



# SUSTAINABILITY REPORT

2020

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# 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.

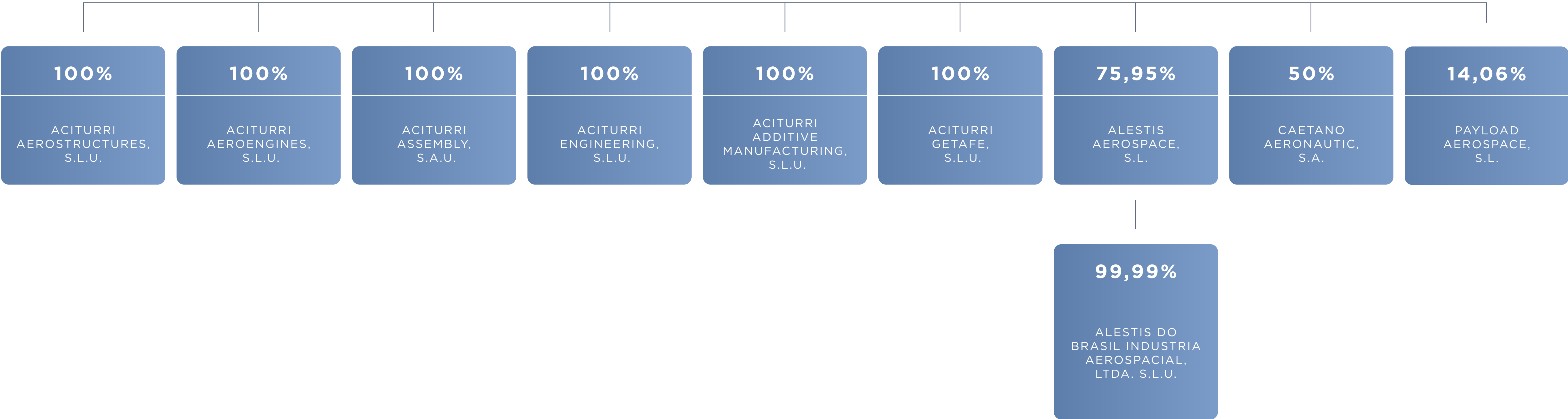
Aciturri Aeronáutica, S.L.U. acquired its stake in Alestis Aerospace, S.L. on July 30, 2019, although at least at the time this report was submitted, the latter had kept its own management and governing bodies.

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.

## ACITURRI AERONÁUTICA, S.L.U.







# SUSTAINABILITY REPORT

Choose the report you  
want to consult

Aciturri

aciturri.com



Alestis

alestis.aero







# SUSTAINABILITY REPORT





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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 on the environment and on our stakeholders.**



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Dear friends,  
Thank you for taking the time to learn about Aciturri’s activity in 2020, which was undoubtedly the hardest year for our company since it was founded 44 years ago.

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 Law 11/2018, aimed at amending the requirements regarding non-financial information, and following the guidelines of the Global Reporting Initiative (GRI). In 2020, we renewed one more time our commitment to the United Nations Global Compact as signatory partners.

We must face the future by working more than ever, with the tremendous excitement and determination that have brought us all the way here.

Last year, all of us were exposed to the cruel reality of a pandemic. Some of us contracted the disease, some experienced it through people we were very close to. And in many cases, we lost someone from our family or a friend. I want the first words of this letter to convey to you my most sincere support in these tragic circumstances.

I must also express my gratitude to all the people on Aciturri’s team who, in times of greatest need, left their families to come to our plants and manufacture thousands of gowns, face shields, and other PPE needed by health care professionals and other key workers during the first few weeks of this nightmare. I am deeply proud of your generosity and I will not tire of thanking you for this touching gesture.

The decrease in air traffic in 2020, with a 65.9% drop in air travel demand from 2019 according to data provided by IATA, is forcing us to face the worst crisis in the history of the aviation industry. In our company, both the aerostructures and the engine divisions experienced a decrease of approximately 50% in workload levels and a similar impact on sales volume.

Despite COVID 19, we managed to address the situations we had to face, in some cases by making difficult and very painful decisions, but always assuming our responsibility and with the full conviction that they were adequate to ensure the viability of the activity.

At the same time, we were convinced of the sustainability of our project, so we went ahead with the most important investments in new equipment and facilities, and worked to increase capacities and improve competences, always focusing on maintaining a level of competitiveness that will satisfy new market demands as the recovery occurs.

The level of uncertainty remains very high for the foreseeable future. The most optimistic estimates put the market recovery to pre-pandemic levels in 2024-2025. The journey to get there will be neither short nor easy, and we cannot rule out further sacrifices from the companies in the sector.

In order to make this journey, we have a new Board of Directors. We welcomed professionals from different fields, all of them with an important background in the development of industrial projects. Likewise, we entrusted the management to a new management team that, led by Álvaro Fernández Baragaño, is already working to achieve the goals set out in the 2021-2024 Feasibility Plan.

These decisions, together with the trust from our financial suppliers and the company’s shareholders, help us face the future by working more than ever, with the tremendous excitement and determination that have brought us all the way here.

Ginés Clemente Ortiz  
CEO



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Aciturri Aeronáutica S.L.U. Is the parent company which owns the others.

Alestis Aerospace, S.L. has kept its own management and governing bodies, so it is not included in this report (it has its own non-financial information statement in a separate document). 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.

There are also other companies (Caetano Aeronautic, S.A., owned at 50%, and Payload Aerospace, S.L., owned at 14.06%), 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

To Aciturri’s management team, the company’s guaranty for success means the sustainable management of **economic, social and environmental** aspects based on continuous improvement.





# BOARD OF DIRECTORS<sub>1</sub>

## PRESIDENT

MR. GINÉS CLEMENTE ORTIZ.

## MEMBERS

MR. RAFAEL BARBERO MARTÍN.  
MR. AMADEO TORRENS ROIG.  
MR. ANDRÉS CARRETÓN BUENO.  
MR. JESÚS DE LA VIUDA MARTÍNEZ.

## SECRETARY NON-COUNSELOR

MR. ION PENAS RODRÍGUEZ.

## SUB-SECRETARY NON-COUNSELOR

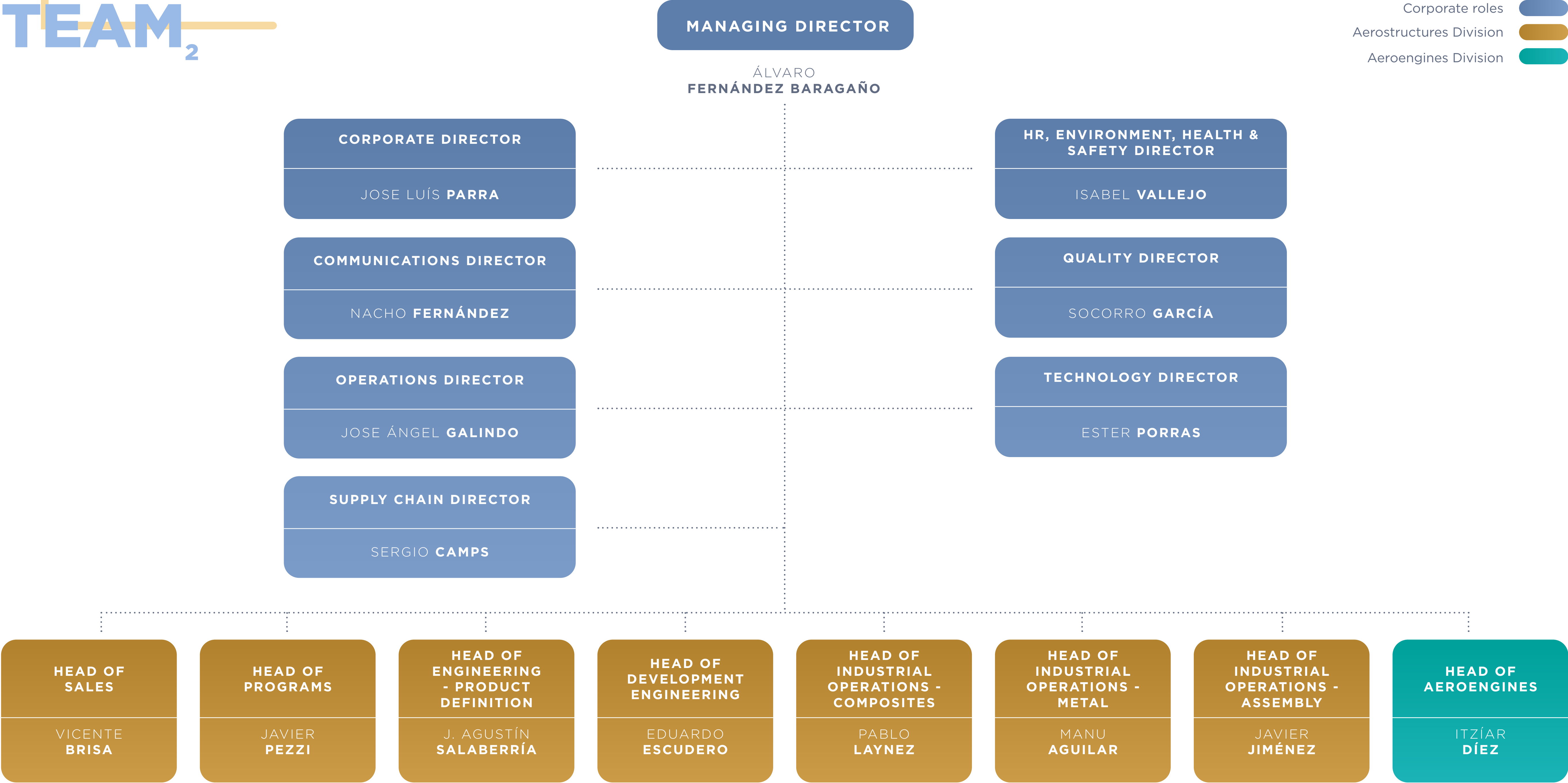
MRS. YOLANDA GÓMEZ MARTÍNEZ.





# MANAGEMENT TEAM<sub>2</sub>

Corporate roles  
Aerostructures Division  
Aeroengines Division



2. The management team is made up of level 1 employees—people in leadership positions in each of the company’s departments who report directly to the chief management. The persons included in this report are the appointees at the moment this document was published.



# HISTORY

A sustainable industrial project since 1977.

1977	1984	1986	1987	1988	1989	1990	1991
Establishment of Talleres Ginés	First project for the aeronautical sector	Kickoff of composites manufacturing (Grupo Aries)	AQAP Certification	A310. Elevator parts and structural repair station	Kickoff of Aerostructures (Aerosur)	Kickoff of Aeroengines	A330 and A340. Leading Edge Ribs
Kickoff of metallic manufacturing				A320. Elevators	CN235. Central box structural assembly and tip wings integration	ITP // EJ200 Nozzle Mechanisms	
					IPTN (Nurtanio): manufacturing of two aircraft per year		
1994	1997	1999	2000	2001	2002	2003	2004
Components for satellites	Sikorsky. Horizontal stabilizer and ATT parts	Dornier 728. Spoilers, elevator, rudder and ailerons	Manufacturing of C295 prototype	NH90. Vertical Tail Plane	A380 - Zone 2 Belly Fairing, Rudder and Elevator	A380. Ribs, wing braces and HTP	F7X. Elevator
Hispasat Satellite (SENER). Baffle disc	Embraer 145. Flaps	A320. HTP Detail Parts	Integration of CN235 aircraft		A320. Main Landing Gear Doors		EFA. Fairings and HTP
Integral Satellite (GACE): masks.							A310 MRTT
2005	2006	2007	2008	2009	2010	2011	2012
Trent 500. Casings	B737 - Rudder	A330 MRTT - Fuel system structural elements	A350 XWB VTP	A350, XWB- Section 19	A320. HTP Integration	KC390 - Wing Fuselage Fairing (WFF)	B777. Flaperon Skins
A400M. Sponsons, Rudder Spar, Fixed Vane & Flaps	Trent 1000 - TBH structural components	Sukhoi 30 - Pylon	NH90. Sponsons	A320. HTP Skins & Spars	A380 - Section 19.1 APU Air Intake	A380 - Zone 3 Belly Fairing	
			Takeover of Grupo Aries		Aerosur takeover		



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2013	2014	2015	2016
ISO 14001 Certification	LEAP X. SP5/FHF	B787. Keel Beams and Keel Shear Ties	VTP Dorsal Fin A320
LEAP 1B. TRV Shrouds & Platforms	B787. Passenger Door Surround	Beluga XL. Ventral Fin, HTP Box Extension & Auxiliary Fins	LEAP X. Brackets
A400M. Ras Wedge	A350. Outboard Flaps		
2017	2018	2019	2020
OHSAS 18001 Certification	LEAP1B-SP5	Acquisition of Acatec Aeroassembling (Aciturri Getafe)	Development of the first jobs in the Regional Air Mobility division
HTP Auxiliary Fins & Ventral Fins Beluga XL	LEAP1A-VBV DUCTs	Acquisition of Alestis Aerospace	
First direct delivery to Rolls Royce	A330- Outboard Aileron Spars	First contract for aircraft parts by additive manufacturing	





# GLOBAL FOOTPRINT

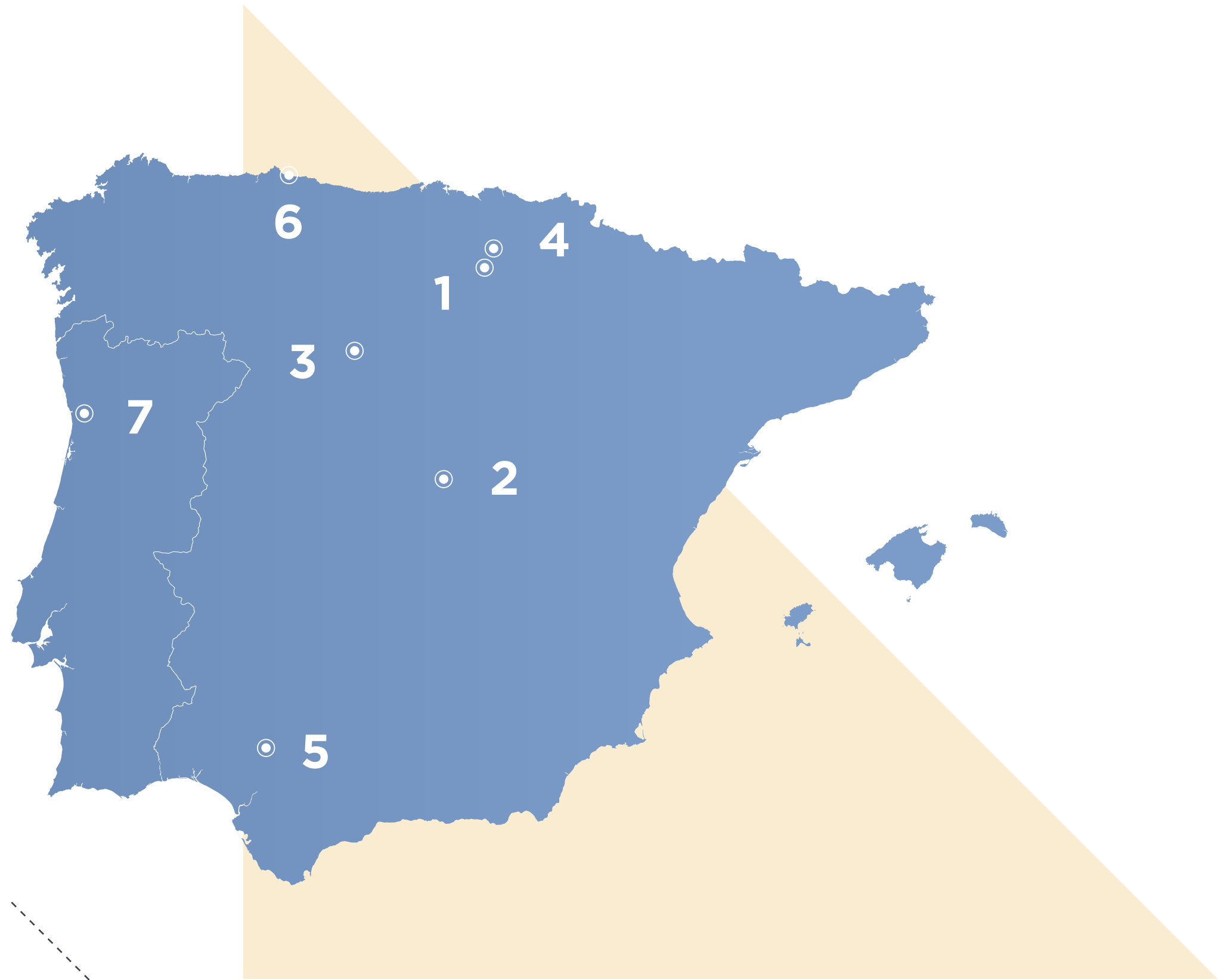
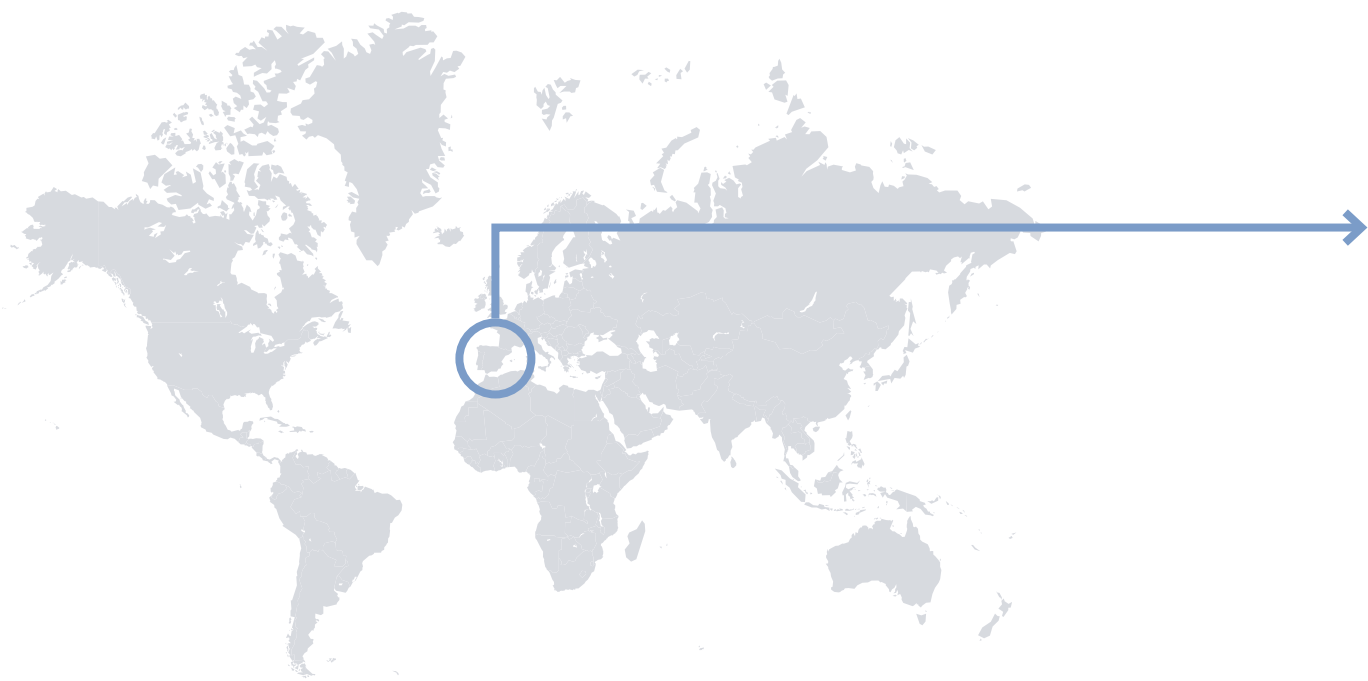
**Design, manufacturing and assembly of  
aeronautical structures and manufacturing  
of aircraft engine components.**





# WE ARE HERE

We have 84,000 m<sup>2</sup> (20 acres) in Spain split into 10 production centers, all devoted to the advanced development of aerostructures and 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)

Ingeniería  
Fabricación metálica  
Montaje

2.

TRES CANTOS (MADRID)

Engineering  
Product definition  
Composites manufacturing  
Assembly

GETAFE (MADRID)

Engineering  
Assembly

3.

BOECILLO (VALLADOLID)

Engineering  
Composites manufacturing  
Assembly

4.

BERANTEVILLA (ÁLAVA)

Engineering  
Metallic manufacturing  
Logistics

5.

ALCALÁ DE GUADAIRA (SEVILLA)

Engineering  
Assembly

6.

GIJÓN (ASTURIAS)

Engineering  
Innovation  
Process Engineering  
Additive manufacturing

7.

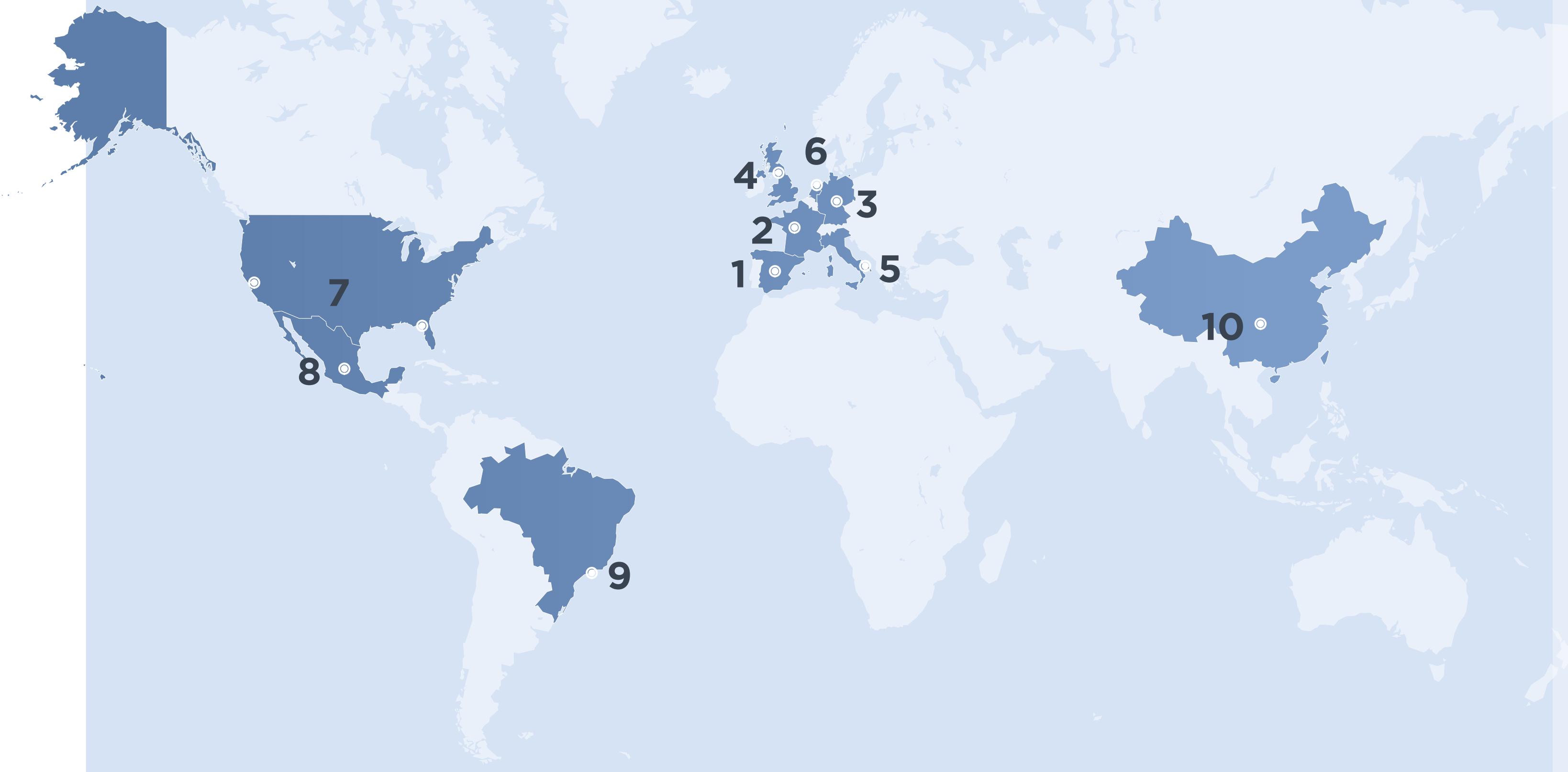
VILA NOVA DE GAIA (PORTUGAL)

Engineering  
Composites manufacturing  
Metallic manufacturing



# PLACES WE SERVE

Aciturri’s main clients are 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

BERLIN  
BREMEN  
HAMBURGO  
STADE

## 4. UNITED KINGDOM

BARNOLDSWICK  
GLOUCESTER

## 5. ITALY

GROTAGLIE

## 7. USA

FORT MYERS (FLORIDA)  
SEATTLE

## 6. THE NETHERLANDS

PAPENDRECHT

## 8. MEXICO

QUERÉTARO

## 9. BRAZIL

SAO JOSÉ DOS CAMPOS

## 10. CHINA

CHENGDU

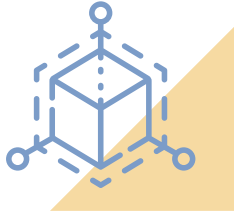


# VALUE CHAIN



## 1. INNOVATION

Manufacturing for the future



## 2. PRODUCT DEFINITION

Conceptual design  
Structural design  
Calculations  
Systems installation  
MRB  
Product support  
Functional tests



## 3. PROCESS ENGINEERING

Definition of manufacturing processes  
Concurrent engineering for materials and processes



## 4. TOOLING ENGINEERING

Conceptual and detailed design  
Manufacturing Management and implementation



## 5. METALLIC MANUFACTURING

Conventional machining and EDM  
Welding  
Painting  
Heat treatment  
Chemical treatments



## 6. COMPOSITE MANUFACTURING

Automatic lay-up  
Manual lay-up  
RTM  
Hot forming



## 7. ADDITIVE MANUFACTURING

DMLS, metal and polymers  
SLS and FDM technologies



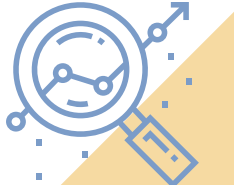
## 8. ASSEMBLY

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



## 9. CERTIFICATION

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



## 10. AFTER-SALES SERVICE

Modifications in airworthiness  
Spare parts and repairs  
Product support

Aciturri covers the **entire value chain**, from product design and definition to its final integration.



# BUSINESS OVERVIEW

**Sustainable solutions for the aeronautical sector.**





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  - AEROENGINES
- RESULTS
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- SUSTAINABLE FUNDING
- STAKEHOLDERS
- SUPPLY CHAIN

# THE COMPANY

Productivity, efficiency, profitability, quality and productivity — **these qualities are all hardwired into the company’s DNA.**





# BUSINESS OVERVIEW

## THE COMPANY

FAMILY-RUN COMPANY FOUNDED IN **1977**

**84,000 m<sup>2</sup>** WORTH OF FACILITIES (20 ACRES)

**1,420** EMPLOYEES

**€ 184 M<sup>4</sup>** TURNOVER (APPROX. \$225M.)

## MAIN CLIENTS

AIRBUS

DAHER

ITP Aero

AIRBUS  
DEFENCE & SPACE

SAFRAN

SAFRAN  
AIRCRAFT ENGINES

Rolls-Royce

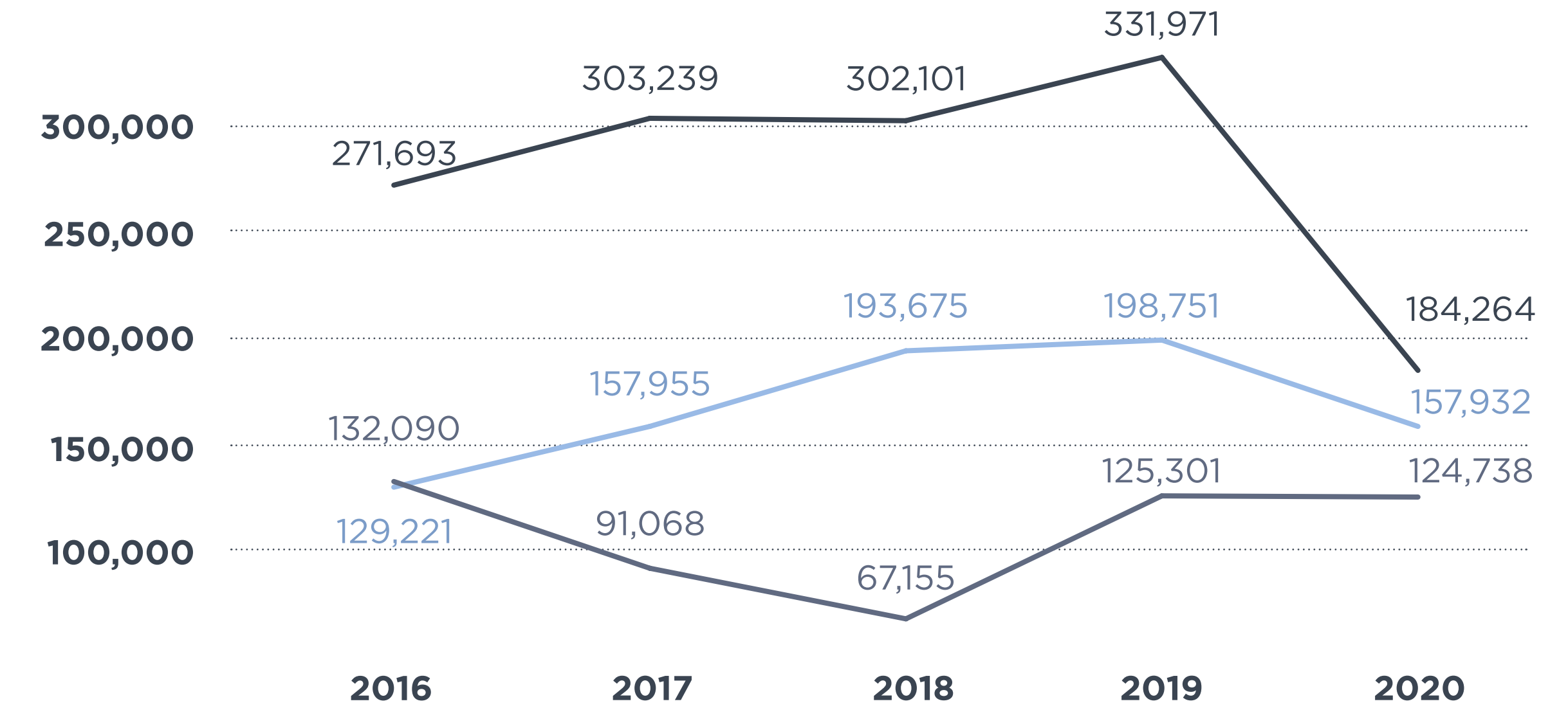
BOEING

EMBRAER

SAFRAN  
LANDING SYSTEMS

GE

## BUSINESS DEVELOPMENT



NET SALES (K€<sup>5</sup>)

RESOURCES + RESERVES (K€)

NET FINANCIAL DEBT (K€)

4. M stands for “million” here and throughout the document.  
5. K stands for “thousand” here and throughout the document.



# VISION, MISSION AND CORPORATE PRINCIPLES



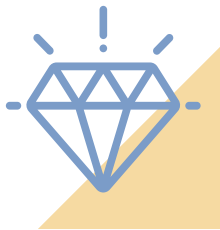
## MISSION

“To offer our clients a comprehensive, cost-effective, differentiated and customer-driven service through the innovation of technologies and processes, the globalization of activities, and the development of our professionals.”



## VISION

“To become an innovative and world-renowned company for our knowledge and technological expertise in the aeronautical sector.”



## CORPORATE PRINCIPLES



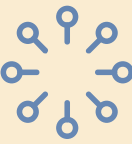
SAFE COMPANY



DEDICATION TO SERVICE



VALUE CREATION



TEAM BUILDING



CARING FOR THE ENVIRONMENT



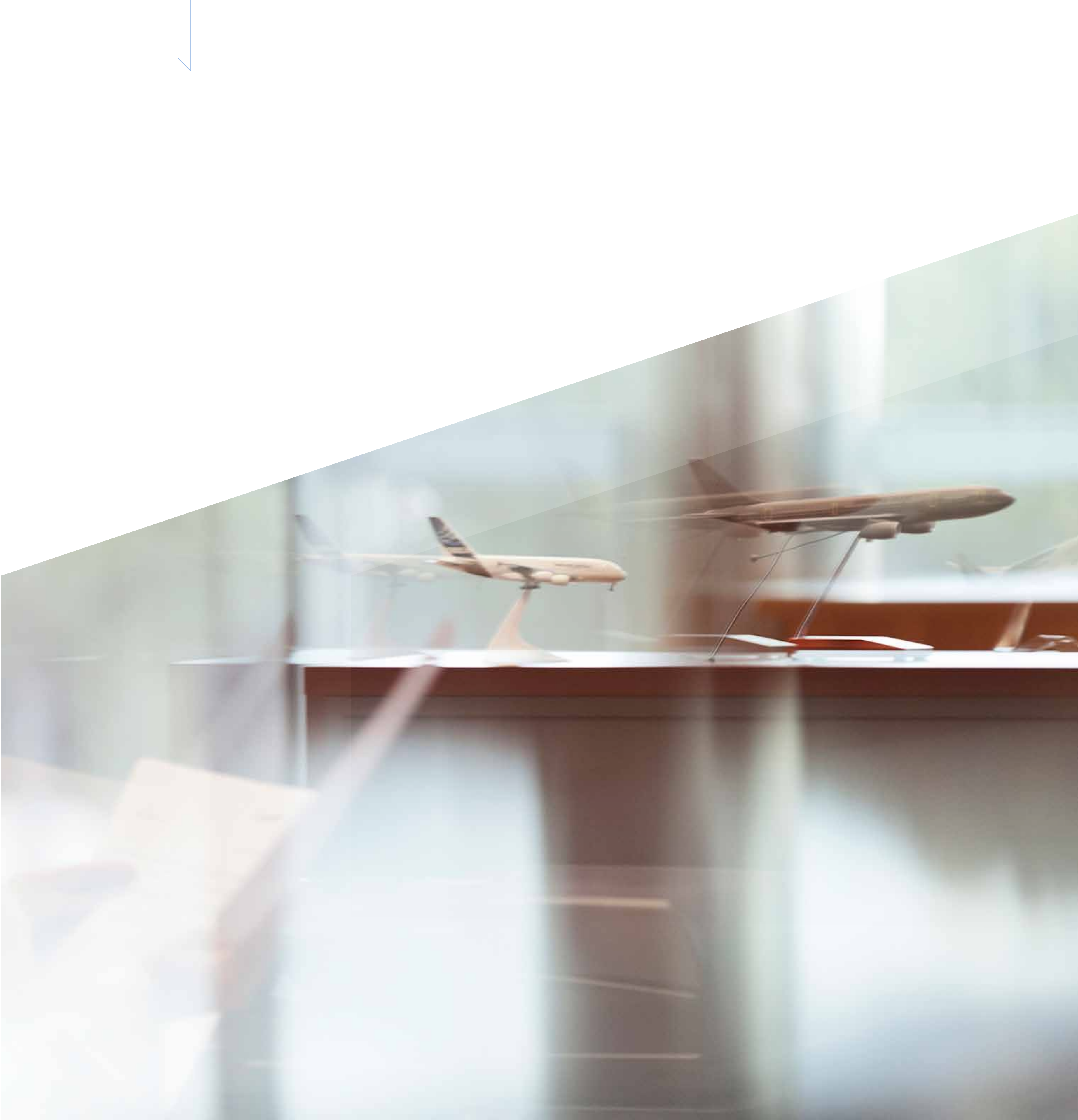
RELATIONSHIP WITH OUR SURROUNDINGS



SOCIAL ACTION



# BRANDS



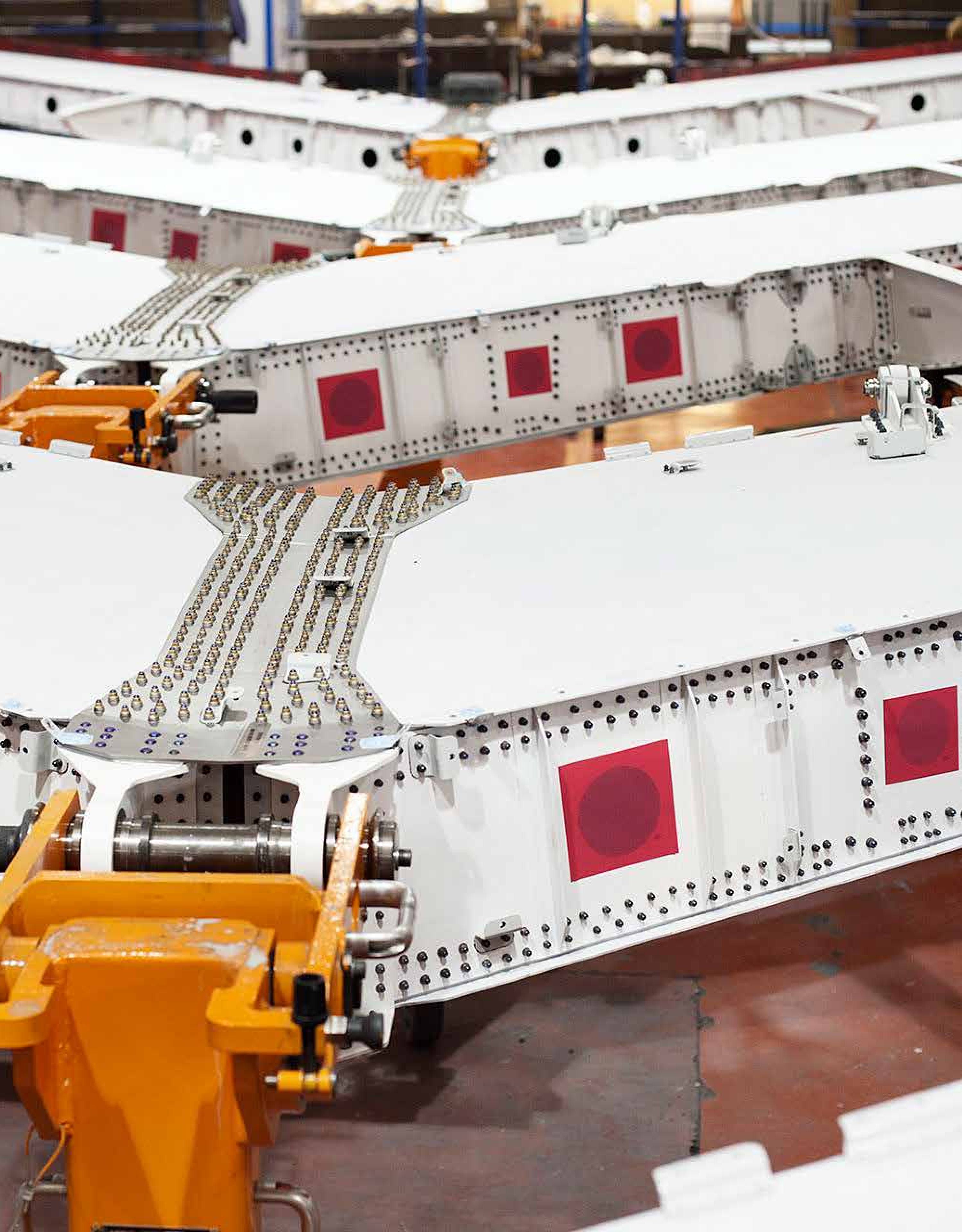


# AEROSTRUCTURES

## The drop in planned airline purchases and renewals resulted in a significant decline in the workload.

The collapse of air traffic generated by the pandemic led to a severe drop in planned airline purchases and renewals since March, which resulted in a significant decline in the workload of suppliers like Aciturri. Under this scenario, we spared no effort to adapt to our clients' needs and prepare for the moment when demand increases.

Aciturri's Aerostructures teams worked throughout the year on the design and implementation of an industrial plan to reorganize the activity, with the aim of adapting internal industrial capabilities to this new, lower-demand scenario. and at the same time, making an effort to maintain the supply chain.





The Industrial Plan revolved around four activities:

1. INTERNALIZATION OF THE ACTIVITY

To maintain the minimum levels that allow business continuity.

2. REORGANIZATION OF ACTIVITIES

Focusing on individual industrial activities in each plant.

3. IMPLEMENTATION OF IMPROVEMENTS

in the industrial capabilities and processes to maintain the competitiveness levels demanded by the sector, while ensuring that these changes do not jeopardize our agreed delivery dates and the level of quality expected by our clients.

4. COLLABORATION WITH ACITURRI’S SUPPLY CHAIN

To introduce the industrial changes needed to overcome the crisis.

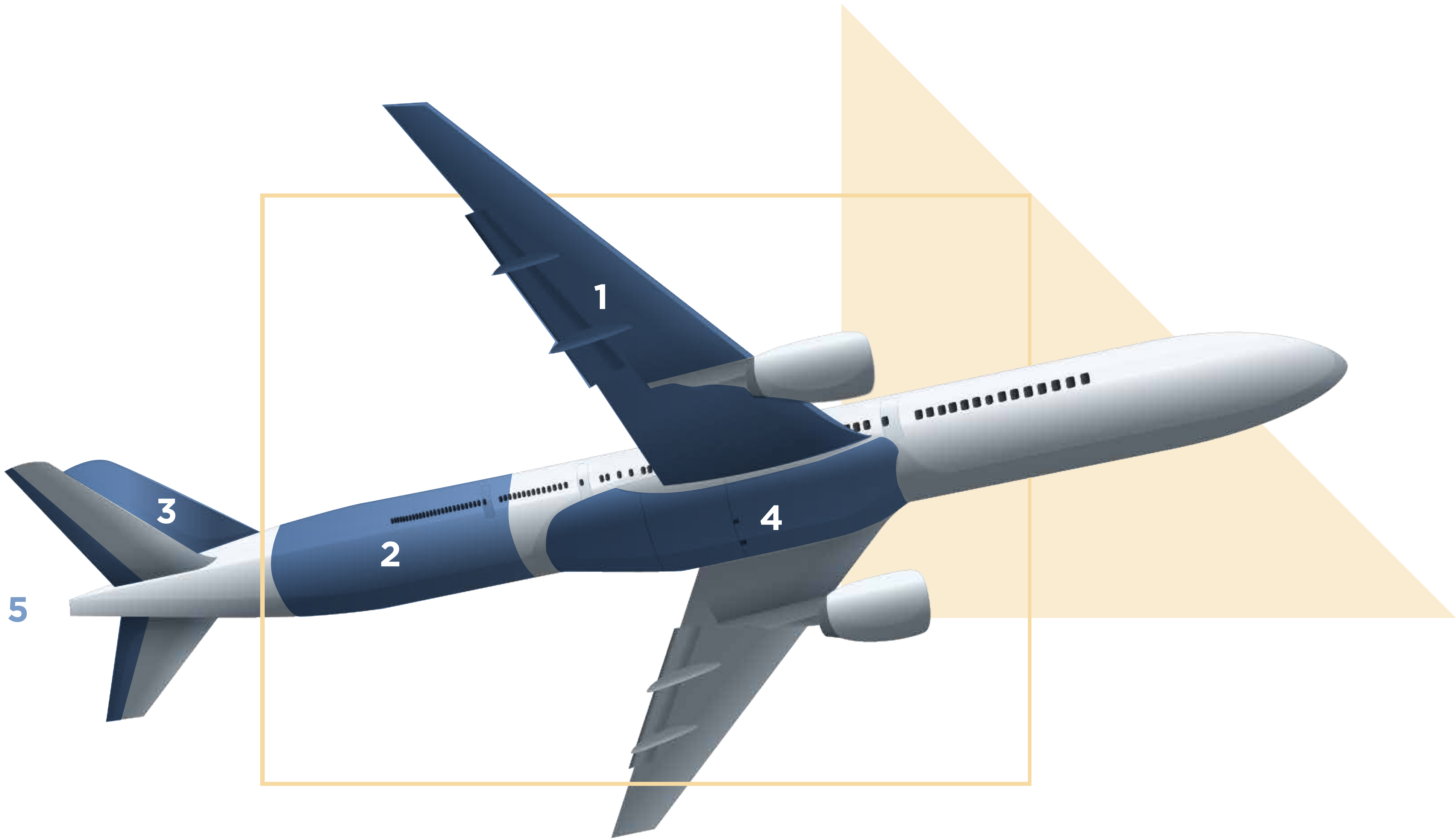




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PRODUCTS



1. WING      2. FUSELAGE      3. EMPENNAGE      4. FAIRING      5. MOVABLES



FIGURES



THE MOST RELEVANT PROGRAMS



THE MOST RELEVANT CLIENTS



IN 2020, ACITURRI DELIVERED PARTS FOR

790 AIRCRAFT

520

SINGLE-AISLE AIRCRAFT

190

TWIN-AISLE AIRCRAFT

20

BUSINESS JETS

25

HELICOPTERS

35

MILITARY AIRCRAFT

A350 XWB

B787

B737

A320

A330/340

F7X

BELUGA XL

A400M

KC390

C295

NH90

EUROFIGHTER

AIRBUS

DEFENCE & SPACE

AIRBUS



DAHER

EMBRAER





# AEROENGINES

## The company launched an intense commercial campaign to diversify our activity to other sectors.

The decreasing demand in air traffic also led the engine sector to a significant decline in workload in 2020. Against this backdrop, the Aeroengines team made an important effort to adapt to the new market situation.

Although the company cut investments to those strictly necessary, Aeroengines incorporated new machining equipment that increases our ability to meet our commitments to clients regarding the delivery of titanium structural rings for business aircraft engines.

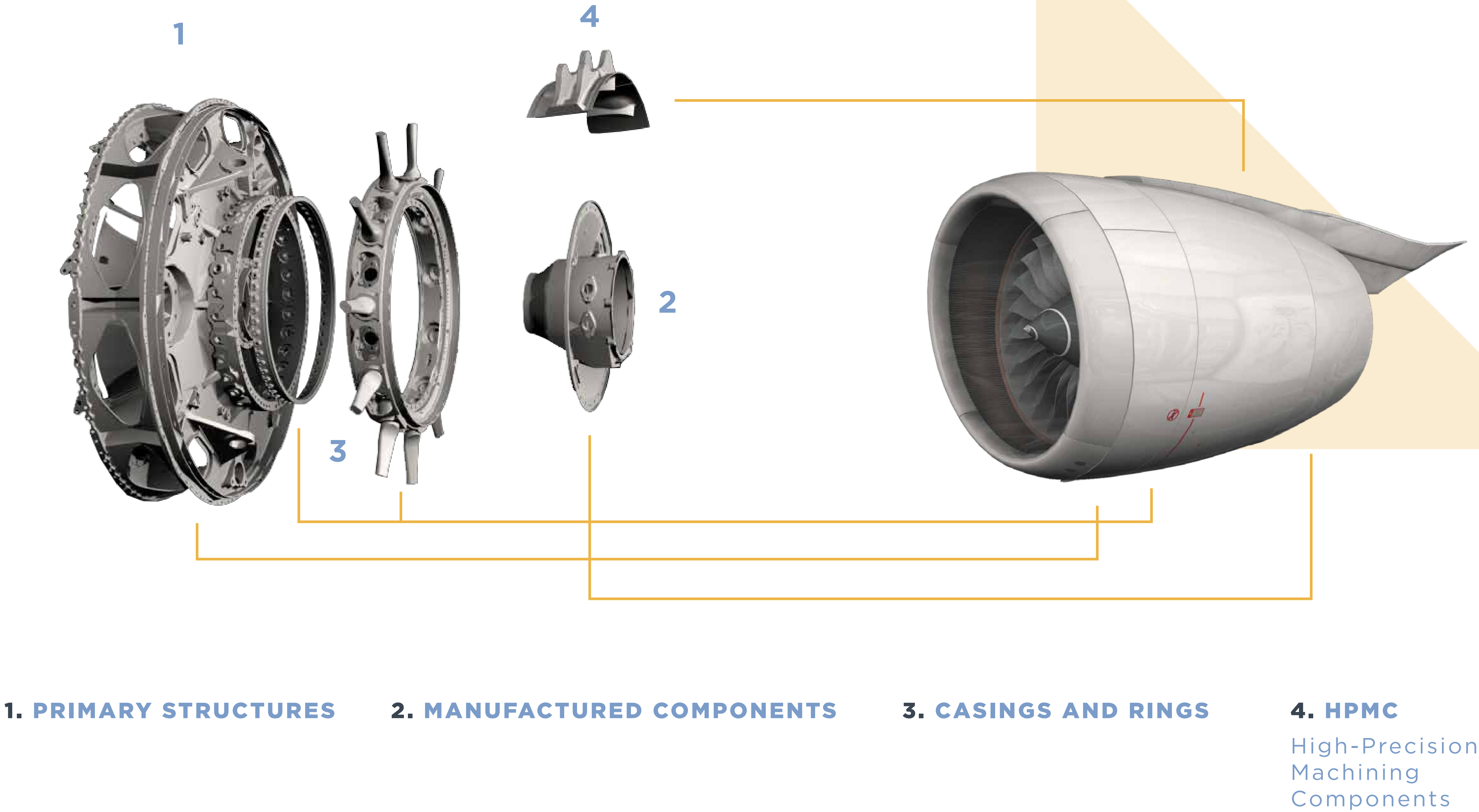
In 2020, the engine division received approval from different customers of the FAI (First Article Inspection) for transmission structures and compressor rings from different programs. This was an equally difficult year from a commercial point of view, as there was little chance of accessing new contracts. However, the team reached agreements to increase Aeroengines division's distribution ratio in the supply of structural components, turbine transmission structures and titanium structures. They also renewed different manufacturing agreements for small motor parts, seals, brackets, and casings.

With an eye on the future, the company launched an intense commercial campaign to diversify our activity to other sectors, such as energy or high-speed trains. In the specific case of Aeroengines, the team opened the door to a new chance of collaboration through the signing of a letter of intent with General Electric for the production of components for the General Electric Catalyst, the American firm's new proposal for the turboprop aircraft segment.





PRODUCTS





FIGURES



81,082 ENGINE COMPONENTS  
DELIVERED IN 2020

443  
CASINGS & RINGS

530  
ENGINE STRUCTURES

672  
HUBS O SMALL STRUCTURES

79,437  
MEDIUM COMPLEX MACHINING COMPONENTS

THE MOST RELEVANT PROGRAMS



LEAP 1B / 1A / 1C

TRENT 1000/7000

PW800

TRENT XWB

CFM56

PW1000

TP400

EJ200

TRENT 700

TRENT 900

THE MOST RELEVANT CLIENTS





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RESULTS

(DATA IN THOUSANDS OF EUROS)	2016	2017	2018	2019	2020
FUNDS (INCLUDING CAPITAL GRANTS)	148,014	174,217	206,963	205,774	163,683
OWN FUNDS (EQUITY)	129,221	157,955	193,675	198,751	157,932
RESOURCES	19,537	19,537	19,537	19,537	19,537
LONG-TERM DEBT	141,478	108,739	78,071	168,898	183,367
DEBT TO COMPANIES FROM THE CLUSTER AND PARTNERS	0	381	3,335	6,877	8,840
SHORT-TERM DEBT	45,460	37,591	34,825	20,578	40,334
NET REVENUE	271,693	303,239	302,101	331,971	184,264
OPERATIONAL RESULT	41,769	58,809	52,310	47,609	-6,203
EBIT	34,335	41,635	49,973	42,371	-20,204
EAIT <sup>6</sup>	33,866	30,838	37,773	31,076	-19,890

6. All these earnings were generated in Spain



# ECONOMIC VALUE GENERATED AND DISTRIBUTED

The economic value distributed in the last five years exceeds 1.4 billion euros.

In 2020, Aciturri received €1,069,068 (as opposed to €2,427,902 in 2019) in the form of grants from different public institutions.

	2016	2017	2018	2019	2020
DIRECT ECONOMIC VALUE GENERATED (K€) <sup>7</sup>	271,964	304,083	302,925	333,101	185,555
REVENUE (K€)	271,964	304,083	302,925	333,101	185,555
ECONOMIC VALUE DISTRIBUTED (K€)	264,294	287,691	278,672	337,910	246,746
OPERATING EXPENSES (K€)	179,074	198,260	190,437	215,830	138,574
EMPLOYEES' WAGES AND BENEFITS (K€)	52,764	58,315	58,308	69,203	61,343
PAYMENTS TO CAPITAL PROVIDERS (K€)	5,773	8,106	6,203	26,000	23,525
TAXES (K€)	26,666	22,967	23,667	26,828	23,311
RESOURCES FOR THE COMMUNITY (K€)	17	43	57	49	18
ECONOMIC VALUE RETAINED (K€)	7,670	16,392	24,253	-4,809	-61,216

7. The different data between the net revenue (first table) and the revenue is due to the fact that the latter includes financial income.



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# 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.

These indicators are measured by an auditor sent by Banco Santander at the end of each tax year. As long as three out of the four are complied with, the funding will maintain its “sustainable” status for the next 12 months. In 2020, Aciturri met the four established goals, which ensures continuity of our “sustainable financing” status.

Aciturri’s funding will maintain its “sustainable” status.

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INDICATOR	GOAL	2019 RESULT	2020 RESULT	MOTIVATION
% OF PERMANENT CONTRACTS	> 80%	83%	93%	It reflects the company’s commitment to the workers and their employment stability.
ENERGY INTENSITY RATIO	< 0.75 GJ/K€	0.49	0.66	It measures the effectiveness of the actions implemented to reduce the environmental impact of the organization.
CONTROL OF CO <sub>2</sub> EMISSIONS	< 0.05 tCO <sub>2</sub> /K€	0.045	0.045	It enables the company to play an active role in the fight against climate change.
ACCIDENT FREQUENCY RATE	< 0.10	0.06	0.052	It shows Aciturri’s commitment to the safety of its employees.



# STAKEHOLDERS

## Aciturri’s dialogue model with the stakeholders leads to relationships based on trust.

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.

In preparation of this report, as well as during the analysis of the materiality matrix carried out at the end of 2020, we reviewed Aciturri’s stakeholders. We found no changes in this respect nor in our obligations to them. We did update some of the communication channels and partners that apply to the different stakeholders.

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.





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STAKEHOLDERS

COMMITMENT

CHANNEL OF COMMUNICATION

BUSINESS PARTNERS

Value creation in the short and long term.  
Implementation of best management practices.  
Timely information and equal conditions.  
Open, real, and close dialogue.

Managing Director.  
Aciturri's Legal Consulting team.  
**Interlocutors:** *Managing Director and Corporate Officer, according to the relationships with partners protocol.*

EMPLOYEES AND THEIR FAMILIES

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.

E-mail address for general inquiries and complaints about the Code of Conduct.  
NEXO, Employee Portal.  
JAM (internal social network).  
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.*



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STAKEHOLDERS

COMMITMENT

CHANNEL OF COMMUNICATION

CLIENTS

Strict compliance of the agreed requirements.  
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.  
Customer service, open dialogue and an efficient management of problems and complaints.

Corporate website.  
Sustainability report.  
Program Directors.  
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, Head of Programs, Plant Manager, Chief Operations Officer, Quality Assurance Officer, Key Account Managers, Sales Officers, and Managing Director.*

SUPPLIERS AND SUBCONTRACTORS

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

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



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STAKEHOLDERS

COMMITMENT

CHANNEL OF COMMUNICATION

SOCIAL SETTING<sup>8</sup>

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.*

INDUSTRY<sup>9</sup>

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.

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.*

8.This includes local governments, NGOs and foundations, educational institutions, the media, the environment, and society in general.  
9.This category includes competitors, industry associations and other business associations.



# SUPPLY CHAIN

66% of the budget allocated for supplies or outsourcing goes to local suppliers and local external suppliers.

At Aciturri, our supplier base is reliable, high-quality, and with a global reach. Aciturri’s supply chain is selected according to three core values—excellence, ethics, and support.

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. We spend 48% of our supplier budget on materials, 45% on machines and services, and 7% on logistics.

66% of the budget allocated for supplies or outsourcing goes to local suppliers and local external suppliers (1% more than in 2019).

44% of the budget allocated for supplies goes to suppliers that belong to national industry clusters (6% more than in 2019).

In accordance with Aciturri’s Purchasing and Subcontracting Policy, we seek to develop the business fabric and promote job creation in the communities in which we operate. Therefore, whenever feasible, we work with national suppliers and subcontractors. 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 Purchasing 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.

We continuously monitor our suppliers' performance and share a monthly report with each of them based on objective indicators. Also, the company has an **assessing** procedure in place which establishes the methodology used to perform a standardized evaluation of their industrial processes. It analyzes our suppliers' 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 associated plan of action, and an overall assessment with the grades A+, A, B, C or D. The person in charge of this assessment keeps track of all this, paying special attention to the percentage of solved issues within the established time frame. From the first to the third audit, our suppliers' assessment improved by 21%.

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 association 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. As stated in the Purchasing and Subcontracting Policy, Aciturri takes into account human rights when hiring suppliers for any type of work, and discards those that don't meet the company's high standards. Likewise, the company ensures compliance with the basic principles established by law in relation to occupational health and safety. We present a progress report every year.

**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.**

**100% of suppliers evaluated and selected according to environmental criteria.**

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 ethical and social criteria.**

100%

**of our suppliers and operations guarantee the right to freedom of association and collective bargaining.**

100%

**of suppliers evaluated and selected according to environmental criteria.**



# STAFF<sub>10</sub>

**All eight labour force adjustment procedures were closed after having reached an agreement with the workers’ legal representative organizations.**



10. 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.





At Aciturri, the employees’ skills, effort, and talent ensure our success.

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.



1,420 EMPLOYEES

(THE AVERAGE WORKFORCE HAS SHRUNK BY 190 COMPARED TO 2019), OF WHOM

1,137

MEN

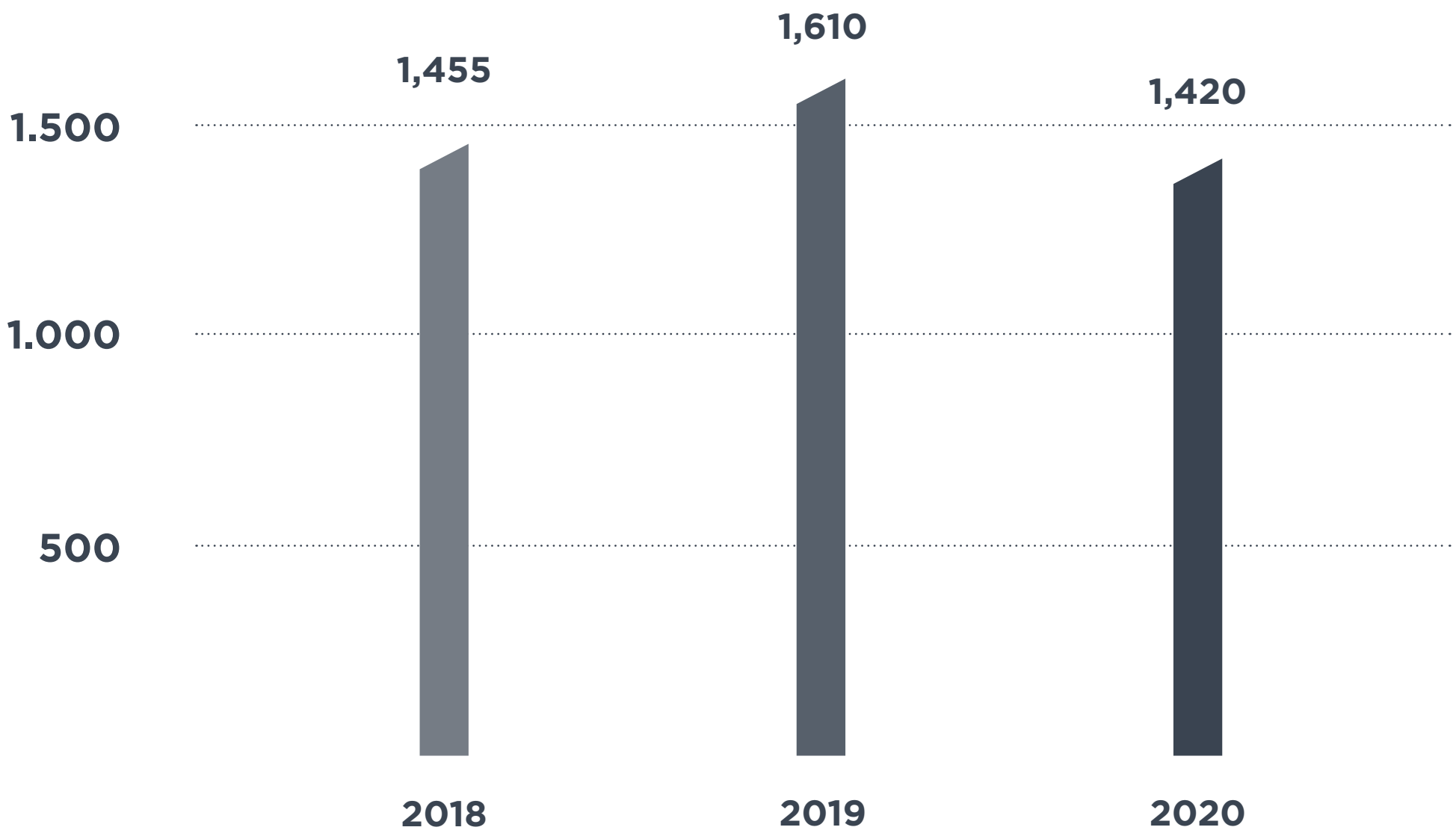
283

WOMEN

THEIR AVERAGE LENGTH OF EMPLOYMENT IS <sup>11</sup>

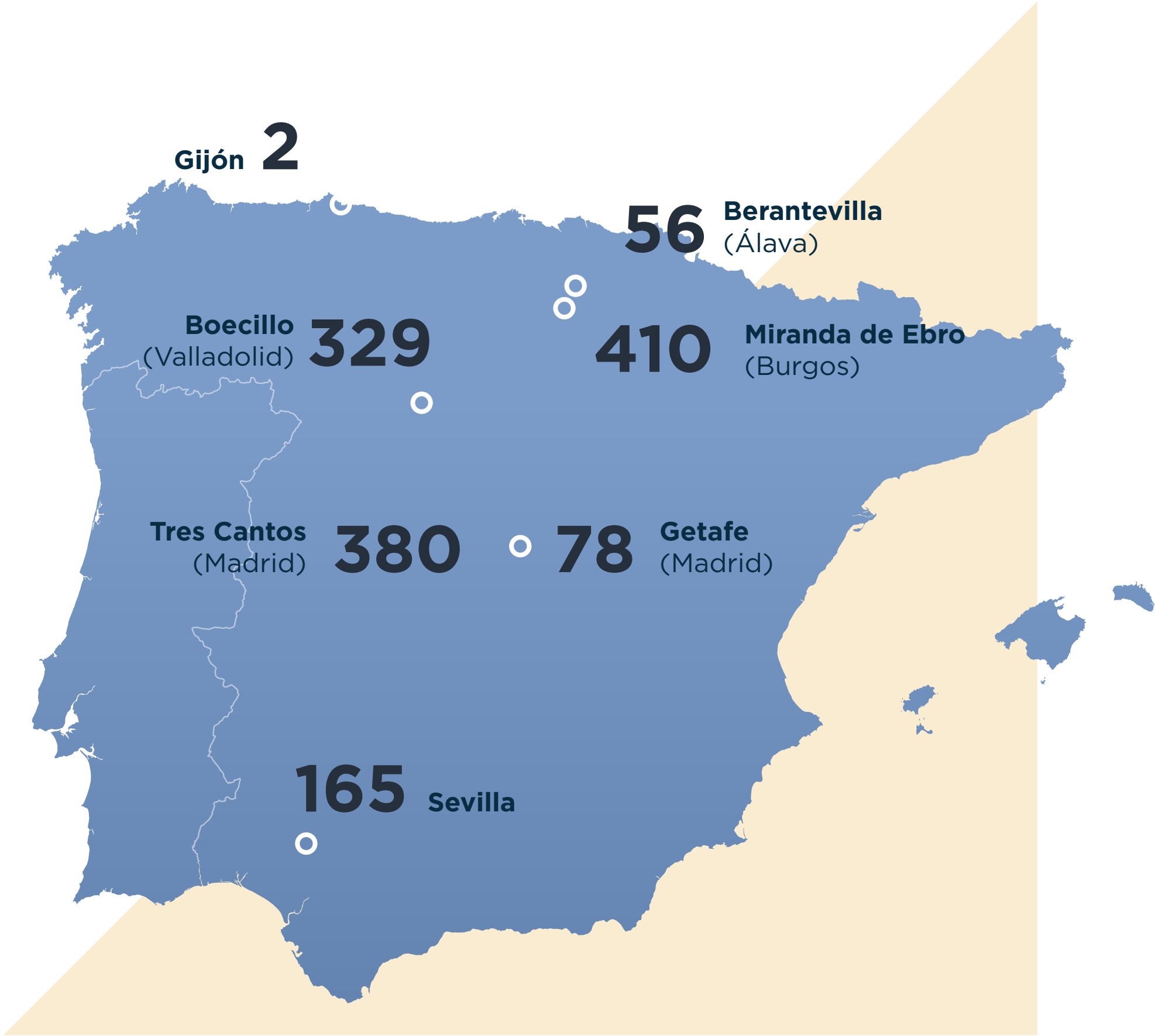
11.36 YEARS

WORKFORCE BREAKDOWN  
2018 - 2020

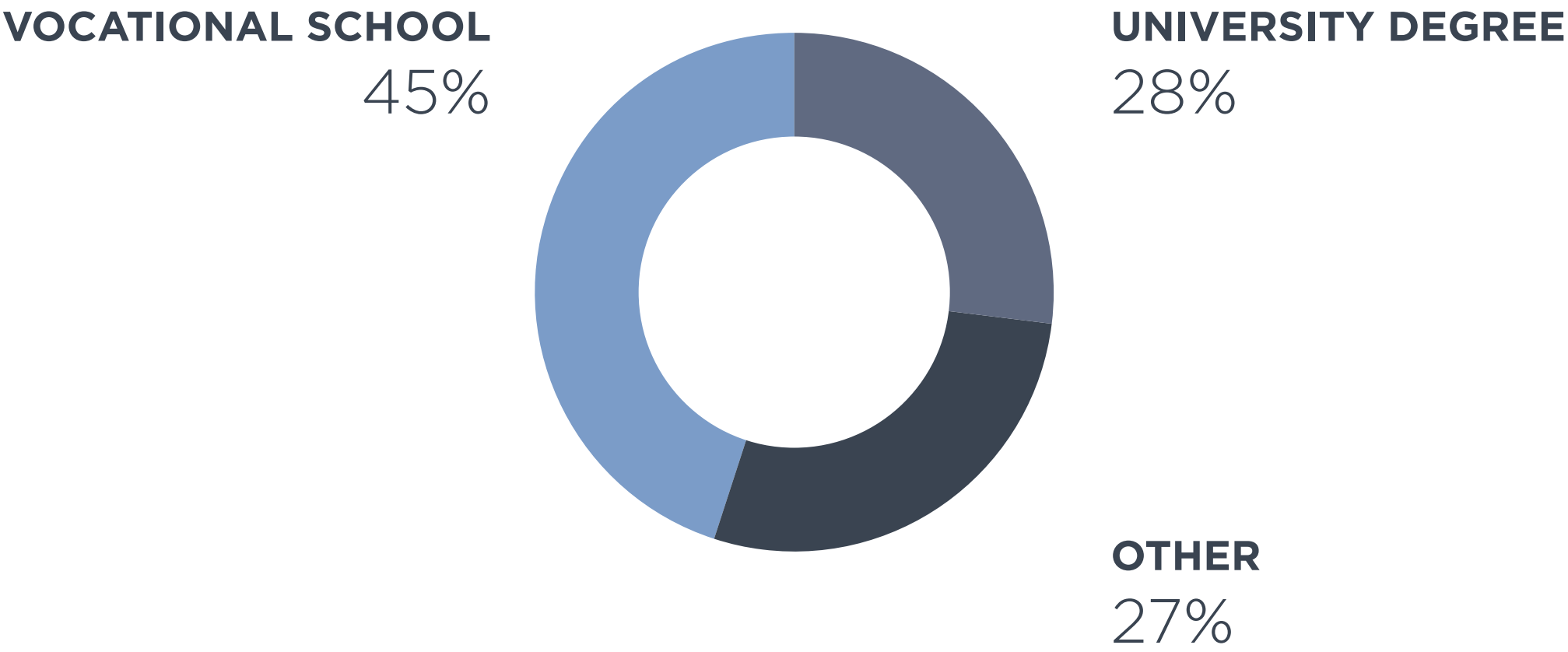




WORKFORCE BREAKDOWN  
BY LOCATION 2020

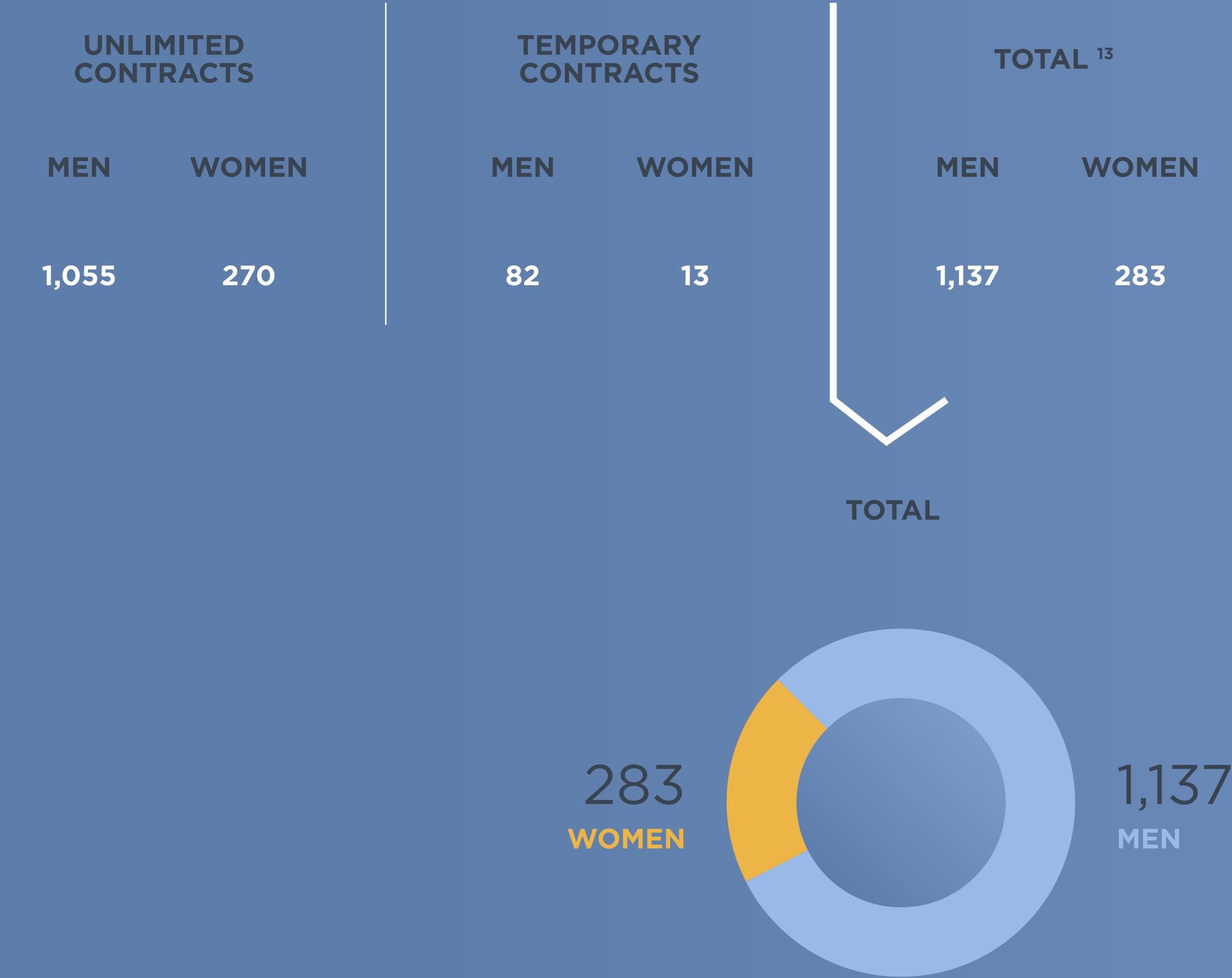


WORKFORCE BREAKDOWN  
BY LEVEL OF EDUCATION

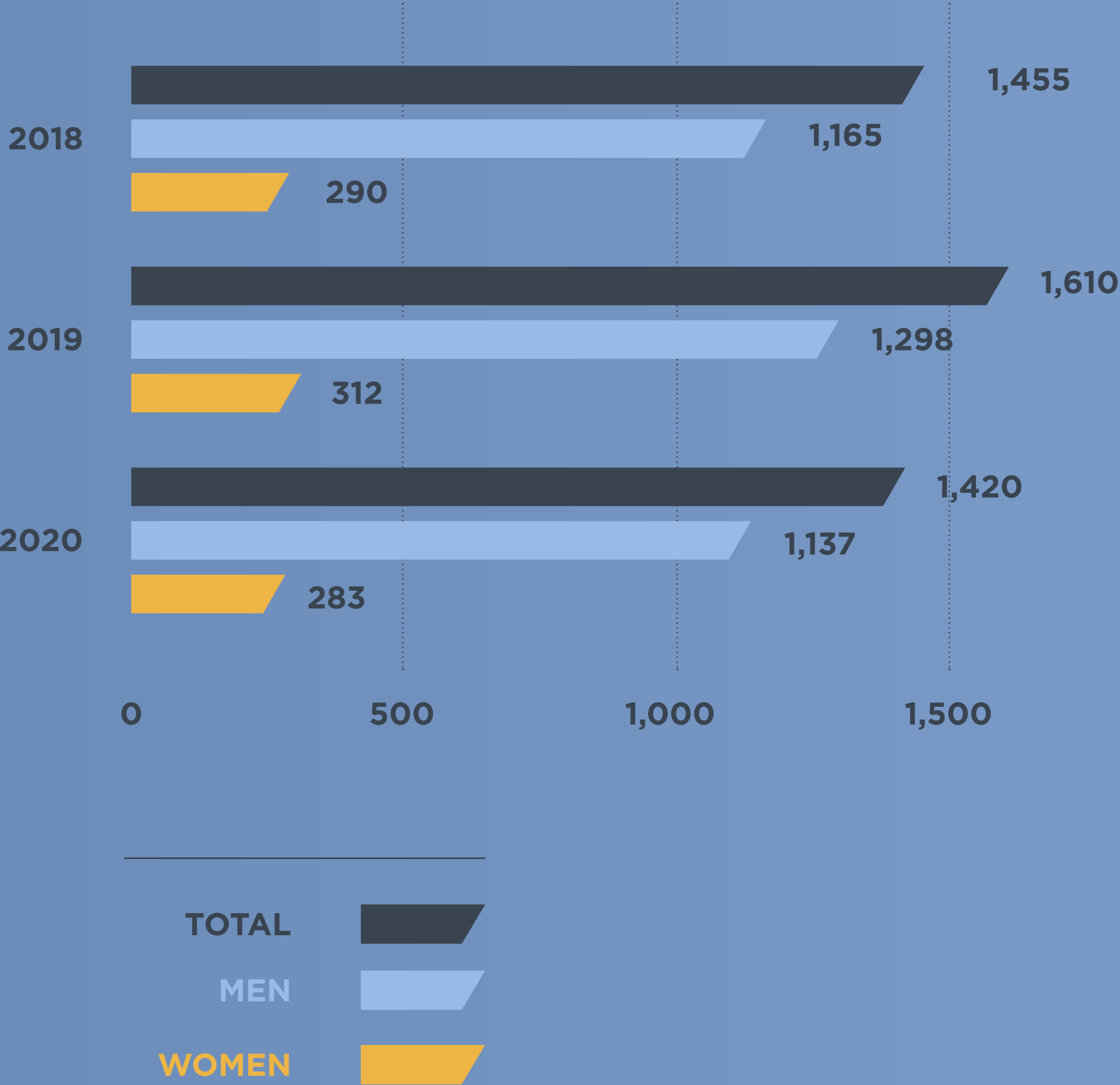




WORKFORCE BREAKDOWN  
BY GENDER AND TYPE OF CONTRACT <sup>12</sup>



WORKFORCE BREAKDOWN  
BY GENDER 2018 - 2020

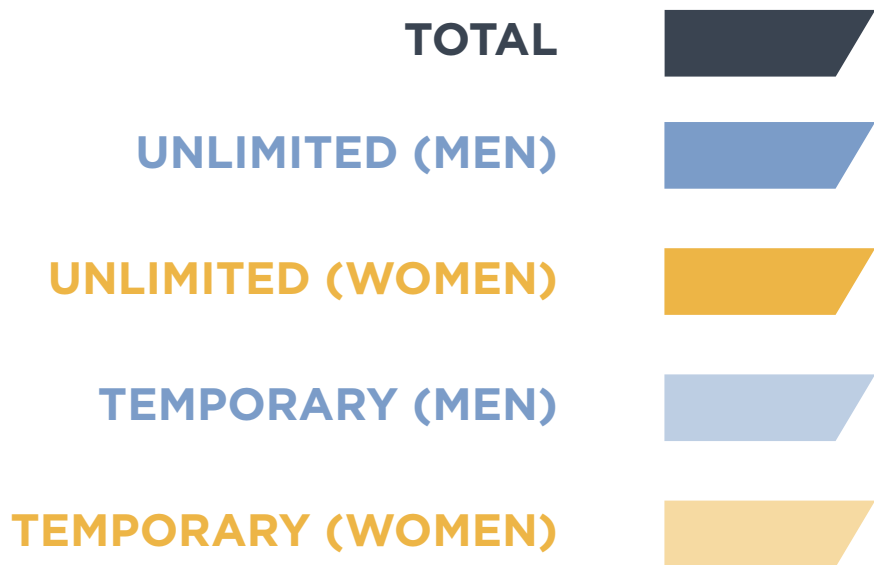
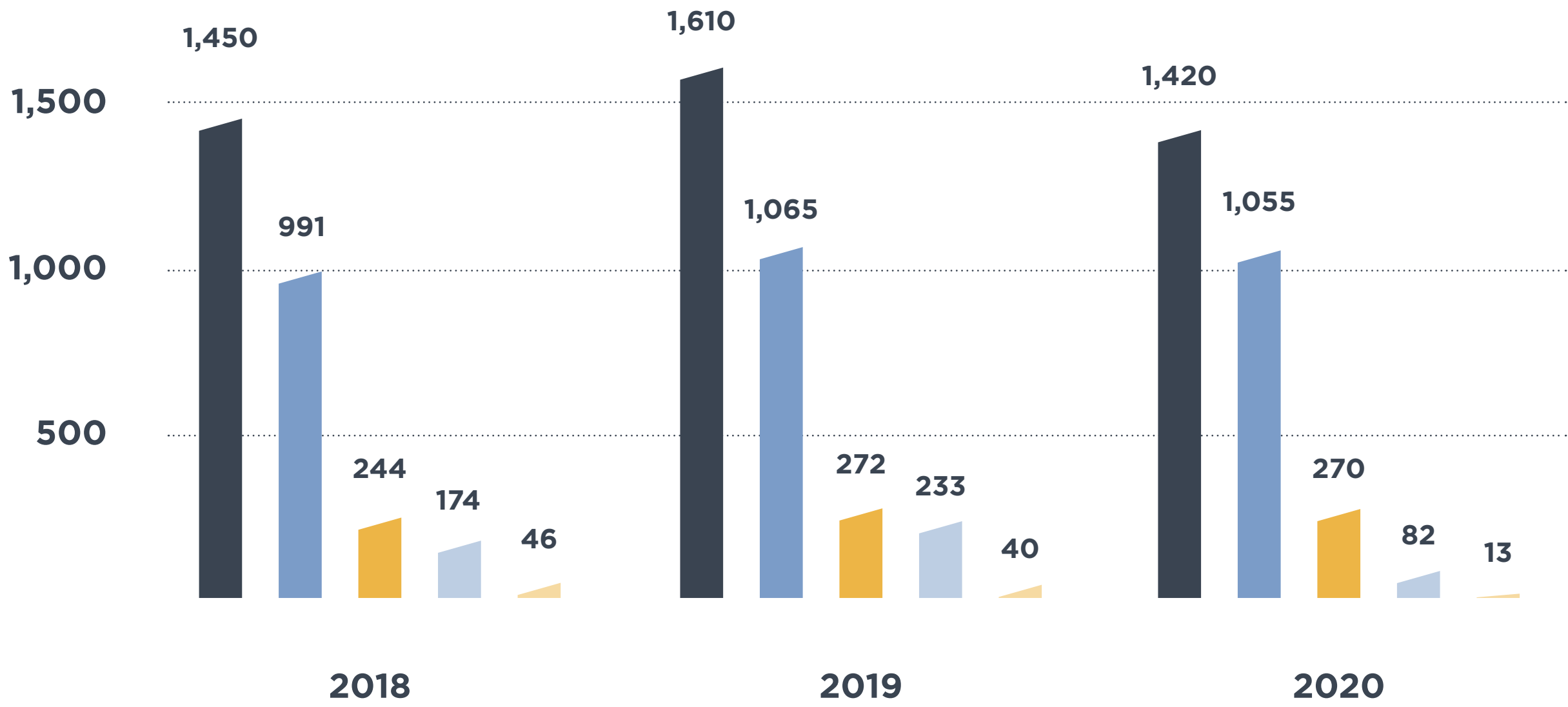


12. There is no breakdown by professional category available because the large number of agreements applicable within the company makes it impossible to have data subject to be compared.

