



Gestamp 

SUSTAINABILITY REPORT 2016



SUSTAINABILITY REPORT 2016

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LETTER FROM THE PRESIDENT

In 2016, we saw how our company continued to grow strongly above the industry average despite the economic and political changes and uncertainties in our surroundings. In fact, we showed that we are well-prepared to enthusiastically take on new challenges such as that of becoming a listed company, as demanding as such an endeavor may be.

At year-end, Gestamp's turnover totalled 7.549 billion euros, representing a 7.3% increase with regards to the previous year, above the industry's average growth rate in that period. Our EBITDA reached 841 million euros and net profit grew by 37.1% to 221 million euros, showing a substantial improvement in terms of management. These good results were largely driven by our plants in North America and Asia, which have gained ground within the Group.

This increase in revenues has been achieved thanks to our proven ability to accompany and grow globally alongside our clients. In 2016, our investments amounted to 725 million euros and we commenced the construction of 10 new plants in Japan, USA, Mexico, China, Brazil, Slovakia and the UK. We also recently bought a plant in Romania (Pitești) and, as a result, we now have an industrial presence in 21 countries.

Growth is worth nothing in our culture if it is not accompanied by excellence in management and operations. Efficiency and striving for continuous improvement continue to guide our work. Our most ambitious initiative is Industry 4.0, the objective of which is to conduct a comprehensive analysis of the data on the systems, tasks and processes we have in our plants using shared digital platforms. The road ahead is long to achieve all the goals we have set in this field; however in 2016 we made great progress in hot stamping, logistics and arc welding.

Another key to our success lies in innovation, which focuses on co-development with our clients, leading us to work on over 30 projects over the past year. This is a trend that we hope to increase considerably over the coming years, as well as the use of advanced manufacturing processes, such as hot stamping for body in white products, a field in which we are market leaders with 71 stamping lines at year-end. All of this will enable us to continue working to produce increasingly lighter and safer components. We are aware that weight has a direct impact on the energy consumption of vehicles and therefore on CO₂ emissions, which is one of the fundamental priorities for manufacturers and society at large.

In our commitment to contribute to a low CO₂ emission economy, internally we have implemented a program to improve the energy efficiency at our plants. In 2016, we were able to reduce energy consumption by up to 15% at 14 of our European plants. Before the end of 2017, we expect this project will have reached 30 plants, including in China and the USA.

All of these achievements would not have been possible without the employees which are behind Gestamp. On the whole, our staff numbers have continued to grow and we are currently 36,395 employees. This represents a 9.6% increase with regards to 2015 and a cumulative growth of 43% over the last 5 years.

Our company continued to grow strongly above the industry average.

This increase in revenues has been achieved thanks to our proven ability to accompany and grow globally alongside our clients.

Growth is worth nothing in our culture if it is not accompanied by excellence in management and operations.

All of these achievements would not have been possible without the employees which are behind Gestamp.

Despite the Group's growth both in terms of business and headcount, the company has kept up and even improved its Health and Safety Indices, reflecting our constant efforts in terms of risk prevention.

In addition, it is essential to have the best professionals and to develop talent. Therefore, global training in key technologies for the Group and the international mobility of our expert teams to expand their know-how have become key strategies for the Group. In 2016, our employees received an average of 28 hours of training activities, and our investment in training was 15% higher than the year before.

In order to address the scarcity of highly specialised professionals in the automotive industry, we can also turn to the Gestamp Technology Institute (GTI). This is a training centre located in Biscay (Spain) that promotes dual training programs, combining theoretical teaching with practical experience. Since the GTI started out 2015, it has provided training to a total of 507 individuals.

Our company has always stood out for its firm commitment to the development and progress of the communities near our workplaces. Beyond the direct and indirect impact that our business has on wealth creation in a country (investments, job creation and tax contributions), this commitment has taken shape over the years via a number of different programs and initiatives. In 2016, we aligned these efforts with the UN Sustainable Development Goals and we will continue to add new projects to face the great global challenges, just as we have done with the incorporation of the UN Global Compact's Ten Principles, which is the framework of reference for our Corporate Principles and our Code of Conduct.

We are at a historical turning point as a company. At the beginning of 2017 we debuted on the stock markets, allowing us to confirm not only our financial strength but also our potential, and our firm commitment to sustainability and compliance with the principal corporate responsibility standards.

We believe in a long-term strategy based on value creation for all our stakeholders and, by means of this Sustainability Report, our aim is to show them what we do, how we do it and why we do it.

Francisco J. Riberas Mera
President and CEO of Gestamp Automoción S.A.

A blurred industrial background featuring a robotic arm with a long horizontal shaft and various mechanical components. The lighting is cool, with blue and white tones. The text 'OUR BUSINESS MODEL' is overlaid in white on the right side of the image.

OUR BUSINESS MODEL

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ABOUT US

We are an international group focus on the design, development and manufacture of components for major automotive manufacturers. We specialize in offering high-added-value products with innovative designs and technological complexity for vehicles that are increasingly safer and lighter and therefore better with regards to energy consumption and environmental impact.



GESTAMP AUTOMOCIÓN IN FIGURES

Economic management	98 manufacturing plants (+10 more under construction) in 21 countries	7,549 mill.€ of turnover	7.3% growth in turnover	841 mill.€ of EBITDA
Suppliers	268 supplier audits	78% certified direct suppliers		
Innovation	12 R&D centers +1 more under construction	1,300 employees working on R&D projects		
Employees	36,395 company employees	88% of employees have permanent contracts	15% are women	1.8% are people with a disability
				28 hours of training on average per employee
Health and safety	184 people working on Health and Safety	0.19 Severity Index	18.3 mill. € in improvements and risk control programs	8% improvement in Prevention Management
Society	832,760 € allocated to social activities	2,793 employees engaged in volunteer work	735 apprentices receiving job-related training in the Group	
Environment	93% of manufacturing facilities have ISO14001 or EMAS certification	46,700 tons of waste generated	5% improvement in Energy Efficiency Index	550,327 equivalent tons of CO ₂ emitted

On 31 December 2016

WHAT DO WE DO?

PRODUCTS AND SERVICES

We produce a wide range of products, many of which are essential to a vehicle's structural integrity. Our portfolio of products ranges from bodies (Body in White or BIW), chassis, and mechanisms, to presses and dies and other related products and services.

BODY PRODUCTS

Gestamp BIW



Our body products include large component parts and assemblies, such as hoods, roofs, doors, fenders and other high-quality "Class A" surfaces and assemblies that are used to create the visible exterior skin of an automobile; structural and other crash-relevant important products, such as floors, pillars, rails and wheel arches which, together with the exterior skin component parts and assemblies, form the essential upper and under body (platform) structures of an automobile.

MECHANISMS

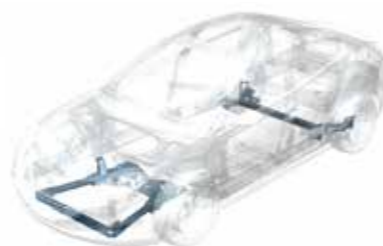
Edscha
Gestamp



These are mechanical components such as hinges for doors, hoods, and hatchback doors, door checks and door hinges that enable the user to open and close the automobile's hood, side and rear doors and hatchbacks, as well as pedal systems and hand brakes. Mechanisms also include powered systems that allow automobile doors to open and close electrically and by remote activation.

CHASSIS

Gestamp Chassis



The chassis comprises the under body of the vehicle and includes systems, frames and related parts, such as front and rear axles and couplings, control arms and integrated couplings that connect the body and the powertrain of an automobile and carry the load of the vehicle. These structures are essential for the vehicle's dynamics, performance and safety and have a particular influence on noise, vibrations, driving and in the event of impact.

DIES, PRESSES AND OTHER PRODUCTS AND SERVICES

Gestamp TTE LOIRE
Gestamp



We have extensive in-house capabilities for designing, engineering, manufacturing and maintaining dies to provide to our clients. We also have our own press construction services and offer engineering technical services that are independent from the specific manufacturing programs.

In addition, Gestamp sells the steel that is generated by the manufacturing processes to secondary markets.

Since we were founded in 1997, we have had an ongoing commitment to incorporate new technologies into our manufacturing processes and to develop traditional technologies.

MANUFACTURING PROCESSES

We started off as a company based solely on cold stamping small parts and we have become a company based on multiple technologies.

Our manufacturing is done using a large portfolio of technologies and capabilities all along the value chain, including:

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

Cold Stamping



Hydro Forming



Remote Laser Welding 3D



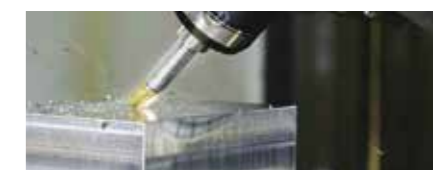
Hot Stamping



Welding and assembly



Machining



HSS Stamping



Laser welded blanks



Molding



Roll forming



Welded and patchwork blanks



Tooling



MAIN INDUSTRY TRENDS

Current industry trends represent a good growth opportunity for Gestamp.



Regulatory and technological trends

- Increasingly strict legislation on vehicle emissions.
- Increase in safety standards and a growing demand for safety features in vehicles.
- Increased focus on vehicle comfort and dynamics.
- Increased production of vehicles with engines other than combustion engines, particularly electric vehicles.
- Globalized vehicle production.



Geographical trends

- Regional changes towards emerging markets.
- Market recovery in Russia and South America.
- Local manufacturing.



Trends related to the current strategy of automotive manufacturers

- Outsourcing of part of the manufacturing processes.
- Movement towards common platforms and global models.
- New developments in: connectivity, autonomous driving, shared mobility technologies and electrification.



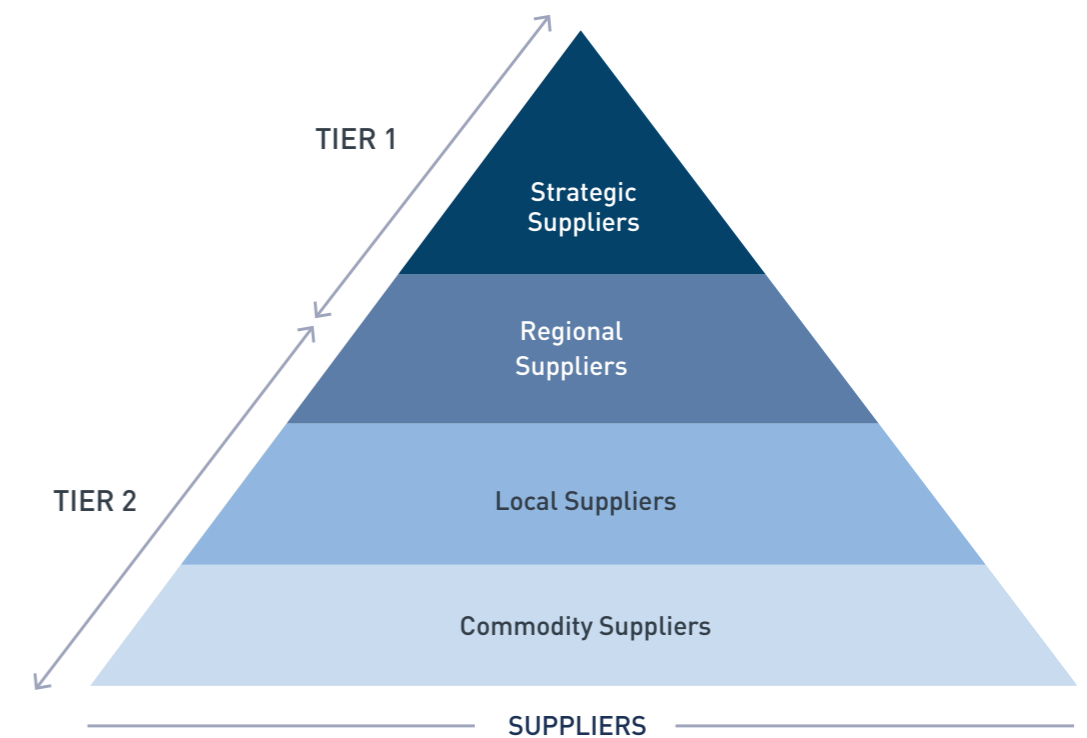
GESTAMP, A STRATEGIC SUPPLIER

Unlike automotive manufacturers, automotive components suppliers are less concentrated. They are categorized into three different tiers.

- Gestamp is a strategic global supplier with diversified client and product development capabilities.

Tier 1 suppliers, such as Gestamp, sell products directly to the manufacturers. Typically, these products are large modules or systems that integrate other parts, sometimes sourced from *Tier 2* automotive suppliers. *Tier 2* suppliers, in turn, tend to integrate products from a wider range of suppliers, known as *Tier 3* suppliers. Moreover, automotive suppliers may generally be characterized as (i) global or regional; (ii) focused on one group of manufacturers or client-diversified; or (iii) capable of product development or only able to manufacturer from drawings, i.e., active only in the production segment of the value chain.

The Group's objective is to maintain its position as a strategic supplier, maximize its growth potential, and to be the leading global partner for *body-in-white*, chassis and mechanisms manufacturers with its client-focused business model.



GESTAMP'S STRATEGIC PILLARS

From a small local "BTP" company to a Leading Global Technological Company

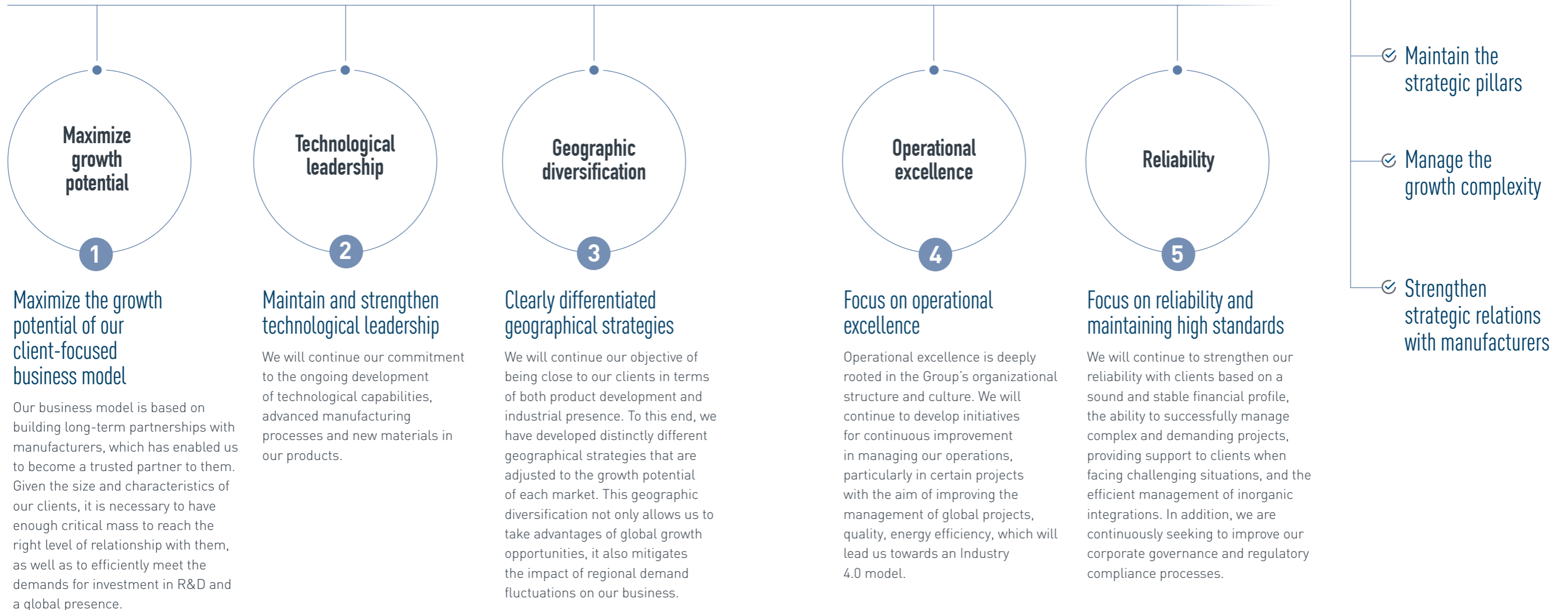
1997 —→ 2016

Expand and leverage our excellent position

2017 —→ FUTURE



Client-focused business model



RISK MANAGEMENT

Risk Management is of vital importance to us as a tool to review protecting and creating value within the Group to achieve the proposed objectives, improve our competitiveness and watch over the interests of our shareholders and stakeholders.

In 2016, we initiated a project to update and develop a Risk Management System (RMS). The goal is to improve the management and control of risks throughout the organization and to align them in terms of the most important matters with the COSO framework, ISO 31000 and taking into account the guidelines of "Code of good governance of the listed companies" of the Spanish Stock Exchange Market (CNMV). This project includes the development of a RMS Policy to explicitly define and assign responsibilities in terms of risk management.

The project contemplates, in its initial stage, a Risk Map that identifies those that are currently most significant in terms of economic impact and reputation. In the process of drawing up this map, senior management and those responsible for other key areas for the organization have been involved, providing a complete view of Gestamp.

Based on the risk map, the Gestamp RMS is articulated as an ongoing process that allows:

- The proactive and efficient identification and evaluation of the Group's risks, as well as its continuous monitoring and follow-up.
- Integrate the different efforts that the Group is carrying out in terms of risk management.
- Obtain a responsible risk acceptance.
- Ensure that control systems are aligned with the Group's real risks.
- Promote and facilitate the implementation of corrective measures.



Main Risks

TYPE: OPERATIONAL STRATEGIC FINANCIAL COMPLIANCE INTERNAL EXTERNAL

HEALTH AND SAFETY OF PEOPLE

The activities carried out in our plants pose risks to the health and safety of any person who is in our facilities. To monitor whether these situations of risk may result in serious accidents or occupational diseases.

We have a Health and Safety Policy and a very comprehensive prevention system that applies to all our plants independently of their geographical location. This system includes regular audits and follow-ups, as well as reviews for continuous improvement.

i More information: Chapter: "Commitment to People" p. 61-64

SUBSTANTIAL LOSS OF BUSINESS

Changes or modifications in the client's market share of client and therefore changes in purchase orders, can cause significant impacts on the Group. Our business sector is highly concentrated on a few clients which, individually, provide a high percentage of the business.

For this type of risk, at Gestamp we track sales and seek to diversify our client and product portfolios as much as possible in different geographical areas.

i More information: Chapter: "Our Strategy" p. 16-17

STOPPAGE IN THE CLIENT'S ACTIVITY

For our business, maintaining our availability in terms of the supply of parts to the client is fundamental, so that they can engage in their business activity without interruption. There are various factors within the Group's production chain that can cause interruptions:

Supply problems due to incidents with suppliers

In order to mitigate this type of risk, we have a global system for monitoring our suppliers known as "Gestamp Supplier Risk Management" and different regular quality controls, such as the monthly analysis of their activity and operations, and including conducting audits.

i More information: Chapter: "Operational Excellence" p. 41-43

Internal problems:

■ Social conflicts

To make sure that the situations in the plants do not end up creating conflict, we track indicators that show in-plant incidents, maintain constant dialog with workers' representatives and all the Group's employees can use various communication channels to report on irregularities, among other matters.

i More information: Chapter: "Commitment to People" p. 57

■ Prolonged breakdowns/failures of machinery, equipment or facilities

We have contingency plans in order to prevent production shutdown, load and capacity studies for the machinery, and facility maintenance.

i More information: Chapter: "Operational Excellence" p.32-36

■ Serious accidents

See "Risk of Health and Safety of People".

i More information: Chapter: "Commitment to People" p.61-64

Other factors that occur: weather-related catastrophes, earthquakes, floods etc.).

Our facilities meet local construction requirements and recommendations with regard to prevention and mitigation of disasters.

TYPE: OPERATIONAL STRATEGIC FINANCIAL COMPLIANCE

INTERNAL EXTERNAL

DEVIATIONS FROM THE PROFITABILITY OF PROJECTS

Possible deviations in costs, investments and deadlines in the various launches of new Group projects

Considering the Group's high growth profile, our geographic diversification, the number of opportunities due to our strategic positioning with clients and the short decision-making process periods, there is a risk of making the wrong investment decisions.

That's why, when it comes to making decisions on investing in new projects, we make sure that we have the right information, carry out uniform analyses that measure the (economic and strategic) impacts, that will allow us to set priorities and make an analysis of the associated potential risks.

Once the decision to launch is made, Gestamp's Project Creation Phase (GPCS) or project design phase begins (going from the acquisition of the business to the implementation phase), which must be managed with the assurance that the requirements, budget and deadlines agreed on with the client will be met. The types of events that can create delays in the start-up of a project include suppliers' delays. Just like internally generated delays, the relationships with suppliers are managed with the goal of meeting project deadlines and avoiding extra costs due to delays in the projects.

i More information: "Our Strategy" p.16 and Chapter: "Operational Excellence" p.34

Profitability of a project with respect to demand forecasts

A volume of actual orders lower than that anticipated in the schedule generates a reduction in the profitability of the project with respect to the expected return.

This is why at Gestamp we track the actual volumes with regard to the scheduled volumes in certain projects, to implement the necessary corrective actions in the event that profitability is compromised. It is common for the launch of the projects to be associated with new investments. The amount that is included in the schedule takes into account the return on such investment, so if this volume drops later, the return is compromised. Therefore, in the event that the right volume is not reached, volume negotiations are begun.

i More information: Chapter: "Operational Excellence" p.33-34

INCIDENTS IN THE QUALITY OF OUR PRODUCTS

Gestamp has various controls and analyses to assure the quality of the products provided to its clients. However, if these controls fail, a client could end up being supplied a piece that does not reach the required quality standards. In such cases, the client may lodge complaints against Gestamp.

Meeting quality standards for our clients in order to avoid costs associated with warranties, either due to inspections by the client, recalls or reputational costs. Not complying with these standards may create significant risk situations for the Group, so we have different controls in our quality system that minimize this risk.

i More information: Chapter: "Operational Excellence" p. 35-36

DIFFICULTY IN REPLACING KEY PERSONNEL

At Gestamp we have key management personnel placed in strategic positions, as well as highly qualified personnel, which represent an asset of great value to the Group.

To cover these critical posts, we try to do it internally, through a promotion or succession process, or externally through recruitment and selection processes. We have defined key staff and high-potential staff; we regularly analyze the number of vacancies, number of potential candidates, coverage goal and we make succession plans.

i More information: Chapter: "Commitment to People" p. p. 66-69

TYPE: OPERATIONAL STRATEGIC FINANCIAL COMPLIANCE

INTERNAL EXTERNAL

TECHNOLOGICAL CHANGES

The adoption of the right technology is fundamental for Gestamp to be able to stay ahead of its competitors and offer clients the best possible product. However, identifying the right choice as to what technology should be implemented and developed is a complex and strategic decision.

At Gestamp, we use different tracking measures, including meetings for following up on the R&D situation and the ongoing study of new technologies. For the Group, it is also essential that the adoption of new technologies and ways of working are accepted by our personnel, so it enables us to put into practice the strategic decisions made on the ways to work and on how we can get the Group to evolve. To facilitate this transformation in the work teams, our goal is to increase the integration of responsibility in new project start-ups, giving them a greater role in the launch of new projects.

i More information: Chapter: "Investment in innovation" p. 48-53

FINANCIAL RISKS

Associated with fluctuations in the financial markets, the main risks to which the Group's activities are exposed are:

i More information: Chapter: "Our Business Model" p. 23-27 and Consolidated Financial Statements Report 2016

Fluctuating exchange rates

The risk of fluctuations in exchange rates are managed using certain financial instruments such as buying/selling currencies.

The Group's presence in the international market obliges the Group to define a policy for managing exchange rate risks. Our fundamental objective is to reduce the negative impact on our business in general, and on our income statement in particular, of the variability in exchange rates so that it is possible for us to protect ourselves from adverse movements and, where possible, leverage favorable ones to our advantage.

Fluctuating interest rates

The risk of interest rate fluctuation that may affect borrowing at variable interest rates.

The overall objective of the strategy is to reduce the negative impact of increases in interest rates and take as much advantage as possible of the positive impact of possible tentative drops in interest rates. To meet this objective, we use financial instruments, interest rate swaps; through this derivative, we convert the reference interest rate of a loan into a fixed one.

Cost of raw materials

Regarding the cost of the raw materials, in 2016, 60% of the steel was bought through resale programs with clients through which the client negotiates the price of the steel. This negotiated price is directly included in the selling price to the client. In the case of products that use steel not purchased under the resale modality, clients adjust the prices of the Group's products based on the variations in the steel prices they agree on with the steel industry.

Historically, the Group has negotiated our steel contracts with steel producers under conditions such that the impact (positive or negative) of the variation in the price of steel will be minimal in this case. Therefore, overall, we believe that the Group's exposure to the variation in the price of steel is not significant.

TYPE: OPERATIONAL STRATEGIC FINANCIAL COMPLIANCE

INTERNAL EXTERNAL

RISKS RELATED TO REGULATORY COMPLIANCE

Risks related to the different legislation and regulation (national and international) to which the Group is exposed, due to their interpretive complexity or the potential modifications that may be suffered by them.

From Gestamp we continuously monitor the regulatory and legislative process that affects our activities to promote a conscious and responsible fulfillment of the same and anticipate with sufficient anticipation the possible changes in order to manage them properly and take advantage of the opportunities that may arise from them. Continuously, we evaluated the probability of success in such litigation or claims and take the necessary measures to achieve favorable results and resolve conflict situations.

i More information: Chapter "Our Business Model" p. 14, "Investment in innovation" p.49-50 and "Corporate Governance" p. 94-115

ENVIRONMENTAL RISKS

As an integral part of the automotive sector, we believe that our environmental impact must be analyzed from a vehicle life cycle perspective beyond the direct impacts generated in the manufacturing process.

In this sense, it is the Group's policy to implement an environmental management system, ISO 14001 or EMAS, and to invest in projects in new technologies involving CO₂ reductions.

i More information: Chapter "Investment in innovation" p.49 and "Caring for the environment" 72-83

POLITICAL AND ECONOMIC INSTABILITY

The economic and political instability of the countries where we operate may cause a possible drop in sales in the automotive sector.

At Gestamp, we monitor the international situation, and adjust our business plans if necessary to include the effects of the instability on the Group's forecasts.

i More information: Chapter "Our Business Model" p. 23-37



BUSINESS PERFORMANCE AND RESULTS

2016 will also be remembered for its high level of social and political uncertainty at the global level.

The 2016 macroeconomic context

Global economic growth in 2016 was again modest and in line with the performances of recent years. In line with this, inflation and interest rates in the major global economies have continued at very low levels; however, in recent months there has been an upswing in the prices of raw materials and energy. In this regard, the strong rebound in the last quarter of the prices of oil and raw materials such as steel (although from very depressed levels) have caused a slight upturn in inflation in some countries that have not experienced this for some time.

2016 will also be remembered for its high level of social and political uncertainty at the global level. The escalation of the conflict in Syria and its serious consequences at different levels, the referendum in the United Kingdom to leave the European Union, the new administration in the United States, and political instability in various European countries, including Spain, have generated a climate that does not favor economic growth.

In this economic environment, the evolution of the automotive sector has been more positive than in previous years, with a growth in the worldwide production of light vehicles of 4.5% up to 93 million units. The main cause of this positive performance in 2016 has been the Chinese market, which has grown more than 12%, exceeding all expectations. The manufacture of vehicles in Western Europe, North America and in other geographical areas like India has continued to grow, while markets in Brazil and Russia have continued to deteriorate in line with their economic indicators.



For the first time ever, turnover exceeded 7.5 billion euros in the year.

Results

Gestamp's business performance in this macroeconomic environment and the automotive sector has been, once again, positive. For the first time ever, turnover exceeded 7.5 billion euros in the year, despite the negative impact of foreign exchange rates and the poor behavior of operations in Mercosur and Russia. This 12.3% growth, without considering the impact of the currency rates, has been supported by the consolidation of projects the Group had invested in during previous years and the good behavior of key markets like China, India, Spain, and the United Kingdom.

Sales evolution in millions of euros



The profitability of operations has also been satisfactory in 2016, the main growth indicators like the EBITDA, EBIT and attributable profit were greater than turnover growth, compared to the previous year.

Also in line with recent years, in 2016 the Group maintained a high level of investment that will allow it to continue with a business growth rate in the coming years that is much greater than that of Gestamp's market.

The 725 million euros invested in the past year were allocated to finance, among other items, the ten new manufacturing plants that the Group is building in different parts of the world in order to support its clients' projects. Investments in property, plant and equipment include investments in growth, recurring investments, and investments in intangible assets. Investments in growth include investments in new plants (Greenfields), significant expansions of existing plants and new processes/technologies in existing plants. Recurring investments include investments to replace existing programs and for the correct maintenance of their equipment. Investments in intangible assets refers to, among other items, the activation of part of R&D expenses.

Millions of Euros	2016	2015
Investments in growth	390	286
Recurring investments	251	248
Investments in intangible assets	84	88
Investments in property, plant & equipment	725	622

Gestamp's net financial debt totaled 1,633.6 million euros in 2016, resulting in a leverage ratio of 1.94 (Net Debt/EBITDA).

Millions of Euros	2016	2015	Variation
Turnover	7,549	7,035	7.3%
EBITDA	841	760	10.6%
EBIT	463	400	15.8%
Pre-tax profit	348	253	37.5%
Attributed profit	221	161	37.1%
Equity	1,872	1,798	
Net financial debt	1,633	1,493	
Investments in property, plant & equipment	725	622	



Turnover by geographical segment

Millions euros



Western Europe

The turnover increased by 2.7 % to 3,704.1 million euros. The growth was primarily driven by the upturn in manufacturing volume in Spain, Portugal and France, with a decrease of sales in the UK influenced by negative fluctuation of the pound exchange rate against the euro. At a constant exchange rate, Gestamp's growth in the turnover in Western Europe was 5.1%, while the market's production volume grew by 3.8 %.

• 2015	3,607.4
• 2016	3,704.1
• Variation	2.7%



Eastern Europe

Turnover increased by 30.1% to 859.5 million euros, in large part due to the sales of tooling for projects starting up in Poland. Turnover also grew significantly in the Czech Republic due to increased manufacturing volumes. Turkey also contributed to the growth in Eastern Europe. These increases were partially offset by a revenue decrease in Russia and Slovakia.

• 2015	660.7
• 2016	859.5
• Variation	30.1%



South America

Turnover decreased by 14.0 % to 401.3 million euros, due to a severe downturn in the local market and to the adverse fluctuations of exchange rates in both Brazil and Argentina.

• 2015	466.5
• 2016	401.3
• Variation	-14.0%



North America

Turnover increased by 16.8% to 1,546.1 million euros, driven by strong growth in United States due to the start-up of new projects, as well as significant tooling sales. In Mexico, tooling sales for projects being started up offset a decrease in parts sales due to the planned production shutdowns of one of its clients.

• 2015	1,323.3
• 2016	1,546.1
• Variation	16.8%



Asia

Turnover increased by 6.3% to 1,037.9 million euros, mainly driven by the growth of *body-in-white* business in South Korea, as well as by the growth of the mechanisms business in China. In both cases, growth was due to ramp-ups in manufacturing plants and manufacturing volumes, partially offset by the adverse effects of the exchange rates in China.

• 2015	976.6
• 2016	1,037.9
• Variation	6.3%

Total

2015 7,034.5

2016 7,548.9

Variation 7.3%

OUTLOOKS

For 2017, global economic growth is expected greater than 2016, close to 3.5%. This stronger growth will cause some inflationary rebound along the lines of what happened in the last quarter of the previous year, which may cause interest rates to rise, especially in the United States.

With an improvement in economic activity, we expect an overall good performance in the automotive market. However, the extraordinary performance of the Chinese market in the last quarter of 2016 may cause less growth in that environment for 2017.

In a favorable environment, and thanks to the strong investment in recent years in projects that will start up this year, we expect positive performance for the Group. In this regard, as in recent years, we expect a growth in turnover and results far superior to those of the market in general.

While the level of global uncertainty remains high and the latent geopolitical risks such as those arising from Europe's important elections in 2017, Gestamp will continue to focus its efforts on improving the efficiency of its processes and on correctly managing the numerous client projects it is working on.





DRIVING SUSTAINABILITY

1. Operational excellence	30
2. Investment in innovation	23
3. Our people	45
4. Caring for the environment	56
5. Involved with society	67

1

OPERATIONAL EXCELLENCE

Operational excellence is a fundamental pillar in our culture and organizational structure.

- Key performance indicators
- Plant management
- Manufacturing capacity management and planning
- Process standardization
- Project management methodology
- Quality and guaranteed supply
- Energy efficiency
- Industry 4.0
- Supplier management

We seek efficiency in management and in operations to improve our competitiveness.

We must be able to stand out in a competitive environment where quality, price, supply chain management and client services, together with technological capacities and R&D, are distinguishing elements.

Therefore, we have designed our organizational structure to maximize operational efficiency, so that our business units focus on clients, products, process innovation and R&D, while our geographical divisions are focused on improving production processes and profitability, where each manufacturing plant is a profit center.

Over the last few years we have set up several corporate standardization processes to improve management and operating efficiency.

1	Key Performance Indicators (KPIs)	Monitoring of key performance indicators on a monthly basis at plant, division and business area levels.
2	Plant management: Gestamp Production System (GPS)	Measuring the performance of our manufacturing plants through a standard system to monitor efficiency, production rates and rates of saturation.
3	Management and planning of productive capacity: Capacity Management & Planning	Monitoring of production capacity at our manufacturing plants to optimize their use.
4	Process standardization: Process Taxonomy	Standardization of business processes and operating throughout our organization.
5	Project management methodology: Gestamp Product Creation System (GPCS)	Standardization of the management of our clients' projects in order to improve transparency and collaboration, as well as efficiency.
6	Quality and guaranteed supply	Promotion of quality systems based on client orientation and continuous improvement.
7	Energy efficiency	Reduction of energy consumption at our plants through an energy monitoring system developed jointly with internationally recognized technology partners.
8	Industry 4.0	Increase the integral analysis of the data of our systems, tasks and processes that we have in the plants by using common digital platforms.
9	Supplier management	Improvement of the supplier management through a global platform that monitors suppliers' performance, risk and regulatory compliance, while also streamlining the ordering process.

