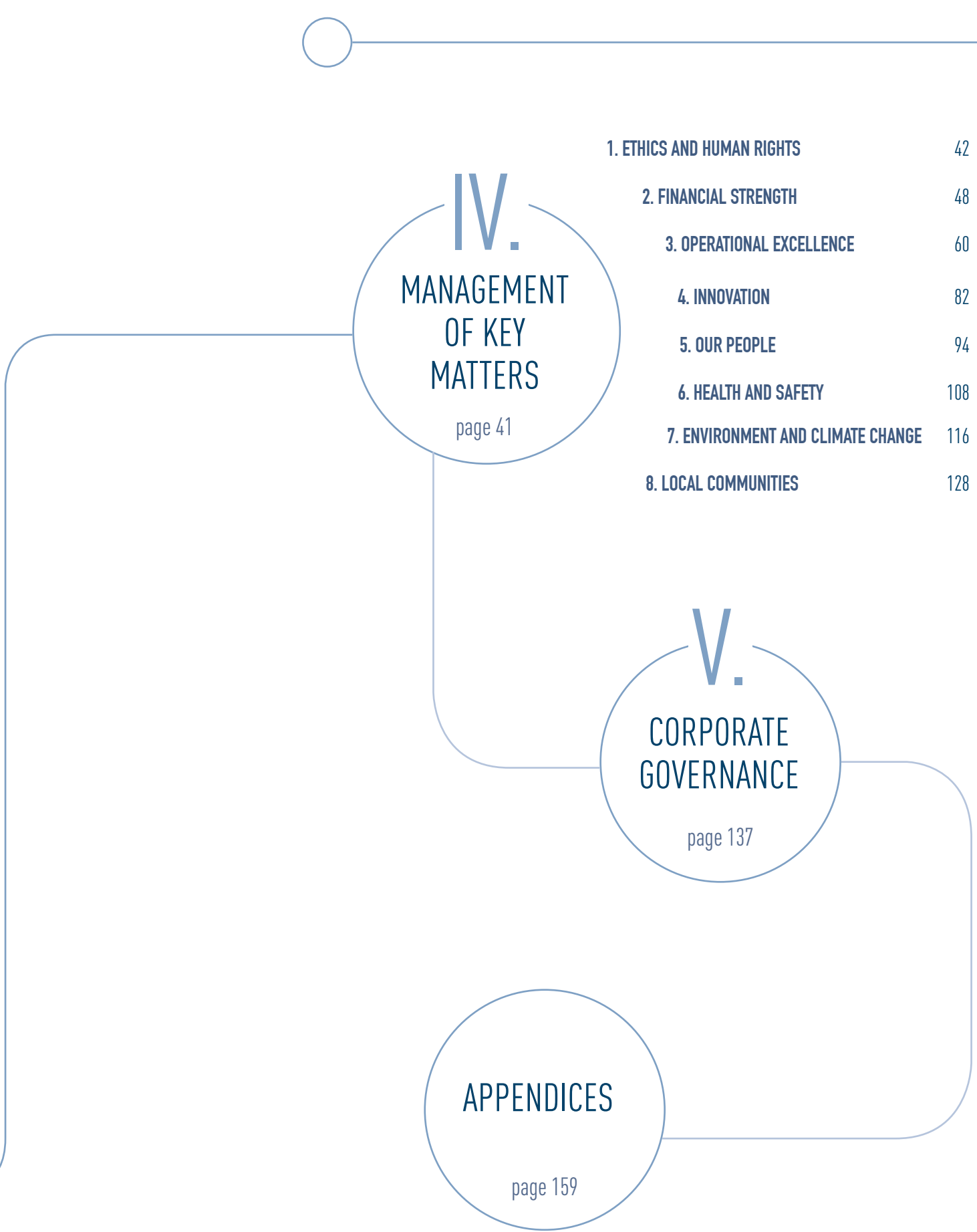
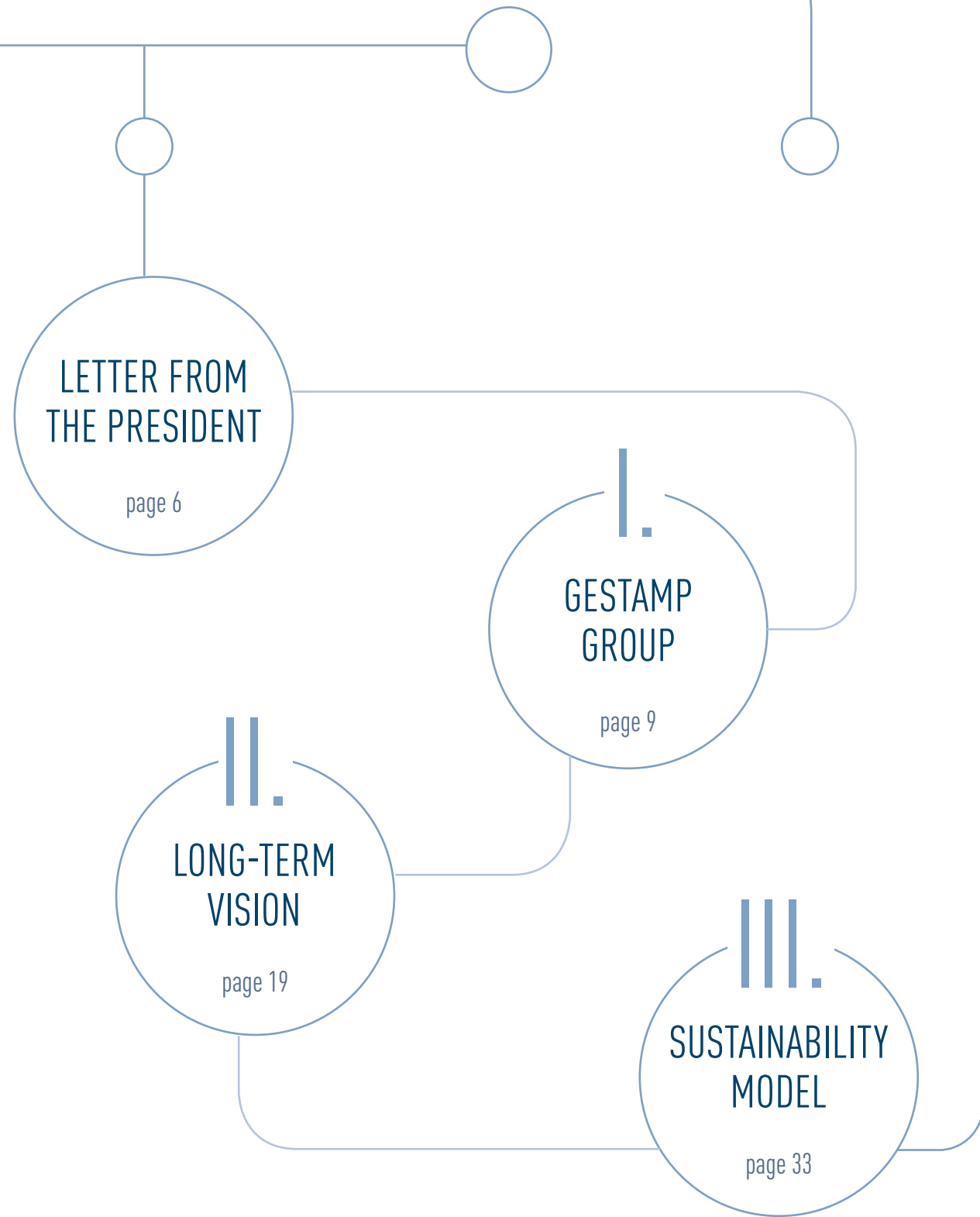




Gestamp 

SUSTAINABILITY REPORT 2017

INDEX



1. ETHICS AND HUMAN RIGHTS	42
2. FINANCIAL STRENGTH	48
3. OPERATIONAL EXCELLENCE	60
4. INNOVATION	82
5. OUR PEOPLE	94
6. HEALTH AND SAFETY	108
7. ENVIRONMENT AND CLIMATE CHANGE	116
8. LOCAL COMMUNITIES	128

IV. MANAGEMENT OF KEY MATTERS

page 41

V. CORPORATE GOVERNANCE

page 137

APPENDICES

page 159



LETTER FROM THE PRESIDENT

In Gestamp's history, 2017 was a very important year. Two decades have passed since the Group was incorporated in December 1997 and on April 7th Gestamp started trading on the Spanish securities markets, becoming a public company.

During this time, all who have been and are now an active part of Gestamp can be proud to have gone from being a small Spanish Group without its own technology to becoming the global leader in design and manufacture of metal components for the automotive sector in just 20 years.

All of this has been made possible thanks to hard work and dedication, a clear strategy maintained throughout the years and respect for the corporate principles and values held by our Group since its foundation. In this new stage as a listed company, Gestamp takes on an additional commitment with the new shareholders and the financial community as a whole, as important new stakeholders of the Group, to be maintained in the long term.

Beyond our specific context, the macroeconomic environment and the automotive sector evolved favourably for our Group in 2017. In this regard, the world's economic growth exceeded initial forecasts, reaching over 3.5% for the first time since the financial crisis of 2008, despite some tensions at a geographical level.

In the automotive sector, growth in the manufacture of light vehicles was moderate, around 2.1% with uneven performance by geographical area. At the strategic level during the year, all trends linked to CASE (*Connectivity, autonomy driving, shared mobility and electrification*) grew in importance.

Beyond our corporate milestones, 2017 was positive in different areas:

Financial

Our consolidated sales grew by 8.6%, reaching 8,201.6 million euros, a growth six times higher than that seen in vehicle production in the countries in which we operate.

In terms of profitability, the EBITDA generated was 889.9 million euros, an increase of 5.8% compared to 2016 (8.8% at a constant exchange rate) and the Group's Net Profit was 239.7 million euros.

In line with the significant investment effort carried out in recent years, the Group allocated 796 million euros to investments during the year, supporting our customers' numerous projects around the world and consolidating the growth path for the coming years.

Innovation

We opened a new R&D centre in Asia, in Shanghai (China), making a total of 13 R&D centres. Additionally, we opened two new facilities in Japan and the United States which replaced existing ones. At the end of the year, we had a team of over 1,500 people linked with both R&D centres and production centres around the world to offer innovative solutions to our customers, with technologies and materials that allow them to manufacture safer, lighter and more efficient vehicles. Specifically, we had more than 250 co-development programmes underway with our clients during 2017.

Operational Excellence

Efficiency in our management and our industrial operations is one of Gestamp's top priorities. Although we had some difficulties in launching new projects in North America in 2017, the efficiency levels of our operations continued to evolve favourably.

The Group has been launching important initiatives for several years in its commitment to Industry 4.0, and with the clear objective of applying new technologies to improve the efficiency of our operations.

Additionally, within the framework of our ONE GESTAMP Programme, we continue to move resolutely towards greater standardisation in areas such as quality and project management.

People

Our global workforce continued to grow during 2017, reaching 41,048 employees. This is 13% more than in 2016 and 43% of accumulated growth over the last 5 years. Support our employees for training and professional development guarantees us a more effective response for our clients. That is why we invested more than 20 million euros in training and developing our workforce, 17% more than in 2016, with an average of 28 training hours per employee.

We conducted a study on the situation of human rights in the Group, which helped us to identify the rights that are key due to their impact, relevance and the need to take greater control.

We launched new projects such as Gestamp People and Family Exchange in 2017 to boost our corporate culture, which have allowed employees to become more aware of our company's global nature.

Health and Safety

Despite the Group's growth, both in terms of activity and number of people, we have improved accident rates thanks to the proper functioning of our Health and Safety System (GHSS) and the growing involvement of all employees to contribute to its improvement.

Environment

At the environmental level, we added eight new Group plants to our environmental management system, being in process of becoming certified under the ISO14001 standard. Rates relating to waste management and production decreased compared to previous years, in line with our commitment to promote a circular economy. Regarding Climate Change mitigation, this year, we have been assessed by the new rating of Carbon Disclosure Project (CDP) "Supplier Engagement Rating", obtaining a higher than average rating.

Corporate Governance

On the occasion of our flotation, the Group's governing bodies, as well as the entire Internal Regime Regulations, were updated in such a way that Gestamp's Corporate Governance complies with the highest standards of quality and transparency.

Local Communities

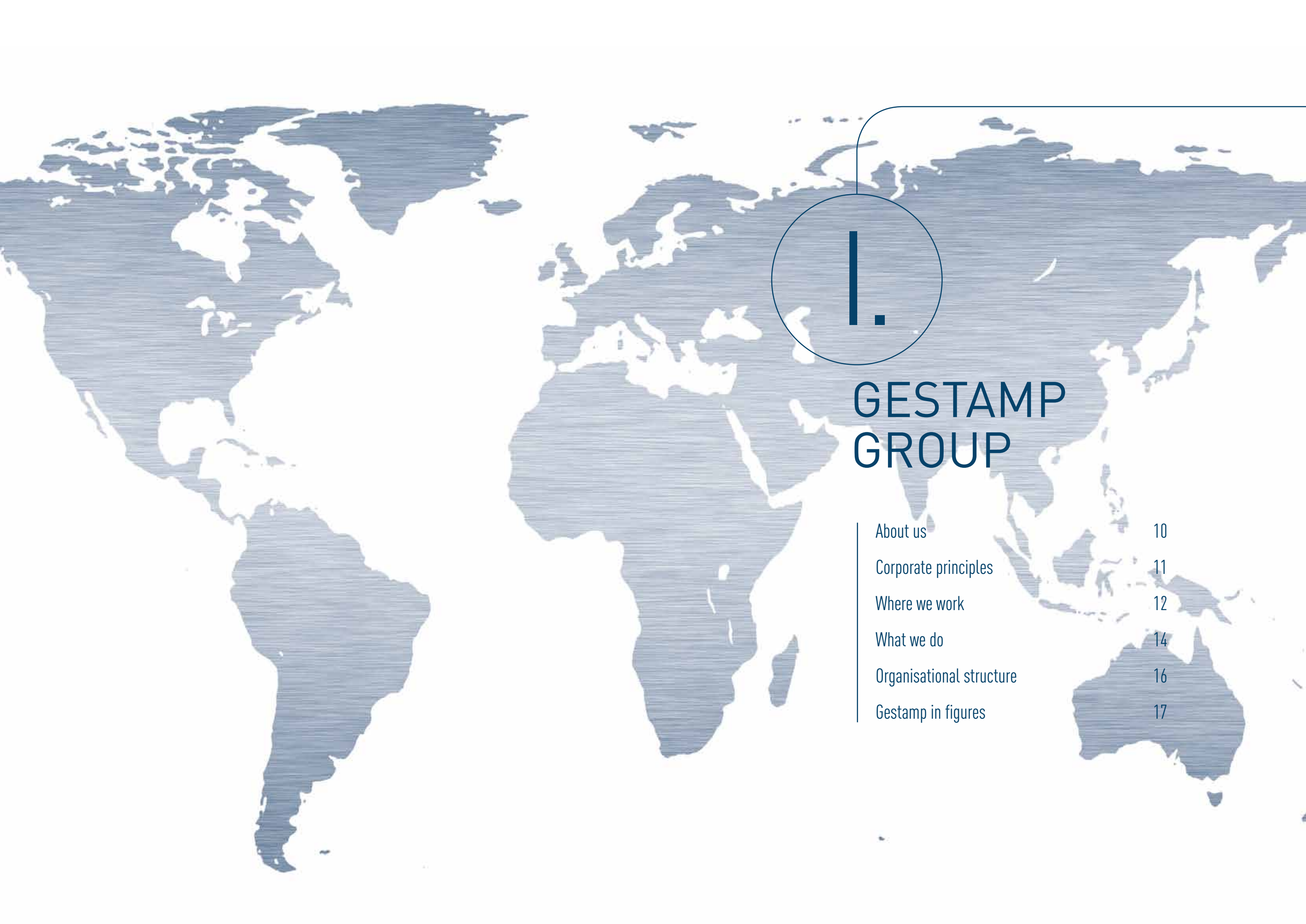
Our efforts in social action both locally and globally are focused on the United Nations' Sustainable Development Goals and Principles of the Global Compact. This year, we have doubled our economic contribution and tripled our employees' participation in volunteer activities.

Our Group will continue to be committed to a strategy of growth, technological strengthening and support for our clients in their projects in 2018.

Beyond the current macroeconomic and automotive sector situation, which we project as being favourable in 2018, our Group has consolidated a very competitive position that will allow us to continue developing our strategic plan and cover our clients' possible needs for the future, which will allow them to face their strategies linked to CASE trends.

After twenty years of major growth and technological development, our Group is now more prepared and just as enthusiastic as ever to embrace future opportunities.

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



GESTAMP GROUP

About us	10
Corporate principles	11
Where we work	12
What we do	14
Organisational structure	16
Gestamp in figures	17

ABOUT US

We are an international group dedicated to designing, developing and manufacturing metal vehicle components and assembly parts for the main automotive manufacturers. We specialise in offering innovatively designed products with high added value and technological complexity to ensure the production of increasingly safer and lighter vehicles that, as a result, are better in terms of energy consumption and environmental impact.

We work in 21 countries and have 102 production plants (plus 7 more under construction), 13 R&D centres and over 41,000 employees around the world.



Our Vision:

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

CORPORATE PRINCIPLES

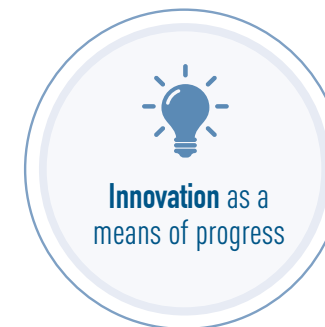


The basis of our business lies in achieving and maintaining a client portfolio through the development and provision of products that offer high value in terms of innovation, price, quality, safety and environmental impact. We must be able to take the lead in providing the best solutions so that the business of each of our clients prospers, which requires having a thorough understanding of their needs in the short, medium and long term. Building solid, honest and long-lasting relationships with clients is what really sets us apart.



Competitiveness closely relates to quality, efficiency and effectiveness. It is acquired through a long learning process and is maintained with rigour, fulfilment, a sense of urgency and by having the correct processes to undertake every task as best as possible. It is improved with the continuous effort that everyone puts in to improve what is already good.

In a competitive sector, such as the automobile sector, standing out from the rest is necessary. As such, our operations must be excellent.



Innovation enables us to consolidate the Group's leadership and to provide new alternative products and processes that give value to our clients and efficiency to our internal management. Our challenge is to position ourselves at the forefront of innovation in our sector. We have to be innovative and succeed in making our clients see the differential value that Gestamp gives them.



We plan to grow and to be around for a long time. Financial strength, profitability, caution in risk management and respect for the different environments in which we operate are the best guarantees of ensuring our future. We have to earn the trust of our shareholders and business partners, comply with the laws of the countries where we operate, show support for fundamental human rights and place importance on health, safety and the environment.



People's talent, motivation and ability to work in teams constitute an essential asset for Gestamp's success. We have to foster the personal and professional development of employees, which leads to the achievement of the other business objectives.

WHERE WE WORK

102 production plants

13 R&D centres

7 under construction

AMERICA

USA 8 ● 1 ● 1 ▲	Michigan ●●●●▲ West Virginia ● Chattanooga ●● South Carolina ● Alabama ●
MEXICO 5 ● 2 ▲	Aguascalientes ● Toluca ● Puebla ●●● San Luis Potosí ▲▲
BRAZIL 7 ● 1 ●	Taubaté ●● Sorocaba ● Santa Isabel ● Paraná ● Gravataí ● São Paulo ● Betim ●
ARGENTINA 5 ●	Córdoba ●● Buenos Aires ●●●●

EUROPE

SWEDEN 1 ● 1 ●	Luleå ●●
GERMANY 6 ● 2 ●	Ludwigsfelde ● Bielefeld ●● Haynrode ● Westerburg ● Hengersberg ● Hauzenberg ● Remscheid ●
UNITED KINGDOM 6 ● 1 ● 1 ▲	Newcastle ● Washington ● Newton – Aycliffe ●● Cannock ● Llanelli ● West Midlands ▲ Fareham ●
FRANCE 7 ● 2 ●	St. Romain ● Gouzeaucourt ● Le Theil ● Pure ● Gretz – Armainvilliers ● Sermaises ● Ronchamp ● Meudon ● Les Ulis ●

EUROPE

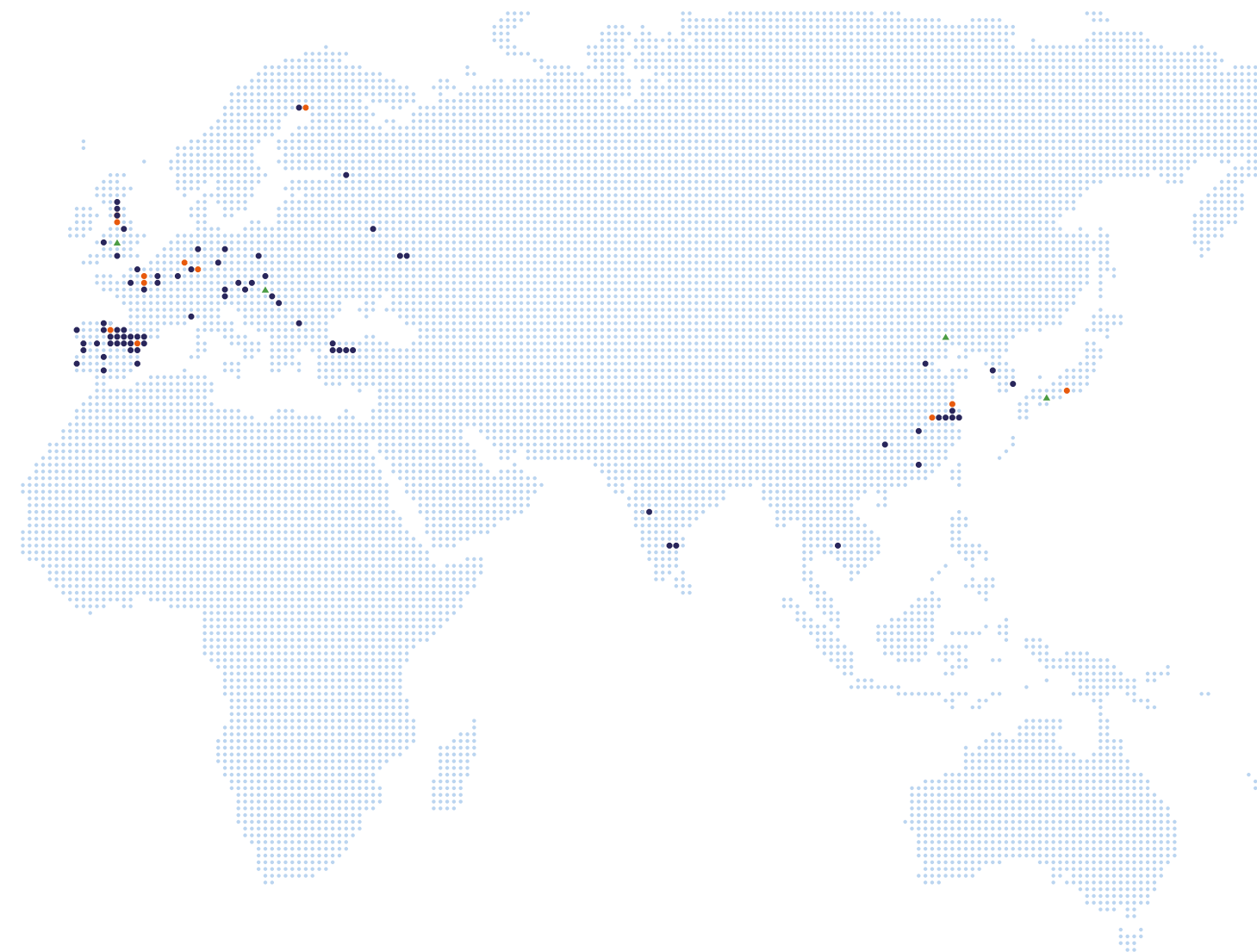
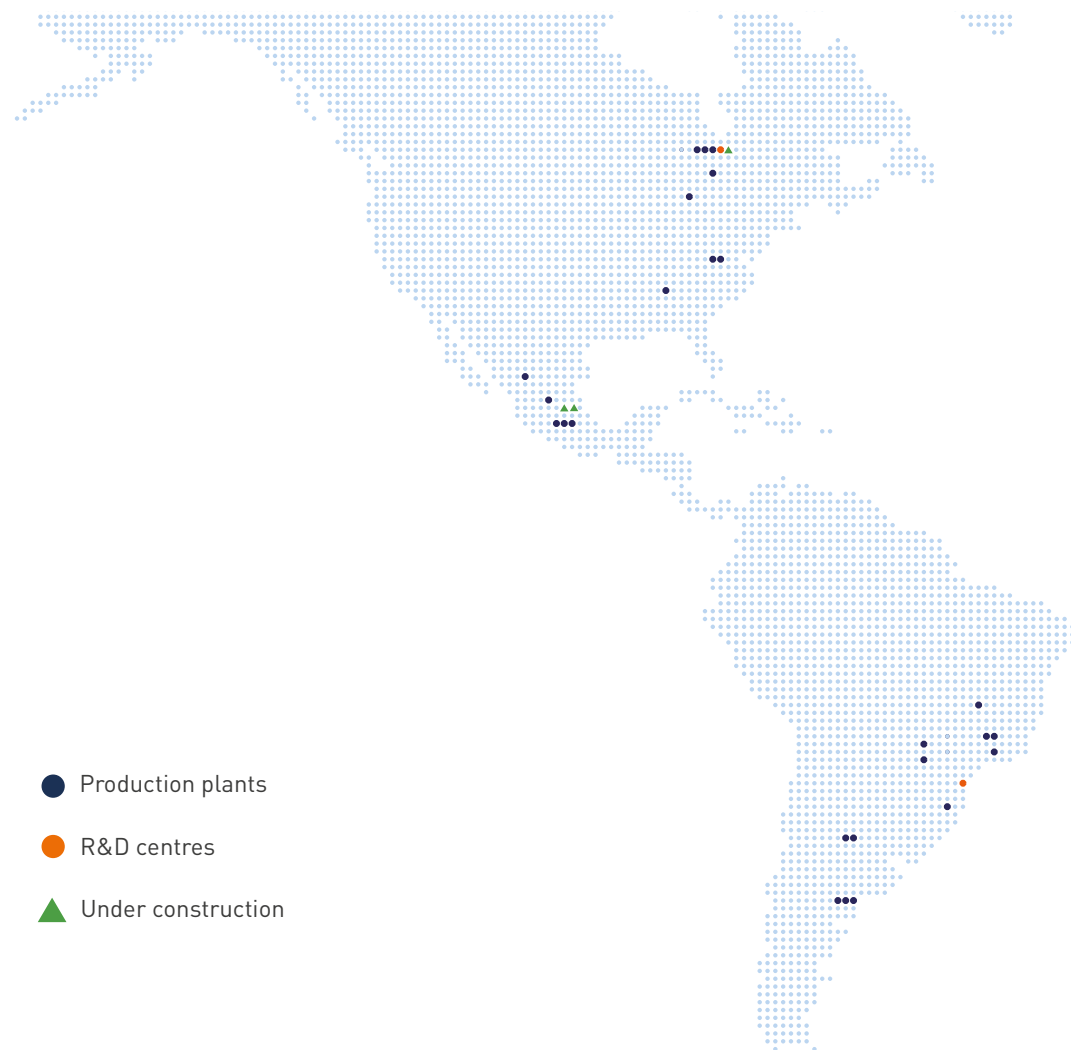
PORTUGAL 3 ●	Vilanova de Cerveira ● Aveiro ● Vendas Novas ●
POLAND 2 ●	Poznan ● Wroclaw ●
SLOVAKIA 1 ● 1 ▲	Velky Meder ● Nitra ▲
HUNGARY 1 ●	Mör ●
CZECH REPUBLIC 3 ●	Louny ● Hradec ● Kamenice ●
RUSSIA 4 ●	St. Petersburg ● Kaluga ● Togliatti ●●
TURKEY 5 ●	Gebze ● Bursa ●●●●
ROMANIA 1 ●	Pitesti ●

EUROPE

SPAIN 22 ● 2 ●	Santander ● País Vasco ●●●●●●●● Vigo ● Burgos ● Navarra ●● Zaragoza ●● Barcelona ●●●●●●●● Valencia ● Palencia ● Toledo ● Linares ●
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ASIA

SOUTH KOREA 2 ●	Chungcheongnam ● Busan ●
CHINA 9 ● 2 ● 1 ▲	Shenyang ● Hefei ● Shanghai ●●●●●● Beijing ▲ Kunshan ● Chongqing ● Wuhan ● Dongguan ●
INDIA 3 ●	Pune ●● Chennai ●
THAILAND 1 ●	Ayutthaya ●
JAPAN 1 ● 1 ▲	Tokyo ● Matsusaka ▲



- Production plants
- R&D centres
- ▲ Under construction

WHAT WE DO

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

Products

BODY **Gestamp BIW**



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

CHASSIS **Gestamp Chassis**



The chassis comprises the under body of vehicles and includes systems, frames and related parts, such as front and rear axles and couplings, control arms and integrated couplings, which connect the body and the powertrain of a vehicle and support its weight. These structures are essential for the dynamics, performance and safety of vehicles and have a particular influence as regards noise, vibrations, driving and impacts.