13. Data on average staff, gender, and contracts have been retrieved from a report template generated by the automatic payroll (A3 Equipo).

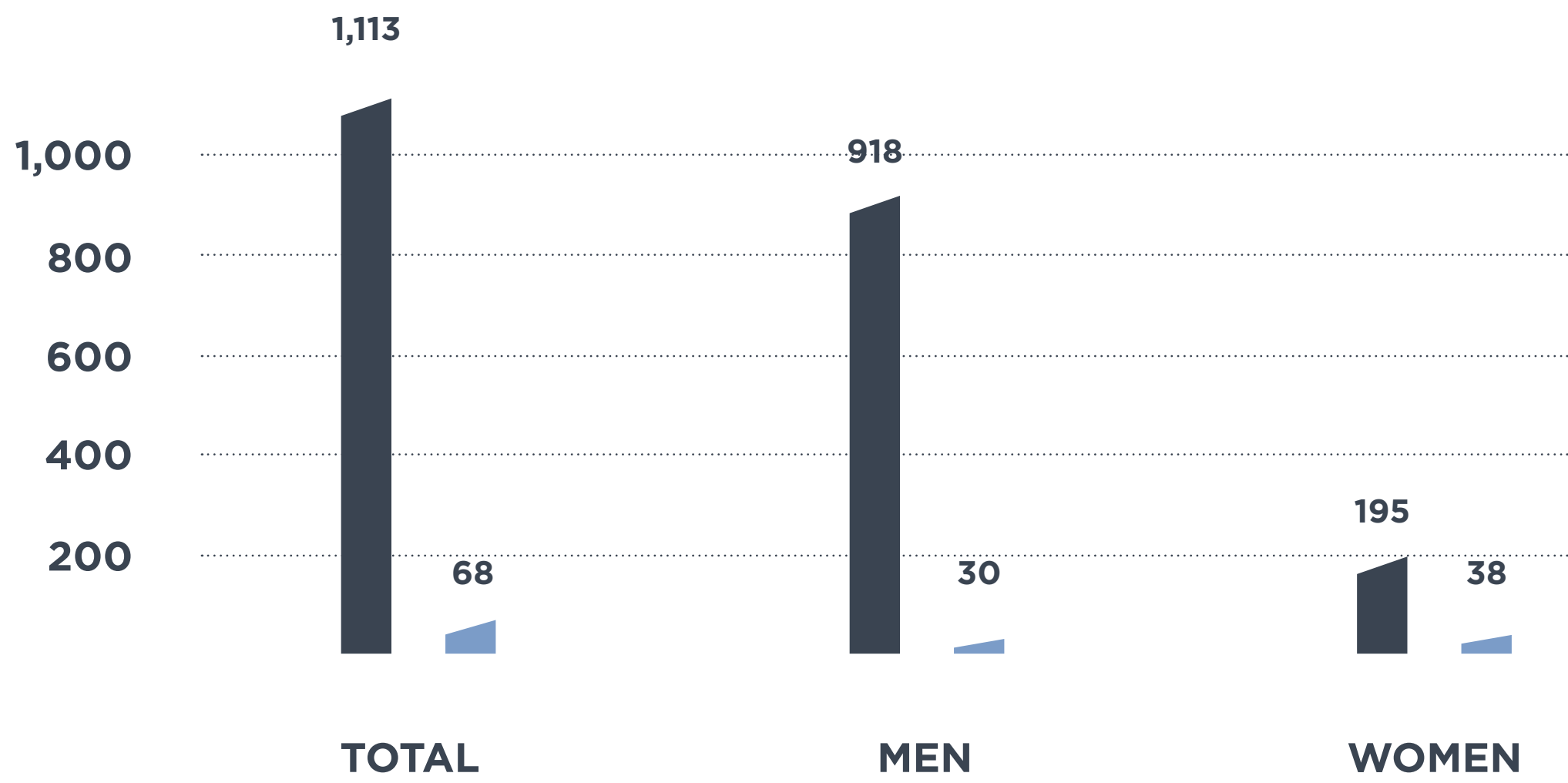


WORKFORCE BREAKDOWN  
BY GENDER AND TYPE OF CONTRACT 2018 - 2020



Regarding the age breakdown for the working day and the type of contract, this data is based on the staff employed on 12/31/2020:

WORKING  
SCHEDULE <sup>14</sup>



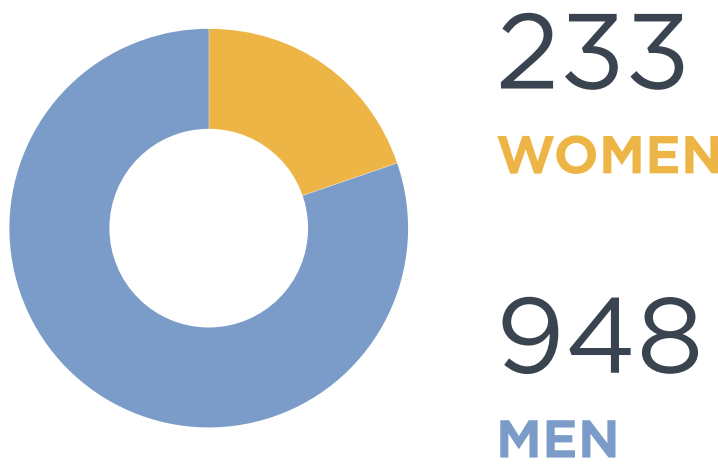
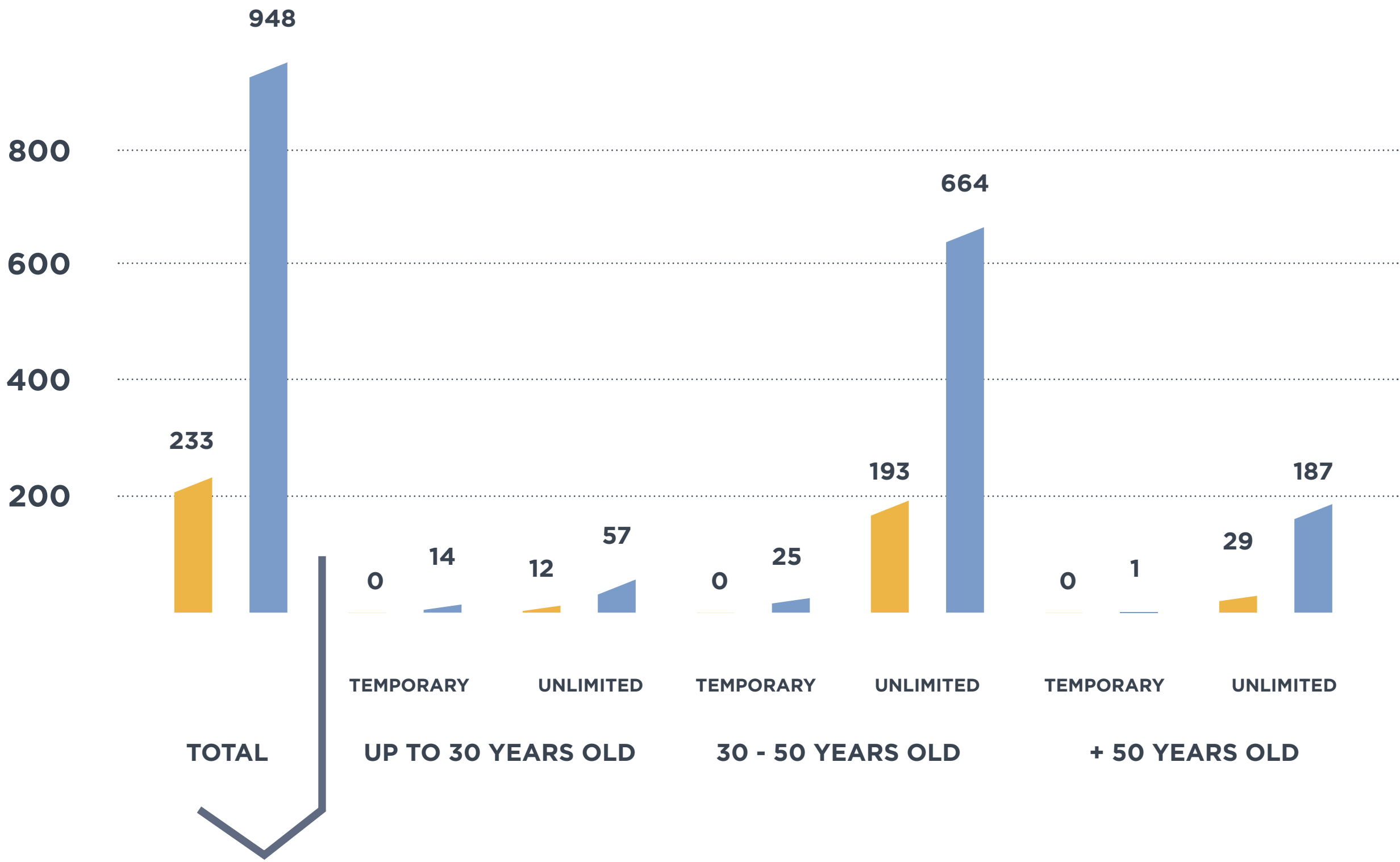
14. Aciturri always awards full-time contracts except in cases where the person requests a reduction of working hours for legal guardianship, partial retirement, or any other reason.



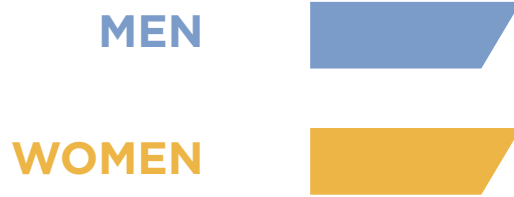
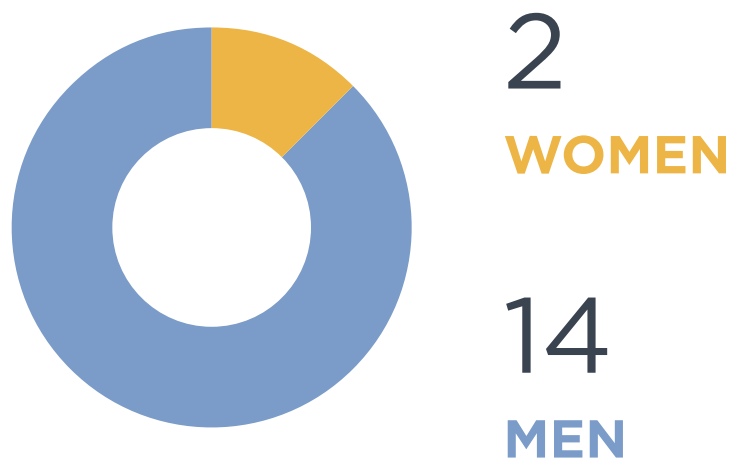
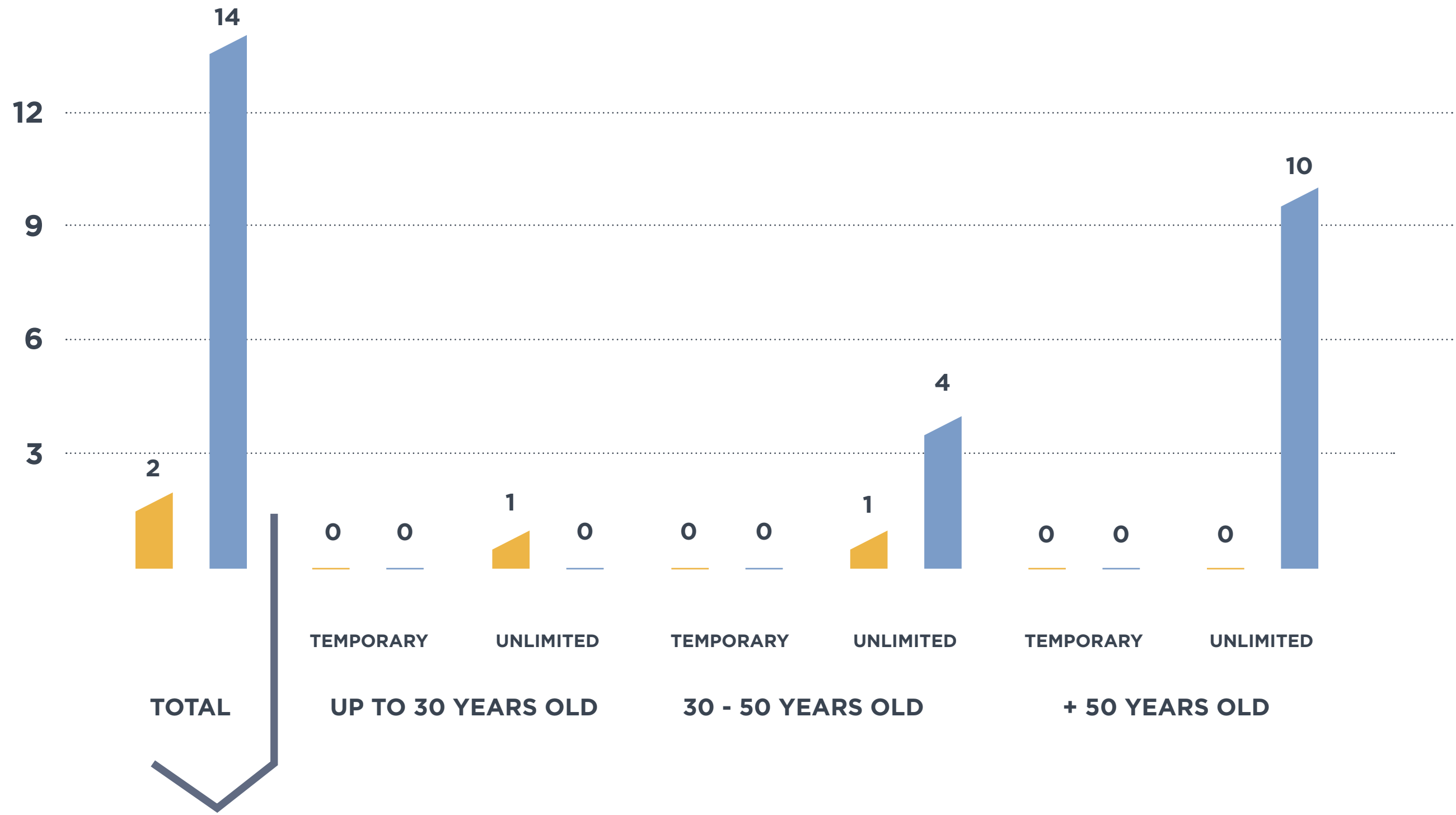
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WORKFORCE BREAKDOWN  
BY AGE AND TYPE OF CONTRACT ON DEC. 31, 2020



PART-TIME CONTRACTS  
BY AGE AND GENDER 2020





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The current 16 part-time contracts in the company are unlimited, ten of them due to partial retirement.

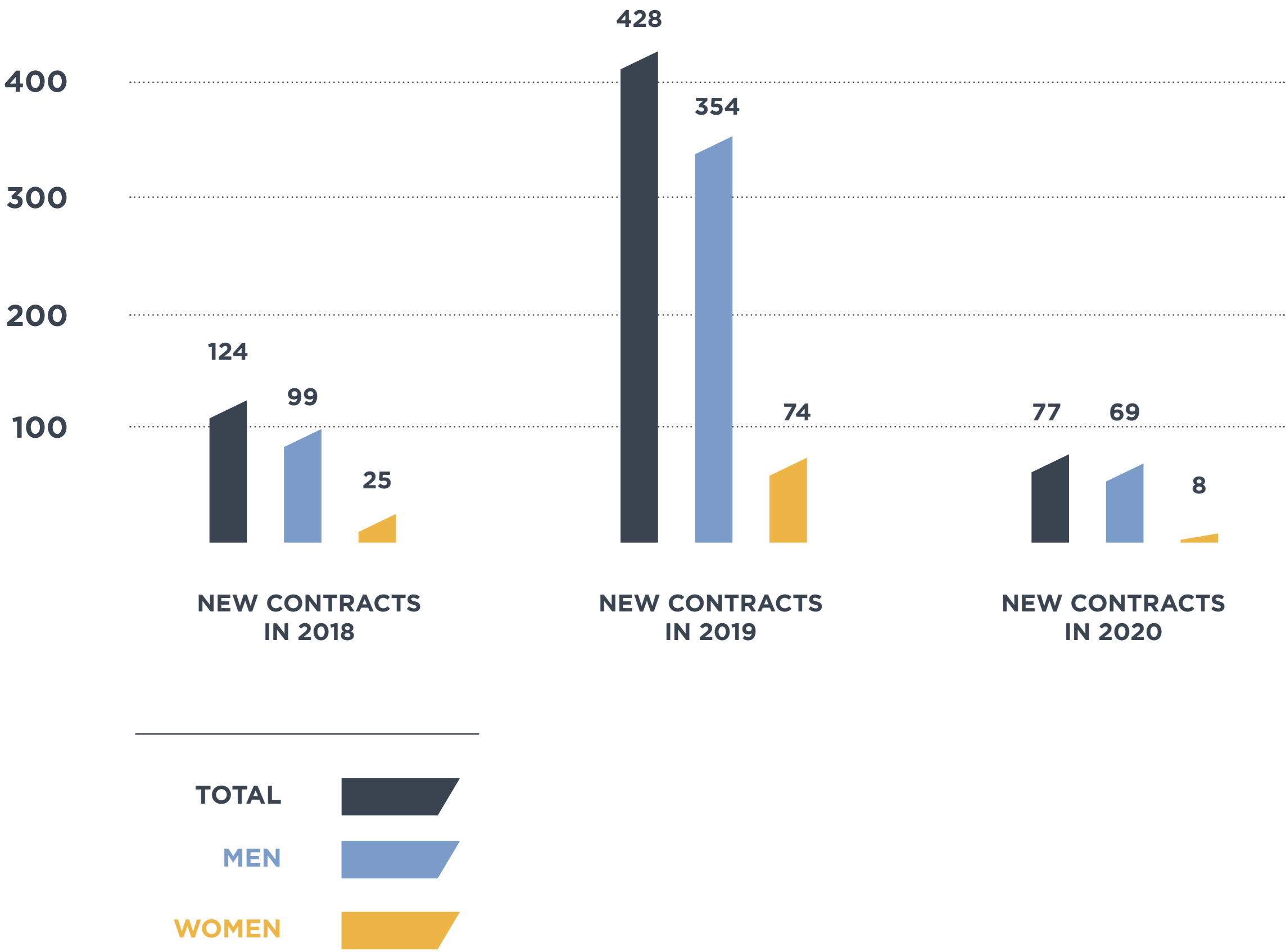
In addition to the staff directly employed by the company through a contract, we rely on outsourcing for ongoing services. A total of 120 people: 68 working on ancillary services for production, 36 on cleaning, 13 on security, and 3 on engineering. It also has operators from subcontracted companies (270), supply companies (372), and other personnel subcontracted for discontinuous services (30 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 corporate social networks to attract more and better-prepared candidates. Employees can help find new candidates through our **Referral Program**.

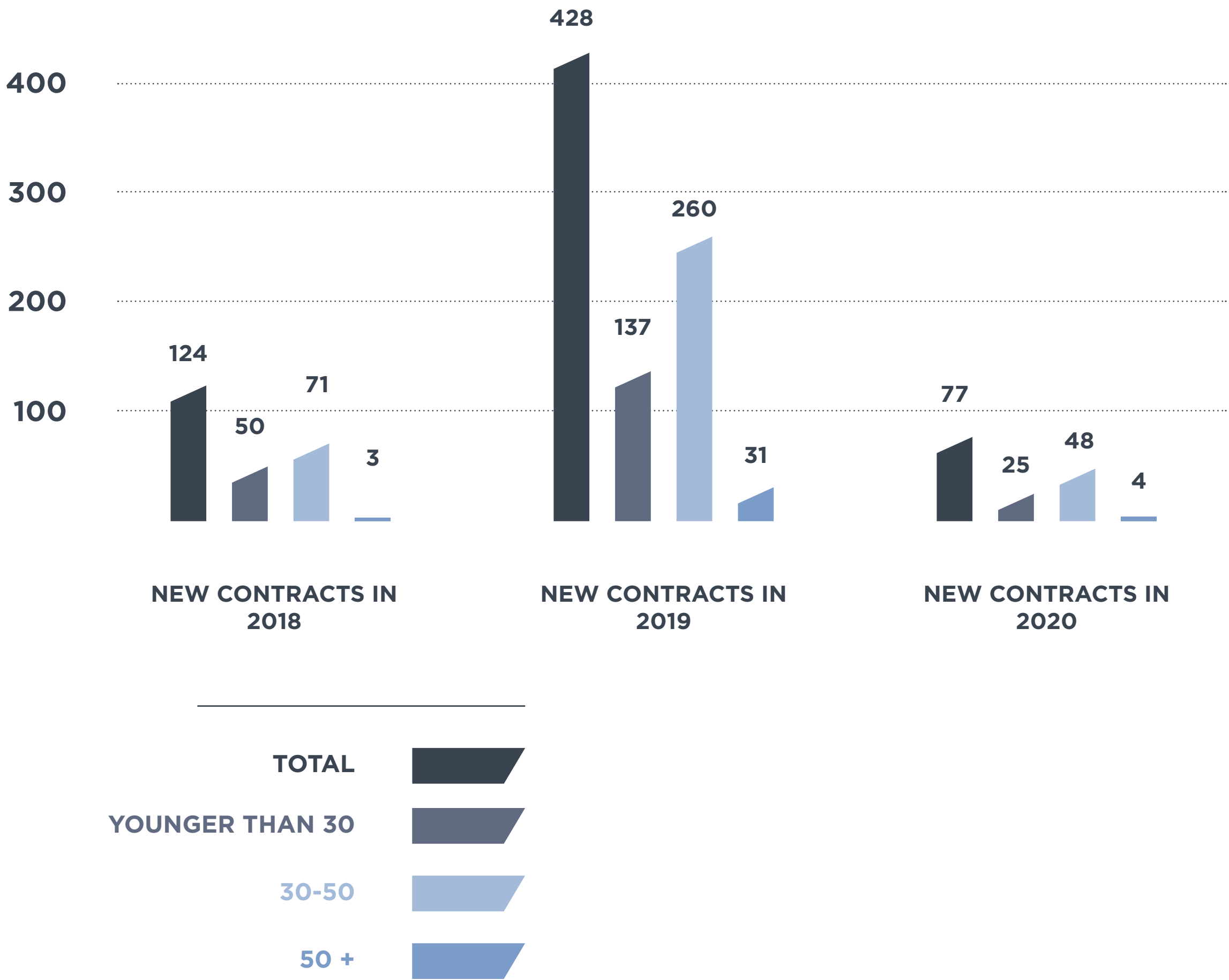
Aciturri also promotes employment and help to join the labor market by attending career fairs, presentations at training centers and universities, providing training in job centers (internships for vocational school) and support with Bachelor’s theses, involvement in dual training, and training programs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

The year 2020 was marked by the COVID-19 pandemic, which led to a significant decrease in workload and a sharp drop in company sales (44.5%). This situation forced us to adapt our resources to ensure the company’s continuity and, among other measures, we had to address a personnel restructuring process. Hiring was residuary and it happened mostly in the first quarter of the year.

BREAKDOWN OF NEW CONTRACTS  
BY GENDER 2018 - 2020



BREAKDOWN OF NEW CONTRACTS  
BY AGE 2018 - 2020



As a result of the crisis, in 2020 we didn't promote employment in any way because there was no need for new staff. Actually, 468 people left Aciturri. This is the breakdown of the reasons why:

148

TERMINATIONS OF TEMPORARY CONTRACTS ON THE DATE THEY EXPIRED.

20

VOLUNTARY LEAVES.

7

LEAVES OF ABSENCE.

7

RETIREMENTS.

280

DISMISSALS.

6

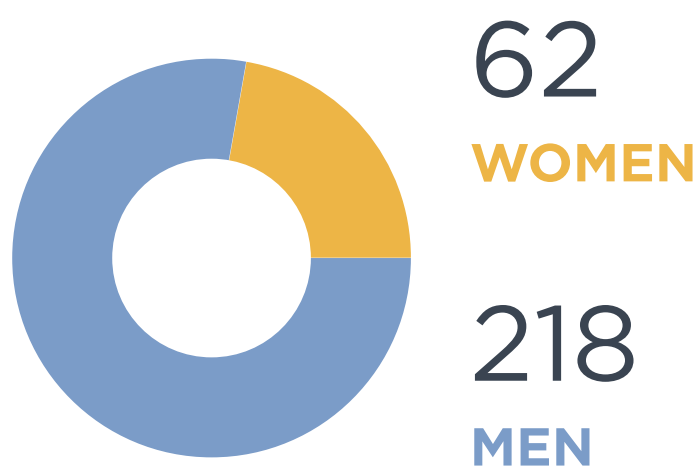
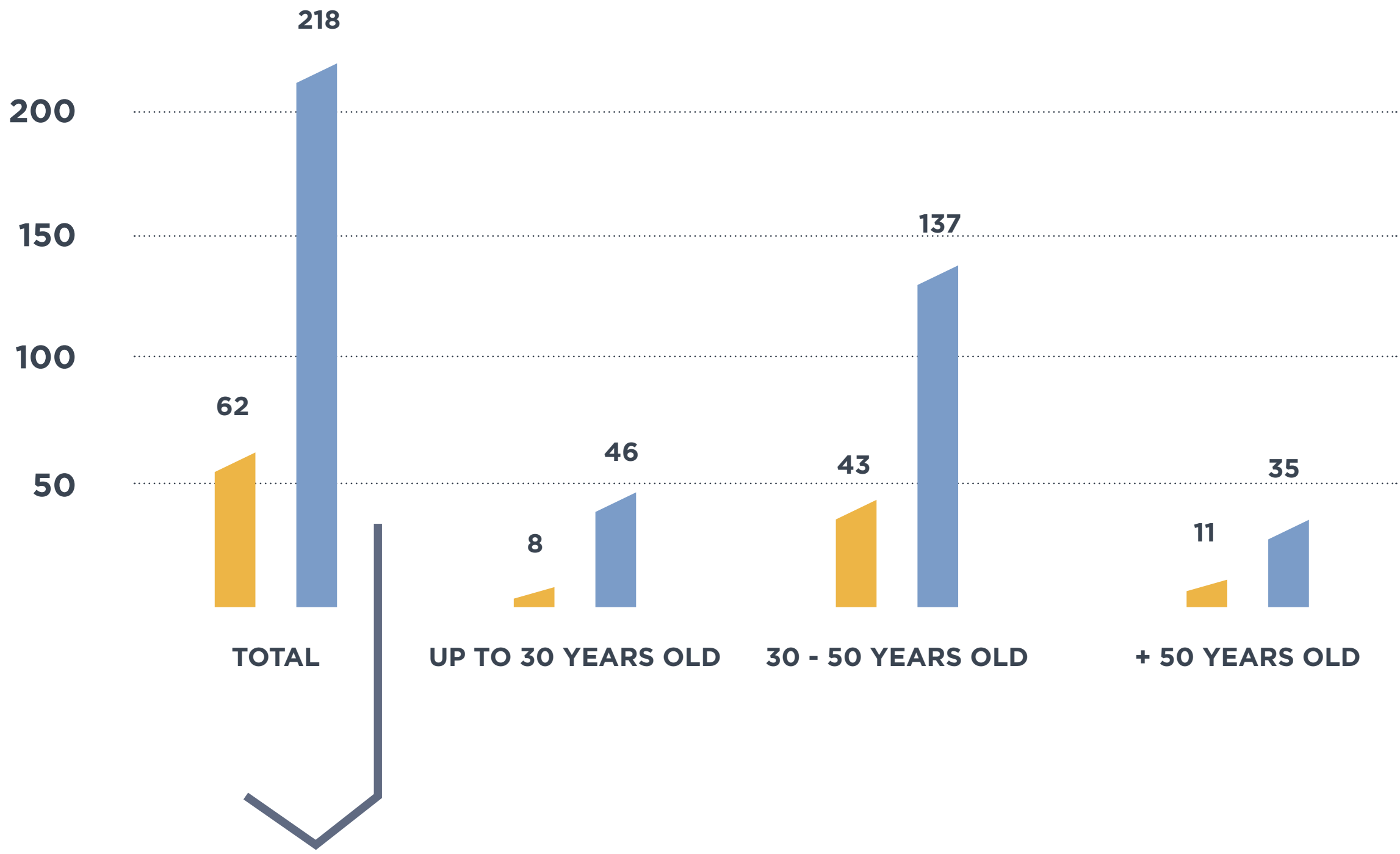
FOR OTHER REASONS.

Out of the **280** dismissals:

- **162** were agreed with workers' legal representative organizations in mass dismissal processes, and 79 of them (48%) were made on a voluntary basis.
- **79** were early terminations of temporary contracts.
- **22** were on a voluntary basis as part of the "End of Strike Agreement" reached with the workers' legal representative organization at the Getafe plant.

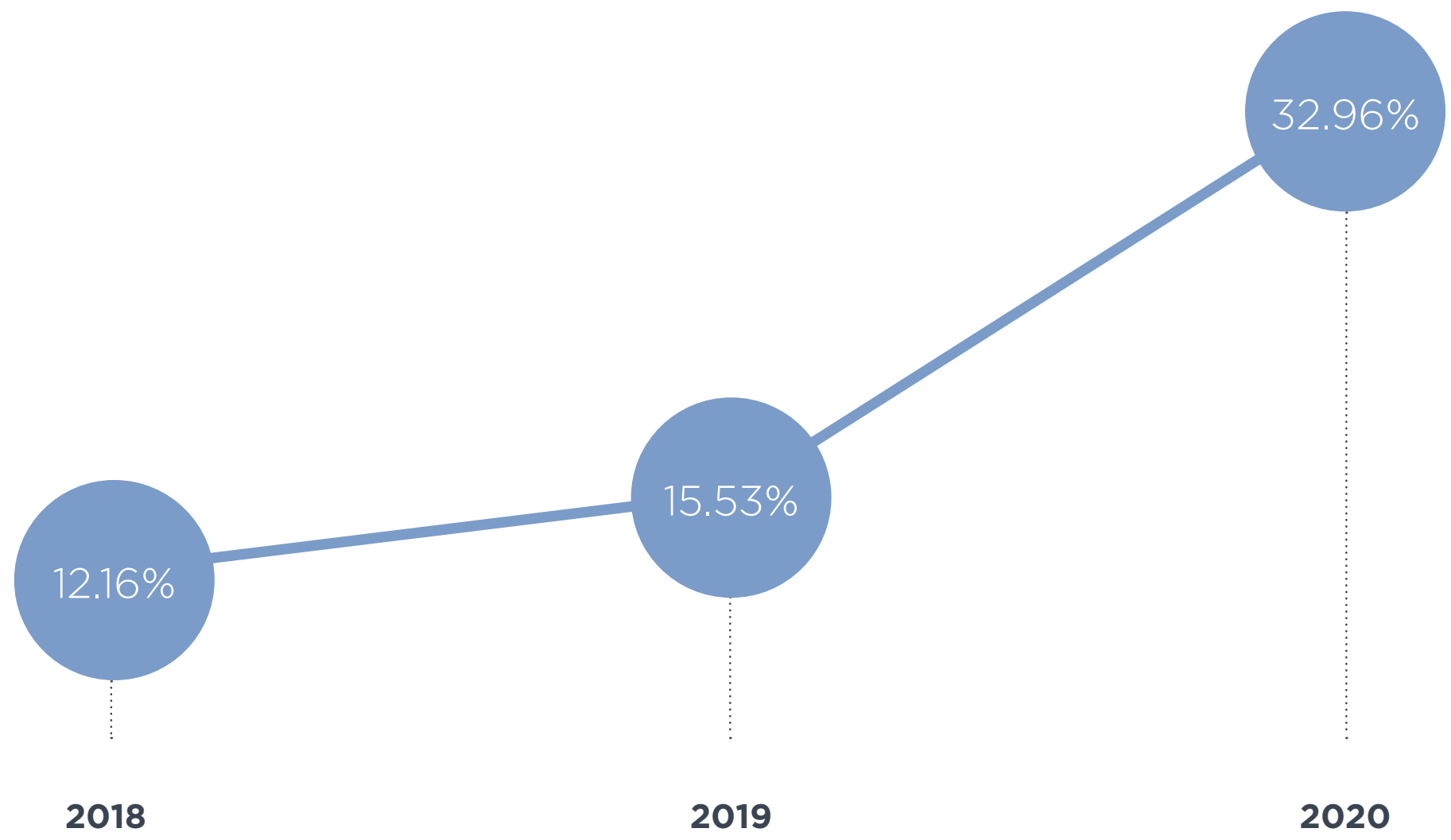


BREAKDOWN OF CESSATIONS  
BY AGE AND GENDER



Thus, the turnover rate for 2020 was 32.96% <sup>15</sup>.

TURNOVER RATE  
2018 - 2020



At Aciturri, we respect the rights of unionization, association, and collective bargaining within the existing law, as established in the **principle of protection of collective rights** in our Code of Conduct. Likewise, 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.

15. Calculated as (“workforce cessations for the period / average workforce for the period) \*100”.

100% of the Aciturri’s employees are covered by collective bargaining agreements—national or regional collective agreements that establish the minimum requirements to be fulfilled, and have been negotiated by social actors and employers. We don’t have our own collective agreement. However, there are pacts which improve the conditions laid down in collective agreements.

In all of Aciturri’s companies there are workers’ legal representative organizations 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 41 in the Estatuto de los Trabajadores (Workers’ Rights Act), which deals with substantial changes in labor conditions.

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.

In 2020, due to the exceptional situation resulting from the pandemic, negotiating time for procedures was reduced and Aciturri adapted to this exceptional labor regulation. These collective bargaining agreements were implemented in the following companies and on the basis of the following procedures:

## ACITURRI AEROENGINES

**Furlough scheme:**

- Request for setting up a negotiating table: May 4, 2020.
- Start of consultation period: May 12, 2020.
- End of consultation period and Agreement: May 18, 2020.

**Collective dismissal procedure:**

- Request for setting up a negotiating table: August 24, 2020.
- Start of consultation period: September 1, 2020.
- End of consultation period and Agreement: September 30, 2020.

## ACITURRI AEROSTRUCTURES

**Furlough scheme:**

- Request for setting up a negotiating table: May 11, 2020.
- Start of consultation period: May 21, 2020.
- End of consultation period and Agreement: May 26, 2020.

**Collective dismissal procedure:**

- Request for setting up a negotiating table: August 24, 2020.
- Start of consultation period: September 1, 2020.
- End of consultation period and Agreement: October 1, 2020.

## ACITURRI AERONAÚTICA

**Furlough scheme:**

- Request for setting up a negotiating table: May 29, 2020.
- Start of consultation period: June 5, 2020.
- End of consultation period and Agreement: June 9, 2020.

## ACITURRI ASSEMBLY

**Furlough scheme:**

- Request for setting up a negotiating table: May 6, 2020.
- Start of consultation period: May 13, 2020.
- End of consultation period and Agreement: May 15, 2020.

## ACITURRI ENGINEERING

**Furlough scheme:**

- Request for setting up a negotiating table: May 29, 2020.
- Start of consultation period: June 5, 2020.
- End of consultation period and Agreement: June 9, 2020.



ACITURRI ADDITIVE MANUFACTURING

Furlough scheme:

- Request for setting up a negotiating table: July 9, 2020
- Start of consultation period: July 13, 2020
- End of consultation period and Agreement: July 13, 2020

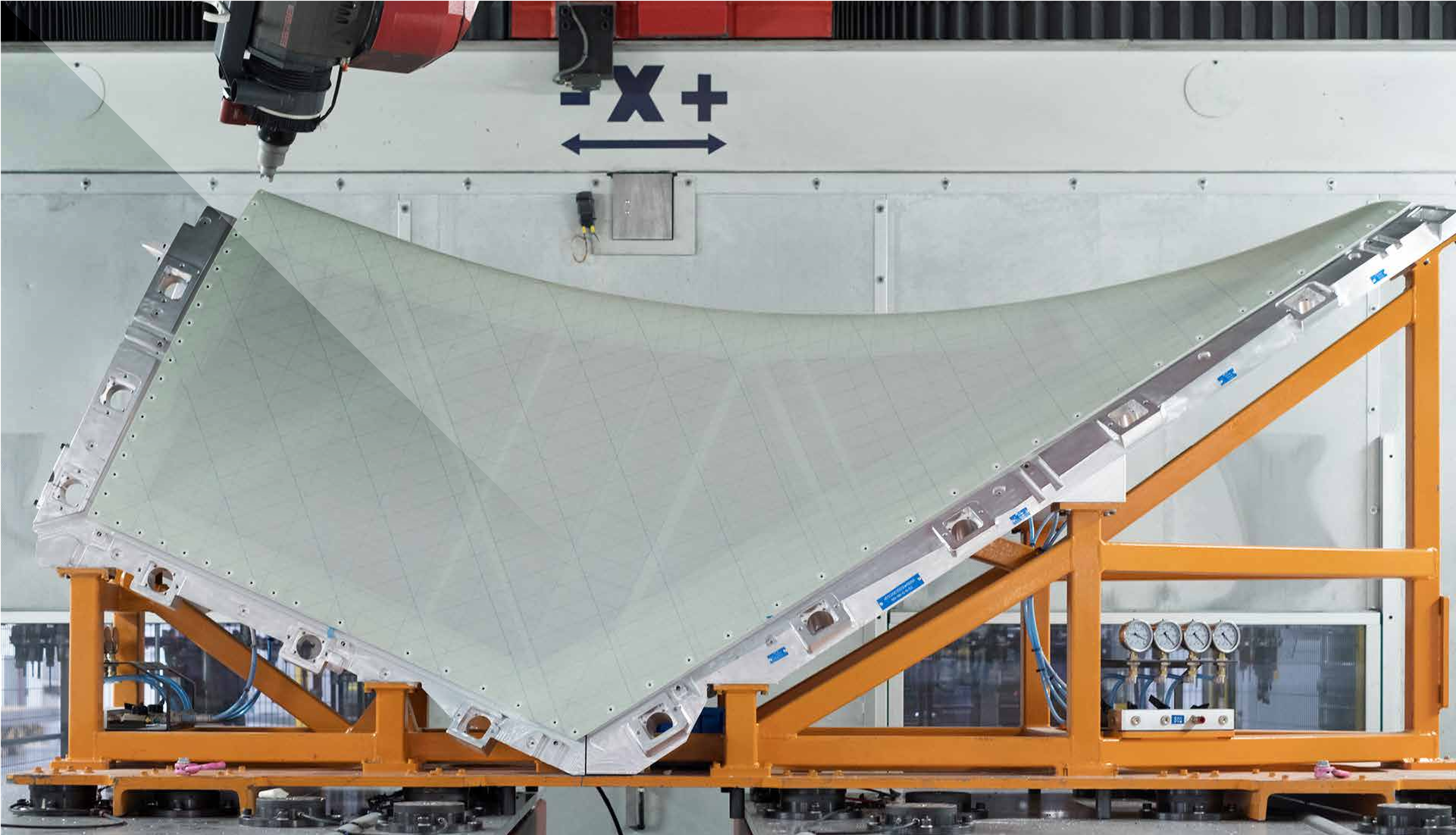
It should be noted that all eight procedures were closed after having reached an agreement with the workers’ legal representative organizations. Among other measures, the agreements included monetary compensations equivalent to those granted for unfair dismissal, with a maximum of €100,000 and a minimum of €6,000; the possibility for employees to join the plan voluntarily; and a nine-month Relocation Plan signed by Aciturri which committed to relocate 75% of the people affected.





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# TRAINING & DEVELOPMENT

## 16 people with the potential to take over managerial responsibilities completed the **executive training “Impulsa Program”**, organized in collaboration with Deusto Business School.

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

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.

**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**.

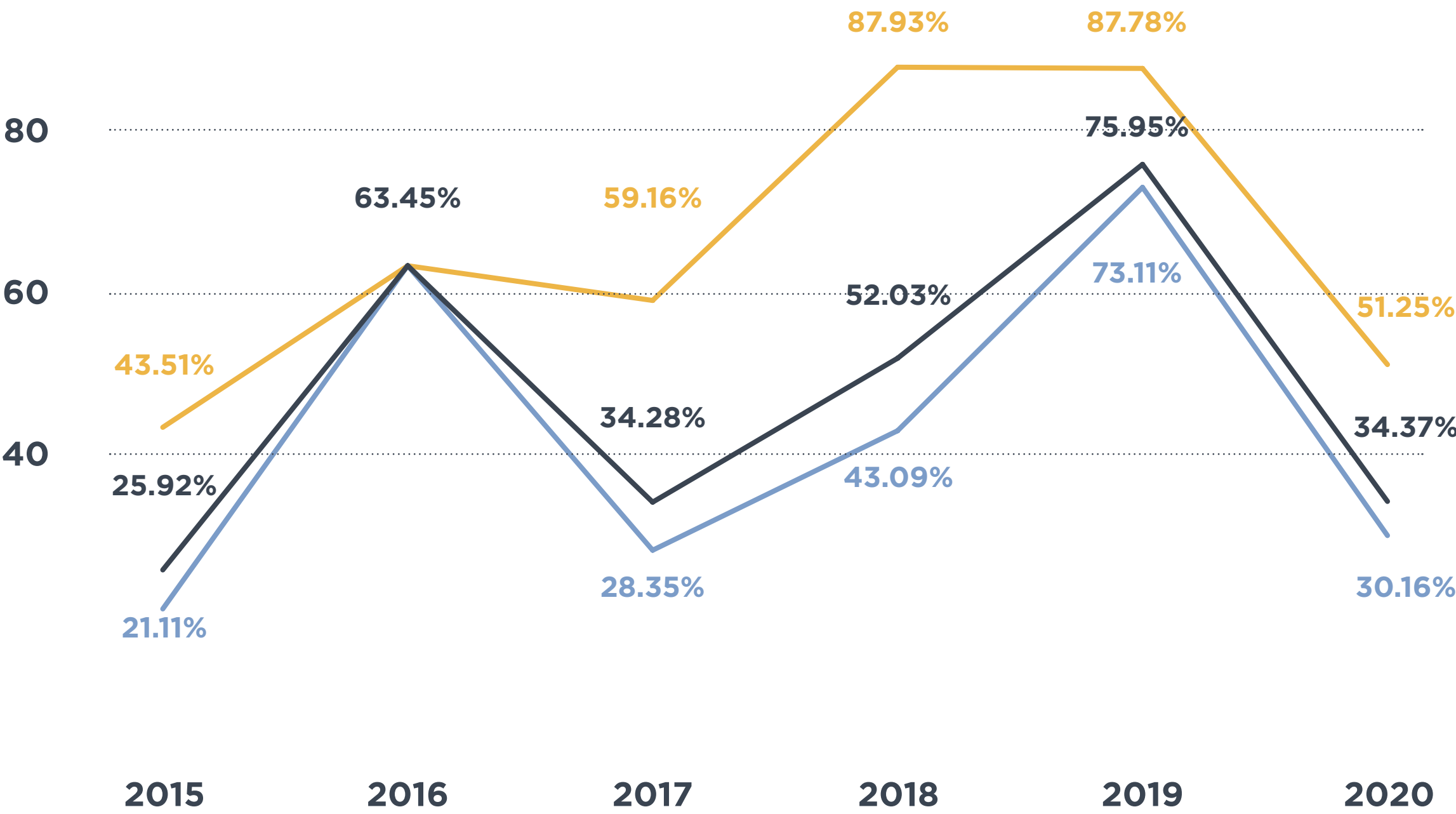




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% ASSESSED  
EMPLOYEES <sup>16</sup>



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 2020, and some of the company’s functional support were incorporated, too.

**Aciturri Academy**, which stemmed from the Success Factors learning module, continued in 2020. 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.

We continued working on **GameLearn**, a way of learning in a fun way by means of video games and the gamification of the training experience. Three examples are Pacific (Leadership Serious Game), Merchants (Negotiation Serious Game), and Triskelion (Productivity and Time Management Serious Game). There is also an English learning program via two platforms—7Speaking and Learnlight.

At the same time, the “refresher course” program started in 2019 for all the operators at the Tres Cantos plant was implemented in the other centers throughout 2020 in order to define the on-boarding training for new employees.

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

In 2020, a total of 13,262 training hours were taught to the benefit of 60% of women and 46% of men on our teams.

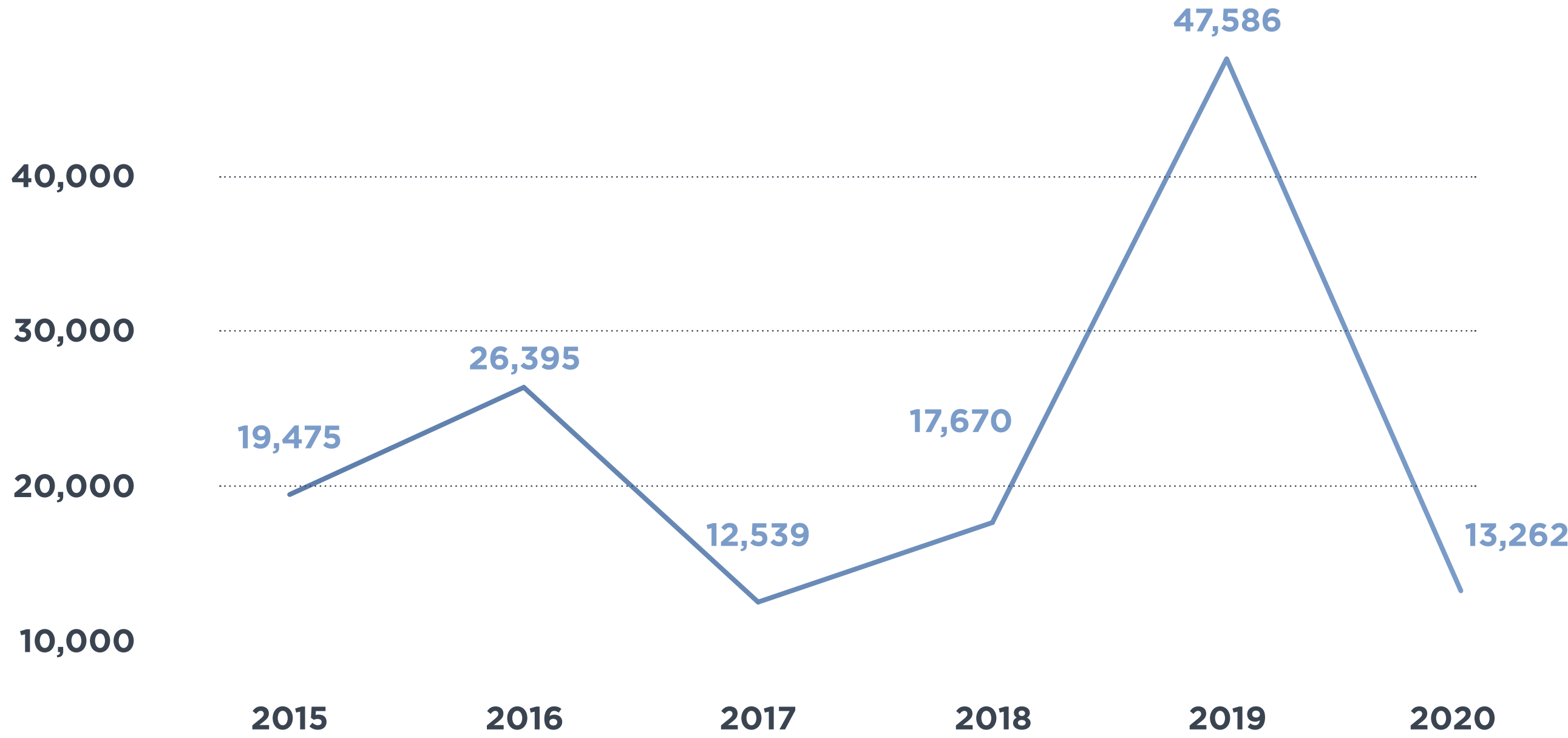
16. Traditionally, performance evaluations are carried out every other year, which explains the difference between the values for the 2015-2017 and for the 2016-2018 period. However, following a request by the plant managers, such evaluation will be carried out annually from now on.



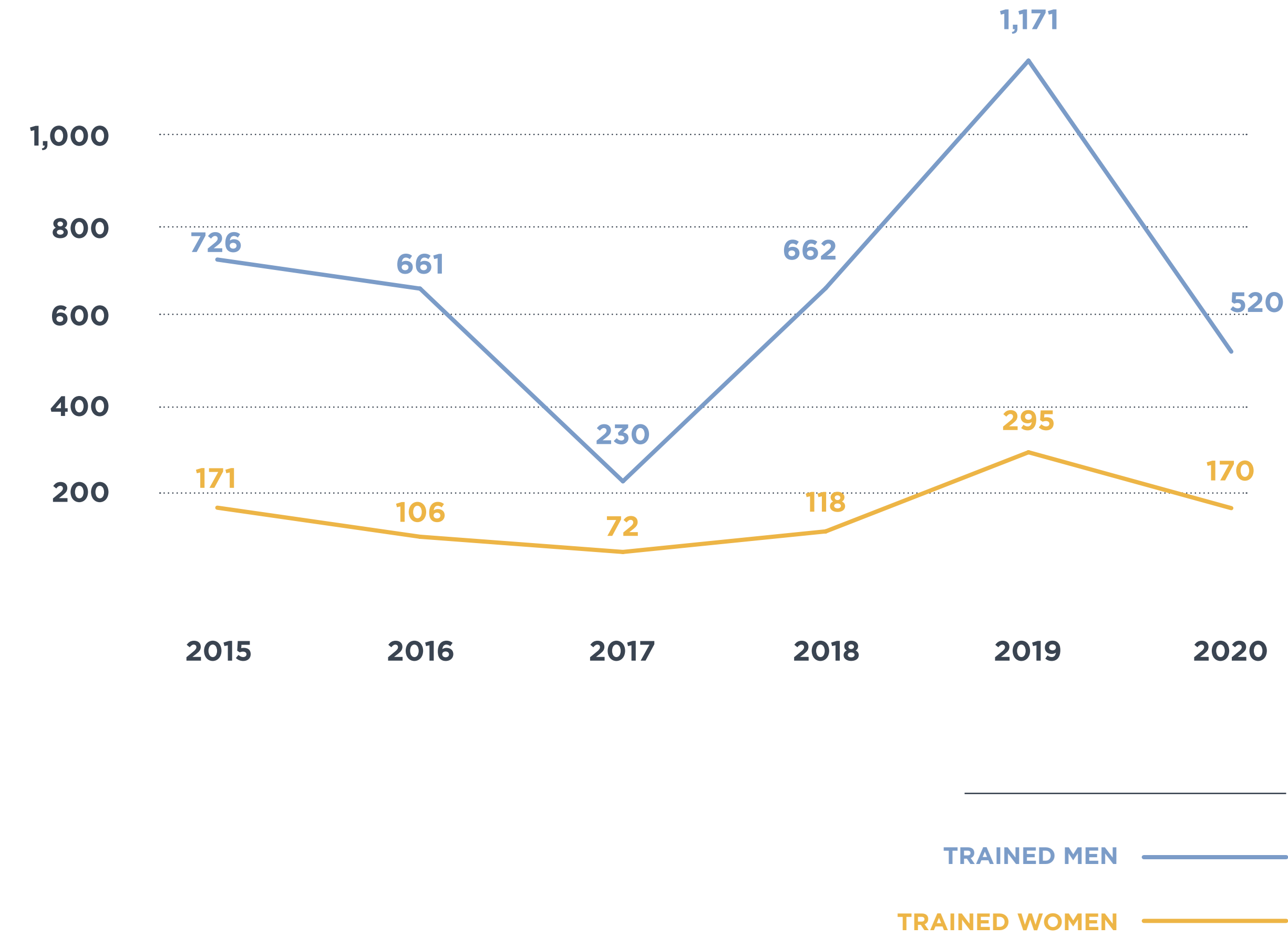
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TOTAL TRAINING HOURS <sup>17</sup>



TRAINED MEN/WOMEN



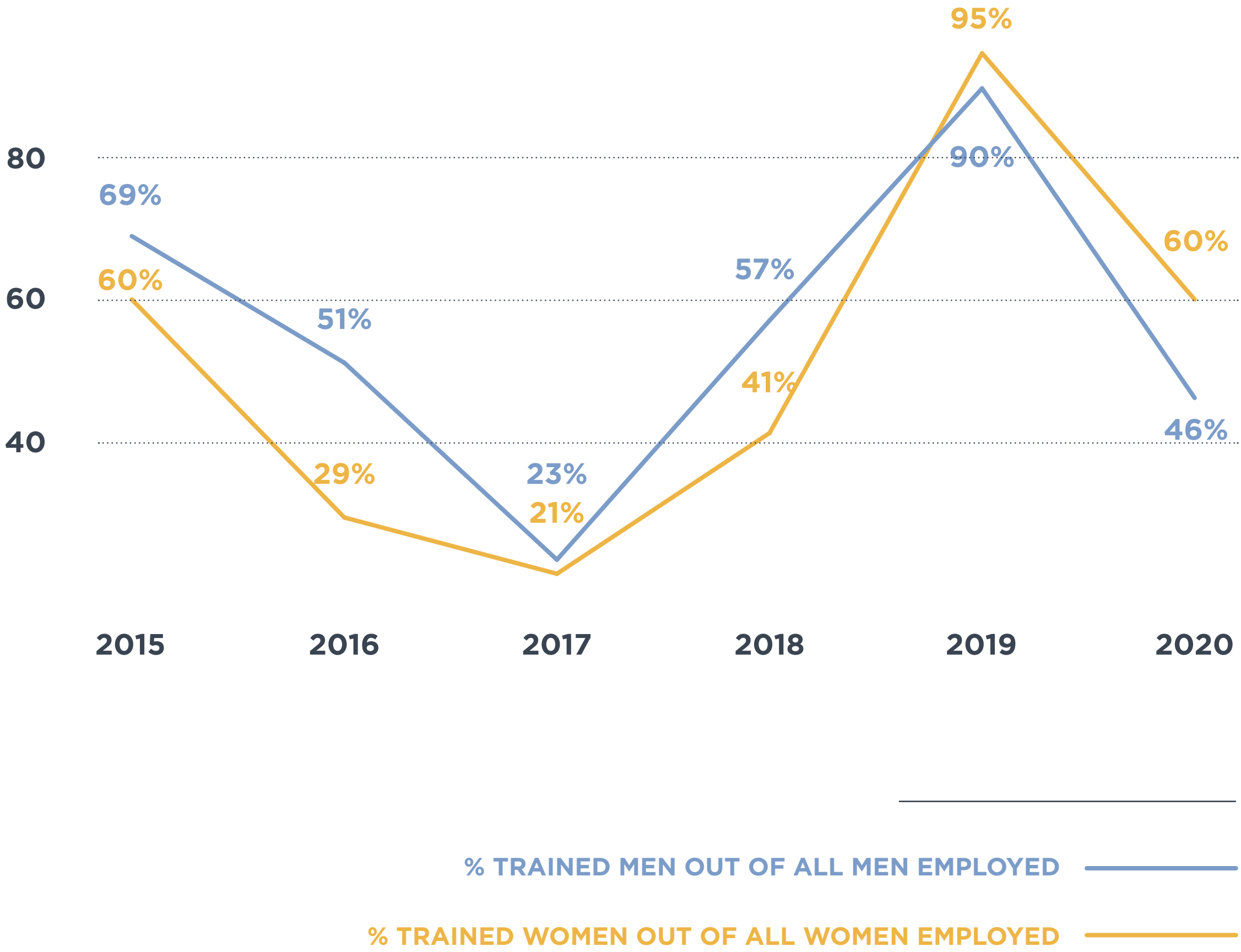
17. There is no breakdown by professional category available because the large number of agreements applicable within the company makes it impossible to have data subject to be compared.

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% TRAINED  
MEN & WOMEN



The HR team continued working on the **Aciturri Experience**—the employee’s journey from the first contact with the company until they leave, including their feelings, attitudes, and behaviors. After defining the key stages within the Aciturri Experience, we are working particularly in five processes:

- 1. Standardization of the candidate selection process and communication channels.
- 2. The Employer Brand
- 3. First day at work The welcome training packages were standardized and automated according to each job. On the day they join, new employees can see the training they need in their profile.
- 4. Standardization of policies to manage exceptional personal circumstances.
- 5. Continuing professional development (CPD) “Impulsa Program”



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The Development division continued promoting 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 a benchmark employer” and become a tool of continuing professional development, framed within the Aciturri Experience.

Despite the setbacks the program suffered due to the pandemic, 16 professionals (10 men and 6 women) from different divisions and in different positions completed it during this first edition (November 2019-November 2020). Their average performance was 8.42/10 and they rated the program with 4,5 out of 5.

In 2020, all HR management work teams have joined the Kaizen Project to support Aciturri in different ways. The department completed 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.

Finally, the firm continued developing 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 2020, we extended the management team community at Tres Cantos, and also launched the management team communities at Getafe, as well as the engineering and development ones, welcoming 18 new people into the initiative.



# WORK-LIFE BALANCE

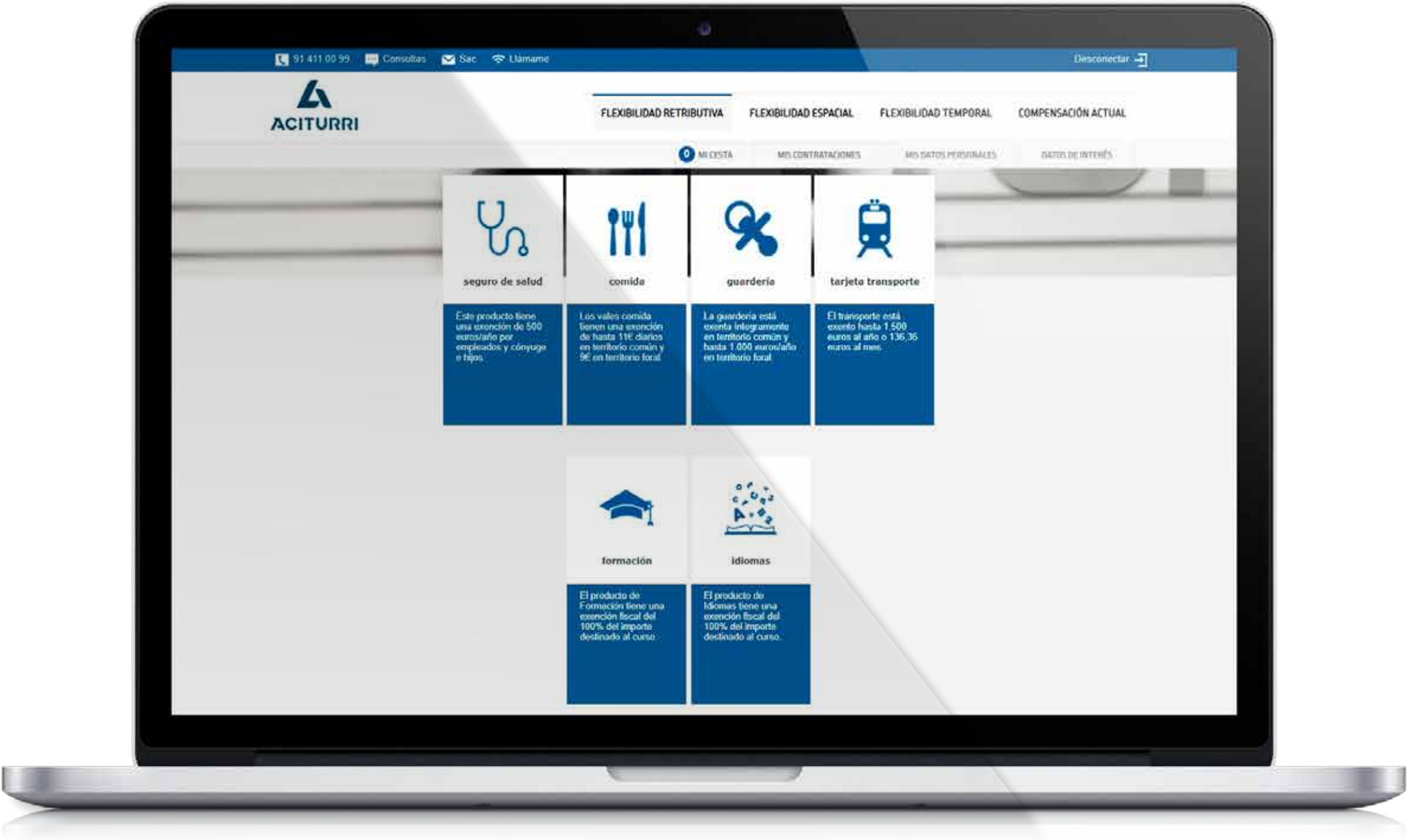
## The Digital Curfew Guidelines were in force for furloughed workers.

Since 2014, Aciturri has had the **TRESDé** program. Among other goals, it aims at helping employees achieve a better work-life balance than the one described in the collective bargaining.

The measures adopted are organized in three different programs:

### 1. FLEXIBLE COMPENSATION

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





LETTER FROM THE CEO

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## 2. 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.

Due to the pandemic, in 2020 there was a significant increase in remote working. There were periods when the company made it a mandatory measure for a substantial number of indirect workers to prevent the transmission of the virus. More specifically, the HR platform a3EQUIPO handled 854 work from home (WFH) applications by 278 people (176 men and 102 women).

## 3. 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.
- Unpaid leave for international adoption, up to 30 working days.

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 either split shifts Monday through Friday in one, two or three shifts, (morning, morning and afternoon, or morning, afternoon and night) or Monday through Sunday with a fifth shift in six working day-cycles followed by four days off. 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 Executive Committee; namely, a company car and additional life insurance coverage that exceeds the one in the general agreement.

During the negotiation of the furlough scheme (ERTE in Spanish) in May 2020, we agreed with the Monitoring Commissions to draw up and publish Digital Curfew Guidelines, which have been in force for furloughed workers.