1. KEY PERFORMANCE INDICATORS

We have a defined series of indicators that allows us to carry out the control, reporting and monitoring of Key Performance Indicators (KPIs).

Each production plant, division and corporate area must fill in a KPI report each month which is presented and analyzed from time to time by the Executive Group made up by the CEO, CFO and the area managers involved. The report contains the relevant indicators, goals and trends of each plant and division.

The indicators are grouped according to the following business areas:

- Industrial
- Main Project Management Execution
- Quality
- P&L (Profit & Loss Statement)
- Human Resources
- Health & Safety
- Balance Sheet
- Sales
- CAPEX (Capital Expenditures)



2. PLANT MANAGEMENT

We are working at the Group's different manufacturing plants to standardize the management system called GPS (*Gestamp Production System*), based on the principles of Lean Manufacturing in order to improve the response capacity through the reduction of waste, costs and time.

The Technical Office is responsible for the control and support of the Group's industrial processes and, consequently, for coordinating the entire organization at the plant, division and business unit levels, as well as other areas involved (Technology and Equipment, Quality and R&D).

The main responsibilities of the Technical Office are:

Industrial processes and methodology

- Firstly, and most importantly, to define, implement, maintain and audit the Group's Production System (GPS) with the support of the divisions, and aligned with Gestamp's Quality System (GQS).
- Ensure and monitor the standards related to industrial processes (maintenance, logistics, etc.).
- Define a comprehensive process for the industrialization of new technologies.
- Provide support to the divisions in the development of the manufacturing processes strategy and its follow-up.

Industrial control

- Improve, maintain and audit the Group's current industrial KPI system.
- Monitor the KPI performance of manufacturing plants.
- Propose the drafting of action plans to divisions and manufacturing plants, especially those with low performance.

We highlight three of the key indicators; these are reviewed by the Management Committee on a quarterly basis:



The OEE of the facilities improved 4.3%.

Overall use improved 3.6% in 2016.

Overall saturation of resources dropped 1% as a result of the improvement of the overall equipment efficiency (OEE) and use. It also absorbs the increases due to load volume.

Overall Equipment Efficiency (OEE)

This is the main indicator, it measures the efficiency of each production unit by comparing the capacity for which it was designed with its actual production. It is divided into three main components: availability, performance and quality.

Standard Cycle Time

This indicates the real rate of production with respect to the theoretical rate within a specified period of time.

Saturation Rate

This indicates the time of use of any given manufacturing equipment in respect of the time available for manufacturing according to the work schedule.

3. MANUFACTURING CAPACITY MANAGEMENT AND PLANNING

The capacity to maximize the use of our assets throughout their useful life is an important factor because our activity requires important investments.

The capacity to maximize the use of our assets throughout their useful life is an important factor because our activity requires important investments.

In this respect, we are working on developing standards relating to the definition of welding facilities. The goal is, by leveraging the best practices of all the knowledge accumulated over these last years, to optimize the manufacturing capacity of the installations versus the investment needed. To this end, various working groups have been created with involvement of experts from each Division. These will be in charge of defining these standards, which will subsequently be validated in pilot manufacturing plants. At the same time, we are working with the Standardization Department to study and develop new assembly-related technologies and processes.

4. PROCESS STANDARDIZATION

In the area of process standardization, the Group continued to work throughout 2016 to improve the performance of processes, putting the focus on support areas including, among others, Human Resources and Quality. The joint work among functional areas in Corporate and Division areas made it possible to identify improvements in processes, which are subsequently published so that they are accessible to the main players involved.

5. PROJECT MANAGEMENT METHODOLOGY

The management of industrial projects is a critical pillar for the company. In 2016, the Group continued the implementation of the *Gestamp Product Creation System* methodology. In addition, the first two modules of Product Lifecycle Management were released. This is an advanced IT tool that will allow Gestamp to exercise greater control and traceability in the management of industrial projects. This tool should allow simple and immediate access to the historical data of projects and, using Big Data features, make it possible to obtain information that is valid for decision-making. In addition, the development of four modules of the IT tool, which has already begun, will continue throughout 2017.

At the organizational level, the GPCS CIP (*Continuous Improvement Process*), located in the TTE structure, has been made official. Its main objective is to manage and improve the method and the IT tool and, ultimately, the adoption of the entire system by the major operational areas. To this end, each of the organizational areas has defined "local CIPs", locally supporting the development of GPCS.

Our clients demand products with zero defects, with the required quantity and by the deadlines set in order to ensure both the quality of the end product as well as its correct functioning.

6. QUALITY AND GUARANTEED SUPPLY

In the automotive industry, each of the parts comprising the end product is a determining factor to ensure the correct functioning of the manufacturers assembly line, the quality of the vehicle and user safety. Because of this, the industry is a pioneer in the application of quality standards throughout the entire value chain.

Quality in management

All our manufacturing plants have developed and maintained a quality management system and have the international certifications required by our clients, including, in some case, the certification environmental management systems and occupation health and safety systems.

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

Product quality

The technical requirements and specifications we are given by our clients evolve in a steady manner over time. As manufacturers of automotive components, as we respond to these requirements in an environment marked by competitiveness and efficiency, we are helping to ensure that the vehicles are continuously improving, optimizing the quality/price relationship for the end user.

During 2016, all incidents were solved favorably in optimal timeframes between the automotive manufacturers and Gestamp. As a result, no vehicles in the hands of end users have been called in for review for reasons related to the products supplied by the Group during 2016; therefore, end users have not experienced any inconveniences.



Guaranteed supply

In the automotive industry, the correct functioning and performance of all the links in the production chain is essential, therefore not only the quality of the components but also their availability are determining factors to ensure the correct functioning of automotive manufacturers' assembly lines.

The location of many of our manufacturing plants adjacent to those of our clients makes it possible for us to work under the *Just In Time* system and to minimize the risk of being affected by external causes that might prevent us from meeting the deadlines that the client requires.

Client satisfaction

At Gestamp we seek to build strong, lasting relationships based on the confidence our clients have in us; to this end we foster dialogue at all times:

- Meetings at the highest level are held annually with all clients where, short-term forecasts and results are reviewed, as well as an analysis of longer-term perspectives and opportunities. In addition, the development of common strategies, new technologies and any requirements clients bring up, are analyzed.
- Worth mentioning is the continuous contact between our R&D areas and our clients' technical departments, with the goal of proposing new developments and collaborating with their design areas in the improvement of systems and products. Working with a client in the early stages of vehicle design allows us to propose solutions to improve safety and reduce weight and cost. Over the last few years we have used this co-development strategy with several manufacturers, who look to Gestamp to complement their internal know-how, mainly with the more complex products or technologies in which Gestamp has specialized over the last few years: chassis, mechanisms and hot stamping, among others.
- During the industrialization phase of the new products, we stay in constant contact with our clients, and carry out special monitoring of any projects considered strategic with the aim of ensuring an appropriate response.
- Our manufacturing plants are in daily contact with our clients' facilities: this is more of an operational contact, seeking to provide a quick response to our clients' needs and requirements, in order to solve any problems arising on a day-to-day basis.
- Meanwhile, the client conducts regular visits to our plants to carry out audits and contribute to our continuous improvement as well as ongoing assessments that allow us to know what our level of quality is compared to the client's other suppliers and to take measures in any aspects where the client considers that there is room for improvement.

At the end of 2017 we intend to achieve the goal of reducing consumption by 15% in 14 plants.

7. ENERGY EFFICIENCY

In an industry such as Gestamp, dedicated to the automotive industry, where energy consumption is especially intensive, saving is key.

This fact, together with the culture of efficiency and the commitment to reducing CO₂ emissions (See the Caring for the Environment chapter), motivated us to undertake an ambitious energy efficiency project in 2013.

The Energy Efficiency Project seeks improvement via the following:

- Knowing and individually analyzing consumption at our facilities.
- The study of the best practices in the Group.
- Research of new ways to improve.
- The pooling of all acquired knowledge.
- Setting goals and securing involvement at all levels.

An important pillar of this initiative is monitoring.

We monitor the instant electricity and gas consumption of our equipment in order to model its behavior. Based on these consumption patterns, we define algorithms for identification, warning and quantification of deviations. The system has been implemented in 14 manufacturing plants in Spain, Germany, the United Kingdom, France and Portugal, which is approximately 45% of the Group's energy consumption. We were able to reduce a total of nearly 45,000 MWh in 2016.

The forecast is for the project to extend to a total of 30 Group plants, including China, Mexico and United States throughout 2017.

The final objective is for the equipment to work as efficiently as possible and in a coordinated manner, which makes it possible not only to reduce energy consumption, but also reduce CO₂ emissions.

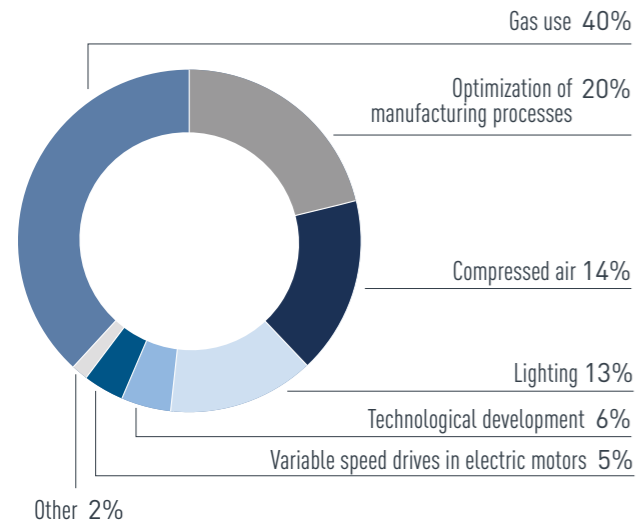
2016 Results

2016	Electricity MWh	Gas Mwh
Estimated	30,000 MWh	20,000 MWh
Obtained	25,000 MWh	18,000 MWh
	83.33%	90.00%

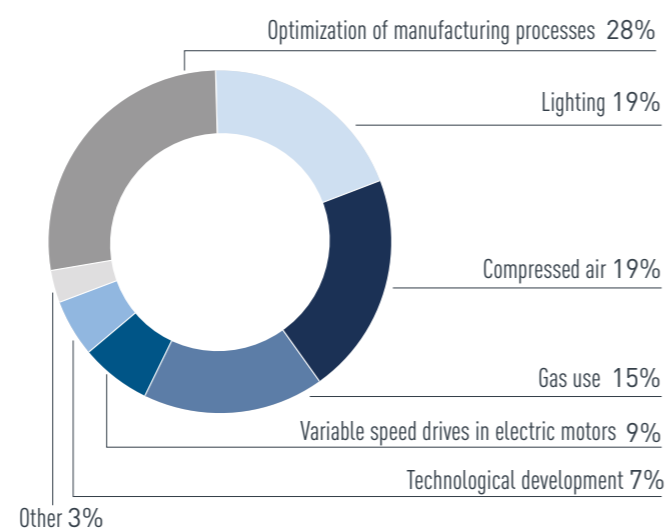
At Gestamp we seek to build strong, lasting relationships based on the confidence our clients have in us.

SAVING ACHIEVED BY TYPE OF ENERGY EFFICIENT ACTIONS IMPLEMENTED

Percentage distribution by MWh saving



Percentage distribution by economic saving



These are some examples of the measures that we have implemented:

Compressed air	Llanelli reduced its consumption by nearly 1,500 MWh by optimizing the operation of the compressed air compressors and controlling leaks.
Manufacturing process optimizations	Adjust electric motors to their optimum speed using variable speed drives (VSDs) in cooling system pumps, welding fume extractors and recirculation pumps on paint lines.
Lighting	Several measures by means of a change in technology and the automatic control of lighting based on the needs of the plant.
Variable speed drives (VSDs) in electric motors	Gestamp Metalbages reduced its consumption by nearly 350 MWh thanks to the installation of variable speed drives on electric motors in its paint lines.
Technological development	Gestamp Navarra reduced its consumption by 750 MWh thanks to the changes made in its manufacturing processes.
Gas use	By optimizing its heating systems, at Tallent Aycliffe the use of gas has declined around 5,800 MWh.

Project plan and expectations for 2017

In 2017, the project will continue in the first 14 plants, where the aim is to further reduce the consumption by an additional 50% over what was reduced this year and, in addition, our goal is to include eight new manufacturing plants and two new divisions (NAFTA and Asia).

When we consider the forecasts for 2017, we should take into account that the reduction in consumption by the manufacturing plants is recurrent, i.e., we count what we have achieved so far plus the new objectives for 2017:

2017	Electricity MWh	Gas Mwh	
Recurrent	25,000 MWh	18,000 MWh	
Estimated	30,000 MWh	20,000 MWh	
TOTAL	55,000 MWh	38,000 MWh	93,000 MWh

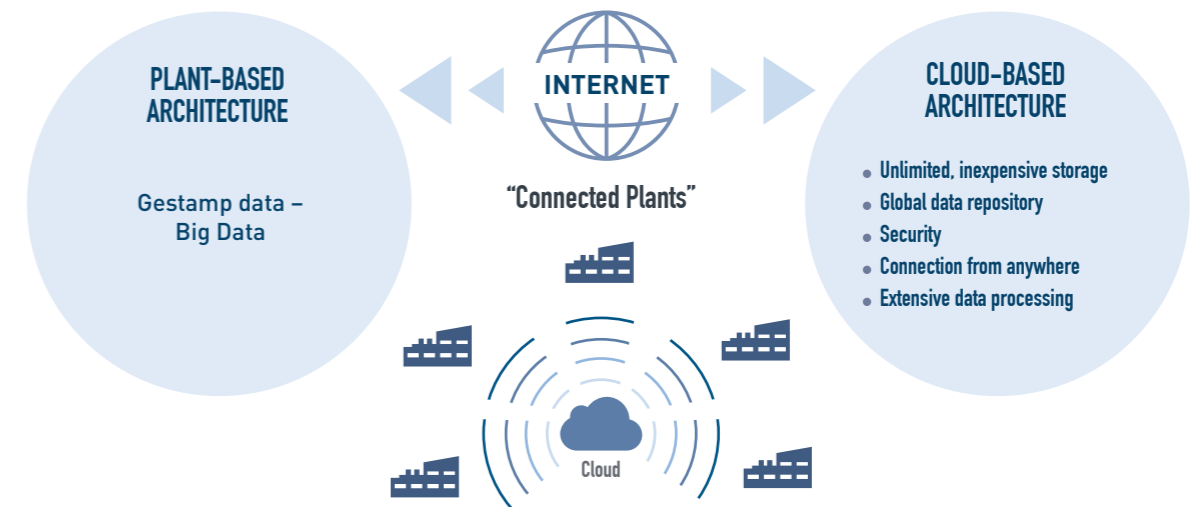
8. INDUSTRY 4.0

Our Industry 4.0 initiative aims to create more efficient manufacturing plants and more consistent and reliable processes through the analysis of our data.

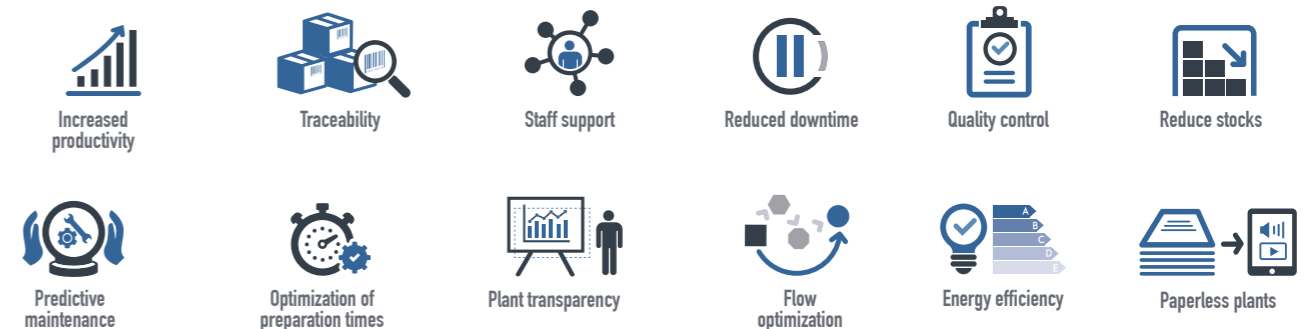
We seek to make a comprehensive analysis, control and monitoring of the data of our systems, tasks and processes at our manufacturing plants.. The analysis, control and monitoring of this data via digital platforms will make it possible to:

- Increase our know-how.
- Enhance the efficiency, productivity and availability of our equipment, processes and systems.
- Increase transparency through the traceability of our products.
- Enable decision-making.

INPUT: COMPREHENSIVE ANALYSIS OF AVAILABLE INFORMATION



OUTPUT: CREATION OF MORE EFFICIENT PLANTS, AND MORE CONSISTENT AND RELIABLE PROCESSES



We have launched several pilot projects in different fields, from production processes to auxiliary processes such as maintenance, logistics, quality, management, energy.

This is why we have launched several pilot projects in different manufacturing plants. We are covering different areas, from manufacturing processes (hot stamping, cold stamping, arc welding, Multistep, etc.) to auxiliary processes such as maintenance, logistics, quality, management and energy. We also involve Gestamp's multidisciplinary teams as well as getting support from our suppliers and clients so that we can leverage all their knowledge.

The sum total of each individual project makes it possible to have a "connected" plant, and the Group's internal processes digitized, as well as real-time access to any of our facilities throughout the world.

For example, we currently have projects in progress related to hot stamping, logistics and arc welding. In hot stamping, our goal is to improve the performance of our lines through real-time monitoring based on Big Data and IT systems that are enhanced in order to control the processes. In logistics, we are using the data from monitoring manufacturing in real time and the availability of stock and warehouses in order to prioritize tasks and to optimize internal logistics functions (smart logistics). Lastly, our arc welding project aims to reduce the number of defects in our products through improved traceability of individual parts and oversight of all the parameters of the manufacturing process.

The way ahead is a long way away for all the goals we have set out for ourselves for 2017 in addition to our ongoing projects. We are also taking on other projects in the areas of skin parts, smart cranes, traceability and smart WIP.



9. SUPPLIER MANAGEMENT

With the increasing globalization of our business, the management of our supply chain has become more complex. Since mid-2015, we have had a system to manage our suppliers globally known as "Gestamp Supplier Risk Management" (SRM).

Our goal is to be able to effectively and consistently evaluate the performance of the suppliers and to ensure a supply chain that meets the applicable local and international standards which are key to ensuring the continuity of our business.

Through this system we are able to:

- Monitor the performance of a supplier in a consistent and objective manner;
- Verify the regulatory compliance of strategic suppliers (all suppliers of direct material as well as any which, due to volume, product type and service, are important to the business). This includes the request for any supporting key documentation and/or certifications;
- Comply with the sector's legal and regulatory requirements, both locally and internationally;
- Achieve greater transparency in the supply chain, both suppliers of direct and indirect materials;
- Facilitate risk management and procurement activities;
- Support the sustainability of our business and that of our clients and suppliers.

All suppliers must pass a criticality matrix for classification as strategic or non-strategic based on the strategic of whether or not it puts our manufacturing chain at risk.

This global way of managing the suppliers is carried out through Gestamp's "Supplier Portal", the common tool for managing the procurement of all the Group companies. But locally, each plant has close relationships with its local suppliers based on trust and commitment.

Supplier quality

At Gestamp we strive to manufacture top quality products, working solely with suppliers who ensure that this is possible, thereby contributing to the production of excellent end products.

This is why we rate our raw materials and component suppliers according to quality levels by manufacturing site and at a corporate level (considering the supplier's ratings at the different sites).

Total suppliers awarded a contract during 2016:
17,621

Local suppliers:
97%

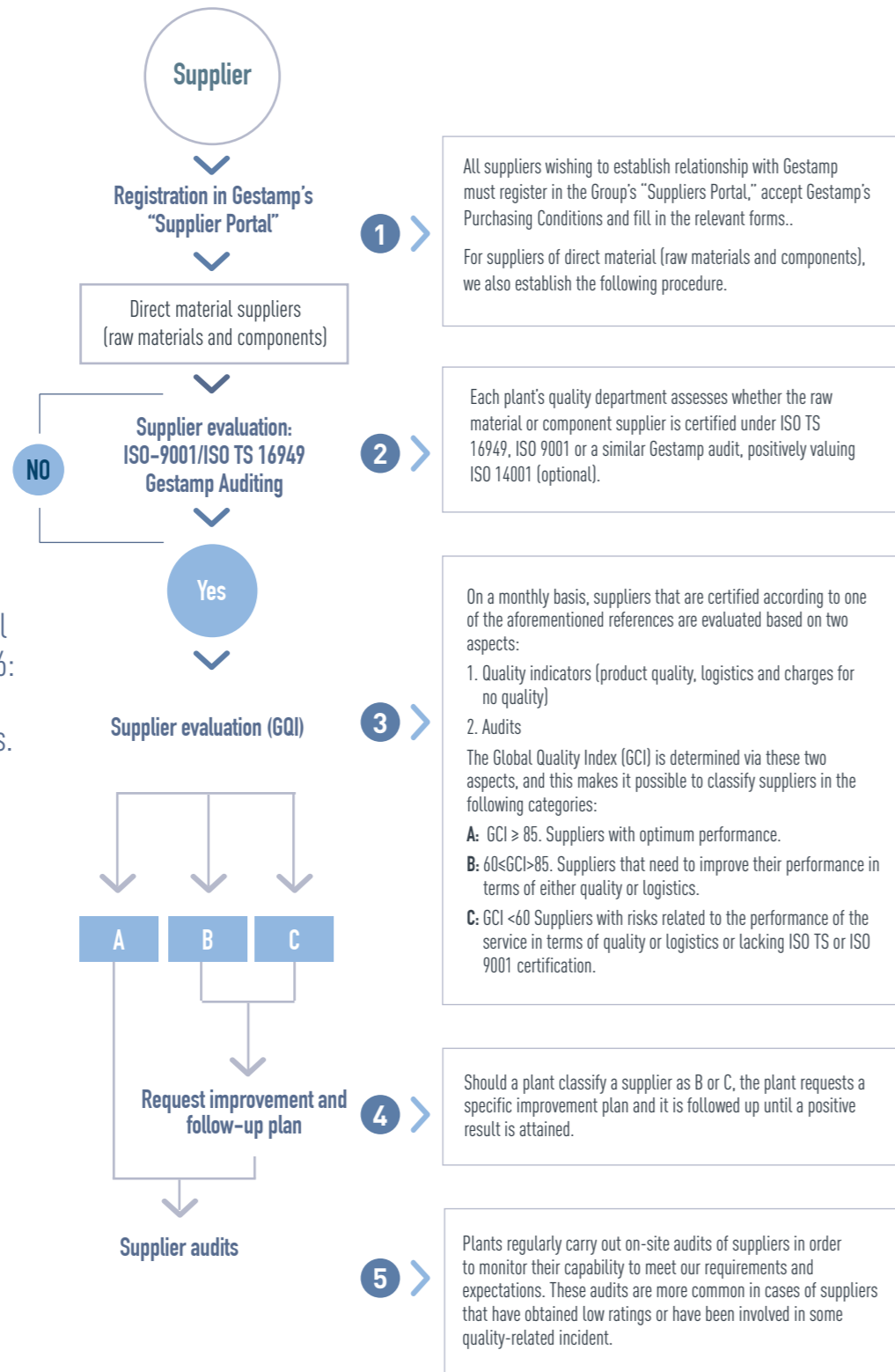
The main raw material used in our business is steel, which over the past three years was approximately 40% of our sales.

676 suppliers are strategic to the Group.

78% of our raw materials and component suppliers are ISO TS 16949 or ISO 9001 certified.

Quality assurance of direct materials by plant: raw materials and components

In 2016, 6,416 new suppliers registered in our portal; of these, 4,783 were authorized.



Of the 1,390 direct material suppliers evaluated in 2016:
1,025 were A type suppliers.
44 were B type suppliers.
321 were C type suppliers.

In 2016, 268 suppliers were assessed according to sustainability criteria.

In 2016, the control of our suppliers' conflict minerals will begin to be managed with the "Gestamp Supplier Risk Management" (SRM) tool.

Supplier sustainability

Another aspect that we rate our suppliers on is that their ethical behavior is in line with our values and with human rights. This is why all the supplier we work with must accept our requirements regarding social responsibility, based on the principles of United Nations Global Compact, which refer to the following aspects:

- Respect for Human Rights (No Child Labor, No Forced or Compulsory Labor, Freedom of Association, Non-discrimination, etc.)
- Health and safety.
- Environment.
- Business ethics.

As part of the quality audits carried out in the Group, in 2016, 268 suppliers were assessed according to sustainability criteria.

Classification of the audit based on the results:

- A 50 • → 19%
- B 162 • → 60%
- C 44 • → 16%
- BH 12 • → 5% (the assessment team decided to not continue with the audit)

Conflict minerals

In 2012 the US Securities Exchange Commission passed the Dodd-Frank Act on the extraction of conflict minerals, which requires companies listed on a US securities exchange that use any conflict minerals (tantalum, tungsten, tin and gold) to investigate the origin and to state in a report whether the purchase of these minerals might be used to finance armed groups in the Democratic Republic of Congo or neighboring countries.

This legislation does not affect Gestamp directly, but even so, we have our own "Conflict Minerals Policy". We respond to questionnaires on this matter as requested by our clients and we also require the same from our suppliers, with the aim to gather information on the origin of these minerals.



2

INVESTMENT IN INNOVATION

At Gestamp, innovation is one of the most important keys to keeping us in a strong and differentiated position in the automotive sector.

- Our approach
- Human and technical resources at the forefront
- R&D focused on key industry trends
- R&D in our business units
 - Body-in-white
 - Chassis
 - Mechanisms
- Intellectual property

Our co-development programs with have increased 87% in the last six years.

Gestamp does its R&D based on:

- Weight reduction
- Improvement in safety
- Increase in comfort
- New technologies and processes
- New materials

OUR APPROACH

Through innovation, we seek to anticipate new technological trends and offer differentiating products that meet the requirements of efficiency, weight, cost, quality, safety and sustainability.

Among the most decisive factors for Gestamp is that of producing increasingly lighter products, to the extent that the weight has a direct impact on the engine's energy consumption and, consequently, on CO₂ emissions, the regulation of which is becoming increasingly more restrictive with the publication of new regulations.

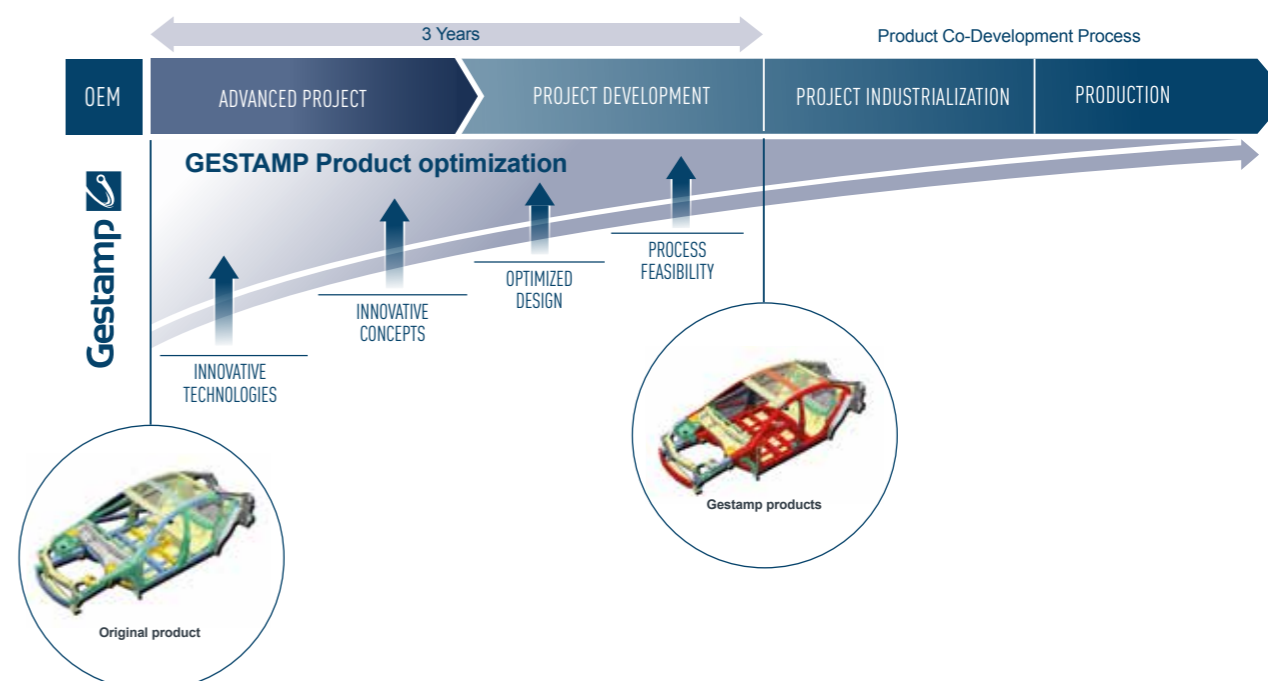
Safety is another of Gestamp's lines of research and development. We are focusing on identifying ways to increase the safety of vehicle occupants and pedestrians.

The products must, in turn, improve comfort, durability and recyclability at the end of the vehicle's useful life.

To do all this, we seek to apply new materials that are available globally with consistent quality, ensuring that manufacturing processes are efficient and flexible throughout the entire production chain and that this is done overall at a feasible cost by using the right technology in each case.

When designing and manufacturing our products, we work closely with vehicle manufacturers from the early stages of development to final production; in some cases, as long as five years before their vehicles are sent for assembly line production. Besides allowing us to meet their expectations in terms of current products, this co-development makes it easier to jointly develop concepts, technologies and advanced solutions for the future.

Diagram of the co-development process of the product from the initial idea to production



HUMAN AND TECHNICAL RESOURCES AT THE FOREFRONT

Between 2014 and 2017, we opened four new R&D centers in Germany (Bielefeld), China (Anting), Japan (Tokyo) and the United States (Detroit).

In recent years, we have made significant investments to develop and extend our R&D; this allows us to strengthen our strategic relationship with clients.

In 2016, we had a team of approximately 1,300 people in both the 12 R&D centers we have worldwide as well as in manufacturing facilities. In many projects, not only were R&D engineers involved, but also engineers specializing in stamping, tools and dies, welding, and quality, and their contribution is valuable throughout the entire development.

