY LIFESTYLE
  - CULTURAL ACTIVITIES





# Development in the Local Communities

As part of Alestis’s commitment to society as a whole, the company carried out specific actions with NGOs and foundations, as well as collaborations with institutions, training centers, and business and aeronautical industry-related associations. Below are some of the highlights:

## VISITS

Visits to production facilities.

## PARTICIPATION

Participation in forums, activities, and meetings organized by industry associations such as SPACE, Andalusia Aerospace, CESUR and Sevilla es Industria.

## MEETINGS

Meetings and dissemination of information to the media.

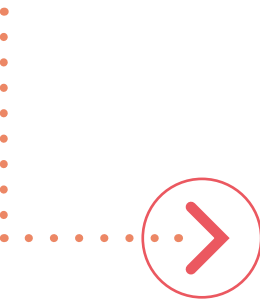






# Healthy Lifestyle

As part of our efforts to be a “Healthy Company”, and as an addition to all the initiatives carried out internally, at Alestis we are concerned to actively and continuously improve the health of our workers by sponsoring sports-related activities outside the workplace:



**ENCOURAGING THE PRACTICE OF SPORT AND SPREADING THE IMPORTANCE OF DEVELOPING A HEALTHY LIFE THROUGH THE PROMOTION OF HEALTHY HABITS IS ONE OF THE OBJECTIVES OF ALESTIS**

## BIKE DAY IN PUERTO REAL

A family-oriented sporting and non-competitive event organized by the Puerto Real City Council which gathers more than 2,500 people, who cycle the streets following a marked route.

Alestis donated two bicycles, which were raffled among all the participants at the end of the event.

## VITORIA SURVIVOR RACE

Sponsorship of the team from the Vitoria plant, which participated in the Survivor Race competition—a well-known obstacle race held across Spain whose main objective is to promote values such as personal growth, teamwork, and the culture of effort, all of them shared by Alestis.

Alestis bought the equipment for all the members of the team.







# Cultural Activities

The company has collaboration agreements with educational institutions and takes part in projects and training programs that generate knowledge and innovation.

## IV JORNADAS TÉCNICAS

One of the highlights is the **IV Jornadas Técnicas**, a few days revolving around technology under the slogan “**Share. Know. Innovate**”. aimed at sharing knowledge through successful experiences, innovative projects, and working methods developed and used by the staff.

## MASTER’S DEGREE IN NANOTECHNOLOGIES

We also established a collaboration with the he University of Cádiz, which offers a **master’s degree in Nanotechnologies** (2019-2020) specialized in materials and their use in advanced manufacturing technologies for the aerospace industry. Some people from Alestis’s team participate as lecturers and trainers in this program. The firm also has specific communication chan-

nels to promote an open dialogue with employees. As an example, in February 2019 we held the **Annual Goal Communication Session**, in which we introduced the priorities for the year in a forum of 160 people made up of the company’s main managers. At the end of the year, in December, a second meeting was held. In this case, it was attended by the staff at each plant, which had the opportunity to learn about the major challenges for 2020 directly from the Chairman of the Board of Directors, the main shareholder, and the director of each plant.

In addition, the company makes donations and sponsors different initiatives, all described below. All these actions are governed by the procedure approved by Alestis’s Board of Directors on December 10, 2016, and are part of the commitment to the following strategic pillars: Community & Education, Aerospace Sector or Science, Innovation & R&T.

THE COMPANY HAS  
COLLABORATION AGREEMENTS  
WITH EDUCATIONAL  
INSTITUTIONS AND TAKES PART  
IN PROJECTS AND TRAINING  
PROGRAMS THAT GENERATE  
KNOWLEDGE AND INNOVATION





Cultural Activities



ESPACIO COMÚN (3<sup>rd</sup> EDITION)

This initiative involves the active participation of Alestis’s employees to propose and select two nonprofit entities as beneficiaries of **a donation of €20,000** (10,000 contributed by the company, and another 10,000 by the employees).

To this end, and for the third year in a row, we set in motion the selection process, which followed these stages: submission of candidates with which employees have some kind of personal involvement; voting period for all employees to make their choice; communication of the winners; and destination of the donation.

In 2019, the donation went to **Aspademis and the Hispanic Association of Equestrian Therapies**.

FUNDACIÓN PROLIBERTAS

We donated Christmas hampers for the users of Programa Acogida, an initiative that supports the reintegration of prisoners into society.