In 2020, 60 people enjoyed **parental leave**: 50 men and 10 women. Of these, 56 (93%) are now back at work after their leave; three will be back once their leave runs out; and one did not come back because their temporary contract was terminated. Thus, the return rate was 98%.

One year after returning to work, out of the 60 leaves handled in 2020, four don’t work in the company any more (two were furloughed, one was dismissed, and one left after their temporary contract ended); the rest will be analyzed once they have been back at work for one full year.

Out of the employees who took parental leave in 2019, 100% returned to their job after it. These were specifically 89 people (66 men and 23 women).

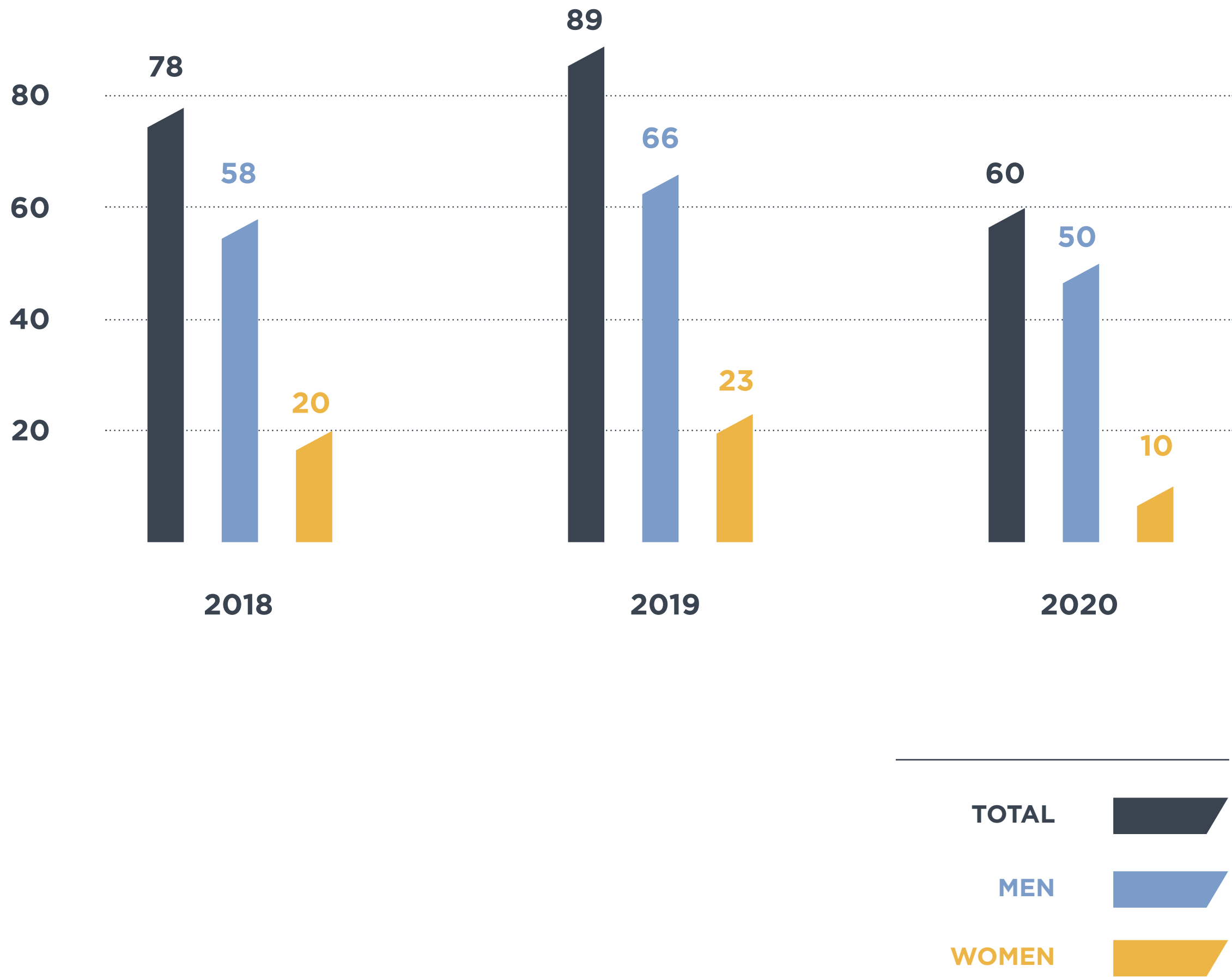
Out of the 25 leaves handled in 2019 still pending analysis, nine people are still in the company one year later, 11 have not been back for twelve months yet, and five left (three were furloughed, one was dismissed, and one left after their temporary contract ended).

18. A man.  
19. All men.  
20. Three men and two women.



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PARENTAL LEAVES  
2018 - 2020





# COMPENSATION POLICY

**There are no differences in employees’ retribution on the basis of gender, geographic location, or any other discriminatory factor.**

Aciturri’s **Compensation Policy** for **staff we hire indirectly** is defined within the firm’s **Role System**. The term “role” 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.





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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 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)

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



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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.

Compensation for direct labor is governed by the provisions of the Collective Agreements, and there is no pay gap between men and women. For indirect labor, 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 AND 2 OF FUNCTIONAL SUPPORT ROLES**
- **TECHNICAL SUPPORT**
- **LEVEL-1 ENGINEERING TECHNICIANS**
- **LEVEL-2 ENGINEERING TECHNICIANS**
- **LEVEL-3 ENGINEERING TECHNICIANS**
- **LEVEL-1 CORPORATE TECHNICIANS**
- **LEVEL-2 CORPORATE TECHNICIANS**
- **LEVEL-3 CORPORATE TECHNICIANS**
- **MANAGEMENT: THESE ROLES INCLUDE PRODUCTION MANAGER, FUNCTIONAL MANAGER, BUSINESS SUPERVISOR, AND FUNCTIONAL SUPERVISOR**
- **MANAGERIAL ROLES**

The following table shows the fixed compensation details for 394 employees based in different locations and in charge of different technical tasks. Salary ranges are the same, regardless of the location.



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BREAKDOWN - MEN  
2018 - 2020

LEVEL	ROLES	ROLE OCCUPANTS	AVERAGE SENIORITY	AVERAGE AGE	AVERAGE FIXED WAGE
LEVEL 1	FUNCSUPP 1				
LEVEL 2	FUNCSUPP 2 / TECHSUPP	1	26.0	64	30,829
LEVEL 3	CORTECH 1 / ENGTECH 1	23	4.3	31	24,595
LEVEL 4	PLANNER / FACILITATOR	9	10.2	38	33,704
LEVEL 5	CORTECH 2 / ENGTECH 2	103	9.4	39	31,709
LEVEL 6	CORTECH 3 / ENGTECH 3	36	13.6	45	43,108
LEVEL 7	PROMA / FUNCMA / FUNCEXP	43	14.8	45	47,550
LEVEL 8	BUSMA / FUNCSUP / TECHEXP	18	15.4	47	51,104
LEVEL 9	BUSSUP / SUPEREXPERT	8	12.3	46	66,653
LEVEL 10	DIRECTOR	10	14.8	49	88,031

BREAKDOWN - WOMEN  
2018 - 2020

ROLE OCCUPANTS	AVERAGE SENIORITY	AVERAGE AGE	AVERAGE FIXED WAGE
5	7.4	41	20,004
12	13.9	41	23,618
21	12.4	40	25,952
6	7.0	33	27,485
56	9.9	39	30,577
12	13.9	42	42,082
20	13.9	42	50,033
7	17.0	45	59,513
4	18	47	83,704



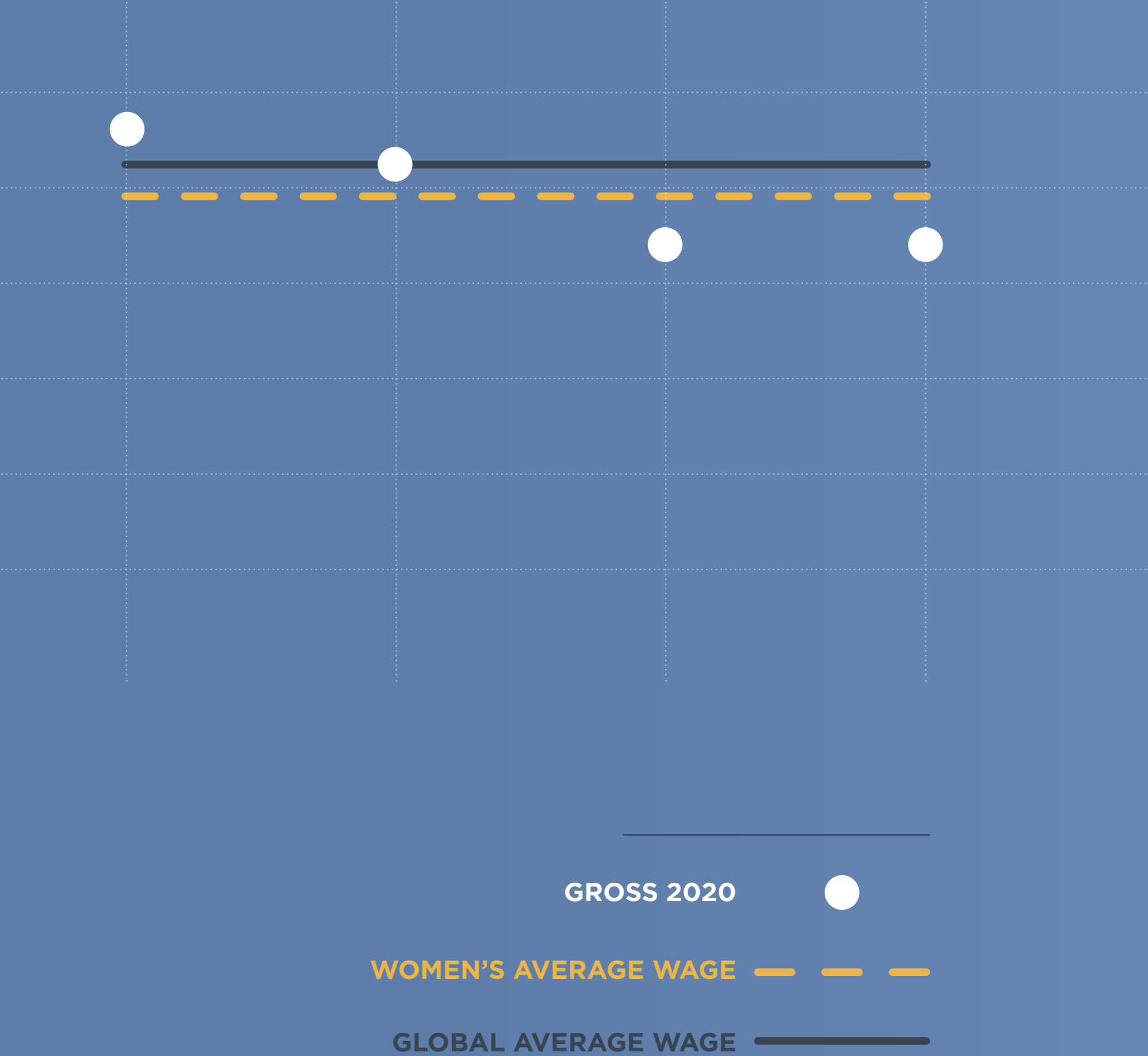
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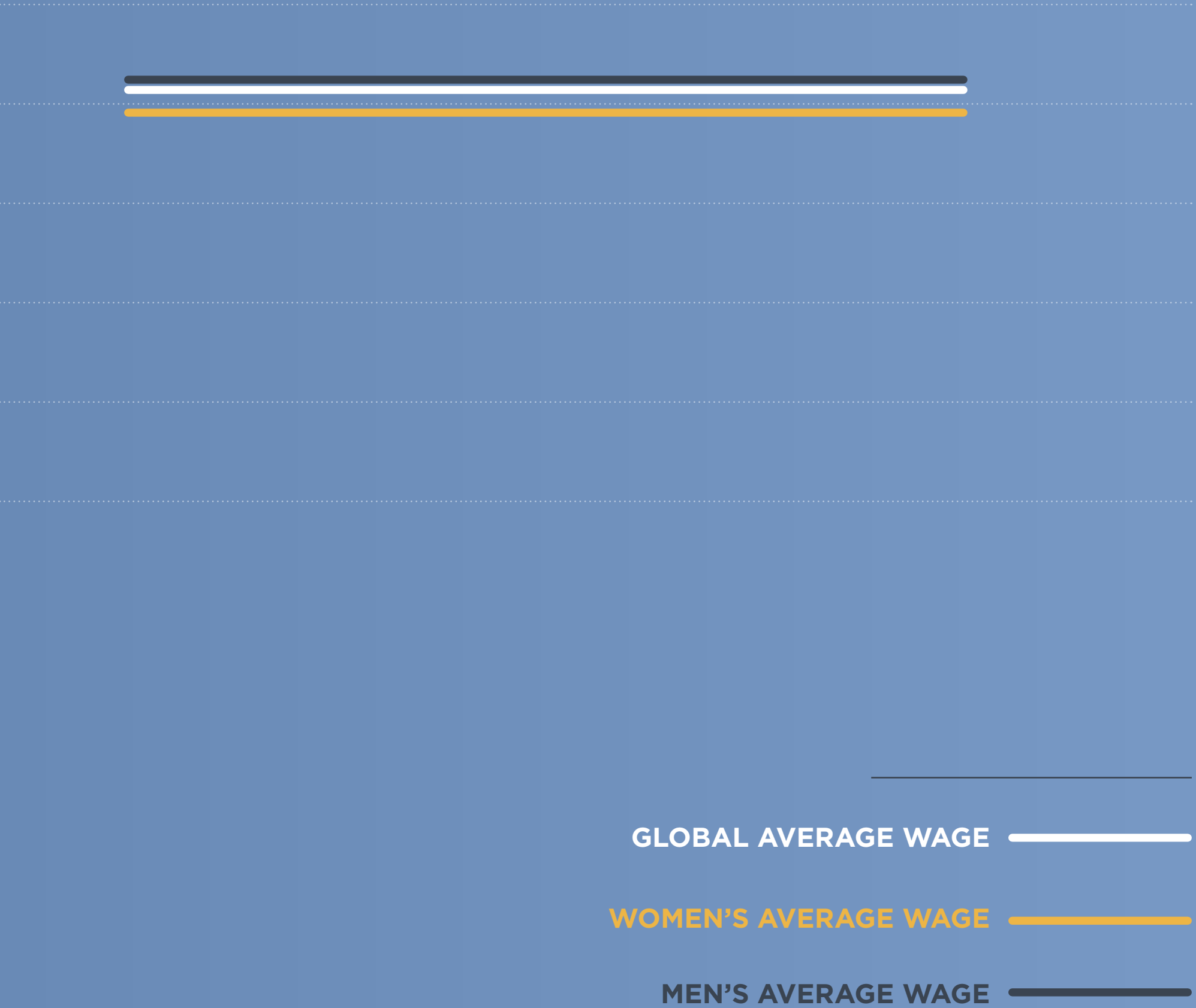
COMPARATIVE CHART - MEN VS WOMEN  
2020

LEVEL	ROLES	AVG FIXED WAGE - MEN	AVG FIXED WAGE - WOMEN	GLOBAL VG WAGE	AVG WAGE - WOMEN VS MEN	WOMEN'S AVG WAGE VS GLOBAL AVG WAGE	MEN'S AVG WAGE VS GLOBAL AVG WAGE
LEVEL 1	FUNCSUPP 1		20,004				
LEVEL 2	FUNCSUPP 2 / TECHSUPP	30,829	23,618	24,172	-30.53%	-2.35%	21.59%
LEVEL 3	CORTECH 1 / ENGTECH 1	24,595	25,952	25,243	5.23%	2.73%	-2.63%
LEVEL 4	PLANNER / FACILITATOR	33,704	27,485	31,216	-22.62%	-13.57%	7.38%
LEVEL 5	CORTECH 2 / ENGTECH 2	31,709	30,577	31,310	-3.70%	-2.40%	1.26%
LEVEL 6	CORTECH 3 / ENGTECH 3	43,108	42,082	42,852	-2.44%	-1.83%	0.59%
LEVEL 7	PROMA / FUNCMA / FUNCEXP	47,550	50,033	48,339	4.96%	3.39%	-1.66%
LEVEL 8	BUSMA / FUNCSUP / TECHEXP	51,104	59,513	53,459	14.13%	10.17%	-4.61%
LEVEL 9	BUSSUP / SUPEREXPERT	66,653					
LEVEL 10	DIRECTOR	88,031	83,704	86,794	-5.17%	-3.69%	1.40%

WOMEN IN LEVEL 10 ROLES (MANAGERIAL)  
VS GLOBAL AVERAGE WAGES FOR LEVEL 10



AVERAGE WAGES FOR LEVEL 10 ROLES (MANAGERIAL)  
BY SEX AND GLOBAL



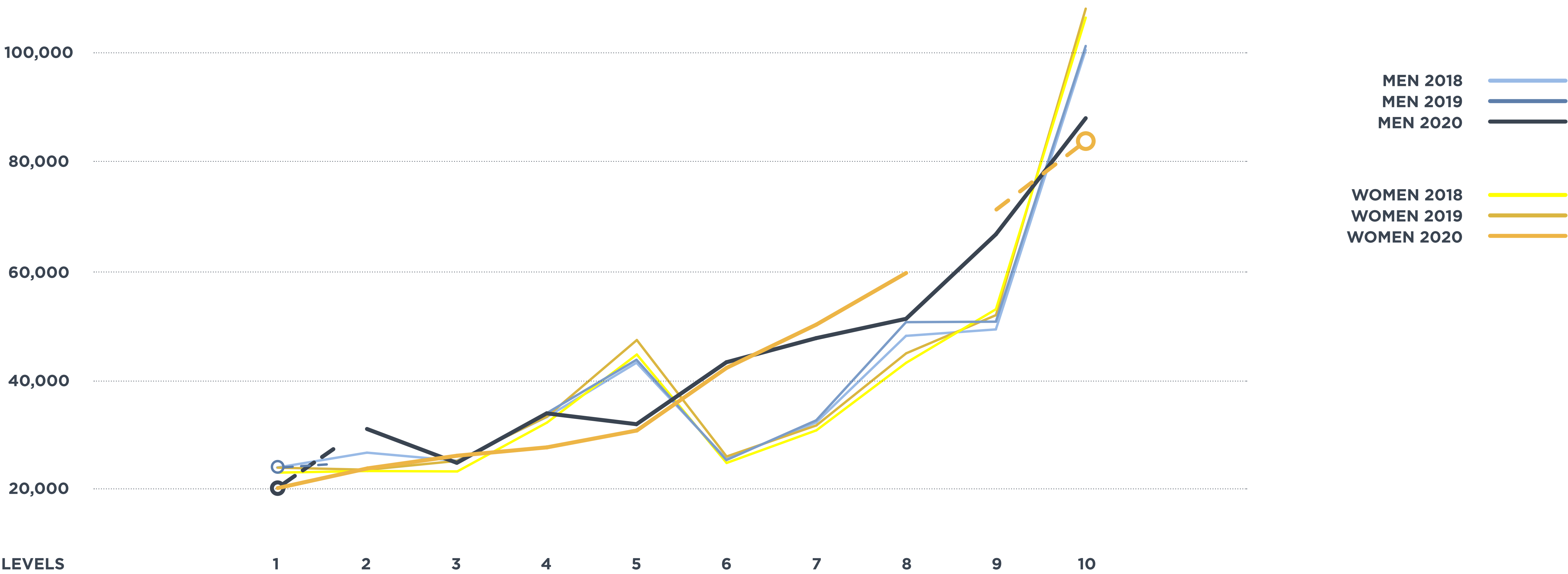


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The following graph shows the evolution of average wages according to role over the past three years:

AVERAGE WAGES  
ACCORDING TO ROLE



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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 levels of seniority.
- Beginning of employment: Aciturri’s Role System was implemented in 2012. Since then, employees may change roles based on the increase in the level of responsibilities. When accessing a new role, the entrance compensation level is the one immediately below.
- 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. The only exception is the centers for metal work, where the same variable system as for indirect labor is applied.

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.

With regard to the **Board of Directors**, and following the company’s articles of association, trustees do receive compensation. The compensation system and the amount to be received by non-executive board members is a fixed allowance matching their services and responsibilities and determined at the General Meeting for each financial year. During June and December of 2020, the gross average earnings in compensation for each of the trustees, all men, were €20,493.85 [approx. \$25,000]. The average in-kind compensation amounts to €161.01 [approx. \$196].

Trustees and Aciturri’s board members 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 indemnity either.



# DIVERSITY

**Aciturri employs 21 people with different abilities and takes alternative measures, which amount to an investment of €653,262.**

**Aciturri respects and promotes the principles of equal opportunities and diversity.** In our Code of Conduct, respect is a remarkable value. We understand it as the development of interpersonal relationships based on equality and the acknowledgment of the personal and professional dignity of all members of the team, regardless of their status, role, gender, and/or cultural background.

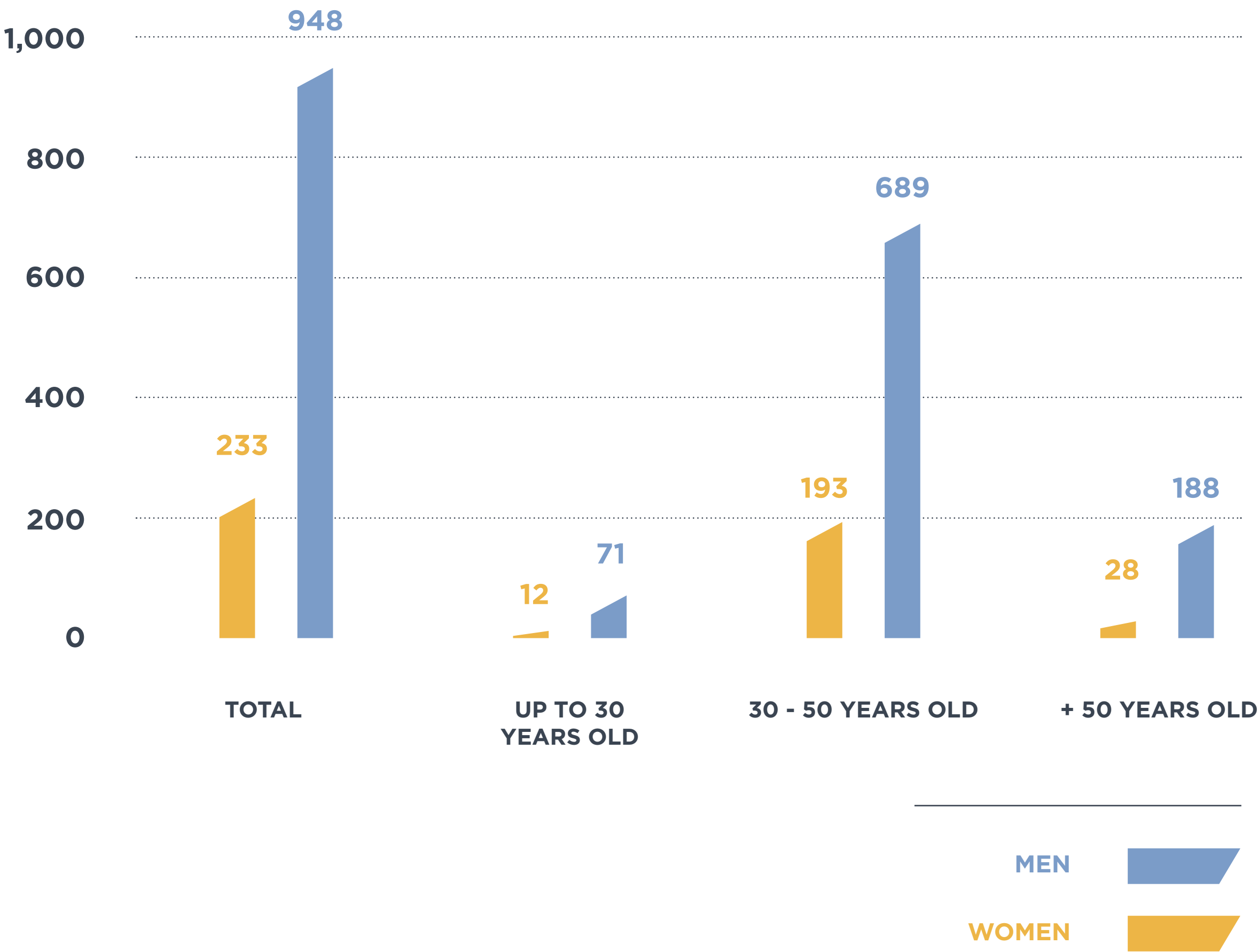




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WORKFORCE BREAKDOWN  
BY AGE ON DEC. 31, 2020 <sup>21</sup>



21. Data from 31 December 2020 (workforce of 1,181 workers: 948 men and 233 women).





WORKFORCE BREAKDOWN  
BY NATIONALITY ON DEC. 31, 2020



948 MEN

925  
SPAIN

7  
ROMANIA

5  
PORTUGAL

3  
ECUADOR

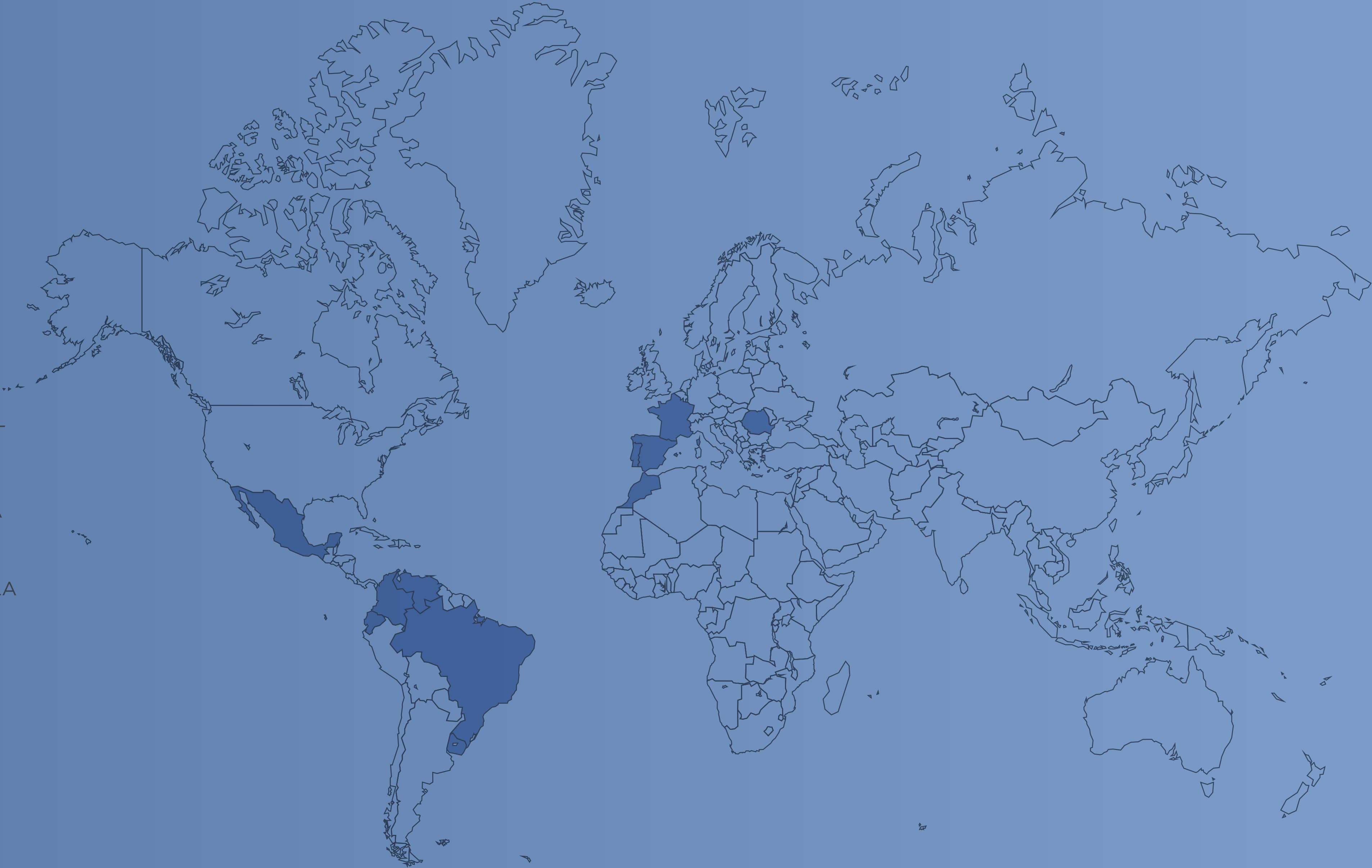
2  
FRANCE  
URUGUAY

1  
COLOMBIA  
MOROCCO  
MEXICO  
VENEZUELA

233 WOMEN

229  
SPAIN

1  
BRAZIL  
PORTUGAL  
ROMANIA  
VENEZUELA

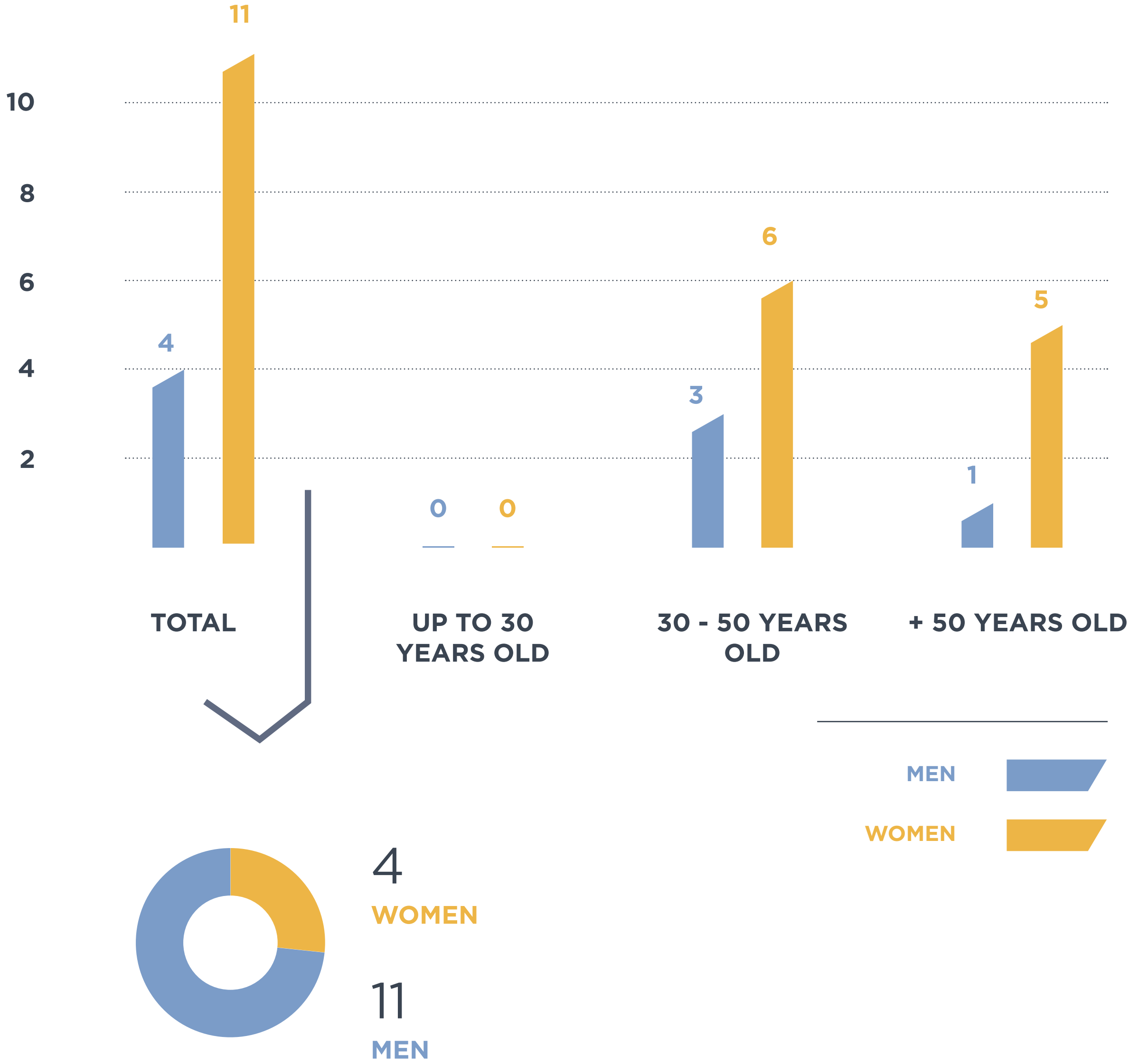


Our Executive Committee is made up of the company’s level 1 employees: 15 people in managerial roles that report directly to the Managing Director (a man between 30 and 50 years old). This body has 15 members, 11 men (6 between 30 and 50, the rest over 50) and 4 women (3 between 30 and 50, 1 over 50).

100% of senior executives hired are from the local community<sup>22</sup>.

22. By “senior executive”, we mean Aciturri’s Managing Director; by “local community”, we mean Spain.

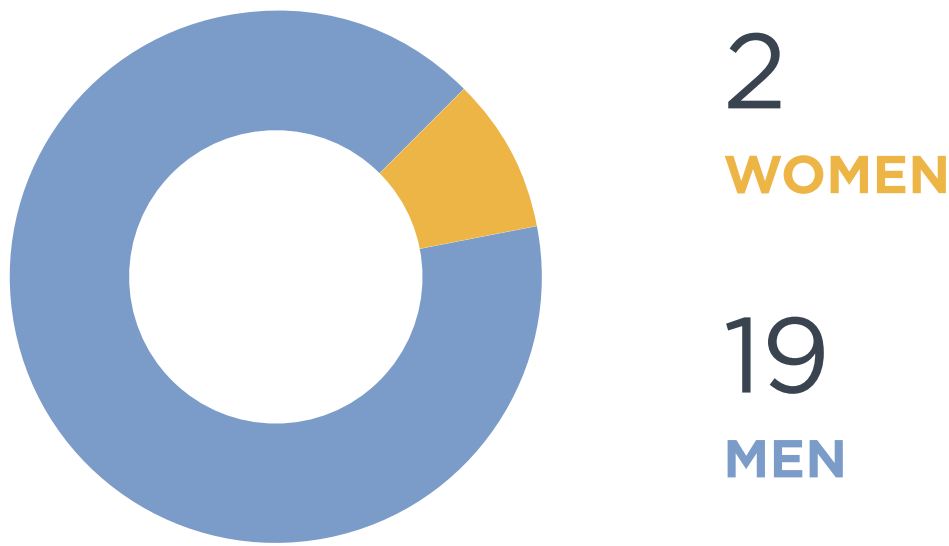
MANAGEMENT





Aciturri hires 1.48% of **people with different abilities** (21 people, of which 19 are men and 2 are women). To comply with the minimum required by law (2%), the company takes alternative measures, which amount to an investment of € 653,262.

WORKFORCE  
WITH DIFFERENT ABILITIES



We take pride in the fact that **no discrimination cases were reported in 2020.**

The crisis caused by the pandemic also affected the staff in the supported employment enclave program:

- **In Tres Cantos**, at the beginning of 2020, there were 17 people working under the supported employment enclave program, and by December they were down to 10 people (8 men and 2 women).
- **In Boecillo**, at the beginning of 2020, there were 7 people working under the supported employment enclave program, and by December they were down to 3 people (2 men and 1 women).

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 2020.



## EQUAL OPPORTUNITIES BETWEEN WOMEN AND MEN

As part of our commitment to diversity, Aciturri pays special attention to all matters related to gender equality. This is why we have a **Plan for Equality** in place for the 2015-2020 period, which has been approved by management and shared with the workers’ various representative bodies. This plan was devised based on the results of an assessment of the situation. This helped set specific goals, which lead to a series of actions whose progress is analyzed regularly.

Below are some of the most relevant measures included:

- When candidates have the same qualifications and experience, the under-represented gender is favored.
- 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.
- Equal access to training for all employees, regardless of their working day: full-time or reduced working hours.
- Child care vouchers, medical insurance, training, and transport cards as part of flexible compensation.
- The option of a continuous working day after a partial maternity leave and until the child turns one.
- The possibility to enjoy nursing mother’s leave by taking off full days after maternity leave.
- Likewise, employees may align their annual vacation with the end of their paternal leave to extend their time off.

During the first quarter of 2020, follow-up meetings were held with each Commission. They reviewed the indicators and shared the initiatives report from the previous year. Then, it was time to study the changes introduced by new or amended legislation. The new Royal Decree 901/2020, of 13 October, on the regulation of equality plans and their registration; Royal Decree 713/2010, of 28 May, an amendment to the registration and deposit of collective labor agreements; and Royal Decree 902/2020, of 13 October, on equal pay between women and men (we attended related webinars and training sessions). Finally, we devised a strategy to adapt Aciturri’s current Plan for Equality to the new legislation throughout 2021.





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# HEALTH & SAFETY

## The Prevention Service took the lead in the design and enforcement of prevention protocols against COVID-19 throughout the pandemic.

With continuous improvement in mind, Aciturri has an **Occupational Health and Safety Policy** in place. Integrated within our environmental policy, its 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, represented by their Prevention Delegates. At present, 94% of our staff is represented by prevention delegates through the respective Health, Safety, and Environment Committees.

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

All the 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.

At Aciturri, the **severity rate** <sup>23</sup> for accidents at work stands at 20.58 for 2020 (24.88 for women; 19.73 for men).

23. 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.





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	2017			2018			2019			2020		
	TOTAL	WOMEN	MEN	TOTAL	WOMEN	MEN	TOTAL	WOMEN	MEN	TOTAL	WOMEN	MEN
INCIDENCE RATE <sup>25</sup> FOR ACCIDENTS AT WORK (WITH MEDICAL LEAVE)	4.88	3.91	5.11	3.74	0.28	4.90	3.35	2.24	3.63	3.54	2.08	3.90
INCIDENCE RATE FOR OCCUPATIONAL ILLNESS (WITH MEDICAL LEAVE)	0	0	0	0.07	0	0.09	0.06	4.17	0	0.15	0	0.19
FATALITIES	0	0	0	0	0	0	0	0	0	0	0	0
ABSENTEEISM <sup>26</sup>	0.45%			0.37%			0.32%			0.33%		
INDUSTRY AVERAGE <sup>27</sup>	0.37%			0.41%			0.43%			0.29%		

25. 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.

26. Only absenteeism associated with work-related accidents and occupational illness is factored in; other causes have not been accounted for.

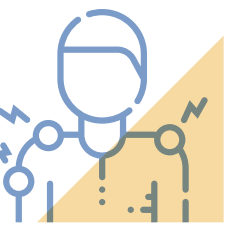
27. Industry average, according to annual absenteeism reports provided by FREMAP.

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	AVERAGE STAFF <sup>28</sup>	NUMBER OF ACCIDENTS AT WORK (WITH NO MEDICAL LEAVE)	NUMBER OF ACCIDENTS AT WORK (WITH MEDICAL LEAVE)
TOTAL	1,357	55	48
MEN	1,026	48	40
INDEX OF INJURED MEN (X 100 MEN)	--	4.68	3.90
WOMEN	385	7	8
INDEX OF INJURED WOMEN (X 100 WOMEN)	--	1.82	2.08

	AVERAGE STAFF	NUMBER OF OCCUPATIONAL ILLNESS (WITH NO MEDICAL LEAVE)	NUMBER OF OCCUPATIONAL ILLNESS (WITH MEDICAL LEAVE)
TOTAL	1,357	1	2
MEN	1,026	0	2
INDEX OF OCCUPATIONAL ILLNESS IN MEN (X 100 MEN)	--	0	0.19
WOMEN	385	1	0
INDEX OF OCCUPATIONAL ILLNESS IN WOMEN (X 100 WOMEN)	--	0.26	0



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

NUMBER OF ACCIDENTS AT WORK  
(WITH NO MEDICAL LEAVE)

0.028

NUMBER OF ACCIDENTS AT WORK  
(WITH MEDICAL LEAVE)

0.024

TOTAL NUMBER OF ACCIDENTS AT  
WORK

0.052



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

LOST WORKDAYS RATE (WITH  
MEDICAL LEAVE)

4.72

LOST WORKDAYS RATE (WITH  
NO MEDICAL LEAVE)

0.112

LOST WORKDAYS RATE

4.83

28. Average staff calculations are based on the number of active employees on the first day of each month.

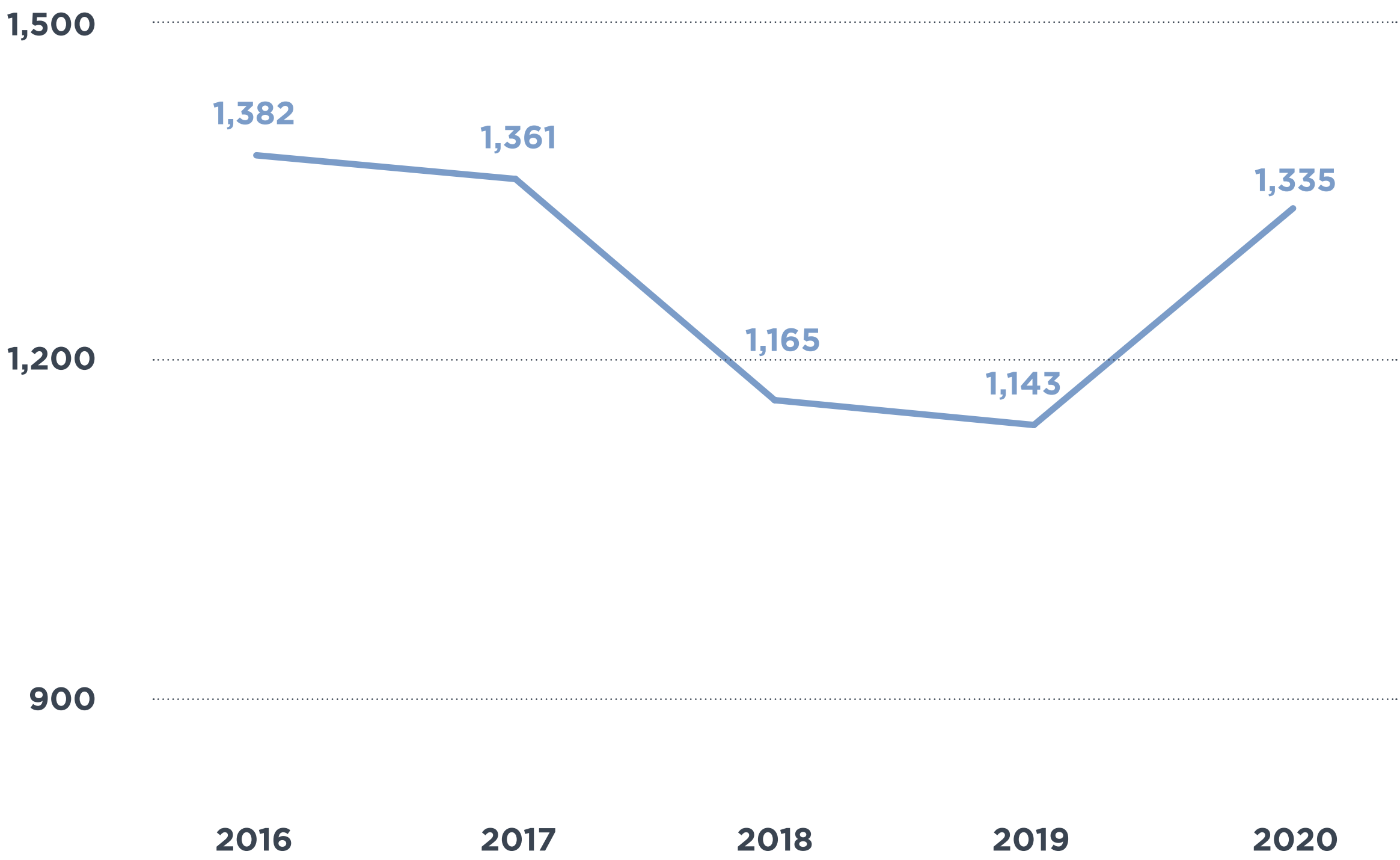
29. The average annual hours are calculated based on the number of working hours per year (1,740 h minus lost hours on account of furloughs) divided by the average number of employees.

30. The lost workdays rate is based on the number of lost workdays due to accidents against the average number of workdays per year, every 1,000 days.



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DAYS LOST DUE TO ACCIDENTS AT WORK  
AND OCCUPATIONAL ILLNESS WITH MEDICAL LEAVE <sup>31</sup>



Aciturri has an **Occupational Risk Prevention Management System** in place, which is **certified based on the ISO 45001 standard** (in 2020 we transitioned from the previous OHSAS 18001 Certification), and applies to all the entities and plants within the company. This system is aimed at reducing accidents at work and promoting a culture of prevention to face the risks associated with each job.

The transition in the management system from OHSAS to ISO 45001 helped define Aciturri’s OSH processes, as well as their integration within the environmental management processes. This enables an integrated system that offers essential synergies.

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.

One more year, Aciturri’s Prevention Service maintained its accreditation as a training entity with the Metal Labor Foundation. In 2020, we continued implementing measures to train through accredited courses, reaching 67.84% of the staff (compared to 55.76% the previous year) affected by this agreement.

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

Just as in previous years, the main hygienic risks are linked to the use of carcinogenic compounds of strontium chromate and to noise exposure. As a way of preventing them, exhaustive technical and work controls are carried out and work conditions are monitored; we have a zero-tolerance policy on deviations.

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

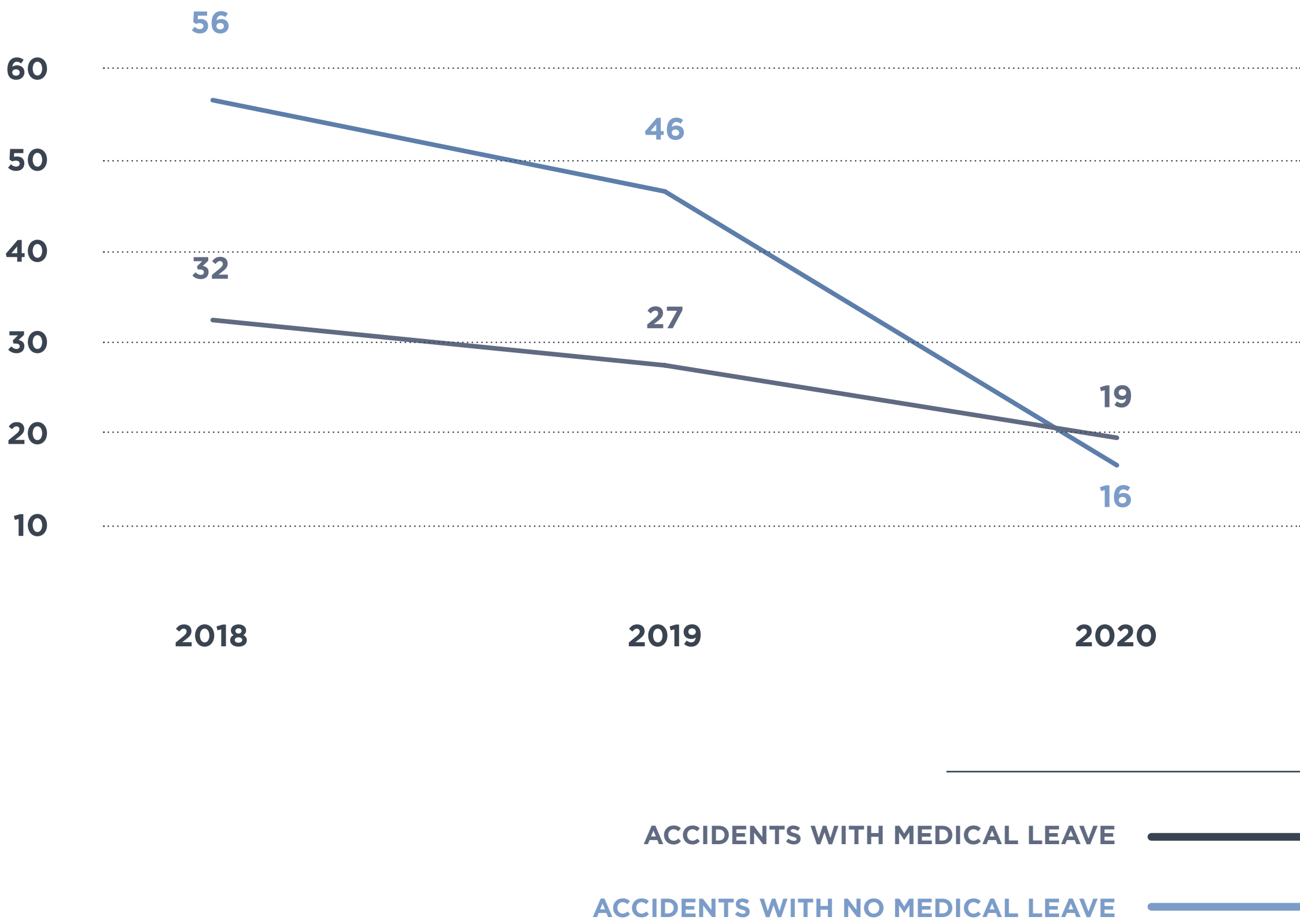
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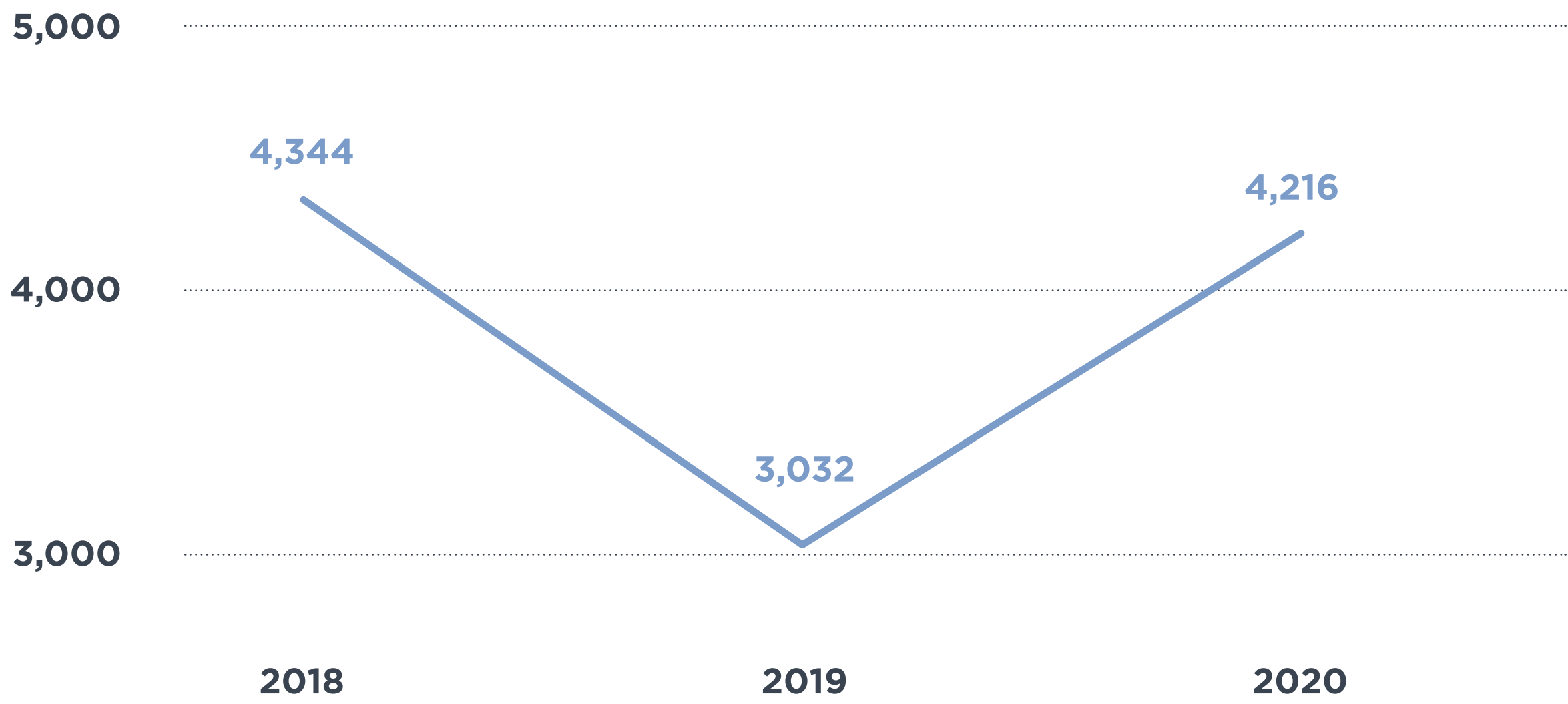
Regarding the ergonomic risk derived from musculoskeletal disorders—both due to postural risk and repetitive movement—in 2020 we continued promoting the “Lesión Cero” Project (Zero Injuries), already implemented in Seville, Madrid (Getafe and Tres Cantos) and Valladolid (Boecillo). Due to the pandemic, this service was suspended throughout most of the first half of the year; in some cases, we had to take measures to re-implement it.

The number of lost workdays due to MSD decreased significantly in the Boecillo and Tres Cantos plants, but increased in Getafe.

ACCIDENT RATES DERIVED FROM RSIS  
ACCIDENTS WITH AND WITHOUT MEDICAL LEAVE



ACCIDENT RATES DERIVED FROM RSIS  
LOST WORK HOURS DUE TO RSI-DERIVED MEDICAL LEAVE <sup>32</sup>



32. This figure reflects the lost hours due to events that occurred in 2020 and does not include those lost due to events that occurred in previous years and that were not closed as of 31 December 2019.



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Regarding the measures taken by Aciturri to **protect workers against the transmission of COVID-19 in the workplace**, we would highlight the strategies and protocols adopted by the Joint Prevention Service and the supervision and monitoring by the senior management. These protocols were designed and enforced with the agreement of the entire team to achieve the least possible exposure to the virus, to ensure the safety of our employees and the continuity of our activities. To this end, we established procedures from the outset and reviewed them constantly, always following the recommendations given by the health authorities and taking into account the different levels of severity we went through. These protocols are based on:

- Guaranty of social distance in fixed workstations, locker rooms, cafeterias, and smoking areas
- Constant disinfection of common areas and work stations, with specific time allocation for this task
- Use of masks as a measure of personal protection during the working day, regardless of social distancing
- Limitations of capacity based on social distancing rules and rooms and offices ventilating capacity. In some cases, we invested to improve the ventilating capacity
- Visitor and contractor controls, including prohibition or limitations
- Remote working for everyone when the incidence rate was high
- Daily checks to ensure the measures were being complied with
- Permanent communication of the measures in place and any changes made, as well as signs and notices

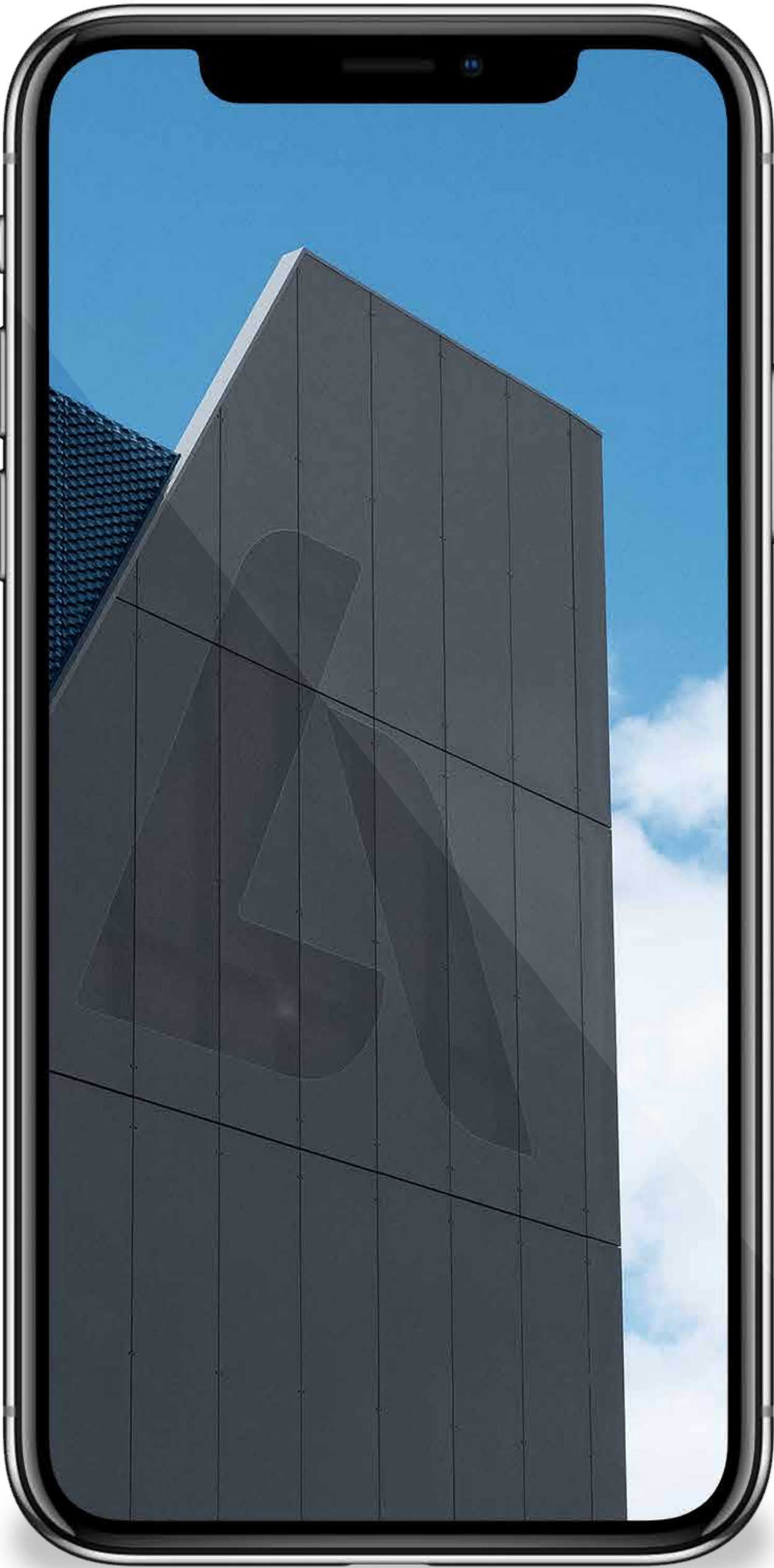




# INTERNAL COMMUNICATIONS

**The social corporate network became the main communication channel with the staff during the pandemic.**

Aciturri’s **corporate social network**, SAP JAM, has consolidated as the main internal communication channel. Thanks to it, every employee can communicate in real time with everyone else within the company via the web platform and the mobile app. Since the first news about the pandemic appeared in the media, this network has been used to send more than 50 direct messages to company employees regarding pausing and resuming operations at each workplace, prevention and safety measures, the progress of infections within the company, and details on flexible measures such as working from home.





# OTHER INITIATIVES

Aciturri fosters a work environment that favors a **balanced personal life** and promotes initiatives other than the ones specifically related to the job and the professional performance.







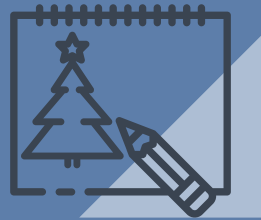
FAMILY DAY

Due to the COVID-19 outbreak in March of 2020 we had to cancel the celebration of **Family Day**, an event for all employees, their partners, and children to gather. Aciturri started organizing this biennial event in 2008 and had planned a new edition for 2020.



CHRISTMAS PARTY

In addition, **the annual meetings held at the end of each financial year** had to be canceled, too. Each December, the employees in each center meet to discuss the current year’s results and present the objectives for the next one. The manager for each plant and at least one member of the Executive Committee take part in these meetings. Last year, the CEO attended all of them.



DRAWING CONTEST FOR CHILDREN

Once a year, Aciturri holds a drawing contest for employees’ children up to the age of 12.

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

Since 2019, the company has 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. A total of 203 children took part in the 2020 edition. All of them were thanked for their drawing with a gift.



# R&D&I

**As a way of sustaining long-term success, at Aciturri we aim to continuously design and develop new products, processes, and manufacturing technologies through R&D&I.**

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





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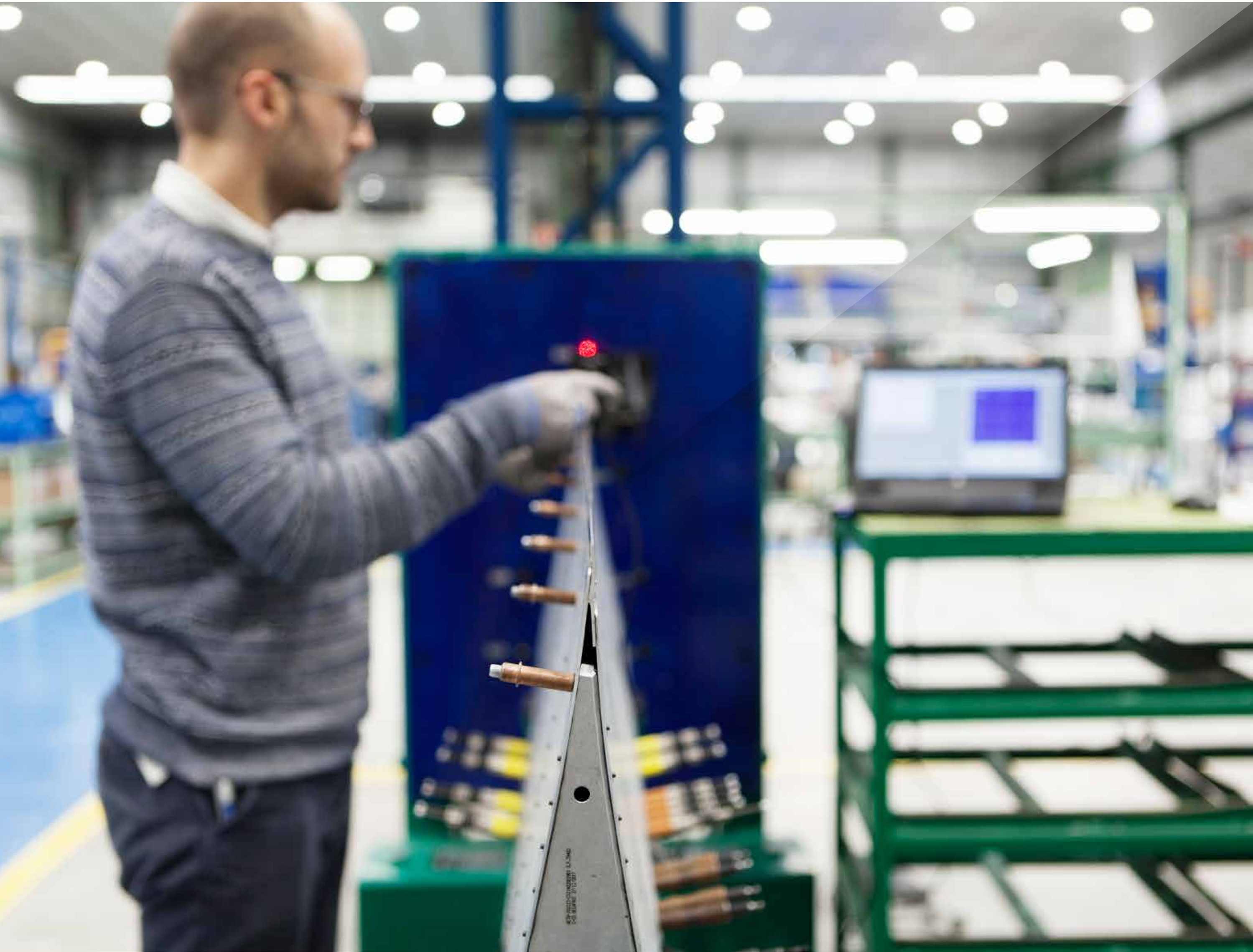
EWIRA PROJECT

The progress achieved in 2020 successfully validated the application of jigless technology to large components.

The EWIRA Project (External 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 2020.

In 2020, we undertook the assembly of the extended wing box components demonstrator. This activity successfully validated the flexible assembly tooling technological lines (the same assembly zone will be used for another component), as well as the application of jigless technology to large components, which had been tested in a smaller component (an aileron) in previous years. These technologies helped to reduce the costs, and to greatly facilitate and improve ergonomics in component assembly.

In 2020, we carried out welding tests on material samples and moved forward in regard to the supply for bench demonstrator parts. These tests enabled different improvements in the welding processes and will culminate in 2021, when the current technical capabilities are applied in the assembly of demonstrators.





FEINA PROJECT

The FEINA project aims to develop additive manufacturing technologies as an alternative to titanium preforms manufacturing.

THE FEINA project aims to develop WAAM (Wire Arc Additive Manufacturing) type titanium additive manufacturing technologies. This technique intends to manufacture titanium preforms and its main objective is to propose an alternative to the current, high-cost forgings, as well as to titanium parts obtained from sheets. This would reduce the amount of raw material required and, as a result, the costs and waste of material.

In 2020, we manufactured the first material samples, which allowed us to find the best material deposition strategy to prevent internal stresses. They were tested to learn about their structural properties and study the most suitable subsequent heat treatments for this type of manufacturing.

NIEBLA PROJECT

In order to improve Aciturri’s technological capabilities in the field of defense applications, we carried out this technological feasibility project that sought to analyze the low radar observability capabilities of a novel structural concept. NIEBLA allowed to identify very interesting application opportunities for certain types of structures, which improved radar attenuation levels of today’s state-of-the-art solutions.

Projects like NIEBLA create opportunities for participation with other programs such as FCAS (promoted by France, Germany, and Spain), which aims to mature technologies for its application in the future European combat aircraft.

MULTI-SPAR PROJECT

The project continued in the first few months of 2020 with meetings in accordance with the plan defined in the FDR (Feasibility Design Review), which ended at the end of 2019.

The goal for 2020 was to manufacture a one-meter long demonstrator with the same chord as the real part, meeting the requirements identified by design in the FDR.

Due to the pandemic, the manufacturing of the demonstrator had to be postponed.



AUGMENTED REALITY PROJECT

The ultimate goal of **AR** is to improve collaborations and make our processes more efficient and profitable.

In 2020, we also carried out a pilot test of AR application in manufacturing processes, more specifically in the inspection process for the B787-PDS program doors. It consisted in the preparation of the inspection order for these components in a 3D environment, plus the execution of that inspection by means of Hololens glasses, a mixed reality device.

This test was a great simulation to get an idea of how working conditions would be at Aciturri if these capabilities were to be enabled to prepare and execute work and inspection orders entirely in a 3D environment in the workshop, replacing the usual paper instructions. The ultimate goal is to improve collaborations and make our processes more efficient and profitable.

COPERNICO PROJECT

We designed and calculated equivalent fittings to the current ones so they could be **manufactured using RTM** with more modern materials which have better properties.

The COPERNICO Project arose in 2020 to solve the need to obtain carbon fiber fittings with assured repeatability and very high cadences, both of which will be demanded in future single-aisle aircraft. This first year, we designed and calculated equivalent fittings to the current ones so they could be manufactured using RTM (Resin Transfer Molding) with more modern materials which have better properties. We also studied the different preform forming configurations and strategies in order to meet the stated objectives. In this regard, we manufactured forming tools through additive manufacturing, which will be used to carry out the first tests seeking to ensure the quality and repeatability of the preforms. This is key to obtain proper tooling closure and a good subsequent injection that prevents defects.

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.

IMPACT PROJECT

Aciturri Additive Manufacturing (AAM) is part of a group of organizations led by the Idonial Foundation that develop the IMPACT Project, granted by the Spanish Government’s Ministry of Defense. The project aims at “3D printing new materials and auxetic structures to improve the combatant’s passive protection systems”, and it is part of the call for R&D projects of interest for the Ministry of Defense that are likely to be included in the scope of the Program for Cooperation in Scientific Research and Development in Strategic Technologies (Programa Coincidente).

Auxetic structures and materials are those with a negative Poisson’s ratio, which makes their behavior contrary to the usual when subjected to expansion or contraction: when subjected to positive strain in a longitudinal axis, the transverse strain will increase the cross sectional area. This property makes the combination of these materials and structures ideal for protection systems and, at the same time, it opens up a wide range of opportunities for application in other sectors by combining lightness and strength in structures that had to be solid until now.

POLISHING AUTOMATED STATION

In February, we installed a polishing automated station at the Orón plant, and we already delivered the first parts processed in these facilities to our engine clients.

This automated solution reduces component processing times by more than 50%, ensuring process repeatability and, therefore the quality of the parts. It also helps improve people’s working conditions by eliminating tasks with high ergonomic impact.

In the last quarter of the year, we launched the industrialization of a third component whose production will start in 2021.

DAAMAS PROJECT

This is a European project from the MANUNET network led by Aciturri Aeroengines, whose participation is funded by Castilla y León’s Institute for Business Competitiveness.

The project is aimed at the industrial implementation of WAAM technology through research into two systems: one based on TIG welding technology, and another on MIG/MAG welding in order to compare both alternatives with different materials (Ti and Al alloys, and Ni superalloys), and prove their capabilities in real case studies within the aeronautical industry.

As an aeronautical sector manufacturer, Aeroengines also plays the end user role in the project and as such is responsible for:

- To set process requirements
- To propose the parts on which to show the capabilities of the developed processes and the degree of compliance with aeronautical requirements
- To carry out the comparative study in technical and economic terms of the WAAM (Wire Arc Additive Manufacturing) process against the processes traditionally used, based on machining of forging and casts



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CIMA PROJECT

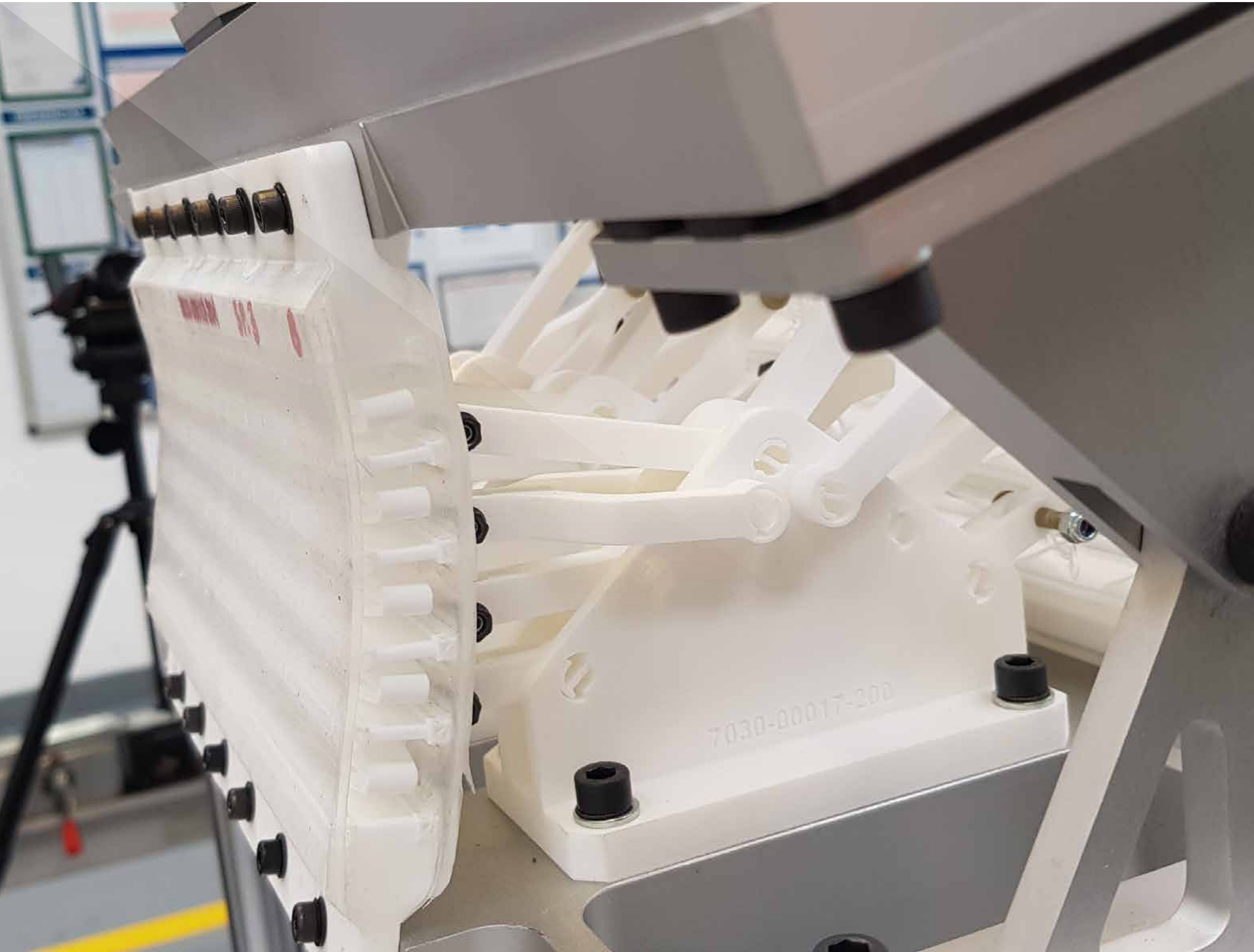
The objective of the CIMA Project is to propose solutions to avoid aerodynamic discontinuities in the binding of components, reducing the drag in the performance of control surfaces, and, as a result, also reducing fuel consumption and CO<sub>2</sub> emissions.