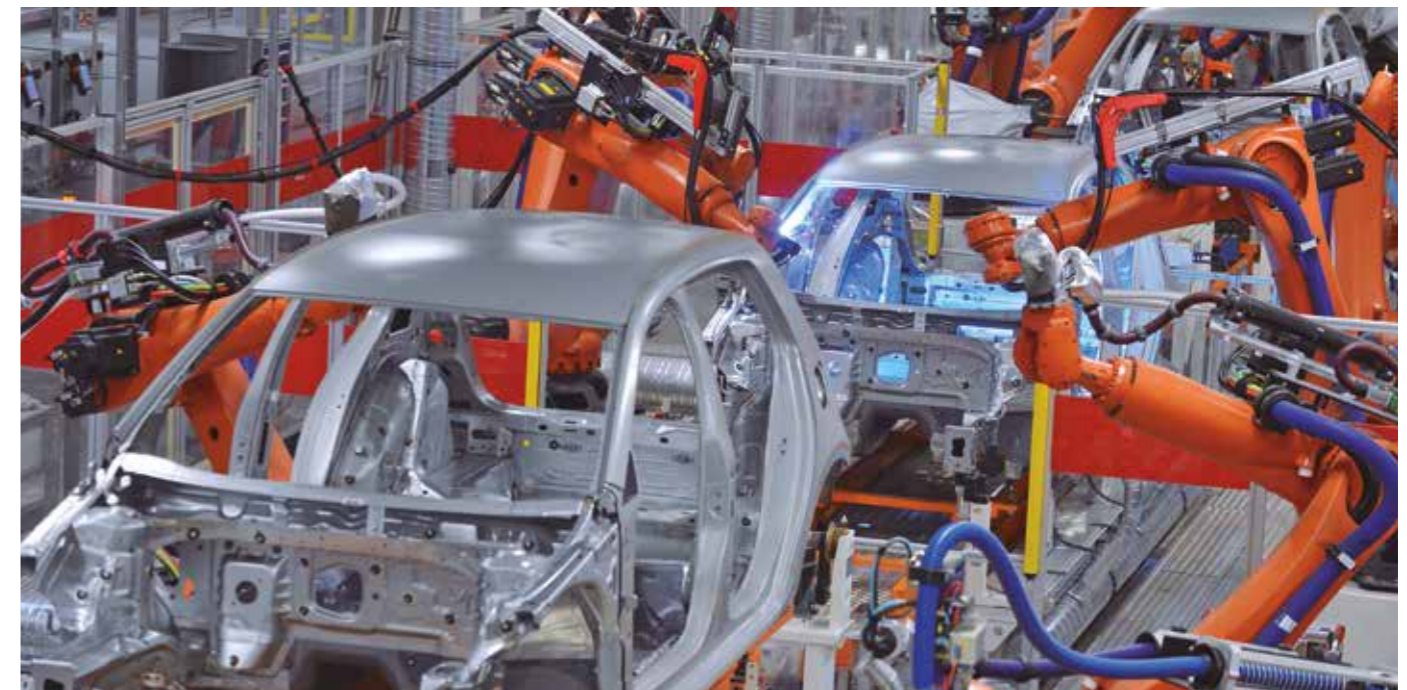
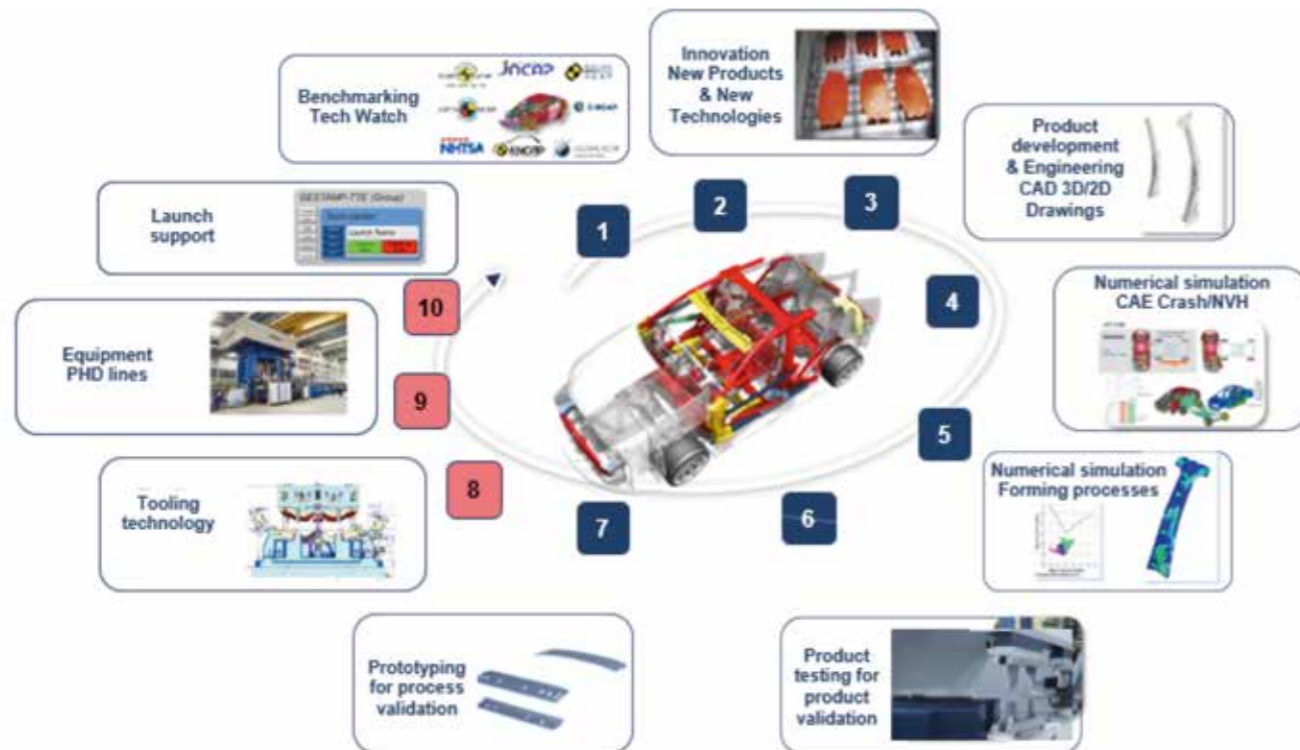
Our R&D teams work with state-of-the-art design and simulation tools, and develop others internally in order to improve processes and add efficiency and time saving.

In addition, we have laboratories for testing the resistance and reliability of mechanisms with specific machinery for the material assessment via prototypes of the developments designed. Passive safety tests and crash tests are performed in our laboratory in Lulea, Sweden.

INTERNAL CAPABILITIES TO CARRYING OUT CRASH SIMULATIONS ON VEHICLES



WE ARE ALL INVOLVED IN THE VEHICLE'S ENTIRE DEVELOPMENT CYCLE



R&D FOCUSED ON MAIN INDUSTRY TRENDS

Today, we are the world's largest supplier of hot stamping, covering the whole value chain, including the manufacture of our own dies and press lines.

Increased outsourcing of certain processes by automotive manufacturers

The changing nature of the automotive industry has led manufacturers to prioritize their investments. They are committed to investing in new trends such as improvements in engine technology (such as electric engines), autonomous driving and shared mobility. This has led to fewer investments in their in-house capabilities related to other areas that do not directly affect the differentiation of brands, such as body products and chassis.

This trend, together with standardization via global platforms, has led to an increase in outsourcing and they are choosing a small number of strategic suppliers, such as Gestamp, to supply them with parts with highly technological content, such as hot stamping.

Gestamp is one of the pioneers in the hot stamping manufacturing process, one of most advanced technologies to reduce the weight of a vehicle's body structure and to improve behavior in the event of a collision, and passenger safety.

As of 31 December 2016, we had 71 hot stamping lines installed worldwide and, based on the projects we have received contracts for, it is expected that more will be constructed in all the geographic regions where we operate within the next five years.

Global platform strategies

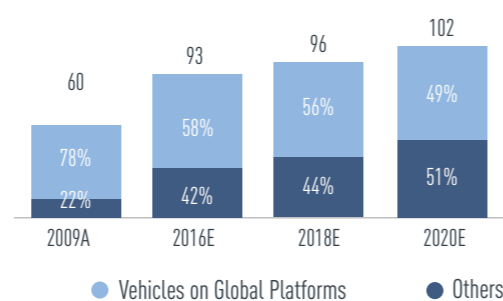
Increasingly, automotive manufacturers are designing vehicle models built on common platforms that allow them to reduce costs, increase the quality of the parts, benefit from the economies of scale across the value chain, differentiate their products from those of their competitors, increase the number of product segments where they compete, and have sufficient flexibility to respond to user demand.

This trend towards common platforms and global models has made manufacturers increasingly more reliant on large global suppliers that are technically and financially sound, and able to produce robust and high-quality products in all geographic areas. As a result, they also have increased R&D collaboration between manufacturers and strategic suppliers during the product development phase; this, in turn, has allowed global suppliers to gain market share.

Gestamp is participating in the majority of its clients' platforms.

+50% OF AUTO MARKET ON GLOBAL PLATFORMS BY 2020E

Evolution of Global Platform Usage vs. Auto Market (MM Units)



Source: IHS

Increasingly stringent world regulations on CO₂ emissions

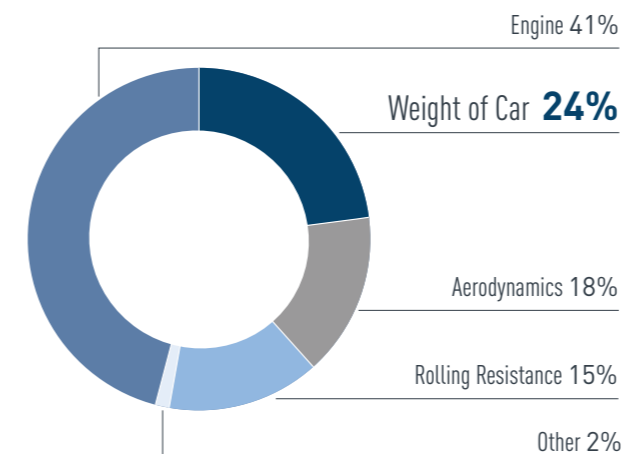
The development and production of fuel-efficient vehicles is a key growth trend in the automotive sector. It is driven by regulatory factors as well as increasing environmental awareness among consumers, which increasingly plays a decisive role in purchasing decisions. As a result, manufacturers face constant pressure to improve the fuel efficiency of their vehicles and reduce CO₂ emissions. Reducing the weight of the vehicle increases fuel efficiency and reduces CO₂ emissions, which makes body and chassis components critical to achieve CO₂ emission goals (a reduction of 100 kg in the total weight of a vehicle currently means an average saving of 9 g of CO₂ emissions in European cars).

Many countries have adopted emissions regulations that set limits on the amount of pollutants that new vehicles can emit. Given the growing environmental awareness, it is expected that the emissions limits worldwide of developed and emerging countries will become increasingly restrictive over the coming years. The EU's objectives for CO₂ emissions are among the most stringent, which makes it difficult for manufacturers to fully comply with the rapid increase in the cost of compliance. In the EU, automobile manufacturers face fines of €95 for each g/km if they do not achieve the CO₂ emissions goals. Other countries, such as Brazil, India and China, for example, tend to adopt similar regulations a few years after their approval in the EU.

Our R&D capabilities, leadership in hot-stamping technologies, and experience in the development of multi-material solutions aimed at reducing the weight of components allow us to offer innovative solutions that address our clients' regulatory pressures in a cost-effective manner. The graphs below show the effect of Gestamp's products on vehicle weight and, in turn, on CO₂ emissions.

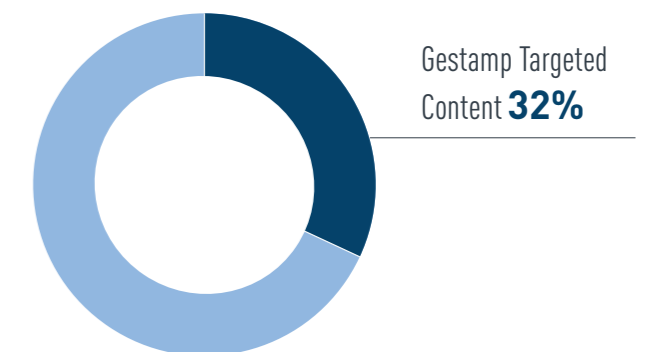
GESTAMP'S PRODUCTS TARGET 32% OF B-SEGMENT VEHICLE WEIGHT

Key factors driving CO₂ Emissions



Source: VW

High Volume B-Segment Vehicle Weight



Source: A2MAC21

9 g CO₂ savings... for each 100 kg lower weight

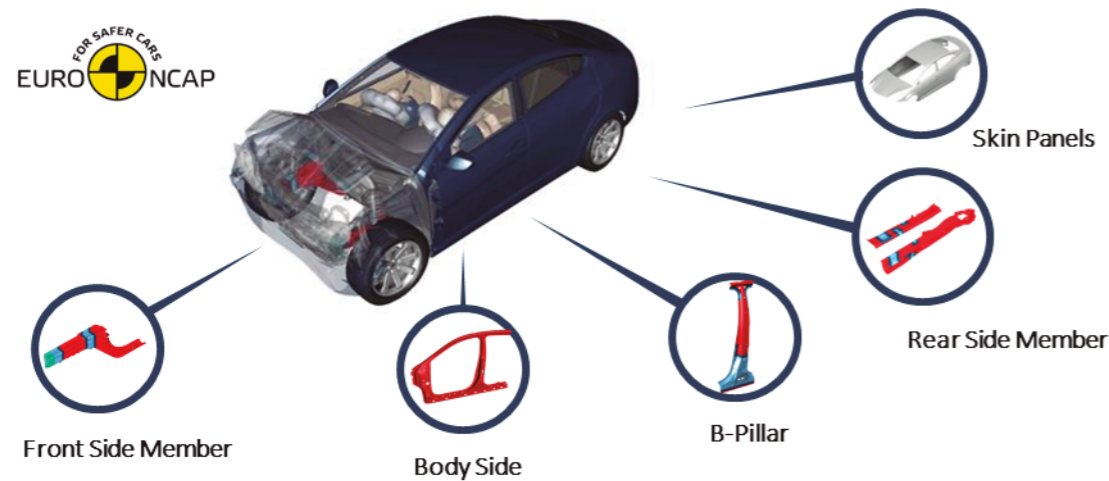
Increase in safety standards

Many of our products enable manufacturers to comply with the safety regulations, which are increasingly complex and difficult to address in terms of the overall safety of the vehicle. For example, our high-strength or ultra-high-strength steel products significantly improve the ability of vehicles to withstand impacts. In addition, improvements in the energy absorption of our chassis and body products portfolio increase driver and passenger safety by minimizing the vehicle's lateral impacts, while the hood hinges in Mechanisms portfolio improve pedestrian safety.

In addition, technologies like hot stamping, where we are market leaders, make it possible to meet the highest safety requirements and withstand car-to-car crash tests.

The chart below describes the Gestamp products that help our clients comply with increasing security requirements.

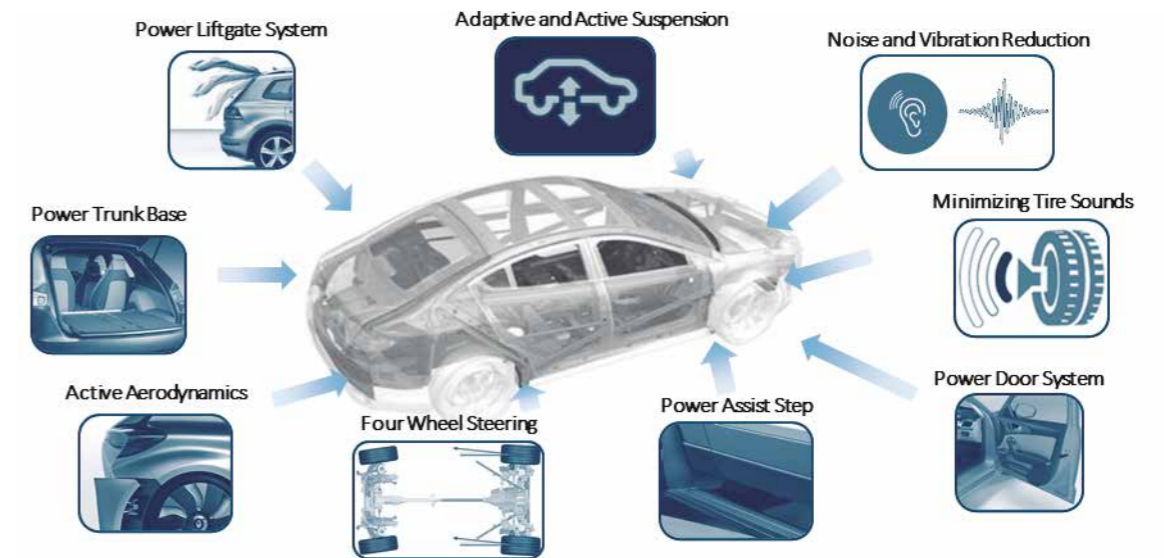
GESTAMP'S PRODUCTS HELP SATISFY MOST STRINGENT REQUIREMENTS



Greater comfort and vehicle dynamics

One of a user's main criteria for buying a vehicle is related to the driving experience, comfort and dynamics. This is leading to an increase in the demand for components such as electric liftgate systems, components that reduce noise and vibration, power door systems, power assist steps or noise reducing tyres, which we have been working on at Gestamp for years and are at the forefront within the industry. Originally, and so far, these components have been used in top-of-the-range vehicles and SUVs. It is hoped they will become standard in all kinds of vehicles in the coming years.

GESTAMP'S PRODUCTS INCREASE DRIVING EXPERIENCE



Increase in hybrid and electric vehicles

The impact of the increase in the production of hybrid and electric vehicles, as well as future trends such as autonomous driving and shared models of mobility, are not going to have a significant impact on our strategic approach or on our products.

Electric and hybrid vehicles have a battery whose case alone weighs more than 150 kilograms. This forces manufacturers to use increasingly lighter solutions to counter the extra weight.

Our experience in the development of lighter and safer components, as well as our continued investment in our R&D capabilities, allow us to be ahead of these future industry trends. For instance, we are working with Volkswagen on developing the concept for a battery box for the MEB electric platform. This is a modular electric model platform that will be used for a large number of electric vehicles, applying several lightweight solutions.


R&D IN OUR BUSINESS UNITS

- Cost
- Weight
- Safety
- Dynamics
- Comfort

Body-in-White



Gestamp BIW



STRATEGIC FOCUS

- Co-Development
- Multimaterial and multiprocess solution
- New products (battery box)

MAIN PROJECTS

- | | |
|-------------------------|--------------------------|
| 1. Zn Materials | 6. Light Weight Closures |
| 2. Extreme Design Parts | 7. Electrical Vehicles |
| 3. Generation x Laser | 8. HPDC |
| 4. GLAB Technologies | 9. ALU EXTR |
| 5. Light Weight CMS | 10. Fibers |

EXAMPLES

						
New applications tailored to client needs	Door Rings	Zn Materials	GLAB	LWT Bumper	Electrical Vehicle	LWT Doors

Chassis



Gestamp Chassis



STRATEGIC FOCUS

- Electrical Vehicles platforms targeted
- Multimaterial and multiprocess solutions
- Focus en 4 areas of performance:



MAIN PROJECTS

Selected materials	Selected designs and process	Selected concepts
Steel	Single shell	Perimeter frame
Aluminium	Welded	"Dog-Bone" design
Carbon fibre	Tubular design	Integrated crash absorption

EXAMPLES

		
New Aluminium Chassis Applications	Single Shell High-Strength-Steel Application	Hot Stamping for Chassis Applications

Mechanisms



Edscha Gestamp



STRATEGIC FOCUS

- Focus on new comfort demands
- Solutions for Lightweight
- Powered Systems

	Lightweight Materials	Safety Regulations	Comfort Convenience
Selected Product Initiatives/ Examples	<ul style="list-style-type: none"> Aluminium for door and hood hinges 1st CFK hinge SOP SOP 2018E Plastics door cheks and power liftf 	<ul style="list-style-type: none"> Pedestrian Protection Hinge actuated by Airbag Switch handle with integrated camera 	<ul style="list-style-type: none"> Comfort door checks (close assist, infinite stops) Edsha Cross Drive Edsha Power Door; SOP 2018E
Selected Technologies and Enablers	<ul style="list-style-type: none"> Innovative processes for CFK and sandwich material Knowledge base and new design rules for lightweight materials 	<ul style="list-style-type: none"> Potential safety improvements by joint engineering BIW/Hinges Collaboration with Airbag supplier 	<ul style="list-style-type: none"> In-house production of plastic tubes New process to measure a none visible plastic laser weld seam Building up in-house ECU-Software competence

INTELLECTUAL PROPERTY

Over 960 patents, utility models and their applications

We believe our intellectual property rights and the implementation of the related know-how to be of great importance to our business and something that gives us a competitive edge compared to our competitors. We invest significant resources in submitting and monitoring our intellectual property rights, prosecuting breaches thereof and protecting our confidential information.

Many of the technologies and processes that we use are the result of the knowledge, experience and skills of our scientific and technical staff. In some cases, these technologies and processes cannot be patented or protected through intellectual property rights. To protect our trade secrets, know-how, technologies and processes, we enter into confidentiality agreements with our employees, clients, suppliers, competitors, contractors, consultants, advisors and collaborative partners that prevent the disclosure of confidential information to third parties.

When we enter into development agreements, we preserve our pre-existing intellectual property rights; we do not transfer them to our collaborative partners, clients, suppliers, competitors or third parties. We claim ownership of any such intellectual property rights that may result during the implementation of these development agreements that may be related to or based on our know-how, trade secrets, technology and processes.

3

OUR PEOPLE

The people who are part of the Gestamp Group are key to the company's growth and development, and are the center of one of our essential corporate principles.

- Our employees
 - Evolution
 - Workforce profile
 - Management of labor relations
- How we act
 - Respect for Human Rights
 - Our Code of Conduct
- Our commitment to employees
 - Health and safety
 - Internal communications
 - Training and career development
 - Equality
 - Healthy lifestyle
 - Social benefits



OUR EMPLOYEES

International expansion has involved considerable challenges for the Group in terms of managing human resources, standardizing processes, adopting new technologies and fostering a more globalized corporate culture. This has led to an opportunity for the Group to promote employees' career development and provide them with a quality work environment.

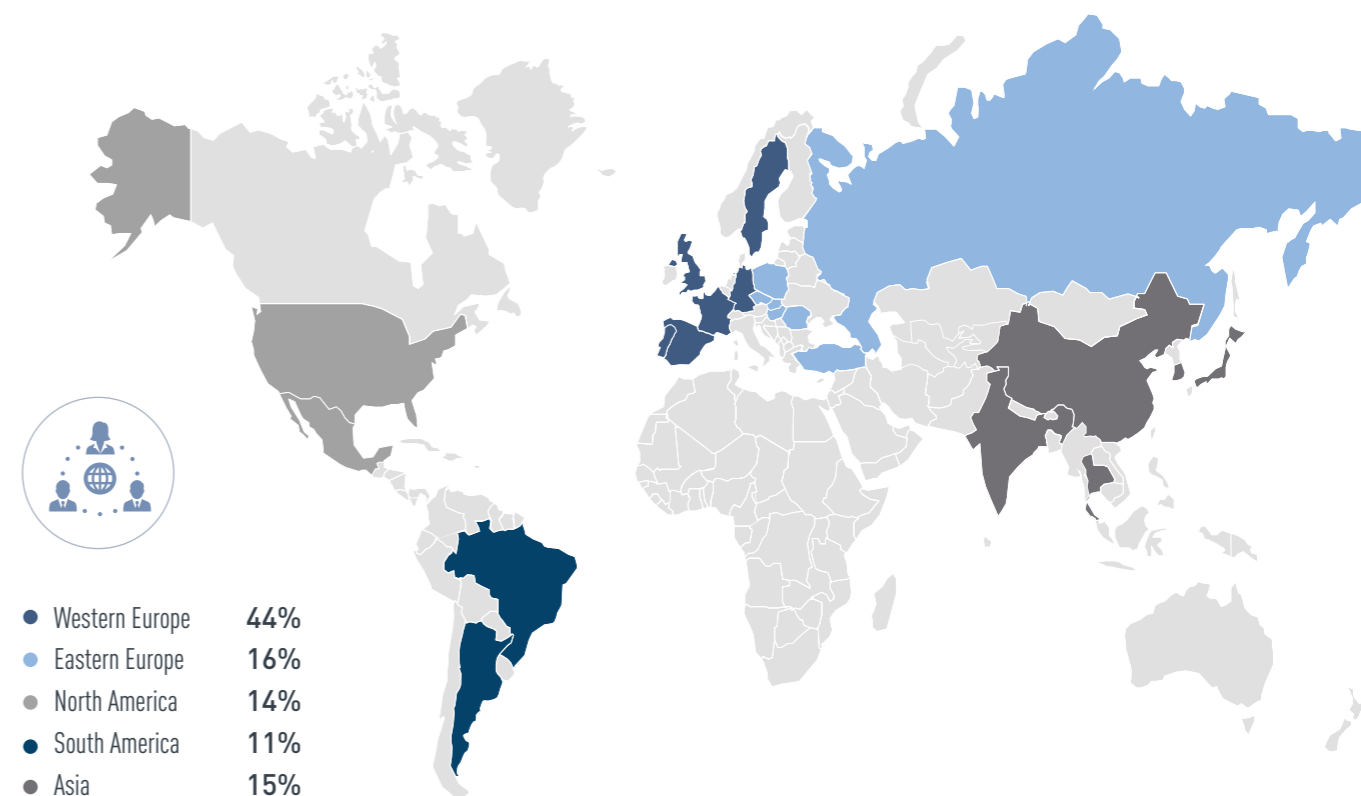
Evolution

The number of employees worldwide continued to grow in 2016, reaching 36,395 employees at year-end, 9,6 % more than in 2015, and an accrued growth of 43% over the last five years.

Workforce profile

With regard to the distribution of our workforce by geographic area, we have upheld sustained growth in all places where we are present:

GEOGRAPHICAL DISTRIBUTION

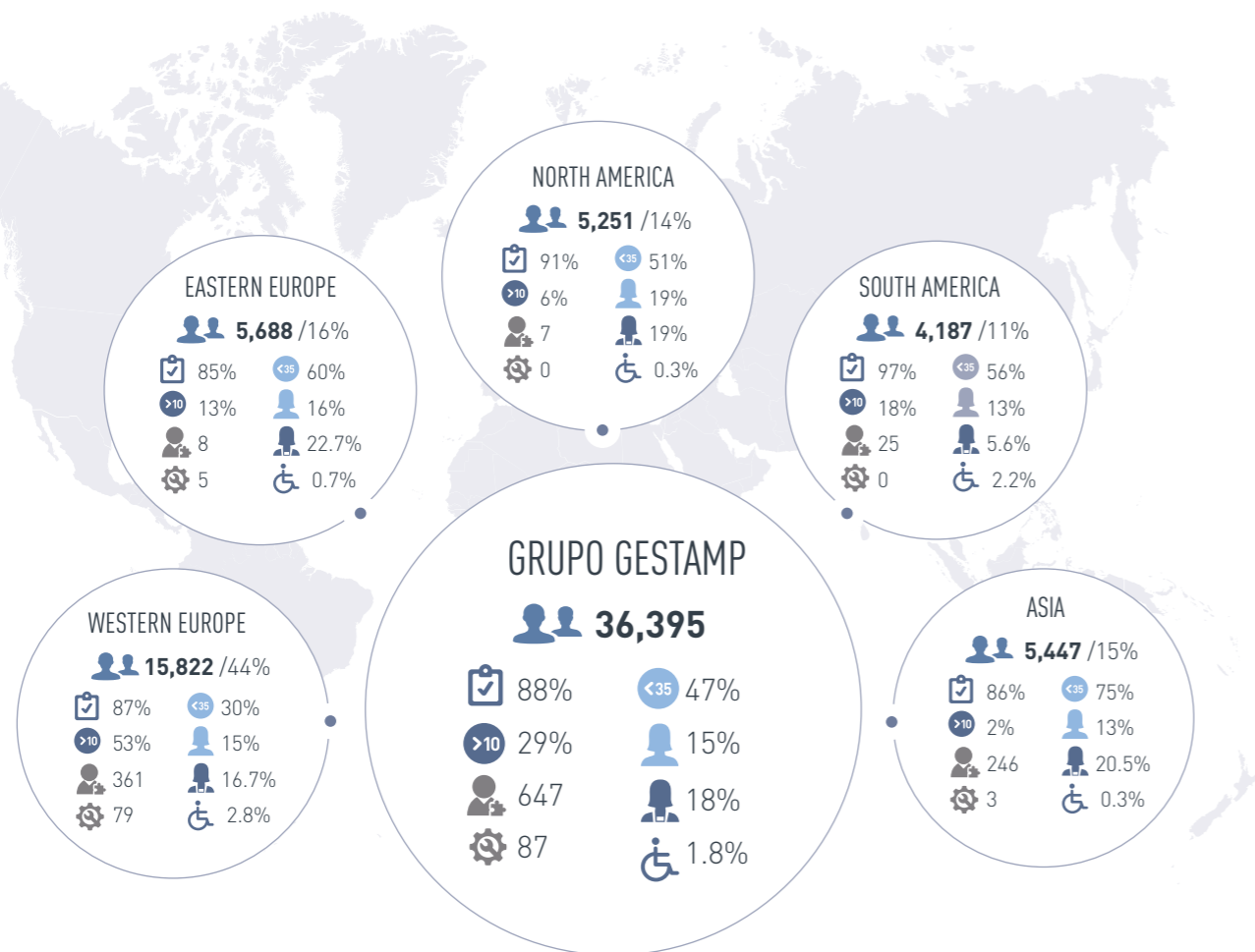


With respect to hiring policies, we have kept a clear commitment to job stability. Thus, in 2016 88% of our employees had permanent contracts, and 29% have worked for the company for more than 10 years.

In addition, we have 4,699 people from temporary agencies who work with us and allow us to adapt to requirements related to production demands and/or to take on one-off projects.

At Gestamp, we stand out for having a young employee profile, 47% of our employees are were under 35 at the end of 2016.

Furthermore, in the Group 15% of the workforce are women, 18 % of the members of the various plant and division steering committees are represented by women.



Nr. own employees	Nr. trainees	% Nr. of women
% Nr. permanent contracts (%)	Nr. internships	% Nr. senior management women
% employees > 10 years	% < 35 years old	% Nr. of persons with disabilities

Management of labor relations

Every workplace, whether it is a manufacturing plant or office, has the freedom to define and manage its employees, although there is a common reference framework that establishes the minimum grounds for the entire Group on matters that are of foremost important to Gestamp: compliance with the Code of Conduct, occupational health and safety and training and development on specific issues that are key to the company.

As a general rule, each workplace has its own collective bargaining agreement, which is negotiated periodically, detailing working conditions, rights and duties. We work with unions and other organizations that our employees collectively choose in order to represent them within the pertinent legal framework.

This policy means that each workplace can be adapted to its own specific circumstances and needs, to economic performance and productivity. In addition, it makes employees identify more with their own works council.

During 2016, 92.7% of our companies had a legal framework that permitted freedom of association and the right to collective negotiation. For the remaining 7%, the Group establishes the communication channels needed to prevent abusive practices.

Along this same line of protection, in countries whose labor legislation is more ambiguous, the Group takes charge of clarifying and determining all basic issues in their contracts that guarantee workers' rights.

As a general rule, each workplace has its own collective bargaining agreement, which is negotiated periodically, detailing working conditions, rights and duties.



HOW WE ACT

Respect for Human Rights

At Gestamp we support and respect fundamental human rights in all countries in which we work.

We are aligned with our clients' requirements on this matter and require our suppliers' compliance with all matters of forced labor, child labor, decent working conditions, freedom of association and affiliation, right to collective bargaining, non-discrimination and fair and respectful treatment.

With the aim of continuing to improve and progress in the principles of the United Nations Global Compact, in 2016 we went one step forward and, in collaboration with Business & Human Rights, we implemented a project to create a *Human Rights Risk Map and Diagnosis* at all our workplaces throughout the world, which will be finished in 2017.

Its purpose is to detect the risks associated with our business that could have an impact on the human rights of the people who work at our facilities. Then, using this analysis, we will carry out continuous improvement of our due diligence processes so that we can prevent, mitigate and repair any damages that we may have caused or contributed to causing through our work, as detailed in the [UN Guiding Principles on Business and Human Rights](#).

Our Code of Conduct

The Code of Conduct is available on the Gestamp website and Corporate Intranet in the 16 languages used in the Group.

The Code of Conduct reveals our commitment to integrity and establishes a common framework of reference for our employees' ethical and respectful behavior in all the countries where we operate, regardless of the cultural peculiarities of each geographical region. The Code includes a number of Rules of Conduct based on our Corporate Principles and on the ten principles of the United Nations Global Compact concerning human rights, labor and environmental standards as well as the fight against corruption.

This Code is applied at all levels of the organization and affects all the employees who are associated by contract with Group companies or with any of the subsidiaries in which Gestamp is a majority shareholder.

Ethics Committee

The Ethics Committee is responsible for ensuring compliance with the Code of Conduct and its correct interpretation.

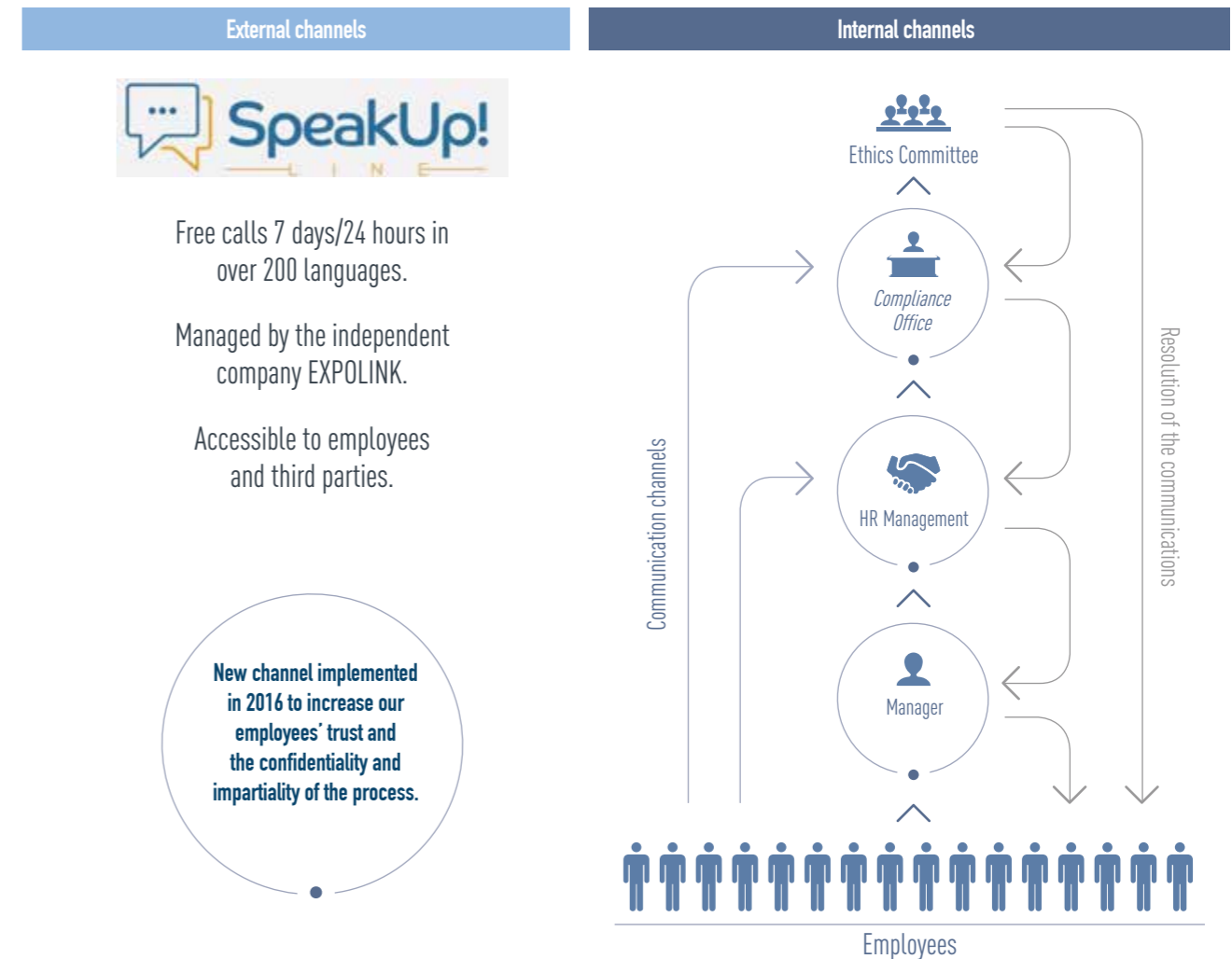
The Ethics Committee's regulations establish its functions and composition, the communication channels and process for complaints, and the internal investigation process to assess whether breaches of the Code have occurred. The regulations contemplate a Compliance Office, which reports to the Ethics Committee, and is responsible for receiving, guiding, monitoring and suitably reporting and documenting:

- Questions, queries, enquiries and suggestions for improvement from employees on the contents of the Code of Conduct and any implementing document or regulation.
- Complaints from employees or third parties regarding actions that, to their knowledge and belief, may constitute alleged violations of the Code.