ADECCO’S WOMEN’S WEEK

We sponsored workshops hosted by the Adecco Foundation to celebrate Women’s Week. They were aimed at improving the employability of women at risk of social exclusion to ease their integration into the labor market or improve their employment conditions.

ALESTIS’S EMPLOYEES TO  
PROPOSE AND SELECT TWO  
NONPROFIT ENTITIES AS  
BENEFICIARIES OF A DONATION  
OF €20,000





Cultural Activities



“DRAW THEIR CHRISTMAS”  
CONTEST (4<sup>th</sup> EDITION)

Since 2015, we have asked employees’ children aged 3 through 14 to submit drawings to be shown on Alestis’s Christmas cards for customers and suppliers.

In 2019, we linked the contest to the Spanish Red Cross “No Children without Toys” campaign. This meant that, for each submitted drawing, Alestis donated €15 to buy toys for children from under-privileged families. This year’s motto was “One Christmas card = One toy”, and that is why this edition was named “Draw their Christmas”.

We received a total of 161 entries, which means **we donated €2,415 to the local offices** of the Spanish Red Cross in Vitoria, Madrid, Cadiz, and Seville.

> 2,415 €  
TOTAL DONATIONS

1,335 €  
CADIZ



780 €  
SEVILLE



210 €  
VITORIA



90 €  
GETAFE





Cultural Activities



NATIONAL SUMMIT ON  
ENGINEERING AND ENTERPRISE

We sponsored the First National Summit on Engineering and Enterprise, which revolved around industry and technology as a challenge to the Engineering of the Future, and whose objective was to discuss the value engineering and new technologies have in the competitiveness of companies.

ARUS, 2018-2019 SEASON

We sponsored the ARUS Andalucía Racing team, the first team in Andalusia to take part in Formula Student Spain. The team from the Universidad de Sevilla was in charge of the design and manufacturing of two single-seating cars for the best-known university car competition around the world, which took place in the tracks at Assen (Netherlands), Hockenheim (Germany), and Montmeló (Spain).

CAPA-AVIATION WEEK NETWORK  
AIRLINE OPERATIONS LEADERS

As part of our commitment to foster cooperation and establishing alliances with aerospace companies, we sponsored this networking and business conference held in Sevilla in December. The executives of the major aerospace, MRO, and airline companies were there to discuss strategic issues that drive prospects for the global MRO sector.





# Compliance

A SUSTAINABLE COMPANY IS BUILT THROUGH  
**ETHICAL AND RESPONSIBLE MANAGEMENT.**  
ALESTIS'S CODE OF ETHICS IS THE REFERENCE  
GUIDE FOR EVERY PERSON WHO MAKES UP THE  
COMPANY. IT DESCRIBES **THE CONDUCTS THAT  
GOVERN THE FIRM'S RELATIONSHIP** WITH THE  
DIFFERENT STAKEHOLDERS.







# Compliance

Alestis has a **Compliance Management System** (SGC in Spanish), promoted by its Board of Directors and led by the Legal, Ethics & Compliance Department. It ensures integrity and compliance as key factors of a sustainable organization.

This Compliance Management System is based on the most recognized international standards (ISO 19600 and UNE 19601) and aims to protect a culture of compliance in the broadest sense so it is not limited to the strictly normative framework, but extends to business ethics: our values and behaviors included in the Alestis Code.

Following the structure of the Compliance Management System, **Alestis approved an Ethics & Compliance Policy (E&C) that inspires the organization of these variables and is coordinated by the Chief Compliance Officer, who reports directly to the Board of Directors.** The Chief Compliance Officer is responsible for the development of its organization and regulation, the implemen-

tation of preventive measures, detection and reaction to non-compliance and non-conformities, and the management of the system in accordance with the principle of continuous improvement.

The Compliance Management System is promoted by the Board of Directors, who is also in charge of approving all ethics & compliance guidelines and policies.

This system also includes the procedures and means available for all stakeholders in all locations where the company operates for reporting issues related to human rights and illegal, irregular or non-compliant behavior. These are the Channel for Complaints and internal and external audits.

**ALESTIS AIMS TO PROTECT A CULTURE OF COMPLIANCE IN THE BROADEST SENSE SO IT IS NOT LIMITED TO THE STRICTLY NORMATIVE FRAMEWORK, BUT EXTENDS TO BUSINESS ETHICS**



Compliance



Alestis periodically approves specific regulations and procedures on matters that are particularly exposed to non-compliance risks. In this way, and using a risk-based approach, we develop behavior procedures that prevent non-compliance or answer the questions that members of the organization may have.