In 2020, we achieved relevant milestones that increased Aciturri’s maturity level in the area of morphological structures. We made a selection of possible structural designs following an innovative concept that uses additive manufacturing technologies. This selection resulted in the definition of a functional test demonstrator, and the successful manufacturing of the first one. In addition, we defined and kicked off the manufacturing of the functional test tooling. As long as the tests to be carried out at the beginning of 2021 are completed successfully, tooling and demonstrator will allow to validate a TRL3 maturity level for this technology.

COOLING SYSTEMS FOR AERONAUTICAL APPLICATIONS  
MANUFACTURED WITH ADDITIVE TECHNOLOGY

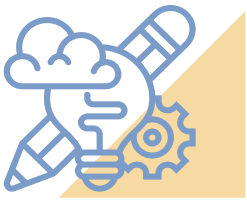
This is an Aciturri project launched in 2020 which aims to use LPBF (Laser Powder Bed Fusion) additive technology to manufacture advanced cooling systems elements to improve advanced heat management in aircraft.

The purpose of the project is to validate their suitability, carry out the necessary post-treatments and confirm that the geometric and dimensional requirements for these elements are met.

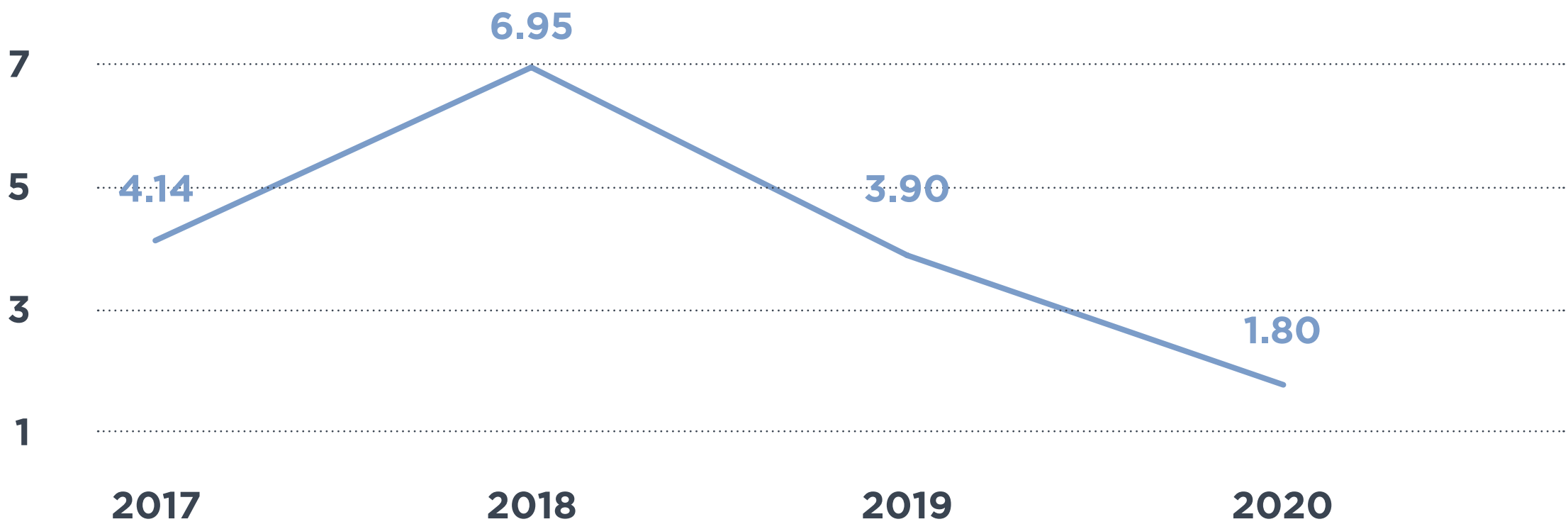




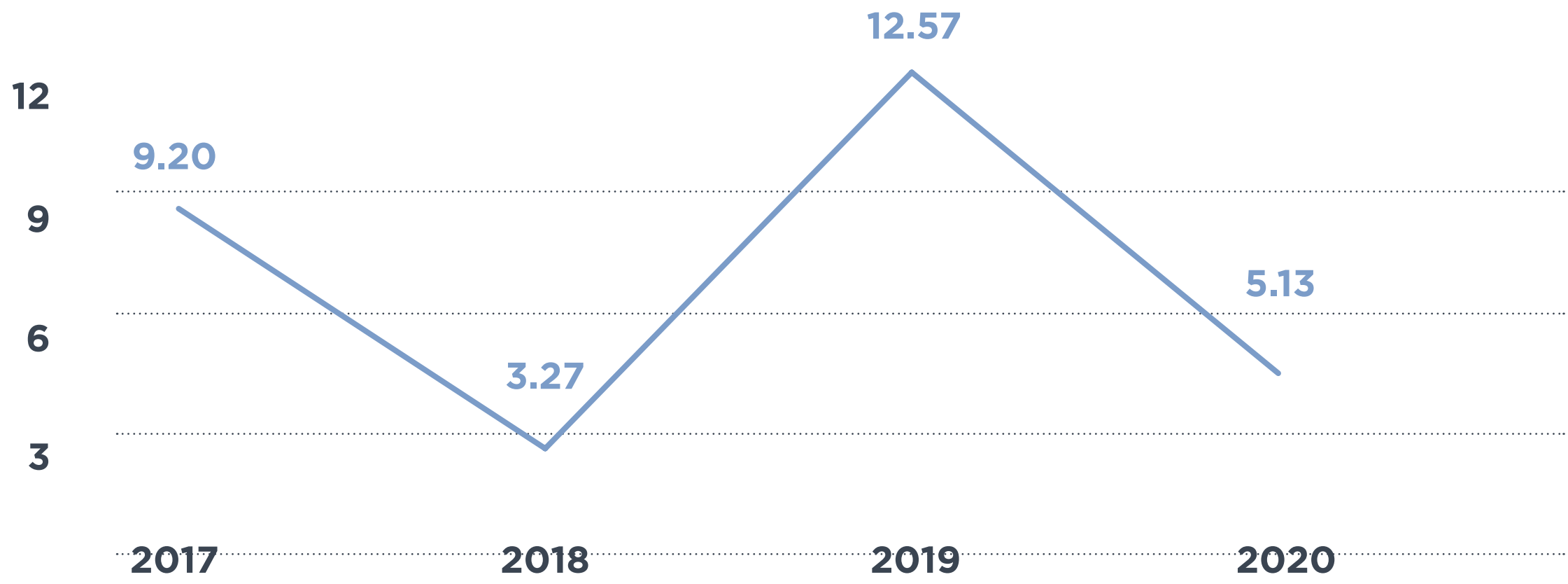
# INVESTMENT IN R&D&I



## RESEARCH (€M)



## DEVELOPMENT OF NEW PRODUCTS (€M)





# ENVIRONMENTAL MANAGEMENT

**We minimize Aciturri’s environmental impact by using natural resources sustainably thanks to efficient and controlled production processes. This is a key issue in the aeronautical industry as a whole, and for us in particular.**



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Aciturri has an environmental management system in place designed, implemented, and certified based on the UNE-EN-ISO 14001: 14001: 2015 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 procedure for the identification and evaluation of environmental aspects. Based on the results, we design and implement mitigation plans when we identify an issue which is unacceptable.

**There have been no environmental fines or sanctions for non-compliance with laws or regulations on the matter.**

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Below are the most relevant aspects derived from the environmental assessment results for 2020 at each facility:

	CONSUMPTION	WASTE	DISCHARGE	EMISSIONS
AYUELAS	Turco Liquid Smut Go NC Nitric acid Hydrofluoric acid - 70% Hydrochloric acid - 17% Sulphuric acid Alodine 1200S Calcium hydroxide MEK Isopropyl alcohol Paint thinner	Sludge cakes from treatment plants Water containing chromium Sludge from machining activities Liquid waste containing paint Painting booth filters Expired chemicals	Conductivity Fluorides Nitrate	--
BERANTEVILLA	Diesel oil Acetone	Sludge from machining activities	--	--
LOGÍSTICA	--	--	--	--
BOECILLO	Acetone (Safran) Isopropyl alcohol Diestone Painting	Water with paints, inks, and adhesives Cured fiber residues	--	Noise emissions generated by the Belotti machine filters Diffuse VOC emissions

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	CONSUMPTION	WASTE	DISCHARGE	EMISSIONS
TRES CANTOS	Drinking water Gas Diestone Acetone Cleaning solvents Frekote	Adhesives and sealants	--	Diffuse VOC emissions
ASSEMBLY	Toluene	Painting booth filters	--	--
ADDITIVES	--	--	--	--
ORÓN	Diesel oil Acetone Isopropyl alcohol	--	--	--
IRCIO	Gas Ardrox 9PR5 solvent Promoclean anti-foaming agent Fixative liquid Developer liquid Isopropyl alcohol Paint	Developer liquid Cutting fluids	--	--
GETAFE	Diesel oil Isopropyl alcohol Diestone Paint Thinners	Expired chemicals	--	Diffuse VOC emissions



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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 Seville 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. According to Order TEC/1023/2019, of October 10, the Ayuelas plant would be within priority group 3. Therefore, we carried out a risk assessment to determine the amount of the financial guarantee to be established, thus complying with the deadlines set out in the aforementioned Order.

Following the methodology established as a reference in the regulations and using the tools implemented by the Ministry for Ecological Transition and the Demographic Challenge (MITECO in Spanish), the Environmental Damage Index (IDM in Spanish) was calculated.

The result was €646,122 [approx. \$763,875] for the baseline scenario (incident related to the storage of chemical products). Therefore, taking into account the exclusions defined in article 28 of Law 26/2007 on Environmental Responsibility, we didn’t need to establish a financial guarantee, given an ISO 14001-certified Environmental Management System is available.

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 impact of adverse situations that may affect the environment.

There have been no fines or sanctions due to non-compliance with environmental laws and regulations in 2020.

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.





# ENERGY CONSUMPTION

**We adopted several measures to save energy, for example, shutting off the facilities on weekends and night shifts, installing LED technology, and compartmentalizing the lighting according to zones.**

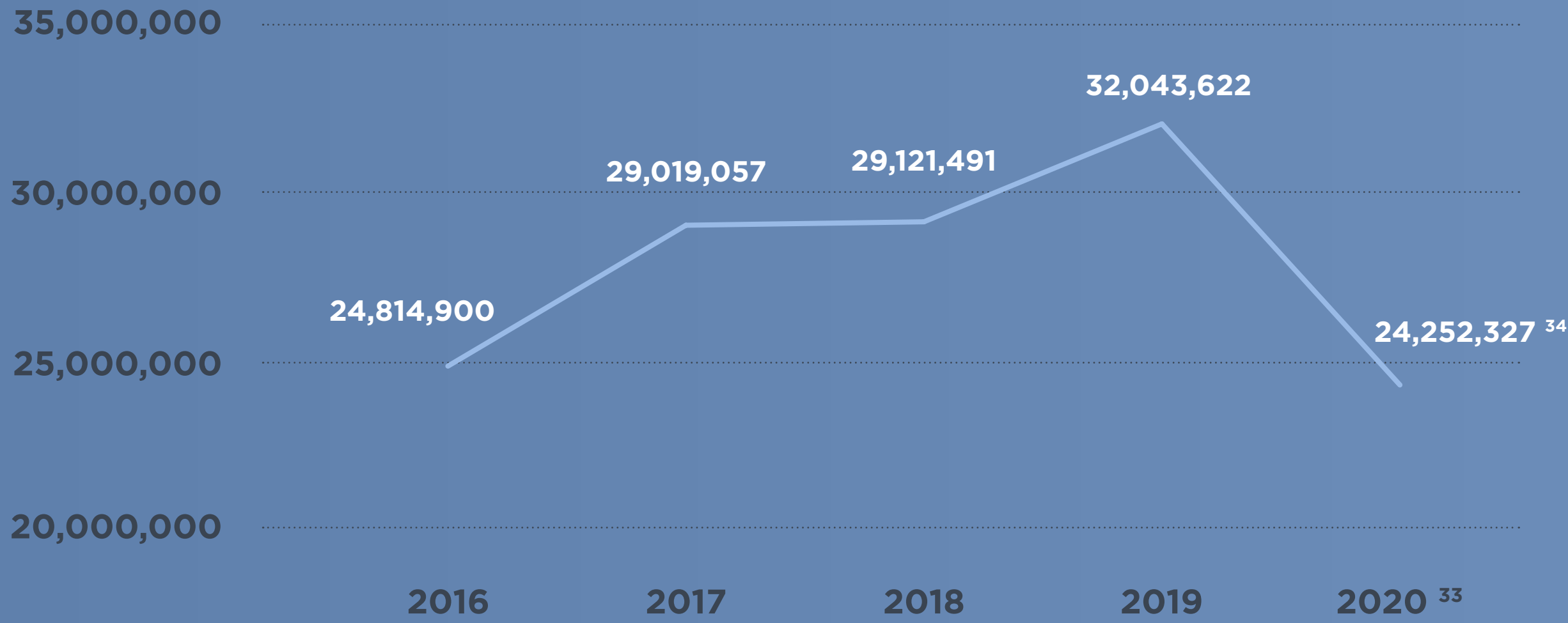
As a way of minimizing environmental impact, Aciturri is always seeking efficiency in the consumption of energy resources, which also has a positive impact on the company's economic sustainability.



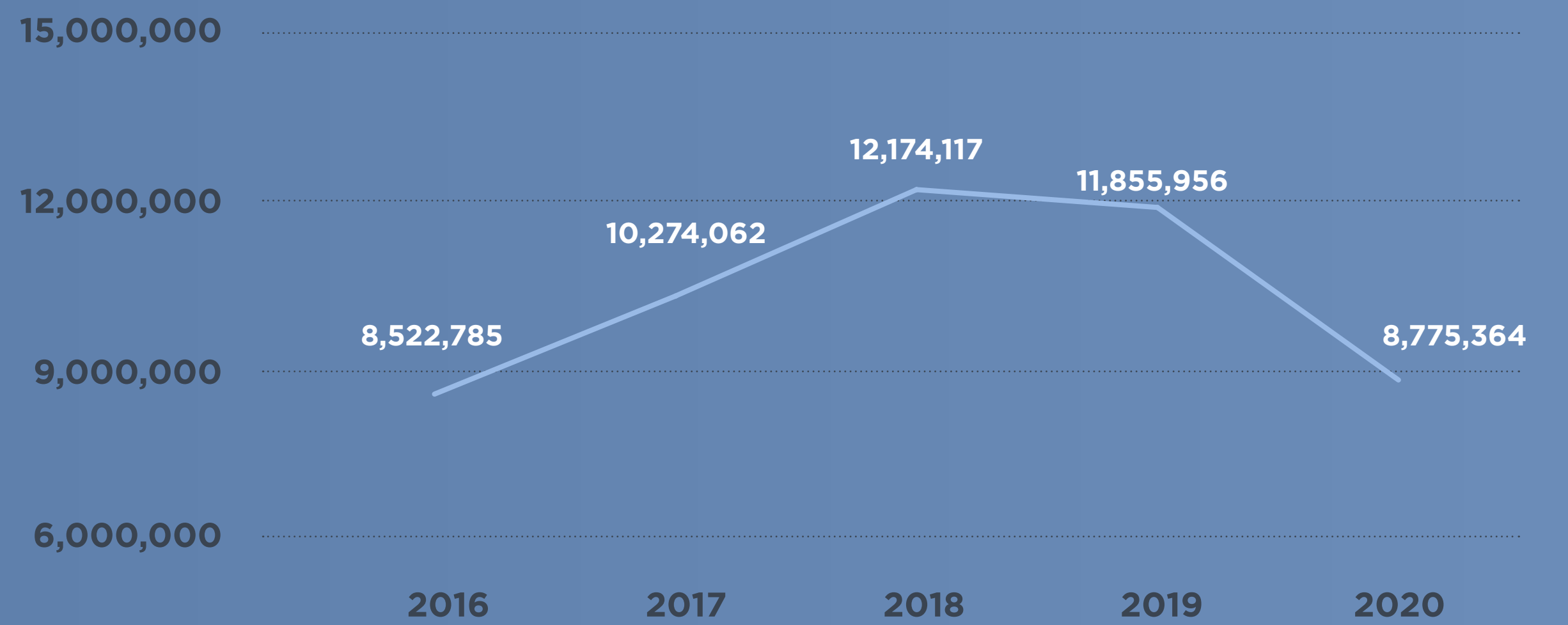


ENERGY CONSUMPTION

ENERGY CONSUMPTION  
ELECTRICITY (KWH)

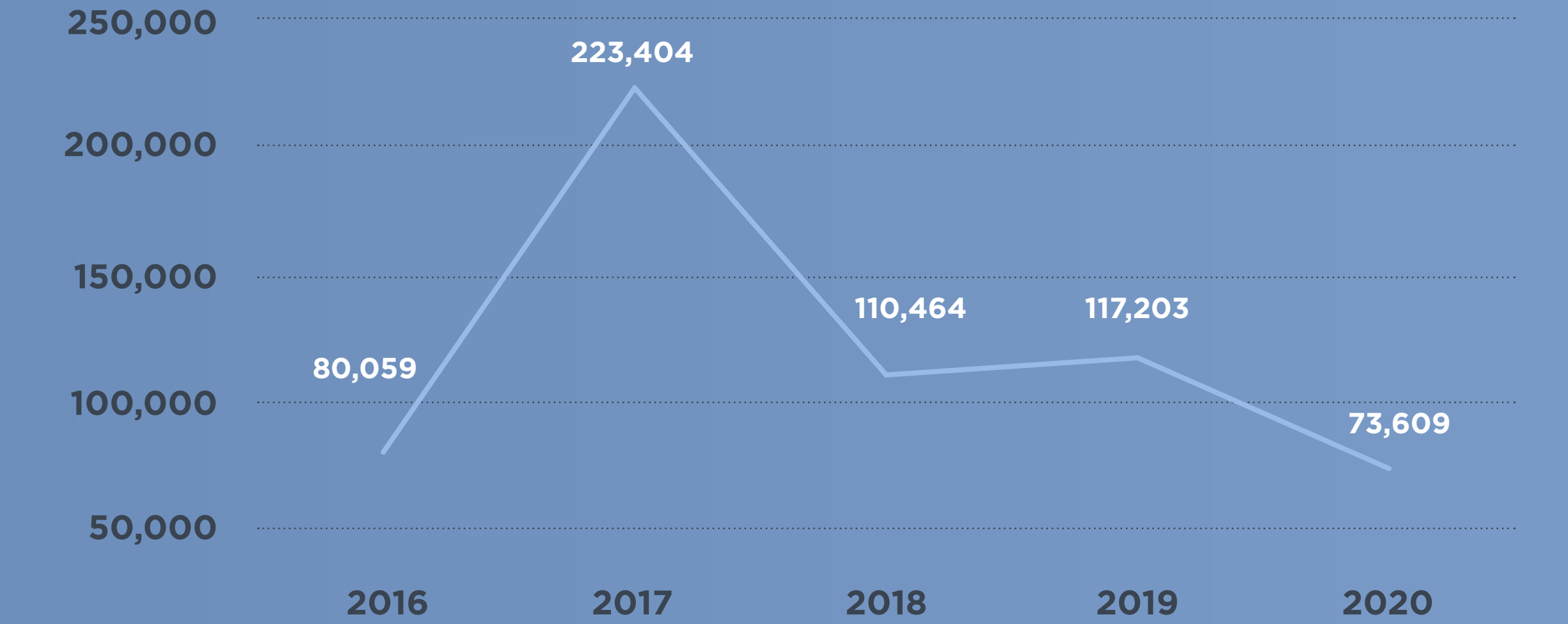


ENERGY CONSUMPTION  
GAS (KWH)

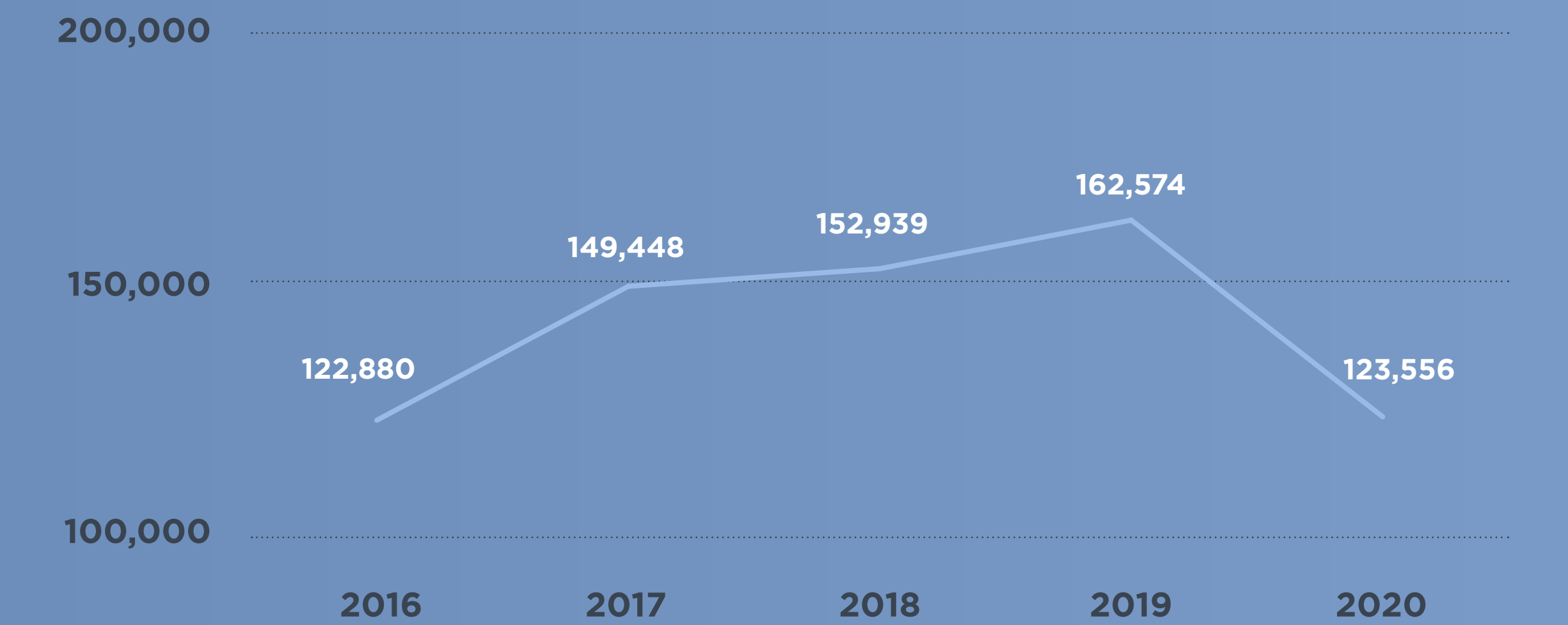


33. As of June 2020, 43% of the electric power used comes from renewable sources supplied by Iberdrola; for the rest of the year, the percentage of renewable energy was 23.9% and was supplied by Endesa. This data is obtained from the National Commission on Markets and Competition report, published on April 15, 2021. The rest of energy resources used are non-renewable.

ENERGY CONSUMPTION  
DIESEL OIL (L)



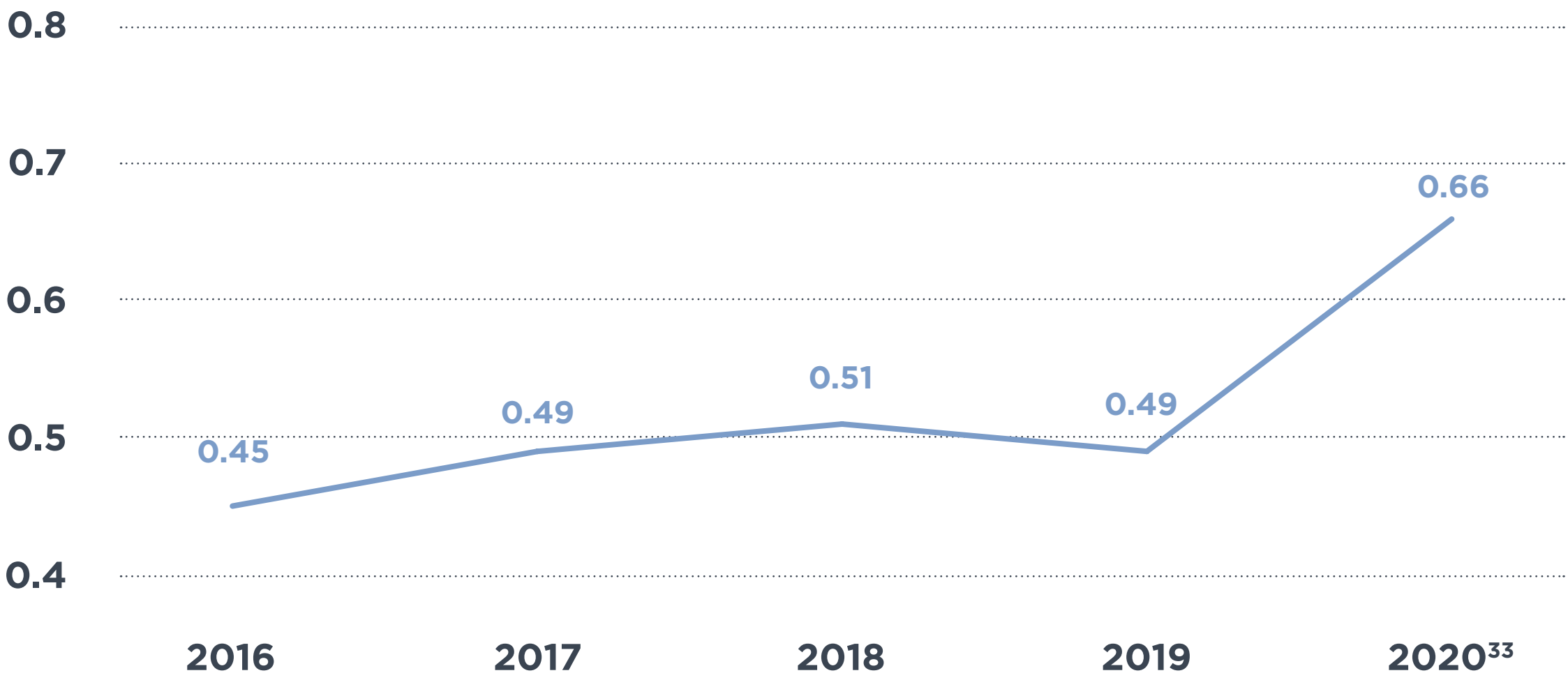
ENERGY CONSUMPTION  
TOTAL (GJ)<sup>35</sup>



34. Assembly data is just an estimate, as we don't have every invoice.  
35. The used conversion factors are as follows: 1 kWh = 0.0036 GJ; diesel oil density = 832 kg/m<sup>3</sup>; diesel oil NCV = 43 GJ/t.

ENERGY CONSUMPTION

ENERGY INTENSITY RATIO (GJ/k€)<sup>36</sup>



In 2020, we introduced some initiatives to reduce energy:

TRES CANTOS PLANT

- We installed meters in the painting areas in order to detect those with the greatest consumption.
- We shut off the facilities on weekends and night shifts.

GETAFE PLANT

- We installed LED luminaires.
- We compartmentalized the lighting according to zones.
- We installed presence sensing devices.

AYUELAS PLANT

- We installed gas consumption meters in different areas of the plant to analyze consumption levels.

In 2021, there will be energy audits in the plants, which will refine consumption analysis and help identify possible areas for improvement.

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



# USE OF RESOURCES AND MATERIALS

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.



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RAW MATERIALS <sup>37</sup>

	2016	2017	2018	2019	2020
STEEL <sup>38</sup> (m)	27,295	32,760	39,333	42,925	10,130
ALUMINUM <sup>39</sup> (m²)	19,123	15,115	8,900	8,910	5,497
TITANIUM <sup>40</sup> (m²)	2,006	19,465	32,189	33,301	12,221
PREPREG (m²)	1,296,467	1,543,881	1,469,843	1,663,340	899,435
INCONEL <sup>41</sup> (m)	1,978	1,305	1,473	1,374	756
CUTTING OIL (L)	4,366	7,552	10,836	10,820	5,951
CUTTING FLUIDS (Kg)	16,150	16,998	29,518	32,600	14,710

In 2020, the two main initiatives developed to increase efficiency of resource and material consumption were:

- Implementation of returnable package and container systems, both for transportation between plants and for clients.
- Reuse of packages and containers in production plants, establishing a closed cycle of return of standard manufacturing order bags, parts caps, etc.

37. Likewise, we do not have data regarding the percentage of renewable and non-renewable materials.  
38. Rods with a diameter between 25.4 and 220 mm. Casts and forgings are excluded.  
39. Sheets with a thickness between 30 and 220 mm. Forgings, profiles, and tubes are excluded.

40. Sheets with a thickness between 20 and 101.6 mm.  
41. Rods with a diameter between 12.7 and 150 mm. Casts and forgings are excluded.



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PACKAGING <sup>42</sup>

	2016	2017	2018	2019	2020
PLASTIC CONTAINERS (PLASTIC USED FOR PACKAGING) (Kg)	269,611	153,502	298,427	215,684	30,623
CARDBOARD CONTAINERS (CORRUGATED CARDBOARD AND CARDBOARD PACKAGING) (Kg)	19,094	20,437	65,913	76,849	35,975
WOOD PACKAGING AND COMPOSITE CONTAINERS <sup>43</sup> (WOOD PACKAGING, PALLETS AND SIMILAR PLATFORMS FOR GOODS HANDLING) (Kg)	84,113	62,395	118,529	80,293	64,054

42. Material recycling is performed in all cases.  
43. 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.

# CARBON FOOTPRINT AND OTHER ATMOSPHERIC EMISSIONS

At Aciturri, we strive to accurately measure our emissions and set targets for reducing and compensating our carbon footprint.

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.

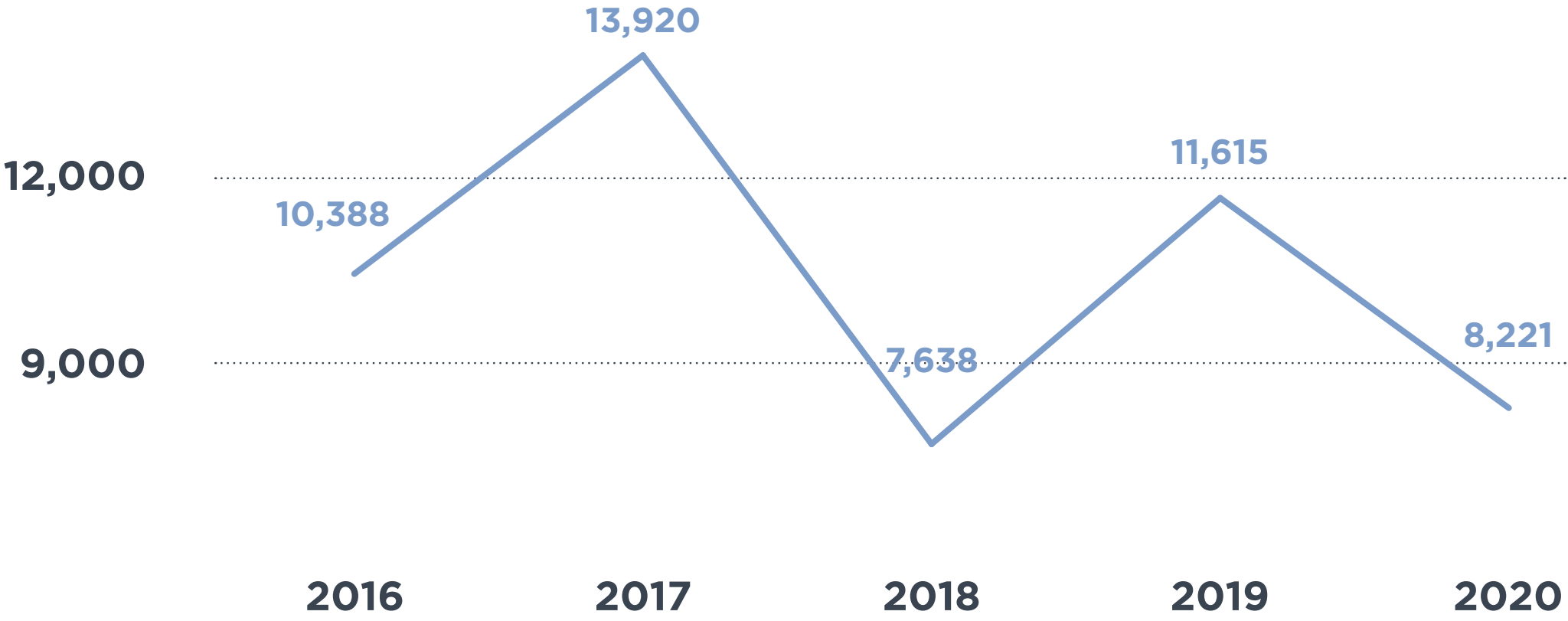




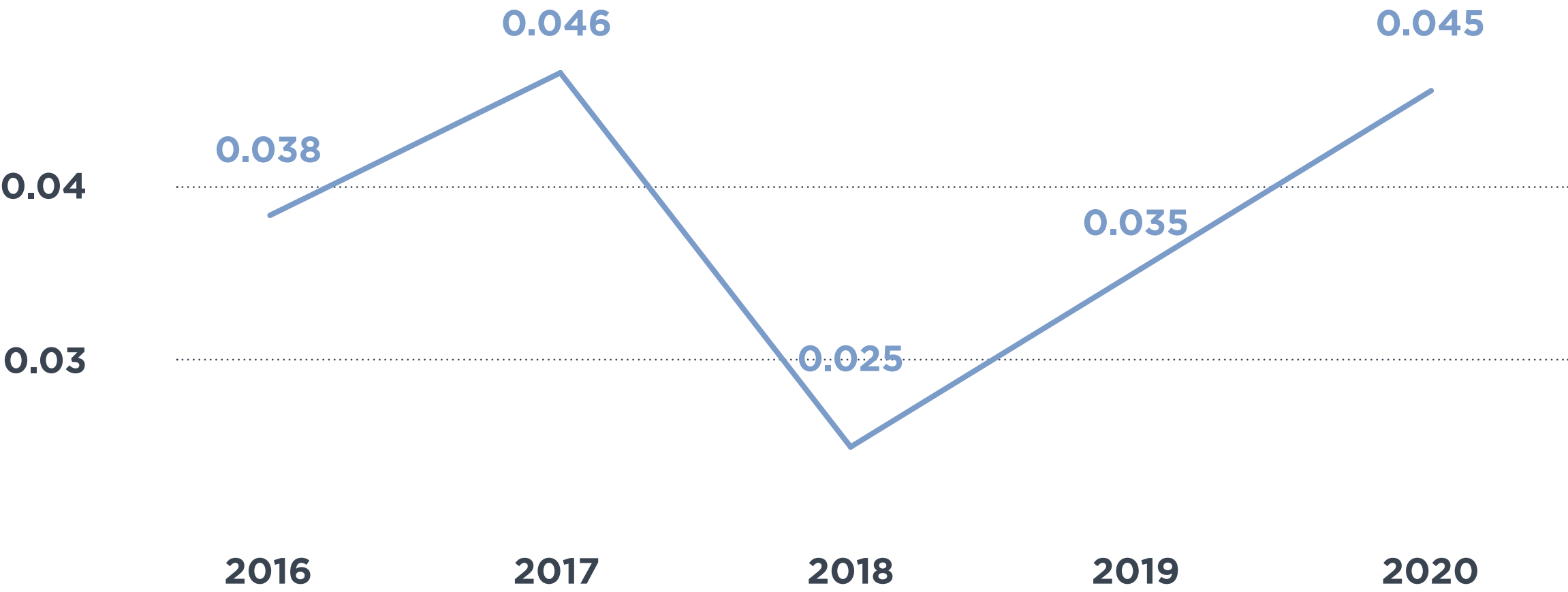
CARBON FOOTPRINT AND OTHER ATMOSPHERIC EMISSIONS

CARBON FOOTPRINT <sup>44</sup>

	2016	2017	2018	2019	2020 <sup>45</sup>
SCOPE 1 IMPACT (CO2eq)	1,951	2,731	2,736	2,957 <sup>46</sup>	1,876
SCOPE 2 IMPACT (CO2eq)	8,437	11,189	4,902	8,658 <sup>47</sup>	6,345
TOTAL IMPACT (CO2eq)	10,388	13,920	7,638	11,615	8,221



CARBON FOOTPRINT RATIO (CO2eq/K€ from net sales)



44. Our carbon footprint is calculated based on the tool and the emission factors proposed by the Spanish Ministry of the Environment. All Aciturri plants have been included in the calculation.

45. The data reported are provisional, as they are based on the 2019 emission factors. Emission factors for 2020 were not yet available at the time this report was being written.

46. In our 2019 Sustainability Report, we recorded 2,969 CO2eq. In this report, all the data from 2019 are available and that figure has been updated.

47. In our 2019 Sustainability Report, we recorded 11,819 CO2eq. In this report, all the data from 2019 are available and that figure has been updated.

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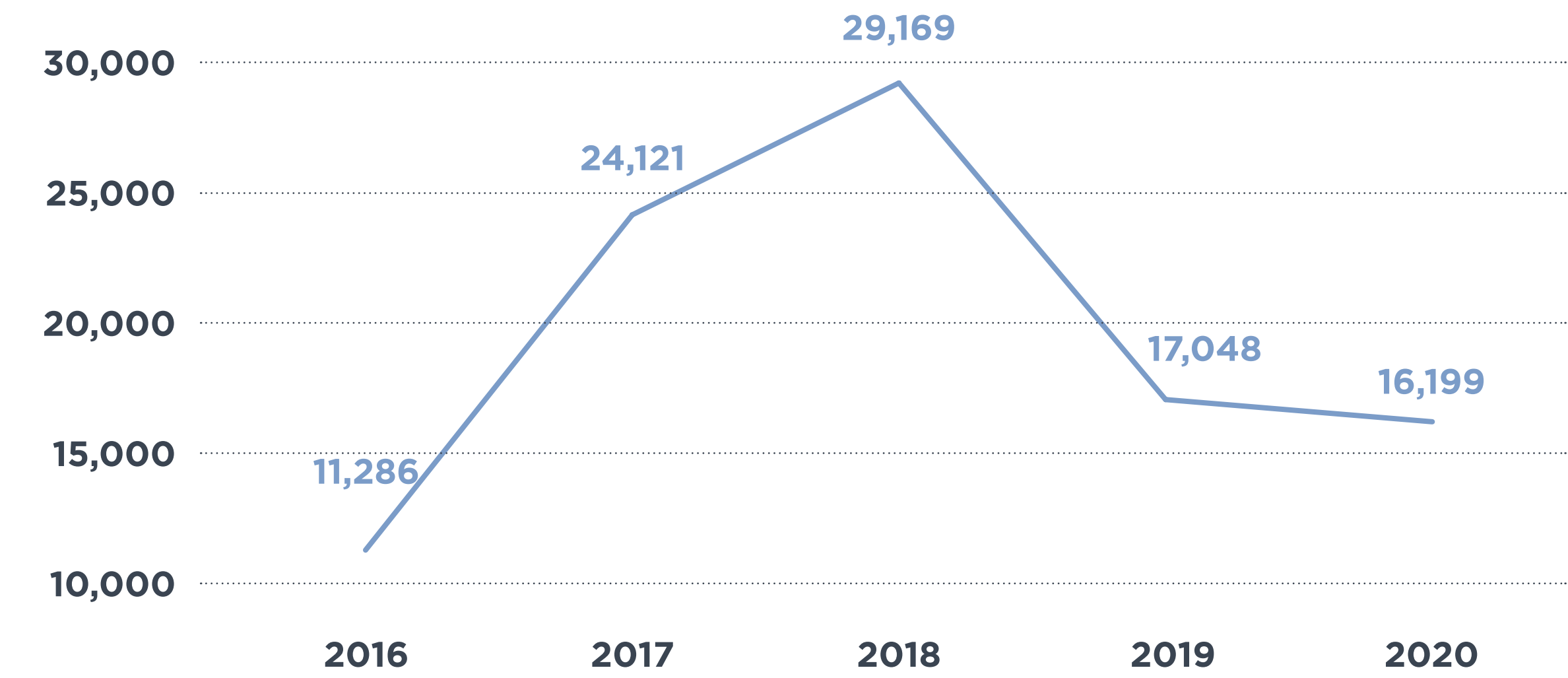
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In 2020, Aciturri launched a project to **calculate indirect emissions based on the ISO 14064-1:2018 standard**. We established an internal procedure to define the methodology for carrying out the company’s greenhouse gas inventory. Work is currently under way to calculate the carbon footprint for 2019 and 2020. This will make it possible to know and measure all emissions of indirect origin Aciturri is responsible for. This comprehensive calculation will help us set targets for reducing and compensating our carbon footprint.

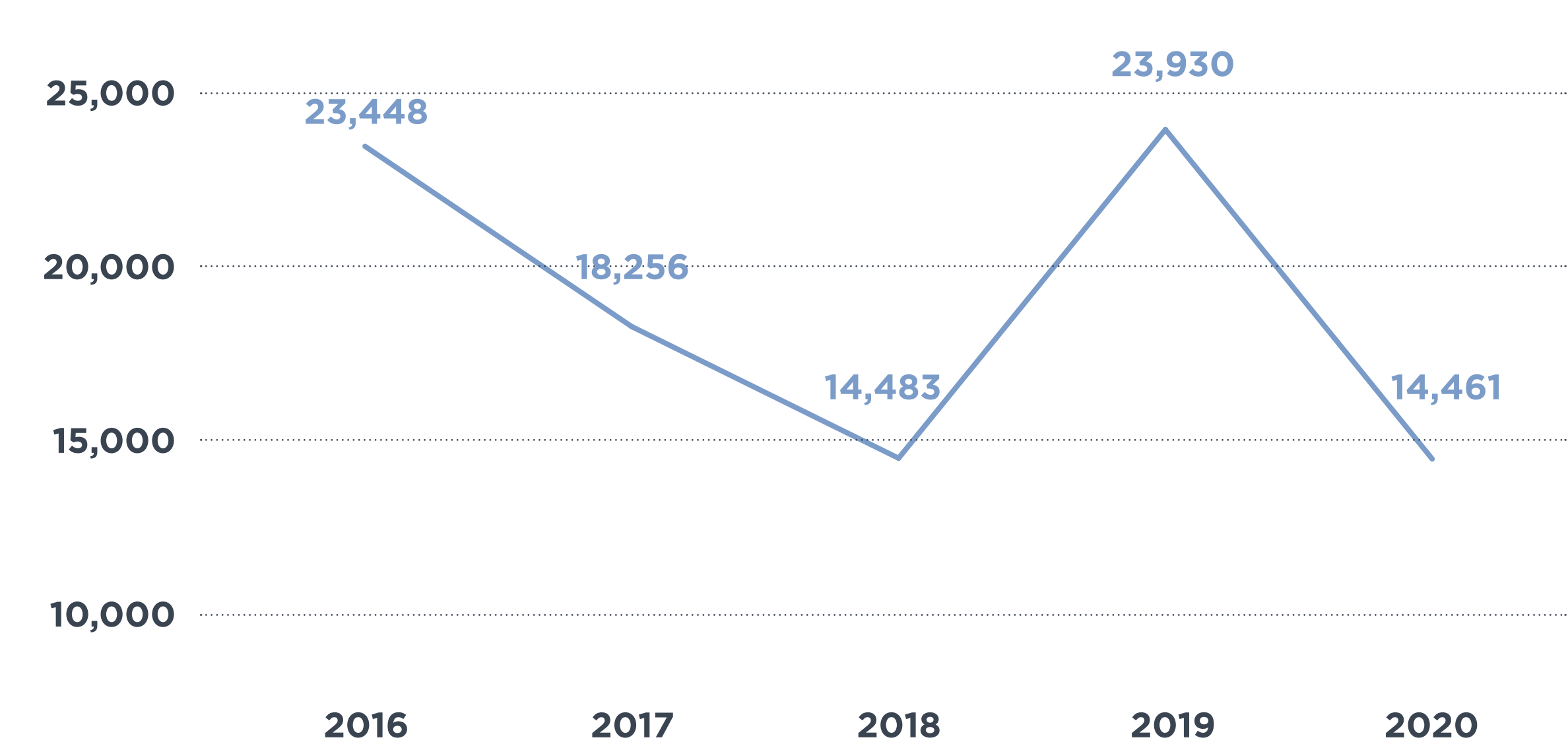
The most important initiatives launched to reduce greenhouse gas emissions in 2020 were those related to the #PlasticChallenge project, and to improving plant energy management.

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 Boecillo, Tres Cantos and Getafe. 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.

VOC EMISSIONS <sup>48</sup>  
SUMMARY 5 (Kg)



VOC EMISSIONS <sup>48</sup>  
SUMMARY 8 (Kg)



48. Data based on solvent management plan. Only the solvents used in the plants whose consumption is reported to the competent authority are counted.



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We must clarify something regarding the data corresponding to summary 8: in 2019, it was impossible to sort in-house consumption from that of the external suppliers at the plant in Tres Cantos, hence the significant reduction in 2020.

In 2020, we applied for an exemption from the established diffuse emissions limits on account of the availability of better techniques implying solvent changes, control programs and training. These exemptions were granted to the Getafe and Tres Cantos plants.

Acoustic measurements are performed periodically in every plant. In 2020, noise-levels were measured at the Ayuelas plant, and the results complied with the established regulations. However, we 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 now been fully implemented. We are waiting on the results to find out if the plant met the noise management requirements.

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.





# WATER CONSUMPTION & 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.**



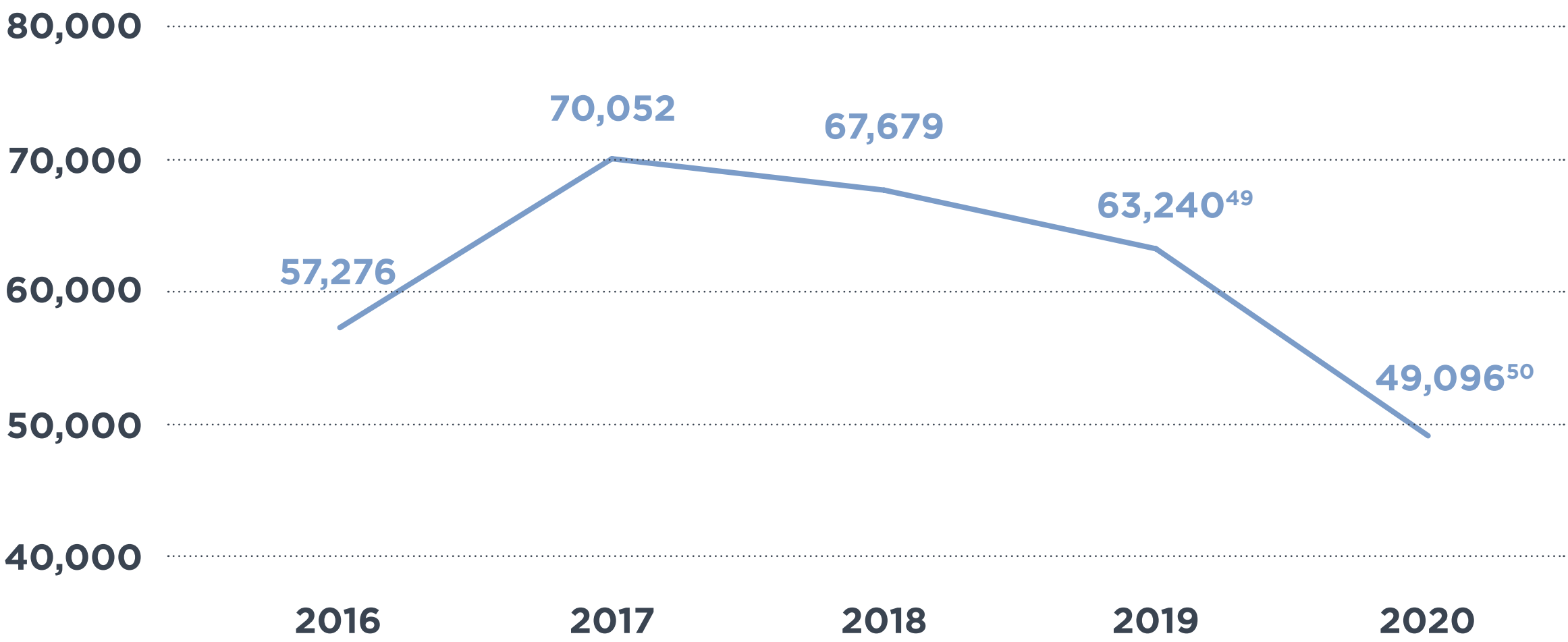


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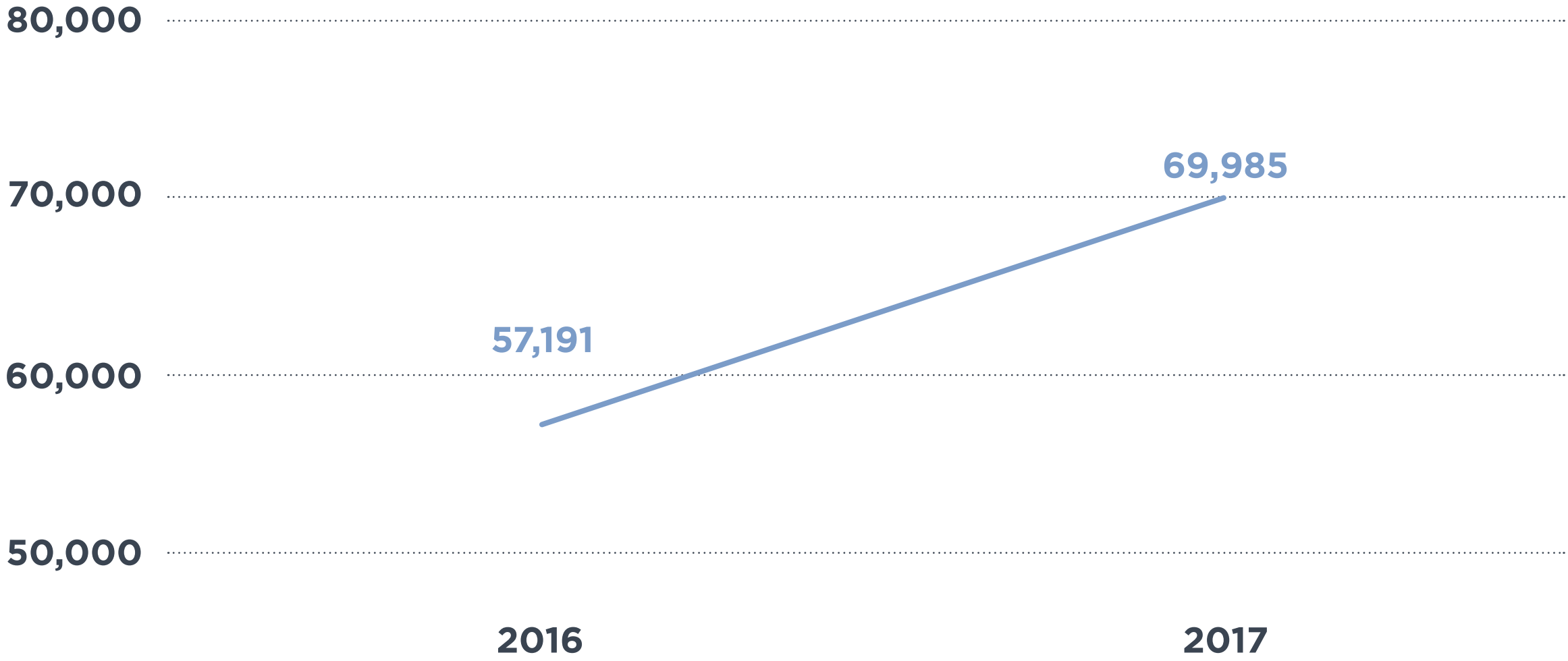
WATER AND DISCHARGES

WATER CONSUMED (m³)



WATER AND DISCHARGES

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



The water used in Aciturri comes from the local sewage network. All the water returns to the corresponding sewage network in the form of discharge; it’s never discharged into aquifers or water bodies. These discharges are audited and monitored by the environmental authorities. Additionally, the company conducts regular checks as established in our plan for operational control.

In 2020, the wastewater discharge permits for Ayuelas and Tres Cantos were renewed, and an initial permit for Ircio was granted. 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 whatsoever.

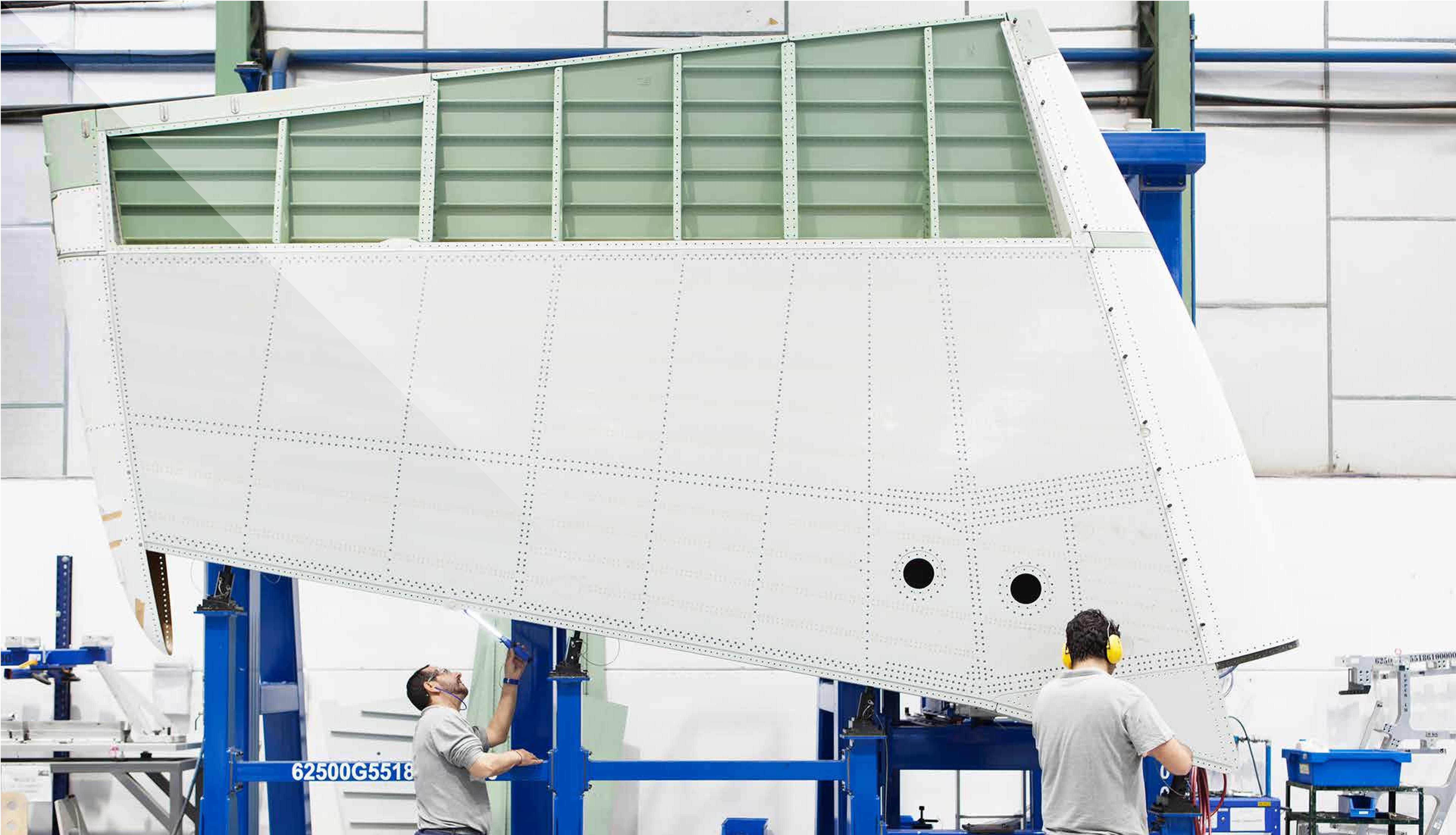
And neither any evidence of water bodies or habitats having been significantly affected by Aciturri’s activity.

No significant spills occurred in any of our production plants in 2020. Notwithstanding, the employees 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.

49. The data reported regarding water consumption in the 2019 Sustainability Report was an estimation and differs from this because, at the time that document was published, the actual data on water consumption for some plants was not available for quarter four of 2019. 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 2020, so we have calculated it based on the data from 2019.  
51. Given we haven’t had meters to measure the discharges since 2018, these are approximate data based on general consumption.

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# WASTE

**All the waste generated by Aciturri is sorted on location and sent to authorized management bodies.**

The industrial activity carried out in Aciturri’s plants generates waste, which is sorted 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.



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WASTE	2016	2017	2018	2019	2020
HAZARDOUS WASTE DEPOSITED IN A LANDFILL (Kg)	401,065	410,374	351,954	366,161	265,617
CONTAMINATED ABSORBENTS	24,023	23,627	24,219	29,445	22,848
ADHESIVES AND SEALANTS	1,809	806	0	2,265	2,112
EMPTY AEROSOL CANS	12	0	36	37	25
WATER CONTAINING CHROMIUM	84,924	44,101	35,833	33,350	39,328
BATTERIES	0	0	0	40	16
ACTIVATED CARBON	0	0	0	0	344
PAINTING BOOTH FILTERS	763	939	4,129	4,133	4,440
FIXATIVE LIQUID	387	416	119	0	241
DEVELOPER LIQUID	404	355	280	0	871
HAZARDOUS AQUEOUS LIQUID WASTE	0	22,750	136,407	75,835	23,564
SLUDGE FROM MACHINING ACTIVITIES	3,841	4,455	11,760	9,995	7,527
FLAKES FROM THE PAINTING BOOTH	0	0	77	0	1,348
EXPIRED CHEMICALS	1,505	3,433	3,187	10,789	5,985
WASTE CONTAINING HYDROCARBON	0	0	47	0	0
LAB WASTE	0	12	23	0	314
RESIN	771	713	723	839	367
INDUSTRIAL X-RAY	0	0	0	0	0
CUTTING FLUIDS	129,303	121,329	151,319	185,102	130,043
SLUDGE CAKES FROM TREATMENT PLANTS	29,159	22,765	19,593	14,331	26,244



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WASTE

	2016	2017	2018	2019	2020
RECOVERABLE HAZARDOUS WASTE (KG)	172,491	132,565	181,435	180,521	115,963
NON-CHLORINATED HYDRAULIC OIL	3,517	735	973	2,157	4,669
WATER WITH PAINTS AND INKS	0	0	0	555	1,800
NON-HALOGENATED SOLVENT	3,980	8,745	4,567	2,520	5,459
CONTAMINATED METAL CONTAINERS	7,962	9,578	7,969	10,507	7,962
CONTAMINATED PLASTIC CONTAINERS	5,264	6,254	7,335	7,565	8,501
ELECTRICAL AND ELECTRONIC EQUIPMENT	0	46	280	265	2,482
OIL FILTERS	3,842	6,126	9,639	10,934	5,192
FLUORESCENT TUBES	179	80	223	31	70
ZINC AND ALKALINE BATTERIES	0	0	15	54	40
PAINT RESIDUES	9,151	10,744	7,679	11,341	7,886
PRE-PEG RESIDUES	134,260	167,155	142,420	148,179	71,902
NON-HAZARDOUS WASTE DEPOSITED IN A LANDFILL (KG)	673,755	777,569	863,468	861,515	498,414
SANDBLASTING SAND	2,900	2,200	1,233	3,341	1,303
FLOW CLEANING WASTE	39,000	63,000	120,000	110,000	79,820
INERT WASTE (COMPARABLE TO URBAN)	631,855	716,350	742,235	748,174	417,291

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WASTE	2016	2017	2018	2019	2020
RECOVERABLE NON-HAZARDOUS WASTE (Kg)	1,204,701	1,112,543	2,664,516	1,268,684	841,209
ALUMINUM BRIQUETTES	322,558	400,515	1,141,898	475,341	312,000
TITANIUM BRIQUETTES	12,124	11,883	24,007	31,234	27,500
SCRAP METAL	6,140	10,824	71,112	14,483	7,980
SOLID IRON	0	0	0	7,695	10
WOOD	216,648	190,261	142,534	210,694	168,682
PAPER AND CARDBOARD	105,814	92,596	128,377	148,667	114,442
PLASTIC	34,752	28,440	31,297	35,842	25,895
TONER	379	100	323	250	130
CHIPS <sup>52</sup>	174,192	145,993	186,933	165,270	132,550
STAINLESS STEEL (SOLID AND CHIPS)	0	0	0	73,449	970
INCONEL CHIPS	36,035	13,401	9,453	19,731	18,940
TITANIUM CHIPS	24,675	18,883	51,721	66,719	32,110

52. It includes all chips generated other than stainless steel, Inconel and titanium.



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WASTE

FROM CONTAINERS AND PACKAGING <sup>53</sup>	2016	2017	2018	2019	2020
PLASTIC CONTAINERS (PLASTIC PACKAGING WASTE) (Kg)	284,062	213,600	20,783	22,985 <sup>54</sup>	18,900
CARDBOARD CONTAINERS (CARDBOARD PACKAGING WASTE) (Kg)	25,658	30,529	56,253	95,929 <sup>55</sup>	68,665
METAL CONTAINERS (METAL PACKAGING WASTE) (Kg)	8,734	810	5,312	--	--
WOODEN AND COMPOSITE CONTAINERS (WOOD AND COMPOSITE CONTAINER WASTE) (Kg)	79,750	61,123	140,960	126,890 <sup>56</sup>	101,209
OTHER CONTAINERS (TEXTILE PACKAGING WASTE)	800	1,172	50	--	--

53. Material recycling is performed in all cases. 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.

54. In our 2019 Sustainability Report, we recorded 11,276 kg. In this report, all the data from 2019 are available and that figure has been updated.

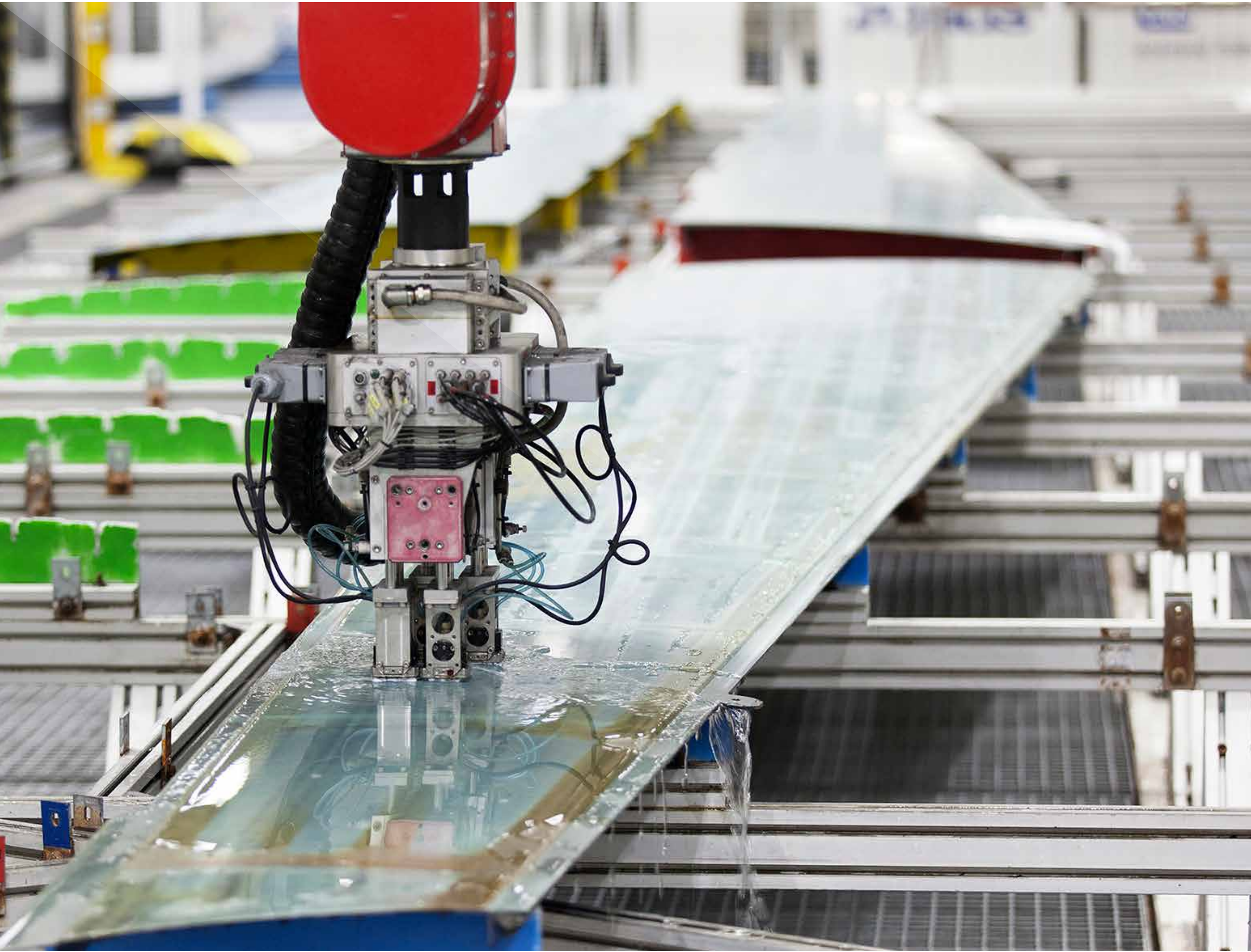
55. In our 2019 Sustainability Report, we recorded 38,004 kg. In this report, all the data from 2019 are available and that figure has been updated.

56. In our 2019 Sustainability Report, we recorded 77,614 kg. In this report, all the data from 2019 are available and that figure has been updated.



We have defined objectives for reducing waste in 2020; the main focus is on the search for new treatment methods such as the reuse of excess carbon fiber in non-aeronautical applications. In addition, we are looking for less aggressive cleaning solvents to minimize their environmental impact and the waste they generate. We are also working to improve the sorting of non-recoverable waste by using new methods, raising awareness among the staff, etc.

None of the activities carried out at Aciturri involves food waste whatsoever—there are no cafeterias for the workers in our plants either—so we don’t need to work in actions aimed at reducing this type of waste.





# 2020 MILESTONES

**The main milestones reached by the corporate areas working for sustainable growth in Aciturri are described below.**





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# CORPORATE SERVICES





# TECHNICAL SERVICES

Through automatic data capture across plants, we can monitor the main maintenance parameters.

Throughout the year, the team supported the implementation of the investments and equipment needed to meet the commitments with our clients.

In the engine division, at the Oron plant, we implemented the new automated adjustment cell for eliminating the recast that occurs during the lug EDM process. The new machining center for Inconel and special steels was installed at the Ircio plant; it allows to manufacture parts of up to 1,600 mm in diameter and is also equipped for the trueing of parts or tools. This is the first DMG-Mori 5-axis machining center to be installed in the company.

Also in 2020, two new RTM presses (Resin Transfer Molding) and an injection machine for composite ducts manufacturing started operating in Tres Cantos. In addition, the duct manufacturing process in Tres Cantos was completed with the installation of a curing oven, a two-chamber forming oven and a cold press for tool closing, together with transport carts for handling the parts and tools throughout the process. This investment will be completed in 2021 with the installation of a cooling system to reduce processing times during the cooling cycle.

In the aerostructure manufacturing division, we increased the productive capacity and internalization of the cutting and painting processes in Boecillo by installing a new carbon fiber machining center and a painting and adjustment area ready to process large format parts.

At the center of Tres Cantos, the improvements focused on fixing the cement concrete base in the most damaged areas outside the plant and fitting out new areas for tool storage. In addition, the works to upgrade the building and the fire protection facilities were completed, as well as their official registration; in the offices, we installed recuperative air renovation

systems to adapt this air-conditioning system to the COVID-19 situation. At the end of December, the replacement of the general low-voltage boards was completed to bring the electrical installation into line with current regulations.

In the Ayuelas plant, the main improvements focused on strengthening the production capacity of metallic components associated with the A350 program, for which a second Makino 5-axis aluminum machining center was installed. This involved layout changes in three areas: machining, manual painting, and warehouse, where the paint adjustment facility was relocated and a new locker room was created exclusively for the painters. We also installed new bearing swaging equipment adapted to new client requirements.

As for maintenance-related activities, in 2020 we consolidated the automatic productivity and maintenance data capture across plants, which allowed us to implement a management control panel for real-time monitoring of the main maintenance parameters. In addition, we took the first steps to integrate predictive maintenance, which will allow a better management and rectification of malfunctions, thus reducing downtime caused by both corrective and preventive maintenance.

# QUALITY ASSURANCE

## Aciturri is the first supplier in Spain with the Nadcap Aero Structure Assembly accreditation

In 2020, the circumstances forced us to develop a remote audit model that would allow us to continue working. Aciturri’s Quality Assurance team was the first one in Spain to complete the EN9100 and 9110 certifications fully online, and the PECAL standard almost fully online (80%).

The most important Nadcap certifications were completed, however, the staff requested that some of them be postponed to 2021 because the auditors were not allowed to travel. In addition, the Ayuelas plant was granted the Nadcap Aero Structure Assembly accreditation, making Aciturri the first supplier in Spain with it.

Likewise, the new Boecillo facility was internally certified according to Aciturri’s clients’ certification protocols; the certifications for new supplier facilities were also arranged.

We have a context assessment for the company (called “Context Matrix”) which shows the annual evolution of those goals subject to long-term assessment. 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 addition, there is a risk procedure in place—PSC-061—to analyze the risks for each department; currently, we are also working on a risk analysis procedure for the company based on the “business continuity” procedure.