The objectives of these regulations include ensuring that those filing such complaints in good faith are held harmless and, at the same time, to preserve the honor and the presumption of innocence of all employees with regard to malicious or unfounded communications.

Communication channels for the Code

Below are the channels established for the employees to make queries, suggestions or complaints due to breaches of the Code of Conduct:



Have you heard of SpeakUp! ?
 Speak Up Line is the new external service for queries and complaints regarding Code of Conduct. We want to hear from you...
 The process flow is: Code of Conduct → Incident/Remarks → Contact → Confidential management → To protect us all!
 The company EXPOLINK will manage the information, guaranteeing CONFIDENTIALITY, SECURITY and always in your own LANGUAGE.
 Contact information: 1677 533 5310, www.expolink.co.uk/gestamp, gestamp@expolink.co.uk
 24/7 365 days a year / Free telephone assistance / COMPLETE CONFIDENTIALITY
 You can also continue sending queries directly to Gestamp's Ethics Office at: corporatecompliance@gestamp.com

In 2016, 44 communications were received (41 complaints and 3 doubts on interpretation and suggestions). The complaints can be broken down into:

Europe	North America	South America	Asia
9 cases	12 cases	11 cases	9 cases



External audits

During 2016, we continued with the rotating audit plan done by an independent external party to verify the degree of implementation and employees' knowledge of the Code, and to emphasize the message on its importance to Gestamp. Specifically, this year they were conducted at all workplaces in Germany and Argentina, adding these countries to those done in Brazil, China, Mexico and Russia the two previous years.

Over the course of the years, these audits have been employed to identify specific aspects that can be improved and measures and action plans have been carried out to resolve those aspects and to improve the application and awareness of the Code.



COMMITMENT TO OUR EMPLOYEES

Adhesion to principles like those set out in the Global Compact and our own management style guided by our Code of Conduct leads us to center our human resources management on these issues, with the aim of achieving quality employment:



Health and safety

Our Health and Safety Management System

Gestamp is committed to offering its employees, and any company working at its facilities, a safe and healthy environment. To this end, it has an ambitious occupational risk prevention policy and its own comprehensive management system, called the GHSI (Gestamp Health and Safety Indicator). This system goes above and beyond compliance with international standards, and has been implemented at all the Group's manufacturing sites, with the same level of requirement and adapted to the particular features of our production activities.

Analyzing the factors enables Gestamp to implement safe working conditions and prevention measures that are suitable for its activities. On a quarterly basis, all manufacturing sites must report the improvements made and, every two years, they are all fully audited on all aspects of the indicator



Gestamp Health & Safety Indicator (GHSI)

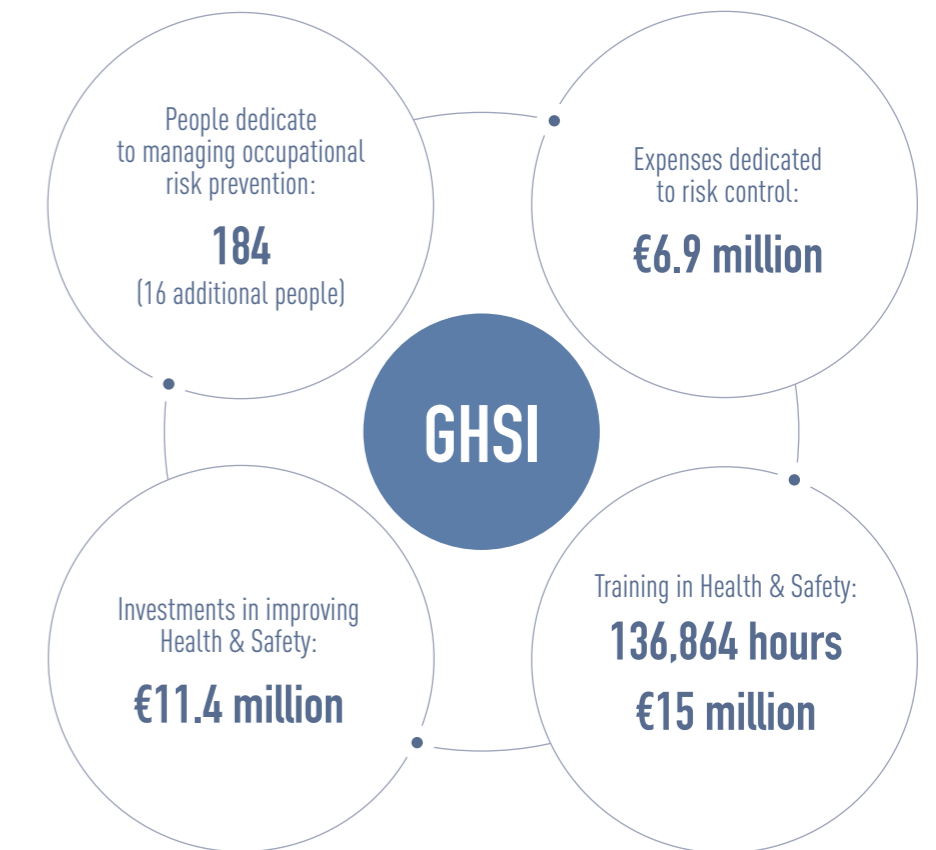


Labor Conditions and Prevention Management

According to performance the previous year and the situation at the beginning of the year, each manufacturing site establishes its action plan that contains an improvement target.

The table below illustrates the variations in percentages with regard to 2015 figures, by division.

Division	Working conditions % improvement	Prevention management % improvement
Northern Europe	1.4%	2.1%
Southern Europe	1.1%	5.5%
North America	-4.6%	-2.8%
South America	-17.2%	-17.8%
Asia	13.6%	11.9%
Edscha	1.4%	4.6%
TTE	2.9%	15.5%
Gestamp	7.3%	8.0%



Traditional Indicators

These indicators refer to Group employees and subcontractor or temporary agency workers who perform their own tasks or tasks that are necessary for our business.

The Severity Rate merits mention, which combines the number of accidents and their severity.

We complement the Severity Rate with Average Duration to assess whether the results are due to the number of accidents or their severity.

	2014	2015	2016
Severity Rate ¹	0.18	0.18	0.19
Average Duration Rate ²	13.5	13.4	13.2
Fatal accidents ³	2	1	1

¹ Severity Rate: Number of workdays (M-F) lost / 1,000 hours worked.

² Average Duration Rate: Nr. of workdays (M-F) lost / Nr. of accidents resulting in sick leave.

³ Number of fatal accidents: Number of fatal accidents that occurred.

Despite the Group's growth, both in business and in number of people, the company has maintained the indices, and has even improved them, revealing the hard work done on prevention matters.

Unfortunately, in 2016 we did have one fatal accident at Gestamp Alabama due to a worker being trapped in a bridge crane.

New challenges for 2017

Looking ahead to 2017, in addition to the specific needs of each manufacturing plant, the Group will pursue the following objectives:

- Specific action plans to drive forward:
 - Manufacturing sites with high potential yet slow improvement speeds.
 - Regions that want to reverse current poor performance.
- Compile and analyze the latest incidents on bridge cranes, the primary cause of accidents.

Furthermore, we plan to implement the following projects:

- Technical Safety Report: Soft zone technology.
- Safety standards for tandem lines and automatic welding machines.
- Safety requirements for shelving and maintenance of bridge cranes and lifting aids.

In 2016, 89% of workplaces had specific activities to foster their employees' communication and participation.

Internal communications

Gestamp promotes internal communication tools as a method for fostering knowledge of the company and improving the feeling of belonging to the Group.

Via the *One Gestamp* platform, global messages are published, which in turn favor the development of local contents in private spaces both by geographic regions and work teams. In this regard, in 2016 we had 26 communities [digital spaces for collaboration, with about 6,000 users per month, representing a 30% of the total use of the platform.

In 2016, the area of greatest development in internal communications was *Employee Engagement*. Internal brand activities took on particular importance for disseminating our corporate culture and fostering a feeling of belonging to the Group



17.6 million euros invested in training, 15% more than in 2015.

Accompany our employees' professional development, equipping them with a higher level of technical, functional and managerial knowledge guarantees that their ability to respond to our clients' needs will be more effective, more efficient and more sustainable over time.

Training and career development

At Gestamp we believe that training our employees is a fundamental tool that ensures their personal and professional growth and provides the skills and competencies needed to successfully achieve the company's objectives.

We conduct training at two levels:

- **Locally, at each workplace:** we provide very specific training that is adapted to the local needs of each individual. The majority of training actions are centered on operations and aimed at improving employees' efficiency at using resources and contributing to their performance.
- **Globally, for the entire organization, and cross-cutting:** we provide highly specialized training actions and on advanced interpersonal and management skills.

Training evolution	2014	2015	2016
Average number of training hours / employee	30.3	29.0	28.0
Investment in training in millions of euros	13.4	15.4	17.6

Global training in strategic competencies

Managing global training in key competencies contributes to standardizing technological knowledge and processes of the Group, thus ensuring that our clients receive the same response in an increasingly global setting.

In this regard, we have a strategic plan to ensure that Gestamp employees acquire the occupational skills required to perform their jobs/functions with excellence and to get a jumpstart on developing the skills needed for their future professional performance.

Our resources:

- **Gestamp Corporate University** – Responsible for developing present-day and future training standards at Gestamp on training pathways and instructional designs. This is channeled through:
 - Gestamp Technology Institute, responsible for deploying and executing attendance-based training programs and activities.
 - Gestamp Online Campus, responsible for deploying and executing remote training programs and activities.
- **Gestamp Learning Management System**, responsible for recording global training activities, as well as supervising the efficacy of this function.

- **Gestamp Talent & Leadership Development**, in charge of planning, execution and monitoring programs aimed at developing the professional skills required to properly perform their functions as future company directors.

Gestamp Corporate University

During 2016, 67,000 training hours were scheduled at the different academies that make up the Gestamp Corporative University, addressed to a total of 24,000 employees around the world. This training was given in a classroom, virtually and as a combination of the first two in the following subjects:

GLOBAL ACADEMY	TECHNOLOGY AND PROCESS ACADEMY	PROFESSIONAL AND FUNCTIONAL ACADEMY	LEADERSHIP ACADEMY
Acquisition of knowledge and key competencies of the Group Training activities: Acciones de formación: > Welcome > Health and safety > ISO 14001:2015 > Code of Conduct > Identity management (users) > Identity management (managers) > Travel management	Our knowledge makes us experts: > Hot stamping > Arc welding <hr/> 1,389 students <hr/> 4,903 hours	Learn and perfect professional skills for your job: > Team Centre (PM & TM) > IT project management > Internal controls <hr/> 1,384 students <hr/> 7,903 hours	Develop your skills to confront new challenges: > Training of internal trainers for PLM and Inspector Trainer <hr/> 55 students <hr/> 5,688 hours
<hr/> 21,218 students <hr/> 49,139 hours			



Best practice: Leadership Academy

Gestamp Talent Academy: Programme to globally train Inspector Trainers 2016

With the objective of improving quality control of joints in arc welding processes, a specific training was started up at our Aycliffe Talent Academy for people identified at each of our manufacturing sites to perform the function of in-house trainers. The programme lasted for three days and centred on the visual inspection of arc welding joints, a catalogue of defects created by Group

experts, and on teaching these employees the skills and knowledge to effectively teach and train on this topic.

The final purpose of this training was to certify all employees who conduct non-destructive tests pursuant to ISO 9606-1 with Gestamp Visual Inspection Level 1 Certification for 2017.

GTI was created to respond to demands for highly specialized professional profiles in the automobile industry, and to hold training sessions on specific skills that are fundamental to Gestamp.

Gestamp Technology Institute (GTI)

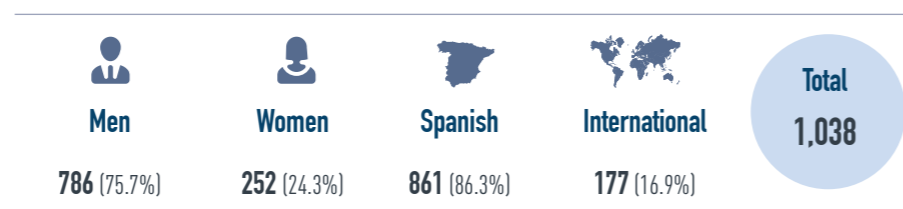
In 2016, training of Group employees concentrated on activities with high added value for the company, such as:

- Standard Group training on hot stamping.
- Group training on industrial robotics and automations.
- Group training on quality and process improvement.

Some of the milestones achieved in 2016 include:

- Official approval as a training center and certification of mechanical manufacturing programs:
 - Programs recognized by the Spanish Public Employment Service: Certificate of professionalism.
 - Programs recognized by the Basque Country Deputy Ministry of Vocational Training: Post-certification Vocational Training.
- Internationalization of programs with students representing 21 nationalities in the company.
- Implementation at GTI of the Integrated Occupational Risk Prevention, Maintenance and Environmental Management System.
- Awards for GTI's contribution to innovation on training methodologies and apprenticeships, and the active inclusion of unemployed youths with high technical and functional abilities into the international labor market:
 - Hotel Award for our "Commitment to Dual Training".
 - Award for the "Best Training Initiative" from El Economista.
- Average hiring rate of students by Gestamp after finishing their courses is around 90%.

Employees who participated in 2016



2016 training hours



Talent management plan

Within the Group, we have drafted a Talent Management Plan, shared by the entire organization. The identification of the company's critical positions enables us to develop the actions required to attract, retain, train and develop in-house talent, as well as assuring the existence of a group of professionals who are prepared to cover key positions within the organization.

It is essential for Gestamp to be able to recognize talent, and our people's strengths and areas of opportunity at all levels. As well as to build up solid foundations for their professional development and, in turn, to have the confidence of having a team ready to share their know-how with the rest of the organization, both locally and internationally.

International support teams

One of our Group's strengths is having highly qualified personnel who can be transferred for periods of time to countries where new projects are being started (commissioning of a new plant, implementation of a new technology or process, etc.).

The main purpose is to train local employees and to assist with starting up the project, thus guaranteeing not only success with regard to timelines and product quality, but also the implementation of corporate culture and our policies.

When the final target has been achieved to maintain the activity at the manufacturing site, thus fulfilling clients' requirements on time and with quality, and heeding the Gestamp Group's policies, the support teams return to their home countries, leaving the plant being fully or mainly managed by local professionals.

In 2016, we had a total of 174 people who provided international support (156 expatriates for a period of 1-5 years, and 18 who transferred for periods of less than one year).



- 83% of workplaces have specific non-discrimination policies for recruiting and hiring processes.

- 1.8% of the people working at Gestamp in 2016 had some type of disability.

- Products and services are procured from special employment centres, totalling over 2.6 million euros throughout the world, 27% more than in 2015.

Equality

Gestamp respects the right to equality and non-discrimination based on gender, sexual orientation, social class, ethnicity, age, disability or religion, among others. This is reflected in our Code of Conduct and Principle 6 of the United Nations Global Compact, of which we have been a member since 2008.

During 2016, each workplace has implemented this issue via specific local equality plans and pursuant to its employee management.

Gender

The automotive sector is traditionally characterized by employing mainly male workers. At Gestamp, we continue to make progress in incorporating women into our business. Thus, in 2016, 50% of workplaces had their own equality plan, 4.5% more than in 2015.

In 2016, the total female presence within the Group was 15% of employees 18 % of the members of the various plant and division steering committees are represented by women.

Disability

At Gestamp, we work in favor of integrating people with disabilities in the job market, contributing to their access to jobs and acquiring products and services from special employment centers.

Healthy lifestyle

In 2016, we started up a platform on the corporate intranet focused on raising awareness and fostering healthy lifestyle habits for all Group employees. We publish weekly articles with a focus on four issues: food, physical exercise, emotional wellbeing and lifestyle.

Furthermore, at some workplaces actions are conducted along this line, providing free fruit to employees or implementing weight loss programs, to name just a couple.

Social benefits

A significant percentage of our workplaces offer different benefits depending on their budgets, type of personnel and agreements reached. This aims to contribute to improving job conditions and the Group's commitment to our employees.

Social benefits (% of companies that offer social benefits to employees)



4

CARING FOR THE ENVIRONMENT

As members of the automotive industry, our environmental performance must be analyzed from the standpoint of the lifecycle of the vehicle, taking into account impacts and solutions at each of the stages.

- Our approach
- Gestamp in the vehicle lifecycle
- Our environmental management policy and system
 - Adaptation to the new ISO 14001:2015 standard
 - Our key environmental indicators
 - Key factors in environmental management
- Mitigation of and adaptation to climate change
- Sustainable use of resources and waste management
- Environmental best practices and exceptional actions
 - Sustainable water management
 - Energy saving and efficiency
- Environmental incidents
- Proactive participation in global environmental initiatives

OUR APPROACH

In a global context, we are facing significant environmental challenges.

In 2016, the World Economic Forum identified climate change as one of the major risk factors in the world. Furthermore, the United Nations has established it as one of its main Sustainable Development Goals. For this reason, it is urgent to progress in decarbonization and severing the link between economic growth and greenhouse gas emissions.

Climate change is therefore an overarching issue for our main stakeholders and for the Group's economic sustainability, and an area in which we believe that we have solutions to provide via energy efficiency and product lifecycle.

In a global setting...



... Climate change has been identified as one of the main global risk factors...

... where it is a critical issue and of growing concern to...



... and for which we believe we have solutions that contribute through...

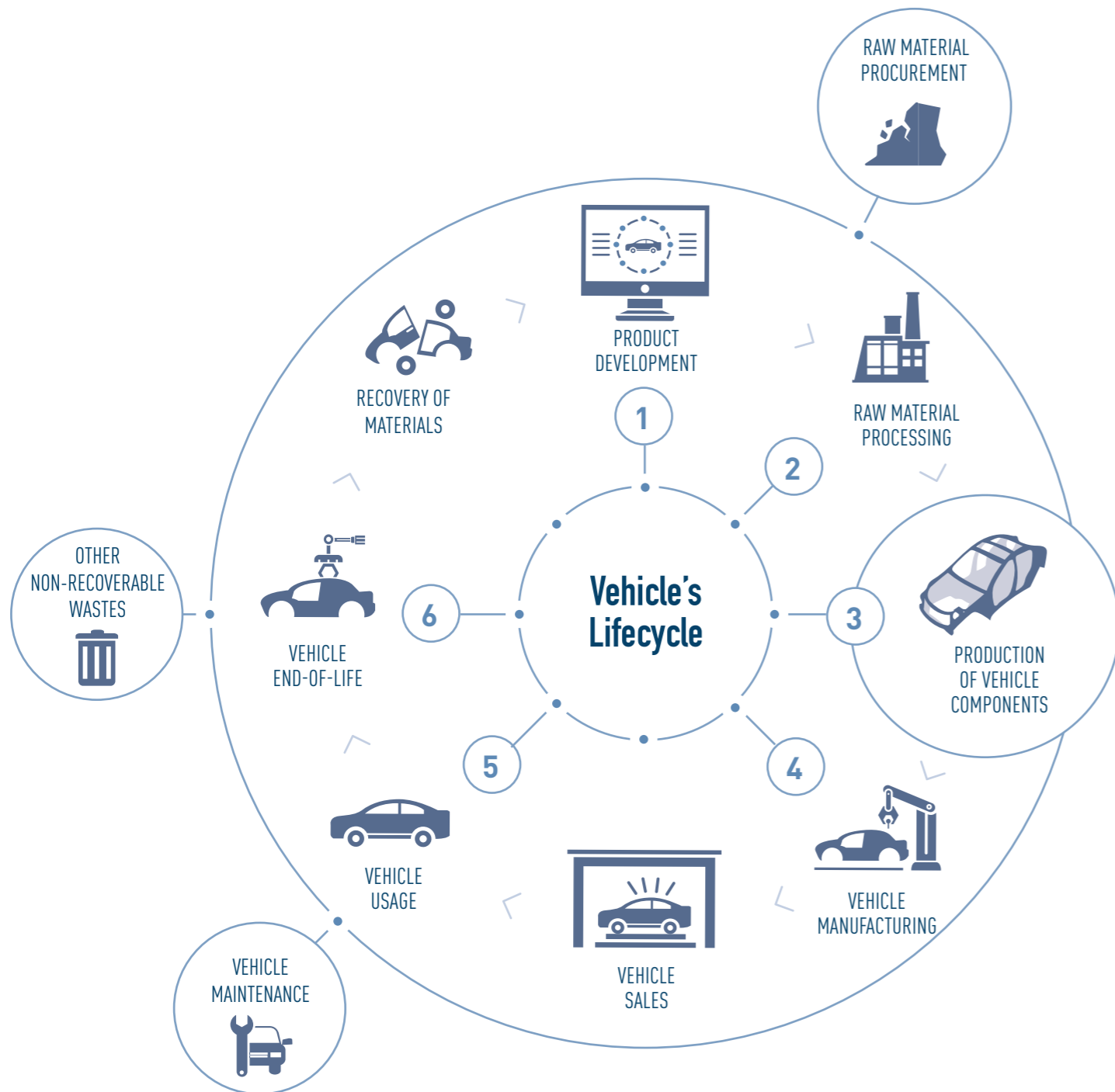


How do we manage the environment?

In the framework of a clear commitment to continuous improvement and prevention of pollution, we currently have an Environmental Management System that complies with the ISO 14001 standard and covers around 93% of the Group's plants. The aim is to have 100% of our manufacturing plants certified.

GESTAMP IN THE VEHICLE LIFECYCLE

As members of the automotive industry, our environmental performance must be analyzed from the standpoint of the lifecycle of the vehicle, taking into account impacts and solutions at each of the stages.



IMPACT OF GESTAMP

<p>1 PRODUCT DEVELOPMENT</p> 	<p>Through our R&D, our technological development and in collaboration with our suppliers, we offer solutions for weight reduction of the pieces we produce, one of the key factors to reduce emissions produced during the vehicle's use.</p>
<p>2 RAW MATERIAL PROCESSING</p> 	<p>At Gestamp, we use environmental criteria when selecting suppliers of raw materials and components.</p>
<p>3 PRODUCTION OF VEHICLE COMPONENTS</p> 	<p>As suppliers of automotive components, our activity focuses on:</p> <ul style="list-style-type: none"> ■ Optimization of raw materials and natural resources consumption. ■ Optimization of manufacturing processes and logistics. ■ Energy efficiency. ■ Management and recyclability of waste produced during manufacture.
<p>4 VEHICLE MANUFACTURING</p> 	<p>In this phase, we abide by the requirements established by our clients, including those of weight, materials and recyclability.</p>
<p>5 VEHICLE USAGE</p> 	<p>With reduced weight of our parts, we are helping vehicles to consume less fuel and thereby produce fewer greenhouse gas emissions.</p>
<p>6 VEHICLE END-OF-LIFE</p> 	<p>All of our products are metallic and therefore 100% recyclable.</p>

OUR ENVIRONMENTAL MANAGEMENT POLICY AND SYSTEM

93% of our plants are certified under ISO 14001 or EMAS.

In our endeavor to identify and mitigate the environmental impact of our activity, at Gestamp we have established the in-house Group requirement that all our manufacturing plants have a certified environmental management system, accredited by an independent organization, pursuant to the international standard ISO 14001 or the EMAS II regulations. In 2016 the percentage of plants certified was 93%, 2% more than the previous year.

Adaptation to the new ISO 14001:2015 standard

Within the framework of the new ISO 14001:2015 standard, which replaces the former ISO 14001:2004, and with the aim of complying with the requirements and timelines established to adapt to it, we have created different internal working groups that we use as a support tool among the different parties involved in the process to adapt our management systems.

In line with our continuous improvement principle, during 2016 our manufacturing plants made investments of 5.15 million euros on environmental issues, an 11% year-on-year increase.

€5.15 million earmarked for environmental investments and expenses, 11% more than in 2015.

Our key environmental indicators

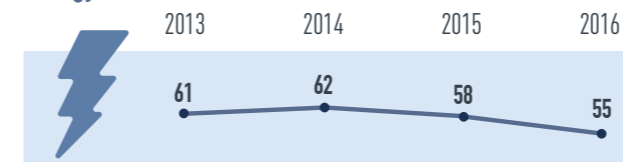
We monitor our significant environmental impacts via a series of environmental indicators that let us compare the performance of our various manufacturing plants, to act according to the results and to identify and share the best practices we implement.

On a quarterly basis, we receive information from each of our manufacturing plants regarding their consumption of energy, natural resources and raw materials. They also report on the generation and processing of waste. With this information, we calculate the following indicators:

- EEI: Energy Efficiency Index, defined as the energy consumption in MWh for every €100,000 of added value.
- CO₂EI: CO₂ Emissions Indicator, defined as tons of CO₂ emissions for every €100,000 of added value.
- WPI: Waste Production Index, defined as the production of waste (both hazardous and non-hazardous) in tons per €100,000 of added value.
- WMI: Waste Management Index, defined as the expense in managing waste (both hazardous and non-hazardous) for each €10,000,000 of added value.
- WCI: Water Consumption Index, defined as water consumption in m³ for each €100,000 of added value.

KEY FACTORS IN ENVIRONMENTAL MANAGEMENT

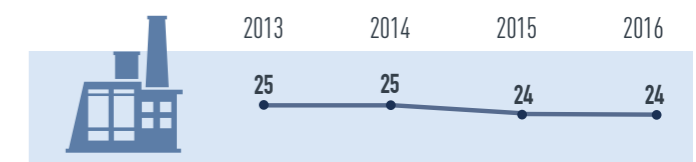
Energy



EEI: Energy Efficiency Index MWh consumed (natural gas, diesel, LPG and electricity)/ 100,000 euros value added)

- See chapter: "Operational excellence"
- See GRI Tables (G4-EN3, G4-EN4 and G4-EN5 indicators) for more information on energy consumption

Emissions

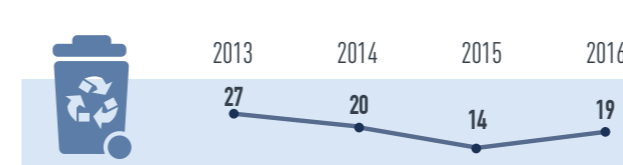


CO₂EI: CO₂ Emissions Index (T of CO₂/€100,000 of added value)

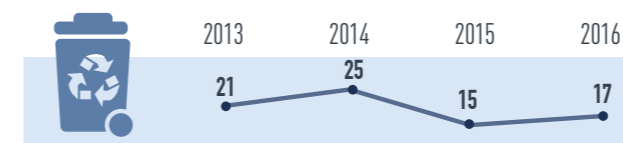
- In this chapter, see the section on "Mitigation of and adaptation to climate change"
- GRI tables (Indicators G4-EN15, G4-EN16, G4-EN17, G4-EN20, G4-EN21) for more information on emissions

Both indices are closely related since the energy and fuel consumption is converted into CO₂ emissions. Both had reductions compared to 2015 due to the best practices implemented. The difference between consumed energy and emissions is due to the fact that the Group has a high volume of business in countries like China, Mexico and the USA, where electricity is our main energy source. By converting this electricity consumption into emissions, our environmental performance is penalized due to the high electrical emission factor in these countries.

Waste



WPI: Waste Production Index (t wastes / €100,000 of added value)

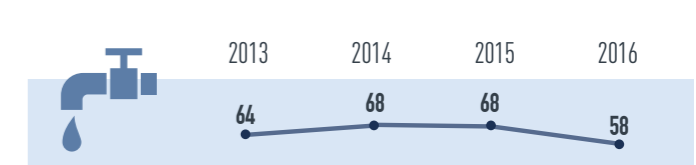


WMI: Waste Management Index (cost of waste management in thousands of €/10,000,000 of added value)

- See GRI Tables GRI (G4-EN-22, G4-EN-23, G4-EN-24 indicators) for more information on generated waste).

Due to quality improvements in reporting, indexes related to waste production and management have increased compared to previous years.

Water



WCI: Water Consumption Index m³ of water consumed/ €100,000 of added value)

- See GRI tables (Indicator EN8 G4) for more information on water consumption by source.

Although the Group's main water consumption is domestic, the plants that have surface water treatment processes have industrial water consumption. This index undergoes a larger variation depending on the type of parts that the Group is painting, which directly depends on the projects being worked on by the client at any given moment. The painting of skin parts, which will eventually be placed on the outside of vehicles, involve quality requirements that make in essential to frequently change the baths on the cataphoresis lines and therefore produce a considerable increase in water consumption. Conversely, the treatment of structural parts allows baths to be reused and thus lower water consumption, so that the WCI drops.

MITIGATION OF AND ADAPTATION TO CLIMATE CHANGE

Every year we report on our performance related to emissions through the international Carbon Disclosure Project initiative and for the Supply Chain part.

COP21 and COP22, held in 2015 and 2016 respectively, defined a new international scenario to contain climate change. As of December 2015, 187 of the participating 195 countries presented their domestic commitments for fighting climate change. These included three of the most polluting countries: China, the USA and India. During 2016, an increase was seen in private sector participation, which will play a fundamental role in the worldwide climate change agenda.

Our contribution to climate change is twofold: first, the effort we make to reduce greenhouse gas emissions in our manufacturing processes through proper environmental management; and secondly, as a supplier of components for the automotive industry, our added value lies in our technological and R&D capacity to develop new products and innovative solutions that make it possible to obtain lighter parts which help our clients to reduce their CO₂ emissions, since lower weight means less fuel consumption and the generation of fewer emissions during the vehicle use stage (we speak of the latter in the chapter entitled Investment in Innovation).

To measure the Group's carbon footprint generated by our business activity, we use the Greenhouse Gas Protocol (GHG) standard:

- Direct emissions of greenhouse gases from burning fuels and the fuel consumption of company vehicles (Scope 1).
- Indirect emissions of greenhouse gases due to the consumption of electricity (Scope 2).
- Other indirect emissions from the consumption of raw materials, product transportation and business travel (Scope 3).

For each of the three scopes a calculation is made of tons of CO₂ equivalent including CO₂, CH₄ and N₂O.

SUSTAINABLE USE OF RESOURCES AND WASTE MANAGEMENT

As part of our goal to minimize waste generation and the use of natural resources, we have incorporated all the leading methodologies, processes, technologies and best practices into our business on the management, reuse and recycling of the materials that we use.

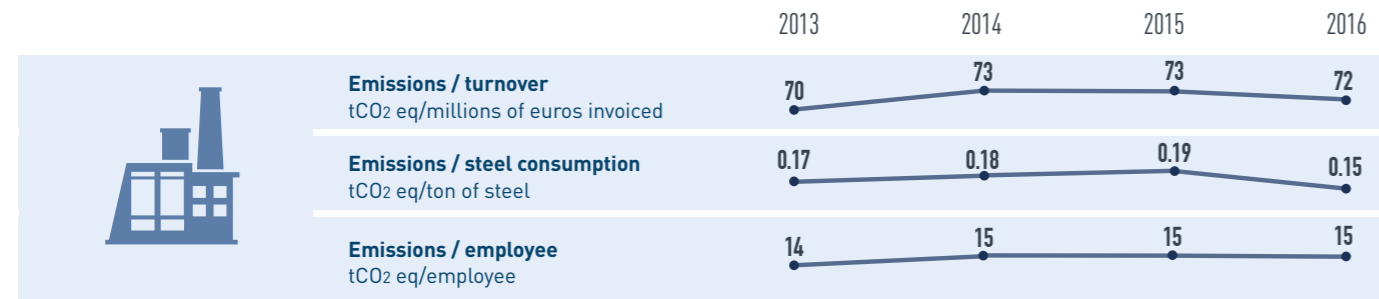
In 2016, our consumption of materials in thousands of tons was:



In line with resource management, we encourage procedures and technologies aimed at minimizing, separating, reusing, recycling and recovering wastes. We consider these measures as priority actions as opposed to disposal. During 2016, a total of 46.7 thousand tons of waste was generated, without considering scrap metal, where 29.3 thousand tons were non-hazardous and 17.4 were hazardous.

Of the total non-hazardous waste, 97% was scrap metal. Scrap is a 100% recyclable waste, which enters the steel production process again, and contributes to closing the product lifecycle. Among the most frequent hazardous wastes generated are contaminated waters, sludge, used oil and contaminated materials (mainly rags and gloves stained with oil).