MECHANISMS



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

DIES, PRESSES AND OTHER PRODUCTS AND SERVICES



We have extensive in-house capabilities to undertake the design, engineering, manufacturing and maintenance of dies for our clients. We also have our own press construction services and we offer engineering technical services that are independent from the specific manufacturing programmes.

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

Manufacturing processes

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

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

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

Cold stamping



Hydroforming



Remote laser welding 3D



Hot stamping



Welding and assembly



Machining



HSS stamping



Laser welded blanks



Moulding



Rollforming



Patchwork blanks



Tooling



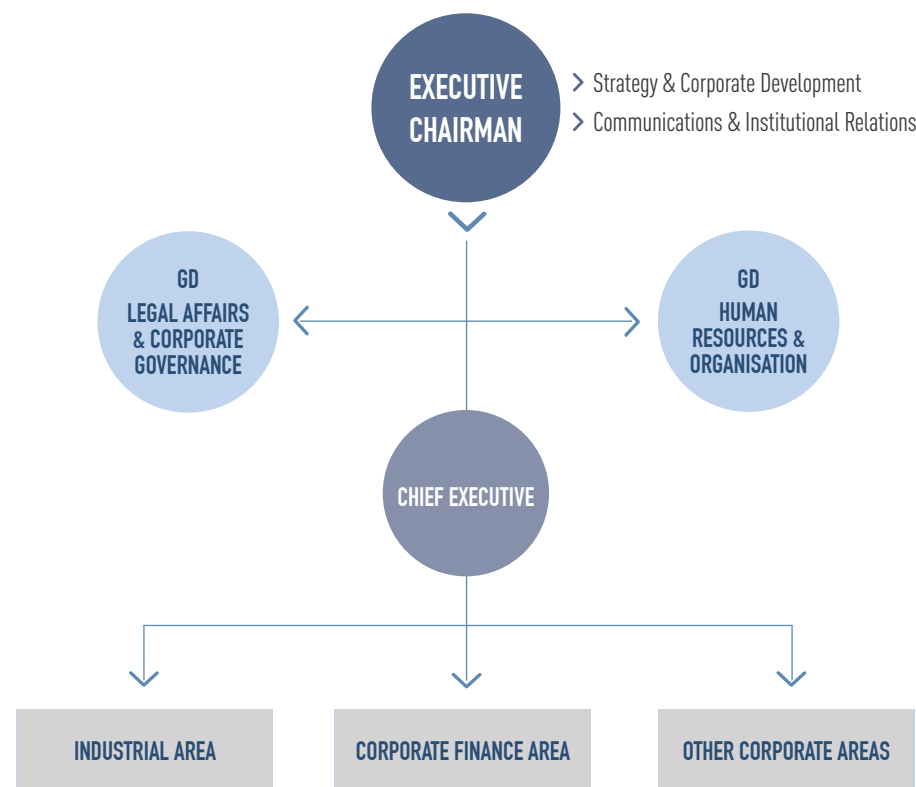
ORGANISATIONAL STRUCTURE

Our organisational model is structured fundamentally into business units that focus on business development, product processes and strategic projects, while our geographical divisions concentrate on improving manufacturing processes and profitability, considering each production plant as a centre of profit.

On December 20th, 2017, Gestamp's Board of Directors approved a series of organizational changes, effective as of January 1st, 2018.

Mr. Francisco J. Riberas continues to undertake his duties as Executive Chairman, focusing on those most valuable functions for the Group: corporate strategy and development, including key commercial relationships at the highest level with Gestamp's clients, matters related to Corporate Governance, the institutional representation of the Company and the coordination of the 2 new Directorates General, Human Resources and Legal Advice.

Mr. Francisco López Peña, Vice-Chairman and Chief Financial Officer of the Group, takes the Chief Executive Officer. From this position, he assumes the management of the industrial operations of the Group, as well as the financial area, internal control and other corporate functions.



GESTAMP IN FIGURES

Economic management	102 production plants (+ 7 under construction) 21 countries	8,202 mill.€ in turnover	8.6% turnover growth	890 mill.€ in EBITDA
Suppliers	269 supplier audits	+70% are certified direct suppliers	94% local suppliers	
Innovation	13 R&D centres	+1,500 employees working on R&D projects		
Employees	41,048 employees	86.2% of employees have permanent contracts	16.2% are women	28.4 average hours of annual training per employee
Health and Safety	0.14 Severity Rate	10.2% improvement in working conditions at production plants	10.3% improvement in prevention management	
Society	+ €1,548,000 allocated to social activities (nearly x2 regarding 2016)	+8,500 employees engaged in volunteer work (nearly x3 regarding 2016)	649 youths receiving professional training in the Group	
Environment	82% of production plants have the ISO 14001 or EMAS certification	666,996 tonnes of equivalent CO ₂ emissions (scopes 1+2)	2% improvement in Waste Production Index	

December 31st



II.

LONG-TERM VISION

Gestamp in the automotive sector

20

Strategic pillars

21

Main sector trends

22

Risk management

24

GESTAMP IN THE AUTOMOTIVE SECTOR

The automotive industry is one of the most important economic sectors in the world due to the wealth and employment it generates. The main agents in the industry are:

Suppliers of equipment and components, such as Gestamp, are a key element within sector because their parts represent 70-75% of the entire vehicle. Future trends suggest these percentages will increase.



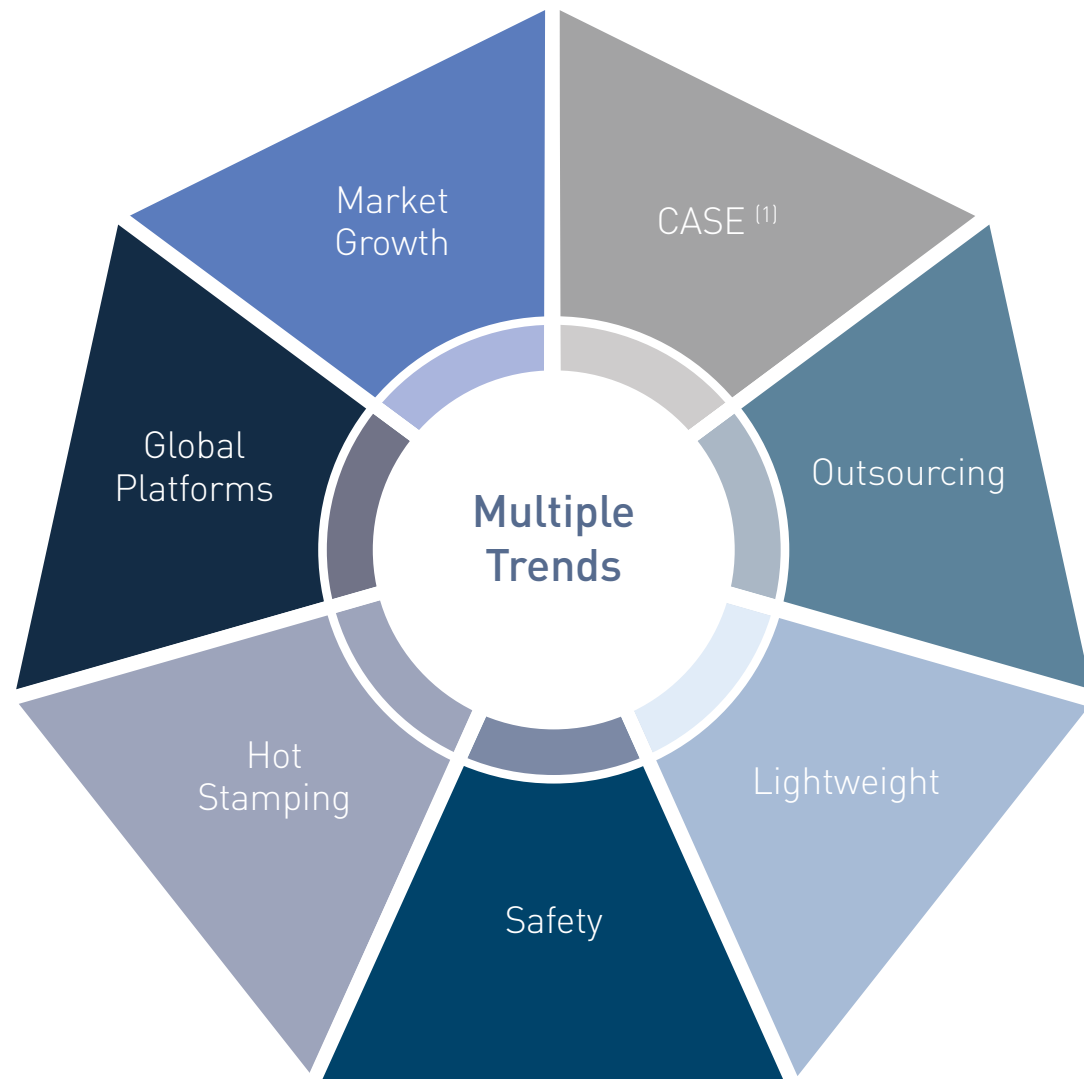
STRATEGIC PILLARS

Our client-focused business model has been key to our economic growth, technological development and international expansion. The operational excellence we foster in the Group has also helped to improve our efficiency and the trust clients have in us.



MAIN SECTOR TRENDS

The multiple trends surrounding the automotive sector provide Gestamp with great opportunities for growth due to its position as a strategic supplier.



CASE

- CASE, new megatrends defining the vehicles of tomorrow.
- Low impact on Gestamp model.
- Incremental Business Opportunities: Battery box.

Outsourcing

- Facing increasing capital needs to match new market requirements related to CASE; OEMs reallocating capital leading to full outsourcing of BIW:
- Press shop and large assemblies.
- Technology Shifts towards PHD.

Lightweight

- CO₂ Emissions regulations evermore stringent globally.
- BiW & Chassis critical to reach CO₂ targets, at attractive cost / benefit ratio.

Safety

- Increased international commitment about active & passive safety.
- 50% of European safety regulations involve BiW & Chassis.
- Global NCAP regulation converging to Euro NCAP.
- Safety is critical for OEMs: Central buying criteria of users and brand image.
- Crash tests increasingly complex globally.

Hot Stamping

- Hot Stamping as a solution for a lighter and Safer Vehicle.
- OEMs require high technological solutions to accomplish lightweight and safety market requirements at attractive cost-benefit ratio.

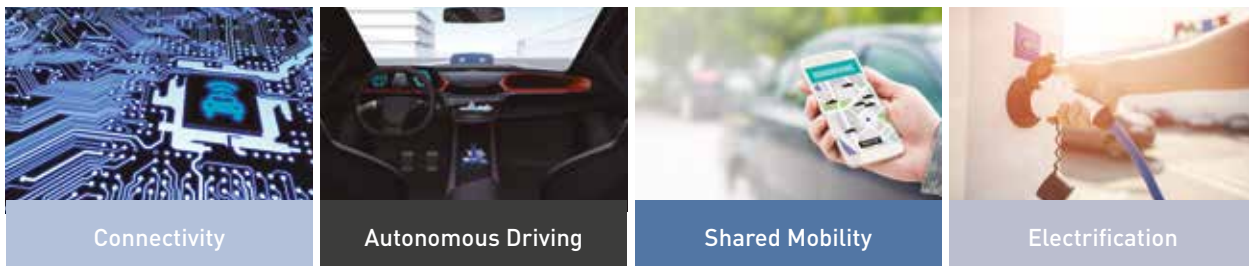
Global Platforms

- OEMs moving towards global platform modularization.
- 50+% of Auto Market on global platforms by 2020E.

Market Growth

- Global light vehicle production expected to grow from 93.1 Million vehicles in 2016 to 104.2 in 2021.
- Increase of SUVs, Premium, Light Commercial Vehicles.

(1)



Connectivity

Autonomous Driving

Shared Mobility

Electrification

Risk management, an integral part of our culture.

RISK MANAGEMENT

Risk management is one of the essential elements that have always formed an integral part of our philosophy and culture. As such, we have continued throughout the financial year to make solid progress in fostering and developing the Group's Comprehensive Risk Management System (hereinafter referred to as the RMS), which has entailed the effective formalisation, harmonisation and implementation of diverse risk concepts, many of which were already embedded in our culture and processes.

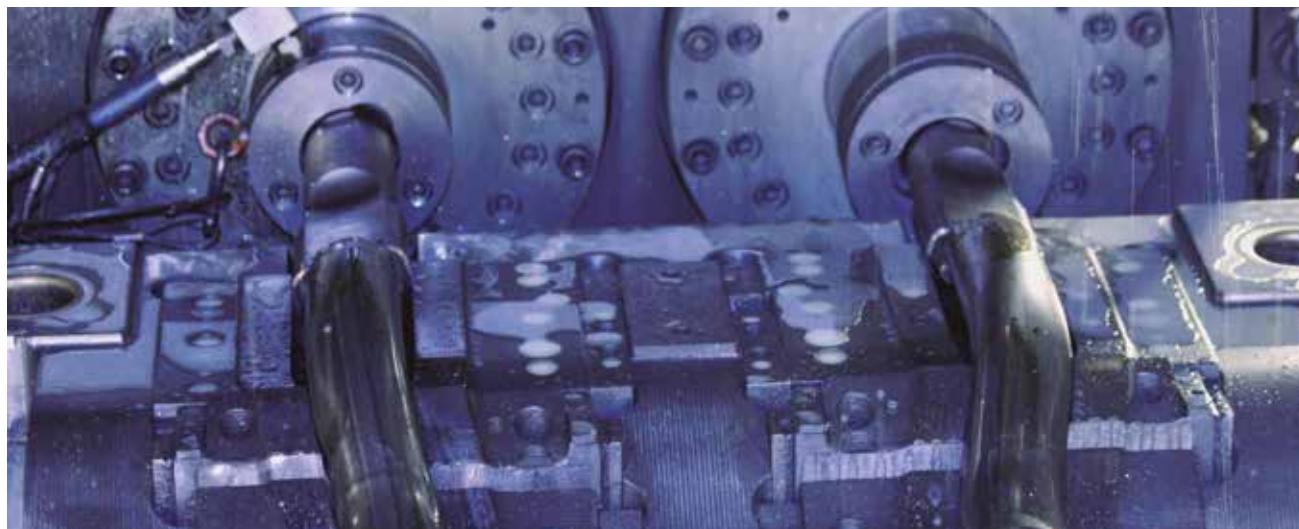
Gestamp has a RMS whose aim is to fully develop our risk related capacities so that all significant risks that may impact our activities and business are appropriately identified, measured, managed and controlled, helping to achieve the general objectives of the Group.

The RMS is based on a Policy that: identifies diverse risk categories, details the basic principles and guidelines for action that must be observed in risk management and control, specifies the bodies in charge of ensuring that the internal control and risk management systems function correctly, defines their roles and responsibilities, and that establishes the level of risk deemed acceptable.

RMS development in 2017

In 2017, Gestamp undertook the following actions:

- Formalisation of the Risk Management Policy of the Group.
- Establishment of the organisational structure of the RMS.
- Updating of the Risk Analysis:
 - › Review of the universe of risks.
 - › Reassessment of risks.
 - › Risk Map update.
 - › Prioritisation of risks.
 - › Review of the risk responses



We assume a prudent level of risk that allows us to generate sustainable value.

RMS Policy

The RMS Policy, approved by the Board of Directors and applicable to all companies that comprise Gestamp, sets out the basic principles that must be complied with in controlling and managing risks. These principles ascertain, among others, the core concepts of value creation and protection, the efficient and suitable use of control mechanisms, dynamism, transparency, the culture of involvement and, in all cases, the undertaking of activities in compliance with the law and regulations and under the Corporate Governance system.

Furthermore, it embodies the elements of the RMS and of the organisational structure that governs it, as the RMS is not a function or department, but rather the culture, capacity and mechanisms of risk management and value creation that are built into the Group's vision.

It also establishes, in accordance with the guidelines of the Board of Directors, risk appetite and tolerance, based on assuming a prudent level of risk that allows for the sustainable generation of value, the protection of the interests of our shareholders and stakeholders and, ultimately, the achievement of the strategic objectives.

Organisational Structure of the RMS

Gestamp's Risk Management System has a comprehensive approach, as all of the Group's divisions and different governance bodies participate in it.



Risk analysis

The speed and ability to react to risks directly relate to the information and knowledge that one we have about them. In 2017, we updated our corporate Risk Analysis, reconsidering and reassessing our risks universe, updating the risk map, prioritising the critical risks and reviewing the most appropriate responses to them. Representatives of all of the Group's Divisions and the different Governance Bodies of the Company have participated in the process.

The Risk Analysis starts by identifying those risks that may affect Gestamp's ability to maximise its value for stakeholders and to achieve its objectives. In that respect, our related strategic, operational, financial, reporting and compliance risks were identified. The assessment was undertaken according to the following parameters: the probability of occurrence and the impact it would have on the company were it to materialise, based on different viewpoints, from a purely economic perspective, and from reputation, legal and operational impact perspectives.

One of Gestamp's corporate principles is Operational Excellence. In this respect, efficient risk management entails searching for an effective balance between the importance of each risk and the resources allocated to mitigating them, which necessarily involves their prioritisation. This was undertaken according to the potential impact of each risk on the aforementioned perspectives and its corresponding probability.

The last step is to draw up the risk responses. Gestamp has specific action plans for mitigating and reducing the risk level. As such, we take into account the corresponding level of priority, the strength of current risk controls and their alignment with the risk appetite established in Gestamp.



Main Risks

TYPE: OPERATIONAL STRATEGIC FINANCIAL COMPLIANCE INTERNAL: EXTERNAL:

HEALTH AND SAFETY

The activities undertaken at our plants, due to their nature, can pose a health and safety risk to any individual who finds themselves in our facilities.

To monitor these situations, which could potentially lead to serious occupational accidents or illnesses, we have a Health and Safety Policy and a Comprehensive Prevention System that is applicable to all of our plants, regardless of their geographical location. This system includes the monitoring of key indicators and follow ups of the different initiatives, actions plans and audits, as well as carrying out regular reviews for continuous improvement.

i Further information in chapter: "Health and Safety"

CLIENT CONCENTRATION

Changes and modifications in the client's market share and, therefore, the potential subsequent changes in their purchase orders, may cause a significant impact on the Group. The automotive sector is highly concentrated on few clients that individually provide a high percentage of business. As regards this type of risk, at Gestamp we continuously monitor our sales and actively seek to diversify as much as possible our client and product portfolios in different geographical areas.

i Further information in chapter: "Gestamp Group"

STOPPAGE IN THE CLIENT'S ACTIVITY

It is essential for us to allow our clients to undertake their business without interruption, and that we maintain our ability to supply them with the required parts. There are several factors in the Group's production chain that could lead to interruptions:

Supply problems due to incidents with suppliers

To mitigate this type of risk, we take action at both the supplier selection stage and the subsequent provision stage. As regards the selection stage, we have developed purchasing strategies geared towards avoiding single supplier situations. At the provision stage, we have implemented the corporative global system of supplier monitoring and assessment of their related risks, different regular quality controls, such as a monthly analysis of their activity and performance, and audits of key suppliers.

i Further information in chapter: "Operational Excellence"

Internal problems

■ Social conflicts

To prevent that challenging situations could potentially evolve and become a social conflict, we undertake diverse preventative actions, such as tracking incident indicators at plants, maintaining permanent dialogue with workers' representatives and making channels of communication available to the entire personnel of the Group so they can notify of any situation that may be considered as not correct or irregular.

i Further information in chapter: "Our people"

■ Prolonged breakdown or stoppage of strategic machinery, equipment and facilities

To prevent this risk, at Gestamp we undertake continuous improvement programmes, regular machinery load and capacity studies and facility maintenance. Ultimately, we have contingency plans to avoid eventualities that may cause production processes shutdown.

i Further information in chapter: "Operational Excellence"

TYPE: OPERATIONAL STRATEGIC FINANCIAL COMPLIANCE INTERNAL: EXTERNAL:

STOPPAGE IN THE CLIENT'S ACTIVITY

Technology Risks

In 2017, we continued to proactively work on our security robustness, protecting the Company's assets and systems from potential cyberattacks.

i Further information in "Operational Excellence"

Serious accidents

See the "Health and Safety" risks above.

i Further information in chapter: "Health and Safety"

Other unexpected factors: (weather-related catastrophes, such as earthquakes and floods, etc.)

Our facilities comply with the local construction requirements and recommendations on disaster prevention and mitigation. Furthermore, Gestamp has established and implemented an insurance strategy focused on achieving the optimal balance between company protection (risk transfer) and the cost of such protection.

DEVIATIONS FROM PROJECT PROFITABILITY

Possible deviations in costs, investment and deadlines in the launches of the various Group's new projects

Taking into consideration our desire to accompany and grow on a global scale with our clients, our geographic diversification, the significant number of opportunities we have due to our strategic positioning with clients and the relatively short deadlines in the decision-making process, there is a risk that we may not always make the most appropriate investment decision.

Therefore, we have implemented mechanisms to make sure that we obtain the appropriate information, conduct analyses that measure economic and strategic impacts in an homogenous way, that will allow us to establish priorities and to undertake an analysis of the associated potential risks.

Once the decision to launch a new project has been made, the product creation stage starts, which must be managed ensuring that the requirements, budget and deadlines agreed with our clients are met.

Gestamp has several kinds of control measures for this key business stage, which include the development of a standard for the launch of products (GPCS - Gestamp Product Creation System), holding executive and/or monitoring committees at different levels on key projects, or the reporting of information and different indicators that allow projects to be analysed and monitored from each essential perspective.

i Further information in chapter: "Operational Excellence"

Deviations in the profitability of a project with respect to demand forecasts

A volume of actual orders lower than that forecasted, may affect project's profitability and expected returns.

The launch of new projects is commonly connected to new investments, therefore the volumes included in the project definition are necessarily related to the return of those investments into account. As such, at Gestamp we carry out continuous monitoring of the volumes in all of our key projects so that we can anticipatively review them with our clients and agree the most appropriate action to take amid potential changes.

i Further information in chapter: "Financial strength"

TYPE: OPERATIONAL STRATEGIC FINANCIAL COMPLIANCE INTERNAL: EXTERNAL:

INCIDENTS REGARDING PRODUCT QUALITY

Gestamp has several control processes, relating both to the produced parts and to the production process, which aim to prevent non-compliant products from being sent to clients. Furthermore, we have a quality management system that helps us to make good use of those controls and to act as quickly and effectively as possible in the event that, despite everything, a non-compliant or suspect product be detected either by the client in its production plants or by the end client. That entails the adoption of not only containment measures, but also prevention measures, ensuring that the problem does not reoccur. That involves investigating the root cause, implementing the most appropriate corrective measures and leveraging on these experiences to mitigate any future risks. Our quality system ensures that this improvement cycle is permanently active and that it involves all levels of the organisation, ranging from our plants to corporation, through our regions, divisions and Business Units. The system also provides feedback at the project phase through commonly used tools in the automotive sector, such as the Failure Mode and Effects Analysis (FMEA) or lessons learnt.

i Further information in chapter: "Operational Excellence"

DIFFICULTY IN RECRUITING OR REPLACING KEY PERSONNEL

Having key management personnel in strategic positions and highly qualified staff, are both assets of great value for Gestamp.

To cover these essential positions, we first look internally, carrying out promotion or succession processes, and only when is not possible to cover that vacancy we appeal externally, through specific recruitment and selection processes. We have different processes and initiatives aimed at identifying both key people and people with great potential, regularly analysing the number of vacancies and potential candidates and, draw up the succession plans when considered necessary.

i Further information in chapter: "Our people"

TECHNOLOGICAL CHANGES

The adoption of the appropriate technology, materials and processes is fundamental for us in holding onto our competitive advantage and in offering our clients the best products in the most favourable conditions. However, identifying and choosing the right technology, materials and processes to use, implement and develop proves to be a complex strategic decision.

At Gestamp, we undertake different actions regarding this issue, such as participating in co-development projects with clients, who turn to us to complement their internal knowledge, particularly regarding the more complicated products and technology, which Gestamp has specialised in over recent years. Other actions include holding Executive R&D Committees and conducting regular analyses and market research.

The Industry 4.0 initiative is just one of those actions undertaken. The aim of this initiative is to conduct a comprehensive analysis of the data collected from the systems, tasks and processes that we have or carry out at all of our plants and to use common digital platforms to create more efficient plants and more consistent and reliable processes.

i Further information in chapter: "Innovation"

TYPE: OPERATIONAL STRATEGIC FINANCIAL COMPLIANCE

INTERNAL: EXTERNAL:

FINANCIAL RISKS

The main risks relating to financial market fluctuations that the Group's activity is exposed to are:

Fluctuating exchange rates

The Group's presence in the international market obliges us to define policy to manage exchange rate risks.