The Quality Assurance team kept on working 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 working guidelines on practical tools for the Defense, Security and Aerospace sector, e.g. industrialization, industry 4.0, and non-conformities in PECAL audits. In 2020, Aciturri participated in the Joint Committee for the Defense & Arms and Defense Materials Industries (CMDIN in Spanish) as the representative of the defense industry companies.

In 2019, 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. More specifically, Aciturri is ISO 9001 and EN9100-certified in all plants; POA-certified in all aerostructures plants (except for Getafe) according to EASA21G; EN9110-certified in the assembly plant (which operates in clients’ facilities); ISO 17025 certified for calibrations carried out in the Tres Cantos plant; PECAL 2110 and PECAL 2310-certified in Tres Cantos (manufacturing + design/development), Ayuelas, and Orón. We also have the Nadcap certifications as required by manufacturing technology.

These certifications represent strict compliance with the applicable regulations and laws, and the traceability of every product; all materials used and people involved in their manufacturing and assembly are recorded, as well as the certifications of the processes that back them up.



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Their use and maintainability are contingent to revisions of the design, first article inspections (FAIs), and official certification tests. According to the Context Matrix, these are crucial issues for clients, civil and military aviation authorities, subcontractors, service companies that operate in our facilities and the employees themselves.

Proper management of the aforementioned aspects 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.

In 2020, there were no cases of non-compliance with regulations or voluntary codes associated with the impact of products and services on health and safety. In this regard, we collaborated with Airbus Operations on a comprehensive review of the EU REACH Regulation for all programs.

It is not required to detail the components or operating instructions for a safe use of the product in its labeling; the information for subsequent handling and integration is included in the drawings. The certificate of conformity issued and signed by Aciturri for all our products has the sales part number, which includes data to identify the components and people involved in their manufacturing. This certificate also ensures that the parts are newly manufactured, and some of them are audited by EASA to assess this issuance of certificates.

Also in 2020, some of our clients were informed about the MDF substances contained in each of the part numbers.





# LEAN MANAGEMENT

**The team implemented a total of 6,469 improvements in 2020, almost 50% more than the year before.**

The company bases its methodology on the lean model and focus on achieving strategic goals and moving ahead with the global business plan.

Despite the circumstances derived from the COVID-19 pandemic in 2020, at Aciturri we kept on developing our continuous improvement model, although adapting how the nearly 150 teams work to the limitations imposed by the situation. The number of team members in the production areas decreased, and many of the support team meetings were held virtually; we harnessed technology, but also made sure the spirit of improvement and teamwork remained intact. This move to the virtual environment also extended to the enhancement teams.

This way, the teams implemented a total of 6,469 improvements in 2020, almost 50% more than the year before. This translates into an average of six improvement proposals per person each year.

Almost a hundred of these improvements were considered “success stories”, and shared with the entire organization so other teams and plants could apply them, too. We also launched a formal dynamic called “Best Improvers” to recognize the employees’ best improvement proposals each year, both at each production plant and globally within the company.

All plants and support function teams reached the target levels in the cultural and tool usage model. These levels are measured by a comprehensive questionnaire and external audit that analyzes team work dynamics, how they use the tools, and the results achieved.





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We made progress in the implementation of the strategy and the selection and prioritization of the most complex projects, involving all departments of the company. The *Hoshin Kanri approach* and the monthly monitoring of projects in the *Oobeya* rooms were maintained.

In November, Aciturri’s work was granted the Kaizen Lean Award for our Strategy for Continuous Improvement. It was the seventh edition of these awards with which the Kaizen Institute annually recognizes the benchmark organizations which prioritize good practices of continuous improvement in the Spanish market.

Also in 2020, the Lean Management Department undertook initiatives to automate admin processes by using the Rocketbot software, based on the Python programming language. More than 80 people were trained to use the software and a specialized team was created. This is based on a robust governance model that allows both cross-functional initiatives by a specialized team and small automations carried out directly by users, who then share them with their counterparts.





# SYSTEM MANAGEMENT

**Thanks to the System Management team’s support, remote working was set up as a mass contingency measure to reduce the risk of transmission.**

In 2020, the System Management team focused on migrating the main systems that support the company’s operations (SAP HANA, MES, BW, etc.) to the cloud. For nearly 9 months, they worked to ensure business continuity. Currently, the service is available from two data processing centers located in Spain and it is possible at all times to select which one of them is used.

This project ensures service availability, but it also reduces the risk of data loss to a maximum time of 15 minutes, and yields significant performance improvements in BW queries (40%), BO reports (93%), or scheduled jobs in SAP (70%).

At the same time, the outbreak of the pandemic in March posed a great challenge: supporting the company’s decision to set up remote working as a mass contingency measure to reduce the risk of transmission and ensure business continuity. This measure translated at times into 500 people working remotely, a demand that could only be met thanks to the strategic vision of IT mobility, which relied on cloud-based telephony, defaulting to laptops and not desktop computers, collaborative solutions such as Skype for Business, etc. The System Management team’s 24/7 monitoring made it possible to guarantee the service.





# LEGAL DEPARTMENT

## In 2020, Aciturri wasn’t involved in any investigation in relation to anti-competitive behavior or monopolistic practices.

In 2020, Aciturri wasn’t involved in any investigation in relation to anti-competitive behavior or monopolistic practices.

To the best of our knowledge, in 2020 there were no formal complaints concerning violations of clients’ 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 NDAs before they can access any sensitive or confidential information. In 2020, around 100 NDAs were signed with clients and suppliers. In addition, all employment contracts include specific confidentiality clauses.

As for the existence of fines or sanctions for non-compliance with laws or regulations in the economic or social scopes, including sanctions in the tax, customs, labor, or occupational risk prevention areas, in 2020 the Aerostructures division incurred two penalties: one of €4,092 imposed by Castilla y León regional government for violation of health and safety standards; and one of €600 imposed by the National Statistics Institute for missing the submission of the “Labor Cost Quarterly Survey - April 2019”. Furthermore, we had to pay two surcharges: €60 for late payment of the sanction by the National Statistics Institute; and €146.67 for late payment of a debt to the Central Treasury for Social Security. 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, excluding sanctions in the tax, customs, labor, or occupational risk prevention areas.

Finally, Aciturri has a **Responsible Advertising Policy**. There were no breaches in marketing communications in 2020.





# COMPLIANCE

**In 2020, we received 78 inquiries concerning regulatory compliance and the principles within the Code of Conduct.**

In line with Aciturri’s corporate culture—our set of shared values, beliefs, and customs—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. Aciturri has a **Regulatory Compliance Program (Corporate Compliance)** whose goal is to ensure compliance with legal requirements, paying special attention to those that may incur criminal responsibility for the organization from actions taken by our employees. This program is based mainly on the adoption and implementation of monitoring and control measures, the periodic review of the model, the existence of an autonomous and independent body in charge of ensuring everything works (the “Ethics and Compliance Committee”), Aciturri’s Code of Conduct, our Channel for Complaints, and a system for ongoing training and information on regulatory compliance.

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 on periodical checks, Aciturri performs constant monitoring to prevent, detect, and take action in the event of potential criminal risks. This is recorded by the External Compliance Officer in an annual review report.

In 2019, an **Electronic Device Use Policy** was made available to employees. This is a basic tool to prevent criminal behavior through the use of devices and digital resources owned by Aciturri.

We are constantly striving to improve and further develop our **Crime Prevention Report** by establishing specific protocols, procedures, and policies. In 2020, our work focused on the following aspects:

- **Specific training** on the Crime Prevention Report. Since it was launched, a total of 589 employees have participated in the training, 67 of whom did it in 2020.
- Development and launch of a **specific procedure** to ensure regulatory compliance regarding **export and import controls**.

The **Channel for Complaints** ([canaldedenuncias@aciturri.com](mailto: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.

The **Ethics & 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.

As for **preventing money laundering**, 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, the company 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.
- Special attention is paid 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. If 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.
- In cases where there is evidence 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.

Our **Code of Conduct** is published and readily available on our website: [www.aciturri.com/images/pdf/Codigo\\_conducta\\_ACITURRI\\_.pdf](http://www.aciturri.com/images/pdf/Codigo_conducta_ACITURRI_.pdf). The staff can also access it from the corporate social network. After its approval in 2017, the code was ratified by all management members and partners, who showed their commitment to ensuring compliance in writing.

In 2020, we received 78 inquiries (as opposed to 18 the previous year) concerning regulatory compliance and the principles within the Code of Conduct, all of which were resolved, and three suspected cases (one more than in 2019), all archived once the likelihood of the crime was ruled out.

In 2014, we published our **Purchasing 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.

Currently, all the contracts we sign with our suppliers include an Ethics & Compliance clause 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

**Corporate responsibility is a model of sustainable management committed to the advancement of the communities where we conduct our business.**

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.



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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:

- ADDIMAT (SPANISH ASSOCIATION OF ADDITIVE MANUFACTURING TECHNOLOGIES).
- AERCE (SPANISH ASSOCIATION OF PROCUREMENT REPRESENTATIVES).
- ASOCIACIÓN DE USUARIOS DE SAP ESPAÑA (ASSOCIATION OF SAP USERS IN SPAIN).
- ASOCIACIÓN ESPAÑOLA DE TÉCNICOS EN MÉTODOS Y TIEMPOS (SPANISH ASSOCIATION OF METHODS-TIME MEASUREMENT TECHNICIANS).
- ASOCIACIÓN ESPAÑOLA ENSAYOS NO DESTRUCTIVOS (SPANISH ASSOCIATION FOR NON-DESTRUCTIVE TESTING).
- ASOCIACIÓN ESPAÑOLA PARA LA CALIDAD (SPANISH ASSOCIATION FOR QUALITY)..
- ASOCIACIÓN PARA EL PROGRESO DE LA DIRECCIÓN (ASSOCIATION FOR MANAGEMENT ADVANCEMENT).
- CÁMARA DE COMERCIO DE VALLADOLID (CHAMBER OF COMMERCE OF VALLADOLID).
- COLEGIO DE INGENIEROS INDUSTRIALES BURGOS (CHARTERED INSTITUTE OF INDUSTRIAL ENGINEERS OF BURGOS).
- EMPRESA FAMILIAR DE CASTILLA Y LEÓN.
- FEDERACIÓN DE ASOCIACIONES EMPRESARIALES (BURGOS) (BURGOS FEDERATION OF BUSINESS ASSOCIATIONS).
- FUNDACIÓN HÉLICE (CLÚSTER AEROESPACIAL DE ANDALUCÍA) (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).
- RED ESPAÑOLA DE DIRECTORES DE RRHH (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).



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EDUCATIONAL INSTITUTIONS

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

- 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).
- IES SAN COSME (STATE SECONDARY SCHOOL).
- IK4 RESEARCH ALLIANCE.
- INDUSTRIAL TECHNICAL INSTITUTE.
- 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.
- UNIVERSIDAD DE OXFORD.
- UNIVERSIDAD DE PAÍS VASCO.
- UNIVERSIDAD DE SEVILLA.
- UNIVERSIDAD DE VALLADOLID.
- UNIVERSIDAD POLITÉCNICA DE MADRID.

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PUBLIC INSTITUTIONS

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

- 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, we support charity and sports projects that promote a healthy lifestyle, as well as initiatives regarding entrepreneurship and training for young people.

In 2020, the slump in the demand derived from the pandemic forced us to adopt adjustment and expenditure control measures in all areas. This situation made it impossible for us to maintain all the collaborations we had established to promote physical exercise and healthy habits, and cultural activities in local communities, and help the sick and people with different abilities. Notwithstanding, we continued supporting the following:

- ASOCIACIÓN HIJAS DE LA CARIDAD VERA
- ASOCIACIÓN SÍNDROME DE DOWN BURGOS (ASSOCIATION FOR DOWN SYNDROME PATIENTS)
- CÁRITAS
- FUNDACIÓN DEL HOSPITAL NACIONAL DE PARAPLÉJICOS PARA LA INVESTIGACIÓN Y LA INTEGRACIÓN (NATIONAL PARAPLEGIC HOSPITAL FOUNDATION FOR RESEARCH AND INTEGRATION)

In 2020, 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 2020 budget included line items to cover tuition, accommodation, and meal expenses for one student who started vocational school, as well as tutoring hours for the students who live in the center.

# SUPPORT IN THE MANUFACTURING OF PPE FOR COVID-19:

**Over 18,000 protective gowns were manufactured and delivered to local and national police, health workers, and other groups.**

The outbreak and rapid spread of the epidemic almost immediately prompted Aciturri staff to launch several solidarity initiatives, almost all of them aimed at alleviating the shortage of PPE that health care professionals and other frontline workers needed to carry out their work safely.

The 3D-printing teams working in Gijón and Miranda de Ebro designed and manufactured headband straps and other parts needed for face shields. In addition to manufacturing more than 300 face shields, 1,500 injection-molded shields were bought and delivered to different groups in Asturias, Miranda de Ebro (Burgos), and Puerto Real (Cádiz). The same technology was used to make more than a thousand ear savers.

At the same time, the teams in Boecillo and Tres Cantos used the company’s facilities and materials, more specifically auxiliary plastic used in the component manufacturing process, to design and produce protective gowns to help ensure the safety of those professionals fighting the disease on the frontline. In total, more than 18,000 protective gowns were manufactured and delivered to local and national police stations, Civil Protection, health centers and nursing homes in Castilla y León, the Basque Country, Madrid, and Andalusia.





# DEVELOPMENT IN THE LOCAL COMMUNITIES

**In 2020 the promoting partners renewed their commitment to the POLO POSITIVO initiative to uplift industrial entrepreneurship.**

**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 Guadaíra, since 2010; and Getafe and Alestis since 2019.

We also promote economic activity and job creation beyond our own business. Some examples are the initiatives described below.

However, in 2020, due to the crisis in the sector caused by the pandemic, there was a slump in the demand and, as a result, in workload, which forced us to address employment restructuring processes with the aim of ensuring business continuity.





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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 founder and CEO, promotes 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.

Today, 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.

Furthermore, 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 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.

POLO POSITIVO

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

In 2020 the promoting partners renewed their commitment to this initiative to uplift industrial entrepreneurship in Burgos and aim to resume the accelerator’s activities the moment the health situation allows to do so.



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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, and the “Entre Fogones” space, a monthly event that brings together science and cooking, and attracts about 40 people.

The participants have the support of a group of Aciturri employees, 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.

Unfortunately, in 2020, the restrictions imposed by the pandemic only allowed the normal development of these activities in January and February. Aciturri and the other partners involved in the initiative will resume the activities within the Bebot project when health conditions allow to do so safely.



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 2020 edition, Aciturri’s president had promised to participate in the program in the month of April, a commitment that had to be postponed and which he will resume in the 2021 edition.





# HEALTHY LIFESTYLE

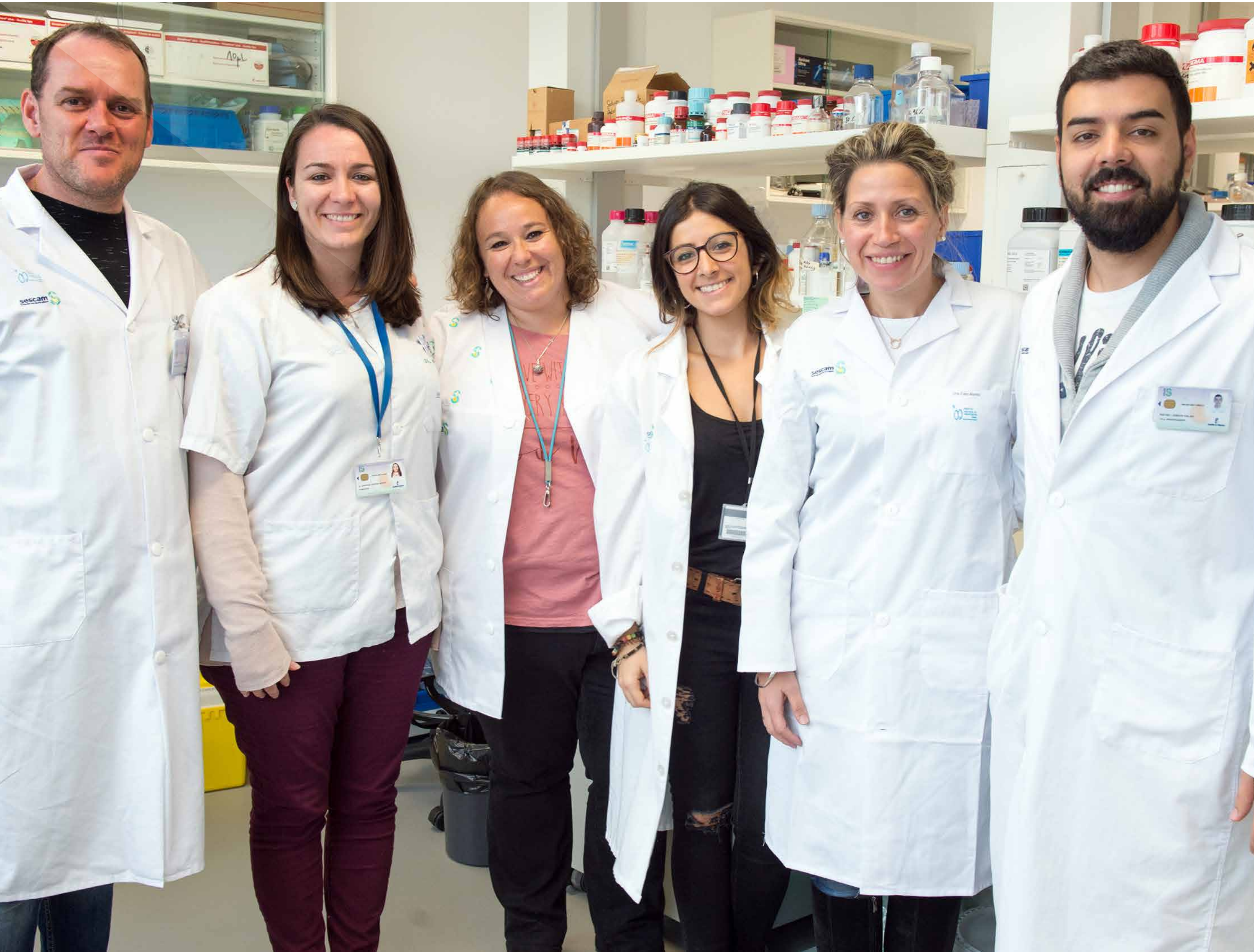
The company takes part in activities and initiatives to raise awareness about multiple sclerosis.

## 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 collaborates with this foundation, whose main goal 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.

In 2020, one outreach activity about this condition took place in Miranda de Ebro, and it was open to the public.





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Aciturri’s 2020 Sustainability Report is an account of our economic, environmental and social performance and its results between January 1 and December 31, 2020. This is the fourth one that has been published, following the ones from 2017, 2018, and 2019.

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 Friday, April 30, 2021.

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

The most significant change during the reporting period was the reorganization of the company’s capabilities to adapt to the workload drop derived from the pandemic. The ultimate goal was to ensure the sustainability of our business project.

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., and 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.

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 governing 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 <sup>57</sup>.

57. Standard 207 (taxation) was not assessed at the time because it had not been published yet, and although its impact on the organization and its influence on stakeholders don’t justify its relevance for the organization at the present time, this document reports information on the subject (see [207-4]).

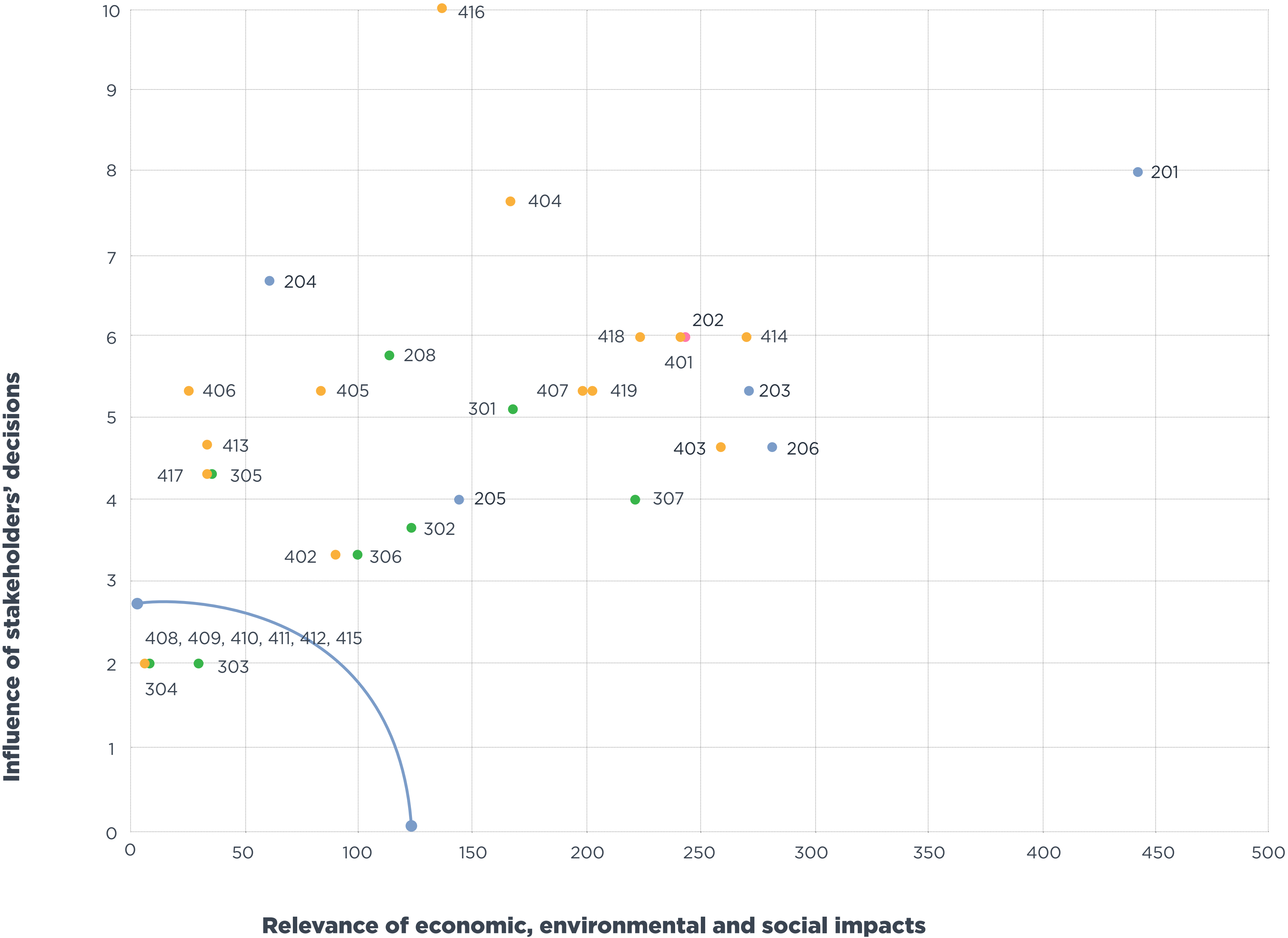


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MATERIALITY MATRIX

In November and December 2020, prior to the preparation of this report, this analysis was completed by adding the concept of risk management. This way, the impact assessment (consequences × probability) is modified, and adds value thanks to the company’s risk management on each area. To learn more, please refer to the document “Informe revisión análisis de materialidad” (review of the materiality analysis report). The result of this analysis accounts for Aciturri’s current materiality matrix:



ECONOMIC TOPICS

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

ENVIRONMENTAL TOPICS

- 301 Raw and auxiliary materials
- 302 Energy
- 303 Water
- 304 Biodiversity
- 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 opportunities
- 406 Non-discrimination
- 407 Freedom of association and collective bargaining
- 408 Child labor
- 409 Forced or compulsory labor
- 410 Safety practices
- 411 Indigenous peoples' rights
- 412 Human rights assessment
- 413 Local communities
- 414 Supplier social assessment
- 415 Public policy
- 416 Customer health and safety
- 417 Marketing and labeling
- 418 Customer privacy
- 419 Socioeconomic compliance

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

ECONOMIC STANDARDS

- Economic performance
- Market presence
- Indirect economic impacts
- Procurement practices
- Anti-corruption
- Anti-competitive behavior

ENVIRONMENTAL STANDARDS

- Materials
- Energy
- Emissions
- Effluents and waste
- Environmental compliance
- Supplier environmental assessment

SOCIAL STANDARDS

- Employment
- Labor/Management relationships
- Occupational health and safety
- Training and education
- Diversity and equal opportunity
- Non-discrimination
- Freedom of association and collective bargaining
- Local communities
- Supplier social assessment
- Customer health and safety
- Marketing and labeling
- Customer privacy
- Socioeconomic compliance

There are no changes regarding the identification of 2017 material issues.

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).



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GRI CONTENT INDEX

GRI 102: GENERAL DISCLOSURES (2016)

CODE	TOPIC	PAGE
102-1	Name of the organization	9, 138
102-2	Activities, brands, products, and services	16, 21, 24, 27
102-3	Location of headquarters	14
102-4	Locations of operations	14
102-5	Ownership and legal form	7, 9, 138
102-6	Markets served	15
102-7	Scale of the organization	14, 16, 19, 25, 28, 40
102-8	Information on employees and other workers	40
102-9	Supply chain	16, 37
102-10	Significant changes to the organization and its supply chain	138
102-11	Precautionary Principle or approach	92, 118
102-12	External initiatives	118
102-13	Membership of associations	128
102-14	Statement from senior decision-maker	6
102-15	Key impacts, risks, and opportunities	118
102-16	Values, principles, standards and norms of behavior	20, 47, 71, 74, 95, 124
102-18	Governance structure	9, 10
102-30	Effectiveness of risk management processes	118
102-31	Review of economic, environmental, and social topics	118

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GRI 102: GENERAL DISCLOSURES (2016)

CODE	TOPIC	PAGE
102-40	List of stakeholder groups	34, 35, 36
102-41	Collective bargaining agreements	48
102-42	Identifying and selecting stakeholders	33
102-43	Approach to stakeholder engagement	34, 35, 36
102-44	Key topics and concerns raised	34, 35, 36
102-45	Entities included in the consolidated financial statements	7
102-46	Defining report content and topic boundaries	138
102-47	List of material topics	140
102-48	Re-statement of information	103, 107, 113
102-49	Changes in reporting	138
102-50	Reporting period	138
102-51	Date of most recent report	138
102-52	Reporting cycle	138
102-53	Contact point for questions regarding the report	138
102-54	Claims of reporting in accordance with the GRI Standards	138
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GRI 103: APPROACH TO MANAGEMENT (2016)

CODE	TOPIC	PAGE
103-1	Explanation of the material topic and its boundaries	See tables
103-2	The management approach and its components	
103-3	Evaluation of the management approach	

ECONOMIC PERFORMANCE

CODE	TOPIC	PAGE
GRI 201: ECONOMIC PERFORMANCE (2016)		
103	Management approach 201	31
201-1	Direct economic value generated and distributed	31

GRI 202: MARKET PRESENCE (2016)

103	Management approach 202	70
202-2	Proportion of senior management hired from the local community	70

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PAGE

GRI 203: INDIRECT ECONOMIC IMPACT (2016)

103	Management approach 203	133
203-2	Significant indirect economic impacts	133

GRI 204: PROCUREMENT PRACTICES (2016)

103	Management approach 204	37
204-1	Proportion of spending on local suppliers	37

GRI 205: ANTI-CORRUPTION (2016)

103	Management approach 205	125-126
205-1	Operations assessed for risks related to corruption	125
205-2	Communication and training about anti-corruption policies and procedures	125
205-3	Confirmed incidents of corruption and actions taken	126



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ENVIRONMENTAL PERFORMANCE

CODE	TOPIC	PAGE
GRI 201: DESEMPEÑO ECONÓMICO (2016)		
103	Management approach 301	100, 101
301-1	Consumption of raw material	100, 101
GRI 302: ENERGY (2016)		
103	Management approach 302	97, 98
302-1	Energy consumption within the organization	97
302-3	Energy intensity	98
302-4	Reduction of energy consumption	98
GRI 305: EMISSIONS (2016)		
103	Management approach 305	103 ,104
305-1	Direct (Scope 1) GHG emissions	103
305-2	Energy indirect (Scope 2) GHG emissions	103
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx) and other significant air emissions	104



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ENVIRONMENTAL PERFORMANCE

CODE	TOPIC	PAGE
GRI 306: EFFLUENTS AND WASTE (2016)		
103	Management approach 306	107, 110-112
306-1	Water discharge by quality and destination	107
306-2	Waste by type and disposal method	110, 111, 112
306-3	Significant spills	107
306-5	Water bodies affected by water discharges and/or runoff	107

GRI 307: ENVIRONMENTAL COMPLIANCE (2016)

103	Management approach 307	95, 105
307-1	Non-compliance with environmental laws and regulations	95, 105

GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT (2016)

103	Management approach 308	38
308-1	New suppliers that were screened using environmental criteria	38

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SOCIAL PERFORMANCE

CODE	TOPIC	PAGE
GRI 401: EMPLOYMENT (2016)		
103	Management approach 401	45, 56, 57
401-1	New employee hires and employee turnover	45
401-2	Benefits for employees	56
401-3	Parental leave	57
GRI 402: EMPLOYEE-COMPANY RELATIONSHIPS (2016)		
103	Management approach 402	48
402-1	Minimum notice periods regarding operational changes	48
GRI 403: OCCUPATIONAL HEALTH AND SAFETY (2018)		
103	Management approach 403	
403-1	Occupational health and safety management system	74, 77
403-2	Hazard identification, risk assessment, and incident investigation	77
403-4	Worker participation, consultation, and communication on occupational health and safety	74
403-5	Worker training on occupational health and safety	77
403-8	Workers covered by an occupational health and safety management system	77
403-9	Work-related injuries	75, 76, 77
403-10	Work-related ill health	75, 76, 77



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404-1	Average hours of training per year per employee	52
404-3	Percentage of employees receiving regular performance and career development reviews	51

GRI 405: DIVERSITY AND EQUAL OPPORTUNITY (2016)

103	Management approach 405	59, 68, 71
405-1	Diversity of governance bodies and employees	68, 71
405-2	Ratio of basic salary and remuneration of women to men	59

GRI 406: NON-DISCRIMINATION (2016)

103	Management approach 406	71
406-1	Incidents of discrimination and corrective actions taken	71

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# SUSTAINABILITY REPORT





# INTRODUCTION



The entities included in this report are Alestis Aerospace, S.L., based in Spain, and the affiliated company Alestis do Brasil, Industria Aeroespacial Ltda., located in Brazil. The term “Alestis” refers to both firms, unless otherwise specified.

Since July 30, 2019, Alestis Aerospace, S.L. is part of the Aciturri Group, date on which Aciturri Aeronáutica, S.L.U. acquired 75.95% of the shares. 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.

Alestis doesn't issue its own consolidated financial statements, which are included in those of Aciturri Aeronáutica, S.L.U.



# ALESTIS

**Alestis— leader in composite materials engineering and manufacturing technologies—designs, manufactures, and assembles aerostructures 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.**





Alestis's **business model** is responsible, capable of inspiring trust in customers, investors, employees, partners, and society as a whole, and it is integrated within the aeronautical industry.

To promote this, we have **annual operational plans**, approved and followed by the Board of Directors with a three/five-year period in mind, as well as the firm's **strategic objectives**, which constitute our annual priorities and are based on cash generation, economic profitability, and the fulfillment of our mission and vision. For that we rely on our values to continue pursuing excellence, digitization, and the development and commitment of our employees.

Alestis's **business model** is responsible, capable of inspiring trust in customers, investors, employees, partners, and society as a whole, and it is integrated within the aeronautical industry.

Monitored and backed up by the General Management, each member of the Steering Committee is responsible for attaining the strategic objectives in their specific areas of action, focusing especially on the management of the different production plants, which represent the basis of all their operations.

Our 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, strengthens our 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.



STRATEGIC GOALS FOR THE 2021- 2025 PERIOD <sup>59</sup>.

INCREASE THE COMPANY'S TURNOVER

To increase the company's turnover to €200M [approx. \$238M] in the next few years, preferably through full life cycle aerostructures and diversification of customers and activities.

EBITDA

To consolidate a sustainable EBITDA around 15% on sales.

R&D&I INVESTMENTS

To make net investments in R&D&I activities worth €16M [approx. \$19M] between 2021 and 2025.

REDUCTION OF OUR DEBT

To reach an agreement with the creditors to achieve a significant reduction of our debt in the balance sheet.

59. These strategic objectives were in force in 2020, however, at the time this report was finished, they are being revised and adapted to the current situation resulting from the pandemic.



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Our 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, strengthens our business model.

Alestis has a management program certified under the **ISO 9001, EN9100 and POA Part 21 Subpart G standards, as well as the following certified processes:**

- **Nadcap Chemical Process** (in Alestis do Brasil, Vitoria, San Pablo, Aerópolis, Puerto Real, Tecnobahía)
- **Nadcap Composites** (Alestis do Brasil, San Pablo, Tecnobahía)
- **Nadcap Non-Destructive Tests** (Alestis do Brasil, Vitoria, San Pablo, Tecnobahía)
- **Nadcap Heat Treatment** (Vitoria)
- **Nadcap Welding** (Vitoria)
- **Nadcap Measurement & Inspection** (Vitoria, San Pablo)

In addition, there are over 550 certifications for each client’s specific processes.

It should be noted that 2020 was a record year regarding Nadcap audit results. We currently hold nine 24-month merits and seven 18-month merits, out of a total of 17 processes. These merits are granted by the agency based on the good results accumulated in the regular audits. They allow to decrease the frequency from the fixed 12-month period to 18 or 24, depending on the assessments.

In 2020 we also started diversifying our activity within the area of aeronautical maintenance, which is why **we began to develop the EN9110 and EASA Parte 145 certifications as an Aeronautical Maintenance Organization.** We expect these certifications to materialize in the first quarter of 2021.

Since 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.

In 2020 we also started diversifying our activity within the area of aeronautical maintenance, which is why **we began to develop the EN9110 and EASA Parte 145 certifications as an Aeronautical Maintenance Organization.**

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# REPRESENTATIVE BODIES

Alestis’s Governing Body is **strongly committed to strengthening a business activity based on values, principles, criteria, and attitudes that create value for their partners.**

Alestis’s Governing Body 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.

ACITURRI

75.95%

4 REPRESENTATIVES

SEBASTIÁN ARIAS TOBALINA  
ROBERTO REY PERALES  
FELIPE GALÁN GARCÍA  
JAVIER GONZÁLEZ DE LARA Y SARRIA

SEPI

Spanish  
Government

24.05%

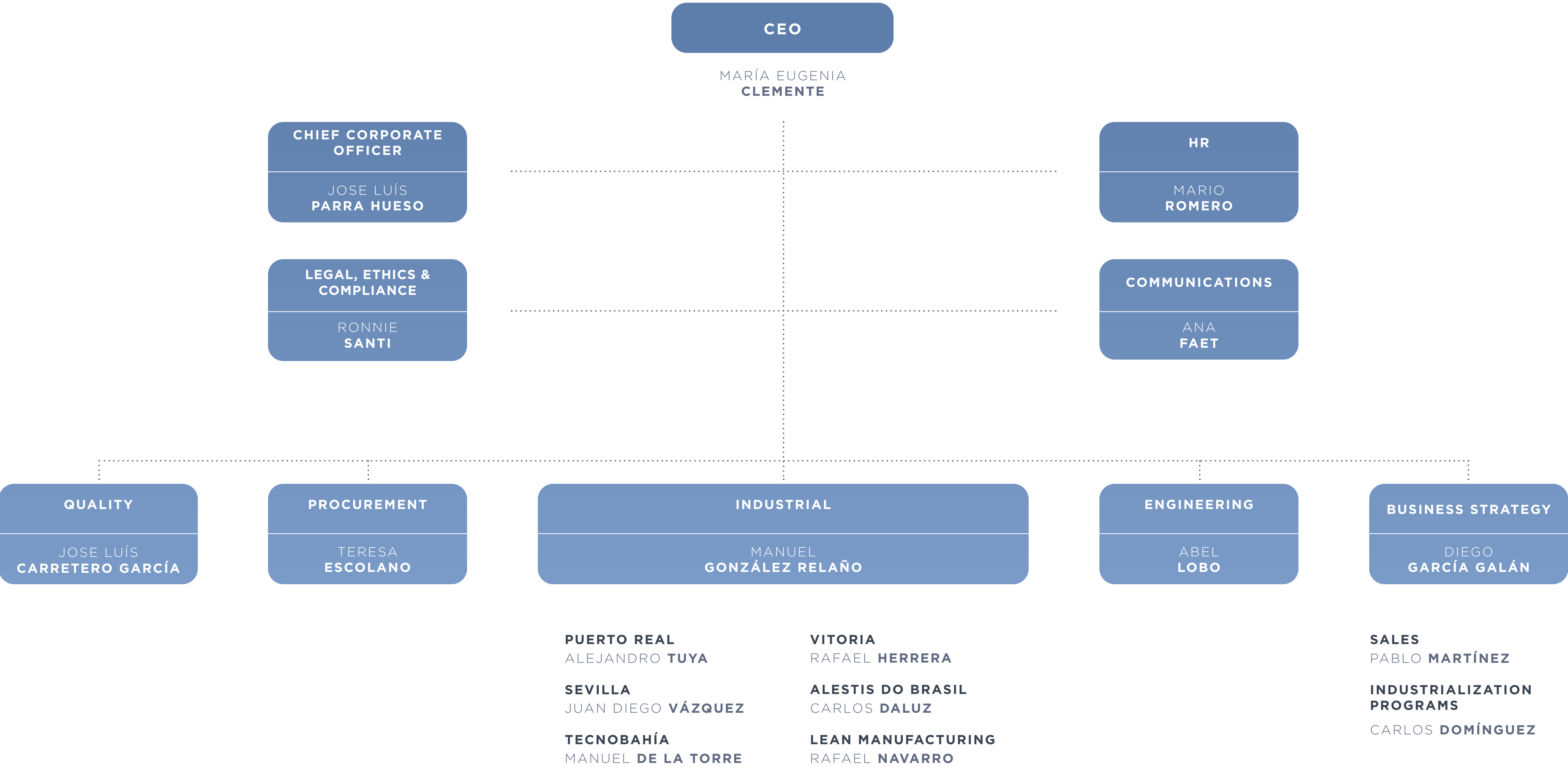
2 REPRESENTATIVES

MIGUEL ÁNGEL SANTIAGO MESA  
ROSARIO MARTÍNEZ MANZANEDO



REPRESENTATIVE BODIES

Below is Alestis’s **organization** chart <sup>60</sup> :



60. As of the date of completion of this report.

# MISSION, VISION & VALUES



## MISSION

**“We bring comprehensive and innovative solutions to the aerostructures market and generate added value for our customers through our talented team and their mastery of advanced technologies”.**



## VISION

**“Being strategic partners of the main aerospace manufacturers and being recognized as a sustainable and responsible company”.**



## VALUES

### COMMITMENT

**“Our success is the result of our commitment”.**

We give our best to achieve our goals.

### ENTHUSIASM

**“We are driven by excellence”.**

Our ability to overcome challenges encourages us to outdo ourselves every day to achieve outstanding results as a team.

### EXCELENCIA

**“La excelencia es nuestro motor”.**

Nuestra capacidad de superación nos impulsa a retarnos cada día para obtener resultados sobresalientes como equipo.

### VALUE CREATION

**“Our performance focuses on the company’s profitability”.**

We work toward creating value for our customers, employees, and shareholders as a guarantee of sustainability.

### INNOVATION

**“We innovate to build the future”.**

We combine creativity and technological expertise to generate value and offer unique and advanced solutions.

### RESPONSIBILITY

**“Responsibility is our modus operandi”.**

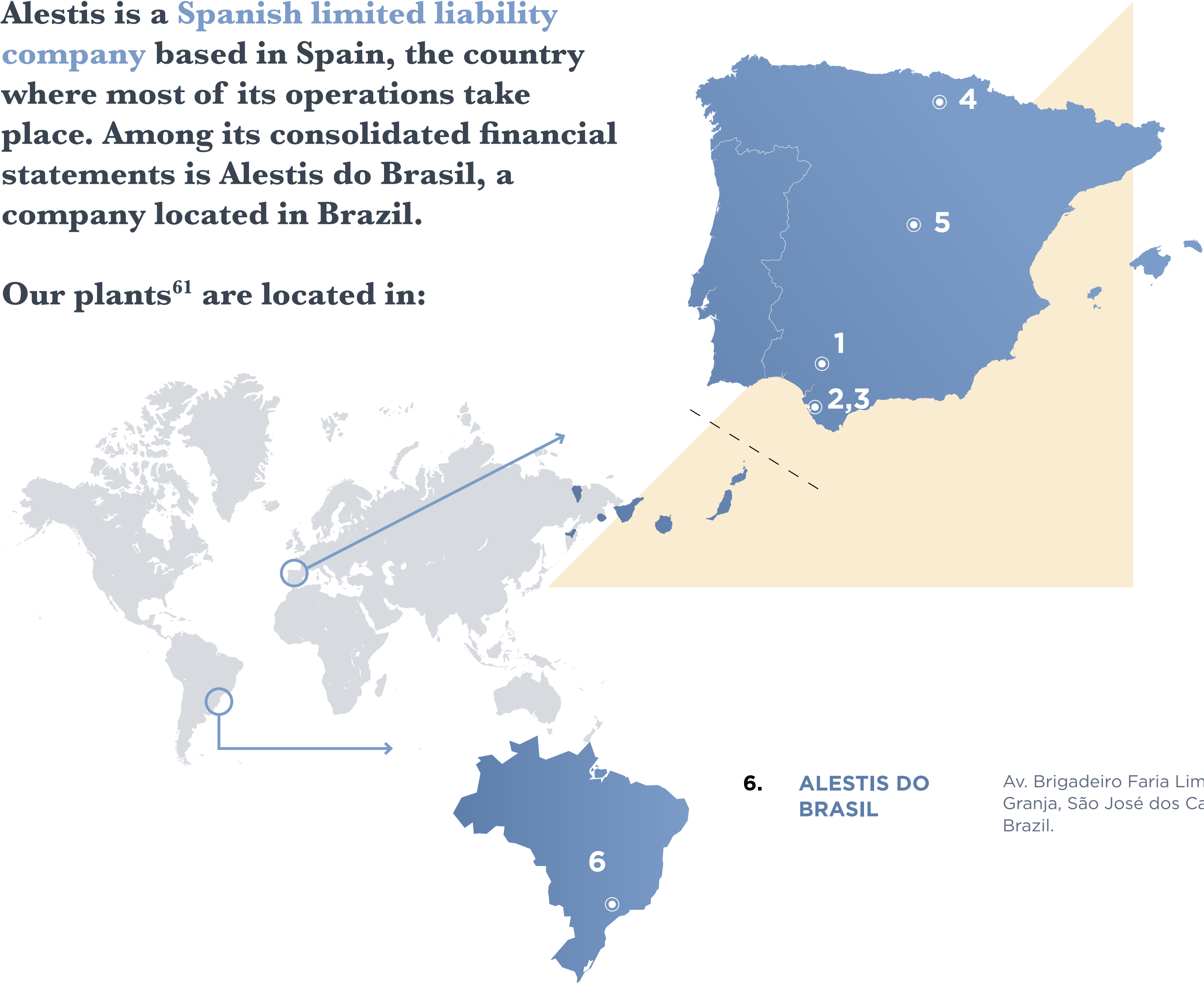
We are aware of the impact of our industrial actions, and this is why we adopt practices that reinforce the sustainability of both the company and the areas where we operate.



# 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.

Our plants<sup>61</sup> are located in:



- |    |             |   |
|----|-------------|---|
| 1. | SEVILLA     | Carretera N-339, km 1,5 (C/ Barriada del avión), 41300, La Rinconada (Seville).   |
| 2. | PUERTO REAL | Polígono Industrial Trocadero, C/ Portugal s/n., 11510 Puerto Real (Cádiz).   |
| 3. | TECNOBAHÍA  | Parque Tecnológico Tecnobahía, Avda. Sindicalista Isidoro Gálvez s/n Parcela 39-40-41, 11500 Puerto de Santa María (Cádiz). |
| 4. | VITORIA     | Parque Tecnológico de Álava, C/ Marie Curie 2, 01510 Miñano (Álava).  |
| 5. | GETAFE      | Pq. Empresarial La Carpetanía, C/ Miguel Faraday, Edificio Charmex, 28906 Getafe (Madrid).                                  |

- |    |                   |  |
|----|-------------------|--|
| 6. | ALESTIS DO BRASIL | Av. Brigadeiro Faria Lima, 1.699 – Jardim da Granja, São José dos Campos – SP,12227-010, Brazil. |
|----|-------------------|--|

61. Plants in operation at the moment this document was published.

# KEY CUSTOMERS & PRODUCTS

**Alestis specializes in composite manufacturing, providing all the technologies on the market to offer the most competitive solution.**

Alestis Aerospace is an integrated aerostructures supplier for the different phases of the product life cycle, for OEMs (Airbus, Embraer, Boeing), and large Tier 1 companies. From day one, we offer capabilities and competencies, design, development, certification, manufacturing, assembly, delivery, final assembly line (FAL), and service support in a competitive and long-term way. Our strategy is based on continuous improvement and investment in research, development and constant innovation, through which we develop optimization projects, improve designs and processes, and reduce costs. In addition, Alestis can support clients around the world with their offset management.

Our activity focuses mainly on the design, development, manufacturing, and assembly of aerostructures. Alestis specializes in composite manufacturing, providing all the technologies on the market to offer the most competitive solution:

- AUTOMATED FIBER PLACEMENT (AFP)
- AUTOMATED FIBER LAY-UP (FLU)
- AUTOMATED TAPE LAY-UP (ATL)
- MANUAL MOLDING
- RTM AND LRI

In 2020, Alestis expanded its business operation by developing a product strategy that maximizes the value proposition for current and potential clients in the commercial aviation, military, and the business jets markets. We offered them integrated product developments and innovative solutions based on the company’s experience and know-how.

The Customer Support & Services division has extensive experience in support activities: at the FAL in Toulouse for the A350 XWB program; at Saint Nazaire for A350 XWB/A330; at the FAL in Sevilla and the Maestranza Aérea de Sevilla for A400M; at the A330MRTT conversion in Getafe; and at the FAL in Embraer in São José dos Campos (Brazil).

In 2020, our activity focused on the commercial development of MRO, Services and Training activities, with both civilian and military clients. In August, we formalized the agreement between Alestis and ADS to carry out the MSN028 A400M engine replacement, an aircraft belonging to the Turkish Air Force at the Kayseri military base.

**Alestis expanded its business operation by developing a product strategy that maximizes the value proposition for current and potential clients in the commercial aviation, military, and the business jets markets.**



Throughout 2020, Alestis Aerospace delivered parts for the major OEMs’ most relevant programs:

AIRBUS

BF A350 XWB:  
57 TO 65 AIRCRAFT

A330 PAX DOORS:  
20 AIRCRAFT

S19.1 A350 XWB:  
60 AIRCRAFT

A330 HTP parts:  
21 AIRCRAFT

A320 HTP:  
246 AIRCRAFT

A380:  
5 AIRCRAFT <sup>62</sup>



B777 COM flaperon:  
25 AIRCRAFT

B777 flaperon skin:  
18 AIRCRAFT

B787 tips & strakelets:  
40 AIRCRAFT

AIRBUS  
DEFENCE & SPACE

C295 empennage:  
9 UNITS

A400M cowlings:  
9 UNITS

C295 fuselage:  
8 UNITS

A400M elevator:  
5 UNITS



ERJ 190/195 winglet:  
LAST UNIT DELIVERED IN JULY

Legacy 450/500 wing & empennage:  
19 AIRCRAFT

Legacy 450/500 composites:  
10 AIRCRAFT

In addition to these, two new programs were added to the Alestis product portfolio in 2020: mass deliveries of the 93 S19 1 A350 XWB rib frames for Aciturri, and the A400M Wing Fuselage Fairing (WFF).

As part of Airbus’ Supply Chain Quality & Improvement program, Alestis received the “**BEST IMPROVER**” award in recognition of our excellent performance in 2019 and reaching significant milestones in the main assessed KPIs: deliveries, OTD (On

Time Delivery) evolution from 85% in 2019 to 98% in 2020, a volume of concessions of less than 2 per month and 0 QSRs generated. This award, which places the company as a reference aerostructures supplier on an international scale, is a welcome recognition from our main client of the effort and dedication of the entire Alestis team and of our process improvements.

62. Mass deliveries (last four BF panel aircraft) were completed. The program continues now to supply fleet spare parts and retrofit activities.



# PROJECTS

## INDUSTRIAL PROJECTS

### One of the major milestones in 2020 was the reorganization of the production processes in the plants.

One of the major milestones in 2020 was the reorganization of the production processes in the plants, which meant a profound transformation in the San Pablo and Tecnobahía centers, with significant investments to expand their productive capacities and improve their facilities.

### SAN PABLO

In July and August, the **industrial area of the San Pablo plant was expanded**, and the assembly activity of the packages for the A350 XWB, A380, B787, and other sub-assemblies, which were carried out in Aerópolis until then, were moved. The new restructuring has translated into significant savings, greater integration into the manufacturing chain, improved operational efficiency, and the evolution toward a more competitive plant. Aside from the assembly area installation, the following improvements were carried out:



- **Expansion of the warehouse**, installation of sliding and high-speed doors, new LED lighting in the area, and installation of a 14-meter high smart parts storage system.
- **Installation of a new manual machining operations booth**: the new suction installation improves production flows in the final manufacturing processes.
- **Standardization of jobs** in the autoclaves control room.
- **Re-arranging of the ultrasound area**: C-Scan and A-Scan.
- **Renovation of the mixing room** and the paint chemicals warehouse.



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TECNOBAHÍA

In order to integrate the manufacturing and assembly processes in the Tecnobahía plant, the following changes were carried out:

- **Restructuring of the final process warehouse** layout and design of new production flows for all plant programs.
- **Optimization of the machining center capacity** thanks to the A320 HTP spars and Front Firewall (FFW), Rear Firewall (RFW) and the A350 XWB beams cutting and drilling project.
- **Development of** the chemical warehouse control system.
- **Creation of a new warehouse area** and adaptation of our logistic means by installing smart storage systems.





HIGH-PERFORMANCE LINE IN SAN PABLO

Alestis’s A320 High Performance Line in San Pablo represents an unprecedented milestone in process automation, as well as a disruptive change in the manufacture of carbon fiber parts for the aeronautical sector. It’s a new production model based on robust semi-automatic manufacturing processes, in which methodologies from Industry 4.0 and Lean Manufacturing are applied.

This is a flexible 1,000 m² area used for the A320 HTP package and consists of the following sections:

- **Fabric cutting area**, with a cutting process based on manufacturing needs, which avoids unnecessary storage and reduces material waste due to expiration.
- **Manufacturing area** (clean room) consisting of 20 independent workplaces with a fast compaction system with an in-house design.
- **Tooling warehouse area** consisting of one KUKA 700PA robot for loading and unloading tools on the line, and two MODULA automated warehouses with capacity to accommodate the tools for three aircraft from the A320 package.
- **A curing area** consisting of the autoclave, an automatic gantry, a directional shuttle, and triple-height racks for loading and unloading parts into the autoclave.
- **Cleaning and demoulding area** with capacity for 10 workstations.
- **Renovation of the mixing room** and the paint chemicals warehouse.

PROJECTS

All systems present at the plant (CRACKEM, SAP, POLARIS) are integrated within the High-Performance Line, which has screens that allow production tracking in real time. All areas are paperless: we use tablets for entering the data regarding traceability maintenance and quality requirements.

It’s a new production model based on robust semi-automatic manufacturing processes, in which methodologies from Industry 4.0 and Lean Manufacturing are applied.





R&D&I PROJECTS

SOFIA PROJECT

Within the Clean Sky 2 environment, we were awarded the SOFIA project (“test methods for analySis OF Infusion Panels”), focused on studying the behavior of thermoset (stiffened) panel manufactured by infusion versus conventional fuselages manufactured with prepreg thermoplastic. In 2020, we took all the necessary actions to proceed to present the proposal and shape a consortium led by ALESTIS.

DALI PROJECT

As part of the of the aeronautical product diversification strategy, we launched DALI, which stands for “development of light aeronautical sections under high energy impact”. It consists in the development of a composite highly-integrated fuselage section capable of absorbing high-energy impacts. The design, simulation, and testing of the first demonstrators show very encouraging results.

DEVELOPMENT OF SANDWICH  
PANEL AUTOMATION

As part of our strategy to develop composite automation technology, this project represents the development of sandwich panels using automated lay-up. In 2020, we continued with all ongoing activities, completing the characterization tests of the different configurations and materials, detail dimensioning, and manufacturability demonstrators. Thanks to this progress, we reached the important milestone of a TRL6 maturity level, which has brought this promising technology closer to its introduction into the industrial application environment for this type of components.

**Within the Clean Sky 2 environment, we were awarded the SOFIA project (“test methods for analySis OF Infusion Panels”), focused on studying the behavior of thermoset (stiffened) panel manufactured by infusion versus conventional fuselages manufactured with prepreg thermoplastic.**

THERMOPLASTIC  
DEVELOPMENTS

Regarding our strategy for the development of thermoplastic structures and components, we continued working mostly with a focus on two technologies:

IN SITU CONSOLIDATION  
TECHNOLOGY (ISC):

In 2020, the first technological demonstrator was manufactured with this technology. This demonstrator, developed by Alestis in collaboration with other technology centers, is an example of innovation worldwide. It represents a breakthrough within this thermoplastic technology, while combining other technologies to harness the complexity of incorporating supports and rib frames in different sections in order to create a highly-integrated component, all while ruling out the usual assembly stages.

THERMOPLASTIC STAMPING  
TECHNOLOGY:

This project poses the challenge of manufacturing a complex geometry demonstrator using thermoplastic stamping technology. In 2020, we collaborated with other technology centers to create the first real-scale demonstrator, which provides the basis for harnessing everything this technology has to offer, including process high rate and productivity, high repeatability, and the possibility of reprocessing.



DOMAIN PROJECT

As part of our strategy for aeronautical sector diversification, we launched DOMAIN: “design and development of complex geometries in aeronautical multifunctional materials integrated into regional segments and business jets”. It focuses on developing a range of highly standardized products which enable us to compete through the creation of scale economies and centers of excellence for manufacturing valid components for all segments.

INTEGRATED REAR END

This project is part of our continuous innovation strategy for rear end manufacturing and focuses on the development of an innovative rear end concept based on a structure which integrates all the structural elements through a single one-shot manufacturing process. This concept translates into a significant cost reduction by drastically reducing individual component manufacturing and assembly using the conventional riveting joining processes.

In 2020, we completed the development and design of the tooling concept, which allowed us to move forward to the next stage of the technology demonstrators manufacturing.

PROJECTS





# DIGITIZATION PROJECTS

## POLARIS

Digitization at the service of improving production processes is at the heart of the Polaris tool: a platform that integrates proximity technologies and big data to make operators’ daily activity easier. The implementation of this tool allows the operator to automatically access the SAP system by means of their Beacon card and tablets at the workstations so they can check the tasks they are expected to perform according to their role. This system allows us to fully understand the line traceability in real time, manage the production flows progress more efficiently, and reduce the company’s paper consumption.

In 2020, it was implemented in three lines in Puerto Real: A350 XWB S19.1, A330, and painting; in one line in Aerópolis: the formers for the A350XWB; and in the Boeing programs in San Pablo for the A320 line. In addition, we also started to use it in Tecnobahía for the Front Firewall and the other packages in San Pablo.

The following projects were also carried out to speed up the search and storage of information:

**Digitization at the service of improving production processes is at the heart of the Polaris tool: a platform that integrates proximity technologies and big data.**

• **Digital temperature and humidity control for the cold-storage rooms and different areas in San Pablo:**

The systems extract real-time information about temperature and humidity in different zones through an application programming interface (API). The main advantage is the configuration of an alert system that allows us to detect alterations that could cause material waste.

• **Digiops—Alestis Ops Scanner Tool:**

At the heart of this project is the development of an electronically automated system that stores all the production orders handled by the Quality Assurance division. This allows to quickly search for a document by means of optical character recognition (OCR).

• **Digi Albarán:**

This tool is similar to Digiops, but we use it to save, store, and perform quick and effective searches of the delivery slips we receive. The information regarding the delivery slips stored in the tool is retrieved via the SAP system.

• **Alejandría:**

A system that stores PDF files in a database and allows to perform searches using information specific to the document (part numbers, batches, etc.).

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ALESTIS’S LOGISTICS INFORMATION  
SYSTEM (SILA)

Our Digitization and SAP division has developed a collaborative project to optimize the storage of tooling and small parts by connecting the smart storage systems software (Modula) with SAP. Thanks to this project, we have been able to automate administrative tasks related to the management of storage, inventories, client deliveries, etc.



CONNECTIVITY AND SECURITY IN  
TELECOMMUNICATIONS

The IT division focused on two aspects to ensure that remote working went smoothly:

**CONNECTIVITY:** Foreseeing that working from home would become the norm, our internet connection was extended to 200 GB, including an additional 300 MB-FTTH line for those departments which require greater bandwidth.

**SECURITY:** The main goal was to maintain a robust security system to reduce the risk of cyberattacks. To do this, the following systems were implemented and improved:

- **MICROCLAUDIA:** This tool, endorsed by the CCN-CERT (Spain’s National Cryptology Center), protects our computers against malware such as ransomware.
- **GEOLOCATION FOR CITRIX VPN CONNECTIONS:** This feature, implemented in the Intrusion Detection System (IDS), detects suspicious activity through geolocation.
- **CARMEN TOOL UPDATE:** It identifies if the network has been compromised by Advanced Persistent Threats (APT). Were introduced more sophisticated techniques for detecting advanced persistent threats on the corporate network.



# RESULTS

**Since March 2020, the SARS-CoV-2 virus—which causes the disease COVID-19—has greatly complicated this competitive situation by leading to an unprecedented economic crisis worldwide, which has reduced every country’s GDP significantly.**

In the years leading up to the COVID-19 pandemic, the aeronautical sector had already been showing a certain slowdown. In December 2018, Airbus started slowing down its activity in the major aeronautical programs, at the same time that it began to lower the rates from its main platforms from a certain number of deliveries.

Since March 2020, the SARS-CoV-2 virus—which causes the disease COVID-19—has greatly complicated this competitive situation by leading to an unprecedented economic crisis worldwide, which has reduced every country’s GDP significantly. To size up the situation, we just have to analyze the impact of restrictions on the free movement of persons and goods, their direct effect on passenger and freight transport operators, and their indirect effect on the aircraft manufacturing and shipbuilding industries. We can honestly say that this situation is particularly impacting the aeronautical industry, which is closely related to the economic and political sphere. The first and most immediate consequence of the air traffic standstill came from the main airlines: they renegotiated delays (and even cancellations) in agreed orders with aircraft manufacturers around the world.

The first outcomes of the crisis are already obvious: manufacturing rates for different aircraft models have dropped between 36 and 47% since the beginning of the pandemic. More specifically, on April 8, 2020 Airbus officially announced a 40% reduction in its production over the April-August 2020 period. What’s more, they put on stand-by the validity of any production plan for the following months, with an expected downward trend. Later on, in July, Airbus ratified these estimates, maintaining the above-mentioned production ratios up to March 2021.

Needless to say, the impact on Alestis is substantial. Compared to 2019, our annual accounts show a 43% drop in sales in 2020. The lower margin derived from this drop has drained our normal operational results, reducing them to the red.

To alleviate this situation, we have taken the following measures, among others:

IMPROVEMENT PLAN

Improvement plan implemented in the second half of 2019 and aimed at reducing the company’s operating costs. It has already yielded recurring synergies that have enabled us to cut down on costs significantly since 2020.

**Improvement plan implemented in the second half of 2019 and aimed at reducing the company’s operating costs. It has already yielded recurring synergies.**

INDUSTRIAL RESTRUCTURING

Undertaking an industrial restructuring to reduce the atomization of our production centers and substantially optimize the use of our own facilities, both for productive activities and office space, instead of resorting to leased buildings. First of all, at the end of 2020, the two plants located in Sevilla merged into one, which resulted in significant cost reductions and operational improvements. In addition, in early 2021, the company’s headquarters were moved to the production plant in Sevilla, located next to the airport, which has helped us save on rent and other costs. These measures will be followed by similar ones.

EMPLOYMENT RESTRUCTURING

Employment restructuring to adapt our capacity to new medium- and long-term production estimates. In this light, a furlough scheme was launched in mid-2020 for a very significant percentage of our staff, as well as a labor force adjustment plan agreed upon with the union representatives in the last quarter of 2020. This affects a total of 585 workers and reduced the company’s staff by 309 people in 2020. This measure has translated in significant savings in personnel operating costs, which will be obvious in the next financial years, although it has had an exceptional impact on the 2020 income statement—more than €20M [approx. \$23.8M].

COMMERCIAL ACTIONS

Carrying out commercial actions to explore new markets in search of additional workload and to diversify our client and product portfolios.

AGREEMENT TO REFINANCE

Reaching an agreement to refinance our insolvency debt, in accordance with the legislative authorization provided for in Law 3/2020, of 18 September, of procedural and organizational measures to deal with COVID-19 in the field of the Administration of Justice. This law allows us to promote an amendment to the agreement we reached with our creditors back in 2013, and for that purpose we submitted a proposal to the court at the end of 2020. This proposal to amend the arrangement with the creditors, which only affects creditors who were originally involved in the insolvency proceedings, was supported by 93.40% of the creditors affected. We are now awaiting the ruling ratifying the amendment. The creditors may choose to receive their credit immediately with a 45% haircut, or receive the full amount over the next fifteen years. In other words, once approved, this new agreement will allow to reduce the financial debt subject to be scaled down, and to rationalize the repayment rate of the deferred debt, as well as to obtain very positive results in 2021 thanks to scaling down the debt and extending the time.

**This new agreement will allow to reduce the financial debt subject to be scaled down, and to rationalize the repayment rate of the deferred debt.**



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Implementing these plans resulted in exceptional costs in 2020. Our estimates amount to €23.4M [approx. \$28M], as explained below:

2020 EXCEPTIONAL EXPENSES	THOUSANDS OF EUROS
STAFF EXPENSES	
INDEMNITIES	20,411
OTHER EXPENSES	16
OTHER OPERATING EXPENSES	1,379
OTHER RESULTS	1,594
TOTAL EXCEPTIONAL EXPENSES OVER OPERATIONAL RESULT (EBIT)	23,400

The cash forecasts for 2021 are positive, so we do not anticipate the need for external funding sources.

RESULTS

These expenses, together with the lower margin derived from the 43% sales reduction, are responsible for the 2020 operating losses, which amount to -€27.2M [approx. -\$32.4M]. Admittedly, they would have been slightly negative even without those additional expenses (-€3.8M).

Overall, the 2020 after-tax balance was also affected by these extraordinary costs, bringing the net loss to -€31M [approx. -\$37M]. On the contrary, we hope that the impact of the restructuring will contribute to significantly improve our operational results in the coming tax years. This, together with the economic effects of scaling down our debt and the time extension to repay it, we expect very positive net results in 2021 to offset the 2020 losses.

Likewise, the cash forecasts for 2021 are positive, so we do not anticipate the need for external funding sources.

Regarding the recovery of the sector, the European Commission already put forward a series of guidelines and recommendations to help the Member States go back to normal.

The aerospace and defense industries will recover very slowly in 2021. Deloitte’s annual report on forecasts for our sector depicts an uncertain picture. One of their main conclusions is that the defense sector will be the most stable.

In Brazil, the breakout of the COVID-19 pandemic in 2020 and the measures taken by the Brazilian government caused the country’s economic and productive pace to slow down, which led to a significant increase in inflation and fluctuation of the BRL against the USD. The trend shows this fluctuation will persist over the next 3 years.

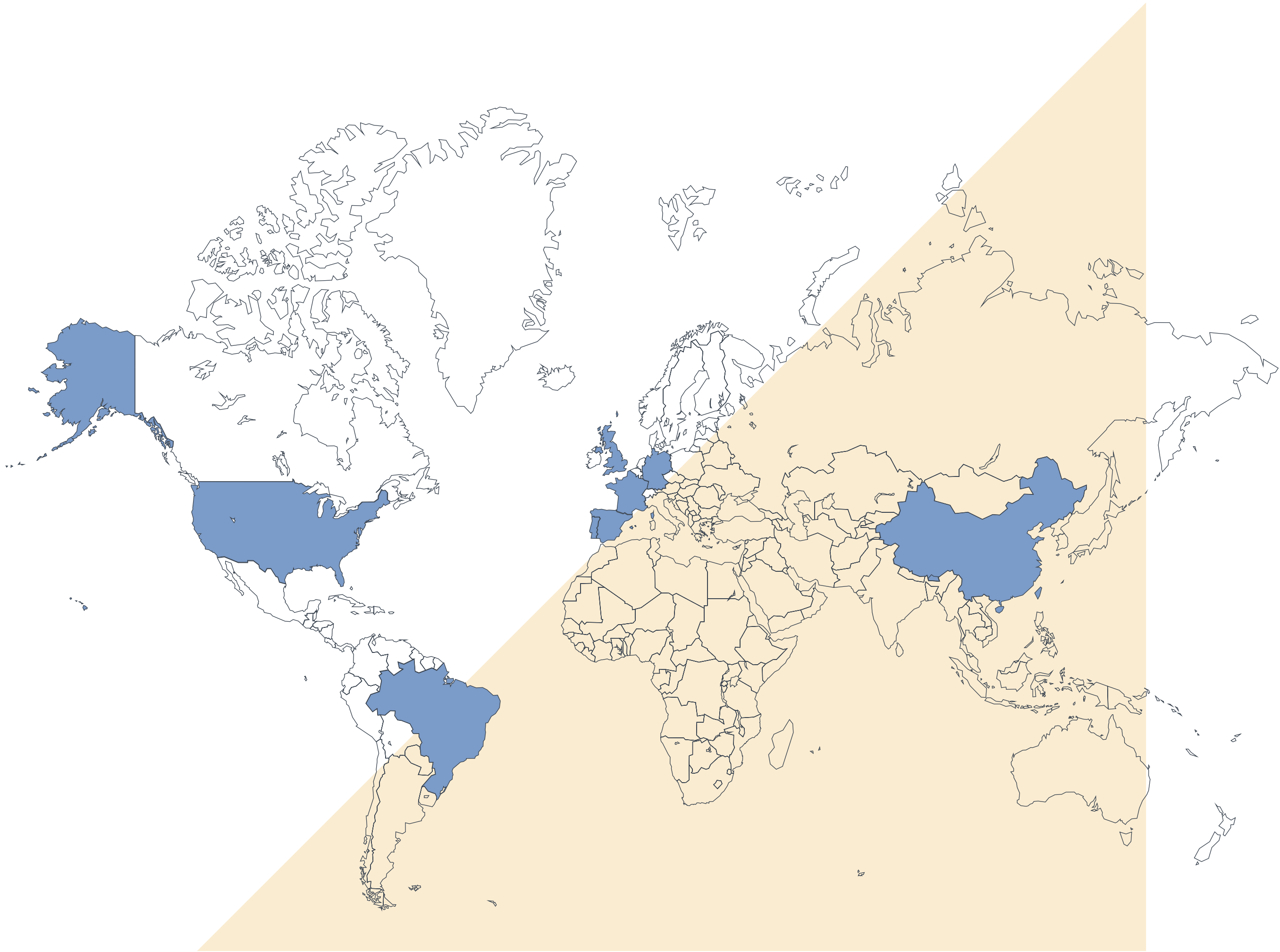
Against this backdrop, the losses for 2020 amount to -€31M [approx. -\$37M], including the registered decline of the investments held in the Brazilian affiliated company Alestis do Brasil, Industria Aeroespacial Ltda., which amounts to -€4.2M [approx. -\$5M]. Therefore, it can be said that, based on the tax year 2020 for Alestis, -€26.8M [approx. -\$32M] came from Spain and -€4.2M [approx. -\$5M] from Brazil. It is important to note that the losses in Brazil are mostly due to the value drop in the currency (Brazilian real) when compared to the euro—the Brazilian company generated substantial profits from its operating activities.

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In 2020, net sales amounted to €165.5M [approx. \$197M] (as opposed to €291.4M [approx. \$347.5M] in 2019), with the total assets of the company at €331.9M [approx. \$396M] (as opposed to €384.6M [approx. \$458.8M] in 2019). The total capitalization of the company is €241.25M [approx. \$287M] (€267.14M [approx. \$318M] in 2019): €1.69M [approx. \$2M] corresponds to net worth, and €239.5M [approx. \$285.6M] to financial debt. In 2019, the breakdown was €34.3M [approx. \$41M] and €242.7M [approx. \$289M] for net worth and financial debt respectively.

Below is the turnover by country:

COUNTRY	TURNOVER (thousands of euros)
1. GERMANY	2,927
2. BRAZIL	3,073
3. CHINA	214
4. USA	997
5. SPAIN	67,695
6. FRANCE	90,157
7. PORTUGAL	499
8. UNITED KINGDOM	28
TOTAL	165,590





Due to our negative balance, Alestis didn't pay anything to the Spanish Tax Authorities on account of the Corporate Income Tax in 2020. Likewise, our Brazilian affiliated company did not pay anything under income taxes. For its part, Alestis received €5,19M [approx. \$6,19M] from the Spanish Tax Authorities in monetization of R&D deductions recognized in the Corporate Income Tax for the financial year 2016 and 2019, plus a €1,05M [approx. \$1,2M] refund for the same tax for the fiscal year 2019.

During the financial year 2020, Alestis did not receive any public capital or operating subsidies.

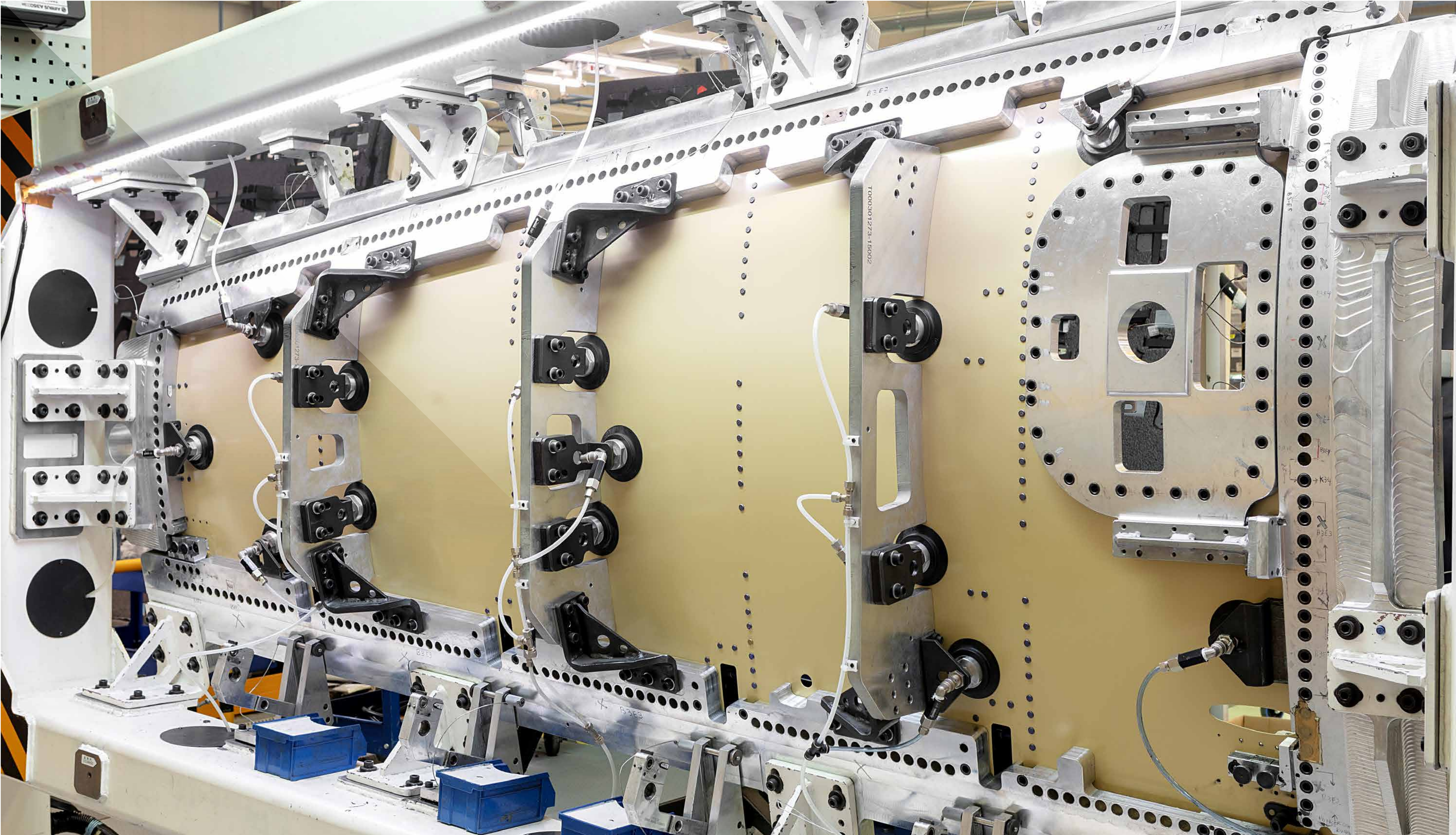
Between 2012 and 2014, Alestis was involved in bankruptcy proceedings, which resulted in a 5-year Feasibility Plan which set the debt repayment deadline for 2034. So far, the company has fulfilled its commitments to the creditors. Law 3/2020, of 18 September, of procedural and organizational measures to deal with COVID-19 in the field of the Administration of Justice allows to renew the agreement reached with the creditors and to sign a new one. A new Viability Plan adapted to the new economic situation derived from the pandemic has also been implemented. To this end, on December 21, 2020, a proposal for an amendment to the agreement with the creditors was presented to the court. The proposition is to give the creditors the choice to receive their credit immediately with a 45% haircut, or, alternatively, receive the full amount over the next fifteen years. Together with the proposal, the court received a document proving the support by most of the creditors affected.