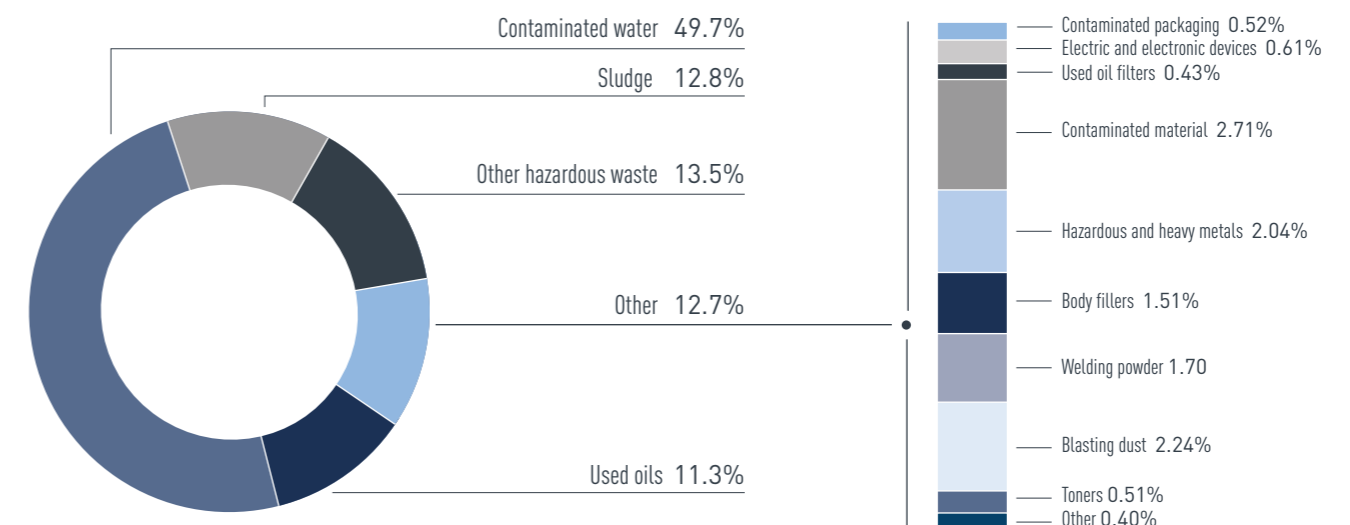
Emissions - Relative data



For more information see the chapter "Investment in innovation" GRI Indicator tables G4-EN17, G4-EN18 and G4-EN21.

Given that the Group does a large volume of business in countries like China, Mexico and the USA, where the electricity mix is composed mainly of fossil fuels and thus the electric emissions factor is very high, the fact that emissions have remained in proportion to growth is proof of the result of energy management and good practices implemented in the Group.

3% of our total waste is hazardous, this is its composition:



ENVIRONMENTAL BEST PRACTICES AND EXCEPTIONAL ACTIONS

Via our environmental community, we publish and share best practices implemented at the different Group plants.

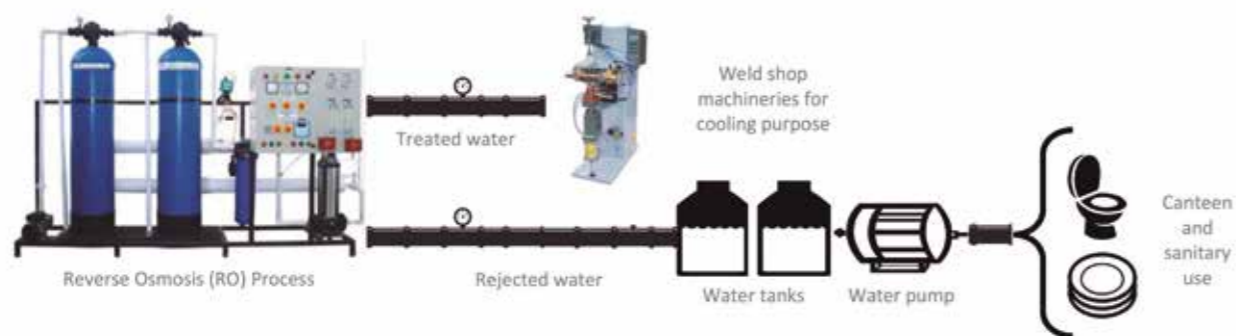
At Gestamp, we undertake a complete process to identify, analyze and assess our environmental actions, with the aim of knowing about and publicizing the most important ones, both inside and outside the organization. Furthermore, we assess these actions and select those that stand out for their positive effect on the environment, their innovative nature and their scientific and/or social interest.

Sustainable water management

Although the majority of our manufacturing plants do not use water in their industrial processes, and only use it for domestic and sanitary purposes, in a global setting the water crisis merits mention as the third risk of greatest impact according to the World Economic Forum's 2016 Global Risks Report. It is a systemic risk, linked to climate change, poverty/inequality and economic development. The Sustainable Development Goals consider the availability and sustainable management of water and sanitation for everyone as a priority, and at Gestamp it is handled as a relevant environmental issue, for which best practices are proposed and implemented as the result is a reduction in water consumption.

In 2016 Gestamp Chennai, one of our plants that includes water in its production process, developed an improvement through which industrial water could be used for sanitary and maintenance purposes. This was executed by the installation of two storage tanks for discharge water from the osmosis process. Since its implementation, this improvement has entailed a saving of approximately 2,000 m³ of water compared to 2015.

Best practice implemented



Energy saving and efficiency in lighting and compressed air generation and distribution

Energy saving, its responsible consumption and the efficient use of energy sources are essential factors in running our business. Along this line, energy saving and efficiency measures take on great importance, and are shown in the need to reduce our electricity bill and to reduce greenhouse gas emissions, with the aim of fulfilling the commitments taken on with the ratification of international agreements related to climate change.

In an energy intensive business activity such as that of Gestamp, continuous research is performed and different initiatives are implemented at the Group's manufacturing plants with the aim of reducing energy consumption. A clear example of the work done during 2016 was that undertaken by the ESSA Palau plant along two lines:

- **Compressed air management by adjusting compressor pressures**, drafting an air leak plan and using dedicated compressors at saturated facilities.

These initiatives were supported by a program to raise employees' awareness and, as a whole, it has led to a reduction in the Energy Efficiency Index of close to 30% with regard to last year.



- **Improvements to lighting by reducing light points**, replacing bulbs with LED bulbs and automating operating times via sensors and timers.



ENVIRONMENTAL INCIDENTS

We have an Environmental Responsibility Policy at a Group level that covers all possible environmental incidents.

In the framework of the comprehensive environmental management that we undertake, we have established a register and classify all environmental incidents* that have taken place at all our manufacturing sites and facilities. During 2016, we had incidents at four plants, related to small-scale oil leaks and limited spillages of chemical substances, although none of them required the activation of the guarantee in our Environmental Responsibility Policy that the group took out. Analysis of these types of events lets us establish preventive and corrective measures.

In addition, we are in the process of resolving a historical pollution incident at a manufacturing site acquired by the Group.

() In light of internal procedures, these are defined as those in which the following conditions are present: they affect an area greater than 20 m2 or outside the plant perimeter, or required outside help to contain or to resolve the incident, or it involves hazardous substances.*



PROACTIVE PARTICIPATION IN GLOBAL ENVIRONMENTAL INITIATIVES

Carbon Disclosure Project (CDP):

With an annual frequency since 2011, we have provided detailed information on our strategy, practices, performance and goals to combat climate change. During 2015, we also answered the CDP Water Disclosure questionnaire, specific to water issues, publishing our water footprint and reporting on the different issues of how we manage this resource.

CDP 2016 Climate Score

COMPANY	SCORE (A, B, B-, C, C-, D, D-)
Gestamp	C
Average for supply chain companies	D



CDP 2016 Water Score

COMPANY	SCORE (A, B, B-, C, C-, D, D-)	Category
Gestamp	B-	Management
Average for supply chain companies	D	Informative



Other initiatives:



European Commission:

- Participation on the round table of the Expert Committee on Biodiversity on standards and management systems.
- Participation in the Working Group of metal part manufacturers.
- Publication of best environmental practices of the Working Group on automotive manufacturing.



Global Value:

- Collaboration with the University of Vienna on measuring and managing business impacts on sustainable development.



Forética:

- Participation of the Climate Change Cluster, a business leadership platform on climate change.

5

INVOLVED WITH SOCIETY

At Gestamp, we are concerned about the economic, environmental and social imbalances that exist in the world, and as an international Group we want to contribute to improving them.

- Our approach
- Social contribution
- Training and skills-building for employability
- The Sustainable Development Goals

OUR APPROACH

We have been signatories to the UN Global Compact principles since 2008, as well as the UN Sustainable Development Goals.

At Gestamp, we are concerned about the economic, environmental and social imbalances that exist in the world, and as an international group we want to contribute to improving them. This is why we have been signatories to the UN Global Compact principles since 2008 and also adhere to the Sustainable Development Goals established by the United Nations.

In-house, we also aim to responsibly manage the organization's different departments and bear in mind the impact we generate on the societies and environments surrounding us.

Externally, we collaborate on different initiatives promoted by social organizations in local communities. Initiatives both economic (Clusters and business, technological and innovation associations) and social (supporting projects to improve education, environmental awareness, integration of disadvantaged groups, etc.).

We have made a significant contribution to industrial-technical training and skill-building through our different educational programs. We are committed to ensuring that young people have the training and skills they need to join the labor market and improve their level of employability. It is essential to convey our knowledge and experience to them, because they are our future.

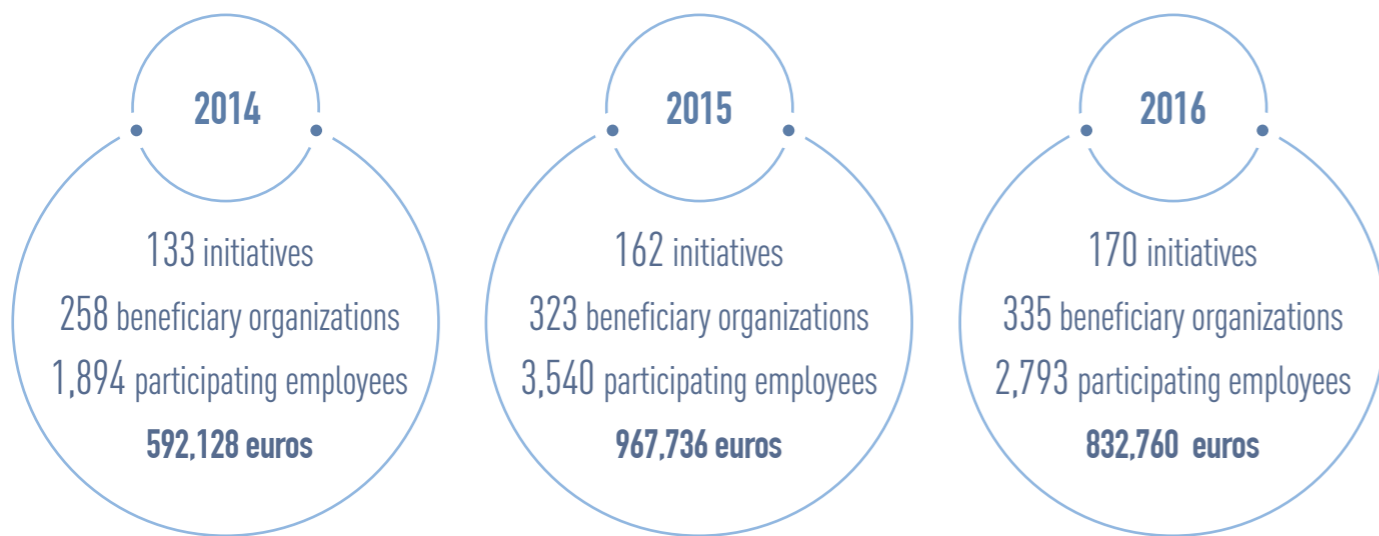


SOCIAL CONTRIBUTION

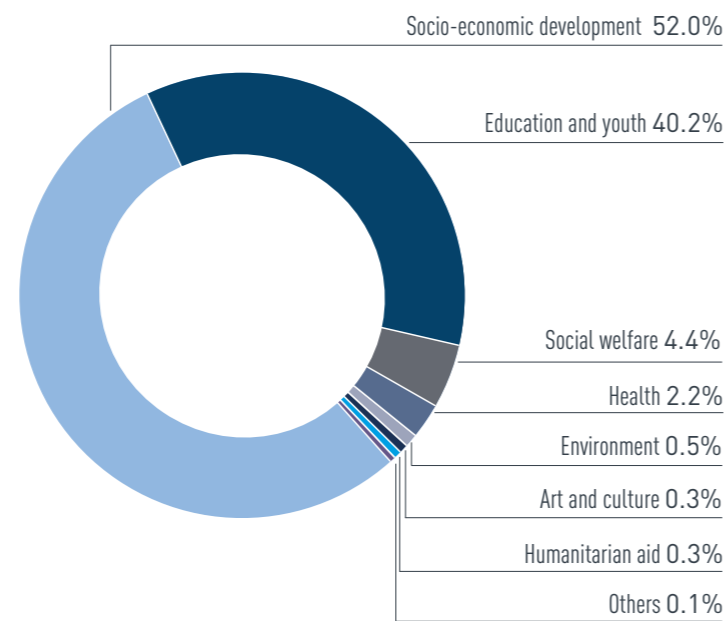
During 2016 we carried out 170 initiatives that we supported via 335 organizations.

At Gestamp we play an active role in society through our work on different social and environmental initiatives promoted by non-profit organizations, which arise through the knowledge and commitment that each of our workplaces have of the social reality of their local communities. This collaboration is materialized in money, in kind and in time.

In 2016, we have continued to apply the LBG model (London Benchmarking Group), which we have employed since 2013 to identify, classify and evaluate the initiatives we perform in the entire Group.



By activities, the projects in which we contributed most are socioeconomic development and education.



By contribution type		
Money	654,445 €	79%
Time	125,935 €	15%
In kind	52,379 €	6%

During 2016 we accepted 734 young people at our workplaces who took part in internship and apprentice programs, 73% more than in 2015.

Our dual training programs have 95% employability (students hired in 2016, trained in 2015).

PROMOTING YOUTH EMPLOYABILITY

Hiring young people without or with very little work experience is one of the great concerns at an international level.

At Gestamp we conduct training programs combined with internships for young people who live in the local communities near our manufacturing plants, with the aim of providing them with skills and learning, regardless of whether or not they join our company.

We seek to reduce their learning curve and provide value from the very beginning of their work experience, proactively encouraging their interaction with the world of education.

Furthermore, we work constantly to find new formulas that help Gestamp to hire students who are finishing their studies, establishing collaboration agreements with universities and vocational training centers.

Dual training

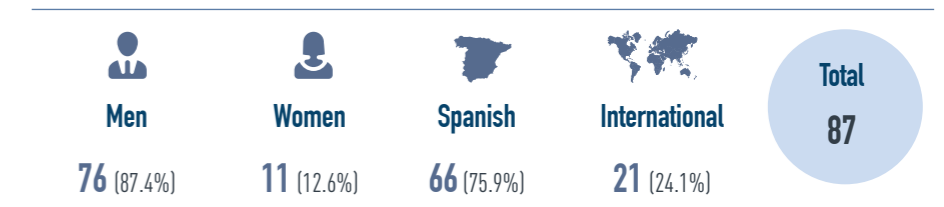
In collaboration with regional universities, business schools and vocational training centers, we promote training activities that have a positive effect on the industrial-technical training and skill building of the local population and that contribute to the region's industrial development.

Thus, we give young people the chance to combine the formal education taught at these schools with training in our workplaces, through our dual study programs that are offered throughout the world.

In general, these interns work at one of our workplaces during business hours, accompanying a tutor; they have contracts, are registered with Social Security and receive a low wage.

Our Gestamp Technology Institute (GTI) has been working since 2015 to become a benchmark in dual training, with part of its courses centered on vocational specialization programs.

Students trained in 2016



2016 training hours



We taught the following international dual young people employment programs:

- > Experts in Metrology and Quality.
- > Experts in Industrial Product Design, Process Simulations and Manufacturing (CAD / CAE / CAM).
- > Experts in tool and die making.

Students hired at the end of the Master course

First year 61%
Second year 52%
Third year 62%
Fourth year 77%

What they say...



Daniel Wrobel,
Automotive Engineering CAD/CAE/ CAM Skills Award Program.

After receiving my training in mechanical engineering, this program allowed me to improve my knowledge of different areas of engineering. I learned the foundations of a real job, along with people from different cultures from around the world. GTI is a modern institution, with a high level of theoretical and technical knowledge. After finishing the program, I started to work at the new Gestamp office in Wolfsburg, Germany, along with designers from Spain, Germany and Brazil, where I can learn and gain new knowledge every day.

Postgraduate training

In 2016, we continued with our Master's in International Industrial Project Management, which was started in 2012 with Comillas Pontifical University.

The Master's aims to develop the role of International Project Manager, and create a pool of qualified and competitive professionals who can interact in the complex global business setting.

In July 2016, the fourth year of the Master's program finished, with 77% of the students hired by Gestamp.

The data below summarize what the Master degree has represented in terms of employability during these four years:

- The average hiring rate since the 1st year of the Master's is 63%.
- Of the 63 students hired (not Gestamp employees) since the 1st year, 42 continue to work for the company (67%).
- All of them have increased their responsibility level, working in global positions including Program & Project Engineers / Financial Analysts / Sales Controlling / Quality Engineering / Process Engineering.
- The number of Gestamp professionals who work as teachers in developing the program increased in 2016, including such significant issues as: GPCS, Team Center, Sales, Quality and Human Resources.

In October 2016, the fifth year started, with 30 new students from 11 different countries, of which three are Gestamp employees who are doing the Master degree as part of their professional development plan.

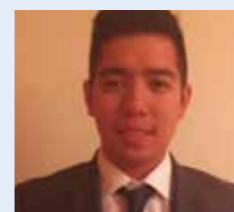
➤ **More information on the Master course at**
<http://www.gestamp.com/personas/formacion-y-desarrollo/master>

What they say...



The Master course offers a unique opportunity to study at a renowned university, and to be able to combine it with practical international experience at a multinational company like Gestamp. The international aspect lets you know about other cultures and learn how people work at other sites, which is an unforgettable experience that adds a lot of value to a person.

Asis Vilallonga Elorduy



If I had to define Gestamp and the Master course in one word, it would be "opportunities." After six months working for the company, I can see the great advantage that the Master's degree has given me. It is one of the best options for those who want to work in a demanding, dynamic and international environment.

Enrique Xu Yang



The theory classes of the Master degree provide knowledge that is not normally learned during a technical career and it is necessary to understand any business. The dynamics in which classes are taught outline the possible complications of working in a multicultural environment. The Master course has improved my reaction to adverse situations and my ability to analyze different points of view.

Raquel Méndez



THE SUSTAINABLE DEVELOPMENT GOALS: A BROADER FRAMEWORK FOR OUR COMMITMENT

Sustainability has always had a presence in everything we do, how we do it and why we do it. After the United Nations promoted the Sustainable Development Goals, Gestamp made these goals its own and, in particular, we have aligned six of the 17 goals with our business and the social activities we carry out in the different communities where we are present.



United Nations' Sustainable Development Goals. Gestamp's contribution

3 GOOD HEALTH AND WELL-BEING

Improving the health and safety of the people who work at our facilities is ongoing within the Group.

At Gestamp, we are aware of the risks of our business and the importance of our employees' health and safety in running our business well and properly. In order to protect them.

- We have an ambitious occupational risk prevention policy.
- We work for the safety of our employees and those of other companies.
- We ensure that working at our facilities have a safe and healthy working environment.

4 QUALITY EDUCATION

We enhance the key skills of employees and young people within our community for our current and future business.

For a global Group with such rapid growth, training is a key tool for integrating the Corporate culture, improve processes and ensure innovation.

- We strengthen the role of training to ensure the professional development of each employee.
- We create and develop new skills by advancing the skills of tomorrow.
- We pay special attention to the training of young people, forming them as the key professionals for the future of our company.
- We prioritize respect for human rights and non-discrimination in your selection, recruitment, training, promotion and career development.

8 DECENT WORK AND ECONOMIC GROWTH

We offer stable employment to our employees and contribute to generating and maintaining employment locally.

The business opportunities we create in the different communities in which we operate make us an optimal instrument for their development.

- The generation of direct jobs.
- Hiring local suppliers.
- In addition, the young people's training and skill building programs we conduct in the communities in which we are present entail an opportunity for these people to find quality jobs.
- The creation and / or maintenance of indirect employment.
- Promoting training and employability by providing young students with training and apprenticeships in our manufacturing plants.
- Collaboration with various educational institutions to train technical and functional skills of the automotive sector.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Optimization of resources, durability and recyclability are present in the way we manufacture and in our products.

At Gestamp we seek sustainability of the parts that we manufacture as well as the way in which we produce them.

We bear in mind the lifecycles of our products and their impact on the vehicle.

We focus on:

- Optimizing the consumption of raw materials and natural resources.
- Optimizing production and logistics processes.
- Energy efficiency.
- Management and recyclability of wastes generated in production.

13 CLIMATE ACTIONS

The energy control of our plants and the efforts made to produce lighter parts contribute to the reduction of greenhouse gas emissions.

Our contribution to climate change is twofold:

- As a sustainable industry, the work we do to reduce greenhouse gas emissions in our production processes via proper environmental management.
- As a supplier of components for the automobile industry, our added value lies in our technological and R&D capacity to develop new products and innovative solutions that make it possible to produce lighter parts which help our clients reduce their CO₂ emissions, since lower weight means less fuel consumption and the generation of fewer emissions during the vehicle use stage.

17 PARTNERSHIPS FOR THE GOALS

We collaborate with stakeholders to jointly achieve the best results.

Gestamp firmly believes it is strategic to work jointly with our stakeholders:

- With clients, in the design and development of new and more sustainable products.
- With suppliers, in the search of better materials and technologies.
- With academic institutions, for the training and training of future Generations.
- With social organizations, in the collaboration of initiatives for the improvement and development of industry and society.

The partnerships that we create allow us reach solutions to problems more quickly and to reach higher targets and commitments.



CORPORATE GOVERNANCE

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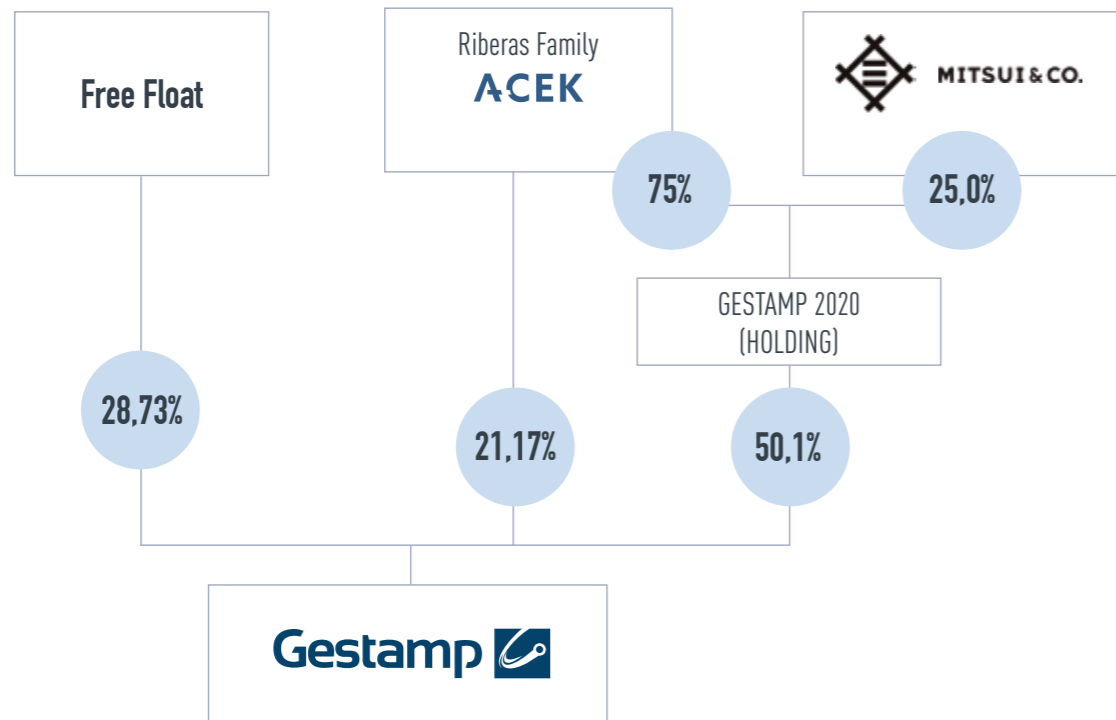
SHAREHOLDER STRUCTURE

All the shares belong to a single class and series and grant their holders the same rights and obligations.

The Company's current shareholder structure is the following:

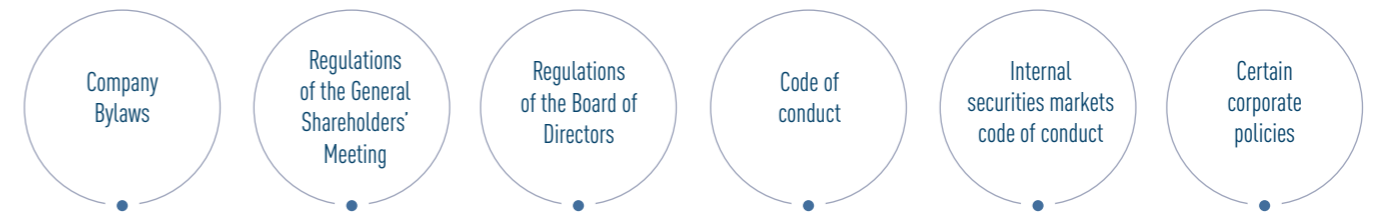
- > Acek Desarrollo y Gestión Industrial, S. L. ("Acek") holds 121,842,522 shares representing 21.17% of the Company's total share capital.
- > Gestamp 2020, S.L. ("Gestamp 2020") holds 288,332,760 shares representing 50.10% of the Company's share capital. Acek holds 75% of the share capital of Gestamp 2020, while Mitsui & Co., Ltd. holds the remaining 25%.
- > The rest of the share capital, i.e., 27.21%, is free float. Part of the free float, 1.52% of the share capital, is currently owned by certain Group employees.

The Riberas family controls, indirectly via the companies Acek and Gestamp 2020, 338,092,122 shares of the Company, representing 58.74% of its share capital.



CORPORATE GOVERNANCE SYSTEM

Our Corporate Governance is based on the following rules, all of which are available on our website, www.gestamp.com:



Our Corporate Governance rules are reviewed and updated from time to time.

The contents are inspired and grounded on our commitment to the best practices in good corporate governance, business ethics and social responsibility in all our areas of action.

Governing bodies

With the purpose of meeting our commitments of transparency and business ethics, the Company implements its rules of corporate governance via the following Governing Bodies, which distinctly develop strategy and supervision functions, as well as administration and management functions:

The General Shareholders' Meeting

Is the shareholders' main way of participating in the Company, as well as its highest decision-making body where all dulyconvened shareholders gather together to discuss and decide on, subject to the majority requirements applicable in each case, matters falling within its scope of authority.

The Board of Directors

This focuses on defining, supervising and monitoring the policies, strategies and general guidelines that the Group is to follow.

The Management Committee

This is responsible for the Group's organisation and strategic coordination, by disseminating, implementing and monitoring the business strategy and guidelines.

GENERAL SHAREHOLDERS' MEETING

The General Shareholders' Meeting is the shareholders' main way of participating in the Company, as well as its highest decision-making body where all duly-convened shareholders gather together to discuss and decide on, subject to the majority requirements applicable in each case, matters falling within its scope of authority.

Functions

The General Shareholders' Meeting decides on the matters for which it is authorized according to the Law, the Company Bylaws and the Regulations of the General Shareholders' Meeting of the Company. By way of illustration only, it is entitled to pass the following resolutions:

- 1 Appointment, re-election and removal of the members of the Board of Directors.
- 2 Appointment, re-election and removal of the auditor of the Company and of its consolidated Group.
- 3 Approval of the individual and consolidated financial statements and allocation of income, as well as assessment and as applicable, approving of the management of the Company.
- 4 Authorisation to acquire treasury shares or shares of the parent Company.
- 5 The Amendment to the Bylaws.
- 6 The increase and reduction of the share capital, and the exclusion or limitation of pre-emptive rights.
- 7 Issuance of bonds convertible into shares, or of any other security conferring the right to subscribe for newly-issued shares at the Company.
- 8 Acquisition, disposal or contribution to another company of essential assets and transfer to subsidiaries of essential activities carried out by the Company.
- 9 Transformation, merger, spin-off or global assignment of assets and liabilities, and transfer the registered offices overseas.
- 10 Dissolution of the Company and approval of any transaction having liquidation-like consequences for the Company.
- 11 Approval of the final liquidation balance sheet.
- 12 Approval of the remuneration policy applicable to directors in the manner set forth in the Law.
- 13 Approval of implementation of any share-based remuneration system for directors involving delivery of shares or share options, or any payment tied to the value of shares.
- 14 Authorisation or discharge for directors of any prohibition derived from the duty of loyalty and the duty to avoid situations of conflict of interest.
- 15 Approval and amendment of the Regulations of the General Shareholders' Meeting.
- 16 Any other matter reserved to the General Shareholders' Meeting, whether under the laws or the By-laws.

Important resolutions passed by the General Shareholders' Meeting

February 1, 2016

- Acceptance of the resignations tendered today by the Directors of the Company ArcelorMittal Aceralia Basque Holding, S.L. and ArcelorMittal Gipuzkoa, S.L.U.
- Appointment of new Directors.
- Amendment of Article 23 of the Company Bylaws.

June 27, 2016

- Review and approval of the annual accounts and Company's management report and the annual accounts and the management report of its consolidated Group of companies, corresponding to the year 2015.
- Approval of the management carried out by the Administration Body during the year ended December 31, 2015.
- Approval of the proposal of application of the Company's profits corresponding to the year 2015.
- Distribution of a dividend charged to voluntary reserves of the Company.
- Authorization for the establishment of a pledge over shares of the Company and waiver of the pre-emptive acquisition rights by Risteel Corporation, B.V.
- Authorization for the acquisition of own shares by the Company.
- Creation of the Company's website.
- Amendment of the Company Bylaws.

December 31, 2016

- Amendment of the Company Bylaws to adapt them to the Spanish Capital Companies Act and to simplify their contents.
- Establishment of the number of members of the Board of Directors.
- Removal of certain members of the Board of Directors.
- Appointment of Mr. Noboru Katsu and Mr. Tomofumi Osaki as members of the Board of Directors.

March 3, 2017

- Reduction of the share capital by the amount of 479,595.30 euros by reducing the par value of the shares by the quantity of 10 euro cents per share by establishing a non-disposable reserve.
- Splitting of the number of Company shares by reducing their par value, following the preceding resolution, from 60 euros to 50 euro cents per share, at a rate of 120 new shares for every old share.
- Application for listing of the Company's shares on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges, as well as the inclusion thereof in the Spanish Stock Market Interconnection System.
- Amendment of the Company Bylaws to adapt them to the requirements for listed companies.
- Approval of the Regulations of the General Shareholders' Meeting.
- Re-election and/or appointment of directors for the new statutory period of 4 years. Establishing the number of members of the Board of Directors at twelve.
- Authorization to the Board of Directors for the derivative acquisition of own shares.
- Authorization to the Board of Directors, during a maximum term of five years, to increase the share capital pursuant to what is established in section 297.1.b) of the Spanish Capital Companies Act, by up to half of the share capital.
- Authorization to the Board of Directors, during a maximum term of five years, for the issuance of securities convertible into new shares of the Company, as well as warrants.
- Approval of the remuneration policy for the Company's directors for the years 2017 to 2019.

April 22, 2017

- Approval of the individual annual accounts and management report and of the management of the Administration Body corresponding to the year ended December 31, 2016.
- Application of profits for the year ended December 31, 2016.
- Approval of the consolidated annual accounts and management report corresponding to the year ended December 31, 2016.
- Amendment of Article 11.3 of the Company Bylaws.

BOARD OF DIRECTORS

The composition, responsibilities and operation of our Board of Directors are governed by Spanish Capital Companies Act, the Company Bylaws and the Regulations of the Board of Directors.

The Board of Directors is responsible for supervising, managing, controlling and representing the Company.

As its core mission, it must establish the approval of the Company's strategy and the organization required to put it into practice, as well as the supervision and control of fulfilment of goals by management, and respect for the Company's purpose and interests.