Our fundamental objective is to reduce the negative impact on our business in general, and on our income statement in particular, brought about by the variability in exchange rates, allowing us to protect ourselves from adverse fluctuations and, where possible, leveraging favourable ones to our advantage. To manage these situations, we use specific financial instruments, such as currency trading.

Fluctuating interest rates

The overall objective of the strategy is to reduce the negative impact of increases in interest rates and to benefit as much as possible from the positive impact of tentative interest rate drops. To meet this objective, we use financial instruments, such as swaps or other derivatives, which convert the variable reference interest rate either totally or partially into a fixed one.

Cost of raw materials

Raw materials, particularly steel, account for a significant part of the cost of our products. Historically, the Group has used control and traceability tools to guarantee the correlation between the price variation of steel and our sale prices.

Furthermore, we actively participate in re-sale programmes with our clients. In these programmes, it is the client who negotiates the steel price, which is directly included in the sale price of our product. As such, its variations are neutral for Gestamp.

In the case of products that use steel purchased outside the re-sale modality, our objective is to negotiate our steel purchase agreements under suitable terms with the iron and steel industry so that the impact, whether positive or negative, of price variations is minimal. Furthermore, we sometimes incorporate into our agreements adjustment mechanisms regarding our sale prices that are based on steel prices in reference indices.

i Further information in chapter: "Financial strength"

TYPE: OPERATIONAL STRATEGIC FINANCIAL COMPLIANCE

INTERNAL: EXTERNAL:

RISKS RELATED TO REGULATORY COMPLIANCE

These risks include all those factors related to different national and international legislation and regulations applicable to the Group, as well as to the risks arising from their complex interpretation and their possible amendments.

At Gestamp, we continuously monitor the regulatory and legislative process that affects our activity in order to foster awareness and responsible compliance and to anticipate possible changes, seeking to manage them appropriately and to make the most of the opportunities that could potentially arise.

Furthermore, we continuously assess the probability of success in the legal actions or claims in which we may be involved and we adopt the measures required to achieve a favourable outcome and to remedy possible situations of dispute.

i Further information in chapters: "Long-term Vision", "Ethics and Human Rights", "Innovation", "People", "Environment and Climate Change" and "Corporate Governance"

ENVIRONMENTAL RISKS

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

As such, it is the Group's policy to implement an environmental management ISO 14001 or EMAS and to invest in projects and new technologies involving CO₂ emissions reduction.

i Further information in chapters: "Innovation" and "Environment and Climate Change"

POLITICAL AND ECONOMIC INSTABILITY

The economic and political instability in 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, where necessary, to incorporate the effects of the instability into the Group's forecasts and into our strategic and operational decisions.

i Further information in chapter: "Financial strength"



SUSTAINABILITY MODEL

Sustainability at Gestamp	34
Relationship with stakeholders	36
Key matters for the Group	38

Our value lies in working to have increasingly safer and lighter cars.

SUSTAINABILITY AT GESTAMP

At Gestamp, we understand sustainability as permanence over time and it is established as such in our corporate principles.

We have integrated the principle of sustainability into the Group because we are committed to a company model with a long-term vision that is based on honesty, effort, the development of relationships of trust with our stakeholders, and of respect in the different areas in which we operate. To achieve that, we set ourselves equally important economic, environmental and social objectives.

We are one of the largest international groups in the automotive sector that provides global solutions for the vehicles of today and tomorrow. Our parts are essential for the safety, weight, dynamics, stability and comfort of vehicles. Our value lies in working for a safer and lighter cars.

At Gestamp, we consider safety to be paramount. That is why we strive to create car structures that protect and save the lives of occupants in the event of a collision. We also seek make our parts lighter in order to improve energy consumption and to reduce the environmental impact of vehicles.

We focus on sustainability in three dimensions:

- The organisation: fostering corporate responsibility and sustainability in the different areas of the Group.
- The value chain of the automotive sector: aligning ourselves with the sustainability policies and strategies of our clients and seeking the same level of commitment from our suppliers.
- Society: through actively participating in different forums and organisations and through the promotion of actions for the economic and social development of the communities in which we work.

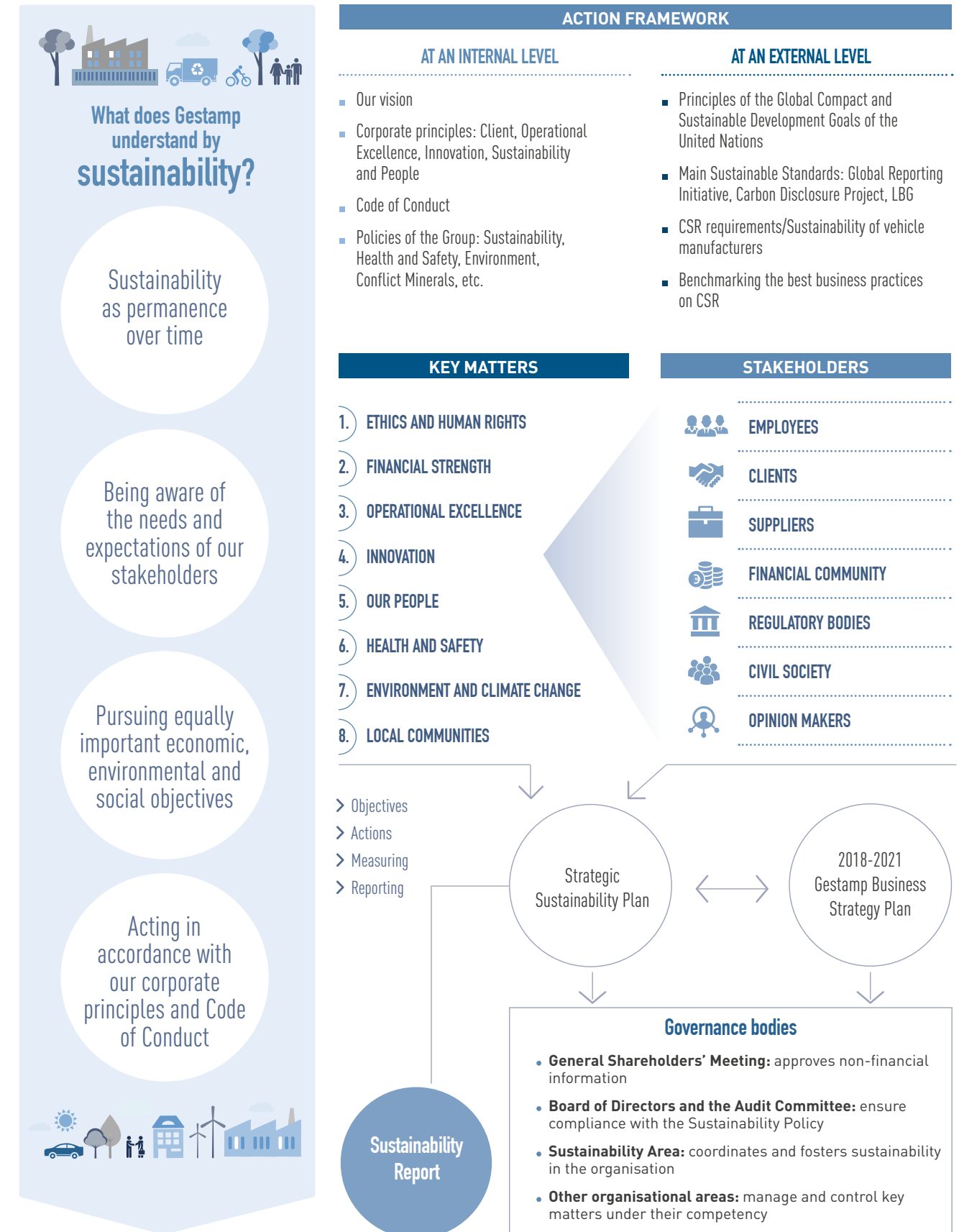
Regarding these premises, we have developed our Sustainability Policy that aligns with our business strategy and the Sustainable Development Goals of the United Nations.

3 GOOD HEALTH AND WELL-BEING	SDG 3 Improving the health and safety of people who work in our facilities is an on-going goal of the Group.
4 QUALITY EDUCATION	SDG 4 We promote key skills for our business and for the future to our employees and young people in our environment.
8 DECENT WORK AND ECONOMIC GROWTH	SDG 8 We offer our employees stable employment and we contribute to creating and maintaining it in our surroundings.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION	SDG 12 Optimising resources, durability and recyclability is present in our production process and products.
13 CLIMATE ACTION	SDG 13 The energy control processes at our plants and our effort to make our products lighter contribute to reducing greenhouse gas emissions.
17 PARTNERSHIPS FOR THE GOALS	SDG 17 We collaborate with our stakeholders to achieve together better results.

Sustainability Model

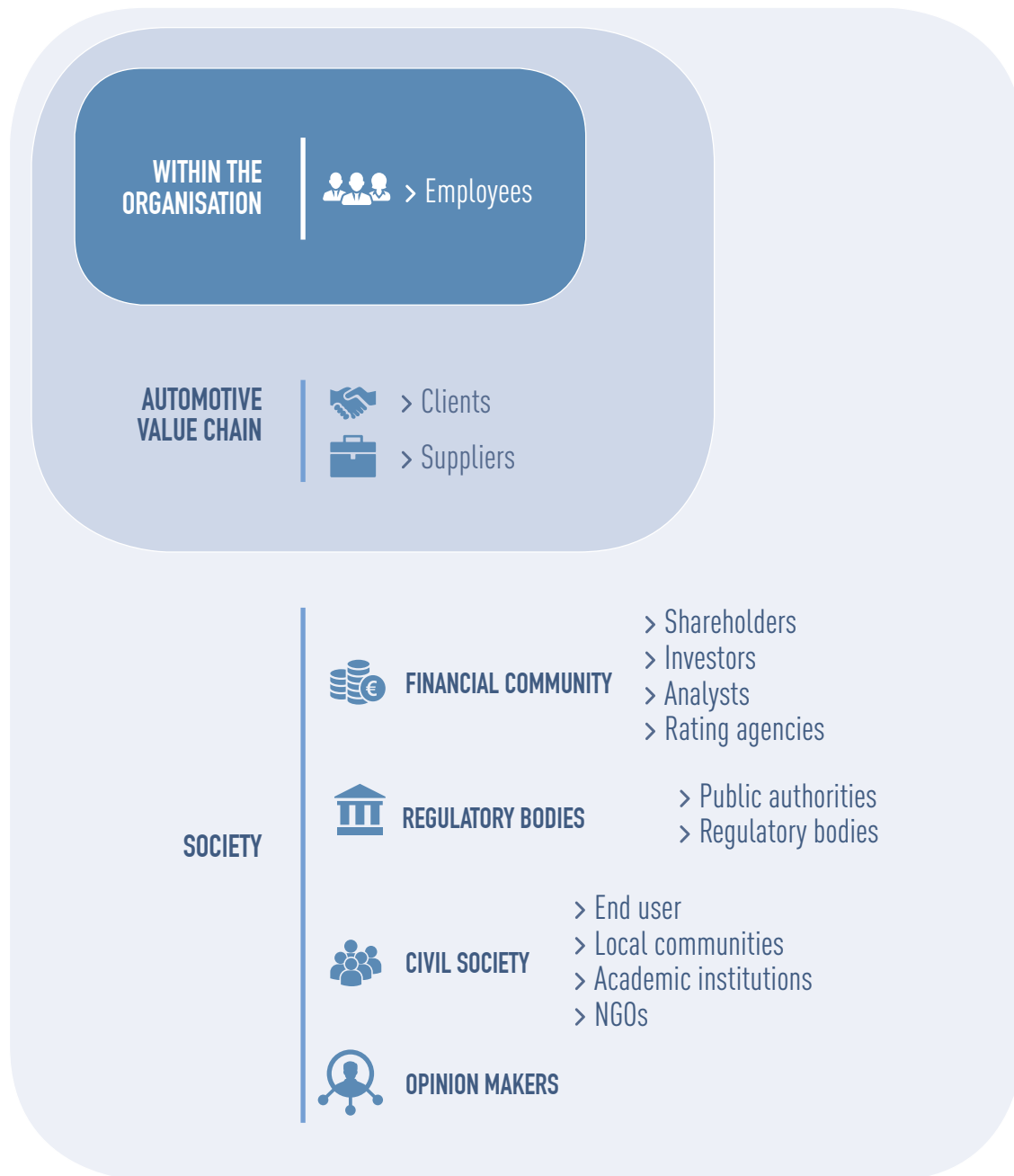
“WORKING FOR A SAFER AND LIGHTER CAR”



RELATIONSHIPS WITH STAKEHOLDERS

We seek to build and develop transparent relationships of trust with all of our stakeholders, based on our solid track record of complying with regulations, internal controls and risk management.

We are aware that our stakeholders are the ones that define our business development. Knowing and meeting their needs and expectations is a priority for the Group. As such, we encourage not only constant and fluent communication, but also a long-lasting and close relationship of trust.



STAKEHOLDERS

OUR COMMITMENT

CHANNELS OF COMMUNICATION

EMPLOYEES



Our employees are a key asset in the development and growth of our business.

- We respect their rights.
- We provide a safe and healthy work environment.
- We foster their professional development and the correct undertaking of their work through training activities.
- We offer stable employment and fair wages.

- > Corporate intranet: One Gestamp
- > Code of Conduct
- > Direct contact at each centre
- > Internal newsletters
- > Suggestion boxes

CLIENTS



The foundations of our business lie in obtaining and maintaining a client portfolio based on solid, honest and long-lasting relationships.

- We create products that meet and exceed the required quality and safety characteristics and levels at a competitive price.
- We are located close to the areas where clients have their plants, which ensures supply.
- We are a trade partner with which to collaborate on various production stages and to progress towards more innovative and secure final products that are environmentally responsible and smart, meeting the demands of society.
- We guarantee compliance with human rights throughout the value chain.

- > Daily operating contact at each plant
- > Annual corporate meetings
- > Client audits
- > Corporate website

SUPPLIERS



Our suppliers are essential in ensuring the profitability, quality and reliability of our products.

- We build stable and long-lasting relationships that guarantee a close commercial relationship based on long-term trust, commitment and profitability.
- We have a supplier management system that helps us to obtain more information, control possible risks and to establish our own quality and corporate social responsibility standards.
- We facilitate an open channel of communication to improve their products and services, as well as to simplify and harmonise procedures.

- > Supplier Portal
- > Code of Conduct
- > Direct contact at each centre

FINANCIAL COMMUNITY



As a listed company and based on Good Governance and our Corporate Principles:

- We create long-term value.
- We facilitate information transparency and we foster continuous dialogue through the current channels of communication with the entire financial community: shareholders, investors, analysts and rating agencies.

- > Reports and conference calls on the quarterly financial results
- > Corporate website, Investor and Shareholder section
- > Investor Relations Communication Area (telephone and email)
- > Conferences, roadshows, site visits, meetings and ad-hoc calls

REGULATORY BODIES



In our relationship with public authorities and regulatory bodies:

- We comply with the current legislation in each country.
- We create employment and wealth.
- We strengthen the production and business fabric.
- We settle the corresponding tax liabilities.
- We invest in R&D.

- > Continuous communication at a local, divisional and corporate level
- > Corporate website

CIVIL SOCIETY



Our contribution is fundamentally undertaken through social, industrial, environmental and academic organisations.

- We generate a positive impact in our surroundings through an economic boost, job creation and social development in collaboration with NGOs and Foundations.
- We collaborate with universities, and vocational and business centres through training programmes that train local people, improve employability and aid the creation of an industrial culture.

- > Communication at a local level
- > Participation in forums and in business and social associations
- > Corporate website
- > Social Networks

OPINION MAKERS



The media, opinion leaders and experts in the automotive sector strengthen and protect Gestamp's reputation.

- We provide different channels and strategies of internal and external communication, press, marketing and institutional relations through which we collect information relating to our industry.
- We consolidate relationships with relevant leaders, experts and members of the public.
- We publicise information on our main milestones as a Group.

- > Corporate website
- > Relationship with the media
- > Participation in sector forums, talks and events
- > Events with opinion leaders
- > Management of business social networks

KEY MATTERS FOR THE GROUP

The identification of a number of matters that are key to the company arises from a deep internal reflection on the Group's priorities, our stakeholder analysis, and from an analysis on the potential issues and risks inherent to our business that make us leaders in the automotive sector. All of that is reflected in our materiality analysis.

As such, we seek to move towards the creation of shared and sustainable long-term value.

MATTER	WHY IS IT A KEY MATTER?	OUR CHALLENGE
<p>1</p> <p>ETHICS AND HUMAN RIGHTS</p> 	<p>The integrity of our actions is fundamental in maintaining relationships of trust, open communication and respect as regards our stakeholders.</p>	<ul style="list-style-type: none"> Complying with our Code of Conduct, legislation and human rights is an essential requisite for the Group.
<p>2</p> <p>FINANCIAL STRENGTH</p> 	<p>Growth and long-term stability are our vocation. Financial strength, profitability, caution in risk management and respect for the different environments in which we operate are the best guarantees of ensuring our future.</p>	<ul style="list-style-type: none"> Generating long-term value. Maximising the potential growth of our business model: client-oriented, based on innovation, technological leadership, geographic diversification and operational excellence. Minimising and controlling potential risks that may affect our business.
<p>3</p> <p>OPERATIONAL EXCELLENCE</p> 	<p>To stand out in an environment as competitive as the automotive sector, only being the best in what we do is enough.</p>	<ul style="list-style-type: none"> Fostering measures to improve efficiency regarding management and operations at all levels and in all regions.

MATTER	WHY IS IT A KEY MATTER?	OUR CHALLENGE
<p>4</p> <p>INNOVATION</p> 	<p>The automotive sector is changing very quickly. Its future depends on the capacity to innovate and on knowing how to meet new user and market demands.</p>	<ul style="list-style-type: none"> Envisaging technological and market trends and offering differential products that give our clients an advantage.
<p>5</p> <p>OUR PEOPLE</p> 	<p>People are the most important asset in our organisation. Due to the work and effort they put in each and every day, they make it possible for the company to achieve its objectives and they help us to be in our current leadership position.</p>	<ul style="list-style-type: none"> Attracting and retaining our professionals. Training up and developing the organisation's talent. Fostering a business culture based on the corporate principles and the Code of Conduct. Facilitating dialogue and collaboration.
<p>6</p> <p>HEALTH AND SAFETY</p> 	<p>We are aware that we work in a sector in which foreseeing and preventing risks related to the health and safety of people is fundamental.</p>	<ul style="list-style-type: none"> Fostering continuous improvement through our <i>Gestamp Health and Safety System</i> (GHSS). Involving employees at all levels to achieve the health and safety improvement objectives.
<p>7</p> <p>ENVIRONMENT AND CLIMATE CHANGE</p> 	<p>As an integral part of the automotive sector, our environmental impact relates to the life-cycle of vehicles and to that directly generated in our manufacturing processes.</p>	<ul style="list-style-type: none"> Developing and designing increasingly sustainable products by lightening the weight of our parts in order to reduce vehicle emissions and by using recyclable materials. Optimising our production processes through environmental management.
<p>8</p> <p>LOCAL COMMUNITIES</p> 	<p>Gestamp is a powerful driving force behind local development in the communities in which we work creating employment, working with local suppliers, collaborating with organisations and institutions and participating in social initiatives.</p>	<ul style="list-style-type: none"> Contributing to economic and social development in the local communities in which we work.



IV.

MANAGEMENT OF KEY MATTERS

Ethics and Human Rights	42
Financial strength	48
Operational excellence	60
Innovation	82
Our people	94
Health and safety	108
Environment and climate change	116
Local communities	128

1

ETHICS AND HUMAN RIGHTS

- Our Code of Conduct
- Human Rights

OUR CODE OF CONDUCT

How we act

The Code of Conduct reflects our commitment to integrity and it is a common frame of reference for the ethical and respectful behaviour of employees in all of the countries in which we operate, regardless of the cultural particularities of each geographic region. It contains the rules of conduct based on our corporate principles and on the ten principles of the UN Global Compact relating to human rights, labour standards, environmental standards and the fight against corruption.

Scope

The Code of Conduct is fully applicable to Gestamp as a whole, including all its organisational areas, and to all employees who are contractually bound to the companies in the Group and to any subsidiary in which Gestamp has majority shareholder status.

Bodies

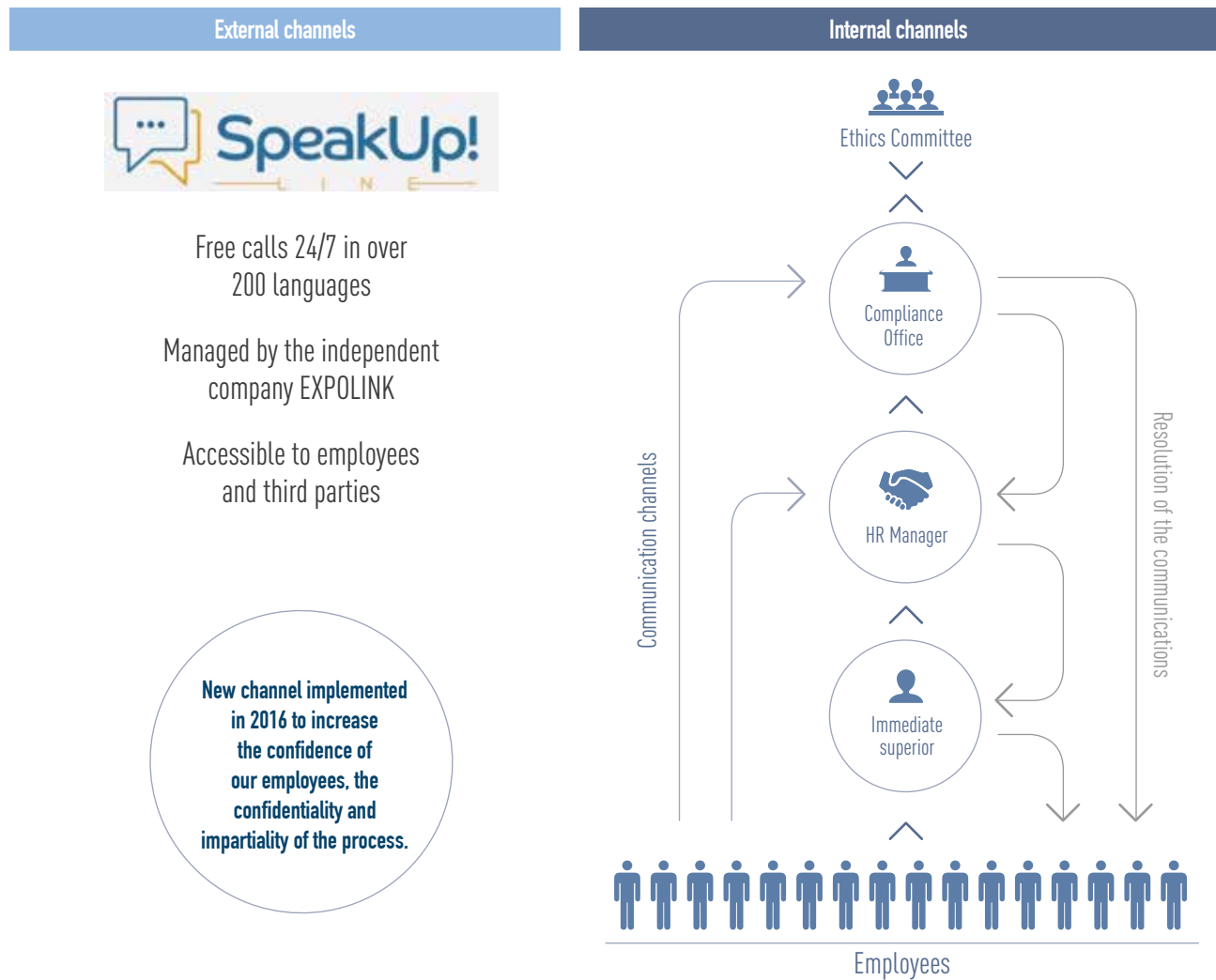
- **The Ethics Committee** is responsible for ensuring the compliance and interpretation of the Code of Conduct. The Regulations of the Ethics Committee establish its duties and composition, the communication channels, the process for complaints and the internal investigation process to assess whether breaches of the Code have occurred.
- **Compliance Office** is a body under the Ethics Committee that is responsible for appropriately receiving, channelling, monitoring, informing and documenting the communications received.

The Code of Conduct is available on the Gestamp website and on the corporate intranet in the 16 languages spoken within the Group.



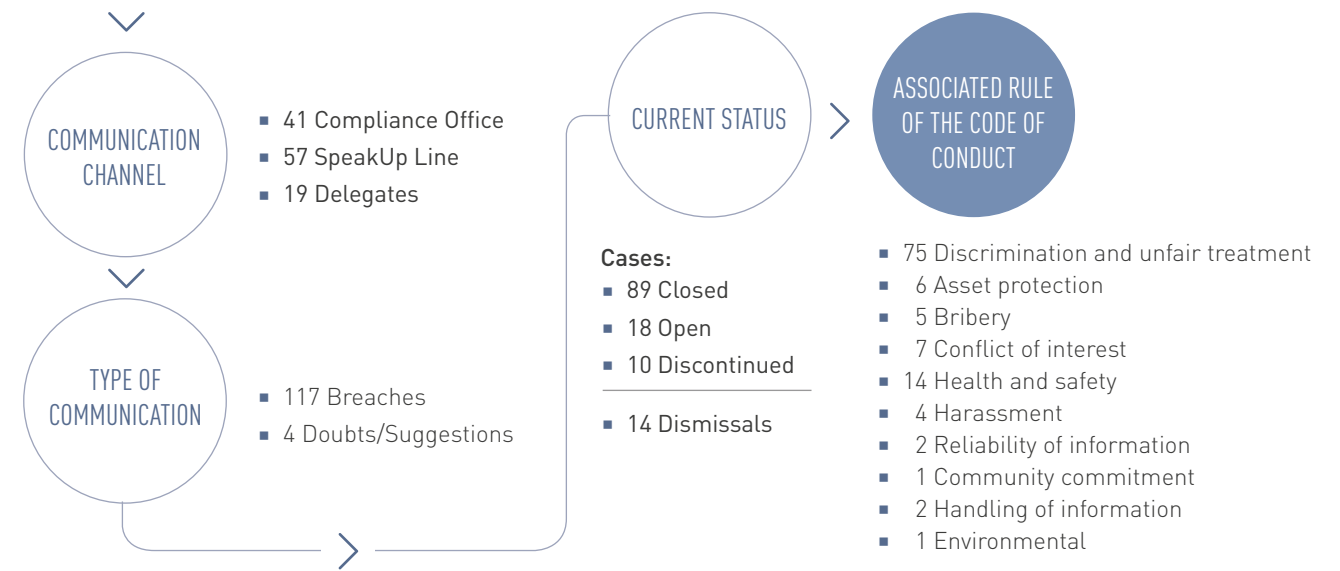
Communication channels for the Code

These are the channels set up for employees to make consultations, suggestions or complaints regarding breaches of the Code of Conduct:



In 2017, 121 communications were received (117 complaints and 4 doubts regarding interpretation and suggestions). The complaints distribution was as follows:

Europe	North America	South America	Asia
34 cases	41 cases	31 cases	11 cases



49% the Group has been externally audited on the implementation and knowledge of the Code of Conduct.