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# SUPPLY CHAIN

## 42.29% of supplier spending goes to suppliers and subcontractors located in Spain.

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.

Regarding suppliers, Alestis follows these procedures:

**DEFINITION OF THE PROCUREMENT POLICY AND STRATEGY:** It includes social and environmental aspects, and establishes the framework for our relationships with product and service suppliers. Issues of gender diversity and equality are included in the Ethics & Compliance Policy (paragraph 3.3) . The goal is to consolidate a stable and long-lasting relationship with suppliers and generate value on a sustained basis. This document reflects Alestis's wish to find suppliers who share our ethical values and can prove it.

With regard to human rights, our Purchasing Policy includes 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, suppliers are required to have a safe and healthy work environment by minimizing risks and taking appropriate preventive measures, as well as by providing their staff with the right PPE.

In the same vein, suppliers and subcontractors must also comply with environmental regulations and waste management, emission treatment, discharges, and handling and disposal of chemicals and hazardous materials.

**SUPPLIER SELECTION AND RECRUITMENT PROCEDURE:** This procedure establishes the qualifying criteria (respect for human rights and basic labor rights, among others), and aspects related to technical capacity, industrial capacity, and deliveries, as well as trade and quality criteria. In addition, it ensures that all purchases are carried out on fair and equitable criteria.

**SUPPLIER EVALUATION, APPROVAL, AND ONBOARDING,** which defines the method to be followed for evaluating, approving, onboarding, and checking the quality of suppliers. This is 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, and establishes the criteria to evaluate suppliers, which can be through documentation or through an in-person 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.

**Our Purchasing Policy includes 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.**

63. The Purchasing Policy is included in the document manager, available to all suppliers. In addition, a related clause is now being added to new contracts.

**CONTROL AND MONITORING OF SUPPLIERS:** In this case, the goal is to ensure that all suppliers’ deliveries meet all the requirements, and confirm that the suppliers themselves adhere to the company’s policy and objectives, their industrial process is robust enough, and orders comply with quality standards and are fulfilled in a timely manner. 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.

**SUPPLIER STANDARD CONTRACT, CLAUSE 27 (ETHICS & COMPLIANCE):** It includes Alestis’s Ethics & Compliance Policy, as well as the requirement to suppliers not to use any materials defined as “conflict minerals” for component manufacturing. It also demands that they apply due diligence in their supply chain to guarantee it. Similarly, we require that our suppliers make explicit commitments to combat corruption and to implement specific compliance programs in accordance with the United Nations Convention against Corruption.

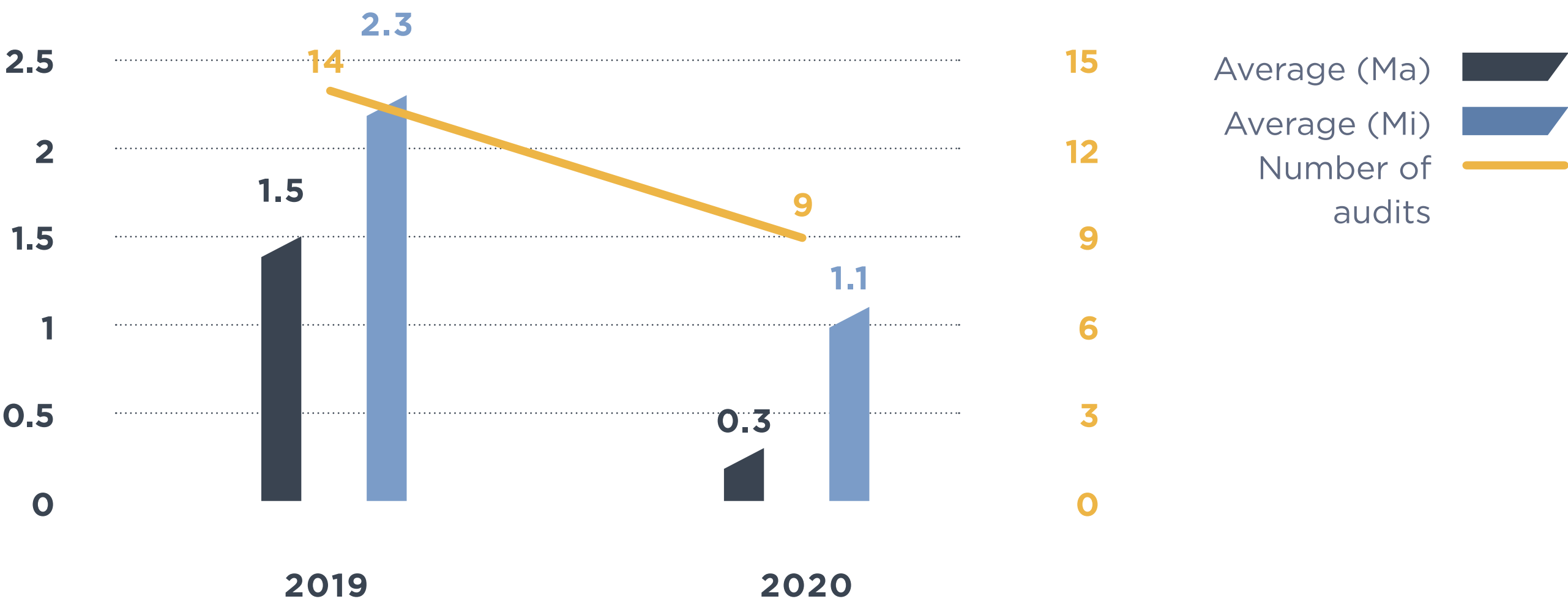
We require that our **suppliers make explicit commitments to combat corruption and to implement specific compliance programs in accordance with the United Nations Convention against Corruption.**

In short, we expect suppliers to comply with basic standards regarding ethics and human rights, their employees’ occupational health and safety; and the environment and sustainability. They are also expected to enforce the current legislation applicable in each case.

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.

In 2020, a total of 9 quality audits (as opposed to 14 in 2019) were carried out virtually due to the COVID-19 pandemic. The outcome was positive, but we do have a few action plans to bring about improvements in the supply chain. The progression of major (Ma) and minor (Mi) non-conformities is shown in the following chart:

AUDIT PROGRESSION



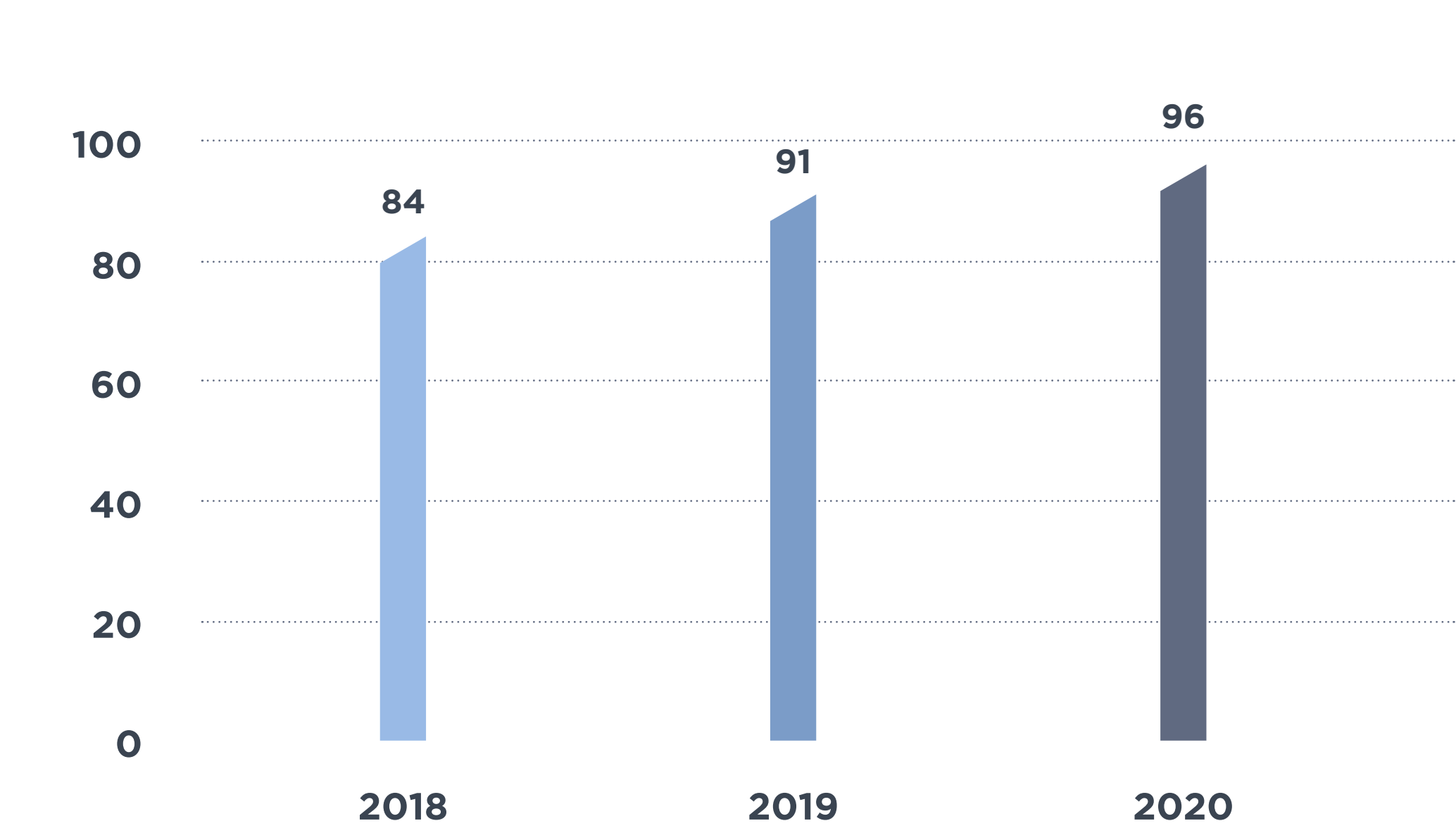


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In 2020 there were no industrial audits (IPCA+) in the supply chain given the impossibility of doing them on-site in the suppliers' facilities due to the restrictions derived from the COVID-19 pandemic.

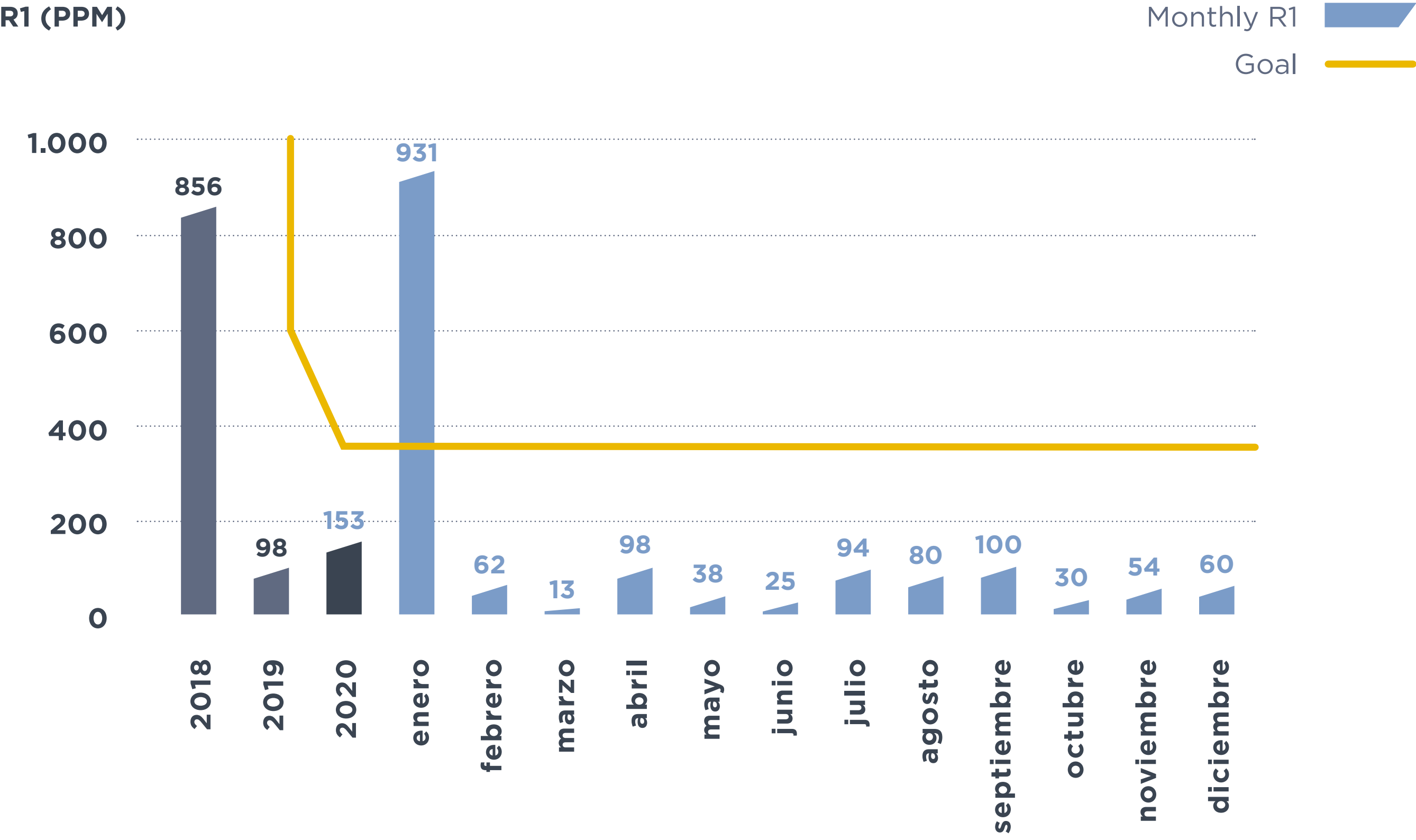
However, we did consolidate or improve the main indicators that demonstrate suppliers' performance: OTD (on-time deliveries) in a one-year period, compared to total deliveries in the same year; and R1, number of non-conformity parts in a one-year period, compared to total deliveries in the same year, per million.

OTD PROGRESSION 2018/2019/2020 (%)



Alestis also has an **Export Compliance procedure** aimed at identifying the countries where purchasing or subcontracting is not permitted.

R1 (PPM)



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.

Alestis also has an Export Compliance procedure aimed at identifying the countries where purchasing or subcontracting is not permitted (countries with international sanctions). This document also explains how to identify these risks.

# RISK MANAGEMENT

In addition to operational risks, financial risks are **monitored monthly** by Corporate Management.

At Alestis we monitor continuously our operational risks through **the Advanced Product Quality Planning (APQP) Model**, which has been implemented across the board in the company’s operations. This model takes into account what is established in methodological references such as the ISO 31000 standard, among others.

In addition to operational risks, financial risks are monitored monthly by Corporate Management. They are in charge of analyzing the financial variables that can potentially affect the Group, and of taking the necessary measures for its mitigation at any time. More specifically, it adopts the necessary mechanisms to control exposure to changes in interest rates and exchange rates, as well as credit and liquidity risks. Below are the main financial risks the company is most vulnerable to:

## 1. CREDIT RISK

The Company generally maintains its cash and equivalent liquid assets in financial entities with a high credit rating. Regarding the accounts receivable, it should be noted that the vast majority of the Group’s sales are made to companies like the AIRBUS Group, the BOEING Group, and Embraer, all of which have recognized international prestige and solvency.

## 2. LIQUIDITY RISK

In order to ensure liquidity and be able to meet all payment commitments, the Company has sufficient cash. Additionally, for specific cash needs, the Company could go obtain non-recourse financing from a financial institution, an operation offered by our main client.

## 3. MARKET RISK (including interest rate, exchange rate, and other price risks):

The company’s cash and financial debt are exposed to interest rate risk, which could have an adverse effect on financial results and cash flows. However, given the company’s sound financial structure, this risk does not seem significant.

## 4. EXCHANGE RATE RISK

The company operates worldwide and is therefore subject to exchange rate variability; this is true especially for the US dollar, currency in which we make our sales. Exchange rate risk arises from future commercial transactions and recognized assets and liabilities. The company always assesses the need for action in this area by taking into account the net risks, the historical situation of the currencies at issue (usually US dollar), and their foreseeable evolution according to the criteria shared by major financial analysts, among other aspects.



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In 2020, the company used derivative financial instruments to protect our future activities, operations, and cash flows from the risks they are exposed to. Throughout the year, we signed several FX Forward exchange insurance contracts.

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

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 clients’ processes, as well as on the safety of the components, the treatment of non-conformities plays an essential role in the company’s management system.

**Quality is at the heart of Alestis’s industrial DNA.**  
**Because of its impact on our clients’ processes,**  
**as well as on the safety of the components, the**  
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This non-conformity treatment procedure has two courses of action:

1. 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.

Overall, the absolute value for the progression of these non-conformities was similar to 2019. While the number of non-conformities was reduced by 35% in 2019 compared to the previous year, in 2020 the number went down by 34% compared to 2019.

An example of these clients’ non-conformities is the Quality Survey Reports (QSRs), used to trigger warning and security protocols on the client’s end and to establish specific plans for root cause analysis and containment measures. In 2020, for the first time, no new QSRs were generated, which means that there was no security impact on any of our clients.

This result reflects the trend in recent years—already in 2019, the QSRs decreased by 65% compared to 2017.

In both cases, we analyze the causes with the tools 8D or PPS, and establish containment, corrective, and preventive measures based on the results.

Such non-conformities are monitored until they are resolved. This is part of the usual follow-up with our clients within the contractually agreed deadlines.

2. 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.

Alestis do Brasil in its role as manufacturer/supplier of composite key parts contributes to a safety operation by complying with the product requirements (standards, drawings, etc.) as well as these procedures:

- APQP:** Advanced Product Quality Planning.
- SE8204:** First Article Inspection (FAI).
- SE8501:** Data analysis and identification of improvement measures



# STAFF<sup>64</sup>

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

**People are the firm’s most important asset, this is why in order to meet our goals, we prioritize our employees’ development and make sure they are happy.**



64. All data reported are from 12/31/2020, unless otherwise specified.



Alestis's staff is made up of 1,171 employees (as opposed to 1,565 in 2019): 945 men and 226 women, based in the different plants in Spain and Brazil:



ALESTIS DO BRASIL  
(BRAZIL) 100

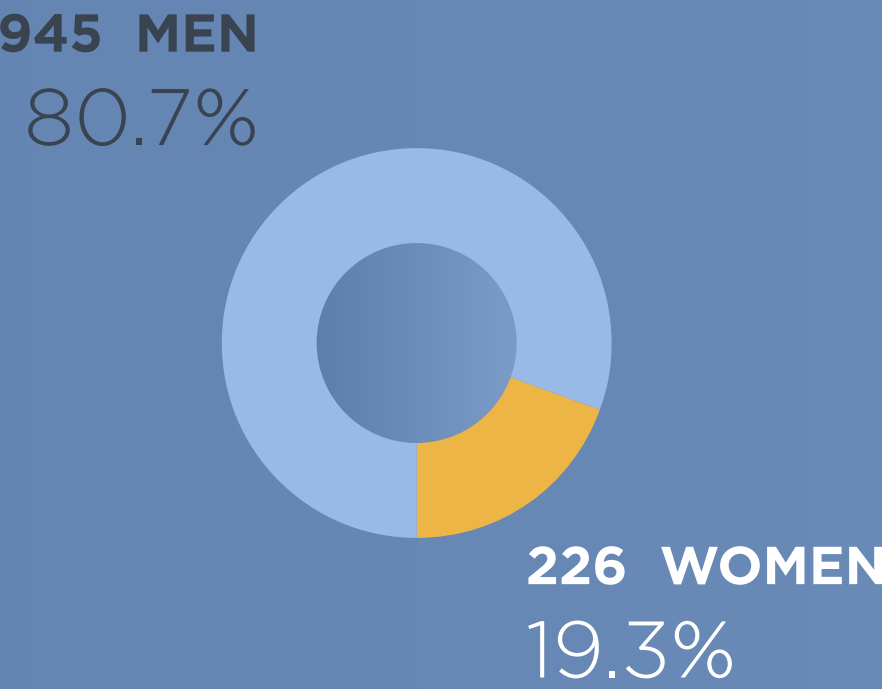
1.	HEADQUARTERS (SEVILLE)	136
	AERÓPOLIS (SEVILLE)	127
	SAN PABLO (SEVILLE)	214
2.	PUERTO REAL (CÁDIZ)	334
3.	TECNOBAHÍA (CÁDIZ)	102
4.	GETAFE (MADRID)	24
5.	VITORIA (ÁLAVA)	100
	OUTSOURCING UNIT	34



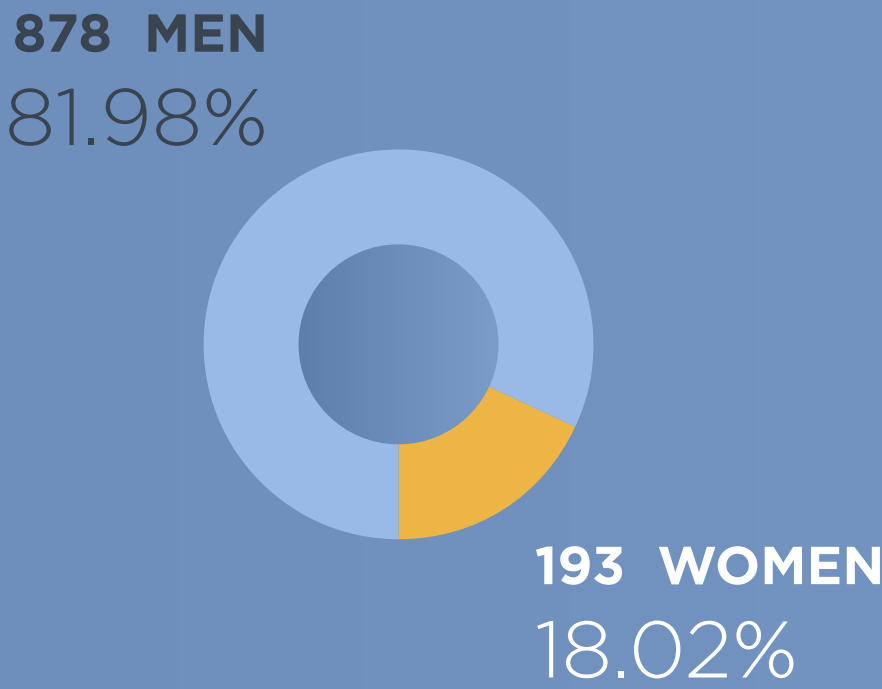


WORKFORCE  
BREAKDOWN  
BY COUNTRY AND GENDER

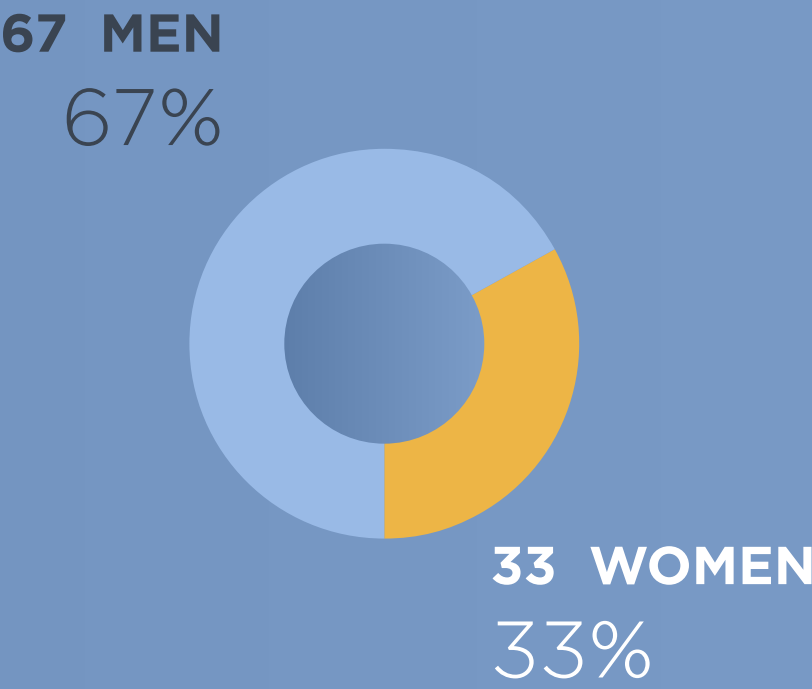
TOTAL



SPAIN



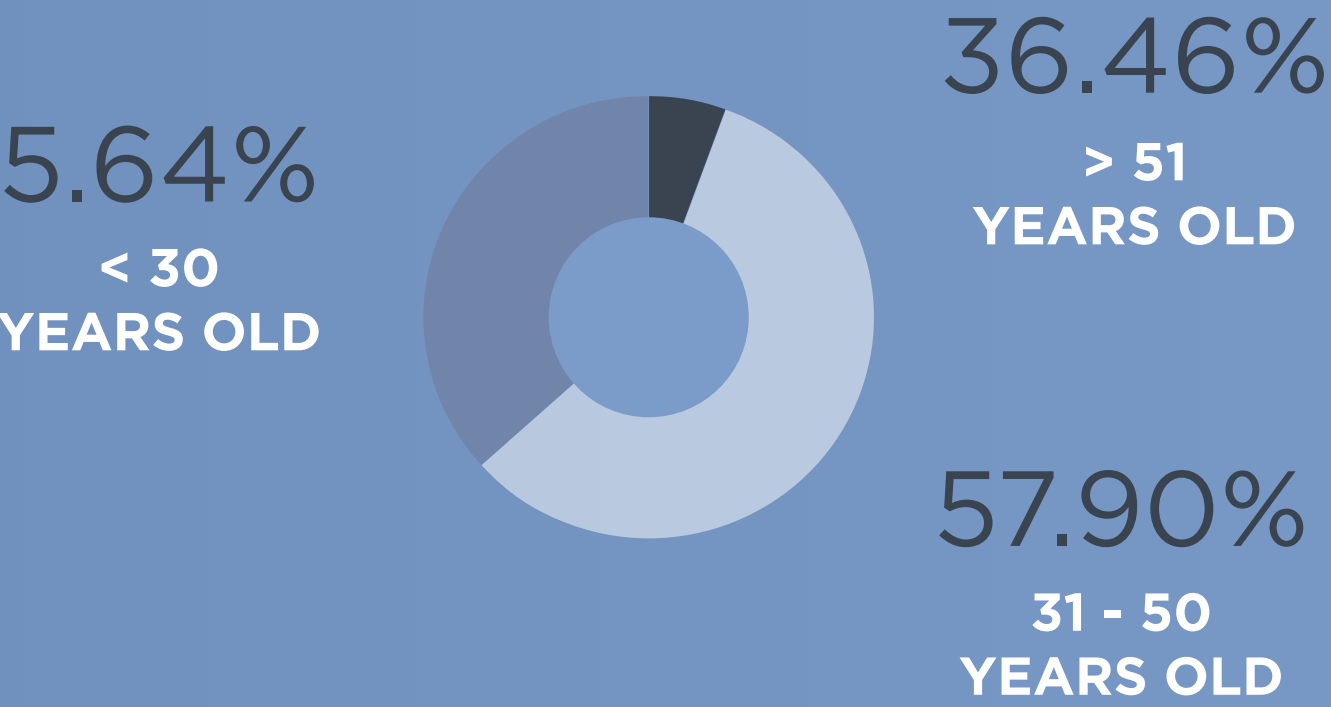
BRAZIL



WORKFORCE  
BREAKDOWN  
BY COUNTRY AND AGE

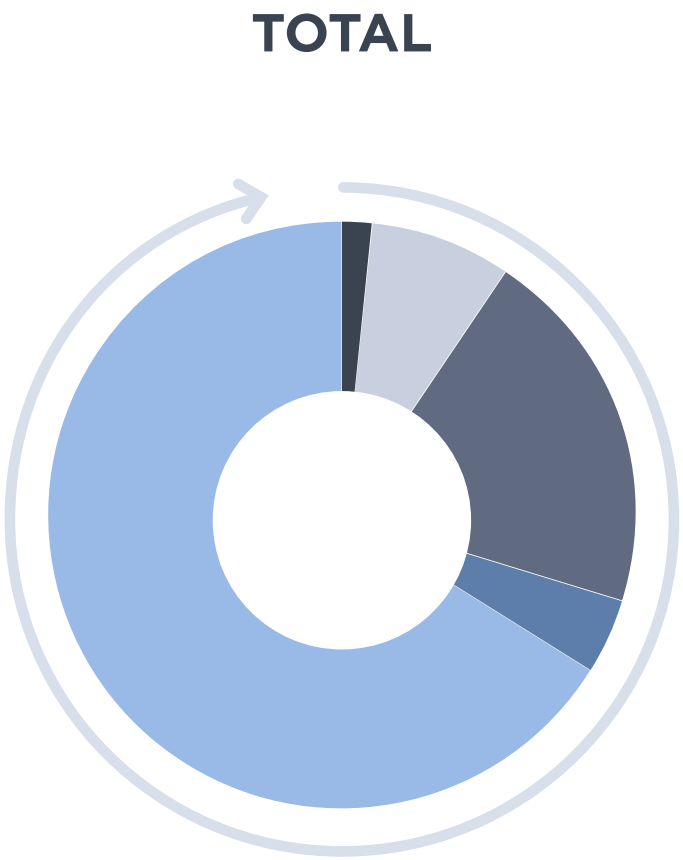
	< 30 YEARS OLD	31 - 50 YEARS OLD	> 51 YEARS OLD	TOTAL
SPAIN	24 2.24%	627 58.54%	420 39.22%	1,071 100%
BRAZIL	42 42%	51 51%	7 7%	100 100%
TOTAL	66 5.64%	678 57.90%	427 36.46%	1,171 100%

TOTAL



WORKFORCE BREAKDOWN  
BY COUNTRY AND PROFESSIONAL CATEGORY

	MANAGERIAL ROLES	MIDDLE MANAGEMENT AND SKILLED TECHNICIANS	TECHNICIANS	FUNCTIONAL SUPPORT	OPERATORS
SPAIN	20 1.71%	75 6.40%	238 20.32%	31 2.65%	707 60.38%
BRAZIL	1 1%	16 16%	1 1%	18 18%	64 64%
TOTAL	21 1.79%	91 7.77%	239 20.41%	49 4.18%	771 65.84%



1.79%  
MANAGERIAL ROLES

7.77%  
MIDDLE MANAGE-MENT AND SKILLED TECH-NICIANS

20.41%  
TECHNICIANS

4.18%  
FUNCTIONAL SUPPORT

65.84%  
OPERATORS

TRAINING & CONTINUING PROFESSIONAL DEVELOPMENT (CPD)

WORK-LIFE BALANCE

EQUALITY & DIVERSITY

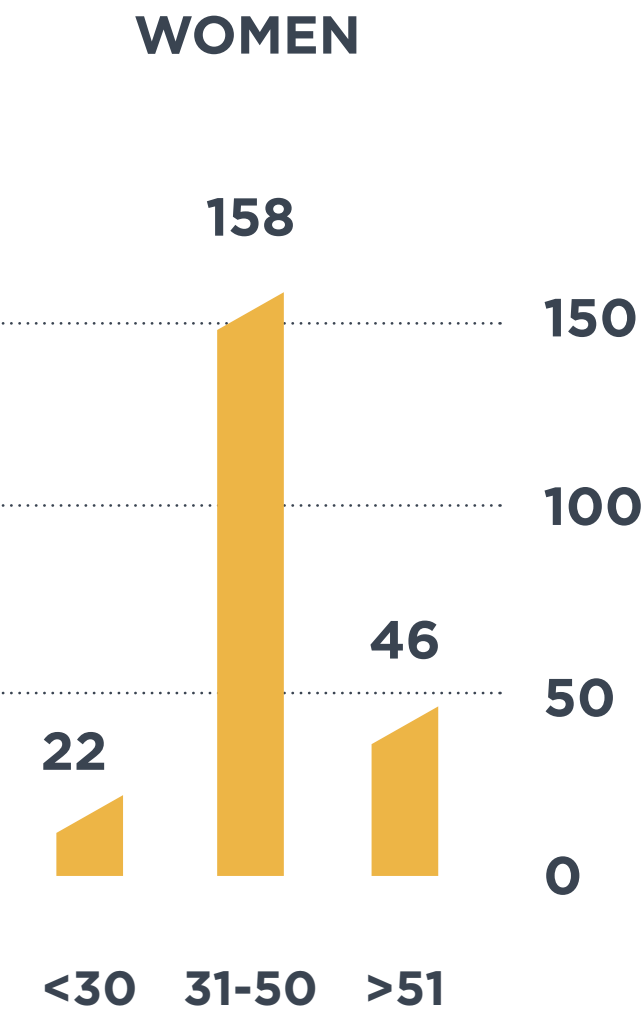
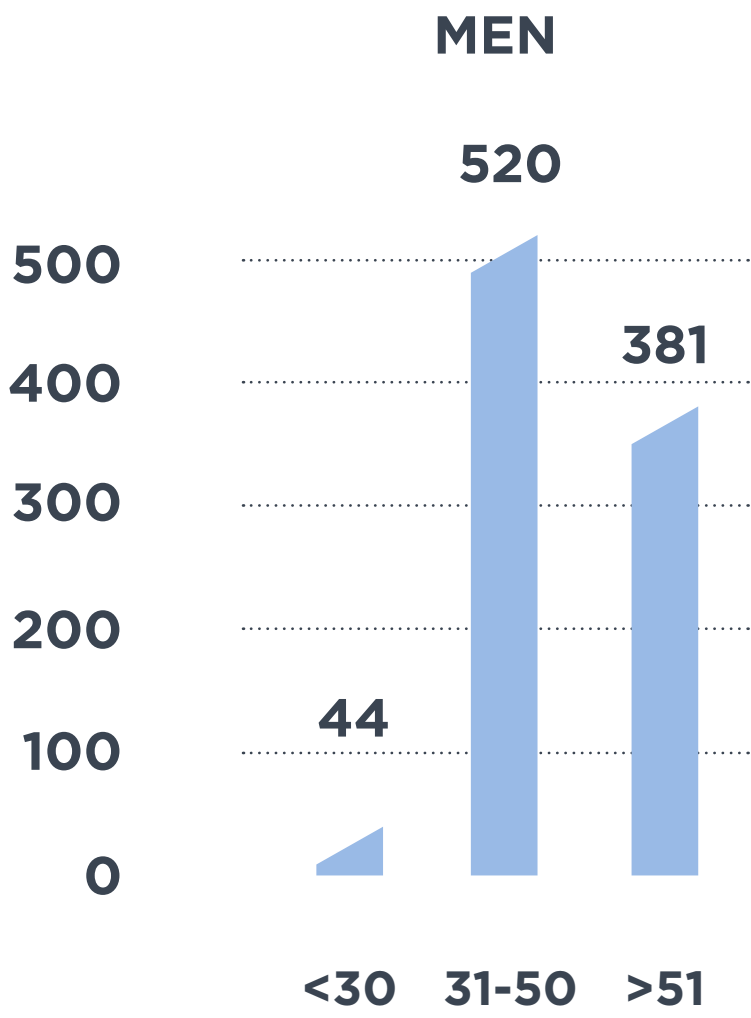
COMPENSATION POLICY

HEALTH & SAFETY

WORKFORCE BREAKDOWN  
BY COUNTRY, GENDER, AND AGE

		< 30 YEARS OLD	31 - 50 YEARS OLD	> 51 YEARS OLD	TOTAL
SPAIN	MEN	19	483	376	878
	WOMEN	5	144	44	193
	TOTAL	24	627	420	1071
BRAZIL	MEN	25	37	5	67
	WOMEN	17	14	2	33
	TOTAL	42	51	7	100
TOTAL	MEN	44	520	381	945
	WOMEN	22	158	46	226
	TOTAL	66	678	427	1,171

TOTAL

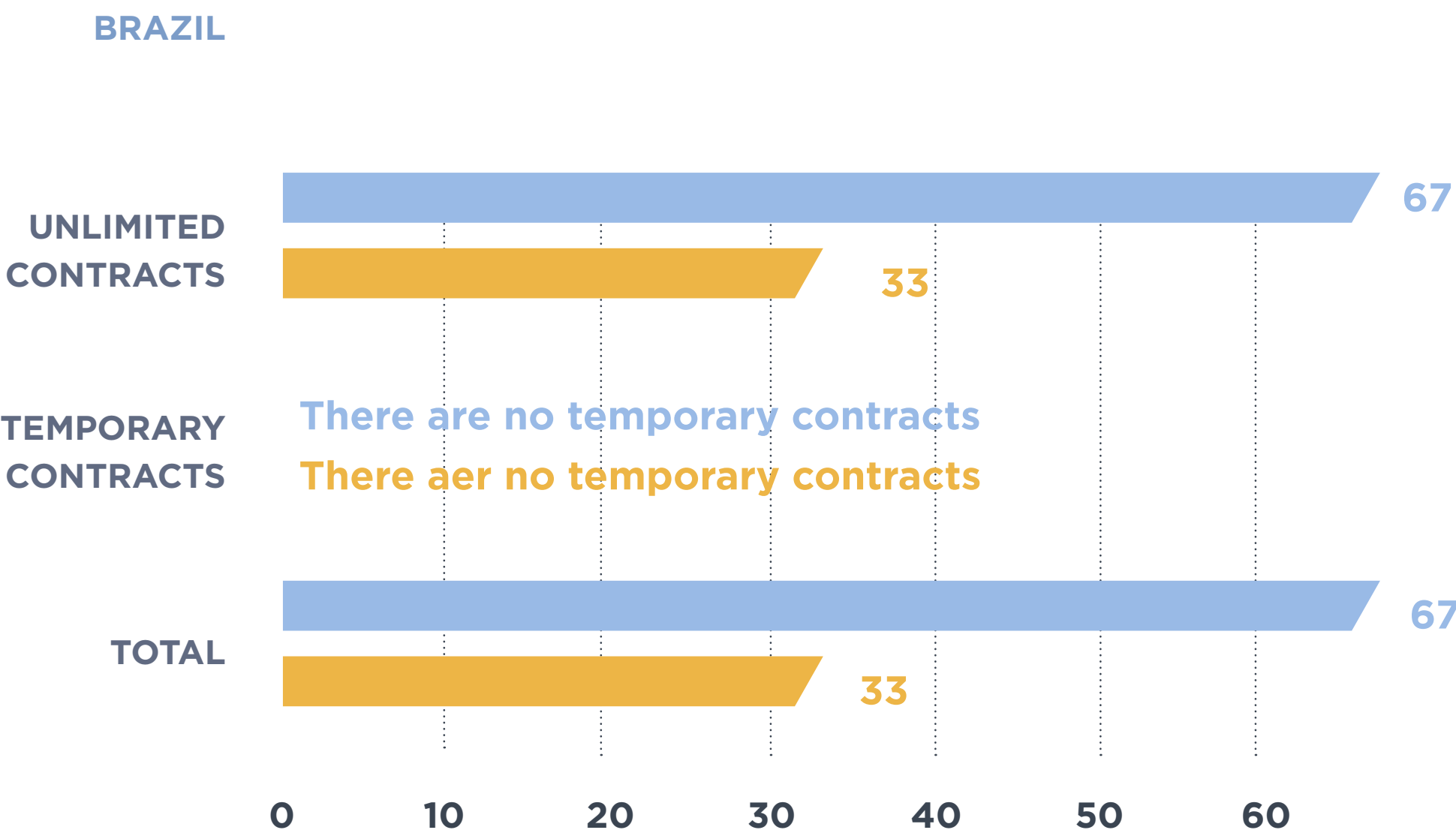
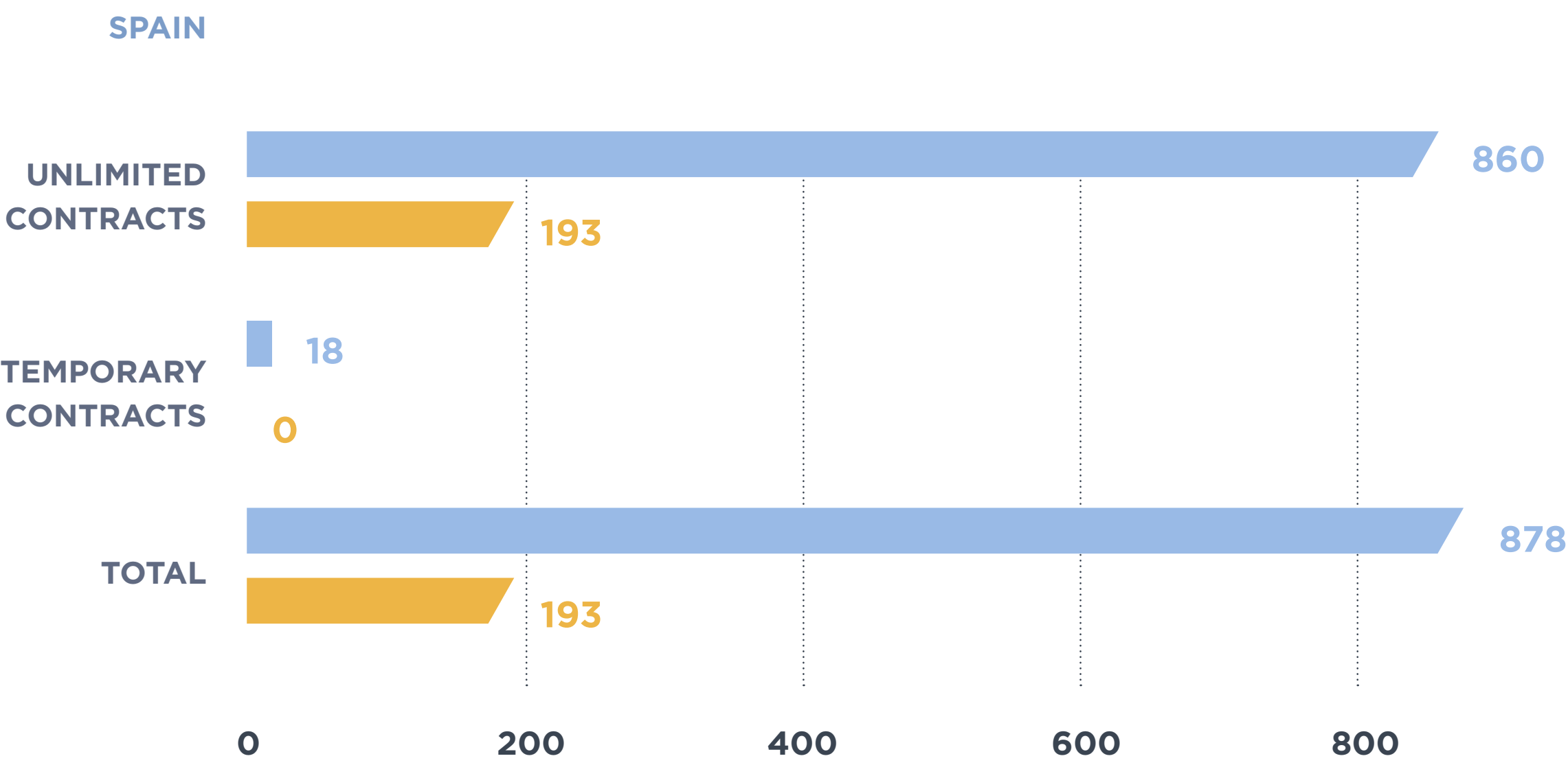
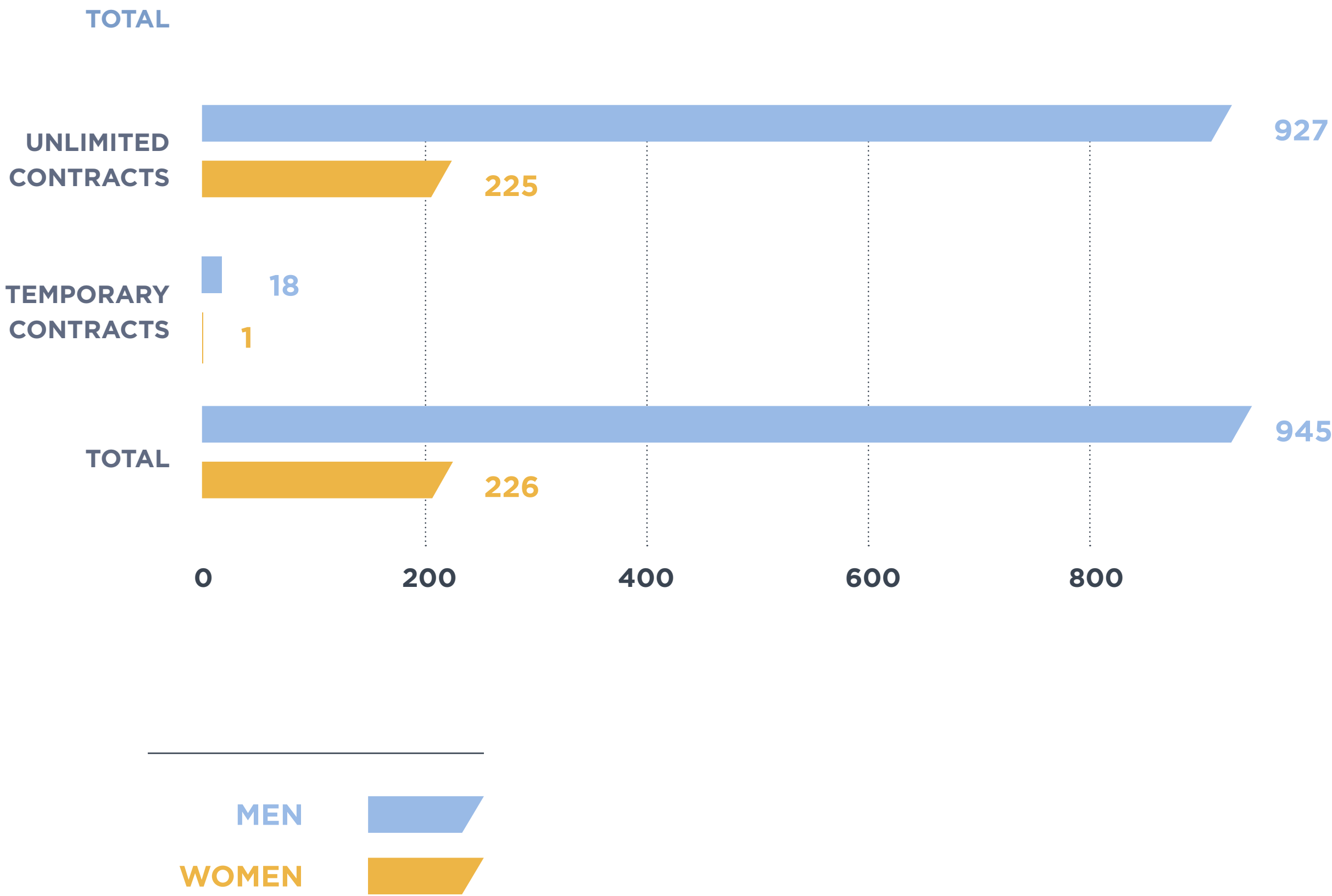




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- EQUALITY & DIVERSITY
- COMPENSATION POLICY
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WORKFORCE BREAKDOWN  
BY COUNTRY, GENDER, AND TYPE OF CONTRACT



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WORKFORCE BREAKDOWN  
BY COUNTRY, 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	24	627	402	0	0	18	24	627	420
BRAZIL	42	51	7	0	0	0	42	51	7
TOTAL	66	678	409	0	1	18	66	679	427

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WORKFORCE BREAKDOWN  
BY COUNTRY, PROFESSIONAL CATEGORY, AND GENDER

	MANAGERIAL ROLES		MIDDLE MANAGEMENT AND SKILLED TECH-NICIANS	TECHNICIANS	FUNCTIONAL SUPPORT	OPERATORS
	MEN					
SPAIN	MEN	18	55	161	16	628
	WOMEN	2	20	77	15	79
	TOTAL	20	75	238	31	707
BRAZIL	MEN	1	8	1	8	49
	WOMEN	0	8	0	10	15
	TOTAL	1	16	1	18	64
TOTAL	MEN	19	63	162	24	677
	WOMEN	2	28	77	25	94
	TOTAL	21	91	239	49	771



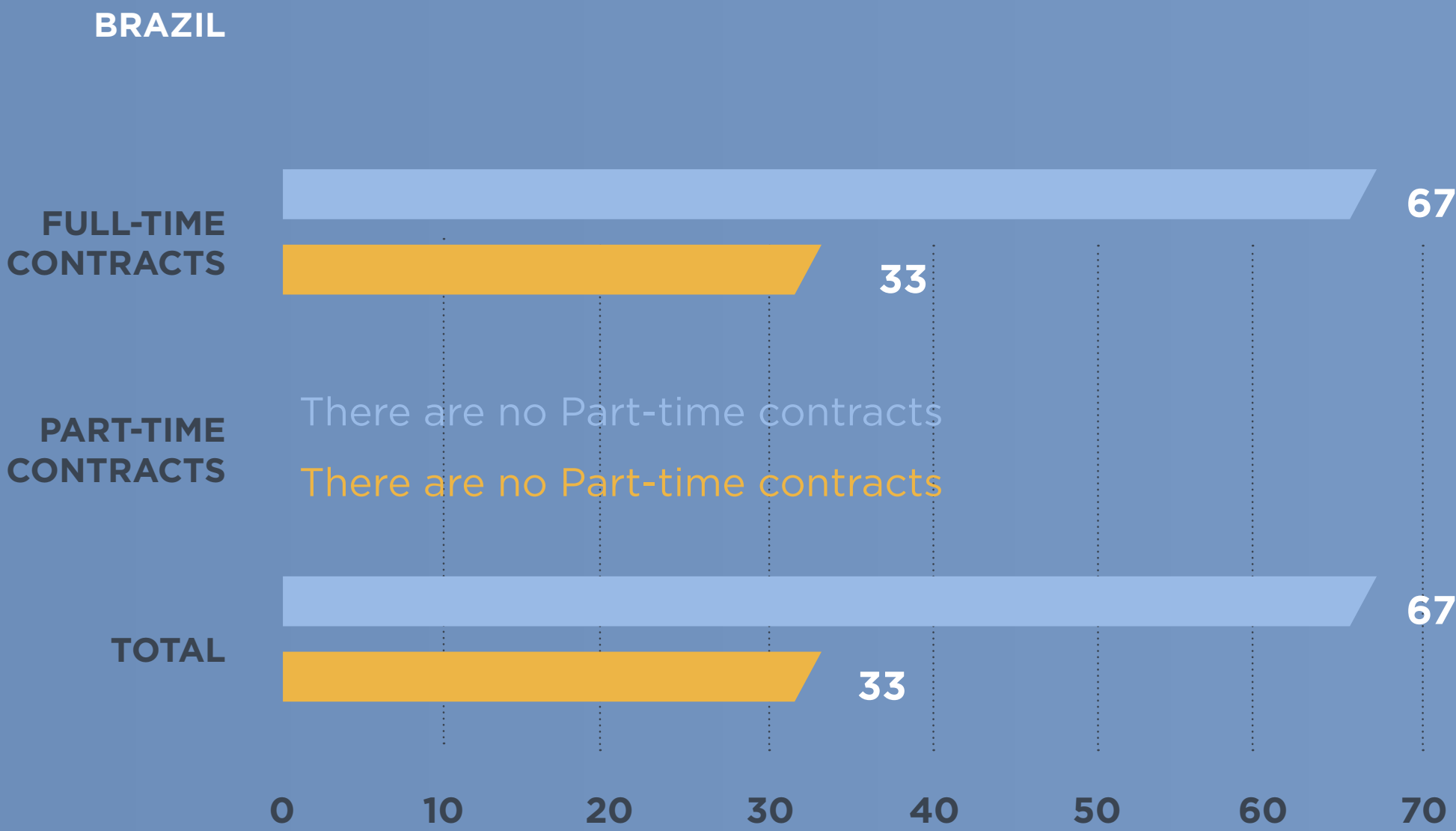
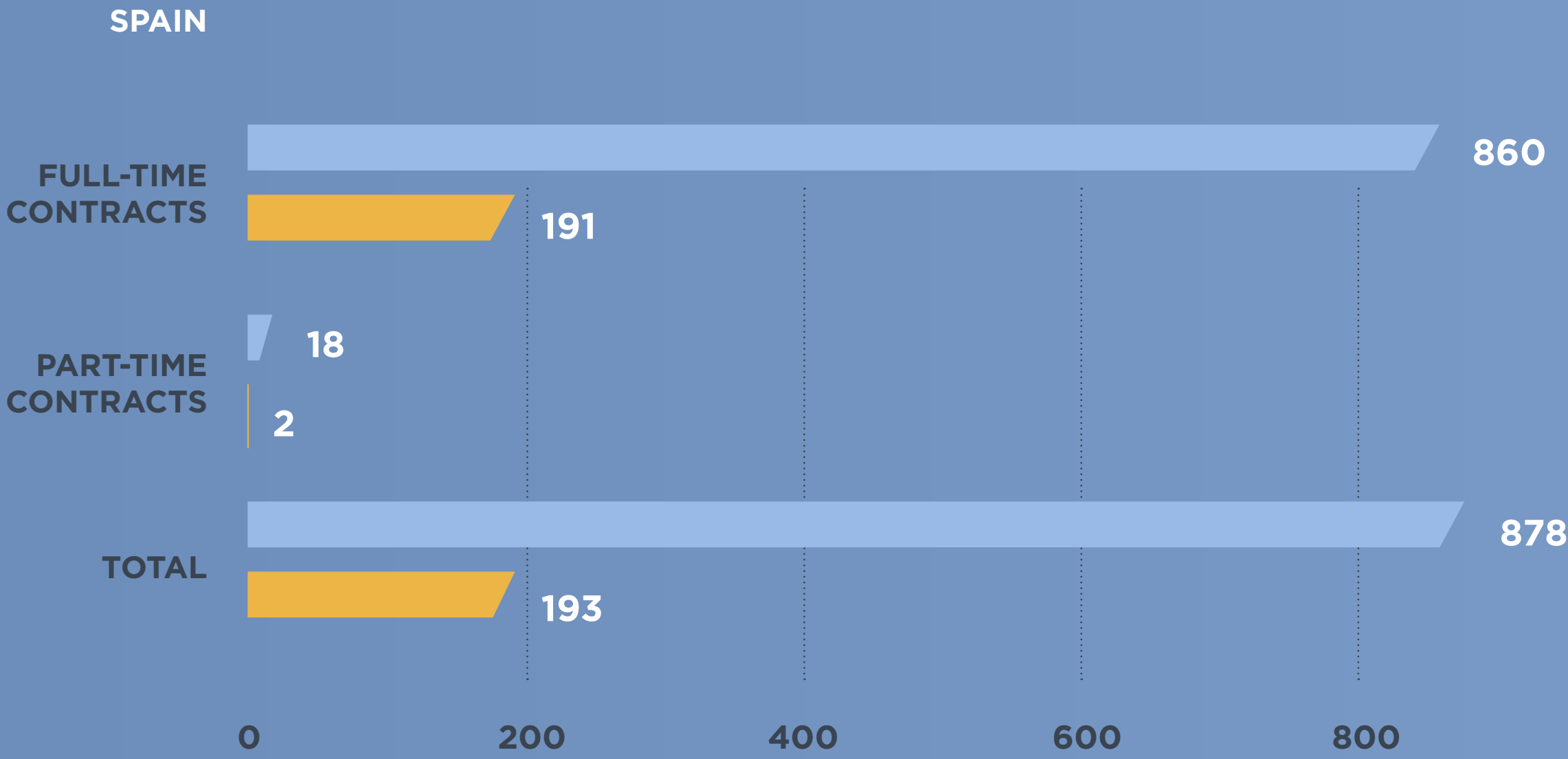
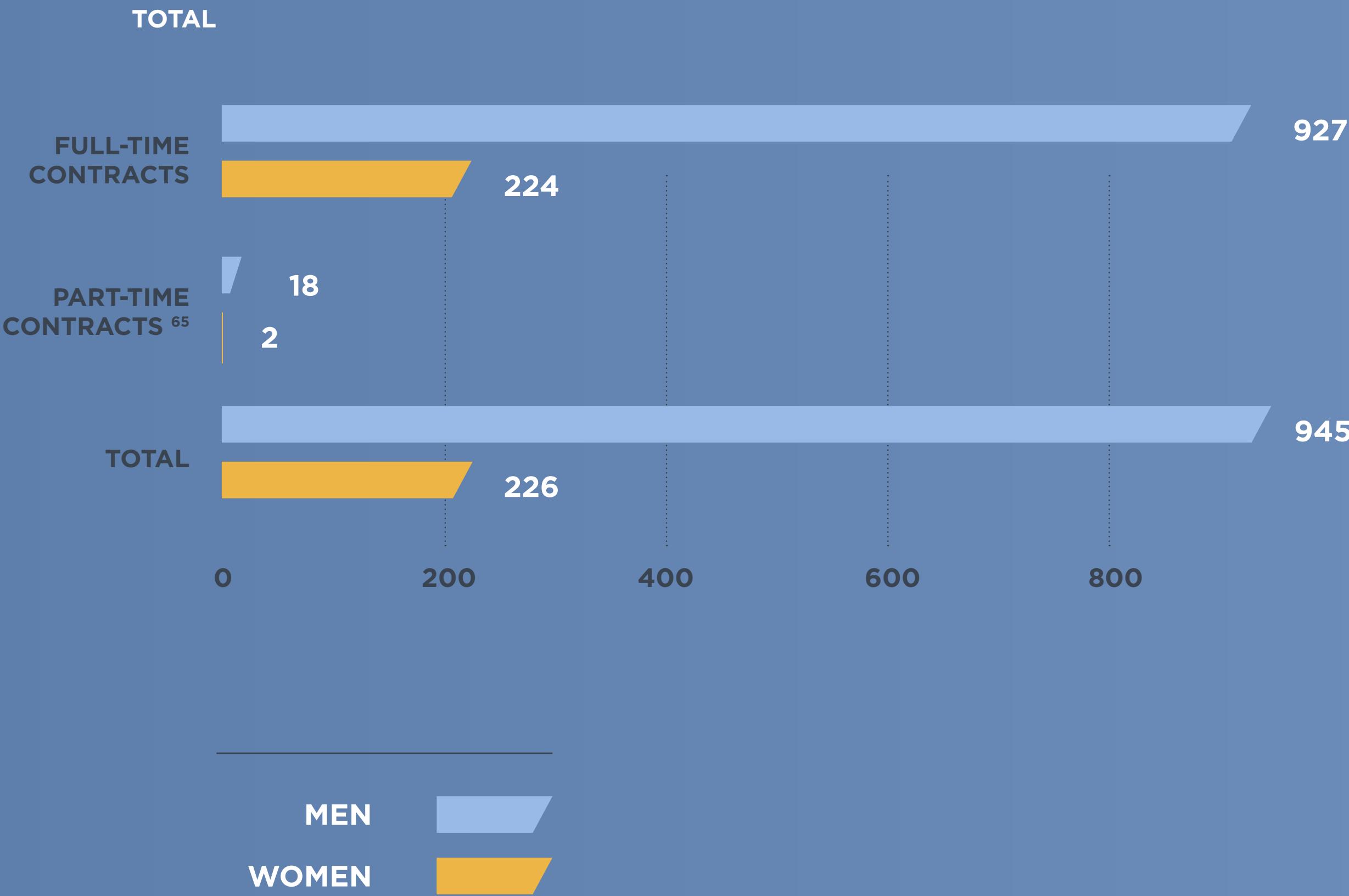
- ALESTIS
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WORKFORCE BREAKDOWN  
BY COUNTRY, PROFESSIONAL CATEGORY, AND TYPE OF CONTRACT

		MANAGERIAL ROLES	MIDDLE MANAGEMENT AND SKILLED TECHNICIANS	TECHNICIANS	FUNCTIONAL SUPPORT	OPERATORS
SPAIN	UNLIMITED CONTRACTS	20	75	235	30	693
	TEMPORARY CONTRACTS	0	0	3	1	14
	TOTAL	20	75	238	31	707
BRAZIL	UNLIMITED CONTRACTS	1	16	1	18	64
	TEMPORARY CONTRACTS	0	0	0	0	0
	TOTAL	1	16	1	18	64
TOTAL	UNLIMITED CONTRACTS	21	91	236	48	757
	TEMPORARY CONTRACTS	0	0	4	1	14
	TOTAL	21	91	240	49	771

- TRAINING & CONTINUING  
PROFESSIONAL DEVELOPMENT (CPD)
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- EQUALITY & DIVERSITY
- COMPENSATION POLICY
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WORKFORCE BREAKDOWN  
BY COUNTRY, GENDER, AND TYPE OF CONTRACT



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



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WORKFORCE BREAKDOWN  
BY COUNTRY, 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	24	626	401	0	1	18	24	627	419
BRAZIL	42	51	7	0	0	0	42	51	7
TOTAL	66	677	408	0	1	18	66	678	426

TRAINING & CONTINUING  
PROFESSIONAL DEVELOPMENT (CPD)

WORK-LIFE BALANCE

EQUALITY & DIVERSITY

COMPENSATION POLICY

HEALTH & SAFETY

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WORKFORCE BREAKDOWN  
BY COUNTRY, PROFESSIONAL CATEGORY,  
AND TYPE OF CONTRACT

		MANAGERIAL ROLES	MIDDLE MANAGEMENT AND SKILLED TECH-NICIANS	TECHNICIANS	FUNCTIONAL SUPPORT	OPERATORS
SPAIN	FULL-TIME CONTRACTS	20	75	234	30	692
	PART-TIME CONTRACTS	0	0	4	1	15
	TOTAL	20	75	238	31	707
BRAZIL	FULL-TIME CONTRACTS	1	16	1	18	64
	PART-TIME CONTRACTS	0	0	0	0	0
	TOTAL	1	16	1	18	64
TOTAL	FULL-TIME CONTRACTS	21	91	235	48	756
	PART-TIME CONTRACTS	0	0	4	1	15
	TOTAL	21	91	239	49	771

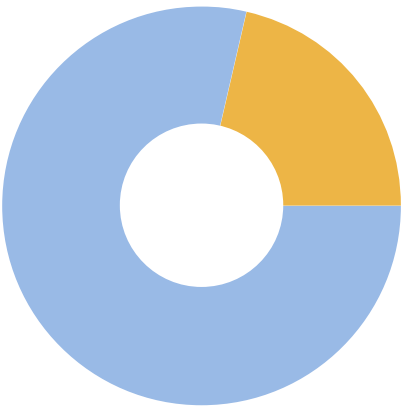
- TRAINING & CONTINUING  
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- EQUALITY & DIVERSITY
- COMPENSATION POLICY
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WORKFORCE BREAKDOWN  
BY COUNTRY, GENDER, AND TYPE OF CONTRACT (ANNUAL AVERAGE)

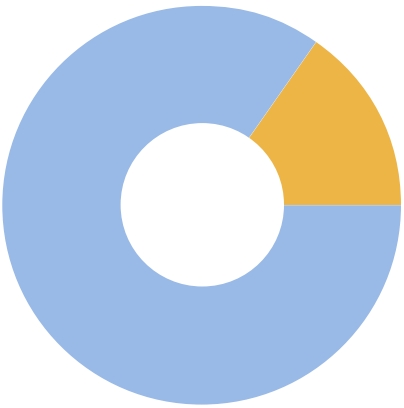
TOTAL

UNLIMITED  
CONTRACTS



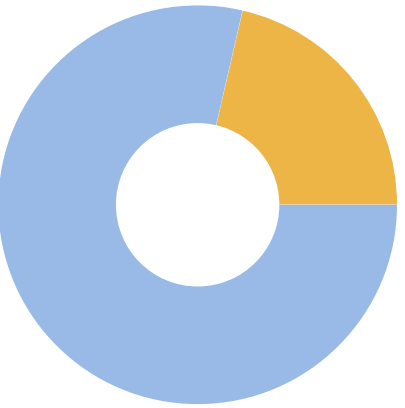
306.41  
WOMEN  
1,132.08  
MEN

TEMPORARY  
CONTRACTS



28  
WOMEN  
5  
MEN

TOTAL



311.41  
WOMEN  
1,160.08  
MEN

TRAINING & CONTINUING  
PROFESSIONAL DEVELOPMENT (CPD)

WORK-LIFE BALANCE

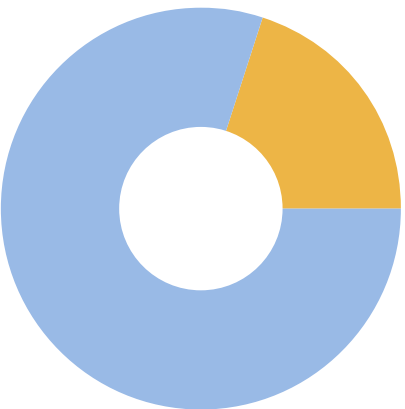
EQUALITY & DIVERSITY

COMPENSATION POLICY

HEALTH & SAFETY

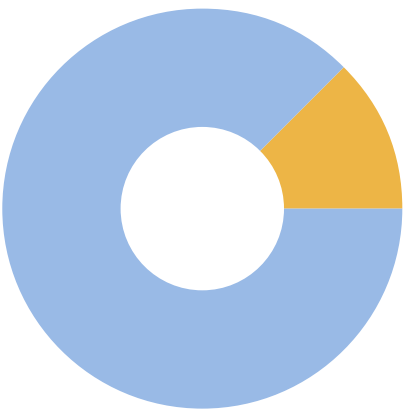
SPAIN

UNLIMITED  
CONTRACTS



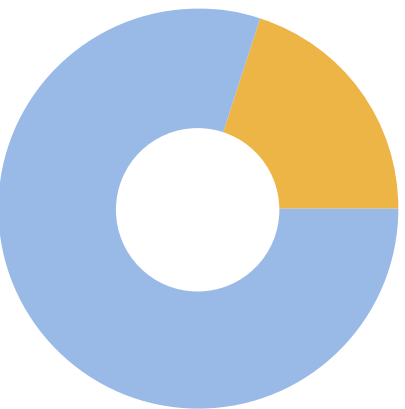
262  
WOMEN  
1,050  
MEN

TEMPORARY  
CONTRACTS



4  
WOMEN  
28  
MEN

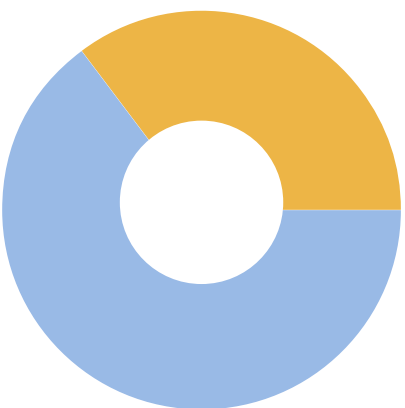
TOTAL



266  
WOMEN  
1,078  
MEN

BRAZIL

UNLIMITED  
CONTRACTS

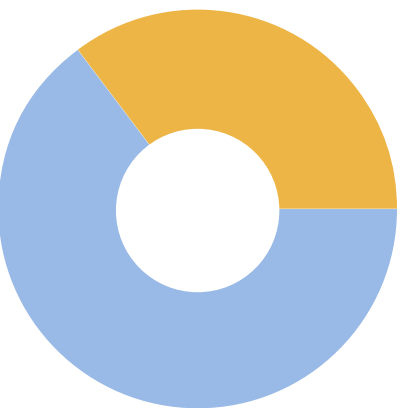


44.41  
WOMEN  
82.08  
MEN

TEMPORARY  
CONTRACTS

THERE ARE NO  
TEMPORARY CONTRACTS

TOTAL



44.41  
WOMEN  
82.08  
MEN

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WORKFORCE BREAKDOWN  
BY COUNTRY, AGE, AND TYPE OF CONTRACT  
(ANNUAL AVERAGE)

	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	27	781	504	3	11	18	30	792	522
BRAZIL	59.75	60.25	6.5	0	0	0	59.75	60.25	6.5
TOTAL	86.75	841.25	510.5	3	12	18	89.75	853.25	528.5

- TRAINING & CONTINUING  
PROFESSIONAL DEVELOPMENT (CPD)
- WORK-LIFE BALANCE
- EQUALITY & DIVERSITY
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WORKFORCE BREAKDOWN  
BY COUNTRY, PROFESSIONAL CATEGORY, AND TYPE  
OF CONTRACT (ANNUAL AVERAGE)

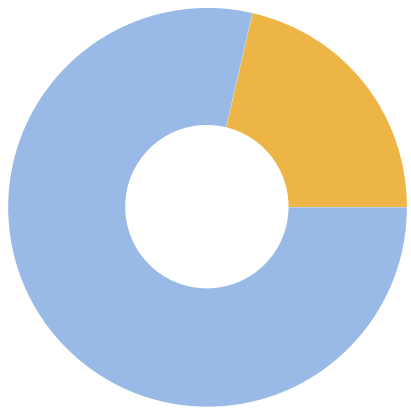
		MANAGERIAL ROLES	MIDDLE MANAGEMENT AND SKILLED TECHNICIANS	TECHNICIANS	FUNCTIONAL SUPPORT	OPERATORS
SPAIN	UNLIMITED CONTRACTS	21	80	297	44	870
	TEMPORARY CONTRACTS	0	0	4	2	27
	TOTAL	21	80	301	46	896
BRAZIL	UNLIMITED CONTRACTS	1.33	16.58	2.41	17	89.41
	TEMPORARY CONTRACTS	0	0	0	0	0
	TOTAL	1.33	16.58	2.41	17	89.41
TOTAL	UNLIMITED CONTRACTS	22.33	96.58	299.41	61	959.41
	TEMPORARY CONTRACTS	0	1	4	2	26
	TOTAL	22.33	97.58	303.41	63	985.41