Functions

The following matters are entrusted to the Board of Directors and cannot be delegated:

a) The Company's general policies and strategies:

- the strategy or business plan, as well as management objectives and annual budgets;
- the investment and financing policy;
- the definition of the Company's structure and its group's;
- the Company and its group's corporate governance policy;
- the Corporate Social Responsibility policy;
- the remuneration policy and senior management's performance assessment.
- the dividend and treasury stock policy and, in particular, its limits;
- the risk control and management policy, including tax risks, as well as the periodic monitoring of internal information and control systems; and
- determining the Company's fiscal strategy

b) The following decisions:

- a proposal for the Company's chief executive, the appointment and eventual cessation of the Senior Management, and their compensation clauses;
- distribution among the directors of the fixed annual payment determined by the General Meeting, which will be held by the Board of Directors taking into account the conditions of each director, the roles and responsibilities allocated to them and their relevance to the various committees and, in the case of executives, determining their additional remuneration for their executive functions and other conditions that their contracts must observe;
- financial information which, as a listed company, the Company must make public periodically;
- all kind of investments or operations which, because of their high amount or special characteristics, are strategic or have a special tax risk unless their approval corresponds to the General Meeting and

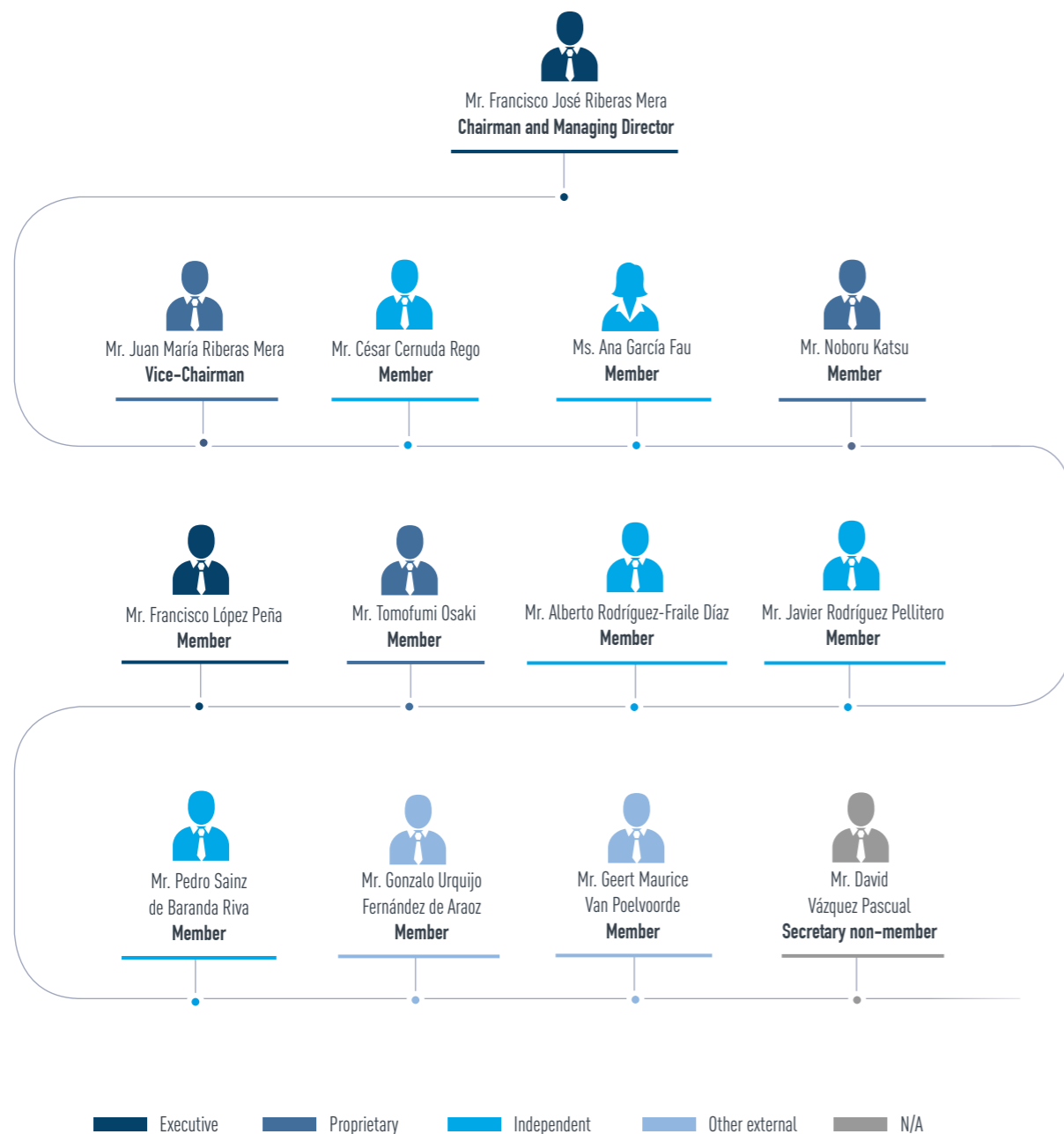
- the creation or acquisition of shares in special purpose entities or domiciled in countries or territories considered as tax havens, and any other transactions or operations of a similar nature whose complexity might impair the transparency of the Company.
- c) The formulation of any kind of report required by Law to the board as long as the operation to which the report relates cannot be delegated.
- d) Monitoring the effective functioning of the committees formed and the performance of the delegated bodies and managers who had been appointed.
- e) The convening of the General Meeting and drawing up the agenda and the proposed resolutions.
- f) The powers that the General Meeting had delegated to the Board of Directors, unless expressly authorised by the former to subdelegate them.
- g) Transactions which the Company or group companies carry out with directors, significant shareholders or shareholders represented on the Board of the Company or other group companies, or with persons related thereto, following a favourable report from the Audit Committee, and with the abstention of the directors affected, except in cases exempted in the legislation.



Composition

The Board of Directors is made up by 12 members, of whom 5 are independent directors, 3 are proprietary, 2 are executive, and 2 are other external directors.

Below is a description of the composition of the Board of Directors of the Company, stating for each one of the members the position, category, date of appointment and, as the case may be, of their subsequent re-elections. Likewise, a short biography and professional résumé of each of the directors is included.



Director profiles

Chairman and Managing Director:

■ Mr. Francisco José Riberas Mera

He has been on the Board of Directors of Gestamp Automoción since it was formed on December 22, 1997, and was appointed Chairman and Managing Director on March 23, 2017. He holds a degree in Law and a degree in Economics and Business Administration studied at Comillas Pontifical University (ICADE E-3), Madrid.

He started his professional career at Gonvarri Group, where he held different positions such as Director of Corporate Development, and later he became the Chief Executive Officer. He promoted the creation of Gestamp Automoción in 1997 and since then has been its Chief Executive Officer. In 1998, in the context of the Aceralia Corporación Siderúrgica privatization process, he was appointed member of the Company's board until it was integrated into Arcelor Group in 2001 (now ArcelorMittal).

He is part of the management bodies of certain companies belonging to Gestamp Automoción as well as other Acek Group companies (including companies belonging to Gonvarri Group, Gestamp Renewables Group and Inmobiliaria Acek Group). Outside Acek Group, he is member of the Board of Directors of CIE Automotive, Sideacero Group and Telefónica. Furthermore, he is part of the Endeavor foundation, the Princesa de Asturias foundation, and the Empresa Familiar de Euskadi Association, among others.

Vice-Chairman:

■ Mr. Juan María Riberas Mera

He has been on the Board of Directors of Gestamp Automoción since it was formed on December 22, 1997, and he was appointed Proprietary Director and Vice-Chairman of the Board of Directors on March 24, 2017. He holds a degree in Law and a degree in Economics and Business Administration studied at Comillas Pontifical University (ICADE E-3), Madrid.

He is currently the Chief Executive Officer of Gonvarri Group and Gestamp Renewables Group. He began his professional career in the Business Development area of the Gonvarri Group, where he later took up the position as Chief Executive Officer, which is the position he currently holds. He promoted the creation of Gestamp Renewables in 2007, and has been since then its Chief Executive Officer.

He is the Chairman of the Board of Directors of Gonvarri and Gestamp Renewables and member of the management bodies of some of the subsidiaries. Additionally, he sits on the Board of Directors of some Acek group companies (including Inmobiliaria Acek Group). Outside Acek Group, Mr. Riberas sits on the Board of Directors of CIE Automotive and certain companies of Sideacero Group. In addition, he is a Director of the Juan XXIII Foundation, among others.

Members:

■ Mr. César Cernuda Rego

He was appointed Independent Director of the Board of Directors of Gestamp Automoción on March 24, 2017. He holds a university degree in Business Administration and Marketing studied at the ESIC Business & Marketing School, Madrid. He took part in the Executive Development Program (PDD) at IESE Business School, Madrid, and in the Executive Leadership Program at Harvard University, Massachusetts.

He is currently the President of Microsoft Latin America and Vice-President of Microsoft Corporation. He started his career in the banking industry, at Banco 21 (Banco Gallego), and afterwards he joined Software AG. For the last 20 years, he has been working for Microsoft holding in many different executive positions worldwide such as General Manager of Microsoft Business Solutions Europe, Middle East and Africa, the Global Vice-President of Microsoft Business Solutions, Vice-President of Sales, Marketing and Services of Microsoft Latin America, or President of Microsoft Asia Pacific.

He is currently a member of the Board of Directors for the Americas Society/Council of the Americas and for the Trust for the Americas representing Microsoft.

■ Ms. Ana García Fau

Ms. García Fau was appointed Independent Director of the Board of Directors of Gestamp Automoción on March 24, 2017. She holds a degree in Law and a degree in Economics and Business Administration studied at Comillas Pontifical University (ICADE E-3), Madrid, and a Master in Business Administration (MBA) from the MIT, Sloan School of Management, Massachusetts.

Currently she serves as Non-Executive Director at the Board of Directors of the following companies: Renovalia Energy Group, Technicolor (Ex-Thomson), Eutelsat Communications and Merlin Properties Socimi. She started her career at McKinsey & Company, and later she worked for Wolff Olins, as well as at Goldman Sachs International. After that, and for 9 years, she was the Managing Director of Corporate Development, and later Chief Financial Officer at TPI-Páginas Amarillas, where she also was a member of the Board of Directors of certain subsidiaries of TPI-Páginas Amarillas. She also held different leadership roles at Hibu Group (ex-Yell) such as Chief Executive Officer of Yell for the Spanish and Latin American business for 7 years, and Chief Global Strategy and Development Officer. She was also member of its Global Executive Committee.

Furthermore, she was Director of Cape Harbor Advisors.

■ Mr. Noboru Katsu

He was appointed Proprietary Director of the Board of Directors of Gestamp Automoción on March 24, 2017. He was graduated from the Faculty of Liberal Arts at the International Christian University, Tokyo. Later in 2002, he took an Executive Course (PMD) at Harvard University, Massachusetts.

He has a extensive professional experience in the steel sector, with over 35 years working for Mitsui Group, where he developed his career holding different positions worldwide. He currently is General Manager and Chief Operating Officer of the Iron & Steel Products Business Unit in Japan. From 1991 to 2001, he held different managerial roles for the Steel Department in Norway. After that, he was General Manager of the Corporate Planning & Strategy Department, and International General Manager of the Steel Pipe Overseas Division in Japan. He held different positions in Thailand, such as Unit Leader of the Iron & Steel Products Business Division, Asia Pacific Business Unit, and General Manager of the Steel Division. After that, in London, he was Vice-President & Chief Operating Officer of the Iron & Steel Products Division for the EMEA Business Unit. Before taking his current position, he was appointed General Manager of the Steel Pipe & Plate International Division in Japan.

He is also on the Board of Directors of Mitsui & Co. Steel, NuMit, GEG (Holdings) and board member of some companies belonging to the Acek Group (including companies within the Gestamp Automoción Group and Gonvarri Group). Previously he was Director of Euro-Mit STall and Mi-King.

■ Mr. Francisco López Peña

He was appointed member of the Board of Directors of Gestamp Automoción on March 5, 2010, and was appointed Executive Director on March 24, 2017. He holds a degree in Civil Engineering from the Polytechnic University of Barcelona, and a Master in Business Administration (MBA) from the IESE Business School, Barcelona.

He has a wide experience in the automotive supplier industry with more than 18 years working in executive positions for the Gestamp Group. Prior to that, he held executive positions at companies in the industrial mining and textile sector. He joined Gestamp in 1998 as Corporate Development Director. In 2008, he was appointed Vice-President and Chief Financial Officer of Gestamp Group, which is the position he currently holds.

He is also Director of some Gestamp Automoción subsidiaries, and Director of CIE Automotive on behalf of Acek Group.

■ Mr. Tomofumi Osaki

He was appointed Proprietary Director of the Board of Directors of Gestamp Automoción on March 24, 2017. He was graduated from the Economics faculty at the Wakayama University, Japan.

For the last 29 years, he has been working at Mitsui Group developing his experience in the steel sector through a variety of executive positions worldwide. He currently is the General Manager of the Investment & Planning Division of the Iron & Steel Products Business Unit in Japan. Before joining the Mitsui Group, he was the Financial Officer at CAEMI Mineracao e Metalurgia for 7 years in Brazil. At Mitsui Group, he was the General Manager in the Investment Department of the Mineral & Metal Resources Business Unit, and post General Manager of the Investment Department of the Iron & Steel Product Business Unit in Japan. After that, at Mitsui's New York Offices, he held the position of General Manager in the Investment Department for the

Financial Management Division, among others. Subsequently, he was Deputy General Manager of Iron & Steel Products Business Unit, in Japan.

He is Director of some companies belonging to Mitsui Group, and in companies participated by Mitsui Group, Bangkok Coil Center. He is also Director of certain companies of Acek Group (including companies belonging to Gestamp Automoción and Gonvarri Groups). In the past, he was part of the management bodies of some of Mitsui Group's companies: Siam Yamato Steel, Vina Kyoei Steel, Mahindra Sanyo Special Steel, MS Avant.

■ Mr. Alberto Rodríguez-Fraile Díaz

He was appointed Independent Director of the Board of Directors of Gestamp Automoción on March 24, 2017. He holds a degree in Business Administration from the University of Miami, and took part in the Business Senior Management Program (PADE) from IESE Business School. Moreover, he has a degree in Securities Exchange Commission and National Association of Securities Dealers as: Registered Options Principal, Financial and Operation Principal, Securities Principal.

For the last 30 years, he has worked at Asesores y Gestores Financieros. He is a founding partner, shareholder, and Chairman of the Board of Directors of the Company. Additionally, he is member of the management bodies of certain companies belonging to A&G. He started his professional career at Merrill Lynch as a Financial Consultant.

■ Mr. Javier Rodríguez Pellitero

He was appointed Independent Director of the Board of Directors of Gestamp Automoción on March 24, 2017. He holds a degree in Law and in Economics and Business Administration studied at Comillas Pontifical University (ICADE E-3), Madrid.

He is the General Secretary of the Spanish Banking Association (AEB). He is also Chairman of the Tax and Legal Committee of the Banking Federation of the European Union, and member of the Advisory Committee of the Spanish National Securities Market Commission (CNMV). He started his professional career at Uria & Menéndez law firm, and later, he was State Attorney for the province of Zamora in Spain. At the CNMV he held different leadership positions such as General Manager of Legal Services, Secretary of the Board of Directors. He also was the Secretary of the Special Working Group that elaborated the "Unified Good Governance Code of Listed Companies" in 2006, and member of the Committee of Experts in charge of the "Good Governance Code of Listed Companies" in 2015.

He is Director of the commercial section of the General Committee of Codification (Ministry of Justice). In addition, he is Director of GDF Energía España.

■ Mr. Pedro Sainz de Baranda

He was appointed Independent Director of the Board of Directors of Gestamp Automoción on March 24, 2017. He holds a degree in Mining Engineering studied at the Oviedo University, as well as a PhD in Engineering from Rutgers University, New Jersey. He also studied an MBA at the MIT, Sloan School of Management, Massachusetts.

He currently is a Co-Founder of an investment company called Sainberg Investments. He developed a large part of his professional career at the United Technologies Corporation in a variety of positions worldwide. He started his career at United Technologies Corporation, Connecticut, as a Research Engineer from where he moved to Principal Engineer

and Manager of Advanced Technology. After that, he was the New Equipment Director at Otis Elevator Mexico and then, the General Manager of Otis Portugal. Later he became the President of the South Europe and Mediterranean area at Otis Elevator company, and afterwards he was the General Manager and the Chief Executive Officer of Zardoya Otis. He also was the President of the Otis Elevator Company.

He serves on the Board of Directors of Companies such as Mecalux and Zardoya Otis. He also serves on the Carlos III Madrid University's Board. In the past, he served on the management bodies of certain companies of the Zardoya Otis Group.

■ Mr. Gonzalo Urquijo Fernández de Araoz

He was appointed as Other External Director of the Board of Directors of Gestamp Automoción on March 24, 2017. He holds a degree in Economics and Political Science from Yale University, Connecticut, as well as a Master in Business Administration (MBA) from Instituto de Empresa, Madrid.

He is currently Chief Executive at Abengoa. He started his professional career in banking, working for Citibank and Crédit Agricole. After that, he was Director and Chief Financial Officer at Corporacion J M Aristrain, and later he was Chief Financial officer at Aceralia Corporación Siderúrgica.. At Arcelormittal Group, he held different executive positions such as the Vice-President of Stainless Steel, Long Products and China. Principal of AACIS, AMDS, Tubular Products, and Principal of Corporate Social Responsibility, Communication, Institutional Affairs and Work Safety. After that, and before holding his current position, he was the Head of Strategy area at ArcelorMittal.

He is on the Board of Directors of Vocento and Fertiberia. He is also the President of the Hesperia Foundation and member of the Board of Trustees of the Princesa de Asturias Foundation. He was member of the Board of Directors of Gestamp Automoción, Holding Gonvarri, Aperam, and some companies belonging to ArcelorMittal.

■ Mr. Geert Van Poelvoorde

He was appointed as Other External Director of the Board of Directors of Gestamp Automoción on March 24, 2017. He holds a Master degree in Electrotechnical Engineering from the University of Gent, Belgium.

He has been working for the steel and mining sector for the last 28 years. He is currently the Executive Vice-President and Chief Executive Officer of ArcelorMittal Europe Flat Products and European Purchasing. Since 2011, he is also a member of the ArcelorMittal Group's Management Committee. He started his professional career at Sidmar as Process Automation Manager and Project Engineer. Later, he was Manager of the Engineering Department at Stahlwerke, among others. At Arcelor, he was member of the Management Board and Chief Operation Officer, as well as General Manager of the Central Maintenance Department and Logistics. After that, at ArcelorMittal, he held different executive positions until the position he currently holds.

He is member of the management bodies of some companies belonging to the ArcelorMittal Group and in companies participated by ArcelorMittal, including Bamesa Otel, Borçelik Çelik, Borusan Demir, Bamesa Celiç. He is also Director of Holding Gonvarri. Furthermore, he is the President of the European Steel Association (Eurofer), and Director of the German Steel Federation.

Non-voting Secretary:

■ Mr. David Vázquez Pascual

He joined the Board of Directors of Gestamp Automoción on December 22, 2016 as Secretary Non Director. He holds a degree in Law and a degree in Economics and Business Administration studied at the Comillas Pontifical University (ICADE E-3), Madrid. He also holds a Master in Business Administration (MBA) from the M.B.S.-University of Houston, Texas and a Master in European Union Law from Comillas Pontifical University (ICADE), Madrid.

He is General Counsel of Gestamp Group since 2000, and member of its Steering Committee. At Gestamp, he was also General Manager of the North America Division in 2006 and 2007. He started his career in banking through different roles at Banesto Banking Corporation (BBC) in New York and at Cajamadrid in Madrid. After that, he developed part of his career at the university. He was professor and coordinator of European Union affairs at the M.B.S.-University of Houston, Texas, and subsequently became Director of the MBA program at the same business school. Later, he held different managerial roles at Antonio Nebrija University (Madrid), such as La Berzosa Campus Principal or Director of the Social Sciences School. imultaneously, he was professor in business disciplines at the same University and law professor at the Pontificia de Comillas University (ICADE).

Additionally, he is Secretary and Director of other companies within the Gestamp Automoción and the Gestamp Renewables Groups.

Chairman of the Board of Directors

The Chairman of the Board of Directors of the Company is elected from among the members of the Board after receiving a report from the Nominations and Compensation Committee. The Board, after receiving the report from the Nominations and Compensation Committee may appoint one or more Vice-Chairman, which will replace the Chairman in case of absence or incapacity.

The Chairman will have this status for the Company and all social bodies thereof, which he will represent permanently.

The Chairman of the Board of Directors may also hold the position of Chief Executive of the Company and as such he is responsible for the effective management of the Company's business, always in accordance with the decisions and criteria established by the Annual General Meeting and the Board of Directors.

The Chairman will be responsible for the effective functioning of the Board of Directors, he will prepare and submit to the Board a schedule with dates and issues to be addressed; he will organise and coordinate regular evaluations of the Board and, where applicable, of the company's Chief Executive; he will be responsible for the management of the Board and the effectiveness of its operation; he will ensure that sufficient time is devoted to discussion of strategic issues, and will agree and revise introductory processes and training refreshers for each advisor when circumstances warrant it.

Also, the Chairman will chair the General Meeting and will conduct its discussions and deliberations.

The Chairman will also be responsible for convening and chairing Board meetings, setting the agenda for meetings and directing discussions and debates. He will ensure that directors receive enough information to discuss the points of the agenda well in advance, he will clearly indicate those points on which the Board of Directors must make a decision or reach an agreement so that directors may study or gather accurate information for their implementation in advance. He will stimulate debate and active participation during the meetings.

Calling of meetings and frequency

The Chairman may call a meeting of the Board of Directors whenever he considers it necessary or at the request of one third of the members of the Board of Directors or, as the case may be, upon the request of the Vice-Chairman.

The Board of Directors will meet with the necessary frequency to properly perform its functions, whenever required in the interest of the Company, and at least 6 times a year.

(In 2016, the Board of Directors met on 8 occasions. All the meetings were presided over by the Chairman.)

Quorum

The Company Bylaws and the Regulations of the Board of Directors establish that there shall be a quorum for a meeting when the majority of its members are present or represented at the meeting.

Adopting resolutions

The resolutions will be adopted by absolute majority of directors present and represented, unless there is another majority required by Law, by the Bylaws or according to the Regulations of the Board of Directors. Where votes are evenly divided, the Chairman will have a casting vote.

COMMITTEES OF THE BOARD OF DIRECTORS

A greater efficiency and transparency in the exercise of powers and performance of the functions allocated to our Board of Directors justifies the creation of committees.

The performance of these committees is called upon not only to facilitate decisions of the Board (by previously analyzing the matters to be decided by the Board), but also to strengthen the principles of objectivity and reflection with which the Board must address certain issues. Our Board of Directors has an Audit Committee and a Nominations and Compensation Committee.

Audit Committee

Functions

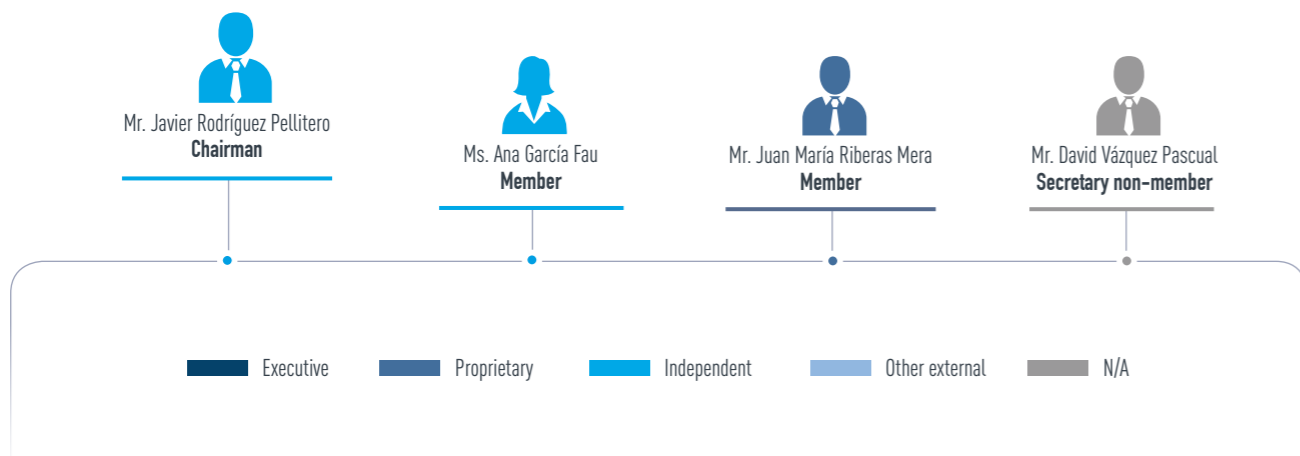
The Audit Committee is responsible, among others, for:

- (a) Informing the General Shareholders' Meeting on the issues raised within the scope of its competence and, in particular, on the outcome of the audit.
- (b) Regarding information systems and internal control:
 - i) Supervising the preparation, integrity and presentation of regulated financial information regarding the Company, reviewing compliance with regulatory requirements and the correct application of accounting principles.
 - (ii) Periodically reviewing risk management and internal monitoring systems, including tax, so that main risks are identified, managed and disclosed properly, as well as discussing with the auditor any significant weaknesses in the internal monitoring system detected in the development of the audit, all without breaking their independence.
 - (iii) Ensuring the independence and effectiveness of the internal audit function; proposing the selection, appointment, reappointment and cessation of the internal audit head; proposing the budget for that service; receiving periodic information on its activities; verifying that senior management takes into account the conclusions and recommendations of its reports; as well as discussing with the auditor or audit firms any significant weaknesses in the internal monitoring system detected during the audit.
 - (iv) Establishing and supervising a mechanism allowing employees to report anonymously or confidentially, any irregularities they detect within the Company.
 - (v) Approving, monitoring, reviewing and ensuring compliance with the Company's corporate social responsibility policy.

- (c) In relation to the auditor:
 - (i) Submitting to the Board proposals for selection, appointment, reappointment and removal of the auditor.
 - (ii) Receiving information from the auditor regularly about the audit plan and the results of its execution.
 - (iii) Establishing appropriate relationships with the auditor to receive information on any issues that may jeopardize the independence of these, for consideration by the Audit Committee, and any others related to the audit's development process as well as other communications provided for in audit legislation and auditing standards.
 - (iv) Issuing a report annually stating an opinion on the independence of the auditor prior to the issuance of the audit report.
- (d) Regarding the monitoring and risk management policy:
 - (i) Proposing to the Board of Directors the risk control and management policy.
 - (ii) Overseeing the Company's risk and management unit operation.
- (e) Reviewing the brochures or equivalent regarding the issuance and/or admission of securities and other financial information to be provided by the Company to the markets and their supervisory bodies.

Composition

On March 3, 2017, the Board of Directors approved the formation of the Audit Committee and designated its members. Their appointments were effective from March 24.



Calling of meetings and frequency

The Audit Committee will meet as often as necessary, and every time its Chairman considers it convenient. In any case, the Committee Chairman will call a meeting of the Audit Committee whenever the Board of Directors or its Chairman requests the preparation of a report or the adoption of a proposal, or whenever it is requested by at least two members of the Audit Committee.

Nominations and Compensation Committee

Functions

The Nominations and Compensation Committee, among other things, is responsible for:

Functions related to the appointment of directors and senior managers:

- (a) Evaluating the Board's skills, knowledge and experience, describing the roles and capabilities required by candidates in order to fill in each vacancy and evaluating the necessary time and dedication for them to perform their duties.
- (b) Verifying compliance on an annual basis with the director selection policy.
- (c) Examining and organising, in the manner deemed appropriate, the succession of the Board of Directors' Chairman and, where applicable, of the Chief Executive.
- (d) Reporting proposals for appointments and cessation of Senior Management that the Chairman proposes to the Board and the basic conditions of their contracts.
- (e) Submitting to the Board of Directors the proposals of appointment of Independent Directors, as well as the proposals for the re-election or removal of such directors.
- (f) Reporting on proposals for appointment for the remaining Directors, as well as proposals for re-election or removal by General Meeting.
- (g) Reporting to the Board on gender diversity issues, setting a goal of representation for the less represented gender in the Board of Directors and developing guidance on how to achieve that objective.
- (h) Organising and coordinating the periodic evaluation of the Chairman of the Board of Directors, as well as the periodic evaluation of the Board of Directors, its Committees and of the Chief Executive of the Company.

Functions related to remuneration of directors and senior managers:

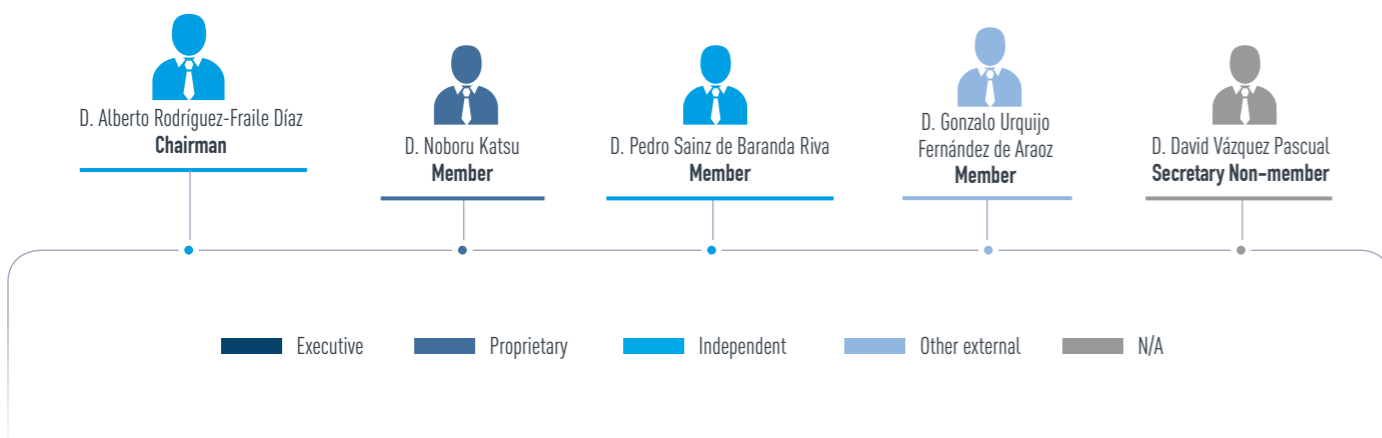
- (a) Propose to the Board of Directors the remuneration policy for directors and those who develop their senior management functions under the Board's direct control, of executive committees or the Managing Directors, as well as individual remuneration and other contractual conditions for executive directors, ensuring their observance.
- (b) Propose to the Board of Directors the individual remuneration for directors and the approval of contracts signed by the company with directors who perform executive functions.
- (c) Propose to the Board the Senior Management's contract modalities.
- (d) Ensuring compliance with the remuneration policy for directors approved by the General Meeting.

Other functions:

- (a) The Chairman of the Committee will inform the Board of Directors of the matters discussed and the resolutions adopted at its first Board of Directors' meeting after the committee's meeting.
- (b) The committee will send a comprehensive report on its activities during the previous year subject to approval by the Board of Directors, within three months after the end of each year, which will be made available to shareholders at the Annual Shareholders' Meeting.

Composition

On March 3, 2017, the Board of Directors approved the formation of the Nominations and Compensation Committee and designated its members. Their appointments were effective from March 24.



Calling of meetings and frequency

The Nominations and Compensation Committee will meet as often as necessary, and whenever the Chairman considers it convenient. In any case, the Committee Chairman will call a meeting of the Nominations and Compensation Committee whenever the Board of Directors or its Chairman requests the preparation of a report or the adoption of a proposal, or whenever it is requested by at least two members of the Nominations and Compensation Committee.



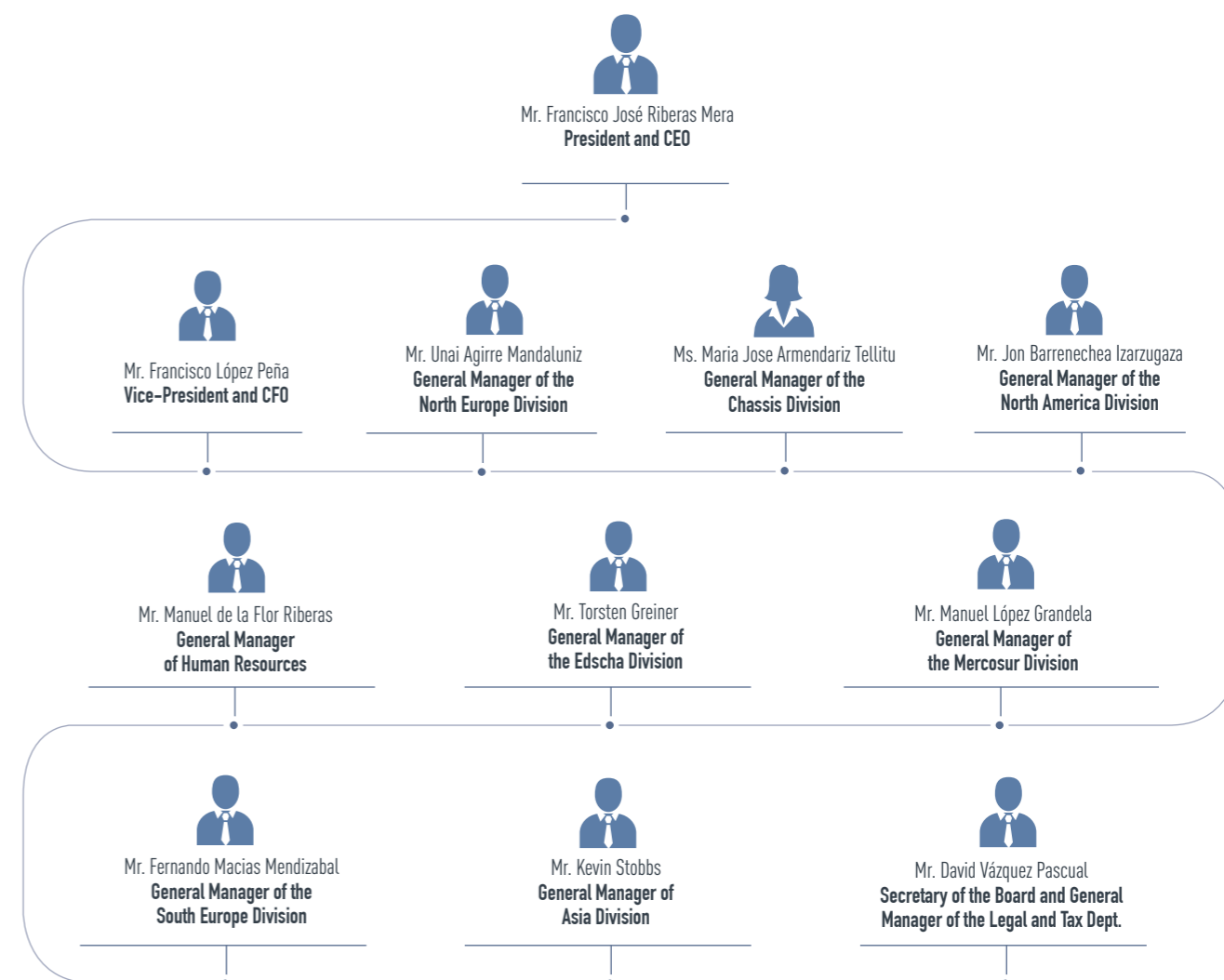
MANAGEMENT COMMITTEE

The Management Committee is responsible for the Group's organisation and strategic coordination, via the dissemination, implementation and monitoring of the business strategy and guidelines.