Monitoring

- Annual external auditing of 5% of the personnel is interviewed at work centres. In 2017, we continued with the audit rotation plan conducted by an external independent auditor to verify the degree of implementation and employees' knowledge of the Code and to strengthen the message regarding its importance for Gestamp. Furthermore, it was carried out in all work centres in the United States and in France, adding to those undertaken in Argentina, Brazil, China, Germany, Mexico and Russia in previous years.
- Monitoring of agreed improvement plans. Specific improvement aspects were identified based on the external audits. Measures and action plans to resolve such aspects and to improve the application and knowledge of the Code were undertaken.
- Biannual meetings of the Ethics Committee. As established in the Regulations, the Ethics Committee met two times during the year.
- Periodic report of the Compliance Office. This body draws up a report on the status of the communications received.

Training and dissemination

All Gestamp employees must know, learn and apply the Code. As such, a specific and mandatory training course is included in the onboarding plan for new employees.

Training is undertaken through two methods:

- Online: training for employees with internet access through Gestamp Global Learning, coordinated by the Corporate Training area.
- Class-based: training in groups, given and organised by the HR managers of production plants.

HUMAN RIGHTS

Human Rights as a frame of reference

Human rights are a frame of reference for how we act and, therefore, they are set out in our Code of Conduct.

We take inspiration from the Guiding Principles on Business and Human Rights, approved by the United Nations in 2011 and on the Global Compact Principles of: Protect, Respect and Remedy.

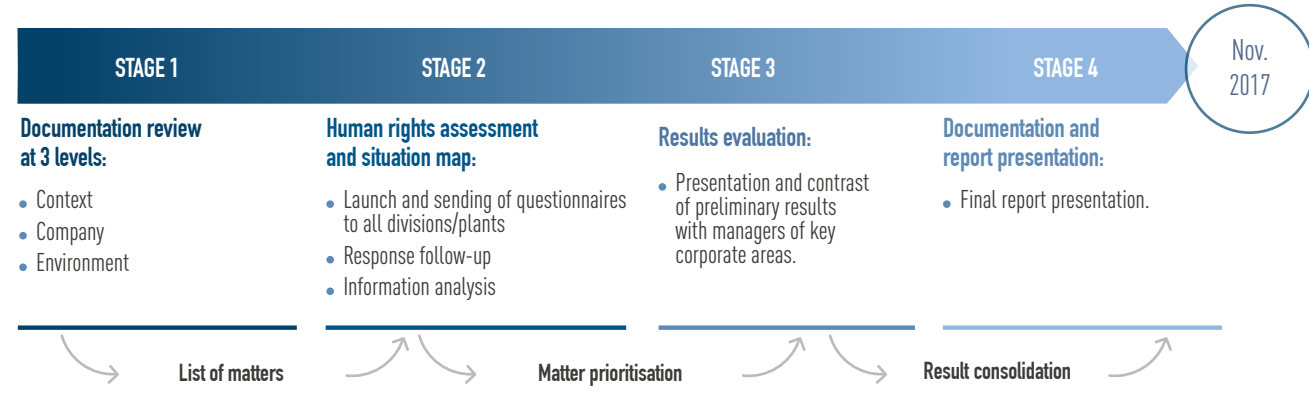
Project: "Tackling Human Rights at Gestamp"

In 2017, we conducted, in collaboration with the external consultant firm, Business and Human Rights, an analysis on the situation of the key human rights in 96 of the Group's work centres.

ACHIEVEMENTS TO DATE

DEFINITION	IDENTIFICATION	VALUATION	PRIORISATION
Establish the key human rights that affect Gestamp, meeting significant sector criteria for business and the countries in which we work.	Identify the importance of human rights based on criticality and the probability of non-compliance.	Assess the management capacity of key human rights according to the current regulations (corporate, divisional, regional, local), indicators, managers and complaint mechanisms of Gestamp.	Prioritise those key human rights at a work centre, country and divisional level, so that we can identify which require an action plan (1), constant monitoring (7), follow-up (5) or maintenance (5).

PROGRESS OF PROJECT OVER TIME



People involved:

- Managers of corporate areas: 7
- Plant and HR managers: 139*
- Consultants: 4
- Countries covered: 17*
- Work centres: 96*

* Some newly created work centres did not participate in the analysis due to having a small workforce or low representation.



Looking forward, we are going to work on preparing a human rights framework, based on the conclusions obtained from said analysis, that will be applicable to the entire Group.

18 KEY HUMAN RIGHTS IDENTIFIED



2

FINANCIAL STRENGTH

- Business performance and results
- Stock Exchange evolution
- Bonds and credit ratings
- Future outlook
- Tax contributions

BUSINESS PERFORMANCE AND RESULTS

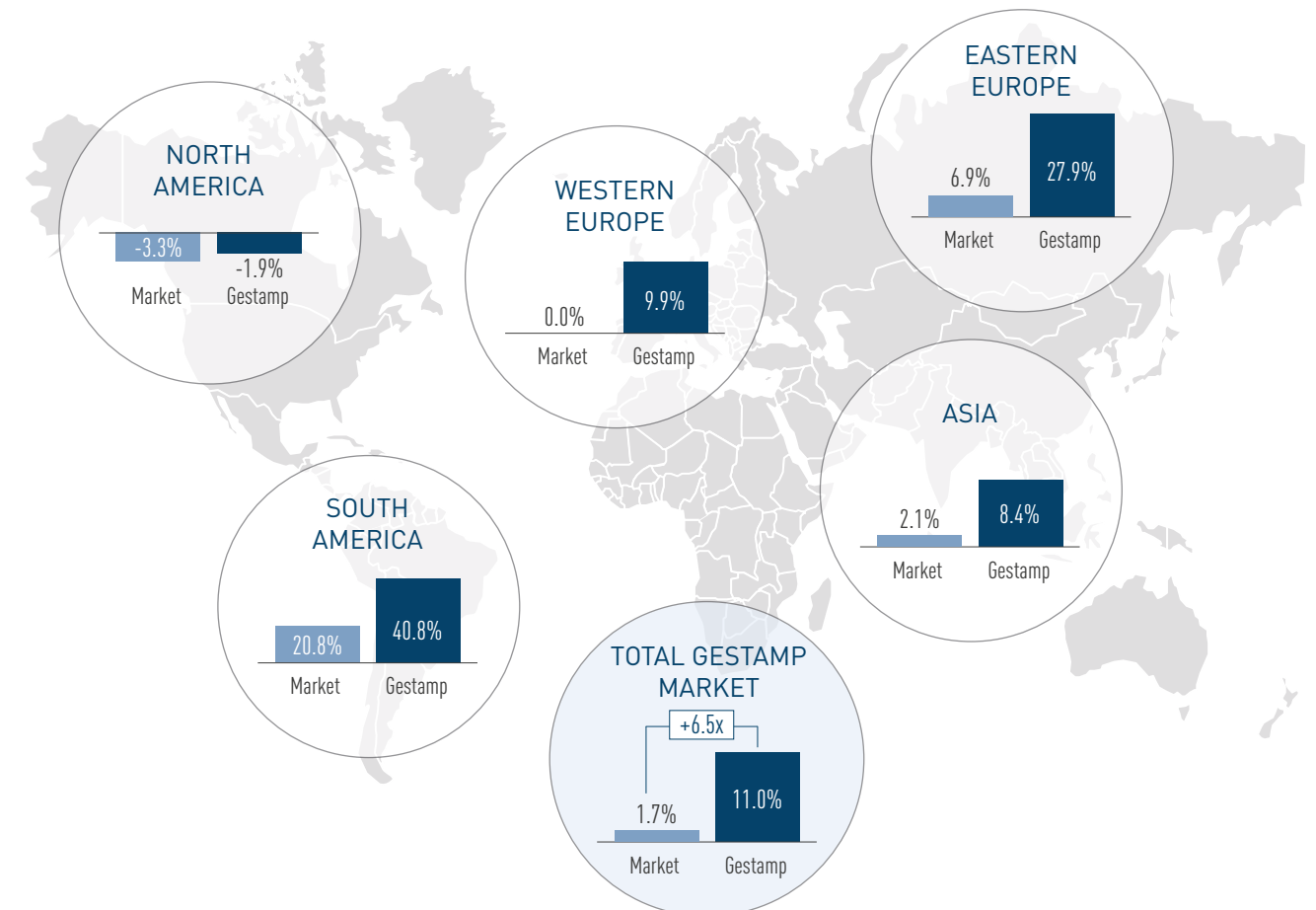
Macroeconomic context and sector evolution in 2017

Global economic growth during 2017 has been stronger than expected with the second half of the year confirming the recovery path seen during the first half. Signs of recovery in the United States have been confirmed in the second half of the year, together with the solid performance of the Eurozone and Japan. Political developments in Europe and the ongoing Brexit negotiations have had a limited impact on growth throughout the year.

In this context, the evolution of the automotive sector has been positive. Global light vehicle production, according to IHS data up to January 2018, grew by 2.1% during 2017 compared to 2016. Growth in the regions in which Gestamp operates was up 1.7%, with a strong market production in South America (+20.8%) and in Eastern Europe (+6.9%).

Growth in the regions in which Gestamp operates was up 1.7%

GESTAMP REVENUE GROWTH AT CONSTANT FOREIGN EXCHANGE RATE (FX) VS PRODUCTION GROWTH IN MARKETS WHERE GESTAMP OPERATES (2017 VS 2016)



Note: Gestamp growth at a constant foreign exchange rate (FX) is used to compare growth in production volumes in the market, which more precisely reflects the progress of our business. The growth in production volume is based on the markets in which Gestamp has production plants (IHS data for 2017 dated January 2018)

CASE trends are influencing automotive manufactures' strategies, which support the outsourcing of the components of a vehicle to global strategic suppliers like Gestamp.

Automotive manufacturers have continued to focus on "CASE" strategies (Connectivity, Autonomous driving, Shared mobility and Electrification), which supports the outsourcing of the components of a vehicle to global strategic suppliers like Gestamp. Automotive manufacturers are facing greater capital needs in order to comply with new market requirements in relation to CASE, which generates greater opportunities for key strategic suppliers. Whether a vehicle has an internal combustion engine or is electrically powered, Gestamp is well positioned to benefit from the current trends, as lightweight and safety will continue to be key for automotive manufactures. During 2017, several automotive manufacturers have announced their strategy on electric vehicles. These included: (i) BMW's launch by 2025 of 25 models with electric-drive systems, of which 12 are expected to be pure electric, and (ii) VW's electrification strategy called 'Roadmap E', which envisages 80 new electric vehicles by 2025. It is expected that the launches announced by the automotive manufacturers translate to an increase in the level of outsourcing to global suppliers such as Gestamp.

In general, both the macro and the automotive sector conditions have been positive, driving growth at a global level. Mature and developing markets have each been influenced by their respective trends and dynamics. Those trends provide a solid basis and they continue to strengthen Gestamp's vision, strategy and objectives.

In summary, Gestamp's results in 2017 were solid, despite issues regarding the launch of certain projects that were announced in September in North America and the impact of foreign exchange rates, particularly the strengthening of the euro during the year.

Financial results overview

Revenues grew by 8.6% in 2017, reaching 8,201.6 million euros (an 11% increase at constant FX), outperforming the market by more than six times (compared to market production volume growth in countries where Gestamp is based - IHS data up to January 2018 of 1.7%). In terms of profitability, the EBITDA in 2017 reached 889.9 million euros with an implied growth rate of 5.8% compared with 2016 (8.8% at constant FX). Profitability has been impacted by one-off costs in North America higher tooling revenues. Net income for the period grew by 8.3%, reaching 239.7 million euros.

Growth in 2017 has been driven by the positive dynamics of the automotive sector and macro levels, as well as by the good volumes of current programmes and the ramp-up of new projects, especially in Europe and South America.

In line with previous years, the Group continued in 2017 to make substantial investments to support high-quality projects which provide high revenue visibility and are expected to drive strong profitable growth. As of 31 December 2017, Gestamp's order book (excluding intercompany, scrap and tooling sales) covered over 90% of the targeted revenues for the 2020 period.

The 796.0 million euros of capital expenditure invested in 2017 has been used to financing, among others, the seven new plants under construction in different parts of the world to accompany our clients' projects.

Gestamp's revenues increased by 11% at a constant foreign exchange rate, outperforming the market by more than six times.

Capital expenditures include mainly growth, recurrent and intangible capital expenditures. Growth capital expenditures include mainly capital expenditures in greenfield projects, major expansions of existing facilities and new processes/ technologies in existing plants. Recurrent capital expenditures include investments to replace existing programs and expenditures on the maintenance of our production assets. Lastly, intangible capital expenditures include capitalization of a part of the Group's R&D expenses, among other concepts.

Millions of euros	2017	2016
Growth capital expenditures	434.4	389.6
Recurrent capital expenditures	265.9	251.5
Intangible capital expenditures	95.7	83.6
Investments in property, plant and equipment	796.0	724.7






Gestamp's Net Financial Debt amounted to 1,897.9 million euros for the year ended December 31st, 2017, resulting in a leverage ratio of 2.1x leverage ratio (Net Financial Debt/EBITDA).

In summary, main figures in 2017 compared to 2016 are as follows:

Millions of euros	2017	2016	% Variation
Revenues	8,201.6	7,548.9	8.6%
EBITDA	889.9	841.1	5.8%
EBIT	484.7	462.6	4.8%
Profit Before Tax	370.2	348.1	6.3%
Profit attributable to shareholders	239.7	221.4	8.3%
Equity	1,970.6	1,872.0	
Net Financial Debt	796.0	724.7	
Capital expenditures	1,897.9	1,632.6	

Revenues by geographical segment

Millions of euros

	Western Europe Revenues in 2017 grew by 307.1 million euros, or 8.3% (9.9% at constant FX), to 4,011.2 million euros from 3,704.1 million euros in 2016. The increase in revenues was mainly attributable to a solid growth across most countries and very strong tooling revenues, offset in part by a decline in the United Kingdom due to the depreciation of the British pound.	2016 3,704.1 2017 4,011.2 Variation 8.3% Variation CF const*. 9.9%
	Eastern Europe During 2017, revenues grew by 183.9 million euros, or 21.4% (27.9% at constant FX), to 1,043.4 million euros from 859.5 million euros in the previous year. The increase in revenues was mainly due to continued growth in activity in almost all countries, especially in Poland as a result of the ramp up of the new VW Crafter, in Turkey with FCA and Ford, and in Hungary with Audi. A new subsidiary in Romania was acquired in January 2017, which has also contributed to the increase in revenues.	2016 859.5 2017 1,043.4 Variation 21.4% Variation CF const*. 27.9%
	South America Revenues in 2017 grew by 161.0 million euros, or 40.1% (40.8% at constant FX), to 562.3 million euros from 401.4 million euros in 2016. Growth, which was above-market in both Argentina and Brazil, fueled by new program wins entering ramp-up phase, especially strong increase of market production volumes in both countries and higher tooling revenues.	2016 401.4 2017 562.3 Variation 40.1% Variation CF const*.. 40.8%
	North America During 2017, revenues decreased by 63.3 million euros, or -4.1% (-1.9% at constant FX), to 1,482.8 million euros from €1,546.1 million during 2016. The evolution of revenues, in line with expectations, was largely affected by the change-over in large programs in the United States and Mexico resulting in lower volumes, the negative impact of the depreciation of the US dollar and lower tooling revenues both in the fourth quarter.	2016 1,546.1 2017 1,482.8 Variation -4.1% Variation CF const*. -1.9%
	Asia Revenues in 2017 increased by 64.0 million euros, 6.2% (8.4% at constant FX) to 1,101.8 million euros from 1,037.9 million euros in 2016. The evolution of revenues was fueled by good performance in India in our Pune plants and a moderate growth in China negatively impacted by the depreciation of Chinese yuan and lower volumes in the Wuhan plant.	2016 1,037.9 2017 1,101.8 Variation 6.2% Variation CF const*. 8.4%

Total

2016 7,548.9

2017 8,201.6

Variation 8.6%





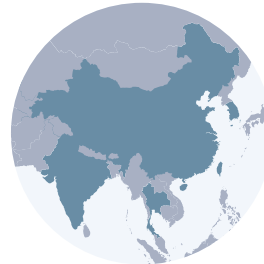
Variation CF const.*: 11

 More information: [Consolidated Financial Statements 2017](#)

*Variation at constant foreign exchange rate

EBITDA by geographical segment

Millions of euros

	Western Europe EBITDA in 2017 grew by 45.9 million euros, or 12.1% (13.8% at constant FX), to 423.9 million euros from 378.0 million euros in 2016, on the back of efficiency gains in the main markets, but partially offset by higher tooling sales and the depreciation of the British pound.	2016 378.0 2017 423.9 Variation 12.1% Variación CF const*. 13.8%
	Eastern Europe EBITDA during the year of 2017 grew by 27.3 million euros, or 28.5% (39.7% at constant FX) to 122.9 million euros from 95.6 million euros in 2016, primarily due to the previously described revenue trends and efficiency gains in Turkey, Poland and Russia, despite launching expenses in Slovakia and the Czech Republic.	2016 95.6 2017 122.9 Variation 28.5% Variation CF const*. 39.7%
	South America EBITDA in 2017 grew by 36.3 million euros, or 156.5% (159.3% at constant FX), to 59.5 million euros from 23.2 million euros in 2016. The increase in EBITDA was mainly due to the continued recovery of volumes, the positive impact from ramp-up of programs and performance improvement after the restructuring carried out in recent years.	2016 23.2 2017 59.5 Variation 156.5% Variation CF const*. 159.3%
	North America EBITDA during 2017 fell by 44.0 million euros, or -26.3% (-23.6% at constant FX), to 123.2 million euros from 167.2 million euros during the year of 2016. The EBITDA evolution reflects the impact of the one-off non-recurring costs announced in September 2017, in addition to the higher launch costs, due to more project launches than in 2016, as well as by the change-over in large programs in the United States and Mexico resulting in lower volumes as expected.	2016 167.2 2017 123.2 Variation -26.3% Variation CF const*.. -23.6%
	Asia EBITDA during the year of 2017 fell by 16.7 million euros, or -9.4% (-7.5% increase at constant FX), to 160.4 million euros from 177.1 million euros in 2016. The evolution in EBITDA was impacted by higher project and launching expenses and a normalization of profitability levels after a high 2016 margin due to unusually high saturation rates in our plants.	2016 177.1 2017 160.4 Variation -9.4% Variation CF const*. -7.5%

Total

2016 841.1

2017 889.9

Variation 5.8%

Variation CF const.*: 8.8%

*Variation at constant foreign exchange rate

STOCK EXCHANGE EVOLUTION

Euros	2017
Total number of shares	575,514,360
Price per share	5.96
Market capitalisation (in thousands)	3.428
Maximum price (during year)	6.29
Date of maximum price	17/07/2017
Minimum price (during year)	5.10
Date of minimum price	18/04/2017
Average price (during year)	5.75
Total volume (in shares)	275,205,128
Average daily traded volume (in shares)	1,479,597
Total volume (in million)	1,550.54
Average traded volume (in thousands)	8,336.22

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

As of December 31st, of 2017, the Company's total Free Float amounted to 28.73%. The remaining shareholding of 71.27% is controlled (directly and indirectly) by Acek Desarrollo y Gestión Industrial S.L. (Acek, the Riberas Family industrial holding) being 58.745% owned by Acek and 12.525% by Mitsui.

Please see below for Gestamp's share price evolution since April 7th, 2017.

Gestamp shares increased in value by 6.4% since IPO, resulting in a market capitalisation of 3,428 million euros as of 31 December 2017. The total traded volume in 2017 was 275 million shares or 1,550.5 million euros.

The shares hit a high for the year on July 17th, 2017 (6.29 euros) and a low on April 18th 2017 (5.10 euros). Since IPO, our average share price has been 5.75 euros.

In 2017, the Group reported a profit per share of €0.42. The most relevant information on Gestamp's evolution in the stock market in 2017 is set out below.

As a listed company, Gestamp enhanced its communication with the investment community.

Gestamp shares increased in value by 6.4% since IPO on April 7th, as of December 31st, 2017.

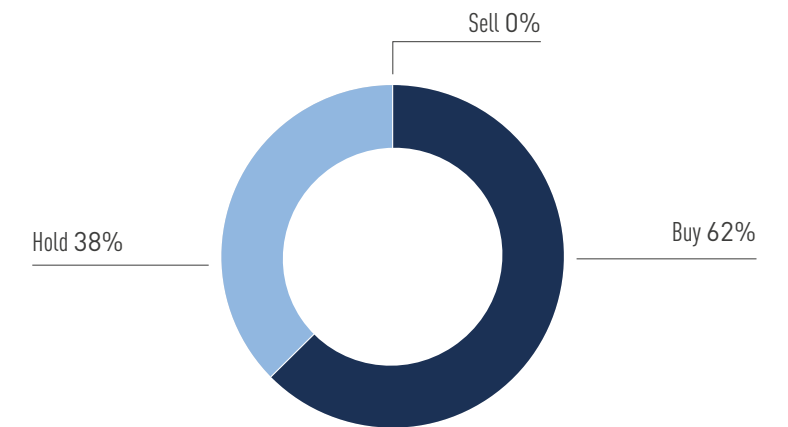
The Communication Policy and relationship with the investment community of Gestamp, establishes the framework of action in its relationship with shareholders, analysts and investors, from the principles of good governance and corporate values such as information transparency, continuity, accessibility and immediacy. Together with encouraging of shareholder confidence, Gestamp has promoted the protection of their rights and the promotion of their participation, equal treatment and non-discrimination and compliance with current legislation, among others. For such purposes, the investment community has had an open communication with the company through the Investor Relations Department as well as through the Investor Relations email (investorrelations@gestamp.com), the Company's website (www.gestamp.com) or by phone: +34 91 275 28 72.

In 2017, the company made an effort visiting locations worldwide besides the local market. In total, Gestamp visited six countries such as United Kingdom, Germany, France and the United States.

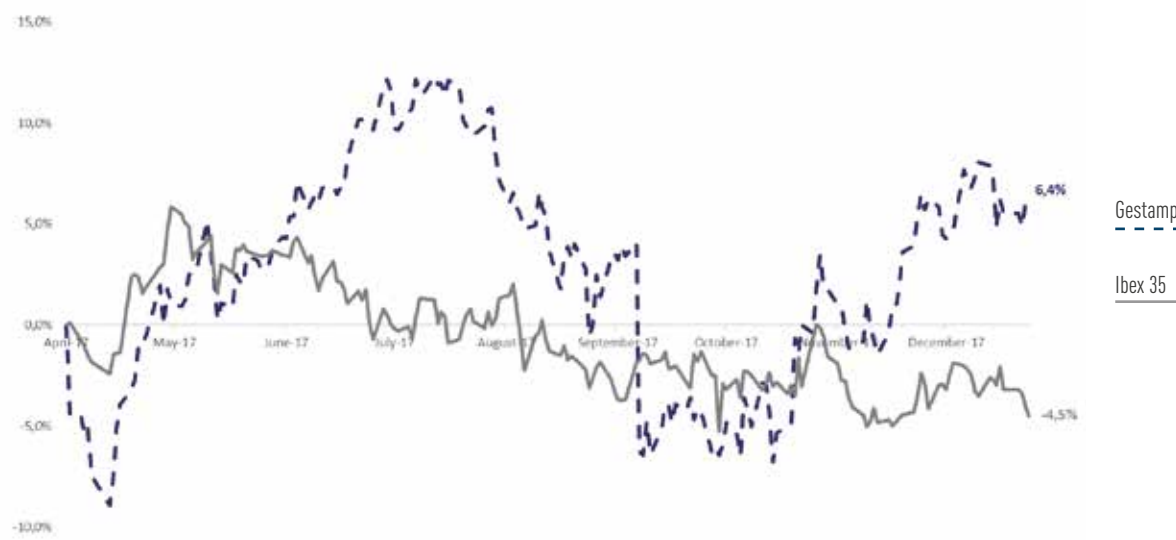
Since IPO, Gestamp organised 25 events such as conferences, site-visits and non-deal roadshows. Also, it organised more than 35 ad-hoc meetings and had more than 70 conference calls with the investor community. In total, Gestamp had more than 430 interactions with the investor community since April 7th, 2017, which means 3 average interactions per day.

Thanks to the Investor Relations Department's briefing effort, coverage of the stock increased from 9 analysts at IPO to 13 brokers. As of December 31st, 2017, average target price was 6.44 euros. Investment recommendation ended the year as follows:

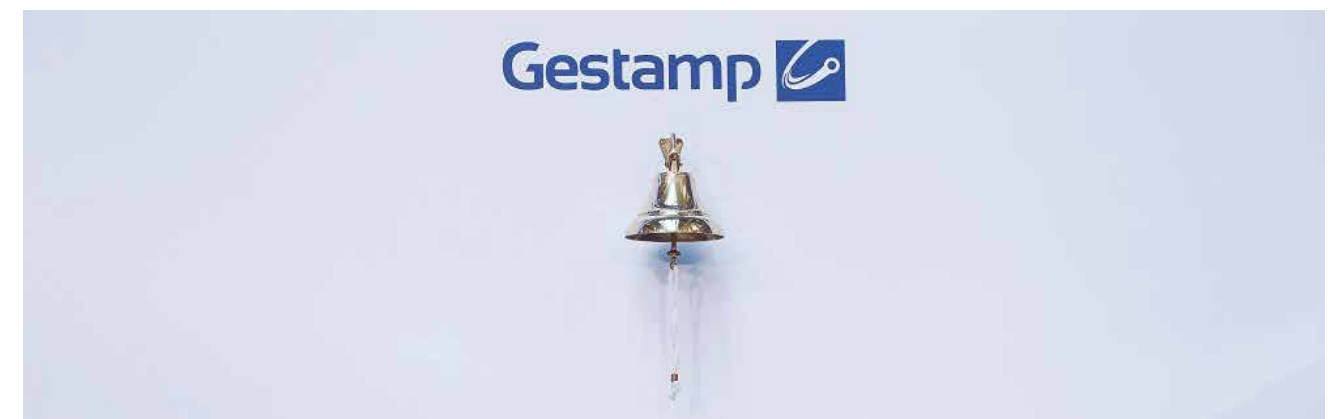
INVESTMENT RECOMMENDATION DISTRIBUTION RECOMMENDATIONS



GESTAMP'S DAILY SHARE PRICE EVOLUTION VS IBEX 35 (SINCE IPO)



Source: Bloomberg



BONDS AND CREDIT RATINGS

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

On May 11th, 2016 the Group issued a new bond, through the subsidiary Gestamp Funding Luxembourg, S.A. for 500 million euros with an interest rate of 3.5%. The issuance was used to fully refinance the May 2013 euro bond and accrued interest. The US dollar bonds issued in May 2013 were fully refinanced on June 17th, 2016 with the tranche A2 of the new syndicated loan granted on May 20th, 2016.