ALESTIS CODE

The **Alestis Code** is the cornerstone of the Compliance Management System and a mandatory standard for everyone in the company. All employees can access this Code through the Intranet, and interested third parties can find it on our corporate website.

The Alestis Code expressly stipulates in paragraph 3.2 that all member of the organization must respect the human rights and civil liberties included in the United Nations Universal Declaration of Human Rights.

The company has so far published specific rules in the following areas: Delivery of training and seminars, and careful management of the following aspects: on-site subcontracting, giving and recei-

ving gifts and hospitality, conflicts of interest, donations and sponsorships, and commercial intermediaries.

Alestis do Brasil is included in the scope of application of the Code of Ethics, the Ethics & Compliance Policy, and the procedure of giving and receiving gifts and hospitality. In 2020, the Standard for the careful management of Conflicts of Interest will be implemented.

CRIME PREVENTION REPORT

Furthermore, since 2016, Alestis has had a **Crime Prevention Report (MPD** in Spanish) integrated in a specific manual, which responds to our commitment to prevent crimes within the organization by supervising, monitoring and controlling potentially inappropriate conducts that, for the benefit of the company, could lead to criminal offenses.

Our policy development is complemented by operational procedures from the Ethics & Compliance Department. For example, the regulation of the Channel for Complaints, the applicable protocol when a complaint is lodged, and the protocol of non-retaliation against whistleblowers.

In order to make Alestis's Compliance Management System truly effective, we have a biennial plan in place to disseminate and offer training in the different subjects. It is worth mentioning that **during the 2018-2019 period, more than 450 people from the company participated in some form of ethics & compliance training.**

**ALESTIS HAS HAD A CRIME PREVENTION REPORT WHICH RESPONDS TO OUR COMMITMENT TO PREVENT CRIMES WITHIN THE ORGANIZATION BY SUPERVISING, MONITORING AND CONTROLLING POTENTIALLY INAPPROPRIATE CONDUCTS**



## Compliance



We have edited specific guides about each regulated topic to make it easier for stakeholders to understand. Also, awareness and communication campaigns are usually launched throughout the organization.

For its part, the Steering Committee regularly includes specific objectives for the development, implementation and consolidation of the Compliance Management System as part of the company's essential or strategic goals.