We have a Management Committee is comprised of the members of our senior management team and our executive Directors, Francisco José Riberas Mera (Chief Executive Officer) and Francisco López Peña (Chief Financial Officer). From an organizational standpoint, the Management Committee is organized in accordance with the different geographic markets and operating segments where we operate.

Our management team has a substantial amount of expertise in the automotive industry, deemed crucial for the current success of our business. In fact, almost half of the members of our Management Committee have been with us for more than 10 years. Our Management Committee is led by Francisco José Riberas Mera. The following table sets forth the name and title of each member of the Management Committee.

Composition of the Management Committee



COMPENSATION

Compensation of the members of the Board of Directors

Our Bylaws establish that the office of Director shall be remunerated. Directors' compensation as members of the Board of Directors and for their performance of the duty of supervision and collective decision-making inherent to such body, shall consist of a fixed annual remuneration, taking into account the duties and responsibilities assigned to each Director, their participation in Board Committees within the Board of Directors and other objective circumstances which may be deemed relevant. In addition, the Board of Directors shall decide the frequency and method of payment of the relevant amounts, which may include insurance and social welfare benefits, as established from time to time.

The maximum annual aggregate compensation amount that we may annually pay to all of our Directors as remuneration for the items mentioned above shall be determined by the shareholders at the General Shareholders' Meeting and shall remain unchanged until and unless the shareholders decide otherwise. Nevertheless, the Board of Directors may reduce the amount in each relevant fiscal year if it deems appropriate.

In accordance with the above, the General Shareholders' Meeting, upon the proposal of the Board of Directors, approved on March 3, 2017 a remuneration policy that will be in force during 2017, 2018 and 2019 (the "Remuneration Policy").

The Remuneration Policy establishes that each Director shall receive sufficient remuneration in order to remunerate the dedication, qualification and responsibility required for his office.

Principles

Directors' remuneration in their condition of directors is based on the following principles:

Sufficiency	Competitiveness	Dedication	Reasonability	Transparency
It shall be sufficient in order to compensate their dedication, qualification and responsibility without compromising their independency.	It must help to attract and retain the talent of such professionals. At the same time, it must be in accordance with the standards applied in national or international companies with similar characteristics.	It shall be in accordance with the dedication and responsibility of each director.	It shall reflect the reality of the company, the sector in which it operates, as well as the given economic situation from time to time.	It shall comply with the transparency criteria to guarantee investors and shareholders' confidence.

Directors' remuneration for the performance of executive duties is additionally determined by the following principles:

Performance	Sustainability	Equity
It shall include a variable component linked to the achievement of specific targets or goals, aligned with the strategic goals of Gestamp group ("Gestamp Group") and to the creation of added value.	A part of the remuneration will be aligned to the sustained growth over time.	Director's remuneration for the performance of executive duties shall be proportional to their level of responsibility and experience.

Remuneration by reason of the office as Director

During 2016, 2015 and 2014, the directors were not remunerated. In 2017, The maximum annual aggregate amount payable to all Directors by reason of their office as a Director shall not exceed 885,000 euros.

The Directors will receive the following fixed annual amounts:

- (i) 75,000 euros for their participation in the Board of Directors.
- (ii) 15,000 euros for their participation in any of the Committees.
- (iii) 15,000 euros for their chairmanship of any of the Committees.

Remuneration for the performance of executive duties

Each executive Director has entered into an agreement with the Company providing for the different concepts by virtue of which he or she will receive remuneration in relation to the performance of executive duties, including, the eventual compensation to be receive in case of early termination of its office and the amounts to be paid by the Company as insurance premia.

The executive Directors' remuneration package for the performance of executive duties at the Company approved by the General Shareholders' Meeting within the framework of the Remuneration Policy is structured as follows:

- Fixed remuneration: the fixed remuneration takes into account the executive duties assigned to each relevant executive Director, the level of responsibility, the experience, the contribution to the office and the remuneration which is paid on the market by comparable companies.
- Annual variable remuneration: the purpose of the variable remuneration is to strengthen the commitment of the executive Directors to the Company by virtue of the achievement of objectives, measurable and based on financial and economic variables. The Board of Directors, upon a proposal of the Nominations and Compensation Committee, shall establish the variable remuneration to be paid to each relevant executive Director according to the fulfilment of objectives. From time to time, the Company may approve the implementation of multiannual variable remuneration for certain senior managers based on the fulfilment of strategic objectives.
- Other concepts: is comprised of benefits-in-kind or social benefits which include, among others, the use of a company vehicle or a life insurance policy.

The agreements to be entered into with the executive Directors will be of an indefinite term and will include:

- (i) claw-back and "malus" clauses in case the amount paid has been calculated using inaccurate or fraudulent information and
- (ii) compensation in case of termination of the agreement, which shall not exceed twice the total annual remuneration of the relevant Director and will not be paid until the Company confirms that the Director has fulfilled with the established performance criteria.

The remuneration packages for the executive Directors during 2017 which were approved on March 3, 2017 by the General Shareholders' Meeting and the Board of Directors (within the framework approved by the General Shareholders' Meeting), and included in the agreements with the relevant Directors also entered into as of such date, are the following:

- a fixed amount of 700,000 euros for the Chairman and 455,000 euros for the CFO;
- a variable amount of up to 300,000 euros for the Chairman and up to 195,000 euros for the CFO, which shall be determined annually in accordance with objectives of value creation;
- remuneration in kind which includes the use of a company vehicle and life insurance policies and
- a compensation for the termination of the agreement not higher than two years of total annual compensation provided that such termination is not caused by a breach of his duties by the Director.

Senior Management compensation

The Senior Management's annual compensation, fixed and variable, during 2016, amounted to 4.54 million euros; and the estimated Senior Management's annual compensation, fixed and variable, for the year 2017 amounts to 5.35 million euros, broken down as detailed in the table below. The Senior Management's annual compensation is not linked, neither its fix or variable components, to the market price of the Shares.

(million euros)	2016	2017 (estimated)
Total fixed salary	3.32	3.5
Total variable salary	1.22	1.90
Total salary	4.54	5.35

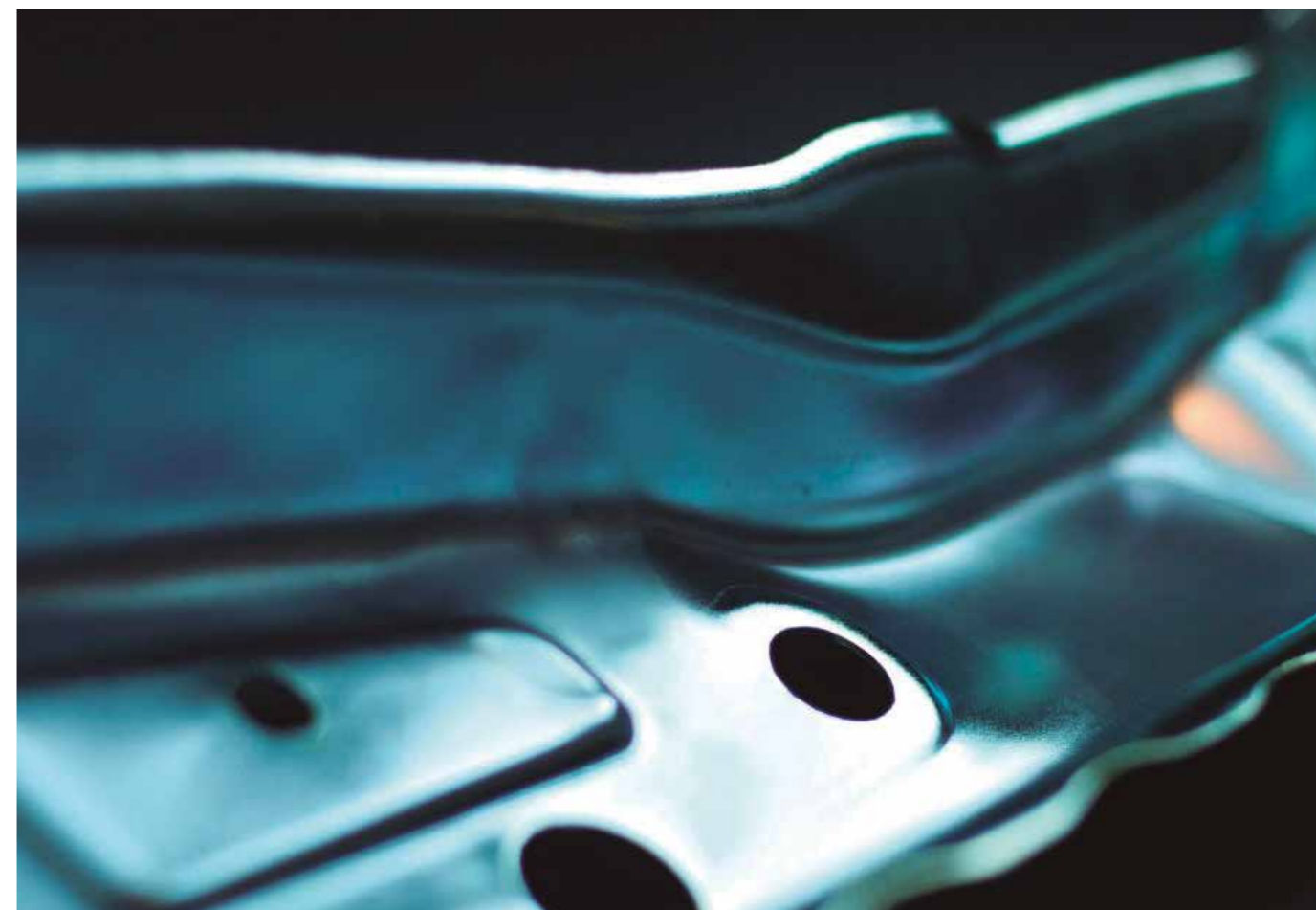
General Incentive Plan ("GIP")

We have implemented an incentive plan linked to value creation in the Group ("General Incentive Plan" or "GIP"), offered to key employees including Senior Management.

The purposes of the GIP are: to motivate and retain key employees and managers of our Group and to link their remuneration to fulfilment of our long-term strategy, which allows for alignment of the interests of the Beneficiaries with those of the shareholders by offering remuneration in line with the market benchmarks.

The GIP consists of a cash bonus based on the creation of value of the Group and/or the creation of value of certain facilities, regions or departments within the Group (as the case may be depending upon the position of the Beneficiary) during a reference period of five years (i.e. from January 1, 2016 to December 31, 2020).

The GIP was formally approved by our Board of Directors on April 1, 2016, and around 100 key employees and managers of our Group were invited and accepted to participate in the GIP.



MECHANISMS TO AVOID CONFLICTS OF INTEREST

Pursuant to article 22 of our Board Regulations, our directors are required to report to the Board of Directors any circumstances that may give rise to a direct or indirect conflict of interest, whether as soon as they become aware of such circumstances.

In any event, each member of the Board of Directors must refrain from attending and participating in deliberations and votes affecting matters including by way of proxy vote in which they (or a related party, as defined in the applicable legislation) have a direct or indirect conflict of interest.

Additionally, in accordance with the Protocol regulating the Transactions with Related Parties of the Company signed by the Company, Acek Desarrollo y Gestión Industrial and Gonvarri Corporación Financiera on March 21, 2017, directors should abstain from engaging in commercial or professional transactions which may give rise to a conflict of interest, without having first reported and received approval from the Board of Directors, with the abstention of the affected director and a favorable report from the Audit Committee. Such authorisation shall not be necessary for transactions entered into the Company if the following conditions are met:

- a) the transaction is entered into pursuant to an agreement with standard conditions applied to a wide range of clients;
- (b) the transaction is entered into for a price generally applied by the party acting as supplier and
- (c) the transaction does not exceed 1% of the Company's annual turnover.

As of the date of this Report, there are no actual or potential conflicts of interest between our Directors and Senior Management, and none of the members is dedicated to personal negotiations or partakes in business that may be considered a part of our transactions, other than those mentioned in Note 36 of our Report on the Consolidated Annual Accounts as of December 31, 2016.



INTERNAL CODE OF CONDUCT IN THE SECURITIES' MARKETS

Internal Code of Conduct in the Securities' Markets determines the performance and action criteria that must be followed by those to whom it is addressed, including, among other, the members of the Board of Directors, senior management, employees or external advisors who have access to inside information about the Company, as well as those involved in the processing, utilization and dissemination of inside information, all with the purpose of favoring transparency, protecting the interest of investors in respect of Company securities and preventing and avoiding any situation potentially qualifying as market abuse.

RISK CONTROL AND MANAGEMENT SYSTEMS (FRICS)

In June 2010, the CNMV approved a number of recommendations regarding the financial reporting internal control system ("FRICS") that will be presented in the Corporate Governance Annual Report (CGAR) to be published by Gestamp in 2018 for the first time.

Without prejudice to the foregoing, Gestamp has already implemented certain internal controls regarding its financial reporting.

Gestamp's FRICS responsibilities are described in the Regulations of the Board of Directors and in the Group's FRICS policy (which defines the FRICS responsibilities and management guidelines). According to these regulations, the Board of Directors is ultimately responsible for implementing and maintaining adequate and effective FRICS policies, while the Audit Committee is responsible for monitoring its effectiveness. In addition, the Group is in the process of establishing an independent Internal Audit Department that will report to the Audit Committee and will supervise the FRICS delegated by the Audit Committee.

The Group's risk evaluation is set down in a general risk map that shows the most significant risks to which the Group is subject (transactions, strategic, compliance risks, etc.). (For further information, please refer to page 18 of this Report.).

Additionally, the Group has assessed the financial reporting risks by putting together a FRICS matrix. The Group's FRICS policy states who is responsible for updating the financial reporting risk evaluation process.

APPENDICES

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THE STRUCTURE OF GESTAMP AUTOMOCIÓN

Organizational structure

As of March 1, 2017, the Group was comprised of 158 subsidiaries throughout the world; their holding company is Gestamp Automoción S.A. notwithstanding the Group's legal structure (owner/shareholders of each subsidiary). Gestamp's operations are organized into eight operating divisions along with support from corporate services:

Southern Europe Division

Includes 32 manufacturing plants located in six different countries: Spain, France, Portugal, Hungary, Turkey, and Romania. They all belong to subsidiaries 100% owned by Gestamp, except as follows: our local partner "Faik Çelik Holding, A.S." holds a 50% stake in the subsidiary that operates the five Turkish Gestamp plants, and Gestamp holds the remaining 50%; the French public fund "Fonds d'Avenir Automobile" holds a minority stake of 35% in the subsidiary that operates four plants in France, and Gestamp holds the remaining 65%; and the French company MPO Group holds a minority stake of 30% in the subsidiary that operates the plant in Romania, and Gestamp holds the remaining 70%.

Northern Europe Division

Includes 17 manufacturing plants located in six different countries: Germany, the United Kingdom, Sweden, Poland, the Czech Republic, and Russia. They all belong to subsidiaries fully owned by Gestamp, except with respect to two plants in Russia, where the publicly owned Spanish company "Compañía Española de Financiación al Desarrollo, Cofides, S.A." holds an indirect minority stake of 16.87% in the subsidiary that operates this plant and our local partner "Severstal" holds another minority stake of 25.02%. Gestamp holds the remaining 58.11%.

North America Division

Includes 10 manufacturing plants located in the United States and Mexico. Our Japanese global partner Mitsui & Co., Ltd. holds a minority stake of 30% in the subsidiary that operates all the plants in Gestamp's North America Division and Gestamp holds the remaining 70%.

South America Mercosur Division

Includes 10 manufacturing plants located in Brazil and Argentina. Our Japanese global partner Mitsui & Co., Ltd. holds a minority stake of 30% in the subsidiary that operates all the plants in the Mercosur Division and Gestamp holds the remaining 70%.

Asia Division

Includes 9 manufacturing plants located in three different countries: China, Korea and India. They all belong to subsidiaries owned 100% by Gestamp, except as follows: the Spanish publicly owned company "Compañía Española de Financiación al Desarrollo, Cofides, S.A." holds a minority stake of 35% in a subsidiary that operates two plants in China, in which Gestamp holds the remaining 65%, and a minority stake of 31.05% in another subsidiary that operates a plant in China, in which Gestamp holds the remaining 68.95% stake and Gonvarri holds a 50% stake in a subsidiary that operates a plant in India in which Gestamp holds the remaining 50%.

Edscha Division (Mechanisms)

Has 15 manufacturing plants located in ten different countries: Germany, Spain, Slovakia, the Czech Republic, Russia, the United States, Brazil, China, Korea and Thailand. They all belong to subsidiaries 100% owned by Gestamp, except as follows: our local partner "Shanghai Tractor Internal and Combustion Engine Co., Ltd." holds a minority stake of 45% in a subsidiary that operates a plant in China in which Gestamp holds the remaining 55%; our local partner "Jui Liu Enterprise Co. Ltd" and others hold a 50% stake in a subsidiary that operates a plant in China in which Gestamp holds the remaining 50% (as of December 31, 2016); our local partner "AAPICO Hitech Public Co. Ltd" holds a minority stake of 49% in a subsidiary that operates a plant in Thailand in which Gestamp holds the remaining 51% and our local partner "PHA Pyeonghwa Automotive Co. Ltd." holds a 50% stake in the subsidiary that operates a plant in Korea in which Gestamp holds the remaining 50%.

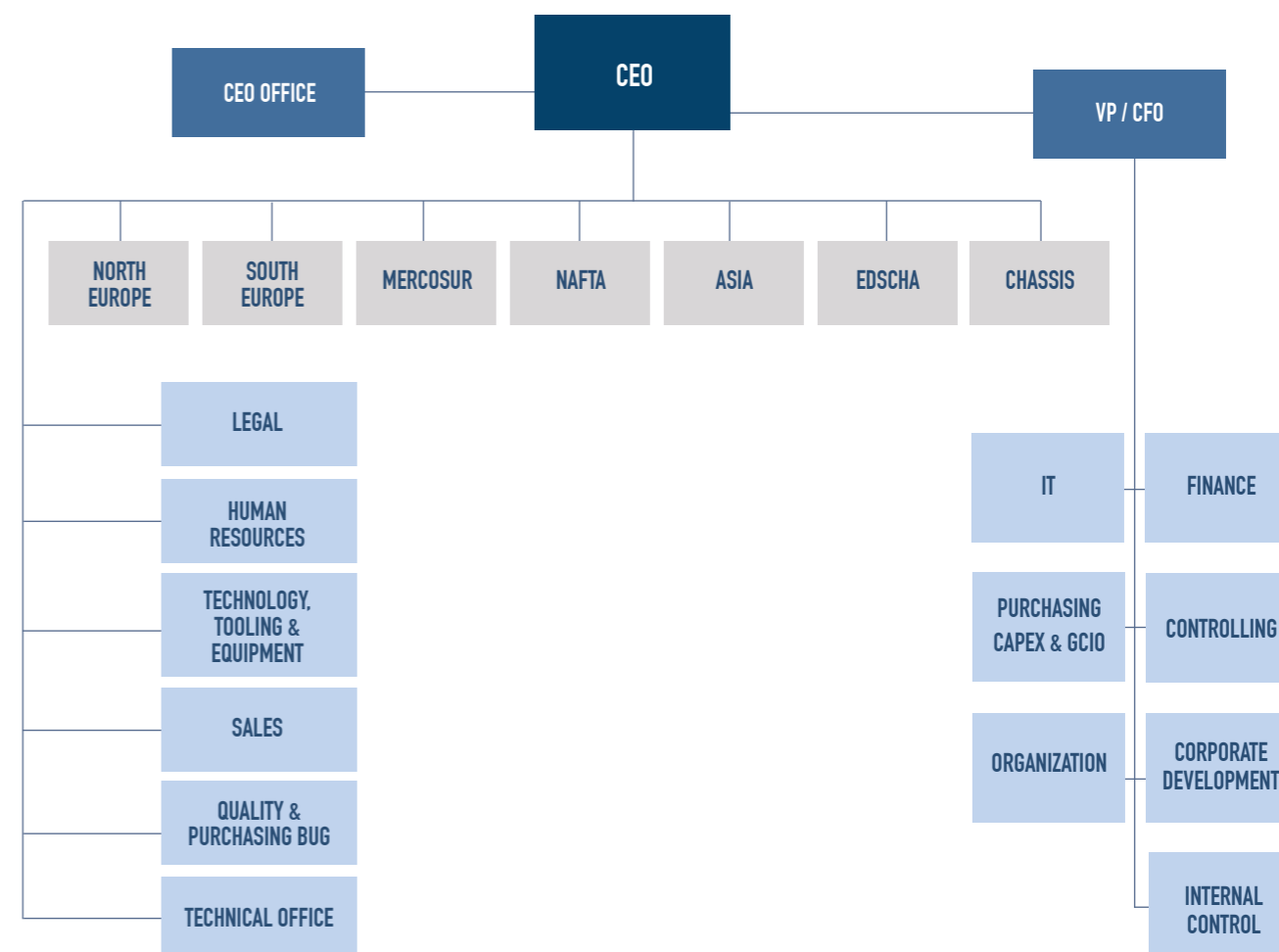
Tooling and Equipment Division

Includes 5 plants located in two different countries: Spain and Mexico. All the plants belong to subsidiaries 100% owned by Gestamp, with the exception of a plant in Mexico in which three Basque public funds (Ekarpen Private Equity, S.A., Ezten FCR, and Basque FCR) hold a total stake of 70% and Gestamp holds the remaining 30%.

Research and Development Division (Autotech subsidiaries)

Includes 12 R&D centers (with an additional one under construction) located in eight different countries: Spain, Germany, France, Sweden, the USA, Brazil, China and Japan. All the centers belong to subsidiaries fully owned by Gestamp.

Some of our operating divisions (Edscha, Tooling and Equipment, and Research and Development) are part of more than one of our geographic segments.



Group companies

EUROPE

- Adral, Matricería y Puesta a Punto, S.L.
- Almussafes Mantenimiento de Troqueles, S.L.U.
- Automotive Chassis Products UK Limited
- Autotech Engineering, AIE
- Autotech Engineering Deutschland, GmbH
- Autotech Engineering R+D, UK Limited
- Bero Tools, S.L.
- Beyçelik Gestamp, A.S.
- Beyçelik Gestamp Şasi Otomotiv
- CP Projects Limited
- Diede Die Developments, S.L.
- Edscha Automotive Hauzenberg GmbH
- Edscha Automotive Hengersberg GmbH
- Edscha Automotive Kamenice S.R.O.
- Edscha Automotive Italia, S.R.L.
- Edscha Briey, S.A.S.
- Edscha Burgos, S.A.
- Gestamp Dienstleistungs, GmbH
- Edscha Engineering, GmbH
- Edscha Engineering France S.A.S.
- Edscha Hauzenberg Real Estate, GmbH & Co. KG
- Edscha Hengersberg Real Estate, GmbH & Co. KG
- Edscha Holding GmbH
- Edscha Hradec S.R.O.
- Edscha Togliatti, LLC
- Edscha Kunststofftechnik GmbH
- Edscha Santander, S.A.
- Edscha Velky Meder S.R.O.
- Essa Palau, S.A.
- Esmo Metal, S.L.
- G Finance Luxembourg, S.A.
- Gestamp 2008, S.L.
- Gestamp 2017, S.L.U.
- Gestamp Abrera, S.A.
- Gestamp Aragón, S.A.
- Gestamp Automoción, S.A.
- Gestamp Aveiro-Indústria de Acessórios de Automóveis, S.A.
- Gestamp Beyçelik Craiova, S.R.L.
- Gestamp Bizkaia, S.A.
- Gestamp Cerveira, Lda.
- Gestamp Esmar, S.A.
- Gestamp Finance Slovakia, S.R.O.
- Gestamp Funding Luxembourg, S.A.
- Gestamp Galvanizados, S.A.
- Gestamp Global Tooling, S.L.
- Gestamp Griwe Haynrode GmbH
- Gestamp Griwe Hot Stamping GmbH
- Gestamp Griwe Westerborg GmbH
- Gestamp Hardtech, A.B.
- Gestamp Holding Argentina, S.L.
- Gestamp Holding China, A.B.
- Gestamp Holding México, S.L.
- Gestamp Holding Rusia, S.L.
- Gestamp Hungría, Kft.
- Gestamp Ingeniería Europa Sur, S.L.
- Gestamp Levante, S.A.
- Gestamp Linares, S.A.
- Gestamp Louny, s.r.o.
- Gestamp Manufacturing Autochasis, S.L.
- Gestamp Metalbages, S.A.
- Gestamp Navarra, S.A.
- Gestamp North Europe Services, S.L.
- Gestamp Noury S.A.S.
- Gestamp Palencia, S.A.
- Gestamp Polska Sp. z. o. o.
- Gestamp Prisma, S.A.S.
- Gestamp Ronchamp, S.A.S.
- Gestamp Servicios, S.A.
- Gestamp-Severstal-Kaluga, LLC
- Gestamp Severstal Vsevolozhsk LLC
- Gestamp Solblank Barcelona, S.A.
- Gestamp Solblank Navarra, S.L.U.
- Gestamp Sweden, A.B.
- Gestamp Tallent Limited
- Gestamp Tech, S.L.
- Gestamp Technology Institute, S.L.
- Gestamp Togliatti
- Gestamp Toledo, S.A.
- Gestamp Tool Hardening, S.L.
- Gestamp Tooling Engineering Deutschland GmbH
- Gestamp Tooling Services, AIE
- Gestamp Try Out Services, S.L.
- Gestamp Umformtechnik GmbH
- Gestamp Vendas Novas Lda.
- Gestamp Vigo, S.A.
- Gestamp Washington UK Limited
- Gestamp Wroclaw, Sp.z.o.o.
- Gestión Global de Matricería, S.L.
- GMF Holding, GmbH
- Industrias Tamer, S.A.
- Ingeniería Global Metalbages, S.A.
- Ingeniería y Construcción de Matrices, S.A.
- IxCxT, S.A.
- Loire SAFE
- Matricería Deusto, S.L.
- Metalbages Aragón P21, S.L.U.
- Metalbages P51, S.L.
- Mursolar 21, S.L.
- Societe Civile Immobilière de Tournan Responsabilité Limitée
- Societe Generale de Financement, S.A.
- Sofedit S.A.S.
- Tavor Internacional SGPS, Lda
- Todlem, S.L.
- Gestamp Nitra, S.R.O.

SOUTH AMERICA

- Gestamp Argentina, S.A.
- Gestamp Baires, S.A.
- Gestamp Brasil Indústria de Autopeças S/A
- Gestamp Córdoba, S.A.
- Edscha Do Brasil, Ltda.

NORTH AMERICA

- Autotech Engineering R&D USA, Inc.
- Ed. Scharwaechter Mechanisms, S.A.P.I. de C.V.
- Ed. Scharwaechter Mechanisms Servicios Laborales, S.A.P.I. de C.V.
- Edscha Automotive Michigan, Inc.
- Gestamp Aguascalientes, S.A. de C.V.
- Gestamp Alabama, LLC
- Gestamp Cartera de México, S.A de C.V.
- Gestamp Chattanooga, LLC
- Gestamp Chattanooga II, LLC
- Gestamp Mason, LLC
- Gestamp Mexicana de Servicios Laborales, S.A. de C.V.
- Gestamp North America, Inc.
- Gestamp Puebla, S.A. de C.V.
- Gestamp Puebla II, S.A. de C.V.
- Gestamp Servicios Laborales de Toluca, S.A. de C.V.
- Gestamp South Carolina, LLC
- Gestamp Toluca, S.A. de C.V.
- Gestamp West Virginia LLC
- GGM Puebla S.A. de C.V.
- GGM Puebla Servicios Laborales, S.A. de C.V.
- Mexicana de Servicios Laborales, S.A. de C.V.
- Gestamp San Luis Potosí, S.A.P.I. de C.V.
- Gestamp San Luis Potosí Servicios Laborales, S.A.P.I. de C.V.
- Gestamp Washtenaw, LLC

ASIA

- Anhui Edscha Automotive Parts, Co. Ltd.
- Edscha Aapico Automotive Co. Ltd.
- Edscha Automotive Components (Kunshan) Co., Ltd.
- Edscha Automotive Technology (Shanghai) Co., Ltd.
- Edscha PHA, Ltd.
- Gestamp Auto Components (Chongqing) Co., Ltd.
- Gestamp Auto Components (Shenyang) Co., Ltd.
- Gestamp Auto Components (Wuhan) Co., Ltd.
- Gestamp Auto Components (Dongguan) Co.
- Gestamp Auto Components (Kunshan) Co., Ltd.
- Gestamp Automotive Chennai Private Limited
- Gestamp Automotive India Private Limited
- Gestamp Automotive Sanand, Private Limited
- Gestamp Edscha Japan Co., Ltd.
- Gestamp Kartek Corp.
- Gestamp Metal Forming (Wuhan) Ltd.
- Gestamp Pune Automotive Private Limited
- Gestamp Services India Private Limited
- Kunshan Gestool Tooling Manufacturing Co., Ltd.
- Jui Li Edscha Body Systems Co., Ltd.
- Jui Li Edscha Hainan Industry Enterprise Co., Ltd.
- Jui Li Edscha Holding Co., Ltd.
- Shanghai Edscha Machinery Co., Ltd.
- Gestamp Hot Stamping Japan Co., Ltd.
- Autotech Engineering (Shanghai) Co., Ltd

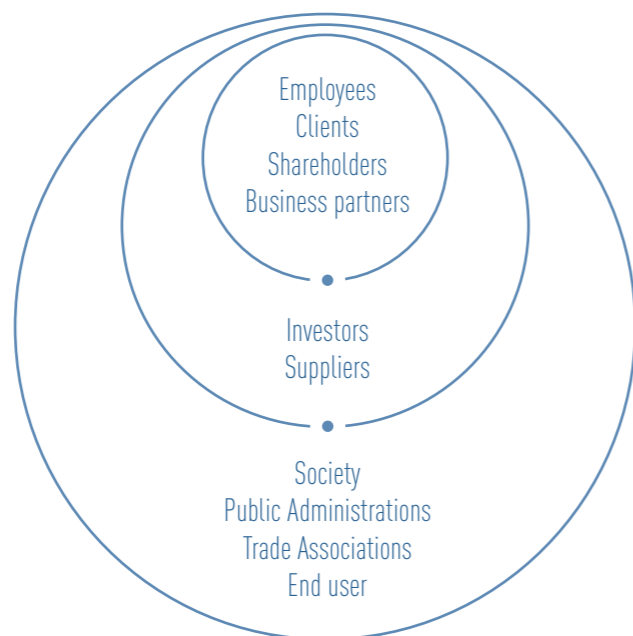
CORPORATE HEADQUARTERS

- GESTAMP AUTOMOCIÓN
Polígono Industrial de Lebario
48220 Abadiño - Vizcaya (Spain)
- GESTAMP GROUP
Calle Alfonso XII, 16
28014 Madrid (Spain)

STAKEHOLDERS

Supported by our strong track record in regulatory compliance, internal controls and risk management, we seek to build and develop transparent and trust-based relationships with all our stakeholders, including our employees, suppliers, shareholders and other social and institutional organizations in the sectors in which we operate.

We realize that our stakeholders are what determines the development of our business. Knowing and complying with their requirements and expectations is a priority for the Group. Therefore, we foster constant and fluid communication and a lasting, close and trusted relationship.



STAKEHOLDER	EXPECTATIONS	COMMUNICATION CHANNEL
Employees	<ul style="list-style-type: none"> Respect for their rights. Safe and healthy working environment. Training for their career development and the correct performance of their tasks. Job stability and wages according to their responsibility, tasks and geographic situation. 	<ul style="list-style-type: none"> Corporate intranet: One Gestamp. Code of Conduct. Direct, personal contact at each center. Newsletters. Suggestion boxes.
Clients	<ul style="list-style-type: none"> Products meeting or exceeding the required quality and safety characteristics and levels, at a competitive price. Supplier located near the areas where clients have their factories so as to guarantee supply. Trade partner with which to evolve towards end products that are more innovative, safer, environmentally responsible and smart, responding to society's demands. Guarantee compliance with human rights throughout the value chain in the automotive industry. 	<ul style="list-style-type: none"> Daily operating contact with client plants. Annual meetings at a corporate level. Client audits. Visits by clients to manufacturing plants. Corporate website.

STAKEHOLDER	EXPECTATIONS	COMMUNICATION CHANNEL
Shareholders	<ul style="list-style-type: none"> Safe, high returns. A company focusing on permanence over time based on sustainability. Trust: Gestamp as a strong, growing company with a correct business reputation. 	<ul style="list-style-type: none"> Annual Shareholders' Meeting. Quarterly financial results reports. Corporate website.
Business partners	<ul style="list-style-type: none"> Alliances contributing returns and synergies. Partners with a stable, growing and strong financial situation. A company with an appropriate business reputation. 	<ul style="list-style-type: none"> Boards of Directors. Quarterly financial results reports. Corporate website.
Investors	<ul style="list-style-type: none"> Safe, high returns from the bonds that are issued. Trust: Gestamp as a strong, growing company with a correct business reputation. 	<ul style="list-style-type: none"> Quarterly financial results reports. Conferences, forums, meetings and conferences. Corporate website.
Suppliers	<ul style="list-style-type: none"> Stable, long-lasting relationships ensuring a long-term profitable trade relationship. Suitable payment conditions and products and services delivered on time. The requirements demanded from suppliers are in the sector's value chain. 	<ul style="list-style-type: none"> Gestamp Supplier Portal. Code of Conduct. Direct, personal contact at each center.
Society	<ul style="list-style-type: none"> Generate a positive impact in the zone, mainly due to a more dynamic economy, job creation and social development. Environmentally-friendly plants. Ethical conduct ensuring the correct development of the business fabric and enabling value generation in the environment. 	<ul style="list-style-type: none"> Corporate website. Discussion at a local level. Participation in business and social forums and associations. Social networks.
Public Administrations	<ul style="list-style-type: none"> Compliance with applicable legislation. Employment and wealth creation. Contribution to the production / business fabric. Tax contributions. Investment in R&D. 	<ul style="list-style-type: none"> Constant communication among the various centers at the local, division and corporate levels. Corporate website.
Trade Associations	<ul style="list-style-type: none"> Sum of efforts for the collective protection of common interests. Companies with a strong business reputation making a positive contribution to the industry image. 	<ul style="list-style-type: none"> Participation in industry forums, conversations and meetings.
End user	<ul style="list-style-type: none"> Safer, environmentally-friendly and innovative end products. End products requiring less maintenance. 	<ul style="list-style-type: none"> Meetings and collaboration with our clients to find out the needs and expectations of their own clients and respond to them.