The maturity date of the new bonds is May 15th, 2023.

As of December 31st, 2017, Gestamp's corporate credit rating was "BB / stable outlook" by Standard & Poor's and "Ba2 / stable outlook" by Moody's. These ratings were confirmed on June 16th, 2017 by Standard & Poor's and on September 13th, 2017 by Moody's.

Corporate Credit Ratings	Current Rating	Outlook	Last Review
Standard & Poor's	BB	Stable	03/05/2016
Moody's	Ba2	Stable	28/04/2016

Senior Secure Notes	Current Rating	Outlook	Last Review
Standard & Poor's	BB+	Stable	03/05/2016
Moody's	Ba3	Stable	28/04/2016

FUTURE OUTLOOK

For 2018, global economic growth is expected to confirm the pace gathered in 2017, which according to International Monetary Fund's January 2018 World Economic Outlook will stand at approximately 3.9%. The higher growth is expected to bring inflationary pressure, as first signs of price and wage increases appear, particularly in the United States.

With an improvement in economic activity, Gestamp expects a good performance in the automotive sector globally. According to IHS January 2018 data, global light vehicle production is expected to increase by 1.9% in 2018.

In a favourable environment, and on the back of the strong investments made in recent years in projects that will ramp up this year, Gestamp expects a positive performance of its operations in 2018. In line with the last few years, the Group expects solid revenue and income growth, well above that of the market, at constant FX. Gestamp will continue to focus its efforts on improving the efficiency of its processes and adequate management of the large number of projects the Group is working on.



TAX CONTRIBUTIONS

Our tax principles and values

Gestamp's corporate culture is primarily geared towards making Gestamp the most renowned supplier for its capacity to create value for its clients, maintaining sustainable economic and social development.

In this context, our entire fiscal strategy is firmly built on the foundations of our continuous commitment to the national and international tax regulations in force.

At Gestamp, we are fully aware of the importance and need of positively contributing to the public purse in the different territories in which we operate. We are also aware of the significance of our social contribution and we have a clear and precise idea of what our contributory social responsibility entails.

Based on that, the principles and values that regulate our fiscal strategy can be summed up under four basic pillars:

RESPONSIBILITY

At Gestamp, all tax-related decisions and actions are regulated under the fundamental principles of honesty, coherency, consistency and complete respect for the regulations on the applicable area in each case. Furthermore, all the operations undertaken with the corresponding parties and entities are done so in market conditions and under the principles of free competition and correlation between risks and returns. As such, all transactions are identified in our financial statements, pursuant to the applicable national and international regulations, and they are set out in our transfer pricing documentation at a local and group level.

CONTRIBUTION

At Gestamp, we also align our economic and business activity with the payment of taxes. This means that value is generated through said payment wherever our activity is carried out.

Our aim at Gestamp has never been to relocate activities or profits to particular jurisdictions for purely fiscal reasons.

TRANSPARENCY

We have a clear commitment at Gestamp to fiscal transparency and, therefore, all the information that we provide our shareholders, the market and the different stakeholders we have a relationship with is always accessible, clear and accurate.

COOPERATION

At Gestamp, we are always willing to participate in any initiative aimed at promoting, through firm values of professionalism, collaboration, good faith, mutual trust and respect, a cooperative relationship and constructive dialogue with the different public authorities of the countries where we have an industrial presence.

Management and control system

At Gestamp, fiscal matters are managed in an ordered and professional manner to ensure the due and timely fulfilment of all fiscal liabilities and the effective management of tax-related risks. Therefore, we undertake appropriate, expert and integrated organising with sufficient technical ability at a corporate, divisional and local level.

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

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

Our fiscal magnitude in 2017

Details of total expense and payment (current tax) for consolidated Corporation Tax:

Thousands of euros	2017	2016
Current tax	89,974	78,900
Deferred tax	(7,872)	9,940
Other adjustments to tax expense	-	100
Total	82,102	88,940

Balance of the Corporation Tax expense based on pre-tax accounting profits:

Thousands of euros	2017	2016
Accounting profits (pre-tax)	370,179	348,081
Theoretical tax rate	103,650	97,463
Difference between rates	(15,125)	(4,792)
Permanent differences	2,394	4,649
Deductions and negative tax bases, not previously recognised	(27,126)	(27,579)
Tax credit and negative tax bases generated in the financial year not registered	18,733	13,474
Adjustments relating to tax in previous financial years	(3,576)	5,765
Tax rate adjustments	3,152	(40)
Total income tax expense	82,102	88,940

3

OPERATIONAL EXCELLENCE

- Our approach
- Standardisation: One Gestamp
- Industry 4.0 model
- Energy Efficiency
- Supplier management and control

OUR APPROACH

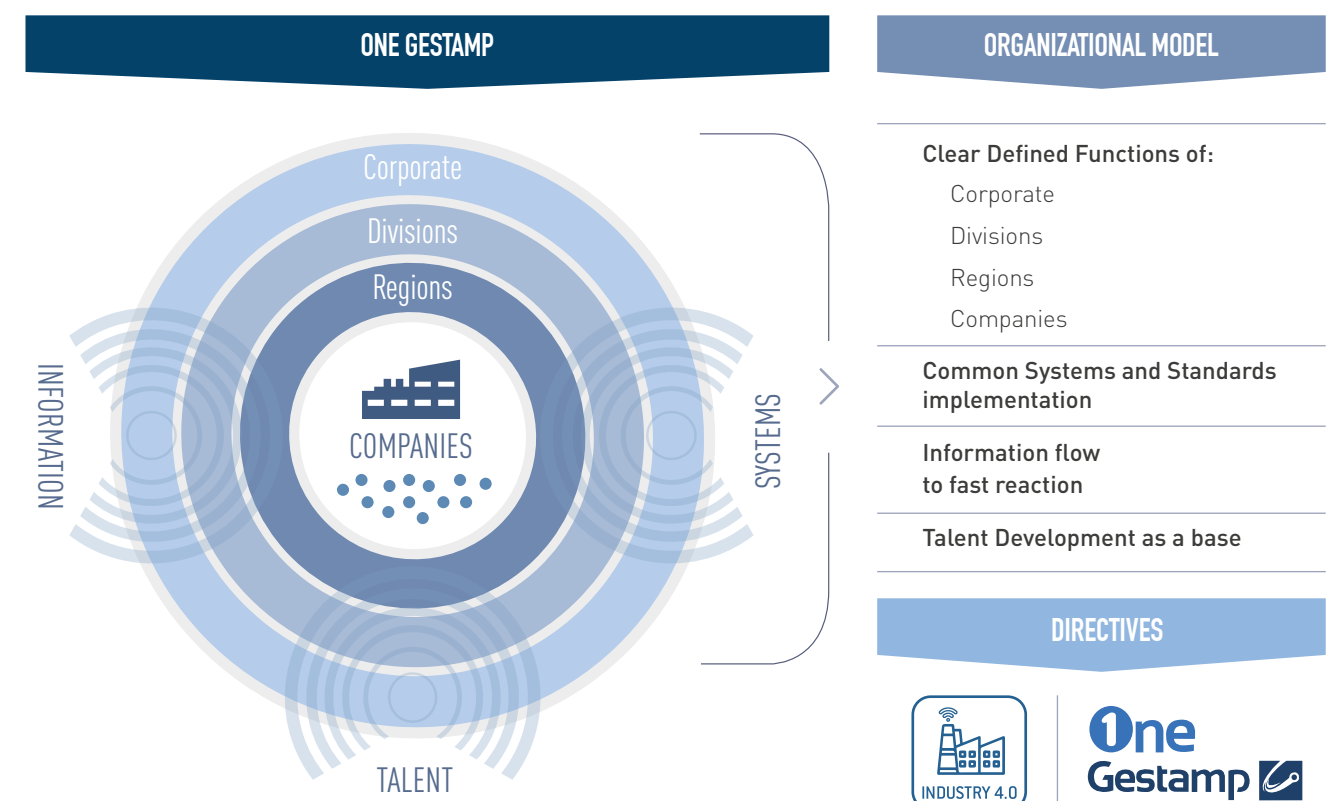
In a competitive sector, such as the automotive sector, standing out from the rest is necessary. Our operations and management have to be excellent.

To achieve operational excellence, Gestamp relies on:

- **An organisational structure** to maximise operational efficiency, ensuring that:
 - Our business units focus on clients, products, innovation processes and on R&D
 - Our geographical divisions are focused on improving production processes and profitability
 - Each production plant is a centre of profit

i Further information in the chapter: Gestamp Group

- **Several corporate standardisation projects** to improve efficiency in management and in our operations, which are encompassed under the One Gestamp name.
- **The industry 4.0 model** allows us to comprehensively and smartly combine data on personnel tasks and production processes and machinery using different digital formats, from smart sensors and devices to complete systems.
- **A system to control and manage our suppliers** that helps to minimise risks relating to the supply chain.



STANDARDISATION: ONE GESTAMP

Gestamp's rapid growth in recent years and the complexity of new products and projects have required us to strengthen our standards. Gestamp has launched different initiatives to make it a more homogeneous organisation and to provide a basis for common standardisation (One Gestamp).



PRODUCTION PROCESSES

GESTAMP PRODUCTION SYSTEM
(GPS)



PROJECT MANAGEMENT

GESTAMP PRODUCT CREATION SYSTEM
(GPCS)



QUALITY

GESTAMP QUALITY SYSTEM
(GQS)



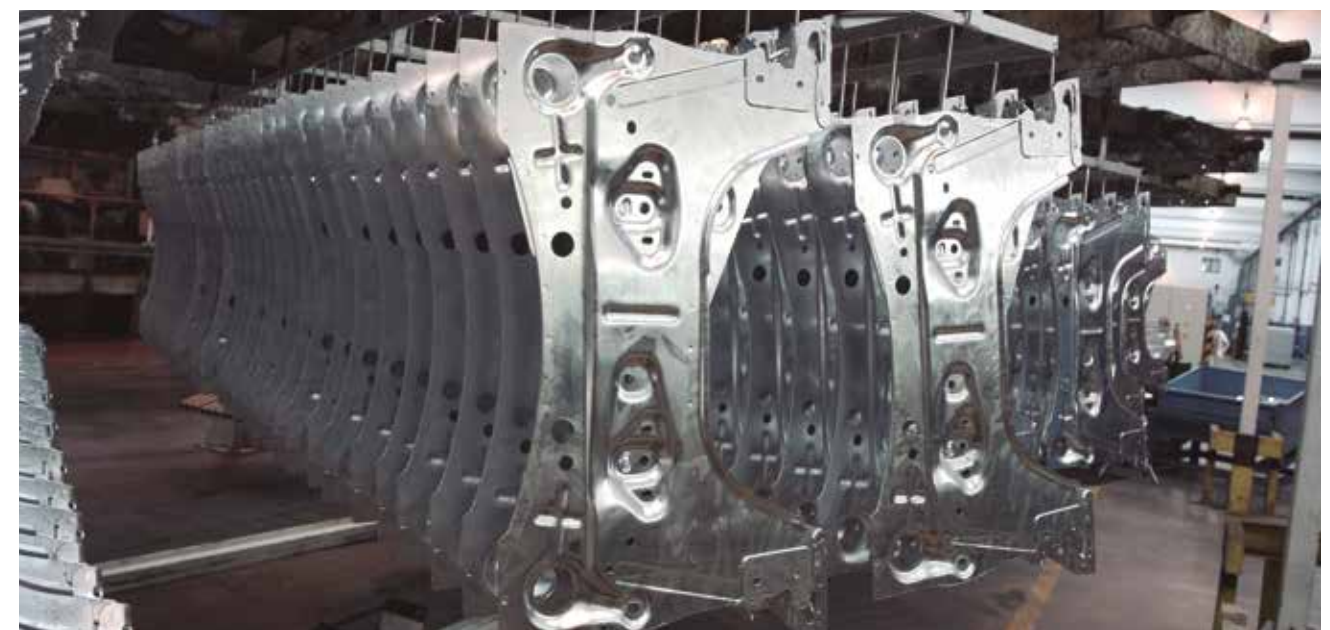
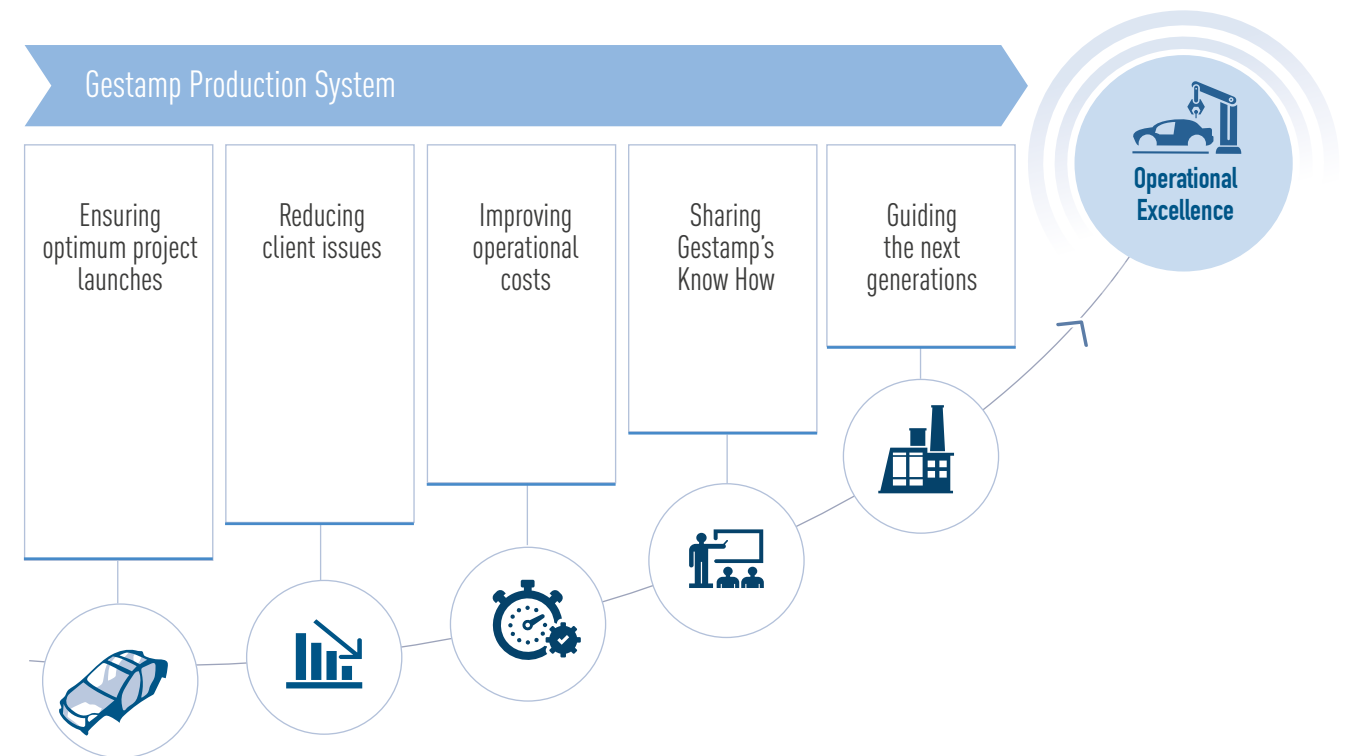
PRODUCTION PROCESSES

Gestamp Production System (GPS)

Gestamp Production System (GPS) is one of the fundamental projects of One Gestamp.

The aim is to standardise how work is undertaken in the production and process plants.

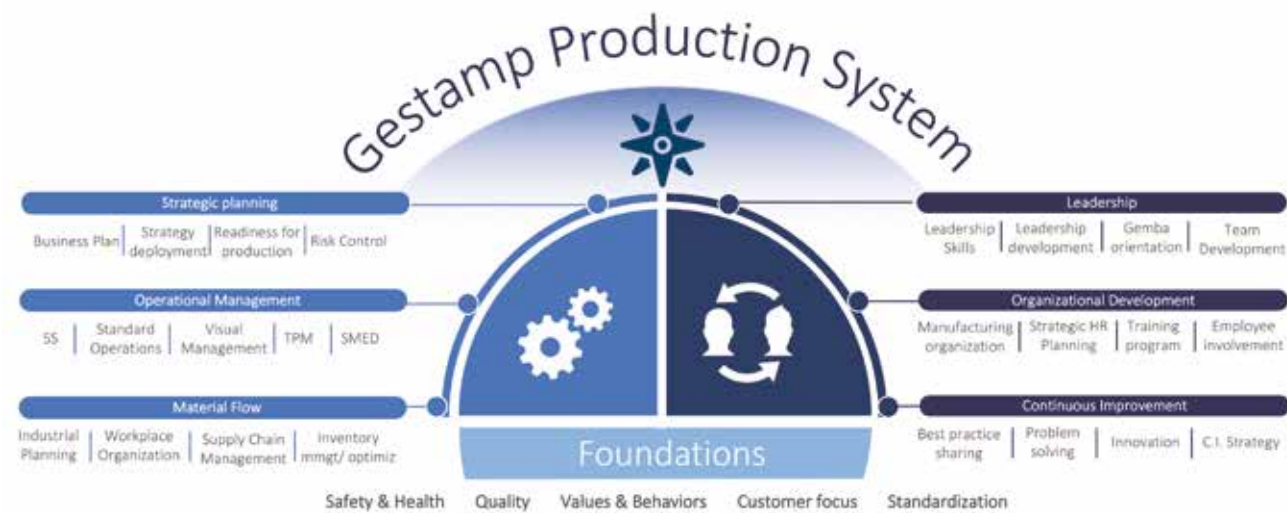
COMMON PRODUCTION METHODOLOGY TO SUSTAIN THE OPERATIONAL EXCELLENCE



It is based on two main pillars:

- Manufacturing processes
- Human capital development

Different principles come under those two pillars that encompass all of the operational areas of the plants and that establish the shared methodology of the Group.



The project is led by the Group's Technical Office, which fostered a series of initiatives throughout 2017 to establish, draw up and verify in situ the fundamental procedures of the GPS.

Divisions, business units and plants participated in drawing up the procedures, while taking into consideration the best practices of the plants and the business knowledge of the Group's different experts. Said procedures were tested by several plants, as the biggest challenge is ensuring they can be replicated in different environments and cultures, providing homogeneity to Gestamp's industrial activity around the world.

We are currently in the global roll-out phase of the GPS, which will subsequently be assessed and certified with a view to controlling the extent of application of the system in plants.

Industrial control

In addition to the GPS, at Gestamp we have certain key tools and indicators for controlling the management of our plants.

Throughout 2017, the Technical Office rolled out an auditing system on production measurement instruments in order to assess the extent of compliance.

Furthermore, the information management standards at the plant level are being improved to foster the use of a common tool and to facilitate the benchmark and analysis of operational results at each plant.

PROJECT MANAGEMENT

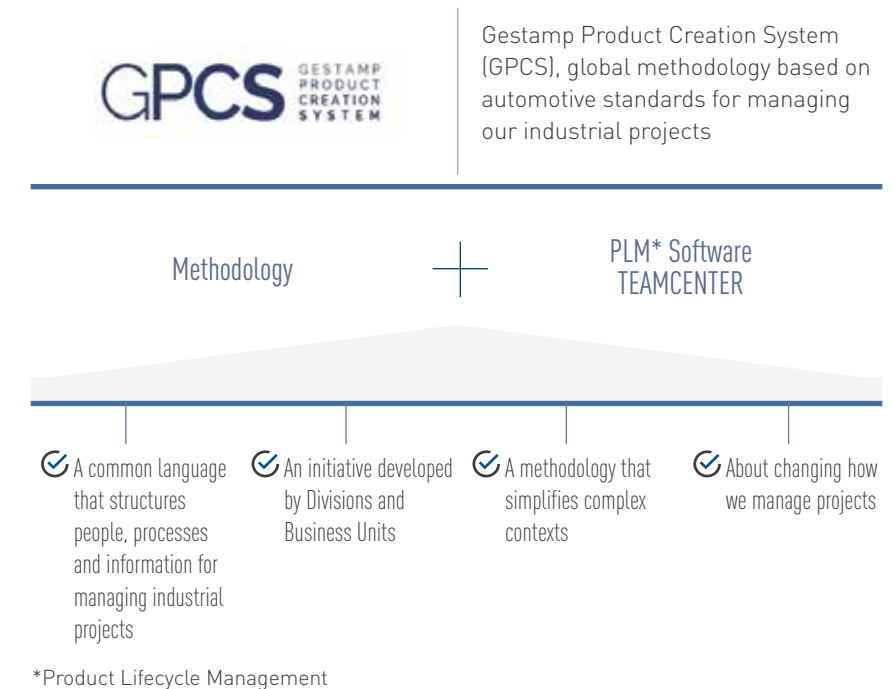
The adoption of the GPCS is a key element in ensuring the quality of new Gestamp products and production processes.

Figures:

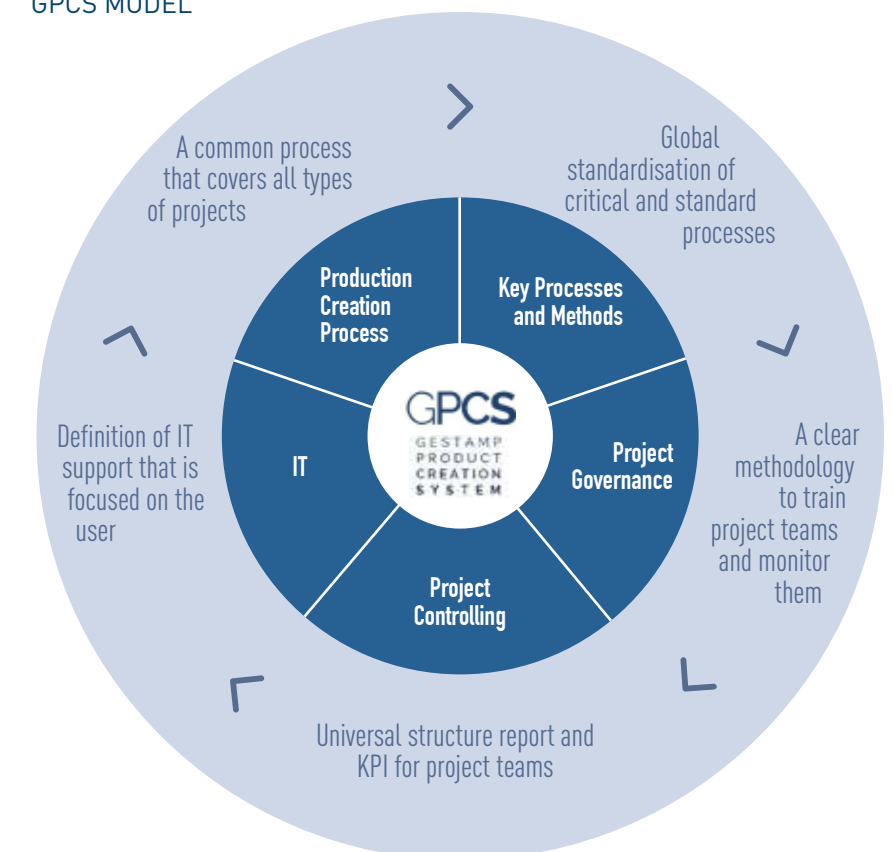
- Mandatory for any Body in White or Chassis project.
- Over 200 Rollout Leaders.
- More than 3,000 users.
- More than 250,000 training hours.

Gestamp Product Creation System (GPCS)

At Gestamp, we manage our clients' projects in a standardised manner through a system that we call Gestamp Product Creation System (GPCS), which includes certain processes, an organisation system and the tools required to manage the creation of new products.



GPCS MODEL



QUALITY

Quality in our business

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

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

OUR QUALITY APPROACH



Value proposition

Quality Awareness

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

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

CORPORATE QUALITY OF THE GROUP

To achieve the aforementioned aims, Gestamp has revised its quality strategy and it has been reorganised into five fundamental areas:



Quality management

All our production plants have developed and maintained a quality management system that has the international certifications required by our clients, mainly the IATF 16949 and even, in some cases, certifications for environmental and health and safety management systems.

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

With a view to increasing client satisfaction, plant, region, division and corporate teams have joined forces to build a common model called the Gestamp Quality System (GQS).

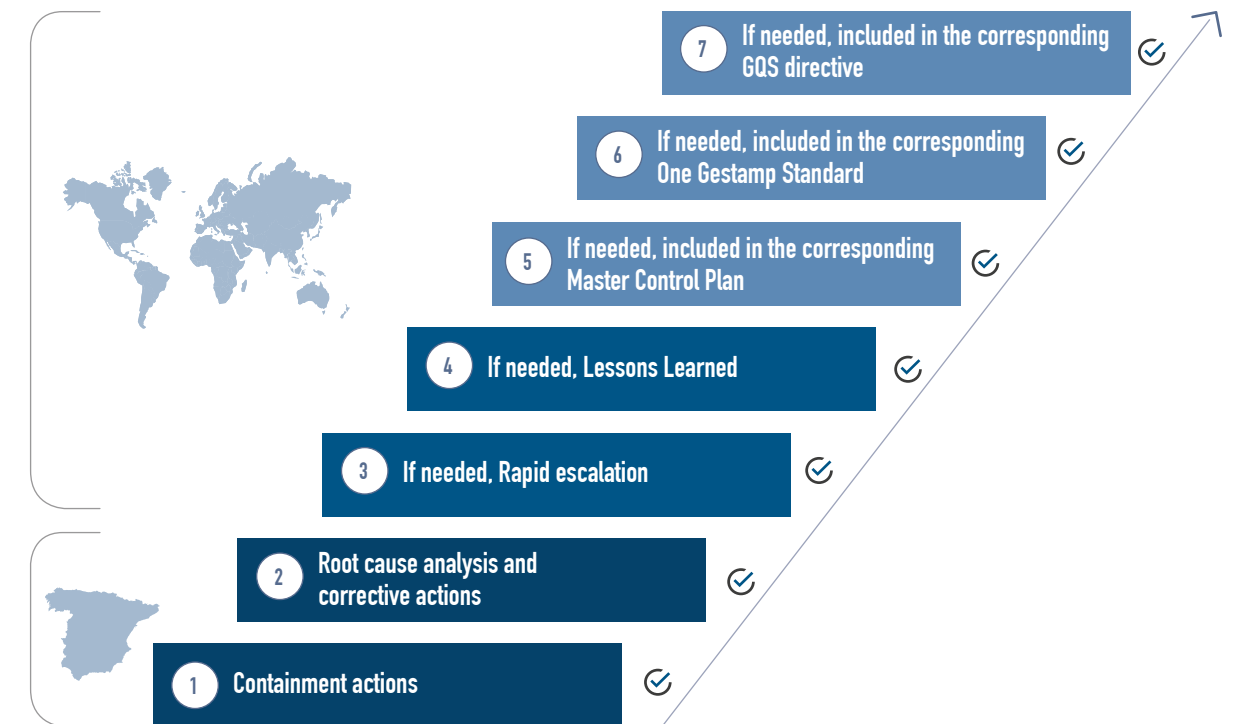
This project was one of the key projects at Gestamp in 2017. During the period, 30 key directives were established for the rolling out of the revised 2016 quality strategy. These directives were unanimously designed and validated by representatives of all the divisions and tested in two plants, the Westerburg plant and the Puebla II plant.