### CHANNEL FOR COMPLAINTS

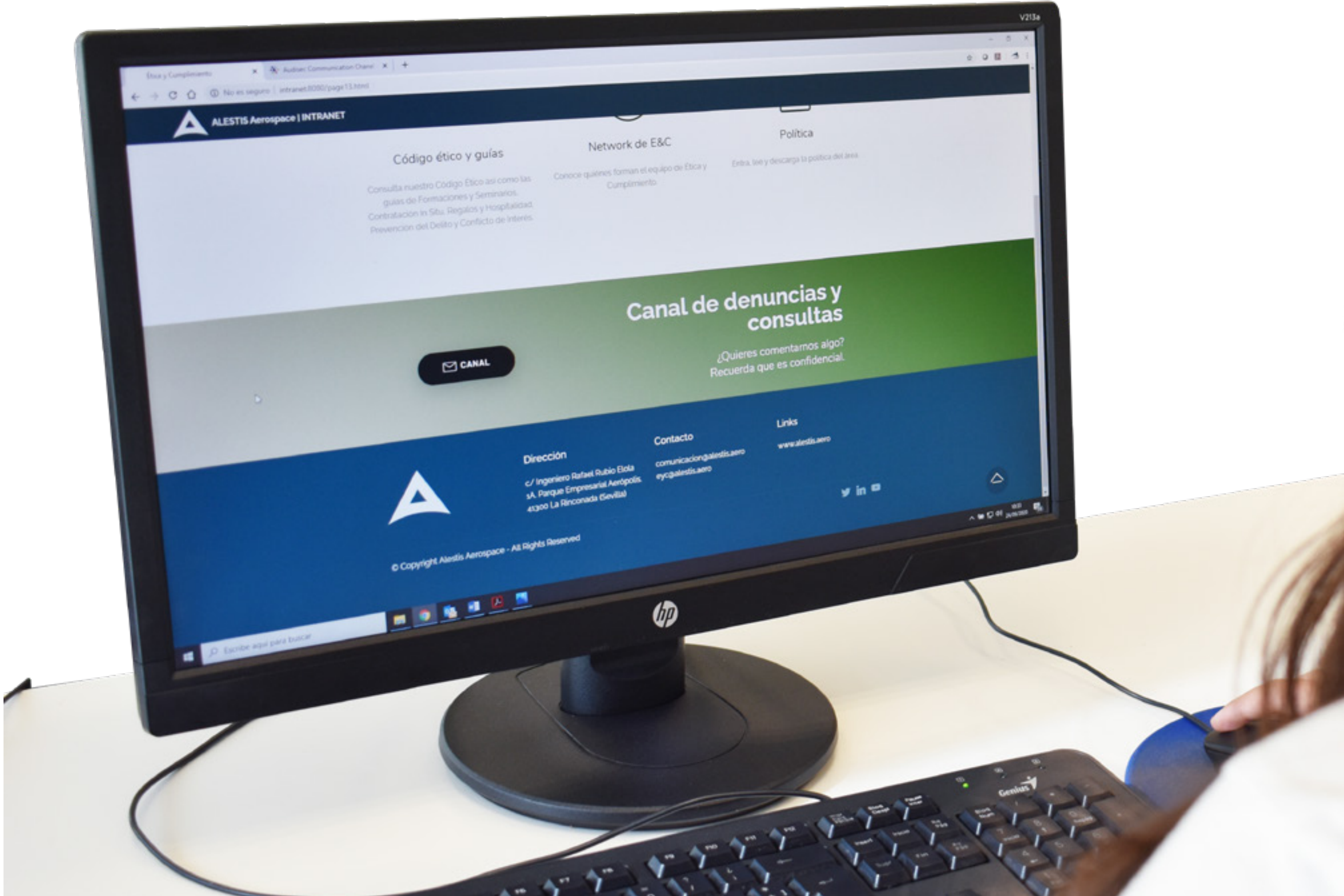
Alestis has a **Channel for Complaints** (<https://Alestiscd.globalsuitesolutions.com/Alestis>), accessible not only to employees through a link on the Intranet, but also to any third party through the corporate website [www.alestis.aero](http://www.alestis.aero). In addition, the Ethics & Compliance Department provides the complainant with different ways to file their complaint such as e-mail ( [eyc@Alestis.aero](mailto:eyc@Alestis.aero)), by telephone, face-to-face, etc.

This Channel for Complaints **is absolutely confidential, there is no retaliation against whistleblowers, and accepts anonymous complaint** in serious cases.

The complaint is received exclusively by the members of the Ethics & Compliance Department, and triggers one of two procedures: the **“crime-handling procedure”**, if there are indications of the commission of a crime with possible criminal responsibility for the legal person, or the **“concern-handling procedure”** in all the other scenarios.

In 2019, Alestis processed a total of nine complaints, without any of them involving criminal responsibility.

**ALESTIS HAS A CHANNEL FOR COMPLAINTS ACCESSIBLE NOT ONLY TO EMPLOYEES, BUT ALSO TO ANY THIRD PARTY THROUGH THE CORPORATE WEBSITE**







# Anti-corruption & Anti-bribery Strategies

Alestis is particularly sensitive to both public and private corruption and strives to combat it. As a result, **the Alestis Code has a specific section on “Anti-corruption strategy”**, which states that the company will not tolerate any conduct that illegally favors someone who has received or requested any unwarranted benefit or special treatment, especially when an official or public authority is involved.

## GIFT AND HOSPITALITY

As a way of preventing corruption, Alestis has a **Gift and Hospitality Policy** which sets a €50-cap on any gift, whether given or received. Express approval from the Ethics & Compliance Department is required if the gift exceeds this amount.

## CONFLICTS OF INTEREST

Conflicts of interest, whether related to holding a particular position or decision-making situations, are subject to a specific procedure on **Careful Management of Conflicts of Interest**. This procedure requires the Ethics & Compliance Department to communicate the existence or absence of a position-related conflict of interest to the company’s top management tier, and to all employees who interact with third parties. Over 40 statements were compiled during the financial year 2019.

## DONATIONS AND SPONSORSHIP

With regard to donations, liberalities, and contributions to foundations and/or nonprofit institutions, they are all subject to the **Careful Management of Donations** and Sponsorship procedure, which goes through three levels of approval: the Ethics & Compliance Department, the Communications Department, and the CEO.