METHODOLOGY USED TO PREPARE THE REPORT

Scope and coverage

This Report refers to the period between 1 January and 31 December 2016 and it applies to all the Gestamp Automoción activities in the regions where we are present.

Wherever there are limitations in the scope, cover or changes in the consolidated group or other restrictions on information, the relevant specifications have been made, either in the relevant chapter or in the Global Reporting Initiative (GRI) performance indicators tables.

We also use other reports to inform more specifically on certain matters, for instance, the Consolidated Financial Statements for the year ended 31 December 2016 in this case, with the goal to reinforce the information with regard to economics or the Gestamp Automoción IPO prospectus published at Spain's National Securities Market Commission (CNMV) on March 23, 2017.

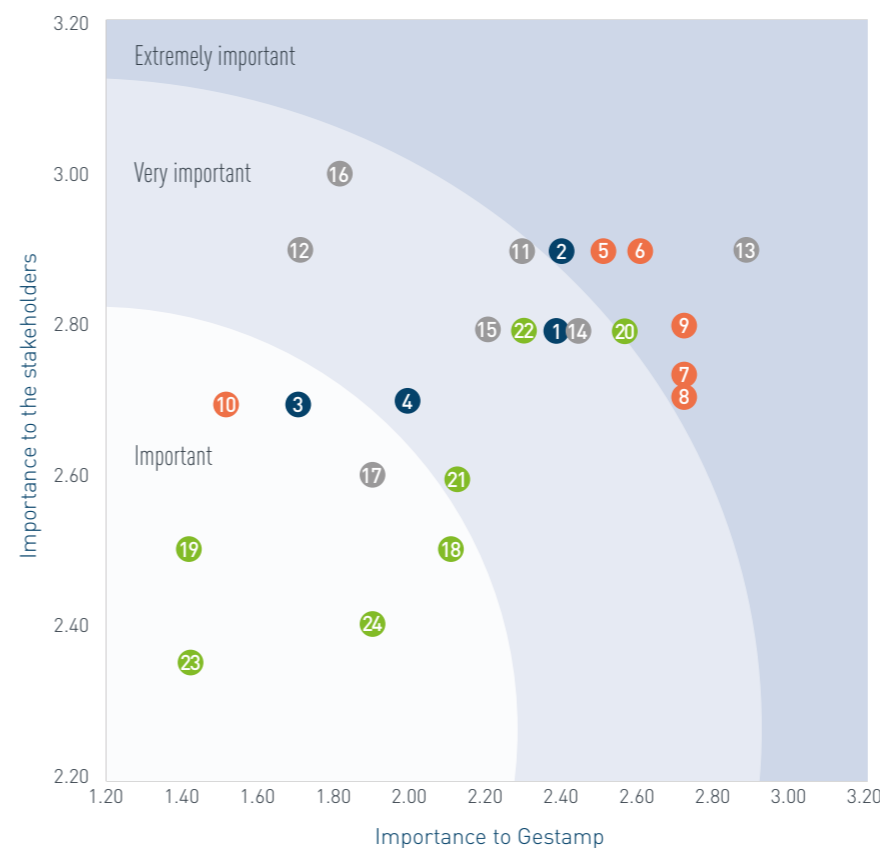
Materiality analysis

This report is intended to provide a comprehensive identification and report of anything that might have a significant economic, social or environmental impact on the company, with the goal to align our strategy with the concerns and expectations of our stakeholders.

This year we continue reporting in accordance with the G4 version of the *Global Reporting Initiative*, which has enabled us to undertake a thorough analysis of the aspects that are most relevant for our company.

During this year, there has been an update of the material aspects already identified in 2016, adapting them to the company's current context without losing sight of the framework of our vision, strategic plan and corporate principles.

We have analyzed each aspect from the points of view of our key stakeholders and of the company itself, obtaining the following matrix as the outcome:



- **Corporate Governance and ethics** 1 2 3 4
- **Economic** 5 6 7 8 9 10
- **Social (Employees and Society)** 11 12 13 14 15 16 17
- **Environment** 18 19 20 21 22 23 24

	MATERIAL ASPECTS	COVER
Extremely important	13 Health and Safety	●
	9 Innovation and Technology	○●
	6 Risk management	○●
	8 Product quality	●
	7 Client satisfaction	●
	5 Financial Soundness	●
Very important	2 Compliance and Business Ethics	●
	20 Energy efficiency	○●
	14 Training and professional development	●
	1 Corporate Governance	●
	11 Compliance with Human Rights	●
	22 Emissions reduction	○●
	15 Equal Opportunities	●
	16 Involvement in the automotive sector	○
	4 Dialogue with Stakeholders	○●
	12 Labor Relations	●
21 Waste management	○●	
Important	17 Investment in the community	○●
	18 Raw Materials and Provisioned Material	○●
	3 Transparency	●
	24 Climate Change	○●
	10 Supply chain management	●
	19 Water management	○●
	23 Biodiversity	○

Cover: Internal ● External ○

International standard

Gestamp Automoción's Sustainability Report 2016 was prepared in accordance with the Global Reporting Initiative (GRI) international standard, version G4, "comprehensive" option.

Independent review

In order to reinforce the veracity and precision of the information set out in this report, it has been reviewed independently by Ernst & Young considering:

- The Action Guide for reviews of Corporate Social Responsibility issued by the Institute of Auditors and Certified Public Accountants of Spain (ICJCE).
- The ISAE 3000 (Revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information standard issued by the International Auditing and Assurance Standard Board (IAASB) of the International Federation of Accountants (IFAC), with limited assurance.

In addition, Gestamp Automoción S.A.'s and its subsidiaries' Consolidated Financial Statements are audited annually by external independent companies in compliance with applicable law.

GRI G4 CONTENTS AND INDICATORS INDEX

GENERAL STANDARD DISCLOSURES

Indicator	Description	Page/ Information (Omission)	External Assurance									
STRATEGY AND ANALYSIS												
G4-1	Provide a statement from the most senior decision-maker of the organization.	Pages 6-7	✓									
G4-2	Provide a description of key impacts, risks, and opportunities.	Pages 6-7, 14-22,114-115	✓									
ORGANIZATIONAL PROFILE												
G4-3	Name of the organization.	Gestamp Automoción S.A.	✓									
G4-4	Brands, products, and services.	Pages 12-13	✓									
G4-5	Location of the organization's headquarters.	Page 121	✓									
G4-6	Report the number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report.	Pages 11, 118-119	✓									
G4-7	Report the nature of ownership and legal form.	Pages 94 y 118-119	✓									
G4-8	Report the markets served.	Pages 11, 118-119	✓									
G4-9	Report the scale of the organization.	Pages 11, 118-119	✓									
G4-10	a. Report the total number of employees by employment contract and gender. b. Report the total number of permanent employees by employment type and gender. c. Report the total workforce by employees and supervised workers and by gender. d. Report the total workforce by region and gender. e. Report whether a substantial portion of the organization's work is performed by workers who are legally recognized as self-employed, or by individuals other than employees or supervised workers, including employees and supervised employees of contractors. f. Report any significant variations in employment numbers.	Pages 11, 55-56	✓									
G4-11	Percentage of total employees covered by collective bargaining agreements.	<table border="1"> <thead> <tr> <th>Percentage of employees covered by collective bargaining agreements</th> <th>2015</th> <th>2016</th> </tr> </thead> <tbody> <tr> <td>Nr. of employees covered by collective agreement</td> <td>20,440</td> <td>21,849</td> </tr> <tr> <td>% of employees covered by collective agreement</td> <td>60%</td> <td>60%</td> </tr> </tbody> </table>	Percentage of employees covered by collective bargaining agreements	2015	2016	Nr. of employees covered by collective agreement	20,440	21,849	% of employees covered by collective agreement	60%	60%	✓
Percentage of employees covered by collective bargaining agreements	2015	2016										
Nr. of employees covered by collective agreement	20,440	21,849										
% of employees covered by collective agreement	60%	60%										
G4-12	Describe the organization's supply chain.	Pages 14-15 y 74-75	✓									
G4-13	Report any significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain.	Pages 6-7, 14-22,114-115, 118	✓									
G4-14	Report whether and how the precautionary approach or principle is addressed by the organization.	Pages 18-22	✓									
G4-15	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.	Pages 6-7,58,83	✓									

Indicator	Description	Page/ Information (Omission)	External Assurance	
G4-16	List memberships of associations (such as industry associations) and national or international advocacy organizations in which the organization participates.			
	EUROPE 51	CEDE / CEPYME - Confederación Española de Organizaciones Empresariales AEC - Asociación Española de Calidad SERNAUTO - Asociación Española de Fabricantes de Equipos y Componentes para la Automoción CEAGA - Clúster de empresas de automoción de Galicia ACICAE - Asociación empresarial de industrias de componentes de automoción de Euskadi GIRA - Clúster de Automoción de Cantabria UPM - Unión Patronal Metalúrgica Catalana FEMEVAL - Federación Empresarial Metalúrgica Valenciana AIMME - Instituto Tecnológico Metalmeccánico de Valencia AVIA - Asociación Valenciana de la Industria de la Automoción CPOE - Confederación Patentina de Organizaciones Empresariales FACYL - Federación de Castilla y León de automovilismo Cluster de Indústria Automoció Catalunya CAAR - Cluster de Automoción de Aragón ANEM - Asociación Navarra de Empresas del Metal FVEM - Federación Vizcaína de Empresas del Metal Instituto de la Empresa Familiar A.F.M. - Asociación de Fabricantes de Máquina-Herramienta ADEGI - Asociación de Empresarios Guipuzkoanos INVEMA - Instituto de Verificación de Maquinaria Asociación Española de Dirección de Personal Consell Tecnològic del Bages Federación de empresarios de Jaén Agrupación de empresas innovadoras de Jaén ASIME - Asociación de Industriales Metalúrgicos de Galicia FEDETO - Federación Empresarial Toledana	CETEMET - Centro Tecnológico Metalmeccánico y del Transporte CONFEMETAL - Confederación Española de Organizaciones Empresariales BCSD Portugal - Conselho Empresarial para o Desenvolvimento Sustentável AECOIA - Associação Empresarial do Concelho de Oliveira de Azeméis AINMAP - Associação das Industrias Metalúrgicas, Metalomeccánicas e Afins de Portugal Câmara de Comércio Luso-Espanhola de Porgual German Chamber of Commerce VDA - Verband der Automobilindustrie UIMM - Union des Industries et des Métiers de la Métallurgie France GEIC stands for Groupement d'Employeurs pour l'Insertion et la Qualification France Association of European Business of Russia Luleå University of Technology Svenskt Näringsliv (Swedish Enterprise association) Industrierbetsgivarna (Industrial Employers association of Sweden) Fordonskomponentgruppen FKG (Association for Swedish suppliers to OEM) IMechE - Institute of Mechanical Engineers in the United Kingdom CBI - The Confederation of British Industries EEF - Manufacturers Organisation for UK Junta de conservación del polígono El Pradillo Kal-Der. Society for quality BUG AD. Association for young business men. BTSO. Industrial organization BUS AD Association for business men. Erfurt - chamber of commerce and industry British Safety Council	✓
	NORTH AMERICA 19	South Carolina Chamber of Commerce Union County Development Board in South Carolina CAMC - Capital Area Manufacturing Council Chattanooga Chamber of Commerce West Virginia Manufacturers Association Society of Automobile Engineers USA Original Equipment Supplier Association USA WV Workforce Development Board Charleston Area Alliance BridgeValley Manufacturing Sector Education Committee	Society for Human Resources Management USA American Society of Employers COPARMEC - Confederación Patronal de la República Mexicana CANACINTRA - Cámara Nacional de la Industria de la Transformación de México ARITAC - Asociación de Relaciones Industriales de Toluca - México ARIAAC - Asociación De Relaciones Industriales de Aguascalientes - México ALTRATEC - Sistema de educación Dual Estado de Mexico RIPTAC - Relaciones Industriales de Puebla y Tlaxcala, AC Camara Nacional de la Industria en Aguascalientes	
	SOUTH AMERICA 3	AFAC - Asociación de Fabricantes de Autocomponentes de Argentina UIC - Unión Industrial Córdoba - Argentina	CIMCC - Cámara de Industriales Metalúrgicos de Córdoba - Argentina	
	ASIA 11	CII - Confederation of Indian Industries EFSI - Employers' Federation of Southern India SHARP - Society for Human & Allied Resource Professional Forum German Chamber of Commerce in China Shanghai China University Recruitment Shanghai Association of Enterprises with Foreign Investment	China Government Safety production meeting CHROMA - Chennai Human Resource Management Association Kunshan Human Resources Association Society of Indian Automobile Manufacturers Indo-German Chamber of Commerce	
IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES				
G4-17	List all entities included in the organization's consolidated financial statements or equivalent documents.	Consolidated Financial Statements 2016	✓	
G4-18	Describe the process for defining the report content and the Aspect Boundaries. Explain how the organization has implemented the Reporting Principles for Defining Report Content.	Pages 124-26	✓	
G4-19	List all the material Aspects identified in the process for defining report content.	Pages 124-26	✓	
G4-20	Report the Aspect Boundary within the organization.	Pages 124-26	✓	
G4-21	Report the Aspect Boundary outside the organization.	Pages 124-26	✓	

Indicator	Description	Page/ Information (Omission)	External Assurance
G4-22	Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements.	During 2016 it has not been reexpressed information of previous reports.	✓
G4-23	Report significant changes from previous reporting periods in the Scope and Aspect Boundaries.	Pages 124-26	✓
STAKEHOLDER ENGAGEMENT			
G4-24	Provide a list of stakeholder groups engaged by the organization.	Pages 122-123	✓
G4-25	Report the basis for identification and selection of stakeholders with whom to engage.	Pages 122-123	✓
G4-26	Report the organization's approach to stakeholder engagement.	Pages 122-123	✓
G4-27	Report key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	Pages 122-123	✓
REPORT PROFILE			
G4-28	Reporting period (such as fiscal or calendar year) for information provided.	Page 124	✓
G4-29	Date of most recent previous report (if any).	Page 124	✓
G4-30	Reporting cycle (such as annual, biennial).	Page 124	✓
G4-31	Provide the contact point for questions regarding the report or its contents.	sustainabilityreport@gestamp.com	✓
G4-32	Report the 'in accordance' option the organization has chosen. Report the GRI Content Index for the chosen option. Report the reference to the External Assurance Report, if the report has been externally assured.	Page 124-126	✓
G4-33	Report the organization's policy and current practice with regard to seeking external assurance for the report. If not included in the assurance report accompanying the sustainability report, report the scope and basis of any external assurance provided. Report the relationship between the organization and the assurance providers. Report whether the highest governance body or senior executives are involved in seeking assurance for the organization's sustainability report.	Pages 124-126	✓
GOVERNANCE			
G4-34	Report the governance structure of the organization, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts.	Pages 94-95	✓
G4-35	Report the process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees.	Pages 105-106	✓
G4-36	Report whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body.	Pages 105-106	✓
G4-37	Report processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics. If consultation is delegated, describe to whom and any feedback processes to the highest governance body.	Page 96	✓
G4-38	Report the composition of the highest governance body and its committees.	Pages 98-103	✓

Indicator	Description	Page/ Information (Omission)	External Assurance
G4-39	Report whether the Chair of the highest governance body is also an executive officer (and, if so, his or her function within the organization's management and the reasons for this arrangement).	Page 104	✓
G4-40	Report the nomination and selection processes for the highest governance body and its committees, and the criteria used for nominating and selecting highest governance body members.	Pages 107-108	✓
G4-41	Report processes for the highest governance body to ensure conflicts of interest are avoided and managed. Report whether conflicts of interest are disclosed to stakeholders.	Page 114	✓
G4-45	Report the highest governance body's role in the identification and management of economic, environmental and social impacts, risks, and opportunities.	Page 105-106, 115	✓
G4-46	Report the highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics.	Page 105-106, 115	✓
G4-47	Report the frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities.	Page 117	✓
G4-48	Report the highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material Aspects are covered.	Presidency	✓
G4-49	Report the process for communicating critical concerns to the highest governance body.	Page 59 and 115	✓
G4-50	Report the nature and total number of critical concerns that were communicated to the highest governance body and the mechanism(s) used to address and resolve them.	Page 59 and 115	✓
G4-51	Report the remuneration policies for the highest governance body and senior executives.	Pages 110-112	✓
G4-52	Report the process for determining remuneration.	Pages 110-112	✓
G4-53	Report how stakeholders' views are sought and taken into account regarding remuneration, including the results of votes on remuneration policies and proposals, if applicable.	Pages 110-112	✓
G4-54	Report the ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country.	Confidential information.	
G4-55	Report the ratio of percentage increase in annual total compensation for the organization's highest-paid individual in each country of significant operations to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) in the same country.	Confidential information.	
ETHICS AND INTEGRITY			
G4-56	Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.	Pages 10, 58-59	✓
G4-57	Report the internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity.	Pages 10, 58-59	✓
G4-58	Report the internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity.	Pages 10, 58-59	✓

SPECIFIC STANDARD DISCLOSURES

Indicator	Description	Page/ Information (Omission)	External Assurance																																																																
CATEGORY: ECONOMIC																																																																			
ASPECT: ECONOMIC PERFORMANCE																																																																			
G4-DMA		Pages 10-27	✓																																																																
G4-EC1	Direct economic value generated and distributed.	Pages 23-26	✓																																																																
G4-EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	Pages 22, 49, 73-75 Section of Risk and Opportunities of CDP questionnaire 2015.	✓																																																																
G4-EC4	Financial assistance received from government.	Consolidated Financial Statements 2016.	✓																																																																
ASPECT: MARKET PRESENCE																																																																			
G4-DMA		Pages 11-27	✓																																																																
G4-EC6	Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.	Page 56. Of all plant managers, 76,3% have local nationality.	✓																																																																
ASPECT: INDIRECT ECONOMIC IMPACTS																																																																			
G4-DMA		Pages 85-91	✓																																																																
G4-EC7	Development and impact of infrastructure investments and services supported.	Pages 86-87	✓																																																																
ASPECT: PROCUREMENT PRACTICES																																																																			
G4-DMA		Pages 41-43	✓																																																																
G4-EC9	Proportion of spending on local suppliers at significant locations of operation.	Page 41	✓																																																																
CATEGORY: ENVIRONMENTAL																																																																			
ASPECT: MATERIALS																																																																			
G4-DMA		Pages 22, 37-38, 49, 72-83	✓																																																																
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G4-EN2	Percentage of materials used that are recycled input materials.	Pages 77-79	✓																																																																

Indicator	Description	Page/ Information (Omission)	External Assurance																																																	
G4-EN17	Other indirect greenhouse gas (GHG) emissions (Scope 3).	Other indirect greenhouse gas emissions (tCO₂ eq)																																																		
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G4-EN18	Greenhouse gas (GHG) emissions intensity.	Toneladas de CO ₂ / Toneladas de acero consumido= 0,19	✓																																																	
G4-EN19	Reduction of greenhouse gas (GHG) emissions.	Pages 77-78	✓																																																	
G4-EN20	Emissions of ozone-depleting substances (ODS).	Gestamp has not generated significant emissions of substances that destroy the ozone layer	✓																																																	
G4-EN21	NO _x , SO _x , and other significant air emissions.	SO₂ y NO_x emissions (t)																																																		
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ASPECT: EFFLUENTS AND WASTE																																																				
G4-DMA		Pages 76-77, 79	✓																																																	
G4-EN22	Total water discharge by quality and destination.	The waste water generated is managed according to the regulations and normatives that apply in the country, so that in all the Gestamp centers discharging of waste water is done in a controlled way to the sewerage system where it will receive the appropriate treatment. In addition, all the waste water from our facilities is periodically analysed to check that it meets the specific restrictions of authorisation of discharges.	✓																																																	

Indicator	Description	Page/ Information (Omission)	External Assurance																																																
G4-EN23	Total weight of waste by type and disposal method.	Dangerous and not dangerous waste generation (tons)																																																	
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Generación total	1,050,085	1,105,235																																																	
✓																																																			
G4-EN24	Total number and volume of significant spills.	There have not been significant spills, considering significant spills those that can not be solved by own methods and external help is needed or those that are necessary remediation measures.	✓																																																
G4-EN25	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	Page 79	✓																																																
ASPECT: PRODUCTS AND SERVICES																																																			
G4-DMA		Pages 12-13, 34, 45-53	✓																																																
G4-EN27	Extent of impact mitigation of environmental impacts of products and services.	Pages 12-13, 34, 45-53	✓																																																
G4-EN28	Percentage of products sold and their packaging materials that are reclaimed by category.	The packaging of Gestamp products are done according to the client technical specifications.	✓																																																
ASPECT: COMPLIANCE																																																			
G4-DMA		Pages 14, 22, 35-36, 49-50	✓																																																
G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	Page 82. Gestamp has not had significant fines or penalties in 2016 because of breaches of environment regulations.	✓																																																
ASPECT: OVERALL																																																			
G4-DMA		Pages 73-76	✓																																																
G4-EN31	Total environmental protection expenditures and investments by type.	Page 76	✓																																																
ASPECT: SUPPLIER ENVIRONMENTAL ASSESSMENT																																																			
G4-DMA		Pages 42-43	✓																																																
G4-EN32	Percentage of new suppliers that were screened using environmental criteria.	Pages 43	✓																																																
G4-EN33	Significant actual and potential negative environmental impacts in the supply chain and actions taken.	Page 19	✓																																																
ASPECT: ENVIRONMENTAL GRIEVANCE MECHANISMS																																																			
G4-DMA		Page 59	✓																																																
G4-EN34	Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms.	Page 82. Gestamp has not had significant fines or penalties in 2016 because of breaches of environment regulations.	✓																																																

Indicator	Description	Page/ Information (Omission)	External Assurance
CATEGORY: SOCIAL			
SUB-CATEGORY: LABOR PRACTICES AND DECENT WORK			
ASPECT: EMPLOYMENT			
G4-DMA		Pages 54-71	✓
G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region.	There is no information available with the level of detail required.	✓
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation.	There is no information available with the level of detail required.	✓
G4-LA3	Return to work and retention rates after parental leave, by gender.	There is no information available with the level of detail required.	✓
ASPECT: LABOR/MANAGEMENT RELATIONS			
G4-DMA		Pages 57-61	✓
G4-LA4	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements.	It does not exist minimum notice period at Group level. In any case, these are done according to which is specified by the countries regulations.	✓
ASPECT: OCCUPATIONAL HEALTH AND SAFETY			
G4-DMA		Pages 5-6, 19, 61-64	✓
G4-LA5	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	Pages 61-64	✓
G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender.	Pages 61-64	✓
G4-LA7	Workers with high incidence or high risk of diseases related to their occupation.	Pages 61-64	✓
G4-LA8	Health and safety topics covered in formal agreements with trade unions.	Pages 61-64	✓
ASPECT: TRAINING AND EDUCATION			
G4-DMA		Pages 6-7, 66-69	✓
G4-LA9	Average hours of training per year per employee by gender, and by employee category.	Pages 66	✓
G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	Pages 66-67	✓
G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category.	22,766 employees (61,1 %) were evaluated in 2016.	✓
ASPECT: DIVERSITY AND EQUAL OPPORTUNITY			
G4-DMA		Pages 56, 58, 70	✓
G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	Pages 56, 100-103	✓
ASPECT: SUPPLIER ASSESSMENT FOR LABOR PRACTICES			
G4-DMA		Pages 42-43	✓
G4-LA14	Percentage of new suppliers that were screened using labor practices criteria.	Pages 42-43	✓
G4-LA15	Significant actual and potential negative impacts for labor practices in the supply chain and actions taken.	Pages 42-43	✓

Indicator	Description	Page/ Information (Omission)	External Assurance
ASPECT: LABOR PRACTICES GRIEVANCE MECHANISMS			
G4-DMA		Pages 59-60	✓
G4-LA16	Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms.	Page 60	✓
SUB-CATEGORY: HUMAN RIGHTS			
ASPECT: INVESTMENT			
G4-DMA		Page 5-6, 58, 43	✓
G4-HR1	Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening.	Pages 41-43	✓
G4-HR2	Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	There is no information available with the level of detail required.	✓
ASPECT: NON-DISCRIMINATION			
G4-DMA		Pages 56, 58, 70	✓
G4-HR3	Total number of incidents of discrimination and corrective actions taken.	Pages 60	✓
ASPECT: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING			
G4-DMA		Pages 57-58	✓
G4-HR4	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights.	Pages 41-43	✓
ASPECT: CHILD LABOR			
G4-DMA		Pages 58	✓
G4-HR5	Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.	Child labor is not risk factors for the company as our activity is very technical and all employees need to be qualified.	✓
ASPECT: FORCED OR COMPULSORY LABOR			
G4-DMA		Pages 58	✓
G4-HR6	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor.	Forced labor are not risk factors for the company as our activity is very technical and all employees need to be qualified.	✓
ASPECT: ASSESSMENT			
G4-DMA		Pages 58-60	✓
G4-HR9	Total number and percentage of operations that have been subject to human rights reviews or impact assessments.	Page 60	✓
ASPECT: SUPPLIER HUMAN RIGHTS ASSESSMENT			
G4-DMA		Pages 41-43	✓
G4-HR10	Percentage of new suppliers that were screened using human rights criteria.	Pages 41-43	✓
G4-HR11	Significant actual and potential negative human rights impacts in the supply chain and actions taken.	Pages 41-43	✓

Indicator	Description	Page/ Information (Omission)	External Assurance
ASPECT: HUMAN RIGHTS GRIEVANCE MECHANISMS			
G4-DMA		Pages 59-50	✓
G4-HR12	Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms.	Page 60	✓
SUB-CATEGORY: SOCIETY			
ASPECT: LOCAL COMMUNITIES			
G4-DMA		Páginas 84-91	
G4-S01	Percentage of operations with implemented local community engagement, impact assessments, and development programs.	Página 86	✓
G4-S02	Operations with significant actual and potential negative impacts on local communities.	There is no information available with the level of detail required.	✓
ASPECT: ANTI-CORRUPTION			
G4-DMA		Pages 58-60	✓
G4-S03	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified.	Page 60	✓
G4-S04	Communication and training on anti-corruption policies and procedures.	Pages 58-60	✓
G4-S05	Confirmed incidents of corruption and actions taken.	Pages 58-60	✓
ASPECT: COMPLIANCE			
G4-DMA		Page 14, 22	✓
G4-S08	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	Consolidated Financial Statements 2016.	✓
ASPECT: SUPPLIER ASSESSMENT FOR IMPACTS ON SOCIETY			
G4-DMA		Pages 41-43	✓
G4-S09	Percentage of new suppliers that were screened using criteria for impacts on society.	Pages 41-43	✓
G4-S010	Significant actual and potential negative impacts on society in the supply chain and actions taken.	Pages 41-43	✓
ASPECT: GRIEVANCE MECHANISMS FOR IMPACTS ON SOCIETY			
G4-DMA		Pages 58-60	✓
G4-S011	Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms.	Pages 58-60	✓
SUB-CATEGORY: PRODUCT RESPONSIBILITY			
ASPECT: CLIENT HEALTH AND SAFETY			
G4-DMA		Pages 45, 49-50	✓
G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement.	Pages 52-53	✓
G4-PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes.	Page 35	✓

Indicator	Description	Page/ Information (Omission)	External Assurance
ASPECT: PRODUCT AND SERVICE LABELING			
G4-DMA		Pages 35-36	
G4-PR3	Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements.	Pages 35-36	
ASPECT: MARKETING COMMUNICATIONS			
G4-DMA			
G4-PR6	Sale of banned or disputed products.	Gestamp has not sold banned or disputed products.	✓
G4-PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes.	No breach of regulations or voluntary codes regarding marketing communications.	✓
ASPECT: COMPLIANCE			
G4-DMA			✓
G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	Gestamp has not had significant fines or penalties in 2016 because of breaches on regulation about supply and use of products/services of the organization.	✓

GLOBAL COMPACT COP



In 2008 Gestamp endorsed the Principles of the Global Compact, and in 2011 we became a partner. Our compromise with this principles related to human rights, labour rights, environment and corruption, are reflected every year in our Sustainability Report and in the annual Progress Report, which is available in the Global Compact website: www.pactomundial.org.

Furthermore, we go beyond linking the Principles of the Global Compact with the GRI indicators, achieving a more defined and specific vision of our responsibility and compromise.

ISSUES	GLOBAL COMPACT PRINCIPLES	GRI INDICATORS
Human Rights	1. Businesses should support and respect the protection of internationally proclaimed human rights within their sphere of influence.	G4-11, LA6, LA7, LA12, LA13, HR1, HR3-HR6, HR10, PR1
	2. Businesses should make sure they are not complicit in human rights violations.	HR1, HR10, HR3-HR6
Labour Rights	3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	G4-11, LA4, HR1, HR10, HR4
	4. Businesses should uphold the elimination of all forms of forced or compulsory labour.	HR1, HR10, HR6
	5. Businesses should uphold the effective abolition of child labour.	HR1-HR2, HR6
	6. Businesses should uphold the elimination of discrimination in employment and occupation.	EC6, LA1, LA12-LA13, HR1, HR10, HR3
Environment	7. Businesses should support a precautionary approach to environmental challenges.	EN3, EN8, EN11-EN12, EN15-EN17, EN22-EN23, EN28-EN29, PR1, PR3
	8. Businesses should undertake initiatives to promote greater environmental responsibility.	EC2, EN27
	9. Businesses should encourage the development and dissemination of environmentally friendly technologies.	EN27-EN28
Fight against corruption	10. Businesses should work against corruption in all its forms, including extortion and bribery.	SO3-SO5

INDEPENDENT REVIEW REPORT



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INDEPENDENT REVIEW REPORT ON GESTAMP AUTOMOCION GROUP 2016 SUSTAINABILITY REPORT

To the Management of Gestamp Automoción, S.A.

Scope

We have conducted the review of the information of sustainability in the Sustainability Report 2016 (hereinafter the Report) of Gestamp Automoción (hereinafter Gestamp) and in the "GRI G4 Contents and Indicators Index" contained in the "Further information" section. This memory has been elaborated according to stated in the Guide for the preparation of sustainability reports of Global Reporting Initiative (GRI) version 4 (G4).

The scope determined by Gestamp for the preparation of this Report is defined in the section "Scope and coverage" of the accompanying Report.

The preparation of the accompanying Report, as well as the information contained therein, is the responsibility of Gestamp's Chief Executive Officer, who is also responsible for defining, adapting, and maintaining the management and internal control systems from which the information is obtained. Our responsibility is to issue an independent report based on the procedures applied in our review.

Criteria

Our review was carried out based on:

- The guidelines for reviewing Corporate Responsibility Reports, issued by the Spanish Official Register of Auditors of Accounts (ICJCE).
- Standard ISAE 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standard Board (IAASB) of the International Federation of Accountants (IFAC), with a limited level of assurance.

Applied Procedures

Our review consisted in requesting information from Gestamp's corporate responsibility managers and the various managers of business units involved in preparing the Report, and applying certain analytical procedures and sampling review tests, including:

- Interviews with the staff in charge of the preparation of the sustainability information, in order to gain an understanding of how the objectives and Sustainability policies are considered and put into practice and integrated in Gestamp global group strategy.
- Reviewing the processes for the compilation and validation of the sustainability information included in the attached Report.

- Checking, through review tests based on a selection of both qualitative and quantitative information samples of the indicators included in the Content Index and GRI G4 Indicators in Appendices, and its adequate compilation from the data provided from different information sources. The review tests have been defined to provide assurance levels in line with the criteria described in this report

- Verification on the fact that the financial information included in the Report has been audited by independent third parties.

These procedures were performed on information published in Gestamp's 2016 Sustainability Report and in the "GRI G4 Contents and Indicators" in Appendices, with the above mentioned perimeter and scope.

The scope of this review is considerably lower than in a reasonable assurance report. Therefore, the degree of assurance is also less extensive.

This report in no case should be considered an audit report.

Independence

We have met the independence requirements and other ethical requirements of the Code of Ethics for Accounting Practitioners issued by the International Ethics Standards Board for Accountants (IESBA).

Our firm applies the International Quality Control Standard 1 (NICC 1) and maintains, therefore, a global quality control system that includes documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory provisions.

Conclusions

As a result of our review of Gestamp's 2016 Sustainability Report, within the previously described scope, we conclude that no matter came to our attention that would lead us to believe that the Report was not prepared, in all its significant aspects, according to Global Reporting Initiative (GRI) Preparation Guide for Sustainability Reports version 4 (G4), as it is stated in the Report, having reviewed the "GRI G4 Contents and Indicators Index".

This report has been prepared solely for the Management of Gestamp, in accordance with the terms set out in our engagement letter.

ERNST & YOUNG, S.L.

(Free translation from the Original Report on Independent Review in Spanish dated July 13th, 2017. In case of any discrepancy, the Spanish version always prevails.)

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