The directives will continue to be rolled out in production plants, except for the plants relating to the Menchanism Business Unit, throughout 2018.

Aim

- Review of the Quality strategy.
- Common methodologies and best practices included in corporate directives implemented in all production plants across the divisions and regions.
- Increase in the use of some corporate quality tools (QSYS, QA, Lessons Learned, Rapid Escalation, Audit management tool, etc.

GLOBAL STANDARDIZATION OF THE QUALITY SYSTEM

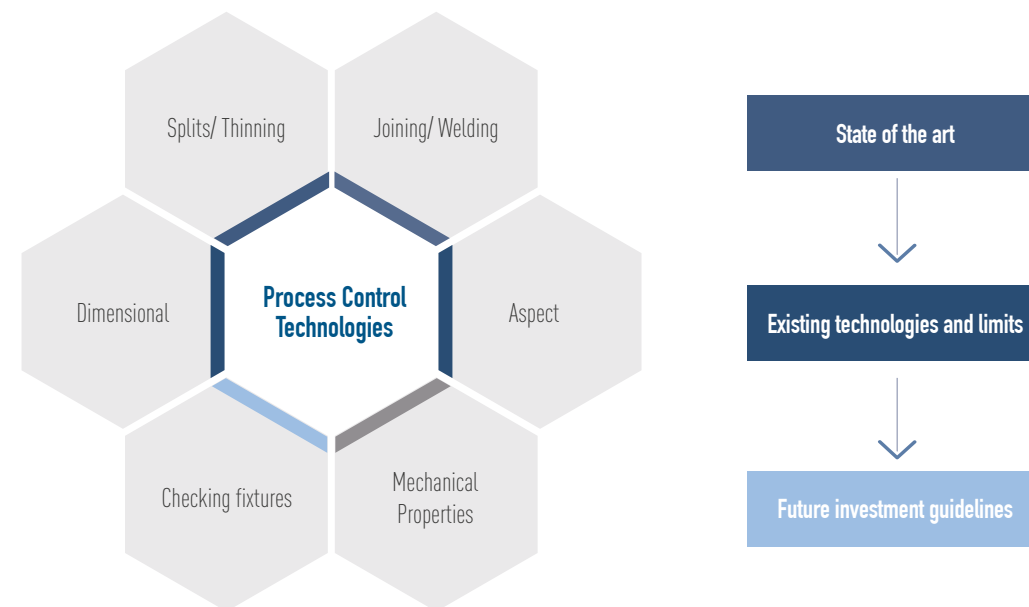


Based on some of the main pillars of the Gestamp quality strategy, capitalising the experience and knowledge gained due to customer claims is a **powerful tool with which to improve and to satisfy our clients.**

Quality Process

The Quality Process area provides the whole organisation with a set of quality standards and methodologies linked to the Group's production technologies and processes. Its aim is to align all of our production activities with the client's quality requirements in order to maximise the quality and efficiency of said processes. We have to ensure that we comply with the client's specifications in all processes up until the final delivery of the product.

GLOBAL PROJECT OF CONTROL PROCESS TECHNOLOGIES



The families of technology that are most important for the Group are currently being analysed. The project has established different lines of action that include: assessing the inventory of available equipment in our production plants around the world, revising and identifying suppliers of the technology and their limits, and drawing up complete guides for different families of equipment.

To date, arc welding standards have been established and standards for hot stamping and skin parts are currently being worked on. Resistance welding is also envisaged for the following year.

Project Quality

In 2016 and 2017, the role regarding quality of the GPCS, due to its high strategic significance for the Group, was revised and strengthened at all levels by the Group's Project Quality area. We included in the revision the roles of quality engineers in the R&D centres, project teams and plants that launch new products.

Furthermore, under the Global FMEA programme, focus on the risk management of the GPCS was sought, strengthening the FMEA (Failure Mode and Effect Analysis) methodology and its corresponding roles. As such, risk management was intensified as an element built into project management and common procedures were established in the Group to better identify all of the possible kinds of defects that a product could have and the possible corresponding consequences.

Client Quality

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

Annual meetings

Meetings at the highest level are held annually with all clients, in order to review short-term forecasts and results, as well as to analyse longer-term perspectives and opportunities. In addition, the development of common strategies, new technologies and any requirements clients bring up, are analysed.

Daily contact

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

Our production plants are in daily contact with our clients' facilities: this is a more operational contact, seeking to provide a quick response to our clients' needs and requirements, in order to solve any problem that arises on a day-to-day basis.

Clients Audits

On the other hand, clients visit our manufacturing sites from time to time to carry out audits and to contribute to our continuous improvement, together with periodic assessments that allow us to know where our quality stands are compared to those of our clients other suppliers, so that we can implement measures in aspects where our clients consider there is room for improvement.

Monitoring and internal audits

Monitoring the performance of product quality delivered to our clients is carried out by internal audits of products, processes and systems, as well as by using indicators at all levels of the organization (plants, regions, divisions and corporation).

All the incidents that occurred during the year were solved favourably in optimal timeframes between the automotive manufacturers and Gestamp. That ensured that final users did not face any inconvenience whatsoever and no vehicle in the possession of a final user was recalled for a revision for any reason relating to the products supplied by the Group in 2017.

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

Supplier's Quality

We believe that good management of suppliers, while also ensuring their quality, is a key element in the process of meeting our clients' needs.

i Further information in p.79



LESSONS LEARNED SYSTEM FOR THE CONTINUOUS IMPROVEMENT OF THE GQS



A lesson learned is knowledge acquired through experience, which may be positive (good practice) or negative (such as a customer's claim) origin. One of the assets of Gestamp, derived from its size, is the possibility of sharing knowledge among the different actors so that acquired experiences that result in an improvement can be capitalized and used by the rest of the organisation.

Aim

To facilitate this knowledge management process, a global communication tool was developed within the organisation.

Currently it has three modules, depending on the area where knowledge is generated: quality for the knowledge acquired during the serial production knowledge; Project, for the lessons learned in the project phase and therefore directly linked to GPCS; and finally GPS, for the knowledge to share in the lean manufacturing environment. It is therefore one of the cases in which a tool is designed to be used by the three pillars of One Gestamp.

Achievements

The tool is already mature in the area of quality, in which more than 450 lessons learned have been shared globally, and in the project area, 20 lessons learned due to its subsequent implementation. The GPS area is in the launch phase throughout 2018.



QUALITY HARMONISATION OF BIW PARTS WITH CLIENTS

In 2017, Gestamp set up a work group in the Pune production plant facilities to re-establish and work on the quality criteria of BIW parts. Employees from around the world who work directly on these types of projects and auditors who are Volkswagen experts participated in the fifth consecutive year of this project.



Aims

- To harmonise the Group's quality criteria on a global level with the support of Volkswagen BIW auditors.
- To verify and agree the same criteria according to the Volkswagen evaluation system.
- To revise the entire requirement list of the Volkswagen quality standards.
- To share good practices and lessons learned with other clients.

Method

During the workshop, a revision of the Group's Product Audits in Automotive Manufacturing Plants guide was conducted with the client to ensure that the new requirements were considered and applied as a new standard in the Group. Part of the new regulation included: amendments in the description of defects, changes in evaluation criteria and in the naming of imperfections and new

specifications in BIW areas. Working in different groups, the participants carried out real practices and audited prototypes of stamping parts with different types of defects, subsequently ensuring comprehensive learning and that all the groups had the same evaluation criteria.





DEPLOYMENT OF ALL OUR KNOW-HOW ON ARC WELDING

Due to the rapid growth of our industry and the increased use of arc welding in parts manufacturing, we decided to analyse and structure all our know-how on the area and to undertake a series of training actions with the aim of standardising the learning journey of those who work with such processes.

Objetives

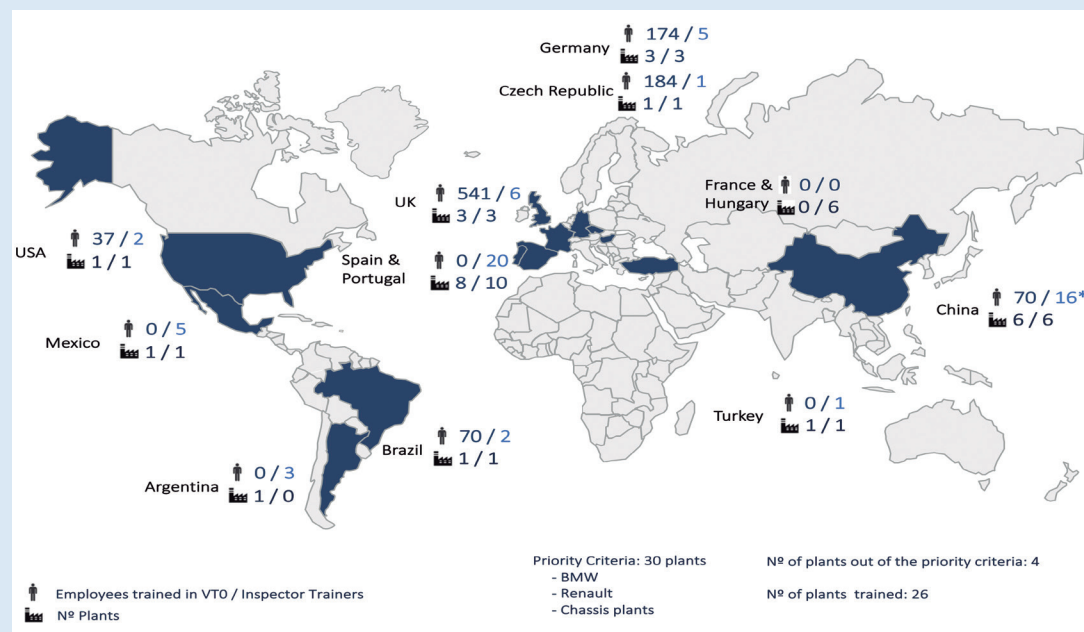
- To increase efficiency in the quality assurance of parts manufactured using arc welding.
- To increase knowledge regarding client requirements and international regulations, as well as internal standards and good practices.
- To standardise the language and vocabulary used in the process for greater explanation and better understanding of the issues.

Method

A training programme was developed in coordination with the Corporate Human Resources area and aided by the training tool, Gestamp Global Learning:

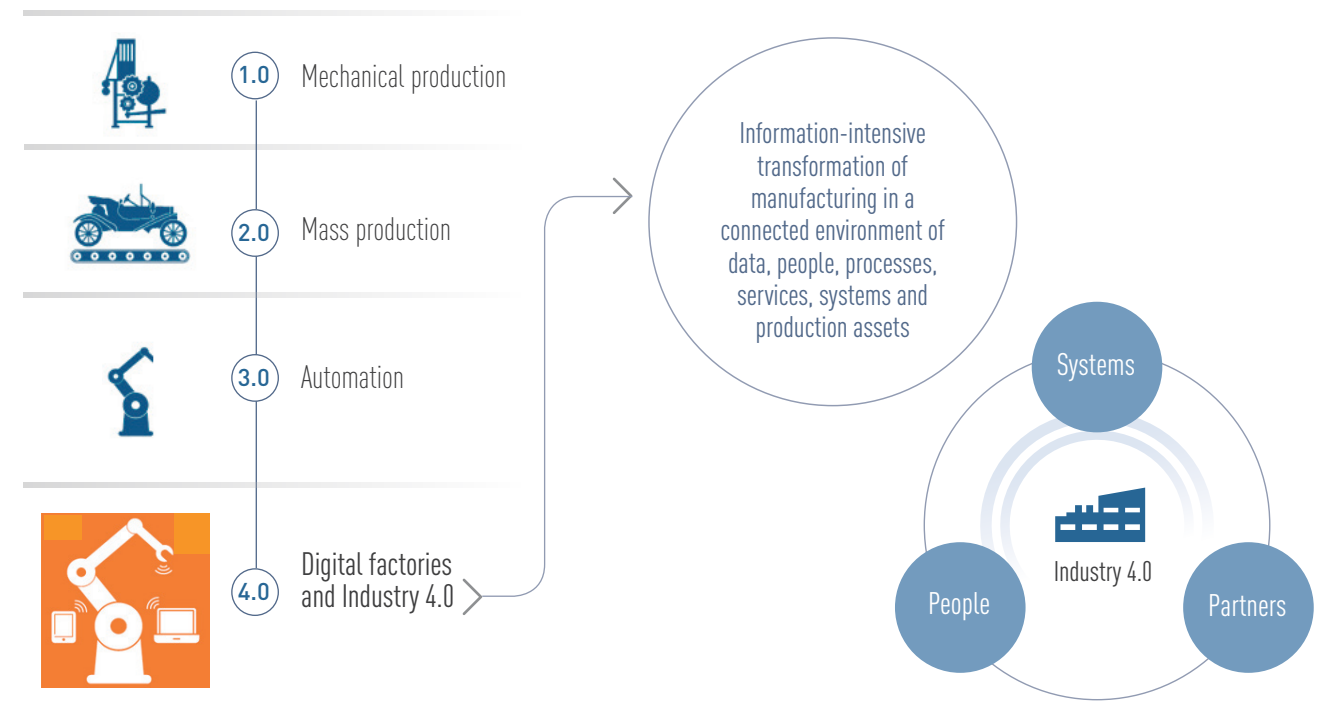
- Shared by all plants and based on international standards, although adapted to the needs and technology of Gestamp.
- Focused on the requisites of our main clients, taking others into consideration for their inclusion in future versions.
- Practices and certifications given by Gestamp, and pending approval by clients where necessary.
- Cascade training approach: internal trainees identified for the welding defect catalogue.

DEFECT CATALOGUE TRAINING IMPLEMENTATION



INDUSTRY 4.0 MODEL

The so-called Industry 4.0 or Fourth Industrial Revolution offers enormous improvement potential in different sectors of the world economy.



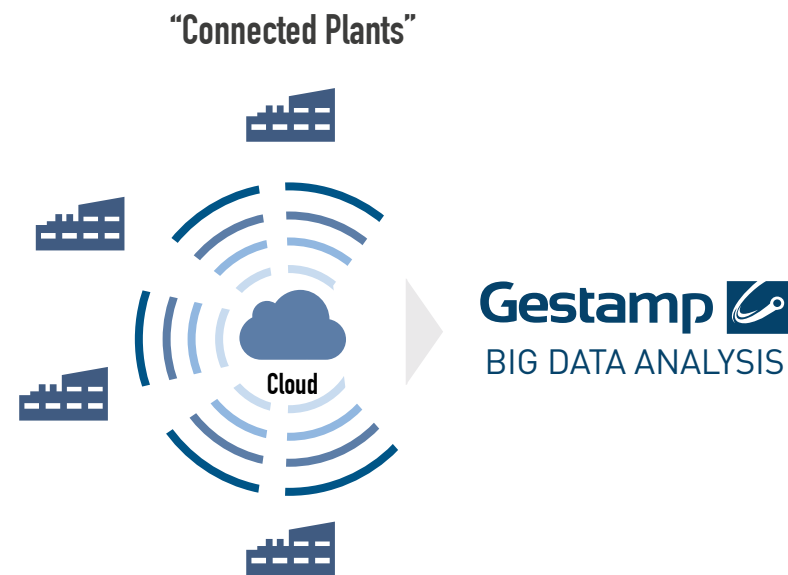
Source: Roland Berger

At Gestamp, we are firmly committed to applying an Industry 4.0 model in our production processes. The adoption of Industry 4.0 solutions is helping us to comprehensively collect and analyse data in a structured manner and to transform said data into smarter, more precise and applicable information in real time. We have managed to combine workforce tasks with production processes and equipment, from smart sensors and devices to more complex systems. In turn, we can use it as a format through which to globally connect the plants and it helps us to improve collaboration, resolve problems at greater speed and to optimise innovation. Connectivity improves the operators' understanding of situations that take place in our production processes and it perfects their decision-making process.

Our Industry 4.0 model covers different areas, from production processes (hot stamping, cold stamping, arc welding, multistep, etc.) to auxiliary processes, such as maintenance, logistics, quality, management and energy. Furthermore, Gestamp's multidisciplinary teams participate in it and we also rely on our suppliers and clients in order to make the most of their knowledge.

INDUSTRY 4.0 IN GESTAMP

INPUT: Comprehensive analysis of available information



OUTPUT: Creation of more efficient plants, and more consistent and reliable processes

 Increased productivity	 Traceability	 Staff support	 Reduced downtime
 Quality control	 Reduce stocks	 Predictive maintenance	 Optimization of preparation times
 Plant transparency	 Flow optimization	 Energy efficiency	 Paperless plants

Key projects

Gestamp currently has diverse ongoing initiatives in which different technologies, ranging from collaborative robotics to augmented reality, are used. All these initiatives entail, to a certain extent, advanced analytical techniques, such as Machine Learning and Artificial Intelligence, and the same work phases are followed in all of them.

Figures 2017

11 Projects¹

46 Initiatives

21 Plants

9 Countries

25 Partners

1. The Energy Efficiency project is included.

- 1. Conceptual:** Establishment of the project, what we are going to do, the aims and the results we expect to obtain.
- 2. Pilot:** This helps us to obtain the value we expect from the project. It is created in one or more plants in a real working environment. The plants chosen perform well in the area in question.
- 3. Roll out:** Once the value of the project has been checked, it is rolled out in all of the Group's plants of the same nature.
- 4. Adoption:** Once it has been implemented, a dynamic for change and use of the solution is generated. The plants and divisional and corporate units related to the subject of the project are involved in said dynamic.

We will continue working throughout 2018 to foster new projects and to achieve our proposed aims. The adoption phase is the most important phase for expanding the Industry 4.0 model and for multiplying our achievements.





INDUSTRY 4.0 APPLIED TO HOT STAMPING



Next steps: Implementation on 48 hot stamping lines by the end of 2018

Aim

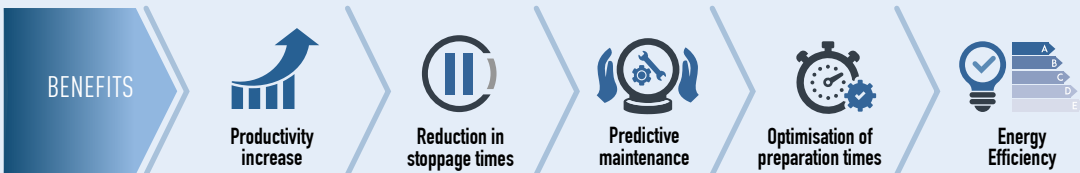
To Implement a system to acquire, store, process and analyse big amounts of data coming from all the assets belonging, directly or indirectly, to a hot stamping line.

With this information, to implement algorithms, patterns and making advanced analytics about the behaviour of the equipment in order to control the process and improve the PERFORMANCE of the hot stamping lines.

Method

Monitoring and analysing our hot stamping lines to achieve performance

- 2,000 variables per machine
- 100 ms frequency
- Different information and data sources: PLs, ERPs, images, auxiliary systems
- Observing in real time what happens on our hot stamping lines
- Pilot on 7 lines at 7 plants in 5 countries



Figures 2017

In 2017, 23 plants formed part of the initiative. At each one, the specific Energy Efficiency measures were identified and implemented to optimise the functioning of equipment and to reduce its consumption. These measures allowed us to reduce the energy consumption of these 23 plants by 54 GWh in 2017.

23 plants involved

> 122 improvement measures implemented

16,980 Tn CO₂ reduced

Average of < 2 years Return on investment period

54 GWh Reduction of consumption

ENERGY EFFICIENCY

At Gestamp, controlling the energy consumption of our plants is essential. Our objective is to reduce said consumption to meet our efficiency principles and our commitment to reducing CO₂ emissions.

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

- Analysis of consumption and knowledge of the energy performance of our individual facilities.
- Study of best practices implemented in the Group.
- Research into new improvement channels.
- Sharing of all acquired knowledge.
- Setting of goals and the involvement of all organisational levels of the company.

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

The consumption reductions achieved in 2017 are summarised in the following table:

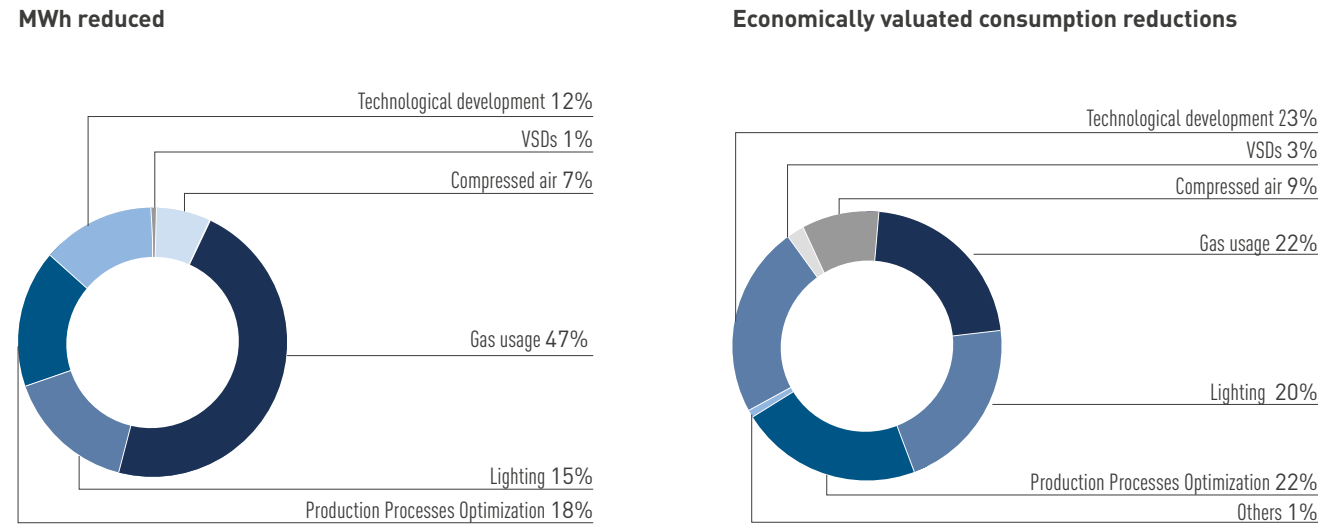
2017	Electricity MWh	Gas Mwh
Estimated	30,000 MWh	20,000 MWh
Achieved	26,000 MWh	28,000 MWh
Total	90%	140%

2017	Electricity MWh	Gas Mwh
Recurrent 2016	25,000 MWh	18,000 MWh
Achieved	26,000 MWh	28,000 MWh
Total	51,000 MWh	46,000 MWh

In 2018, the project will be consolidated in the main plants in North America (United States and Mexico), developed in the plants in China and launched in South America (Brazil).



DISTRIBUTION OF MEASURES ACCORDING TO TYPE (%):



Types and examples of measures undertaken:

Compressed air	At Gestamp Santpedor, the compressor room was optimised, reducing their consumption by more than 700 MWh.
Production processes optimisation	Tallent Llanelli optimised its consumption and the processes relating to different production assets. In doing so, around 1,200 MWh were saved.
Lighting	More than 300 MWh were reduced at Gestamp Palencia by installing skydomes and reducing the use of artificial lights.
Variable Speed Drives (VSDs)	Gestamp Westerburg reduced around 250 MWh of its electricity consumption thanks to the variable speed drives installed in one of their engines for the assembly cells.
Technological development	Gestamp Navarra installed a smart cooling system for the hydroforming process.
Gas usage	Around 1,700 MWh were reduced at Le Theil by optimising the use of the heating system in the storage areas.

Project expectations and plan for 2018:

2018	Electricity MWh	Gas MWh	
Recurrent	52,000 MWh	46,000 MWh	
Estimated	40,000 MWh	25,000 MWh	
Total	92,000 MWh	71,000 MWh	163,000 MWh

Results expected in 2020. Long-term vision:

In 2020, the objective is to have modelled the energy performance of the main production and auxiliary processes of Gestamp plants; to have consolidated the responsible consumption dynamic in the plants; to have implemented an energy performance standard in the plants and to have consolidated the monitoring and rationalisation of energy consumption in all of the Group's policies (R&D, new builds, extensions, etc.).

All of the foregoing will be accompanied by a reduction in our energy consumption. It is envisaged to account for around 240 GWh, with respect to the baseline established in 2015, the year in which the initiative was rolled out in the company.

SUPPLIER MANAGEMENT AND CONTROL

Due to the growing globalisation of our business, managing our supply chain has become more complicated. Since mid-2015, we have used a methodology for managing our suppliers on a global scale. This methodology is called Gestamp Supplier Risk Management (SRM).

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

Through this methodology, we:

- Monitor the performance of suppliers in a coherent and objective way;
- Check the regulatory compliance of essential suppliers (both direct material suppliers and those that are important to the business due to volume, product type and service). That includes requesting certificates and/or key supporting documentation;
- Comply with local and international legal requirements and sector regulations;
- Achieve greater transparency in the supply chain regarding both direct and indirect material suppliers;
- Facilitate risk management and product acquisition activities;
- Support the sustainability of our business, clients and suppliers.