**ALESTIS HAS SPECIFIC GUIDES ABOUT GIFT AND HOSPITALITY, ON-SITE CONTRACTING, CONFERENCES, WORKSHOPS, CONFLICT OF INTEREST & CRIME PREVENTION**





Anti-corruption &  
Anti-bribery Strategies

The risk of bribery or influence peddling in the relationships with public officials or authorities has been mitigated by supervising those employees who interact with them and providing specific training. Also, we have substantially limited delegation of authority and subjected it to Alestis’s **Delegation of Authority Standard**, while also implementing financial control measures included in the Finance Procedure.

The fight against corruption, both private and public, was included in the risk map developed for the Crime Prevention Report. We analyzed the effectiveness and adequacy of the different controls that seek to mitigate money laundering, influence peddling, and bribery or private corruption—each of these scored less than 5 on a scale of 1 to 45.

More specifically with regard to the fight against money laundering and financing of terrorism, the Alestis Code explicitly includes the rejection of any property coming from criminal activity. Everyone must inform the Ethics & Compliance Department if they suspect of the origin of a particular good.

**All contracts entered into by Alestis with suppliers and subcontractors include the following clause:**

“Both Parties declare that they comply with and shall continue to comply during the term of this Agreement and any other business relationship between the two, with the anti-corruption and anti-money laundering regulations to the extent that they apply to the obligations and activities assumed by each of them. The Parties expressly declare that, on the date of entry into force of this Agreement and during its period of validity, neither they nor their directors or employees have offered, promised, given, authorized, requested or accepted any undue, economic or other advantage, neither imply that they will or may do so, in any way related to this Agreement, and that they will have taken reasonable steps to ensure the same from their subcontractors, agents or any other third party that is subject to their control or determining influence.”



**THE ALESTIS CODE EXPLICITLY  
INCLUDES THE REJECTION OF  
ANY PROPERTY COMING FROM  
CRIMINAL ACTIVITY**





# About this Report

AS A WAY OF SHOWING **RESPONSIBILITY AND TRANSPARENCY** TOWARDS ITS INTEREST GROUPS AND SOCIETY IN GENERAL, ALESTIS PUBLISHES THE RESULTS OF ITS ECONOMIC ACTIVITY, AS WELL AS DETAILS ON ITS SOCIAL AND ENVIRONMENTAL PERFORMANCE, AND ITS ETHICAL AND BUSINESS COMMITMENTS DURING THE PERIOD BETWEEN JANUARY 1 AND DECEMBER 31, 2019, IN ACCORDANCE WITH THE **INTERNATIONAL STANDARDS OF THE GLOBAL REPORTING INITIATIVE (GRI)**.







# About this Report

Alestis's 2019 Non-Financial Report includes the organization's economic, environmental, and social performance, as well as its ethical and business commitments, and the results achieved during the period from January 1 to December 31, 2019. It is the second one to be published, after the 2018 publication.

Alestis is committed to publish its Non-Financial Report annually.

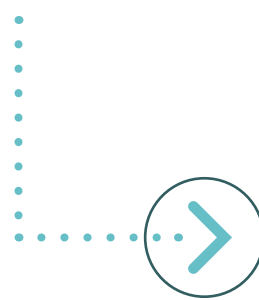
The content is based on the provisions under Law 11/2018, of December 28, an amendment to the Code of Commerce. This revised text of the Capital Corporations Act was approved by Royal Legislative Decree 1/2010, of July 2, and Law 22/2015, of July 20, on accounts auditing regarding non-financial information and diversity. The data presented have been drawn up for accuracy, balance, transparency, comparability, reliability, and timeliness.

For the preparation of this non-financial information, Alestis has relied on the principles and indications of the Global Reporting Initiative (GRI) Standards, specifically on the principle of materiality

(GRI 101: Foundation, 2016). We kept in mind the issues that reflect the organization's significant economic, environmental and social impacts and that can have considerable influence on stakeholders' assessments and decisions.

In order to assess materiality, we took into consideration the information requested by stakeholders, according to the sectoral analyses carried out by the GRI for the aerospace and defense industry, and all of Alestis's activities.

Below is a breakdown of the different topics:



## ECONOMIC STANDARDS

- Internal and supply chain quality assurance.
- Ethical behaviors and compliance.
- Anti-corruption and anti-conflict of interest strategy.