- TRAINING & CONTINUING  
PROFESSIONAL DEVELOPMENT (CPD)
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WORKFORCE BREAKDOWN  
BY COUNTRY, GENDER, AND TYPE OF CONTRACT (ANNUAL AVERAGE)

TOTAL

FULL-TIME  
CONTRACTS



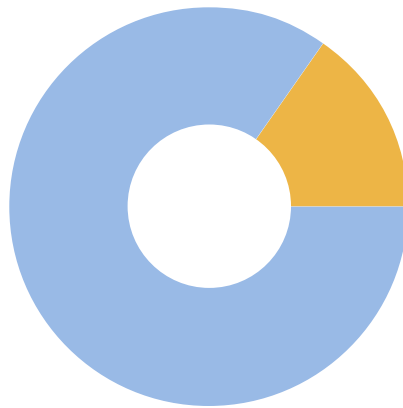
324

WOMEN

1,191

MEN

PART-TIME  
CONTRACTS



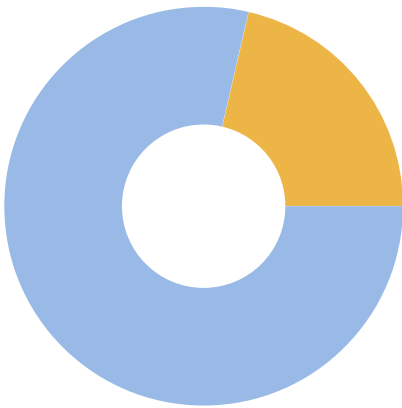
5

WOMEN

18

MEN

TOTAL



326

WOMEN

1,209

MEN

TRAINING & CONTINUING  
PROFESSIONAL DEVELOPMENT (CPD)

WORK-LIFE BALANCE

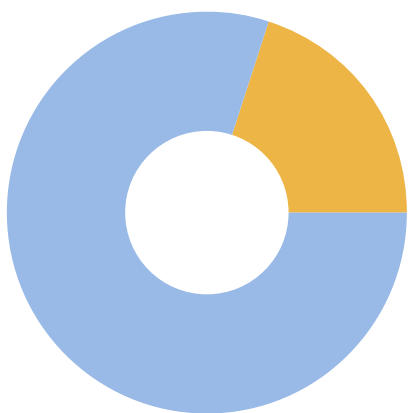
EQUALITY & DIVERSITY

COMPENSATION POLICY

HEALTH & SAFETY

ESPAÑA

FULL-TIME  
CONTRACTS



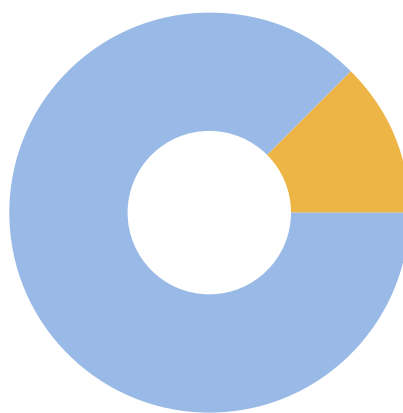
264

WOMEN

1,062

MEN

PART-TIME  
CONTRACTS



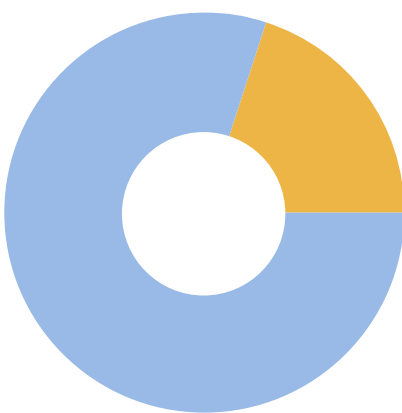
2

WOMEN

18

MEN

TOTAL



266

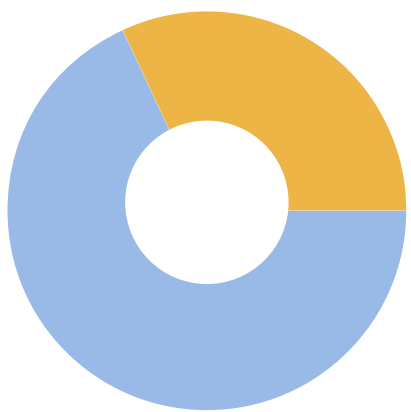
WOMEN

1,079

MEN

BRASIL

FULL-TIME  
CONTRACTS



60.41

WOMEN

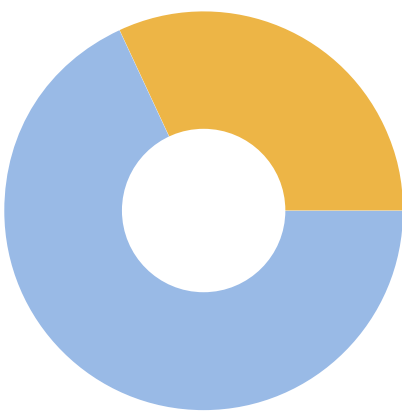
129.16

MEN

PART-TIME  
CONTRACTS

THERE ARE NO  
PART-TIME CONTRACTS

TOTAL



60.41

WOMEN

129.16

MEN

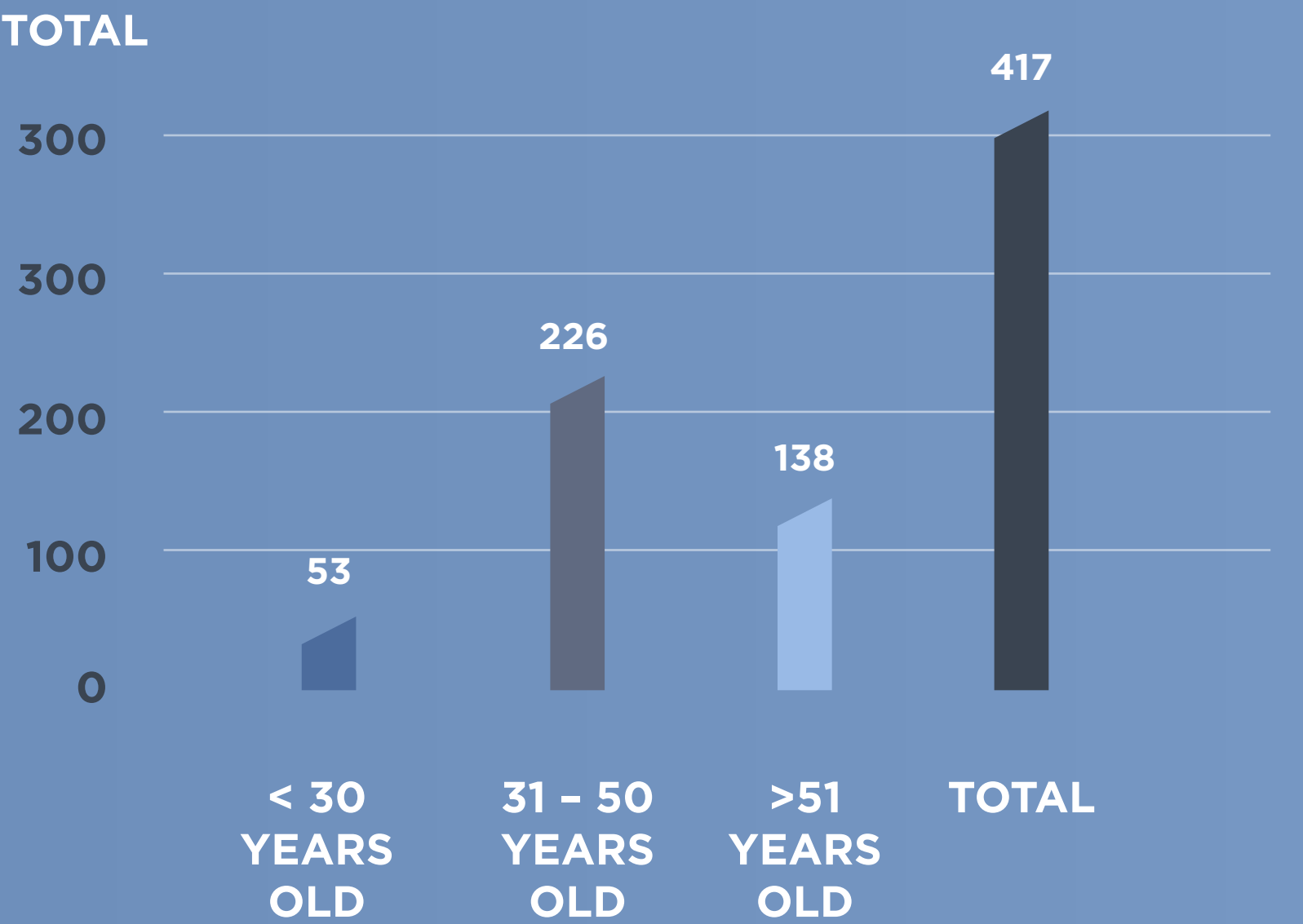
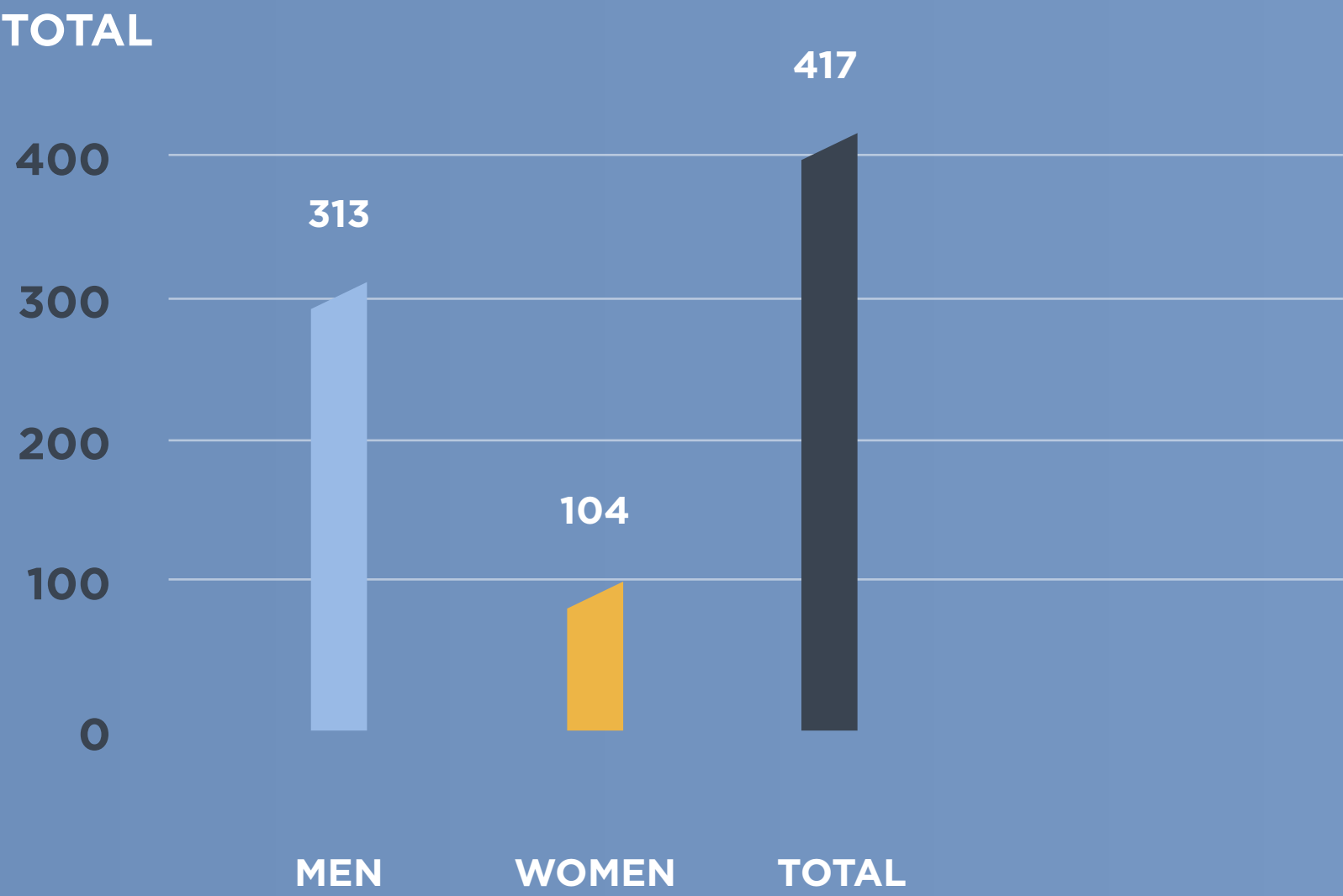


BREAKDOWN OF REDUNDANCIES  
BY COUNTRY AND GENDER

	MEN	WOMEN	TOTAL
SPAIN	258 76.79%	78 23.21%	336 100%
BRAZIL	55 67.90%	26 32.10%	81 100%
TOTAL	313 75.06%	104 24.94%	417 100%

REDUNDANCIES BREAKDOWN  
BY COUNTRY AND AGE

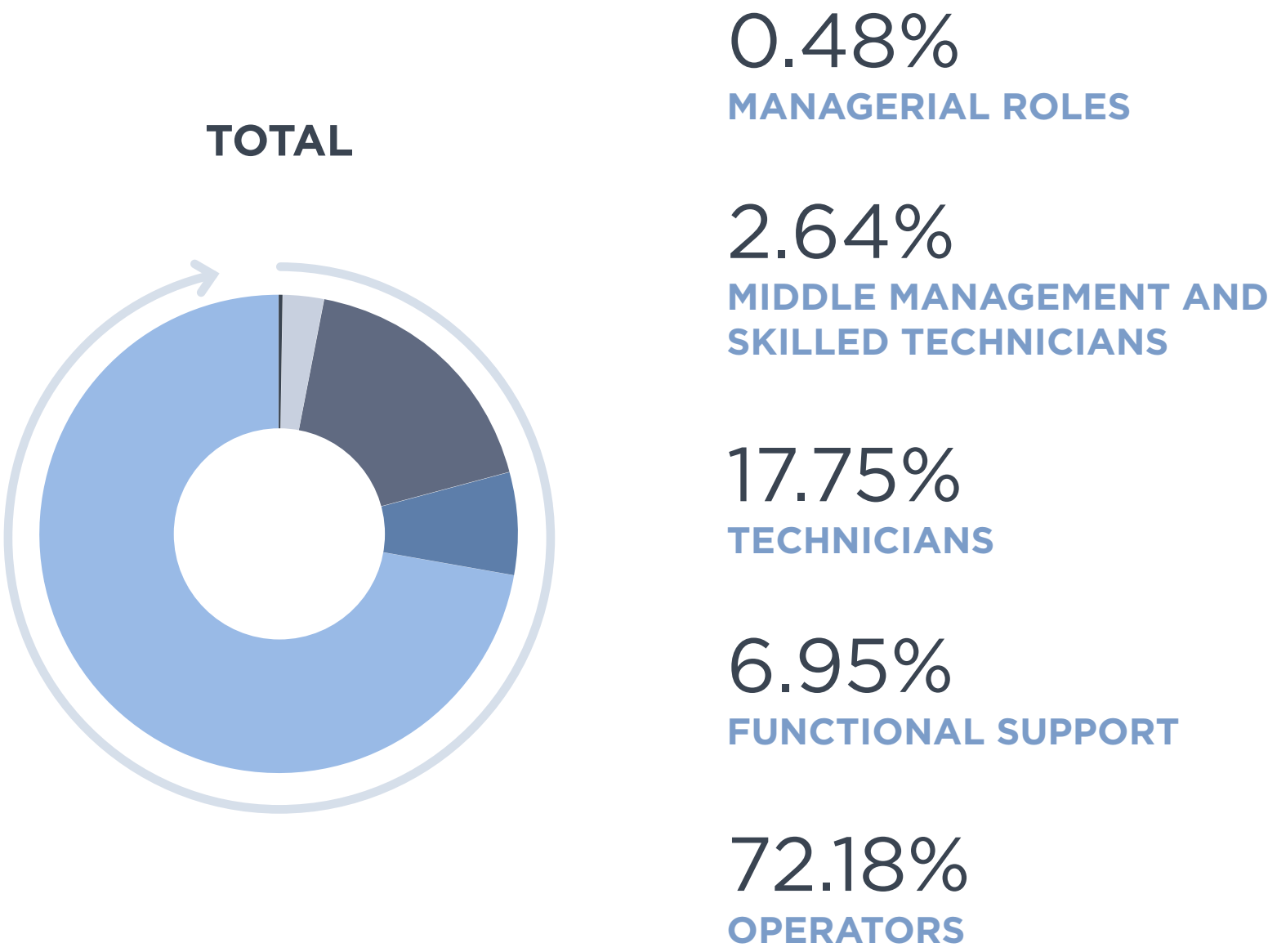
	< 30 YEARS OLD	31 – 50 YEARS OLD	>51 YEARS OLD	TOTAL
SPAIN	7 2.08%	195 58.04%	134 39.88%	336 100%
BRAZIL	46 56.79%	31 38.27%	4 4.94%	81 100%
TOTAL	53 12.71%	226 54.20%	138 33.09%	417 100%



DESPIDOS

POR PAÍS Y CATEGORÍA PROFESIONAL

	MANAGERIAL ROLES	MIDDLE MANAGEMENT AND SKILLED TECHNICIANS	TECHNICIANS	FUNCTIONAL SUPPORT	OPERATORS
SPAIN	1 0.30%	9 2.68%	71 21.13%	19 5.65%	236 70.24%
BRAZIL	1 1.23%	2 2.47%	3 3.70%	10 12.35%	65 80.25%
TOTAL	2 0.48%	11 2.64%	74 17.75%	29 6.95%	301 72.18%



TRAINING & CONTINUING PROFESSIONAL DEVELOPMENT (CPD)

WORK-LIFE BALANCE

EQUALITY & DIVERSITY

COMPENSATION POLICY

HEALTH & SAFETY

It's important to notice that, in addition to the staff directly employed by the company through a contract, Alestis relies on outsourcing for ongoing services in our plants. Below are the ancillary services provided by external suppliers:

CLEANING  
MAINTENANCE  
SECURITY  
MEDICAL ASSISTANCE AT EACH PLANT  
IT SUPPORT  
LOGISTICS



At Alestis, we have several communication channels to promote an open dialogue with our employees. Throughout 2020, internal communications were more fluent an frequent than ever due to the COVID-19 pandemic. The most used channels are:

- Brief news (newsletters): Employees can voluntarily sign up to receive highlights and the most relevant news from each division via corporate and personal email.
- Management announcements.
- News: News and videos about the company are shown in the screens located in the seating areas and the entrance hall of each of the plants.
- Corporate intranet: Organized in different sections, it compiles all the relevant information employees may need to access.
- Announcements from the Communications department and other resources such as pop-ups and notices.

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. We also have our 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. We follow all safety and health related protocols established in the collective agreement, and, in Brazil, also the law with regard to Brazilian Regulatory Standards, also known as NR.



**Throughout 2020, internal communications were more fluent an frequent than ever due to the COVID-19 pandemic.**



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# TRAINING & CONTINUING PROFESSIONAL DEVELOPMENT (CPD)

**Our collaborators’ professional development is at the heart of Alestis’s strategy and management model. This is why we run specific programs to support our workers’ learning and growth.**

Our collaborators’ professional development is at the heart of Alestis’s strategy and management model. This is why we run specific programs to support our workers’ learning and growth.

To achieve high motivation and commitment among our 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 our staff to access tools to improve their knowledge, skills, and attitudes. Those in charge of the productive and administrative areas may submit requests for training courses to promote the development of their teams.

In 2020, the **CPD plan** included the following:

- SPECIFIC TRAINING FOR EACH DIVISION
- TRAINING FOR PROFESSIONAL DEVELOPMENT
- AN OPEN TRAINING CATALOG OFFERING CROSS-FUNCTIONAL COURSES ON A VOLUNTARY BASIS.





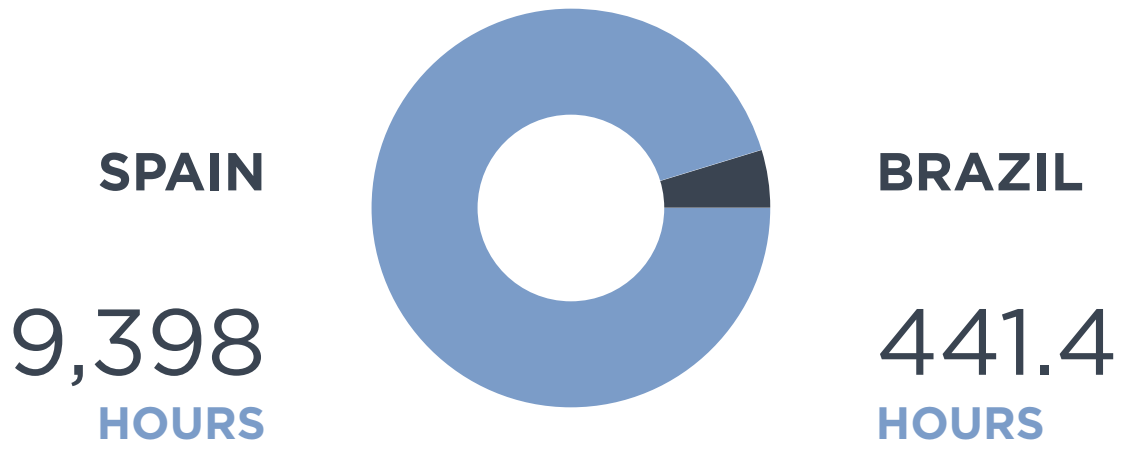
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TRAINING  
RATES

		2019	2020
SPAIN	TRAINING HOURS	21,617	9,398
	TRAINED EMPLOY-EES	1,165 (82%)	473 (34.5%)
	TRAINING HOURS/ EMPLOYEE	15.19	6.85
BRAZIL	TRAINING HOURS	349	441.4
	TRAINING HOURS/ EMPLOYEE	1.93	4.41
AVERAGE ASSESSMENT (evaluation out of 5)		4.17	4.39



TRAINING HOURS



9,839.4  
HOURS OF  
TOTAL TRAINING  
IN 2020

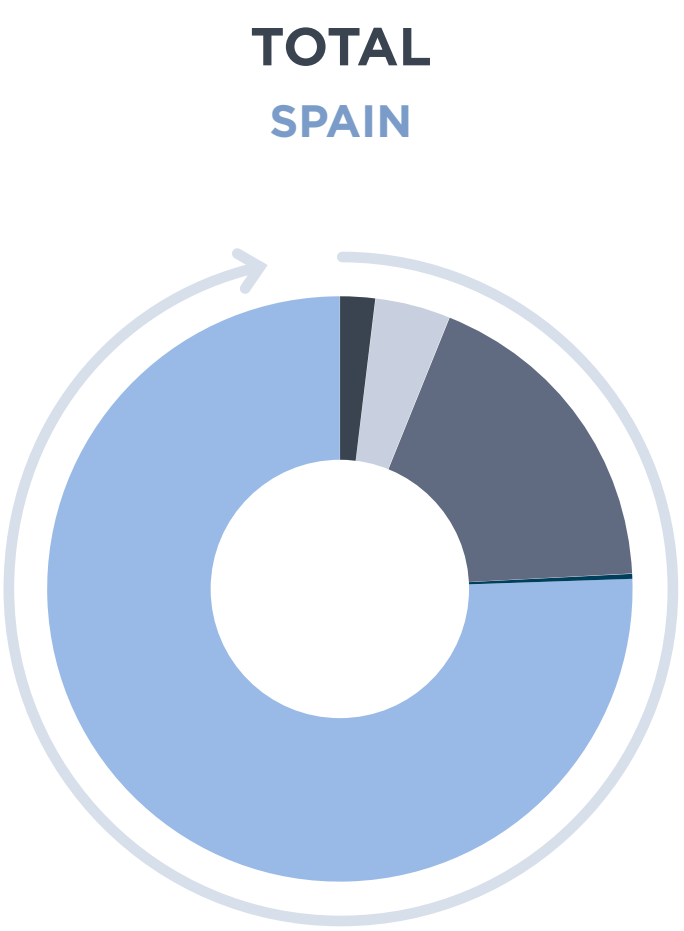
4.39  
AVERAGE  
EVALUATION  
★★★★★



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BREAKDOWN OF TRAINING  
HOURS BY SEX AND PROFESSIONAL CATEGORY

SPAIN <sup>66</sup>		MEN	WOMEN	TOTAL
	MANAGERIAL ROLES	164.0	23.5	187.5
	MIDDLE MANAGEMENT AND SKILLED TECHNICIANS	319.7	77.6	397.3
	TECHNICIANS	904.2	784.0	1,688.2
	FUNCTIONAL SUPPORT	0	43.7	43.7
	OPERATORS	6,765.0	315.9	7,080.9
	TOTAL	8,152.9	1,244.7	9,397.6
BRAZIL <sup>67</sup>	MANAGERIAL ROLES	7.5	0	7.5
	MIDDLE MANAGEMENT AND SKILLED TECHNICIANS	6.5	49.4	55.9
	TECHNICIANS	20.2	2.5	22.7
	FUNCTIONAL SUPPORT	131.7	199.2	330.9
	OPERATORS	1,778.3	558.1	2,336.4
	TOTAL	1,944.2	809.2	2,753.4



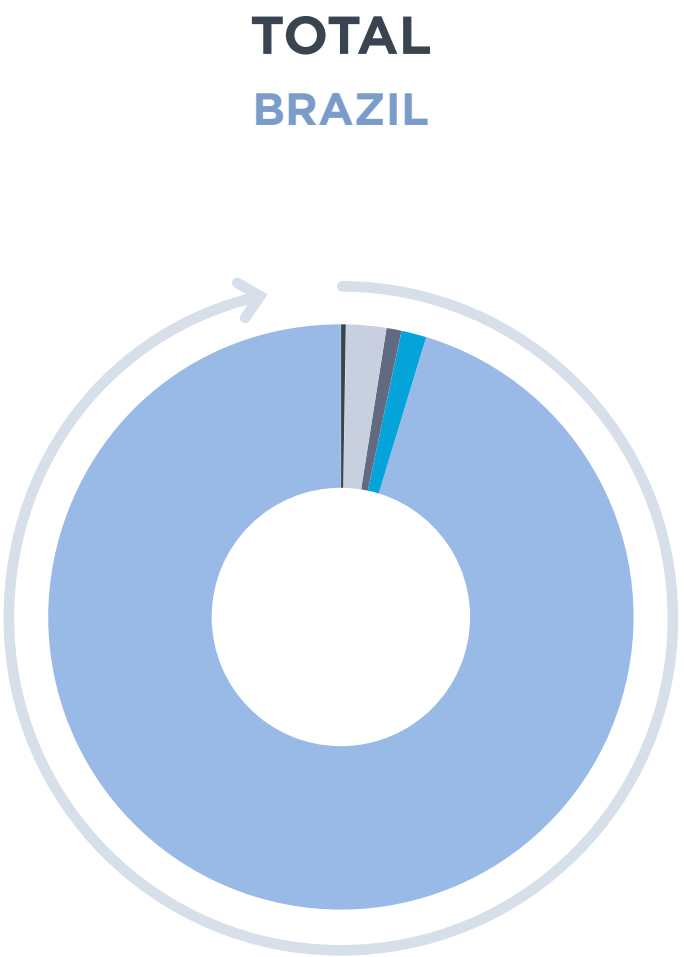
187.5  
MANAGERIAL ROLES

397.3  
MIDDLE MANAGEMENT AND  
SKILLED TECHNICIANS

1,688.2  
TECHNICIANS

43.7  
FUNCTIONAL SUPPORT

7,080.9  
OPERATORS



7.5  
MANAGERIAL ROLES

55.9  
MIDDLE MANAGEMENT AND  
SKILLED TECHNICIANS

22.7  
TECHNICIANS

330.9  
FUNCTIONAL SUPPORT

2,336.4  
OPERATORS

66. 34.5% of the staff were trained in 2020.  
67. 129 courses taught, 100% of the staff were trained in 2020.

One of our key projects for staff development is the **Programa Talento**. Participants show their professional skills through a series of activities and exercises and receive a development report. This is the onset for a training journey and a personalized action plan focused on developing both their leadership and personal skills. The report helps place the participants on the company’s talent map. The program includes one-on-one sessions with professional coaches. In 2020, the program launched for 32 people, but it had to be put on hold during the lockdown; the plans to re-start it in September were dropped because of the second wave. In the end, organizing the groups became very difficult and it had to be postponed until 2021.

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.

The **Team Coaching Program (Programa Impacto)**, kicked off in 2018-2019, continued in 2019-2020. The goal is to build highly committed and united teams that can work to have a positive impact on the organizations’ final and global performance. The key lies in knowing the teams and their dynamics very well. In addition to that main objective, the idea is to improve the team’s work by promoting their autonomy, accountability, and individual and group performance while enriching the relationships between them and their environment. It was mainly implemented on teams which have switched managers recently or which lack cohesion to help them manage their emotions.

Regarding new recruits, we launched a program called **“Know Your Company”**. It’s based on the idea that their onboarding is a process that should be managed jointly by HR and the specific department hiring the person. The purpose is to help them fit into the organization

**The idea is to improve the team’s work by promoting their autonomy, accountability, and individual and group performance while enriching the relationships between them and their environment.**

smoothly. To this end, a welcoming itinerary helps the person get to know all the areas of the company for a few days. In addition, we carry out a suitability analysis to find out if the person is a good fit for the job and draw a training plan or any training needs they may have to guarantee their success.

There is a third program: the **Team Program**, aimed at the newly recruited indirect staff. The latest additions of the year can 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.

In 2020, these last two programs were also put on hold for two reasons: there were no new additions and the pandemic forced us to cut the training budget.

In Brazil, there is an initiative to help young orphans between the ages of 16 and 18 access employment by providing them with a career path that combines theoretical training with work experience.

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# WORK-LIFE BALANCE

**We have the **EFR certificate**, a work-life balance management model, which was granted to our plants in Spain in 2019, and renewed in October 2020.**

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, in 2020 Alestis do Brasil operated on a single shift (7:30 to 17:30) for everyone regardless of their role: administration or production).

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





There is a work-life balance catalog for all employees to see the package of available measures. These focus on employment quality, development, family support, equality, leadership, and flexibility. Below are some of the measures in the catalog:



“BOLSA DE ESTUDIOS HIJ@S”

A program 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 their child’s enrollment in school.



ALESTIS CLUB

An exclusive shopping 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.



FLEXIBLE COMPENSATION

For the first time, Alestis employees could choose how much of their salary they want to receive in cash and how much in products or services such as health insurance, childcare, transportation, or training.

However, this first year was **impacted by the COVID-19** pandemic at every level: health-wise, it radically changed the way we work, and economy-wise, it had a profound effect on us. Inevitably, this shifted our priorities and forced us to drastically cut the budget for this type of measures so we could focus our efforts on health matters and on preserving employment as much as possible. To this end:

- **Remote working** was established as the main form of work. At home, employees were given the same time flexibility they have in the workplace.
- For those jobs that cannot be done from home (operators and other workers needed in the production area), **arrival and departure protocols** were established in the factories to avoid crowds. Additionally, a continuous working day was implemented.

In the Spanish plants in 2020, one person (a woman) was on leave of absence to take care of her child, while 88 people were granted a reduction in working time for the same reason (65 women and 23 men), and 3 (2 women and 1 man) to take care of a family member. In Brazil, three women were on maternity and nursing leaves.

At the time this report was being written, Alestis does not have a right to digital disconnect policy, however, we are planning to work on one throughout 2021.

**Remote working was established as the main form of work. At home, employees were given the same time flexibility they have in the workplace.**



# 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.**

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.

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 prevention of harassment which reinforces what is stated in the Alestis Code regarding diversity. This protocol was not activated in 2020.

In 2021, we must devise a plan to update our Plan for Equality according to the new laws: Royal Decree 901/2020, of 13 October, on the regulation of equality plans and their registration (which replaced the Royal Decree 713/2010, of 28 May, an amendment to the registration and deposit of collective labor agreements), and Royal Decree 902/2020, of 13 October, on equal pay between women and men.





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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 for gender equality, HR ensures equal opportunities between men and women during the selection processes, whether internal or external. All national and international vacancies and mobility opportunities are published internally.

We continued our 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 2020, the pandemic made it impossible for students to do their on-site training.

Alestis aims to hire the best professionals for each position, regardless of gender, age, religion, race, sexual orientation, etc. For this reason, all recruitments and promotions are based on the person's potential, performance, talent, and behavior and how they fit within the company.

Likewise, Alestis supports the integration into working life of people with disabilities. In Spain, we have eight 33% disabled employees, and alternative measures have been approved to cover the remaining 20 posts available; namely, hiring the services of six special employment centers, which amounted to a total of €324,783 for the tax year 2020 (as opposed to €389,960 in 2019).

**HR ensures equal opportunities between men and women during the selection processes, whether internal or external.**

In Alestis do Brasil, there were no members of the staff with disabilities in 2020 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. Because of the pandemic, this program had to be put on hold in 2020.

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

**All recruitments and promotions are based on the person's potential, performance, talent, and behavior and how they fit within the company.**



# COMPENSATION POLICY

According to the Compensation Policy, **similar jobs are grouped together to form job families (the above-mentioned M, P, C, and T).**

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 Com-pensation Policy.

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

Staff covered by the collective agreement.





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 **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 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 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.

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).

**Salary reviews and promotions**, according to the available budget and the results given by the different managers.

Calibration and homogenization of performance **assessment results** and salary reviews.

**Promotions** by those granted the Technical Specialist diploma



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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.**

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).

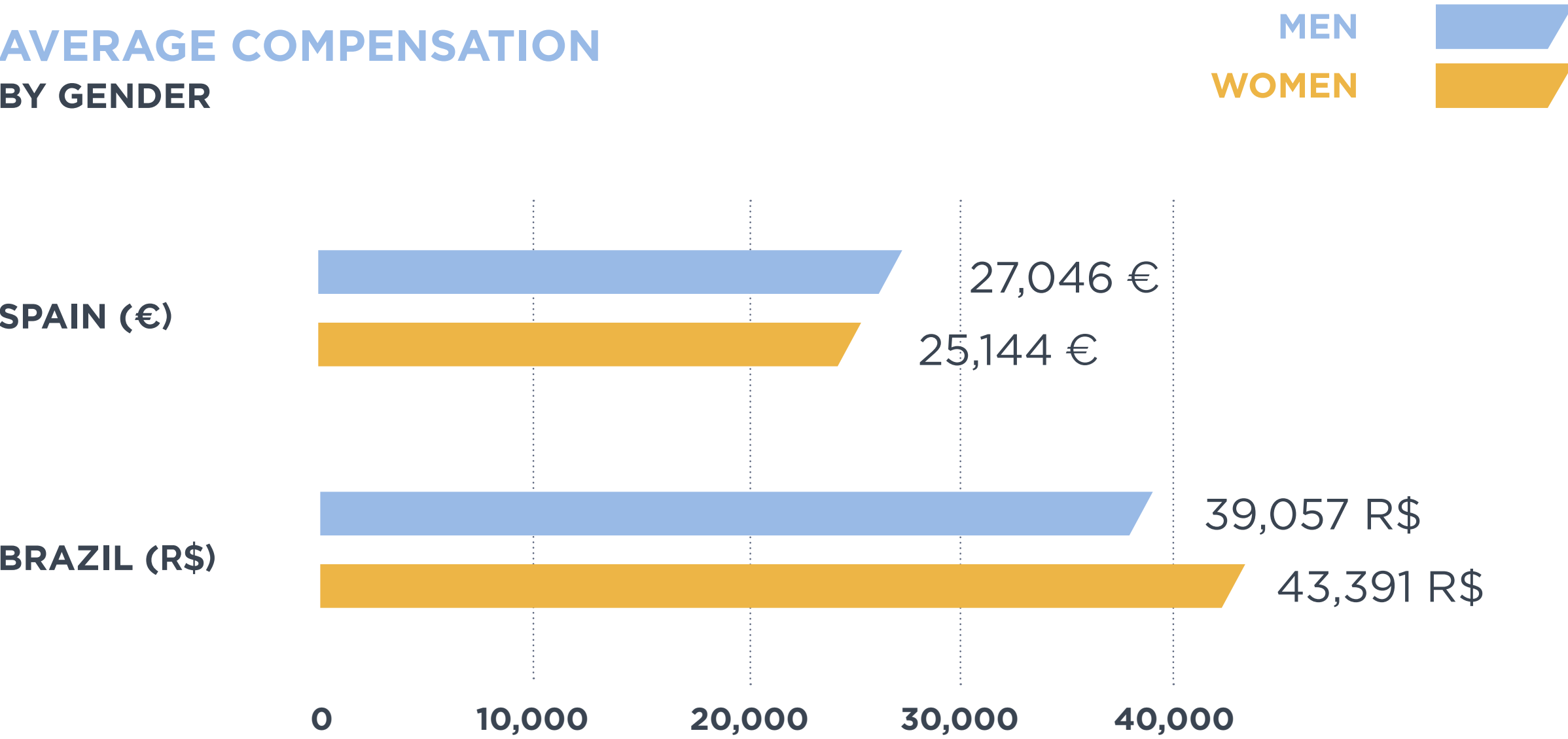
Support personnel and direct personnel (operators) are governed by a collective agreement both in Spain and Brazil.

As for the Board of Directors, they all receive compensation; namely, a fixed annual allowance determined at the General Meeting for each financial year. In 2020, the total compensations paid by the company to consultants amounted to €270,000 [approx. \$322,000]. All members of the Board of Directors receive the same compensation regardless of their gender: €45,000 [approx. \$53,000].

In 2020, 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 2020, trustees received no contribution whatsoever in the form of funds or pension plans nor were they promised such benefits.**

All this generates the below average compensation linked to the annual fixed <sup>68</sup>:



68. The data from 2020 were affected by the furlough scheme adopted between June 1st and December 31st.

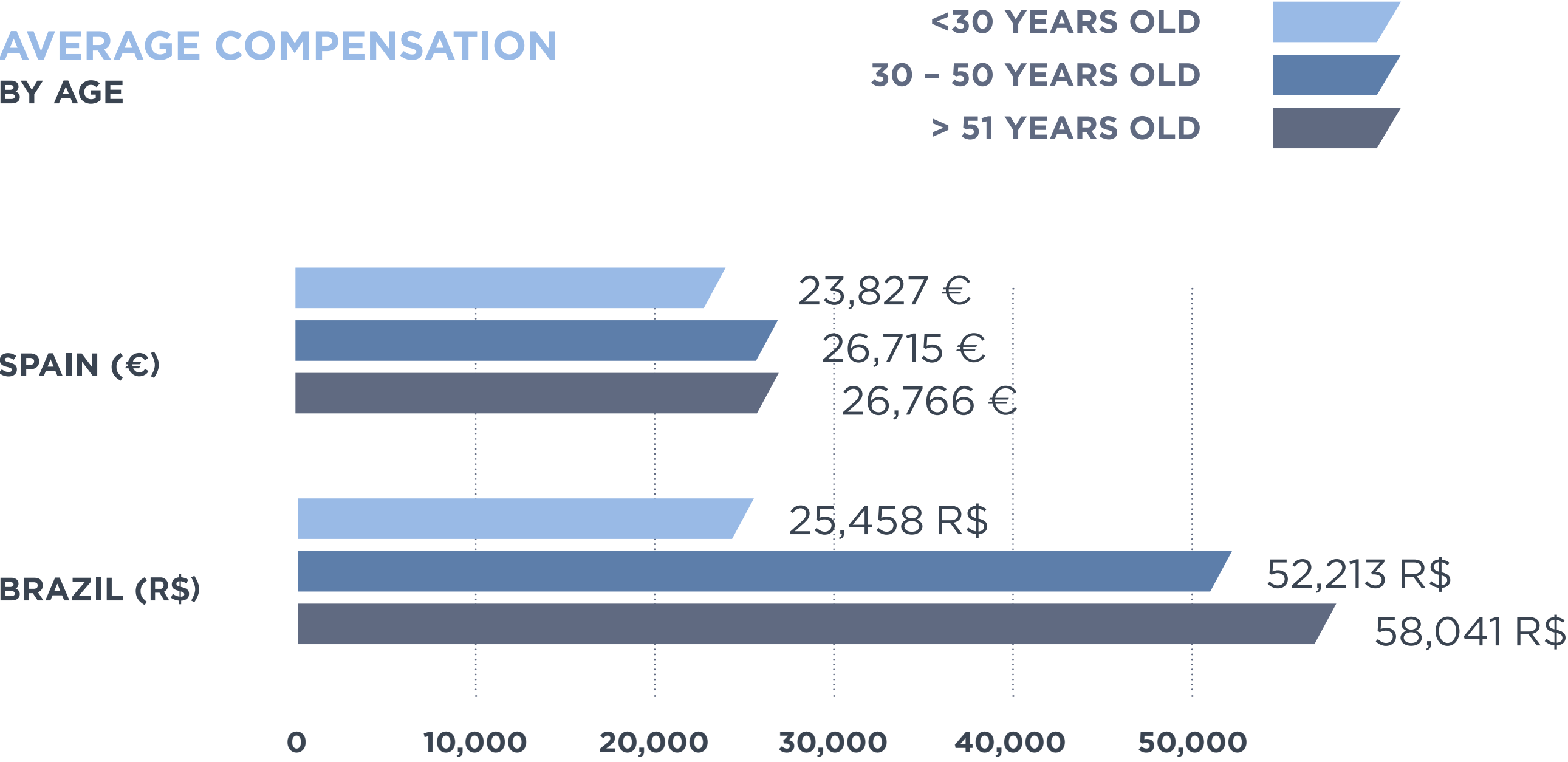


AVERAGE COMPENSATION  
BY GENDER AND PROFESSIONAL CATEGORY

	MEN	WOMEN
SPAIN	MANAGERS	98,892
	MIDDLE MANAGEMENT AND SKILLED TECHNICIANS	52,251
	TECHNICIANS	30,728
	FUNCTIONAL SUPPORT (NOT COVERED BY THE COLLECTIVE AGREEMENT)	22,641
	OPERATORS AND FUNCTIONAL SUPPORT (COVERED BY THE COLLECTIVE AGREEMENT)	22,773
BRAZIL	MANAGERS	38,540
	MIDDLE MANAGEMENT AND SKILLED TECHNICIANS	102,437
	TECHNICIANS	43,809
	FUNCTIONAL SUPPORT (NOT COVERED BY THE COLLECTIVE AGREEMENT)	58,031
	OPERATORS AND FUNCTIONAL SUPPORT (COVERED BY THE COLLECTIVE AGREEMENT)	27,819

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 still significantly smaller, and was even more so in the past, which may affect these data in terms of seniority.

AVERAGE COMPENSATION  
BY AGE

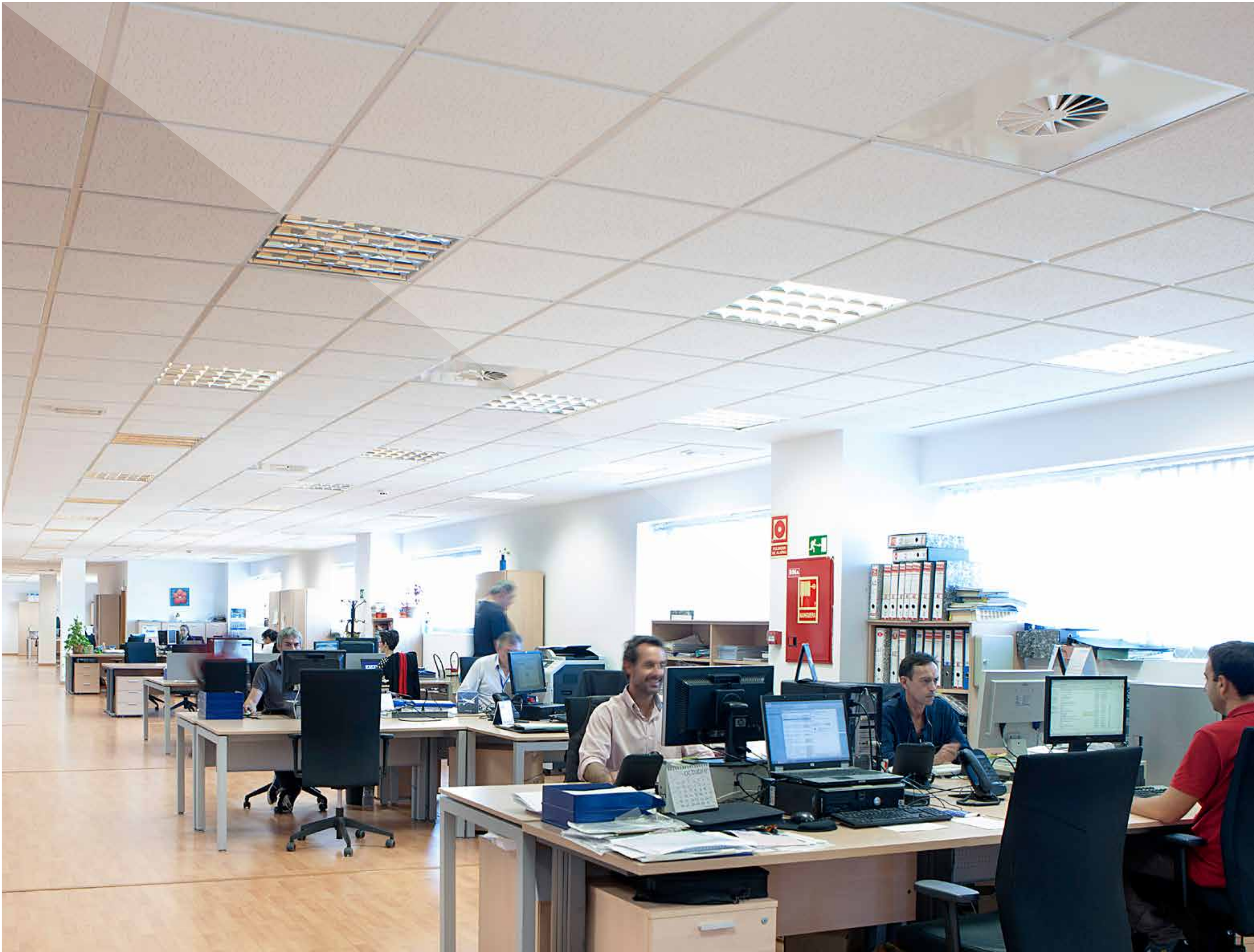




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AVERAGE COMPENSATION  
BY PROFESSIONAL CATEGORY <sup>69</sup>

SPAIN (€)	MANAGERS	100,153
	MIDDLE MANAGEMENT AND SKILLED TECHNICIANS	50,777
	TECHNICIANS	29,573
	FUNCTIONAL SUPPORT (NOT COVERED BY THE COLLECTIVE AGREEMENT)	19,812
	OPERATORS AND FUNCTIONAL SUPPORT (COVERED BY THE COLLECTIVE AGREEMENT)	22,382
BRAZIL (R\$)	MANAGERS	38,540
	MIDDLE MANAGEMENT AND SKILLED TECHNICIANS	98,076
	TECHNICIANS	38,008
	FUNCTIONAL SUPPORT (NOT COVERED BY THE COLLECTIVE AGREEMENT)	53,045
	OPERATORS AND FUNCTIONAL SUPPORT (COVERED BY THE COLLECTIVE AGREEMENT)	26,791



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.



# HEALTH & SAFETY

**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.**

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. Although we are fully prepared to access a certification process as stipulated by that standard, the process has been delayed due to the COVID-19 pandemic.





At the cornerstone of this system is our **Occupational Risk Prevention Policy** <sup>70</sup>, and that defines the company’s commitments in this matter and is approved by the management team:

**Alestis’s basic principle is to create and maintain a safe working environment for our staff, contractors, and clients, and preventing occupational risks is key for achieving safe industrial and business operations.**

**Alestis collaborates closely with the different public authorities in charge of occupational risk prevention in the hope that we can serve as an example wherever we work.**

1.

Our management team believes that **all accidents, and therefore their consequences, are preventable**. Hence, they are committed to providing safe and healthy working conditions to prevent any work-related injuries and health deterioration.

2.

To ensure our **occupational safety and health management is constantly improving**, we set prevention goals and monitor them regularly.

3.

Alestis’s basic principle is to create and **maintain a safe working environment for our staff**, contractors, and clients, and preventing occupational risks is key for achieving safe industrial and business operations.

4.

We **promote engagement and participation** from our workers and/ or their representatives.

5.

**The management team is responsible for the prevention of occupational risks**— they make and lead the commitment to incorporate measures to this end into day-to-day activities.

6.

Alestis strives to **eliminate hazards and reduce occupational health and safety risks** in existing jobs and working areas, as well as in all new projects, modifications, or jobs.

7.

We make sure both the company and our clients **comply with the legal and internal requirements regarding safety**; failure to comply will not be tolerated regardless of who commits the violation: the management, the workers, or the contractors. The latter are forced to apply similar occupational risk prevention standards to Alestis’s in their operations.

8.

Alestis **collaborates closely with the different public authorities** in charge of occupational risk prevention in the hope that we can serve as an example wherever we work.

9.

We make sure **every employee is aware of these principles** and they apply them to all industrial and commercial activities to integrate prevention throughout the organization.

70. Alestis’s ORP Policy was being revised at the time this report was being written.



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In Spain it has its own 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.

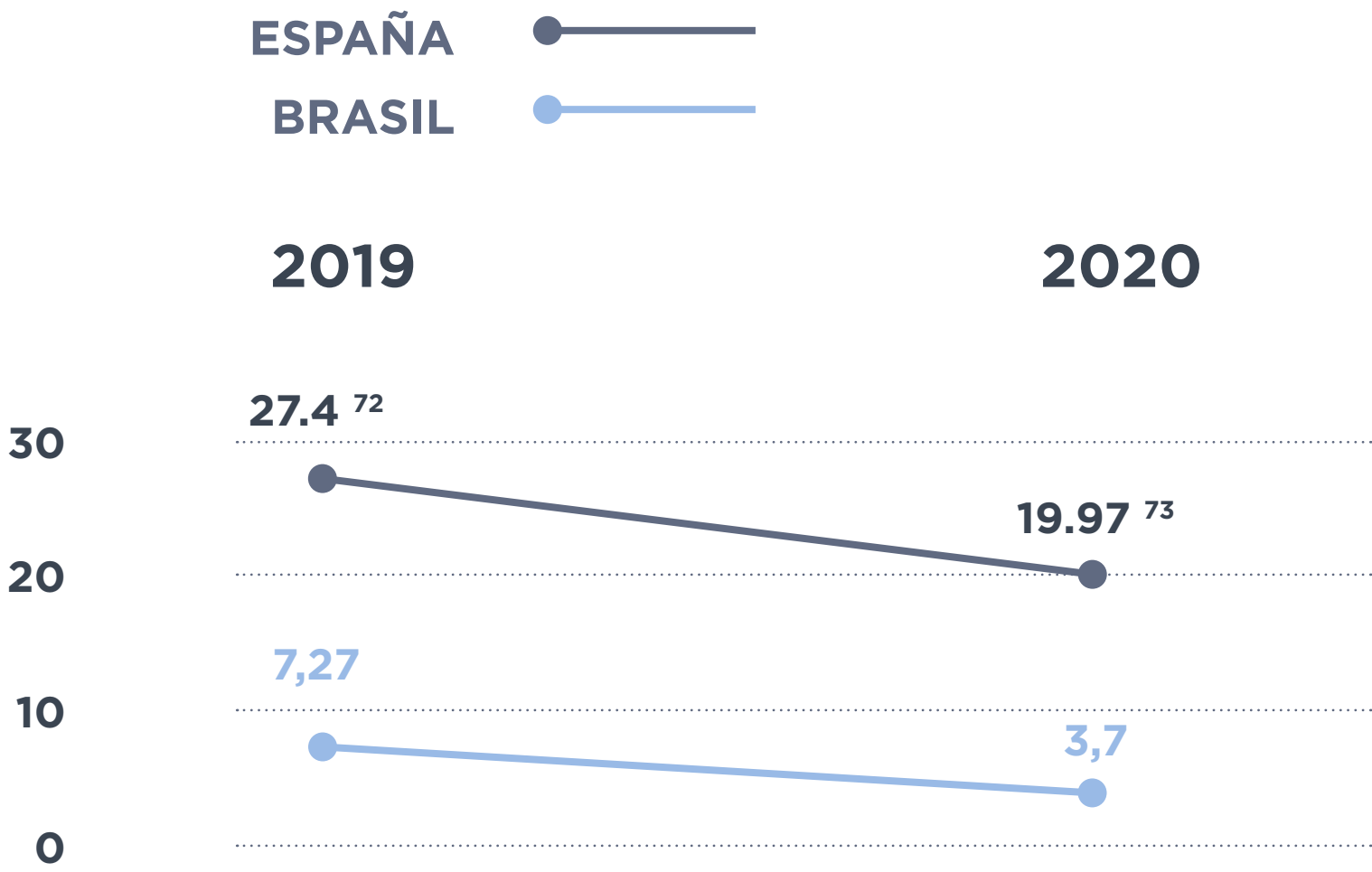
The management of accident indicators is governed by the INSST's (the Spanish National Institute of Health and Safety at Work) criteria and defines the frequency rate as the number of accidents which lead to medical leave per million hours worked. Other rates provided by the company's mutual association 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.

Between 2010 and 2020 (Alestis began to manage prevention-related issues directly in 2010), the frequency rate has decreased by 65.35%, and the severity rate by 23%. This shows that the number of accidents leading to medical leave has been reduced by 65.35%, and their seriousness by 23%.

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ACCIDENT RATES <sup>71</sup>

**ACCIDENT FREQUENCY RATE**  
(nº. of accidents at work occurring per million hours worked)

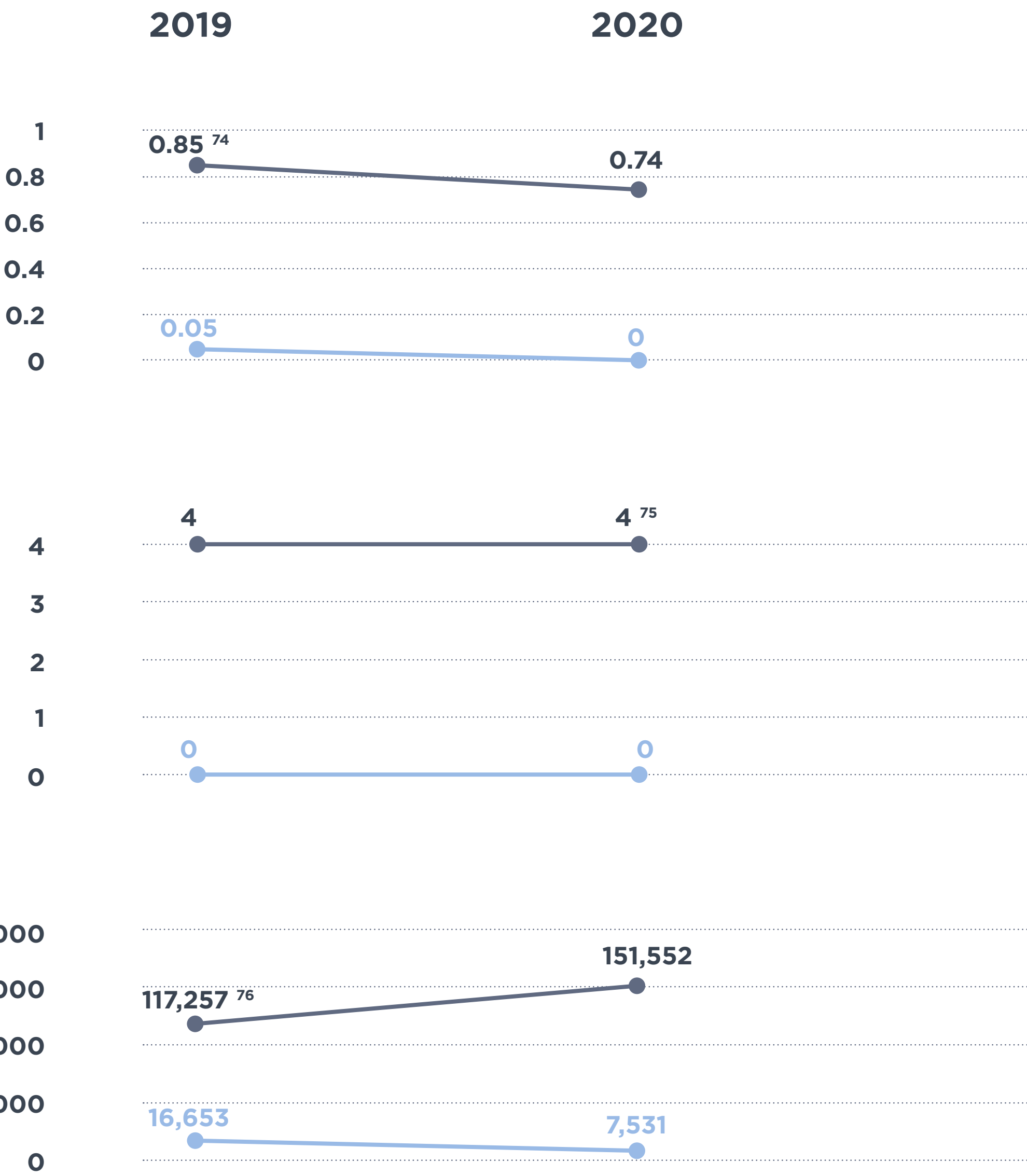


71. The breakdown by sex is unavailable because there is no information on the hours worked by men and women. The company is committed to reporting this information in the future.  
72. An error was detected in the data for 2019: instead of 27.4 we mistakenly reported 22.17.  
73. This data is well below the accident frequency rates published by the INSST (the Spanish National Institute of Health and Safety at Work) which was 35.6 in May 2020.

**SEVERITY RATE**  
(nº of days lost due to accidents at work per thousand hours worked)

**Nº OF LEAVES DUE TO OCCUPATIONAL ILLNESS**

**ABSENCE HOURS**



74. An error was detected in the data for 2019: instead of 0.85 we mistakenly reported 0.75.  
75. All men.  
76. An error was detected in the data for 2019: only the absence hours for direct labor (99,511) were reported; including the indirect labor, the total amounted to 117,257 hours.



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To ensure everyone’s participation in relation to ORP, the company has Health and Safety Committees in every plant. They meet at least once every three months (or on a monthly basis in some of them), to study any anomalies that may have been detected and track the corrections made. The idea is to brainstorm ideas to make the company a safer and more productive place

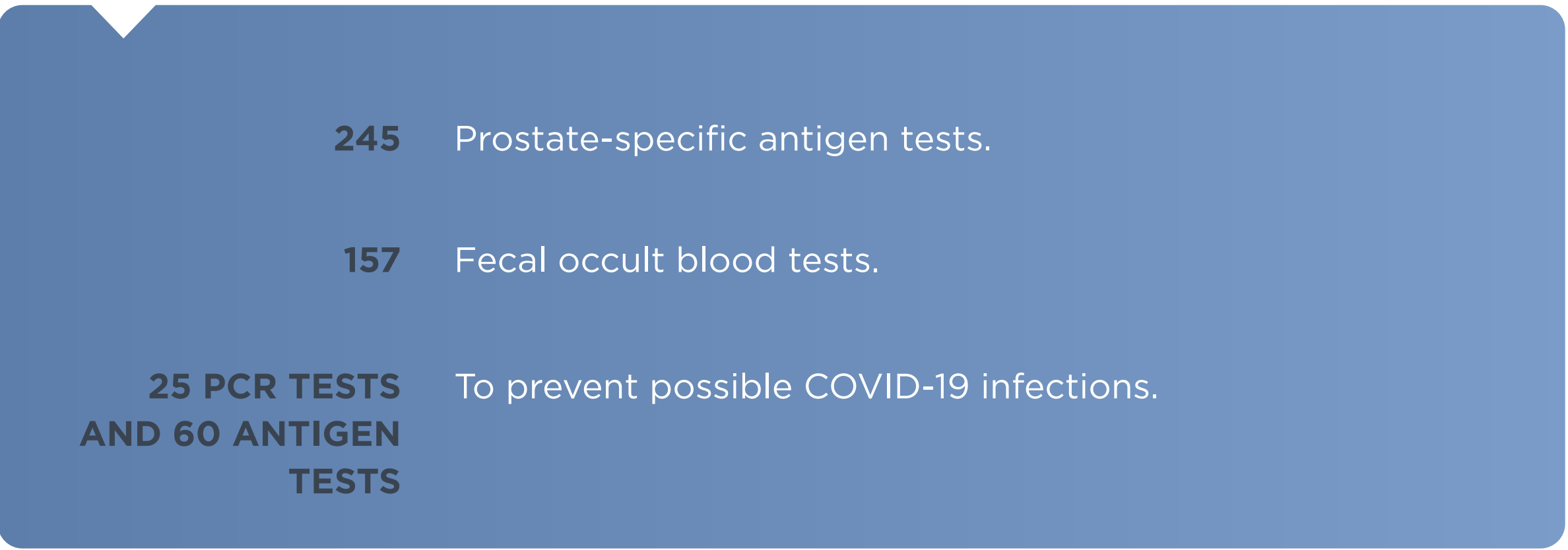
Additionally, up to 2020 we ran campaigns known as “Together for Prevention”. Through these, specific areas, programs and/or sections with a higher incidence in each plant were selected to then work together with the staff in order to identify all the risks and agree on corrective actions, some of which could be carried out without the need for large investments.

On an annual basis (or more often according to specific protocols, medical advice, or risk levels identified for each job), the workers undergo a medical check-up as part of the company’s commitment to keep everyone healthy. The health protocols for each worker are determined by the doctor in charge of our health program based on the risks the worker is exposed to.

Aside from the mandatory tests required by the applicable protocols, until 2020 Alestis’s male workers over 50 (or over 45 if they have a history of PSA in their family) could do PSA tests (prostate-specific antigen) if they wished to do so.

In 2018, workers over the age of 50 could undergo FOBTs (fecal occult blood tests) to assess if there’s blood in the stool and possibly detect colon cancer in its earliest stage.

From September 2019 to December 2020, the following tests were carried out:



**Alestis devised safety protocols in each of the plants to ensuring the workers’ piece of mind and offered remote working wherever possible. The staff attended training days to learn about preventive measures to minimize the risk of infection both at work and at home.**



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In response to the pandemic, in 2020 Alestis devised safety protocols in each of the plants to ensuring the workers' piece of mind and offered remote working wherever possible. The staff attended training days to learn about preventive measures to minimize the risk of infection both at work and at home.

In addition to these extensive and detailed protocols, and with the aim of ensuring the workers' safety, the company created brochures with a summary of the measures that workers had to be aware of and apply in the workplace.

In addition, we put up notices in meeting rooms and working spaces to show their capacity, and warn about the closure of certain areas for safety reasons. We have shared all types of COVID-19-related content with the workers: recommendations on how to use face masks, a safety measures decalogue, prevention protocols, videos to promote individual employee responsibility, recommendations for panel meetings, suggestions for remote working, news of public interest, news with general recommendations about the disease, and announcements on how the pandemic impacted Alestis. Also, employees were always informed of all the safety measures implemented in the company due to COVID-19.

All these communications were made following the measures, recommendations, and legislation in force at any given time.

Throughout the pandemic, our cleaning practices were enhanced to ensure the disinfection of all premises and workplaces.



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In the same vein, and despite the restrictions imposed by the pandemic to both businesses and citizens, Alestis's app ([www.alestisalud.es](http://www.alestisalud.es)) was run until June 2020. Through it, employees were encouraged to exercise, even if it had to be done at home during the lockdown. In addition, an online training provided by the external company Quirón Prevención was launched to reinforce the employees' knowledge of COVID-19 and the measures and recommendations to prevent infection and spread of the virus.

At Alestis, we are proactive about leading a healthy lifestyle. As a result, we adhere to the **Luxembourg Declaration on Workplace Health Promotion** to continue encouraging 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 NR9 in the Environmental Risk Prevention Program (PPRA in Portuguese), compliant with Ordinance 33,214 of 1978.

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.

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, we are proactive about leading a healthy lifestyle. As a result, we adhere to the [Luxembourg Declaration](#) on Workplace Health Promotion to continue encouraging healthy habits among our workers inside and outside the workplace.**

**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.**



# ENVIRONMENTAL MANAGEMENT

We are aware of our impact on the environment. This is why we strive to implement sustainable business practices—to respect the environment, **minimize the effects of our actions, manage waste efficiently, and conserve and save energy and other resources.**





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WASTE

BIODIVERSITY

As stated in the Alestis Code, we are aware of our impact on the environment. This is why we strive to implement sustainable business practices—to respect the environment, **minimize the effects of our actions**, manage waste efficiently, and 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. Since 2020, this has been included in the program for company changes and is dealt with by HR.

In 2016, we launched the company’s **Environmental Plan** (as a framework for all issues regarding environmental management), and formalized the first edition of the **Environmental Policy**, last checked in January 2019 <sup>77</sup>.

Like all company policies, it also comes directly from the management team, and is an inherent to their duties and responsibilities. The implementation of this policy’s detailed principles, as well as the specific strategies and plans, is the responsibility of every single one of Alestis’s employees.



77. Alestis’s Environmental Policy was being revised at the time this report was being written.



Below are the basic principles that govern Alestis’s Environmental Policy, applicable to all activities:

1.

**To document, implement and maintain** an environmental management system within the company’s continuous improvement system.

2.

**To meet our clients’ 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.

3.

**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.

4.

**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.

5.

**To monitor systematically the environmental aspects** of our facilities and processes by taking the necessary corrective measures.

6.

**To act proactively** to detect and prevent the environmental defects and incidences before they occur, especially those caused by waste emissions.

7.

**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.

8.

**To strive to minimize the consumption of natural resources** such as water and energy, as well as to reduce CO2, VOCs, etc.

9.

**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.

10.

**To inform Alestis’s staff** about our Environmental Policy.

11.

**To improve continuously our Environmental Management System** to boost our environmental performance.

**Control and reduce as much as possible Alestis’s environmental impact, mainly derived from atmospheric emissions, discharges, and generated consumption and waste.**



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Each plant has its own Environmental Authorization, which is tailored to the specific characteristics of each place. These documents determine the environmental controls to be carried out at each plant.

The Environmental Authorizations were last revised in 2017, when they were adapted to the changes introduced in each place. The competent authority set the parameters to be measured in each center, which is planned annually according to the deadlines set.

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.

Regarding relevant environmental aspects, there are two worth mentioning:

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USE OF RESOURCES & MATERIALS

WATER CONSUMPTION &  
DISCHARGES

CARBON FOOTPRINT & OTHER  
ATMOSPHERIC EMISSIONS

WASTE

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**IN SPAIN** Non-hazardous waste production <sup>78</sup>.

**IN BRAZIL** Pollution through atmospheric emissions, chemical and flammable soil pollution, water pollution, and pest invasion.

**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.**

Regular measurements of discharges or emissions are taken at each plant when necessary. However, Alestis’s measures to protect the environment go beyond compliance with mandatory regulations.

Regarding external noise, 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. In 2020, no noise-level measurements were performed (there were none scheduled), and in 2021 there’s only one scheduled in St. Pablo.

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—all of them within the limits so far. In 2020, noise reducers were installed in the autoclaves for nitrogen discharge.

78. In 2021, work will be done to improve sorting and increase the ways in which we reuse non-hazardous waste.



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).

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.

Throughout 2019, we completed the implementation in all the locations, which translated into the generation of all plant-specific procedures. In February 2020, the system was pre-audited by the company Bureau-Veritas. The result was satisfactory and showed that the system is prepared to go through a certification process.

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.

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.

In February 2020, the system was **pre-audited by the company Bureau-Veritas. The result was satisfactory and showed that the system is prepared to go through a certification process.**





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Alestis was affected by Law 11/2014, of 3 July, an amendment to Law 26/2007, of 23 October, on environmental liability. A number of risks were identified in 2020 and will be monitored on an annual basis.

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. In particular, chemical warehouses were improved by disposing of all obsolete and expired items. In San Pablo, a small storage of chemical products displaying information about the correct storage of available chemicals was built.

**In order to reduce environmental risks, the following measures were taken at the plant in Brazil: Tree pruning for fire prevention, pest control, and elimination of rats and other disease-spreading animals, water tank cleaning to prevent water contamination, and acoustic isolation of autoclaves and machinery.**

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 process 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.

In order to reduce environmental risks, the following measures were taken at the plant in Brazil: Tree pruning for fire prevention, pest control, and elimination of rats and other disease-spreading animals, water tank cleaning to prevent water contamination, and acoustic isolation of autoclaves and machinery. Additionally, the filters in the cutting and painting booths are replaced regularly, a containment system was made available in the event of chemical and flammable substances leaks, the well is cleaned routinely, Class I and II waste is disposed in accordance with the law, and there is insurance for the transport of waste to the final managing agents.

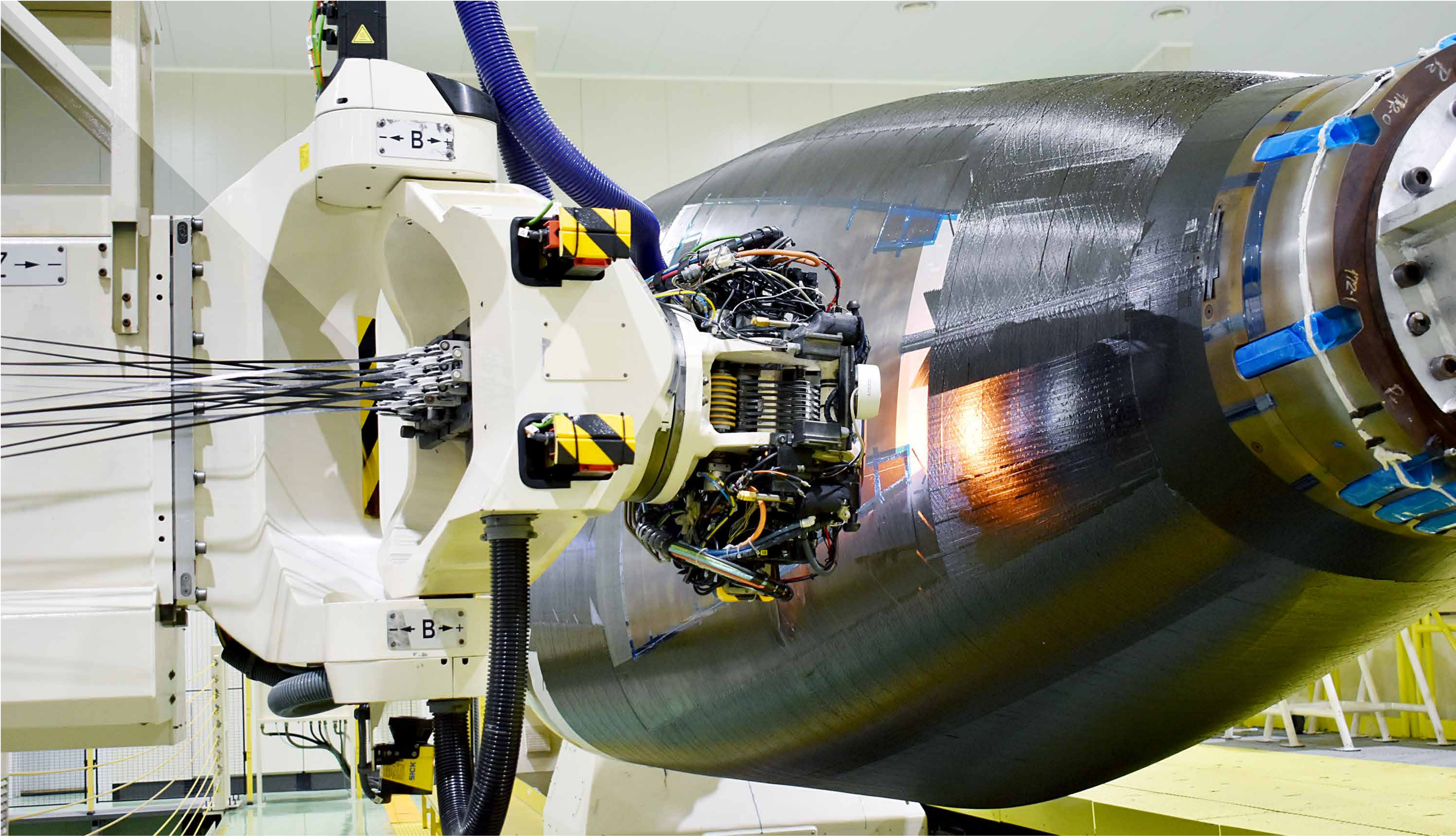
Alestis has a liability policy that covers any accidental environmental incident up to €15M, including cleaning expenses where appropriate.