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

Supplier quality

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

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

Figures 2017

Suppliers corresponding to a contract award in 2017:
20,333

Local suppliers:
94%

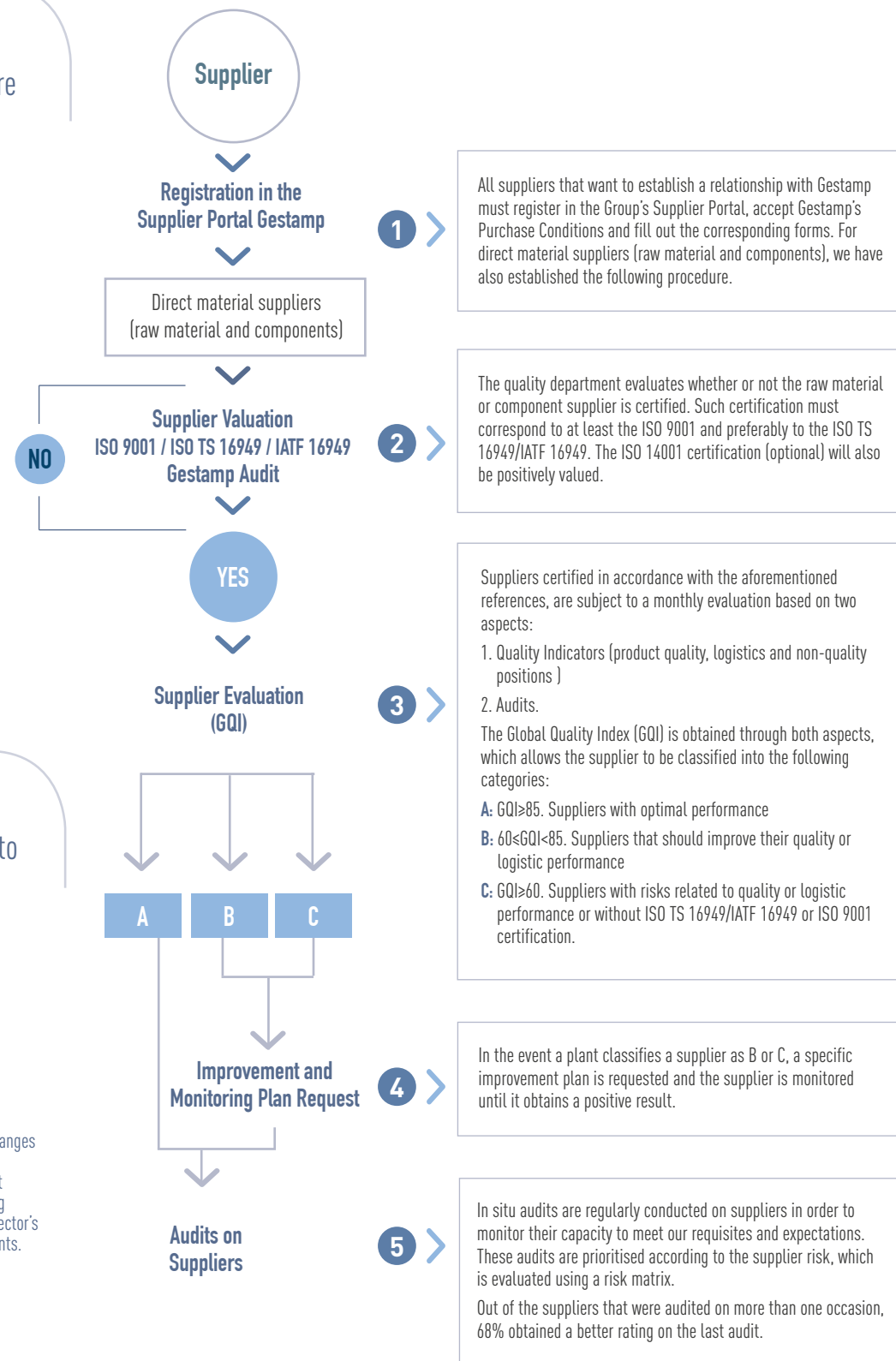
Steel, our main raw material, represented approximately **42%** of our sales in the last three.

Suppliers that are strategic for the Group
439

Over 70% of our raw material and component suppliers are certified under the ISO TS 16949, IATF 16949 or ISO 9001.

Assurance of the quality of direct material suppliers at plant level: raw material and components

6,149 new suppliers registered 4,783 were authorised.



Therefore, of the suppliers evaluated to date:

- 1,010 were Level A
- 106 were Level B
- 93 were Level C
- 279 were Level D.*

* In November 2017, important changes were introduced into the formal requirements relating to our direct material suppliers in order to bring ourselves closer in line with the sector's policies and with those of our clients.

The sustainability of our suppliers

We also evaluate the ethical behaviour of our suppliers in accordance with our values and Human Rights. As such, any supplier that works with us must accept our requirements on Social Responsibility, based on the United Nations Global Compact principles he, which refer to the following:

- Respect for Human Rights (Child Labour, Forced and Compulsory Labour, Freedom of Association, Discrimination, etc.)
- Health and Safety
- Environment
- Business Ethics

In 2017, under the quality audits carried out in the Group, 269 suppliers were evaluated with sustainability criteria.

Classification of sustainability audits in accordance with the results:

- A** 76 > 28%
- B** 147 > 55%
- C** 41 > 15%
- BH*** 5 > 2%

*In the event a non-compliance in the sustainability requisites is detected, the supplier is directly classified as "Business Hold" and is rejected as a Gestamp supplier.

Out of the suppliers that were audited on more than one occasion, 68% obtained a better rating on the last audit.

269 audits with sustainability criteria on our suppliers in 2017.

Conflict minerals

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

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

Through our policy, we commit to adopting measures geared towards disclosing and/or avoiding the source and use of minerals in our plants and through our suppliers that may finance or benefit armed groups from countries connected with conflict zones.

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

4

INNOVATION

- Our approach
- Leading human and technical resources
- R&D focused on the main sector trends
- Intellectual property
- R&D in our business units

At Gestamp, we have more than 250 co-development programs with our clients.

Gestamp develops its R&D based on:

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

OUR APPROACH

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

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

For Gestamp, creating increasingly lighter products is one of the most important factors, as weight has a direct impact on engine energy consumption and, therefore, on CO₂ emissions, the regulating of which is becoming increasingly stricter due the emergence of new regulations.

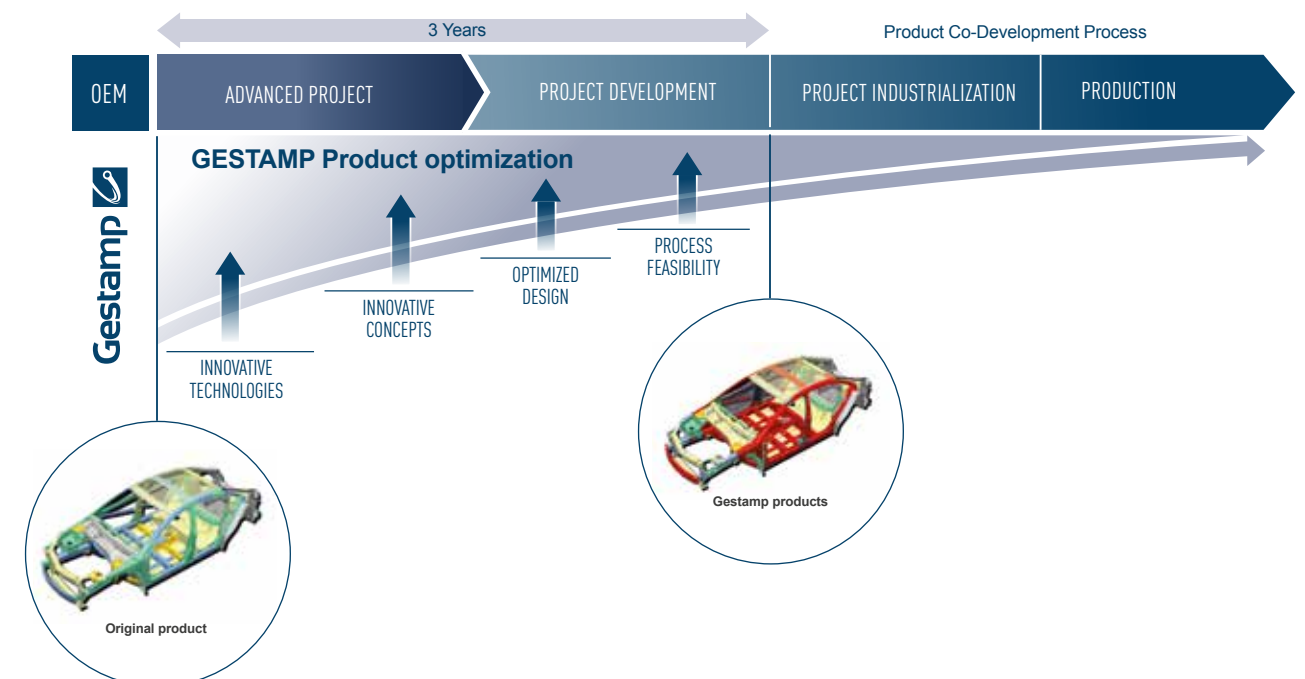
Safety is another line of research and development for Gestamp. We focus on identifying formulas that increase safety for vehicle occupants and pedestrians.

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

To do that, we seek to use new materials of a consistent quality that are available around the world and to ensure that production processes are effective and flexible throughout the production chain. All of these aspects are undertaken at a viable cost by using the appropriate technology for each case.

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

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



LEADING HUMAN AND TECHNICAL RESOURCES

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

- **Shanghai R&D Centre (China):** the main aim of this new facility is to strengthen Gestamp's collaboration with vehicle manufacturers operating in China. With this centre, we seek to undertake co-development projects with them to improve manufacturing processes, products and costs.

Two new facilities, replacing existing ones, were also opened during the year in Japan and the United States.

- **Auburn Hills R&D Centre, Michigan (USA):** this new R&D centre was opened in May. The facility houses robotic prototype assembly cells, a laser cell, a durability and performance testing lab, and metallurgical and metrology labs.

- **Tokyo R&D centre (Japan):** this centre was opened in June and aims to improve the previous R&D capacities the Group had in the country. The centre is located in Tokyo and is equipped with simulation resources, including those for virtual crash testing and advanced simulation for hot stamping processes. This allows Gestamp to have complete vehicle development capacity as regards chassis and body-in-white with the best top-notch standards in the global R&D network.

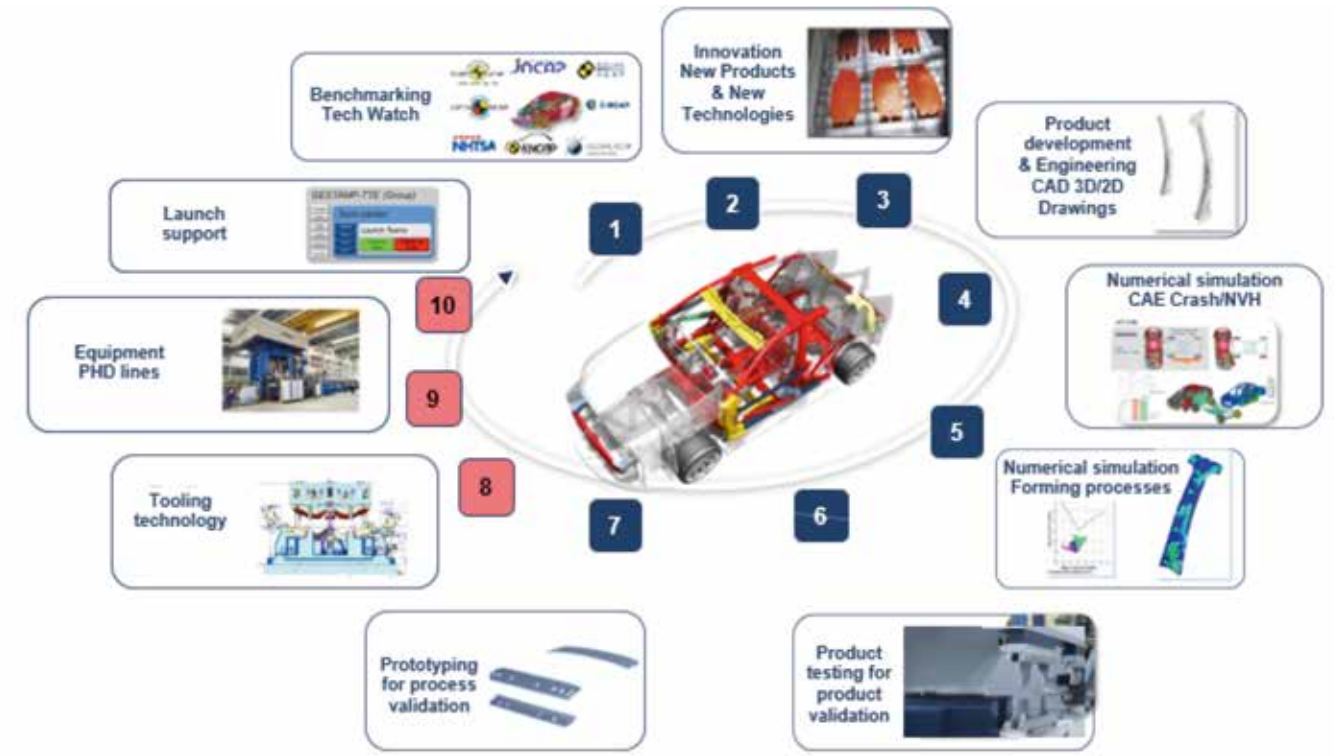
At the end of the year, we had a team of over 1,500 people working in both the R&D centres and the production centres around the world. Many projects see the participation of not only R&D engineers, but also stamping, tools and dies, welding and quality engineers, whose contribution is invaluable throughout the entire development process.

Although our R&D teams work with state-of-the-art design and simulation tools, they also develop others internally to improve processes, increase efficiency and to save time.

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

In 2017, we opened a new R&D centre in Asia, located in Shanghai (China), meaning that we now have 13 R&D centres.

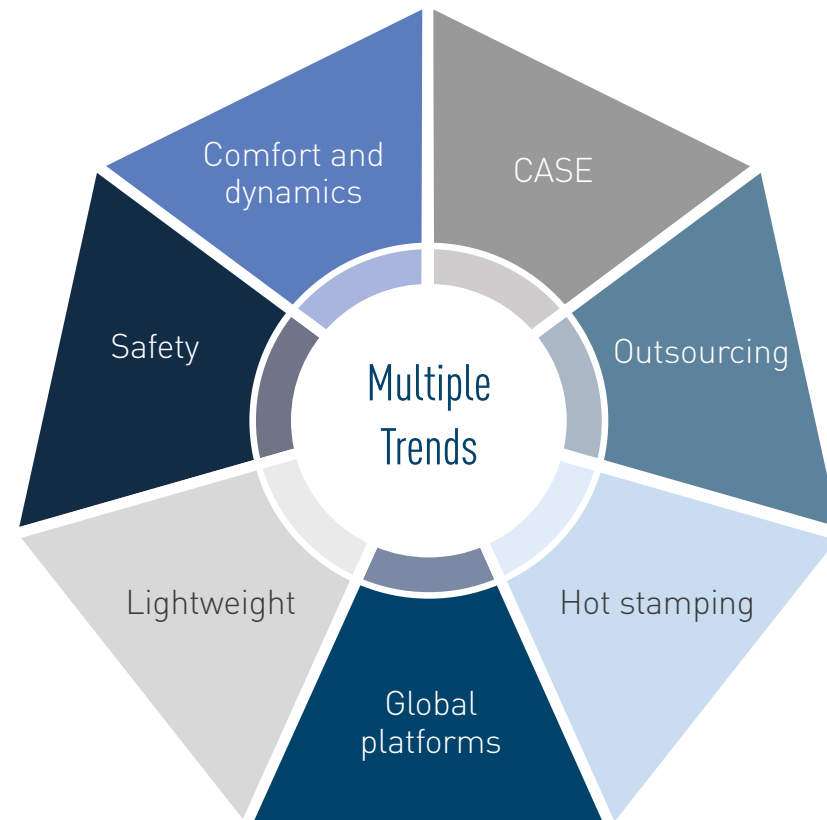
WE ARE INVOLVED IN THE ENTIRE VEHICLE DEVELOPMENT CYCLE



INTERNAL CAPACITIES FOR UNDERTAKING VEHICLE CRASH SIMULATIONS



R&D FOCUSED ON THE MAIN SECTOR TRENDS



CASE Trends

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

The battery box in electric and hybrid vehicles weighs over 150 kilograms. This forces manufacturers to use increasingly lighter solutions to counteract the additional weight.

Our experience in developing lighter and safer components, as well as our continuous investment in R&D, allows us to stay one step ahead of future trends in the sector. For example, we are developing with Volkswagen a battery box concept for its MEB platform (Modular Electric Model) that will be used in a large number of electric vehicles, incorporating several lightweight solutions.

Outsourcing

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

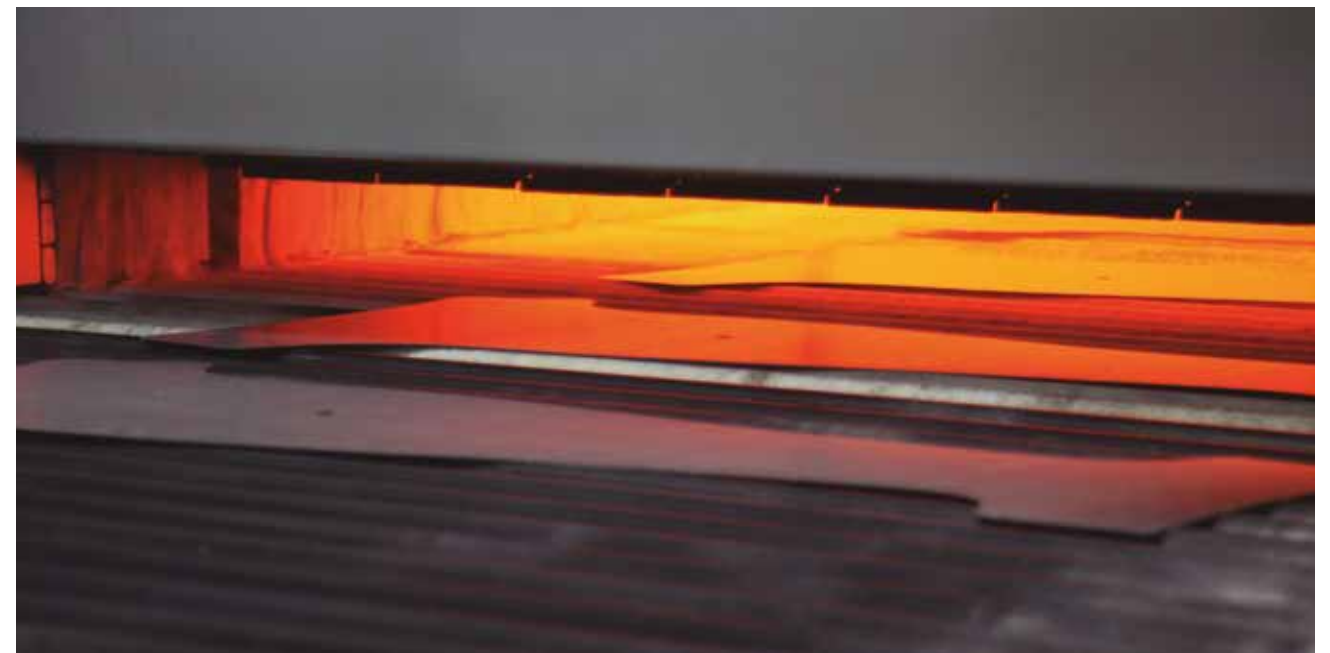
This trend, together with the standardisation through global platforms, has given rise to an increase in outsourcing. Manufacturers choose a small number of strategic suppliers, like Gestamp, to provide them with parts containing or requiring advanced technology, such as hot stamping.

Hot stamping

Gestamp is a pioneer in manufacturing products using hot stamping. This is one of the most advanced technologies for making the body-in-white structure of vehicles lighter and for improving its performance and passenger safety in the event of a collision.

We are currently the biggest worldwide supplier of hot stamping products, covering the entire value chain, and we manufacture our own dies and press lines.

As of 31 December 2017, we had 84 hot stamping lines installed around the world. According to the projects awarded, which relate to a 5-year timeframe, more lines are expected to be constructed in the geographic regions where we operate.



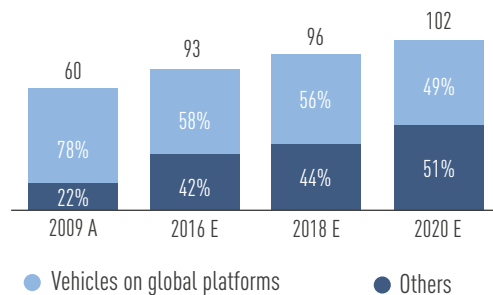
Global platforms

Automotive manufacturers are increasingly designing more vehicle models built on common platforms that let them reduce costs, increase the quality of parts, benefit from the scale economies throughout the value chain, differentiate their products from those of their competitors, expand the number of product segments competed for and to have sufficient flexibility to continue meeting user needs.

The trend towards common platforms and global models has made manufactures increasingly dependent on large, global, technical and financially sound suppliers that have the capabilities to create solid and high-quality products in all geographical areas. As a result, R&D collaborations between manufacturers and strategic suppliers in the product development stage have also increased, in turn allowing those global suppliers to gain market share.

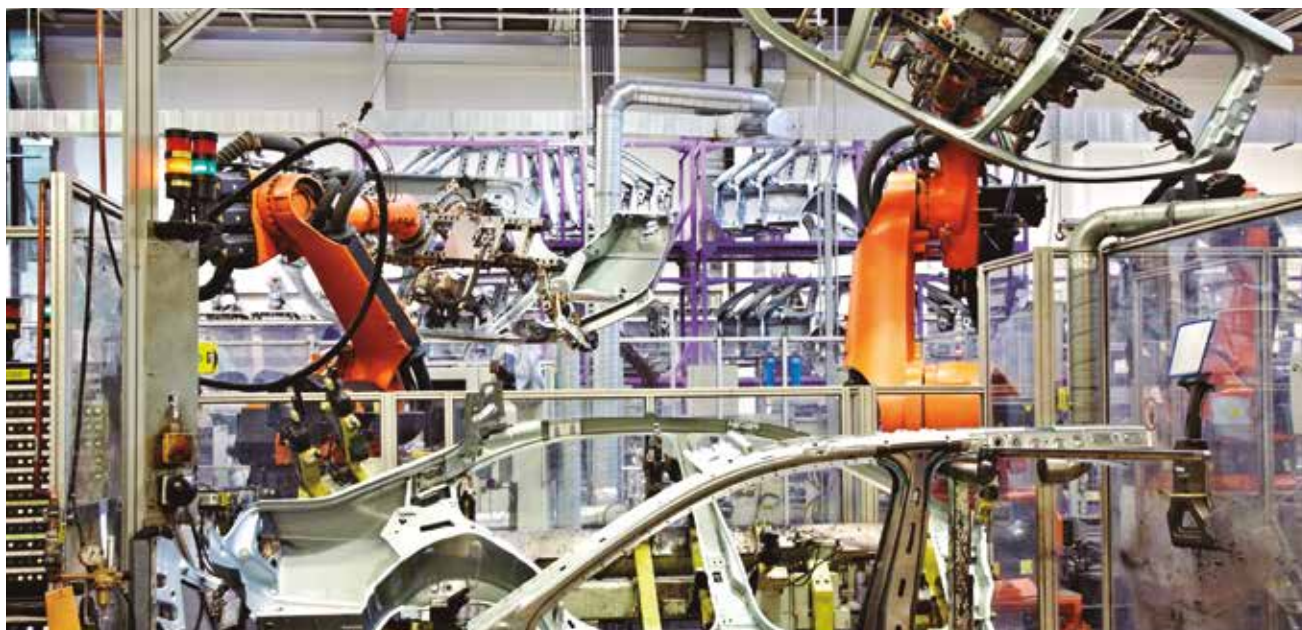
Gestamp is participating on most of its clients' platforms.

EVOLUTION OF THE USE OF GLOBAL PLATFORMS VS AUTOMOTIVE MARKET (millions of units)



Source: IHS

More than 50% of the automotive market will be managed with global platforms in 2020.



Lightweight

The development and production of fuel efficient vehicles is a growing key trend in the automotive sector. This trend has been driven by regulatory factors and by the growing environmental awareness of consumers, playing an increasingly important role in their decisions on purchasing vehicles. As a result, manufacturers face constant pressure to improve the fuel efficiency of their vehicles and to reduce CO₂ emissions. Reducing the weight of vehicles increases their fuel efficiency and reduces their CO₂ emissions, which makes the body-in-white and chassis components vital in achieving CO₂ emission targets (a reduction of 100 kg of the total vehicle weight, accounts on average for a 9 g saving on CO₂ emissions on European cars).

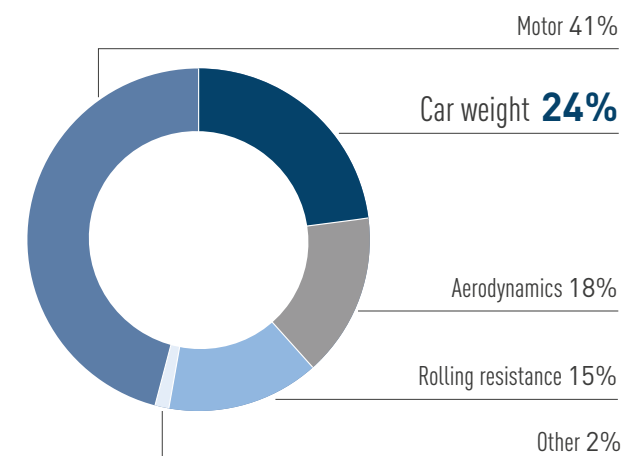
Reducing the weight of vehicles increases their fuel efficiency and reduces their CO₂ emissions.

Many countries adopt emissions regulations that establish limits on the amount of pollutants that new vehicles can emit. It is envisaged that within the next few years emissions limits around the world, through developed and emerging countries, will become increasingly restrictive due to growing environmental awareness. The EU's CO₂ targets are some of the strictest and that makes it difficult for manufacturers to fully comply with the rocketing costs such compliance entails. In the EU, automotive manufacturers face regulatory fines of 95 euros per gram/km if they fail to meet the CO₂ emissions targets. Other countries, such as Brazil, India and China, for example, tend to adopt similar regulations a few years after they have been approved by the EU.

Our R&D capacities, leadership in hot stamping technology and experience in developing multi-material solutions focused on making lighter components, help us to provide innovative solutions to address our clients' regulatory pressures in a cost-effective way. The following graphs present the effect that Gestamp products have on the weight of vehicles and, in turn, their CO₂ emissions.