## ENVIRONMENTAL STANDARDS

- Monitoring of our environmental impact.

## SOCIAL STANDARDS

- Working conditions.
- Collaboration with administrations, tax authorities, and communities where we operate.



About this Report



The most significant change during this reporting period was that, on July 30, 2019, Aciturri Aero-náutica, S.L.U acquired 75.95% of the shares of Alestis Aerospace, S.L. from Airbus Group and Unicaja Group. The Sociedad Estatal de Participaciones Industriales (SEPI) is a Spanish state holding company that owns the remaining 24.05% of the registered capital of Alestis.

The entities considered in the preparation of this report are Alestis Aerospace, S.L. and the affiliated company Alestis do Brasil, Industria Aeroespacial Ltda.

This document on non-financial statements was included as a separate item on the agenda for its approval by the Board of Directors on Friday, March 27, 2020. It has been externally verified by Aenor, an independent verification service provider.

Ana Faet, Head of Communications at Alestis, is the contact person for questions about this document (ana.faet@alestis.aero).

**THIS DOCUMENT ON NON-FINANCIAL STATEMENTS WAS INCLUDED AS A SEPARATE ITEM ON THE AGENDA FOR ITS APPROVAL BY THE BOARD OF DIRECTORS ON FRIDAY, MARCH 27, 2020. IT HAS BEEN EXTERNALLY VERIFIED BY AENOR, AN INDEPENDENT VERIFICATION SERVICE PROVIDER**







# “Law 11/2018 on Non-financial Information” Content Index

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# Appendix I

## Audit Report

THIS VERIFICATION STATEMENT RELATES TO THE  
**CONSOLIDATED NON-FINANCIAL INFORMATION  
STATEMENT** OF ACITURRI AERONÁUTICA, S.L.U.

THE ENTITIES INCLUDED IN ACITURRI'S NON-FINANCIAL INFORMATION STATEMENT ARE ACITURRI AERONÁUTICA, S.L.U.; ACITURRI AEROSTRUCTURES, S.L.U.; ACITURRI ENGINEERING, S.L.U.; ACITURRI ASSEMBLY, S.A.U.; ACITURRI AEROENGINES, S.L.U.; ACITURRI ADDITIVE MANUFACTURING, S.L.U; ACITURRI GETAFE S.L.U.; AND ALESTIS AEROSPACE, S.L., AND ALESTIS DO BRASIL, INDUSTRIA AEROESPACIAL, LTDA.





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# Appendix I - Audit Report

AENOR

Non-Financial Information  
Verification Statement

AENOR verification statement for


ACITURRI AERONÁUTICA, S.L.U.

concerning the consolidated statement of non-financial information Aciturri Aeronáutica,  
S.L.U.

according to law 11/2018

for the period ending on December 31. 2019

In Madrid July 8, 2020

  
Rafael García Meiro  
Chief Executive Officer

2019/0245 /VNOF-2020

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AENOR

Aciturri Aeronáutica, S.L.U. with registered office at: Miranda de Ebro (Burgos), Polígono Industrial de Bayas, Ayuelas Street, plot 22, and on its behalf, D. Ginés CLEMENTE ORTIZ, in charge of CEO, has commissioned AENOR to carry out a verification under a limited level of assurance of its Non-Financial Information Statement (hereinafter EINF) in accordance with Law 11/2018 amending the Commercial Code, the revised text of the Law on Corporations approved by Royal Legislative Decree 1/2010 of 2 July and Law 22/2015 of 20 July on the Auditing of Accounts, with regard to non-financial information and diversity (hereinafter Law 11/2018).

As a result of the verification carried out, AENOR issues this Statement, of which the verified EINF forms part. The Declaration is only valid for the purpose entrusted and reflects only the situation at the time it is issued.

The purpose of the verification is to provide the interested parties with a professional and independent opinion about the information and data contained in the organization's EINF, prepared in accordance with Law 11/2018.

**Responsibility of the organization.** The organization was responsible for reporting its non-financial information status in accordance with Law 11/2018. The formulation and approval of the EINF, as well as its content, is the responsibility of its Governing Body. This responsibility also includes designing, implementing and maintaining such internal control as is deemed necessary to ensure that the EINF is free from material misstatement due to fraud or error, as well as the management systems from which the information required for the preparation of the EINF is obtained. The organisation, in accordance with the commitment formally undertaken, has informed AENOR that no events have occurred, from the date of the close of the financial year reported in the non-financial report until the date of verification, that might require corrections to be made to the report.