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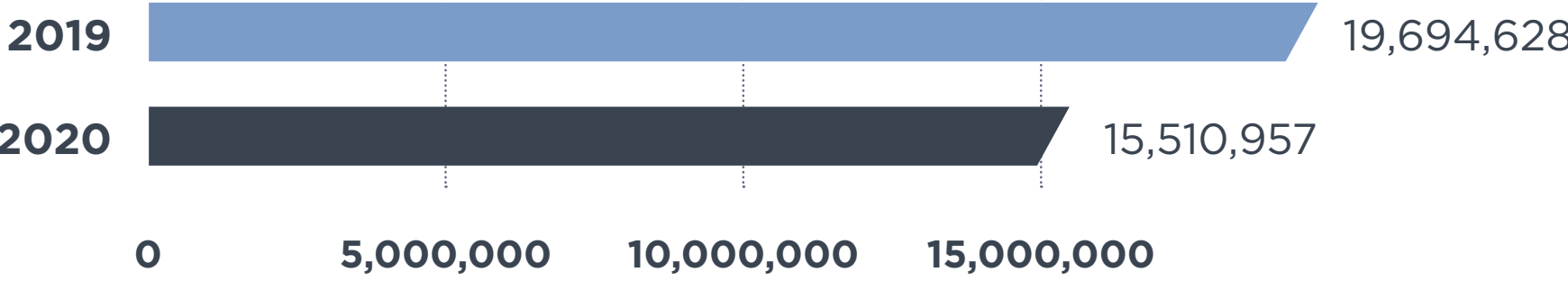


# ENERGY CONSUMPTION

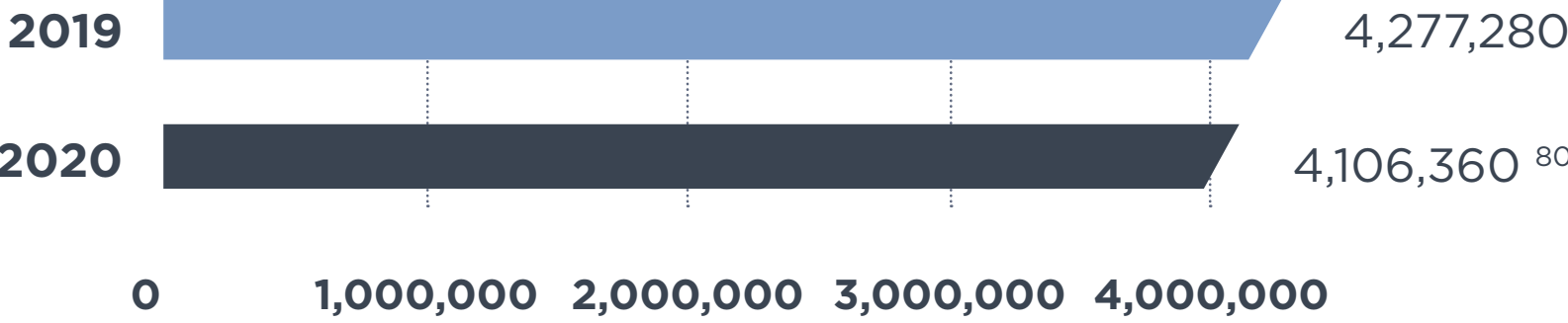
The energy consumption of all Spanish plants is shown in the following table:

## ENERGY CONSUMPTION IN SPAIN

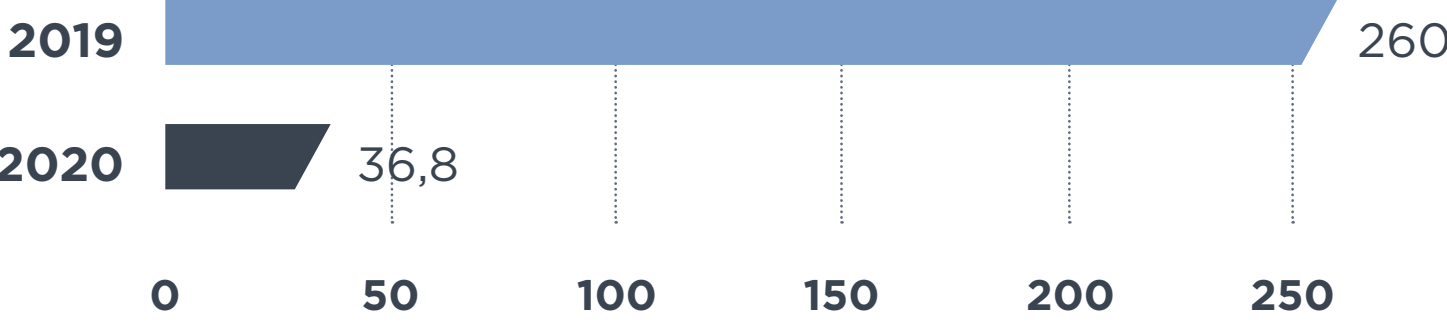
### ELECTRICITY <sup>79</sup> (Kwh)



### NATURAL GAS (Kwh)



### PROPANE GAS (Ton)



79. The data for 2019 does not include office work centers, as consumption levels here are insignificant in comparison to those in the plants. However, the data for 2020 does include the electric power consumption in the offices (36,232 kWh).  
80. In 2019, all natural gas consumption data is from the Vitoria plant. In 2020, the data shows the consumption from Vitoria and Tecnobahía, which was switched from propane gas to natural gas.





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The following table shows the electricity consumption for 2020 broken down by plant:

ELECTRICITY CONSUMPTION	SPB (RA)	TBC (KL)	PRE (RP)	VIT (FH)	VIT (TR)	AER (ZG)
JANUARY 2020	566,887	365,503	252,340	123,603	95,181	94,893
FEBRUARY 2020	550,064	400,847	230,408	122,441	102,062	91,681
MARCH 2020	487,944	292,467	157,850	89,366	78,632	80,344
APRIL 2020	376,525	301,103	180,197	74,554	57,346	75,190
MAY 2020	560,692	492,335	272,914	113,836	89,282	146,995
JUNE 2020	452,638	443,843	275,723	69,791	71,095	70,210
JULY 2020	552,929	560,879	334,839	75,364	69,649	99,187
AUGUST 2020	218,363	180,833	97,827	15,482	15,578	29,706
SEPTEMBER 2020	452,970	441,372	273,438	68,319	68,767	70,815
OCTOBER 2020	445,195	380,752	218,875	71,191	73,783	46,602
NOVEMBER 2020	436,579	393,885	202,817	79,047	75,297	54,155
DECEMBER 2020	383,408	315,625	153,708	82,284	67,959	60,464
TOTAL	5,484,194	4,569,444	2,650,936	985,278	864,631	920,242



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As a result of the company’s commitment to fight climate change, we implement actions to reduce energy consumption on a regular basis. The most important ones taken in 2020 were related to **air conditioning, lighting, and equipment.**

Technical reports were submitted for grants to the Andalusian Regional Government’s Energy Agency for the plants of San Pablo, Tecnobahía, and Puerto Real.

**As a result of the company’s commitment to fight climate change, we implement actions to reduce energy consumption on a regular basis. The most important ones taken in 2020 were related to air conditioning, lighting, and equipment.**



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The measures for which aid was requested for energy improvements at the plant in **San Pablo** are:

AIR CONDITIONING:



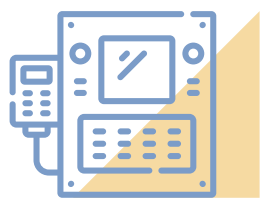
1. Central air-conditioning in the admin and dining areas to ensure a more efficient performance by using the latest technology and variable refrigerant flow (VRF) systems.
2. Online temperature and humidity control systems to optimize equipment programming.
3. More modern and efficient water pumps consumption-wise.
4. (Passive) Elements: Enhanced insulation, windows (thermal break and double glazing featuring solar protection and low emissions), skylights and high-speed doors to minimize energy waste.

LIGHTING:



1. Replacement of standard and emergency lighting fixings featuring inefficient technology in admin area (incandescent light bulbs, halide lamps, and fluorescent tubes) with efficient LED luminaires.
2. Enhanced use of natural light by installing motorized roller blinds to improve thermal protection and optimization of solar energy management.
3. Lighting scheduling with presence detection systems and intermittent occupancy zones.
4. Replacement of standard and emergency lighting fixings featuring inefficient technology in admin area (incandescent light bulbs, halide lamps, and fluorescent tubes) with efficient LED luminaires.
5. A translucent skylight (810 m2) was installed in the main plant roof to provide more daylight in working areas, which has helped decrease electrical energy consumption at certain intervals of the day when daylight hits at the right place in the plant.

EQUIPMENT:



1. Replacement of more energy-efficient compression machines with optimized variable speed drives based on load and variation needs, and centralized control systems.





The measures for which aid was requested for energy improvements at the plant in **Tecnobahía** are:

AIR CONDITIONING:



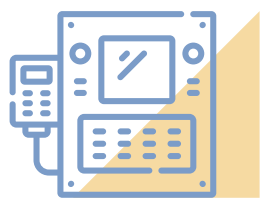
1. Integration of solarization technology in the main cooling units of the industrial area air-conditioning unit to achieve a more efficient electricity consumption.
2. Installation of destratifiers in industrial area for better hot air distribution in the air-conditioning units located in the workshops and final process zones.
3. (Passive) Elements: Windows (thermal break and double glazing featuring solar protection and low emissions), skylights (honeycomb modular polycarbonate panels) and high-speed doors to minimize energy waste.

LIGHTING:



1. Replacement of standard and emergency lighting fixings featuring inefficient technology in admin area (incandescent light bulbs, halide lamps, and fluorescent tubes) with efficient LED luminaires.
2. Lighting scheduling with presence detection systems and intermittent occupancy zones.
3. Replacement of standard and emergency lighting fixings featuring inefficient technology in industrial area (incandescent light bulbs, halide lamps, and fluorescent tubes) with efficient LED luminaires.

EQUIPMENT:



1. Integration of variable speed drives in the compression machines.
2. Voltage stabilizers to ensure quality supply with a balanced input voltage.



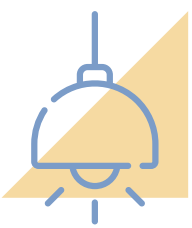
The measures for which aid was requested for energy improvements at the plant in **Puerto Real** are:

AIR CONDITIONING:



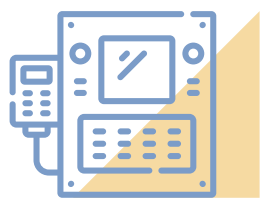
1. Integration of solarization technology in the main cooling units of the industrial area air-conditioning unit to achieve a more efficient electricity consumption.
2. Installation of destratifiers in industrial area for better hot air distribution in the air-conditioning units located in the workshops and final process zones.
3. (Passive) Elements: High-speed doors to minimize energy waste.

LIGHTING:



1. Installation of a program to improve lighting efficiency and reduce consumption by programming the brightness based on working hours and sunshine hours—the more natural light there is, the less bright the lights are.
2. As part of the new lighting installation in 2019-2020, we adopted a lights on/off management program that helps schedule on/off times based on when work is to be carried out inside the factory. The lighting schedule for 2021 based on the work plan for the plant is already active.

EQUIPMENT:



1. New main compressor equipped with a hybrid engine, drive, and controls.
2. Integration of variable speed drives in the suction machines.
3. Voltage stabilizers to ensure quality supply with a balanced input voltage.





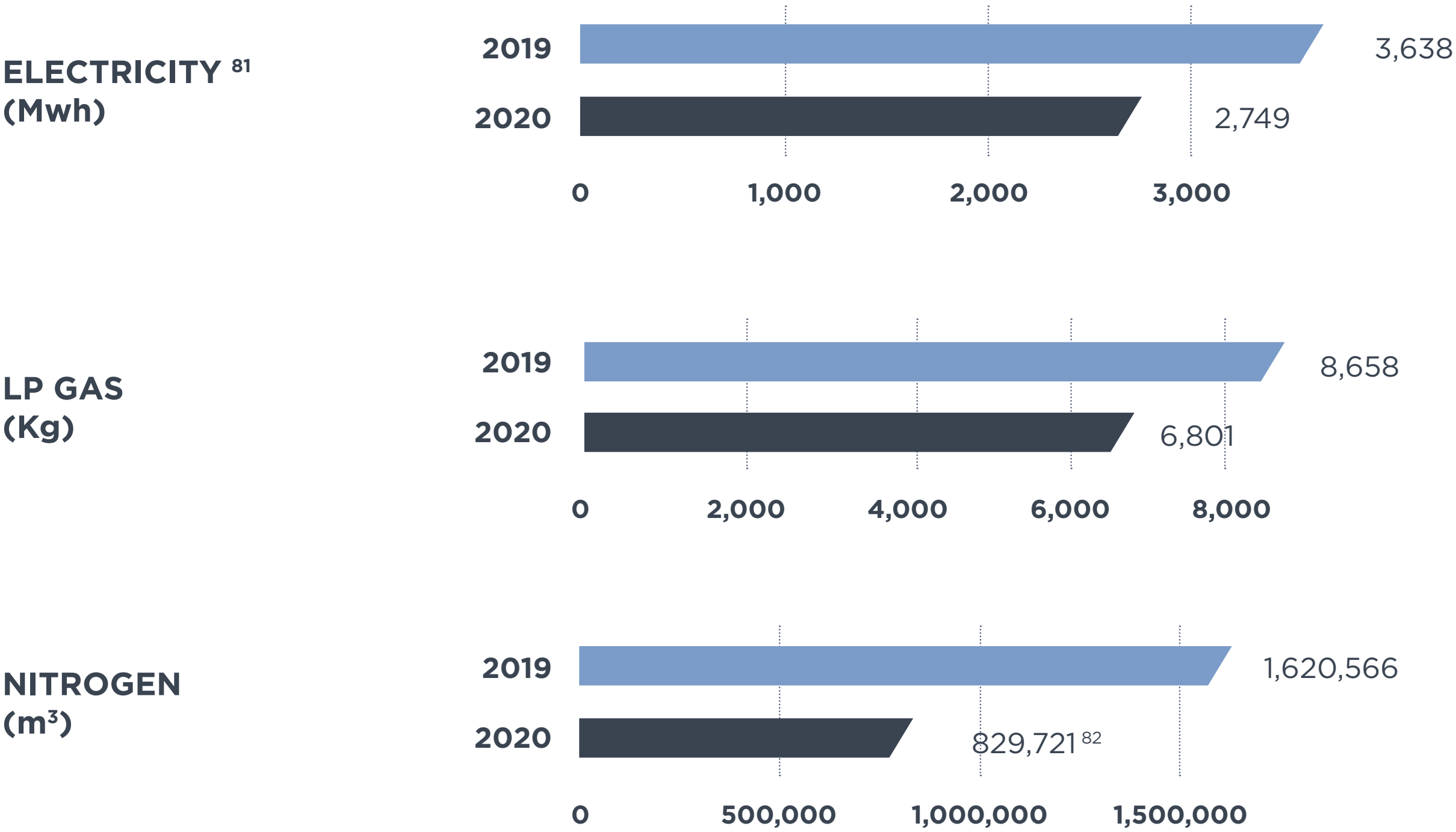
It is also worth mentioning that the San Pablo plant has solar panels for heating water, and that the offices at Getafe are located in a sustainable, eco-friendly building (Charmex).

In 2019, we began studying the feasibility for switching to solar energy in other plants, too. However, this was put on hold in 2020.

For its part, the energy consumption at the Alestis do Brasil headquarters was as follows:

As it was the case the year before, all measures put in place to reduce energy consumption come down to production optimization (we went from three shifts to one shift in the plant):

ENERGY CONSUMPTION  
IN BRAZIL



OPTIMIZATION OF AUTOCLAVE CURING PROCESS

MIGRATION TO THE FREE ENERGY MARKET (RENEWABLE ENERGY)

REDUCTION OF COATING CURES

81. 100% renewable.

82. The decrease in nitrogen consumption is directly linked to the 40% workload drop, which also led to the optimization of the curing processes by grouping program packages together. To this, we can add a decrease in manufacturing lead time, which in turn helped reduce the works in progress/finished parts.



# USE OF RESOURCES & MATERIALS

**Following the implementation of the ISO 14001 standard, we carry out annual consumption evaluations of raw and auxiliary materials. The most used raw materials were titanium, aluminum, and prepreg.**





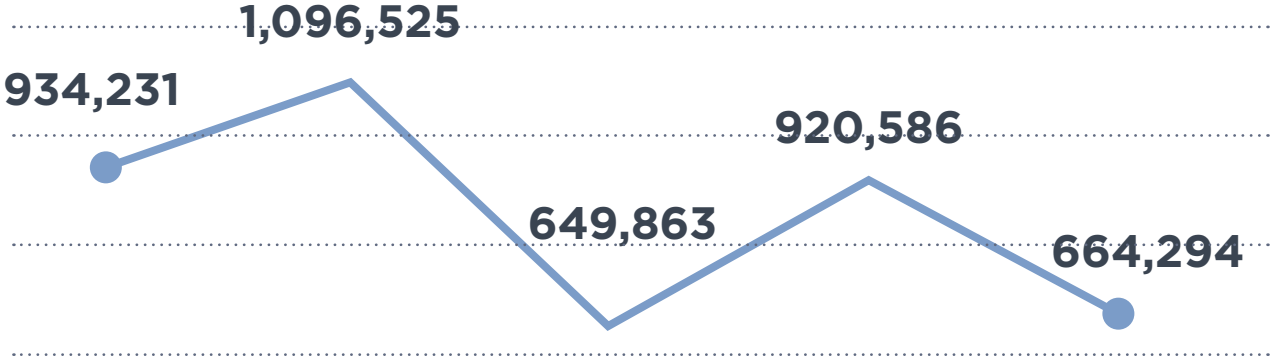
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RAW  
MATERIALS

ALUMINUM (Kg)  
(SPAIN <sup>83</sup>)

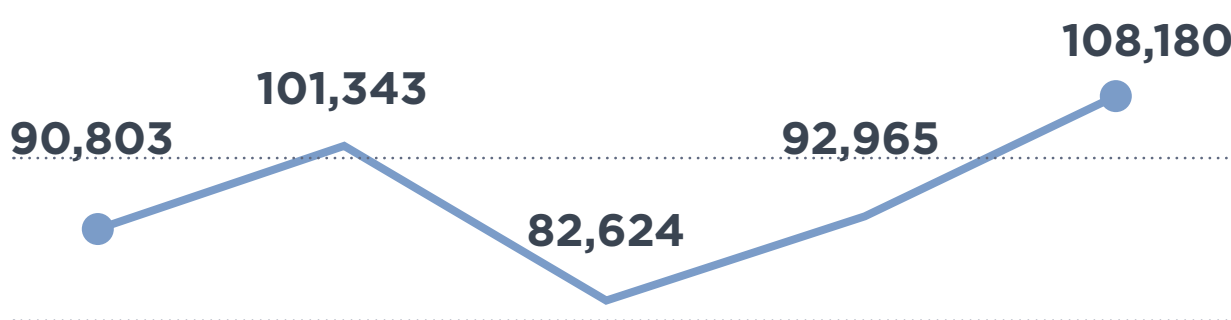
1,200,000  
1,000,000  
800,000  
600,000

2016 2017 2018 2019 2020



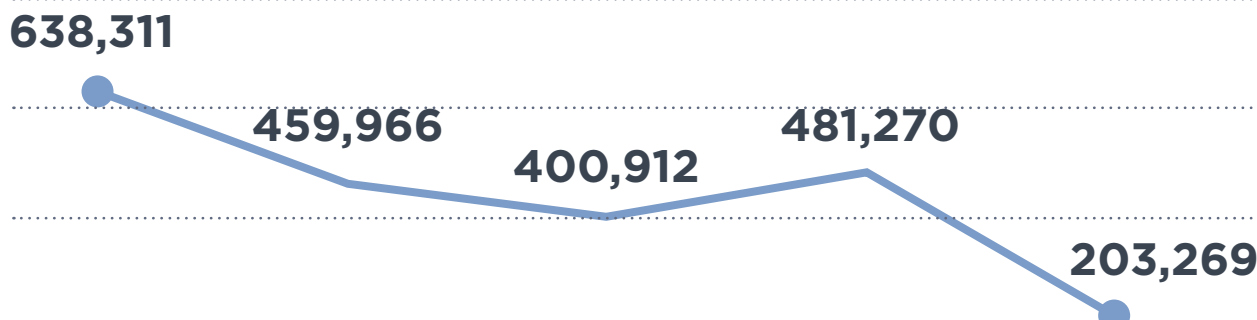
TITANIUM (Kg)  
(SPAIN)

120,000  
100,000  
80,000



PREPEG (m²)  
(SPAIN)

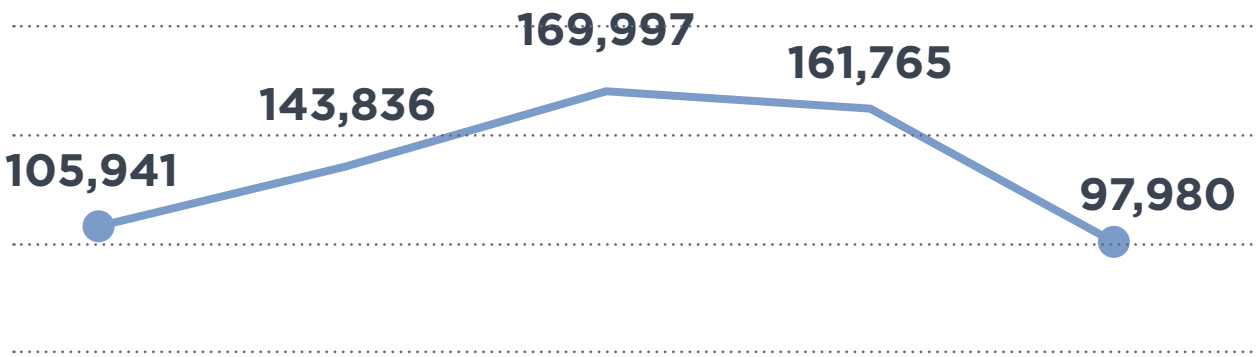
800,000  
600,000  
400,000  
200,000



PREPEG (m²)  
(BRAZIL)

200,000  
150,000  
100,000  
50,000

2016 2017 2018 2019 2020



Tartaric-sulphuric acid is the only **anodizing** used since January 2019 for all programs—a less dangerous substance than Cr-VI 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. Likewise, we try to rationalize the use of **solvents** at all times. Alternatively, we use solvent wipes or waterborne paints from the latest programs.

In Vitoria, we reached a 27% reduction in solvent use in 2020, exceeding our initial target of 20%. In our attempt to apply best available techniques to reduce atmospheric emissions derived from solvents, and in compliance with Royal Decree 117/2003, in 2020 we successfully replaced solvent-based paint with water-based paint for the A350 program (in those cases where the substitute had the appropriate certification). The goal for 2021 is to replicate this in other programs.

In Vitoria, we reached a **27% reduction in solvent use in 2020, exceeding our initial target of 20%.**

83. The data about titanium and aluminum consumption comes from the Demand Conbid Tool, and includes both Alestis’s and our supply chain’s. The figures for prepregs come from SAP and refers to Alestis only.



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At Alestis, we also work to reduce the consumption of **single-use plastics** used on a daily basis.

Also at the Vitoria plant in 2020, we launched a pilot test to integrate recycled paper within the regular use of this material. We bought some to test how useful it was in the processes carried out at this specific plant; we checked code readability in printed copies, text quality, etc., and we have been replacing regular paper with it. In 2020, 64.16% of all paper used in the plant was 100% recycled and environmentally friendly. In the other plants, the staff were encouraged to reuse paper as draft paper. In San Pablo, a “Zero Paper” initiative was introduced in the High-Performance Line area.

## At Alestis, we also work to reduce the consumption of **single-use plastics** used on a daily basis.

For its part, Alestis do Brasil also introduced specific initiatives to minimize consumption of raw materials in 2020. These are the most important:

### PRODUCT STRUCTURE REVISION

### IMPLEMENTATION OF THE “PLATAINE” PROJECT, AIMED AT OPTIMIZING AND MAKING A BETTER USE OF THE MATERIALS





# WATER CONSUMPTION & DISCHARGES

## The initiative to reduce water consumption through the filtering improvement in Tecnatom machine continued throughout 2020 at the Alestis do Brasil plant.

In 2020, water consumption amounted to 25,093 m<sup>3</sup> in Spain (25,888 m<sup>3</sup> in 2019), and 3,595 m<sup>3</sup> in Alestis do Brasil (5,307 m<sup>3</sup> in 2019 <sup>85</sup>). 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 regular discharge controls, as established by its Integrated Environmental Authorization.

The initiative to reduce water consumption through the filtering improvement in Tecnatom machine continued throughout 2020 at the Alestis do Brasil plant.

84. Despite the workload drop, water consumption remained similar to 2019, mainly due to the construction works in San Pablo and Puerto Real, and to a lesser extent, to the increased cleaning and disinfection as a preventive measure against COVID-19.

85. The decrease in water consumption is directly linked to the 40% workload drop, which also led to the optimization of the curing processes.





# CARBON FOOTPRINT & OTHER ATMOSPHERIC EMISSIONS

**In all facilities located in Spain, Alestis performs the calculation of its carbon footprint for scopes 1 and 2:**

## SCOPE 1

Linked to the consumption of propane and natural gas in boilers, as well as fugitive coolant gas emissions.

## 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.

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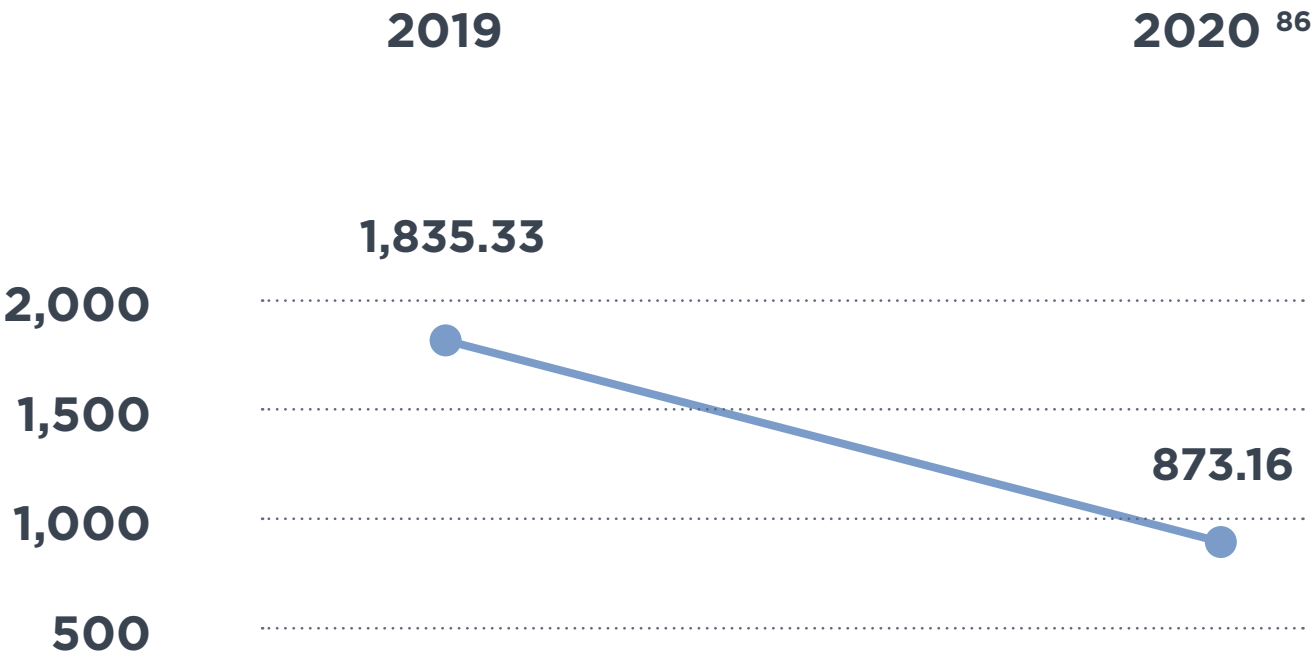




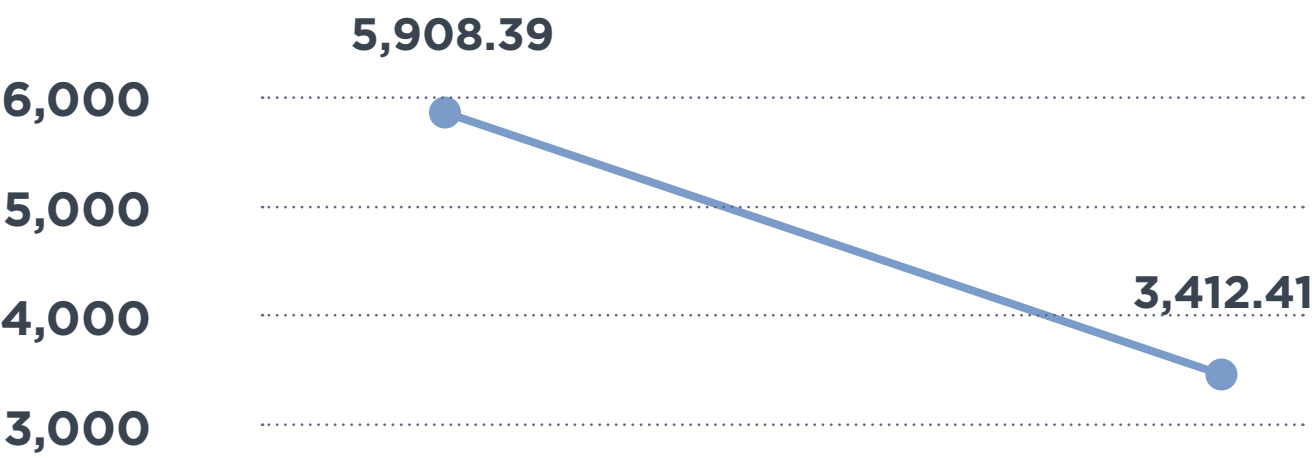
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CARBON  
FOOTPRINT

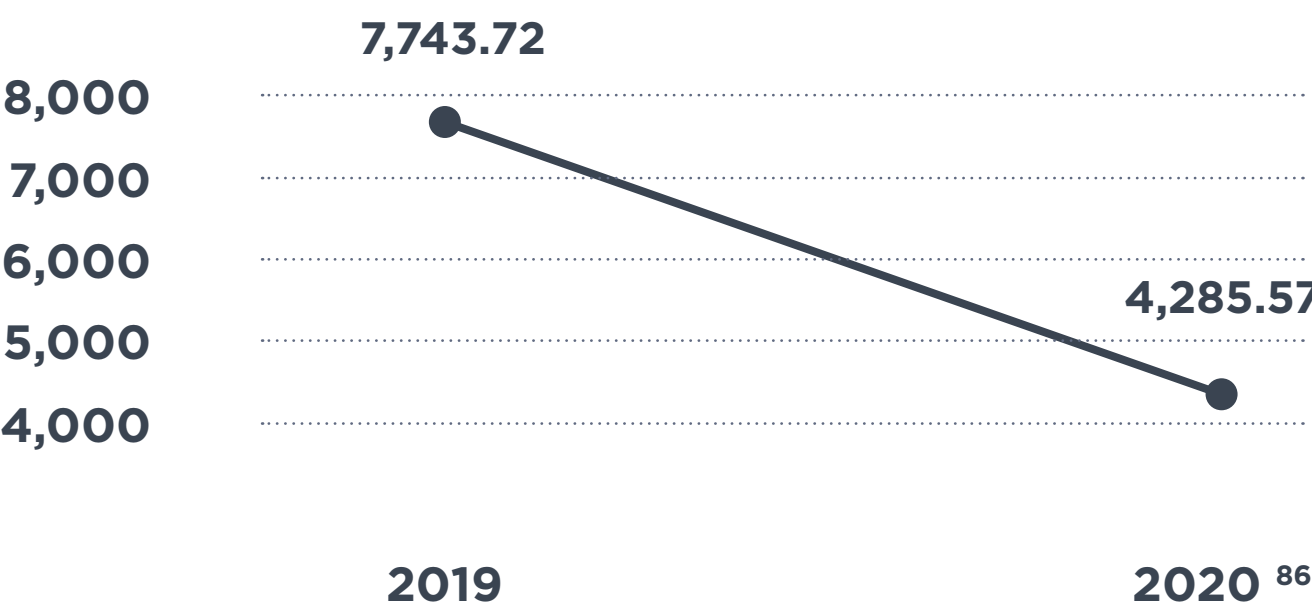
SCOPE 1 IMPACT  
(CO<sub>2</sub>eq)



SCOPE 2 IMPACT  
(CO<sub>2</sub>eq)



TOTAL  
(CO<sub>2</sub>eq)



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 into the atmosphere linked to painting booths and part cleaning. 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 2020, the total of VOCs emitted from the Vitoria plant was 6.93 tons, as opposed to 13.7 in 2019).

In Alestis do Brasil, painting booths comply with the Conama Resolution.

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86. The calculation is made with data and emission factors from 2020.



# WASTE

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.





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In 2020, Alestis's plants in Spain generated a total of 107 tons of hazardous waste, all of which were sent to government-authorized agents for an appropriate treatment:

HAZARDOUS WASTE (t)	ENE	FEB	MAR	ABR	MAY	JUN	JUL	AGO	SEP	OCT	NOV	DIC	TOTAL
LOW 060106: OTHER ACIDS	-	-	-	-	-	-	-	-	-	5.72	-	-	5.72
LOW 070101: AQUEOUS WASHING LIQUIDS AND MOTHER LIQUORS	-	-	-	-	-	17.92	-	-	-	-	-	-	17.92
LOW 070104: OTHER ORGANIC SOLVENTS, WASHING LIQUIDS AND MOTHER LIQUORS	-	-	-	-	-	-	-	-	-	-	0.409	-	0.409
LOW 080111: WASTE PAINT AND VARNISH CONTAINING ORGANIC SOLVENTS OR OTHER HAZARDOUS SUBSTANCES	0.946	1.084	0.693	0.535	1.459	0.645	0.775	0.1	0.369	0.35	0.2	0.25	7.406
LOW 080113: WASTE PAINT AND VARNISH CONTAINING ORGANIC SOLVENTS OR OTHER HAZARDOUS SUBSTANCES	-	2.264	0.88	-	-	1.854	-	-	-	0.963	2.051	-	8.012
LOW 080119: AQUEOUS SUSPENSIONS CONTAINING PAINT OR VARNISH CONTAINING ORGANIC SOLVENTS OR OTHER HAZARDOUS SUBSTANCES	50	0.05	-	-	0.05	0.358	0.05	-	0.175	0.05	-	0.05	0.833
LOW 110113: DEGREASING WASTES CONTAINING HAZARDOUS SUBSTANCES	-	-	-	-	-	-	-	-	-	-	5.1	-	5.1
LOW 130205: MINERAL-BASED NON-CHLORINATED ENGINE, GEAR AND LUBRICATING OILS	0.035	-	-	-	-	-	-	-	-	-	-	-	0.035
LOW 140603: OTHER SOLVENTS AND SOLVENT MIXTURES	0.265	0.094	-	-	-	-	-	-	-	-	0.034	-	0.393
LOW 150110: PACKAGING CONTAINING RESIDUES OF OR CONTAMINATED BY HAZARDOUS SUBSTANCES	1.994	3.008	1.312	0.89	1.967	1.581	1.647	0.021	1.94	0.92	2.624	1.106	19.01
LOW 150111: METALLIC PACKAGING CONTAINING A HAZARDOUS SOLID POROUS MATRIX, INCLUDING EMPTY PRESSURE CONTAINERS	0.001	-	-	-	-	-	-	-	-	-	-	-	0.001
LOW 150202: ABSORBENTS, FILTER MATERIALS (INCLUDING OIL FILTERS NOT OTHERWISE SPECIFIED), WIPING CLOTHS, PROTECTIVE CLOTHING CONTAMINATED BY HAZARDOUS SUBSTANCES	5.218	6.157	4.658	4.07	4.766	3.047	3.4	1.035	1.64	1.792	1.438	2.32	39.541
LOW 160107: OIL FILTERS	-	-	-	-	-	0.134	-	-	-	-	-	-	0.013
LOW 160507: DISCARDED INORGANIC CHEMICALS CONSISTING OF OR CONTAINING HAZARDOUS SUBSTANCES	-	0.277	-	-	-	-	-	-	-	-	0.017	-	0.294
LOW 160603: MERCURY-CONTAINING BATTERIES	-	-	-	-	-	-	-	-	-	-	-	-	-
LOW 180103: WASTES WHOSE COLLECTION AND DISPOSAL IS SUBJECT TO SPECIAL REQUIREMENTS IN ORDER TO PREVENT INFECTION	-	-	-	-	-	0.005	-	-	-	-	-	0.009	0.013
LOW 190813: SLUDGES CONTAINING HAZARDOUS SUBSTANCES FROM OTHER TREATMENT OF INDUSTRIAL WASTE WATER	-	0.230	-	-	-	0.563	-	-	-	-	0.333	-	1.126
LOW 190904: SPENT ACTIVATED CARBON	-	0.197	-	-	-	-	-	-	-	-	0.483	-	0.68
LOW 200121: FLUORESCENT TUBES AND OTHER MERCURY-CONTAINING WASTE	0.02	0.023	0.055	0.001	0.005	0.007	0.001	0.005	0.003	-	-	-	0.12
LOW 200135: DISCARDED ELECTRICAL AND ELECTRONIC EQUIPMENT OTHER THAN THOSE MENTIONED IN 20 01 21 AND 20 01 23 CONTAINING HAZARDOUS COMPONENTS	0.021	-	-	-	-	-	-	-	-	-	-	-	0.021
TOTAL	8.55	13.384	7.598	5.496	8.247	26.114	5,873	1.161	4.127	9.795	12.689	3.735	106.768



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This hazardous waste is accompanied by an emergency action plan form. Every year, we provide the Administration with a document that shows the volume managed and the authorized agent who collected it.

On the other hand, the non-hazardous waste generated amounted to 317 tons:

NON-HAZARDOUS WASTE (Kg)

	ENE	FEB	MAR	ABR	MAY	JUN	JUL	AGO	SEP	OCT	NOV	DIC	TOTAL
CARDBOARD	1,800	7,410	1,790	6,820	5,240	3,010	1,780	-	4,380	1,850	4,200	-	38,280
SCRAP METAL	3,679	4,835	780	2,400	2,300	2,960	4,570	-	-	2,445	7,660	12,760	44,389
WOOD	-	6,220	1,500	1,140	2,700	1,760	-	-	6,100	960	2,120	4,140	26,640
PLASTIC	2,620	6,840	4,900	5,920	4,980	3,930	4,200	1,480	2,600	3,920	7,020	2,320	50,730
WASTE (SIMILAR TO SOLID URBAN WASTE)	18,100	18,625	11,480	7,720	17,309	22,020	12,960	1,480	7,213	13,260	5,820	9,840	145,827
BULKY WASTE	-	1,490	-	-	5,280	-	1,220	-	1,680	1,680	-	-	11,350
TOTAL	26,199	45,420	20,450	24,000	37,809	33,680	24,730	2,960	21,973	24,115	26,820	29,060	317,216



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 are prepared to make waste easier to sort and handle. Also, workers are provided with written and visual information for proper waste sorting.

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. In 2020, we looked for new managing agents who could improve the final treatment at more competitive rates.

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 disposal certificates specifying the final destination and treatment of the waste and issued by the managing agents, all licensed by CETESB, a state environmental agency.

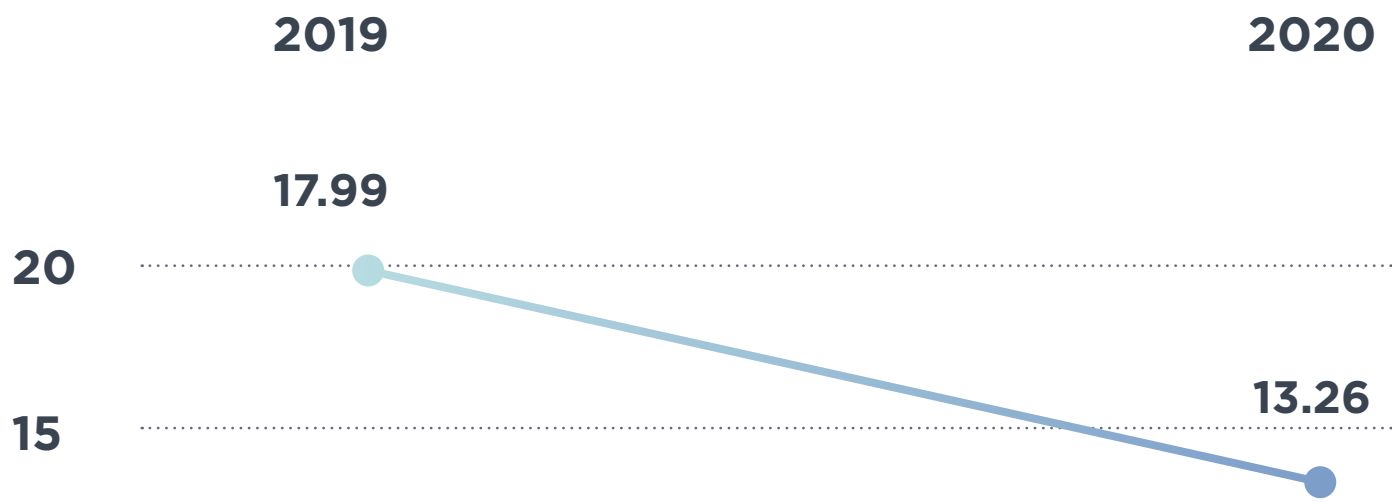
Class IIA non-inert waste is sent to the ENGEP unit (an industrial landfill), while Class I waste is sent to the RECINTEC unit for recycling and/or co-processing. This full process complies with all national environmental regulations in force as per the Conama Resolution, as well as with other treaties like the Montreal Protocol.

WASTE

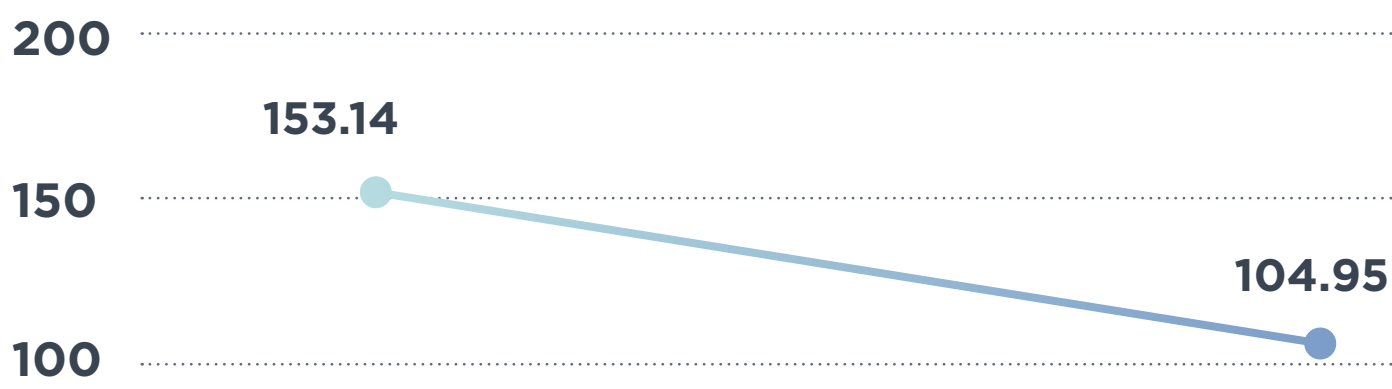
Since the beginning of 2016, the company has actively participated in the committee for the minimization of waste in the aeronautical industry, launched by the Andalusian Regional Government under the provisions of the Plan for the Prevention and Management of Hazardous Waste of Andalusia for the 2012-2020 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.

WASTE

CLASS I  
(ton)



CLASS IIA  
(ton)





# 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.

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

Following our Ethics & Compliance Policy, at Alestis we promote an **open dialogue** and care for our **relationship with our surroundings**. We are a company committed to **Corporate Social Responsibility and transparency**.

**Alestis creates value for its partners and for society as a whole. We are not an isolated entity; we exist in an environment on which we depend and on which our daily 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.**





# PROFESSIONAL ORGANIZATIONS

In Spain, Alestis is a member of several professional organizations with which we collaborate to launch initiatives and activities to raise awareness about our industry, develop strategic plans, exchange advice on best practices, and promote professional training.

ANDALUCÍA AEROSPACE (ANDALUSIA’S AEROSPACE CLUSTER)

HEGAN (BASQUE AEROSPACE CLUSTER)

ASOCIACIÓN ESPAÑOLA PARA LA CALIDAD (AEC) (SPANISH ASSOCIATION FOR QUALITY)

ASOCIACIÓN ESPAÑOLA DE MATERIALES COMPUESTOS (AEMAC) (SPANISH ASSOCIATION OF COMPOSITE MATERIALS)

SPACE (SUPPLY CHAIN PROGRESS TOWARD AERONAUTICAL COMMUNITY EXCELLENCE)

SEVILLA ES INDUSTRIA

ASOCIACIÓN PARA EL PROGRESO DE LA DIRECCIÓN OR APD (ASSOCIATION FOR MANAGEMENT ADVANCEMENT)

Alestis do Brasil belongs to **FIESP** (Federation of Industries of the State of Sao Paulo).





# SOCIAL ACTION

**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, and other entities Alestis’s actions have an impact on, one way or another.**

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.

We establish communication channels to interact with each and every one of our stakeholders:





STAKEHOLDERS

COMMUNICATION CHANNELS

SHAREHOLDERS

Digital newsletter (brief news)  
Internal and management announcements  
E-mail  
Follow-up meetings  
Corporate website  
Social media  
Sustainability report

STAFF

Intranet  
Digital newsletter (brief news)  
Internal and management announcements  
Bulletin boards  
Screens featuring internal news  
Handbook  
Meetings with trade union representatives  
E-mail  
Regular meetings  
Corporate website  
Social media  
Sustainability report  
Pop-ups

CLIENTS

Communications from the Business Strategy Management  
Regular meetings and communications  
Trade fairs and business meet-ups  
Visits to the facilities  
Involvement in industry associations  
Corporate website  
Social media  
Sustainability report

STAKEHOLDERS

COMMUNICATION CHANNELS

SUPPLY CHAIN

Communications from the Procurement and Supply chain departments  
Regular meetings and communications  
Supplier portal  
Trade fairs and business meet-ups  
Visits to the facilities  
Involvement in industry associations  
Corporate website  
Social media  
Sustainability report

INDUSTRY ASSOCIATIONS AND OTHER PROFESSIONAL ASSOCIATIONS

Association forums  
Regular communications  
Trade fairs and business meet-ups  
Corporate website  
Social media  
Sustainability report

SOCIAL ENVIRONMENT

Digital communications  
Institutional meetings  
Press releases in the media  
Collaboration agreements  
Visits to the facilities  
Corporate website  
Social media  
Sustainability report



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.

In 2020, Alestis collaborated with two organizations <sup>87</sup> and two soup kitchens, and spent a total of €10,500 [approx. \$12,400] on social action projects (as opposed to €19,225 in 2019). All this took place in Spain.



87. The donations will be sent in April 2021, once the collaboration agreements have been signed.



# DEVELOPMENT IN THE LOCAL COMMUNITIES

As part of Alestis’s commitment to society as a whole, we are carrying 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:

ONLINE PARTICIPATION IN FORUMS, ACTIVITIES, AND MEETINGS ORGANIZED BY INDUSTRY ASSOCIATIONS SUCH AS SPACE, ANDALUSIA AEROSPACE, CESUR, AND SEVILLA ES INDUSTRIA

DISSEMINATION OF INFORMATION TO THE MEDIA BY MEANS OF PRESS RELEASES





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Although we did not hire new employees in 2020, when the situation improves, we will strive once again to generate employment opportunities in line with our key strategies, one of which is the constant search for specialized labor.

Also, except for those materials we purchase abroad for technical reasons, we try to work with suppliers and service providers within the community to help develop the local economies.

In Brazil, based on the requirements of Brazilian labor laws, Alestis do Brasil partnered with FUNDHAS, a local foundation that selects and hires low-income students from a state school in the city and runs continuing education projects for these professionals. These students have placements in Alestis do Brasil, where they have an opportunity to learn a new job. We also stay in touch with neighboring companies to mitigate any negative impact derived from our business.

PROFESSIONAL ORGANIZATIONS

SOCIAL ACTION

DEVELOPMENT IN THE LOCAL  
COMMUNITIES

CULTURAL ACTIVITIES

COVID-19-RELATED INITIATIVES





# CULTURAL ACTIVITIES

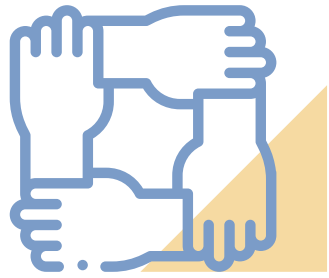
**The company has collaboration agreements with educational institutions and takes part in projects and training programs that generate knowledge and innovation.**

We also established a collaboration with the University of Cádiz, which offers an **MA in Nanoscience and Technologies** specialized in materials and their use in advanced manufacturing technologies for the aerospace industry. Alestis participates in specific training modules and as a potential company for students to complete their internship.

In addition, as part of our Corporate Social Responsibility, Alestis makes donations and offers sponsorships. These can be found below. All these actions are governed by the procedure approved by Alestis's Board of Directors on December 10, 2016, and are aligned with our main strategic pillars: Community & Education, Aerospace Sector or Science, Innovation & R&T.







### ESPACIO COMÚN (4TH EDITION)

This initiative involves the participation of Alestis’s employees to propose and select two nonprofit entities as beneficiaries of a donation for the sum of €20,000 (10,000 contributed by the company, and another 10,000 by the employees).

As in previous years, employees submit nominations for nonprofit entities that mean something to them. Then comes the voting period for all employees to make their choice; finally, the two winners are announced.

In this edition, the winners were the Asociación Down de Cádiz y Bahía “Lejeune” (an NGO that supports Down people), and the Pablo de Olavide University, with which we signed a collaboration agreement to be able to proceed with the donation <sup>88</sup>.

**This initiative involves the participation of Alestis’s employees to propose and select two nonprofit entities as beneficiaries of a donation for the sum of €20,000.**



### “DRAW THEIR CHRISTMAS” CONTEST (6TH EDITION)

Since 2015, we have asked employees’ children aged 3 through 14 to submit drawings to be shown on Alestis’s corporate Christmas cards.

Being aware of the impact the COVID-19 pandemic was having on families in 2020, we wanted to help vulnerable people in the community by linking participation to donations to entities that support soup kitchens—for every drawing submitted, Alestis donated €10 to a soup kitchen.

We received a total of 50 Christmas cards, which translated into 500 € donated to the kitchen soups run by two religious organizations: Congregación Religiosas Filipenses de Sevilla and Comedor Compañía Hijas de la Caridad de San Vicente de Paúl de Cádiz.

**Being aware of the impact the COVID-19 pandemic was having on families in 2020, we wanted to help vulnerable people in the community by linking participation to donations to entities that support soup kitchens—for every drawing submitted, Alestis donated €10 to a soup kitchen.**

88. The agreement was approved in April 2021, so the donation is ready to reach them.



# COVID-19 RELATED INITIATIVES

**In 2020, in the face of the health crisis, the company launched new initiatives to collaborate with health centers and nursing homes by providing PPE against COVID-19.**

**MANUFACTURING OF DISPOSABLE POLYETHYLENE GOWNS** donated to several nursing homes in Sevilla, Puerta del Mar University Hospital in Cádiz, the Hospital in Jerez, the ASPRODEME Foundation, and different health centers in Puerto Real and Jerez.

**MANUFACTURING OF 3D HEADBANDS FOR FACE SHIELDS**, donated to Puerta del Mar University Hospital in Cádiz, different health centers in Cádiz, the prison in Puerto de Santa María, several nursing homes in the province of Cádiz, and the Grupo REIFS nursing home in Utrera, Sevilla.

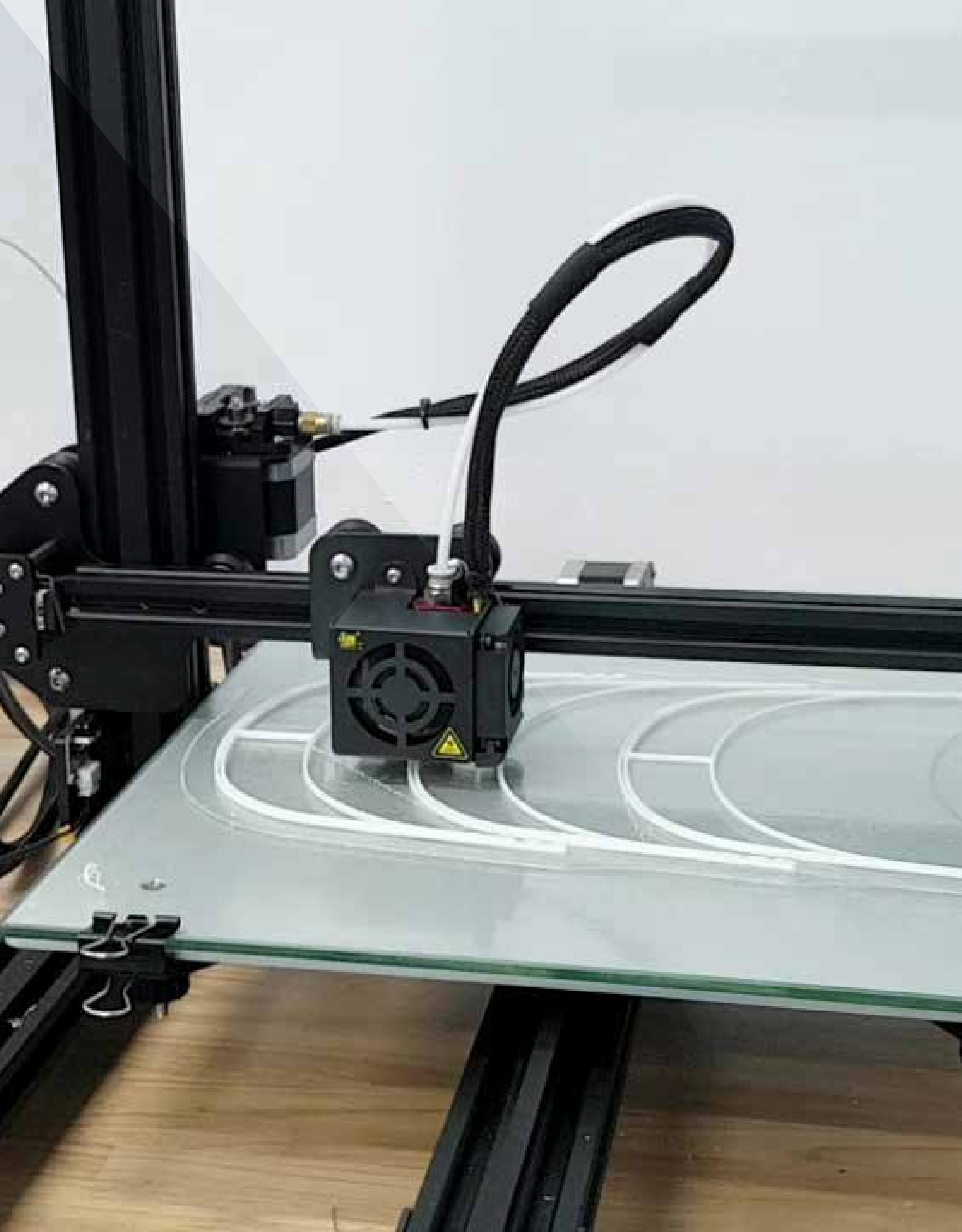
**MANUFACTURING OF DISPOSABLE SHOE COVERS AND CUTTING OF MATERIALS FOR THE PRODUCTION OF FACE MASKS**, donated to Puerta del Mar University Hospital, and Jerez de la Frontera University Hospital.

**DONATION OF 16,000 SURGICAL MASKS AND 1,200 FFP2 MASKS** to the Virgen Macarena University Hospital in Sevilla.

**DONATION OF SURGICAL MASKS TO THE SAMU** (Spanish for EMS) for the Ilunion Alcora “medicalized hotel”.

**DONATION OF 300 DISPOSABLE SHOE COVERS AND 100 GOWNS** to the Puerta del Mar University Hospital in Cádiz.

**DONATION OF DISPOSABLE FULL BODY SUITS** to the Osakidetza, the Basque Health Service.





# COMPLIANCE

At Alestis, Ethics & Compliance is seen as an opportunity to build a successful and sustainable company. Alestis has a **Compliance Management System** (SGC in Spanish), promoted by its Board of Directors and led by the Legal, Ethics & Compliance Department.





By implementing this system, our aim is to integrate Ethics & Compliance into existing management processes and, as a result, into their operational requirements and procedures. The ultimate goal is to ensure compliance with the (legal and voluntary) obligations to be followed by the company, to detect and prevent risks and possible breaches, to adopt measures that help minimize such risks, and to facilitate continuous improvement.

The Compliance Management System was drafted in accordance with ISO 19600 and UNE 19601 standards, and is a key pillar of the documents that make up the Alestis Code. This helps build a consistent system with the company values.

Alestis's Compliance Management System is governed by the Ethics and Compliance Policy (E&C), which was approved by the CEO in 2015 and gathers all related essential principles,

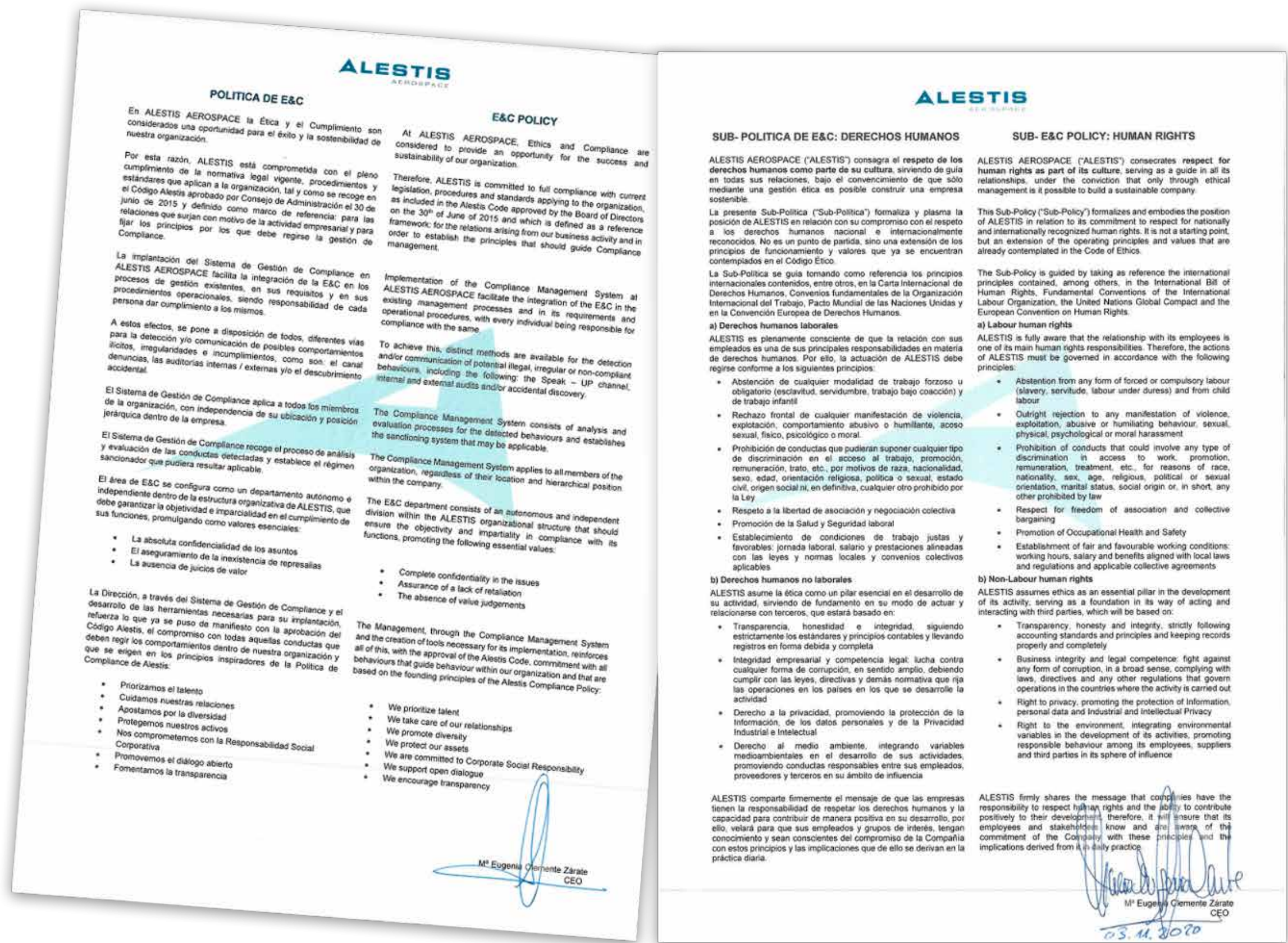
## In 2020, a new Human Rights “Sub-policy” was created and integrated into the Ethics & Compliance Policy. It formalizes and reflects Alestis’s commitment to labor and non-labor human rights, recognized nationally and internationally.

all key in the development and execution of the processes, procedures, and instructions that make up this management system and that apply to the whole company.

In 2020, a new Human Rights “Sub-policy” was created and integrated into the Ethics & Compliance Policy. It formalizes and reflects Alestis’s commitment to labor and non-labor human rights, recognized nationally and internationally. The Sub-policy takes the following documents as a reference: the International Bill of Human Rights, the Fundamental Conventions of the International Labour Organization, the United Nations Global Compact, and the European Convention on Human Rights.

To make it easy for employees and managers to communicate with the Ethics and Compliance department, Alestis has a Channel for Complaints and an E&C contacts network available in all plants and published on the Intranet. These can be used to report identified risks and potential breaches, and to propose opportunities for improvement. Supervision, monitoring, and auditing are also essential for assessing how effective the established controls or actions are, mitigating risks, and rectifying potential non-compliance situations.

Alestis has specific regulations and procedures on matters that are particularly exposed to non-compliance risks. The Alestis Code, approved in 2015 by the Board of Directors, is the standard of reference and the basis for the Compliance Management System. It is applicable to all members of the organization, who must be familiar with the content and the values it is based on. All employees can access this through the Intranet, and any interested third parties can find it on our corporate website.





The Alestis Code includes, among others, the organization’s values: commitment to human rights and civil liberties included in the United Nations Universal Declaration of Human Rights, respect for diversity, a responsible use of material and intangible assets, commitment to Corporate Social Responsibility, transparency, and prevention against corruption and fraud.

In order to further develop and explain specific subject areas, the organization created Guidelines and Procedures aimed at making them easier to understand and assimilate by the stakeholders. These include: Conflict of Interest Guide, In situ Recruitment Guide, Training and Seminar Guide, Gift and Hospitality Guide, Sponsorship and Donation Procedure, and Export Compliance Procedure.

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. Due to the pandemic, all employee training activities were put on hold in 2020.

In addition, Alestis has a Crime Prevention Model (MPD in Spanish), approved by the Board of Directors in 2016 and integrated in the Crime Prevention Manual. This organizational and management model includes appropriate monitoring and control measures to prevent crime or significantly reduce its likelihood.

**The Alestis Code, approved in 2015 by the Board of Directors, is the standard of reference and the basis for the Compliance Management System.**

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.

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.

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 (<https://www.alestis.aero/>). There are other channels, like e-mail ([eyc@alestis.aero](mailto:eyc@alestis.aero)), the contacts network at each plant, telephone, etc.

We have a method in place to process all communications whose aim is to ensure timely management and response to every case. The protocol of non-retaliation ensures protection for whistleblowers, as well as confidentiality. It also establishes the necessary measures to discourage malicious or abusive complaints and to prevent unjustified reputational harm.

As stated in the Crime Prevention Manual, the complaint is received exclusively by the members of the Ethics & Compliance Department, and it triggers one of two procedures:

1. THE “CRIME-HANDLING PROCEDURE”: IF THERE IS SUSPICION OR NEWS OF A CRIME WITH POSSIBLE CRIMINAL RESPONSIBILITY FOR THE LEGAL PERSON, OR IF THERE IS A SERIOUS NON-COMPLIANCE EVENT WITH POSSIBLE CRIMINAL IMPLICATIONS IN THE COMPLIANCE SYSTEMS
2. THE “CONCERN-HANDLING PROCEDURE”: USED IN ALL THE OTHER SCENARIOS

In 2020, Alestis processed a total of 8 complaints and 12 inquiries (both ex officio and at the party’s request). We also received an anonymous complaint, but it was not processed because it failed to meet the necessary requirements. In no case did the complaints involve criminal responsibility.

**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.**



# ANTI-CORRUPTION & ANTI-BRIBERY STRATEGIES

**The company will not tolerate any conduct that illegally favors someone who has received or requested any unwarranted benefit or special treatment. Likewise, company members are not allowed to promise or offer an unwarranted benefit or advantage to a third party, regardless of their status: a private individual, an official, or a public authority.**

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 this subject, 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. Likewise, company members are not allowed to promise or offer an unwarranted benefit or advantage to a third party, regardless of their status: a private individual, an official, or a public authority.

One of Alestis’s anti-corruption measures is the **Gift and Hospitality Guide**, aimed at avoiding courtesies that may appear to be inappropriate. All gifts offered to or accepted by our employees must occur in a normal business context, without influencing or appearing to influence, on any company decision. To support this, there is a €50-cap on any gift, whether given or received, ad express approval from the Ethics & Compliance Department is required if the gift exceeds this amount.





Regarding conflicts of interest, the company has a **Conflict of Interest Management Procedure** which aims at identifying and managing any situation in which such conflict may exist, and promotes the mechanisms to resolve it. This procedure is intended to ensure the objectivity and impartiality required to solve these cases, and help identify and communicate potential conflict situations. Any member of the staff who is aware of a possible conflict of interest must communicate it to the Ethics & Compliance Department. A total of 7 statements were compiled during the financial year 2020. In addition to all this, Alestis employees have access to a Conflict of Interest Guide so they can find all the key information.

The company has a **Conflict of Interest Management Procedure** which aims at identifying and managing any situation in which such conflict may exist, and promotes the mechanisms to resolve it. This procedure is intended to ensure the objectivity and impartiality required to solve these cases, and help identify and communicate potential conflict situations.

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**. The goal of this document is to ensure a consistent and transparent approach to these actions, as well as compliance with the law and all ethical principles. This document states that Alestis will not make donations or offer sponsorships to political parties. Any action involving donations or sponsorships will have to be approved by the following departments: Communications, Legal, Ethics & Compliance, and General Management.

The risk of bribery or influence peddling in the relationships with public officials or authorities was mitigated by supervising those employees who interact with them and providing specific training. Also, we 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.



ÉTICA & CUMPLIMIENTO



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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.

In addition, the Crime Prevention Model includes the fight against money laundering, corruption, and bribery. It includes all the policies available as control mechanisms, and general conduct principles to avoid or minimize the risk of engaging in such behavior. With regard to the criminal risk map currently in force, the residual risk of each of the crimes applicable to the company (including the fight against corruption and money laundering) remains at a score of less than 5 on a scale of 1 to 45. Given the lack of criminal risks, there was no need to update the above-mentioned map.

All contracts entered into by Alestis with suppliers and subcontractors include the following anti-corruption clause, in which the Supplier declares 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.”* They also declare *“not having offered or received illegal payments”* and not having engaged in or permitted any fraud or deceptive practices.

In Brazil, guidelines for combating corruption, bribery, and money laundering are included in E&C training and in different policies; namely, SE 8503 (Risk Management), EADS-CDS-017 (AIRBUS TREASURY GOLDEN RULES), and Airbus Group-CDS-092 (e).

The **Crime Prevention Model** includes the fight against money laundering, corruption, and bribery. It includes all the policies available as control mechanisms, and general conduct principles to avoid or minimize the risk of engaging in such behavior.



# ABOUT THIS REPORT

CONTENT INDEX "LAW 11/2018 ON  
NON-FINANCIAL INFORMATION"

GRI CONTENT INDEX

**Alestis’s 2020 Non-Financial Report includes the organization’s economic, environmental, and social performance.**





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Alestis's 2020 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, 2020. It is the third one to be published, after the 2018 and 2019 versions.

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 asses 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. We used the materiality study carried out in preparation for the 2019 Non-Financial Report and identified new material issues related to Alestis's internal and external context. These were mainly pandemic-related issues such as the measures taken to protect workers against COVID-19 at the workplace, the industrial restructuring, and the crisis across the sector. All these subjects are integrated in this document.





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Below is a breakdown of the different topics:

ECONOMIC STANDARDS

ENVIRONMENTAL STANDARDS

SOCIAL STANDARDS

Economic performance.

Monitoring of our environmental impact.

Working conditions.

Internal and supply chain quality assurance.

Collaboration with administrations, tax authorities, and communities where we operate.

Ethical behaviors and compliance.

Anti-corruption and anti-conflict of interest strategy.

CONTENT INDEX "LAW 11/2018 ON  
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GRI CONTENT INDEX

The most significant change during the reported period was the industrial restructuring and the search for synergies within the organization to adapt to the critical situation the COVID-19 pandemic has caused in the sector.

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, April 30, 2021. 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**).



CONTENT INDEX “LAW 11/2018 ON NON-FINANCIAL INFORMATION”

CONTENT TO REPORT	SECTION/SUBSECTION	PAGE	GRI STANDARDS CODE (FOR GUIDANCE)
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Precautionary principle	Environmental Management	226	102-11
Environmental risks	Environmental Management	229	--
Carbon emissions	Carbon footprint and other atmospheric emissions	243	201-2, 305
Noise	Environmental Management	228	--
Light pollution	Environmental Management	229	--
Circular economy and waste management	Waste	246	306
Water consumption	Water Consumption & Discharges	242	303
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GRI CONTENT INDEX

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GRI STANDARDS  
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GRI CONTENT INDEX



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## AENOR

### Non-Financial Information Verification Statement

AENOR verification statement for

**ACITURRI AERONÁUTICA, S.L.U.**

concerning the consolidated statement of non-financial information

**Memoria de Sostenibilidad 2020**

according to law 11/2018

for the period ending on December 31, 2020

Madrid June 1, 2021

Rafael García Meiro  
Chief Executive Officer

2019/0245/VNOF-2021

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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 NFIS) 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 NFIS 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 NFIS, 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 NFIS, 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 NFIS 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 NFIS 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:

- 1) 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.
- 2) 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.
- 3) Communication of the European Commission 2017/C 215/01, Guidelines on non-financial reporting (methodology for non-financial reporting)
- 4) the international standard ISO/IEC 17029:2019 Conformity assessment - General principles and requirements for validation and verification bodies
- 5) 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 **Memoria de Sostenibilidad 2020** and for the year ended December 31, 2020, 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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