**Verification program in accordance with ISO/IEC 17029:2019** AENOR, in accordance with the aforementioned Act, has carried out this verification as an independent provider of verification services. The verification has been developed under the principles of "evidence-based approach, fair presentation, impartiality, technical competence, confidentiality, and accountability" required by the international standard ISO/IEC 17029:2019 "Conformity assessment - General principles and requirements for validation and verification bodies".

Likewise, in the verification program, AENOR has considered the international requirements of accreditation, verification or certification corresponding to the information matters contemplated in the Law:

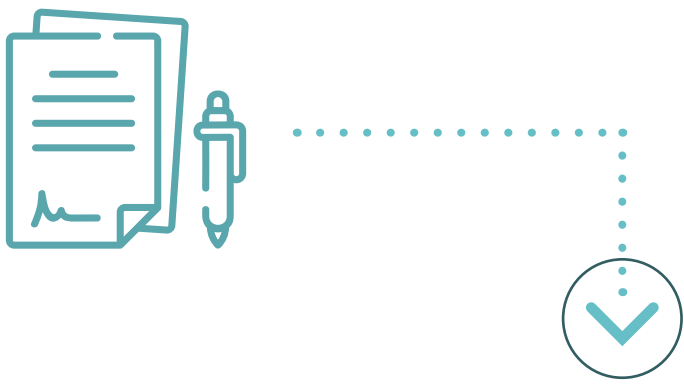
- European Regulation EMAS (Environmental Verification)

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- SA 8000 (international labour principles and rights in accordance with the ILO (International Labour Organization), the Universal Declaration of Human Rights and the Convention on the Rights of the Child. SAAS Procedure 200)
- Environmental Management System (ISO 14001).
- Social Responsibility Management System, IQNet SR 10 and SAB000 schemes
- Quality Management System (ISO 9001).
- Energy Management System (ISO 50001).
- Occupational Health and Safety Management System (ISO 45001).

Additionally, the criteria and information that have been taken into account as a reference to carry out the Verification Program have been:

- Law 11/2018 of 28 December, which amends the Commercial Code, the revised text of the Companies Act approved by Royal Legislative Decree 1/2010 of 2 July, and Law 22/2015 of 20 July on the Auditing of Accounts, with regard to non-financial information and diversity.
- Directive 2014/95/EU of the European Parliament and Council of 22 October 2014 amending Directive 2013/34/EU as regards the disclosure of non-financial information and diversity reporting by certain large companies and certain groups.
- Communication of the European Commission 2017/C 215/01, Guidelines on non-financial reporting (methodology for non-financial reporting)
- the international standard ISO/IEC 17029:2019 Conformity assessment - General principles and requirements for validation and verification bodies
- The criteria established by the global sustainability reporting initiative in the GRI standards where the organisation has opted for this recognised international framework for disclosure of information relating to its corporate social responsibility performance

AENOR expressly disclaims any liability for decisions, investment or otherwise, based on this Declaration.

During the verification process carried out, under a limited level of assurance, AENOR conducted interviews with the personnel in charge of compiling and preparing the Report and reviewed evidence relating to:

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- Activities, products and services provided by the organization.
- Consistency and traceability of the information provided, including the process followed to collect it, sampling information about the reported.
- Completion and content of the statement of non-financial information in order to ensure the completeness, accuracy and veracity of its content.
- Letter of statements from the Administrative Body.

The conclusions are therefore based on the results of this sample process, and do not absolve the Organization of its responsibility for compliance with applicable legislation.

The personnel involved in the verification process, the review of findings and the decision to issue this Statement have the knowledge, skills, experience, training, supporting infrastructure and capacity to effectively carry out these activities.

### CONCLUSION

Based on the foregoing, in our opinion, there is no evidence to suggest that the statement of non-financial information included in the ACITURRI AERONÁUTICA, S.L.U. and for the year ended December 31, 2019, does not provide accurate information on the performance of ACITURRI AERONÁUTICA, S.L.U. and subsidiaries, in terms of social responsibility under Law 11/2018. Specifically, with regard to environmental, social and personnel issues, including the management of equality, non-discrimination and universal accessibility, human rights, the fight against corruption and bribery, and diversity.

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