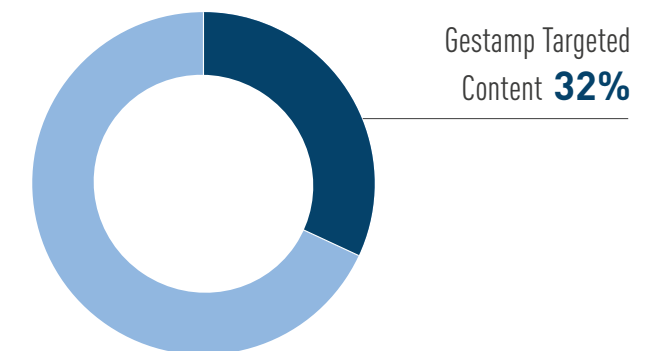
GESTAMP PRODUCTS CONTRIBUTE TO SIGNIFICANTLY REDUCING THE WEIGHT AND EMISSIONS OF VEHICLES

Factors that influence the CO₂ emissions of a vehicle in motion



Source: VW

High Volume B- segment vehicle



Source: A2MAC21

9 g CO₂ /km savings for each 100 kg lower weight

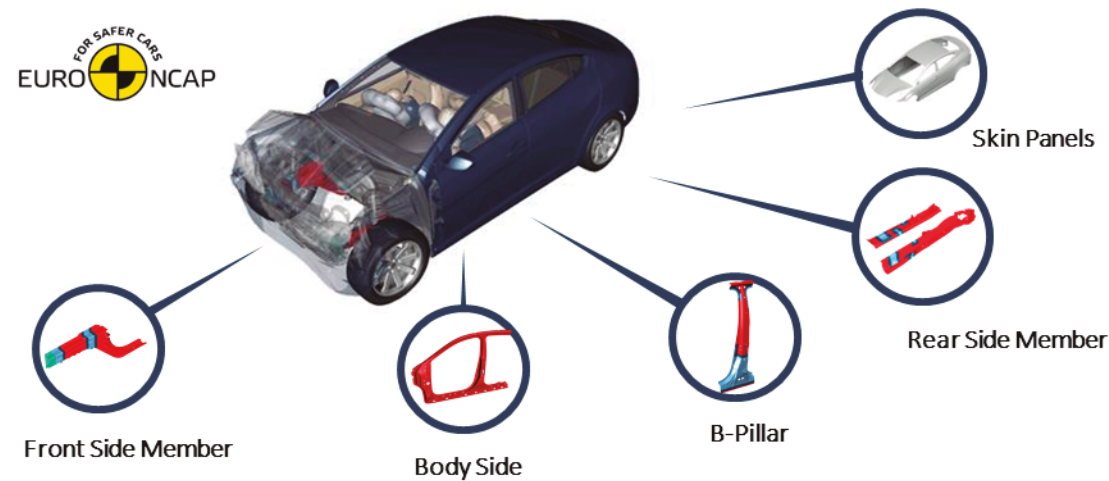
Safety

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

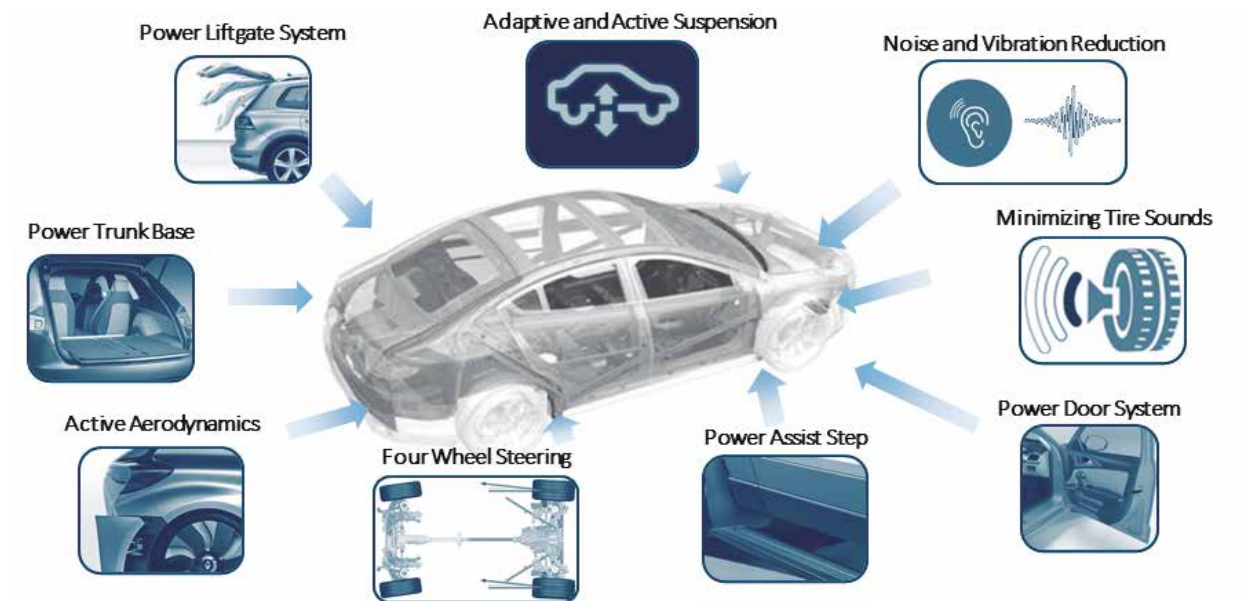
Furthermore, technologies such as hot stamping, an area in which we are leaders, allow us to meet even the strictest safety requirements and to withstand car-to-car crash tests.

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

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



GESTAMP PRODUCTS IMPROVE THE DRIVER EXPERIENCE



INTELLECTUAL PROPERTY

As of 31 December 2017, we had more than 1,160 patents, utility models and corresponding applications.

We consider our intellectual property rights and the implementation of the corresponding know-how to be of great importance for our business and as an aspect that gives us a competitive advantage. We allocate significant resources to submitting and monitoring our intellectual property rights, undertaking infringement proceedings and to safeguarding our confidential information.

Many of the technologies and processes that we use are the result of our scientific and technical personnel's knowledge, experience and skills. In some cases, these technologies and processes cannot be patented or protected through intellectual 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 collaborators that prevent confidential information from being disclosed to third parties.

When we enter into development agreements, we hold onto our pre-existing intellectual property rights and we do not transfer them to our collaboration partners, clients, suppliers, competitors or third parties. We claim ownership of any intellectual property rights that may arise during the course of said agreements and that relate to or are based on our know-how, trade secrets, technology and processes.

Comfort and dynamics

Some of the main criteria users take into account when purchasing a vehicle regard drive experience, comfort and dynamics. This is leading to a rise in demand for components such as electric liftgate systems, noise and vibration reducing components, electric door systems, power assist steps or noise reducing tyres. At Gestamp, we have been working on these components for many years and we lead the way in the sector. They have long been components installed in top-of-the-range vehicles and SUVs, although it is expected that they will become standard in all kinds of vehicles within the next few years.

R&D IN OUR BUSINESS UNITS

Gestamp BIW

- Co-Development
- Multimaterial and multiprocess solutions
- New products (battery boxes)

Gestamp Chassis

- Electric vehicle platforms targeted
- Multimaterial and multiprocess solutions
- Improvement in vehicle performance with regard to stiffness, strength, durability and crash



- Focus on new comfort demands
- Solutions for lightweight doors
- Powered systems



BIW R&D: BATTERY BOXES FOR ELECTRIC CARS



With the battery box, Gestamp provides an innovative solution to the challenges ahead in the automotive sector.

One of the most significant innovations that Gestamp offers is the battery box for electric vehicles. This element consists of models that integrate different battery cells. This concept allows the entire model to be changed in the event that one of the cells fails, avoiding direct contact with the cells and the electrical part of the system. This repair solution is quicker, safer and more economical.

The battery box meets the highest safety standards on collisions and the specific regulations relating to crashes and emissions, as well as requirements on the sealing of the system. In this respect, Gestamp's battery box is a multi-material solution made of high strength steel, composite materials and aluminium. Its design is adaptable and modular for different platforms.



EDSCHA R&D: THE WORLD'S FIRST CARBON FIBRE HINGE



This carbon fibre hinge weighs approximately 40% of a conventional steel hinge.

Edscha has placed the world's first hinge made from carbon-fibre-reinforced plastic (CFRP) into a vehicle.

Mass production started in 2017 for the German manufacturer of Porsche sport cars.

Edscha is demonstrating with this project its leadership in technology and innovation, showing that the company knows the ins and outs of lightweight design.

This carbon fibre hinge weighs approximately 40% of a conventional steel hinge. With Edscha Kunststofftechnik (EKT), Edscha has the necessary plastics expertise and it can apply its technical knowledge to developing new lightweight design solutions. Moreover, projects like the development of the CFRP hinge also serve to establish and further develop new processes and technologies at the company.



CHASSIS R&D: ALUMINIUM CHASSIS FOR ELECTRIC CARS



The automotive market is evolving to meet increasing environmental and legislative requirements. Mega-trends in electrification have introduced a changing value equation which as a result Gestamp Chassis have worked through the development process, from initial concept to full volume production, for structural aluminium chassis subframes for new EV platforms.

To enable this, the Research and Development teams in Gestamp have completed rigorous material characterization for a variety of aluminium alloys and technologies for both parent material and welded structures that enable robust analysis to ensure correlation from virtual to physical testing. This process has been developed using Gestamp in-house fatigue testing criteria to generate in-house material characterization and modelling methods in Finite Element Analysis software.

Aim

Development of technical competencies to allow Gestamp to simulate aluminium material behaviour both through the manufacturing process and for product performance on the vehicle. This required a detailed material characterization study for all material grades, production processes and validation of all welding processes and parameters from a quality, durability and strength perspective to enable accurate simulation model predictions to correlate with physical part performance.

Achievements

Gestamp have added to their portfolio Aluminium Chassis components, delivering full development capability from concept generation, prototype phases and testing through to full volume production. We have developed in-house methods to understand the material behavior in our finite element models which have been proven with accurate correlation to physical test results.

Confidence in this in-house research and development approach has been validated and resulted in the award of production business for Aluminium Front and Rear subframes, as well as ongoing developments with a number of global OEM's.

Gestamp have further consolidated their aluminum chassis technologies to include castings and are currently pioneering new processes and alloys to deliver additional weight savings. The weight and performance efficiency of structural components is critical to delivering light-weight solutions that can support future vehicle trends and requirements. Our experienced teams can ensure in-house optimization capabilities are applied with manufacturing knowledge to ensure our customers can develop safer and lighter cars for the future.

5

OUR PEOPLE

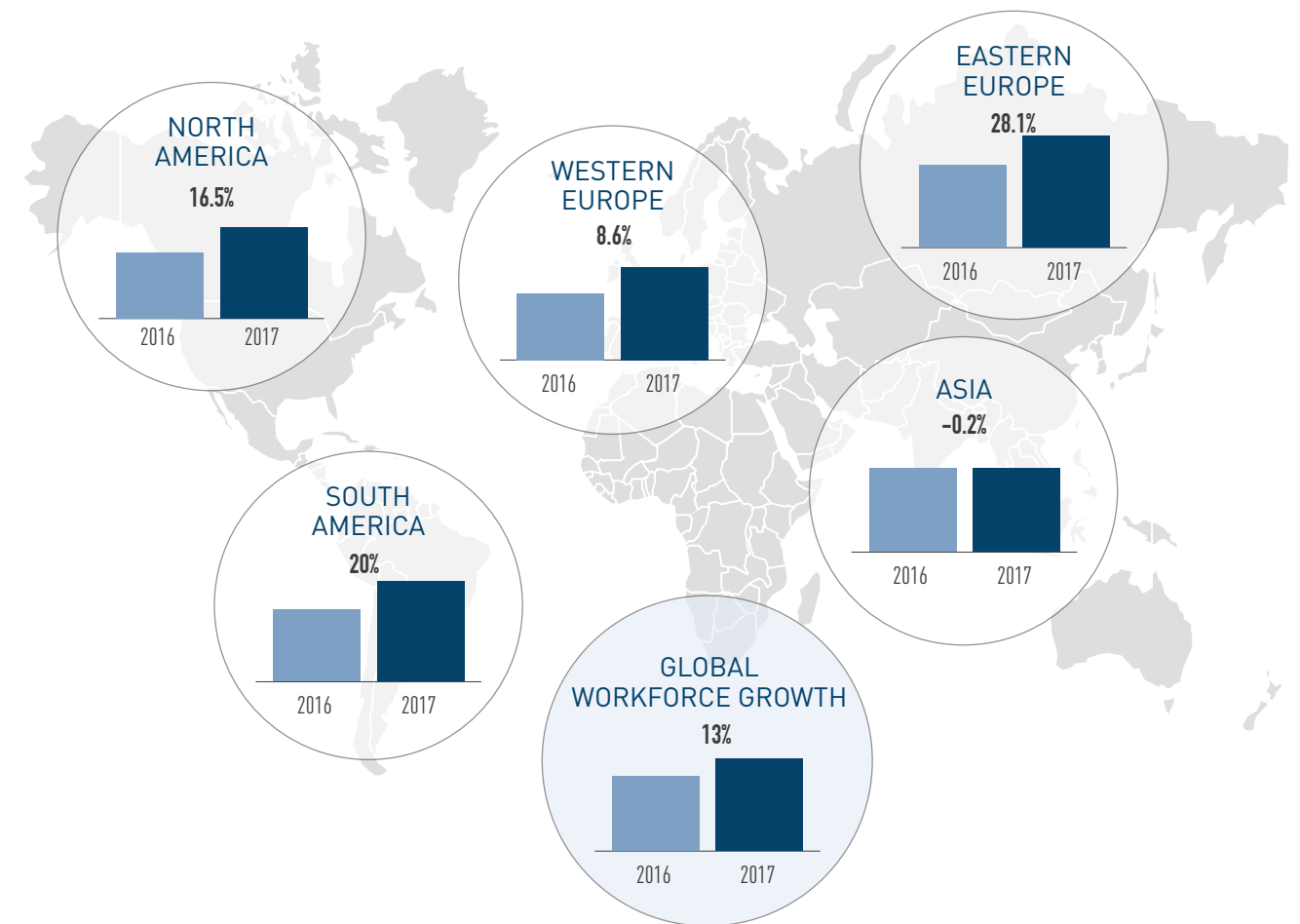
- Workforce evolution
- Management of labour relations
- Workforce profile
- Professional training and development
- Equal opportunities
- Fostering the corporate culture
- Wellbeing

WORKFORCE EVOLUTION

Gestamp's continuous growth and internationalisation has brought with it major challenges in terms of culture, organisation and human resources management: permanent adaptation of our organisational chart to the growing needs, workforce dimensioning, process standardisation, training in new technologies and fostering corporate culture.

The global workforce continued to grow in 2017, reaching 41,048 employees, a 13% increase on 2016 and a 43% accumulative growth over the last five years.

To better adapt to market demands, the Group has another 5,436 people who provide professional services through temporary employment agencies.



MANAGEMENT OF LABOUR RELATIONS

63% percent of employees are covered by collective bargaining agreements, 3% more than 2016.

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

All aspects related to the employees' trade union, workforce and contractual aspects are negotiated with each plant's trade union representatives.

In geographic areas which due to historical, cultural or legal obligations is required, there are inter-centre committees that complement the in-plant negotiating framework.

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

Gestamp places special emphasis on issues that are unavoidable for the Group: respect for union and labour legislation, policies of non-discrimination, compliance with the Code of Conduct, occupational health and safety, and training and development in key areas to ensure the correct implementation of the business strategy, which always follows the framework of the fundamental labour rights set out in the agreements of the International Labour Organization (ILO).

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

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

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

Additionally, there are communication channels at the Compliance Office through which employees can report or seek consultation about the Code of Conduct. The Group has a corporate intranet that provides information on the most significant matters relating to the organisation on a corporate, divisional, plant and individual level.

i See section: "Fostering the corporate culture".

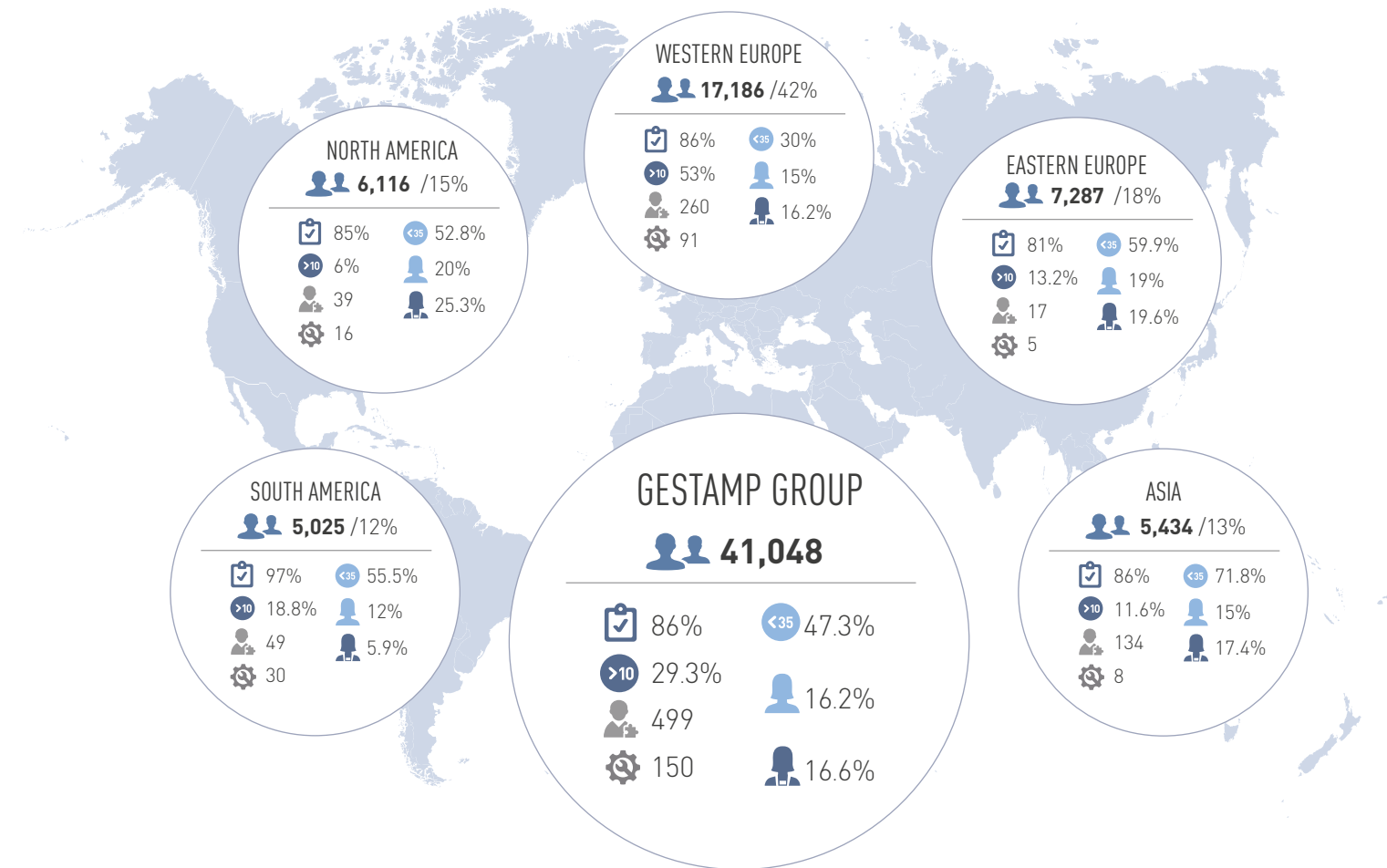
WORKFORCE PROFILE

With regard to the distribution of our workforce by geographic areas, we have maintained sustainable growth in all of the locations in which we work.

As regards hiring policies, we continue to have a clear commitment to job stability. As such, 86% of our employees in 2017 had permanent contracts and 29% of them have worked for the company for more than 10 years.

At Gestamp, we stand out for having a young employee profile. At the end of 2017, 47% of our employees were under 35 years old.

In terms of gender, 16% of the Group's total workforce was female. Women also represented 17% of the different plant and division management committees.



i Nr. of employees/% total workforce

✓ % permanent contracts

>10 % of employees > 10 years of seniority

i Nr. of Apprentices

⚙️ Nr. of Internships

<35 % < 35 years old

♀️ % Women of total workforce

♀️ % Female managers of total managers in management committees

PROFESSIONAL TRAINING AND DEVELOPMENT

Accompanying the professional development of our employees guarantees a more effective response for our clients.

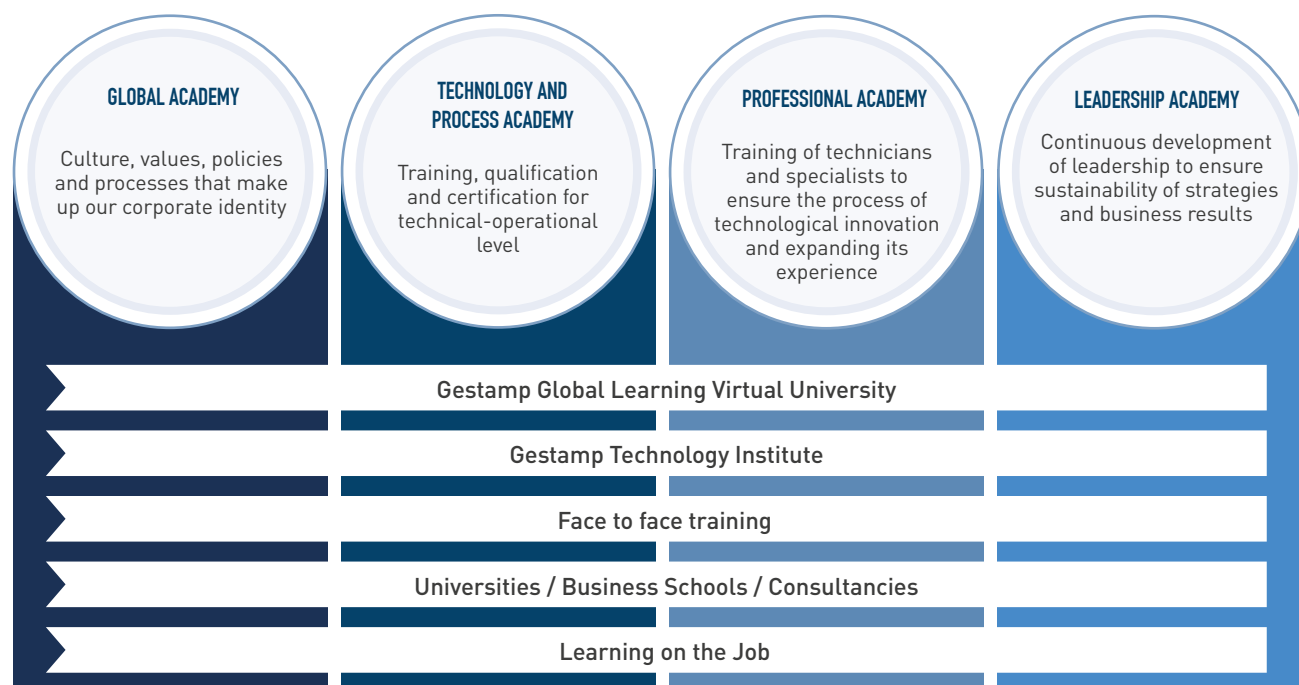
For such a rapidly growing global Group, training constitutes a fundamental tool for integrating the essential aspects of our corporate culture, guaranteeing the professional development of the employees, improving processes and ensuring innovation.

We continue allocating significant resources to the training of our workforce in areas such as:

- Particular and technical industrial abilities and skills, including knowledge in new materials, innovation processes, and advance technologies and products.
- Total quality and efficiency in operations.
- Business skills such as project, finance and information management.
- Business development, strategy and leadership.

On a global level

To achieve our training and development objectives, we promote collaboration among work centres, disciplines and regions through the establishment of an extensive range of tools, which include: skills assessment, personalised training plans, class-based, on-the-job and virtual trainings, industrial tasks, formal and informal feedback, professional trajectory through structured development programmes, mentoring and coaching, and skills certification and accreditation.



Over 20 million euros invested in training, 17% more than in 2016.

Over 70% of training activity was taught by internal experts.

On a local level

On a local level, each work centre has its own development programmes for industrial, functional and business skills. These programmes are taught through online and class-based methods, generally by internal experts that help these training processes. Each centre assesses its effectiveness through follow-up surveys between employees and managers, as well as through the monitoring of professional trajectory and talent retention.

Total training in the group	2015	2016	2017
Average hours of training per employee	29.0	28.0	28.4
Investment in training in millions of euros	15.4	17.6	20.6

A clear professional training and development approach is essential in ensuring that we maintain our committed and productive workforce and that they are successful at each stage of their career. We are committed to developing internal talent, making the most of the knowledge, abilities and skills of our professionals, working to systematically promote the talent of our workforce and to giving them tailored development experience throughout the Group.

Leadership development

In 2017, we focused our efforts on driving the development of our employees in order to maintain a source of leaders that is as active and up-to-date as possible. We compare ourselves with the best practices to confirm that our training and development strategy and approach are the most appropriate for our current needs and to confirm that they cover our future requirements. This work continues providing us with fundamental information on the positions that are key to the business and the means to guarantee their sustainability.

Through our development programmes for general, plant and regional managers, our executives focus on Gestamp's strategies to drive growth, client relationships, operational excellence and financial sustainability.

We have also increased our efforts on developing the skills of our functional leaders (industrial, engineering, technical, quality, financial and others) on a local, regional and global level.

Progress has been made on a common executive skills model that is used as a basis for leadership training actions for each level and function (self-leadership, leading others, business leadership), which is available to the entire organisation.



LEADING ONE GESTAMP - COUNTRY MANAGERS DEVELOPMENT PROGRAMME



This programme was designed and implemented for the first time in Gestamp in 2017 and it was geared towards country managers in different locations. People from Argentina, Brazil, the United Kingdom and Spain, among others, participated in it.

Aim

The aim was to enhance the skills of our executives and to increase their vision regarding strategy and business opportunities, placing special emphasis on two lines: the strengthening of financial knowledge and working on the development of the main skills that a Gestamp leader must have amid such a complex and changing environment as is the case today.

The following subjects are covered: Business Planning & Strategy Execution, Corporate Finance & Investment Analysis Valuation, Leadership & Cross-Cultural Management, Navigating, Influence and Stakeholder Management, among others. All of them were undertaken with experience-based training

methodologies. The participating were split into teams so they could discuss and compete in practice situations that were very similar to the real challenges that arise in industries like ours: how to achieve the best results based on the pre-established KPIs like process or product changes and investment in quality, or how to make decisions on short- and long-term business, how to manage clients and how to generate value for shareholders. The Group's corporate strategy and the added value that comes from leading work teams in a successful and positively influential way were also reviewed.

Achievement

The outcome of this full 5-day process regarded the empowerment of each of our country manager's profile and a mould for identifying the knowledge and abilities required to successfully control a plant in a global context.

Technical specialisation programmes

At Gestamp, we have training programmes that allow us to create a global source of highly qualified professionals who are specialised in products, processes and technologies of our business.

We undertake this technical specialisation programme through the Gestamp Technology Institute, our centre of excellence for training.

In 2017, the GTI developed its training offer to cover the following:

THE CLIENT AS THE CENTRE OF THE BUSINESS	OPERATIONAL EXCELLENCE AS REGULAR PRACTICE	INNOVATION AS A MEANS OF PROGRESS	SUSTAINABILITY AS PERMANENCE OVER TIME	PEOPLE AS ARCHITECTS OF SUCCESS
Training in product design and process simulation for engineers in the R&D centres and for process engineers in industrial plants; training in methodologies and systems to manage the life-cycle of products.	Group training in robotics, hot stamping, welding and in the machining of parts for production and maintenance professionals at Gestamp's plants.	Training in new materials and the performance of traditional materials when subject to new industrial processes (aluminium, composites and carbon fibre, among others).	Training in quality tools relating to products, processes and services for our production teams and our teams specialising in quality control.	Support and transmission of our corporate culture through workshops on management and executive skills for individual contributors, middle management, executives and senior managers of the Group.

In 2017, the GTI's training capacity was extended with the incorporation of cell pathways for aluminium resistance and arc welding in order to develop, in collaboration with the Corporate University of Gestamp, the standard of knowledge for this technology and its dissemination among Gestamp's professionals.

Employee participants in 2017		
Men	Women	Total
937	279	1,216

Training hours 2017	
Training actions	Hours
94	37,716

In 2017, we had a total of 186 long term assignment employees living abroad for over a year, giving support at an international level.

International support teams

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

We differentiate between two groups: short-term assignment workforce, who are employees that are transferred for periods of 3 to 12 months, and long-term assignment workforce, who are employees that, due to project or country circumstances, are transferred for longer periods of time (minimum of 1 year and maximum of 5 years), in the majority of cases with their family.

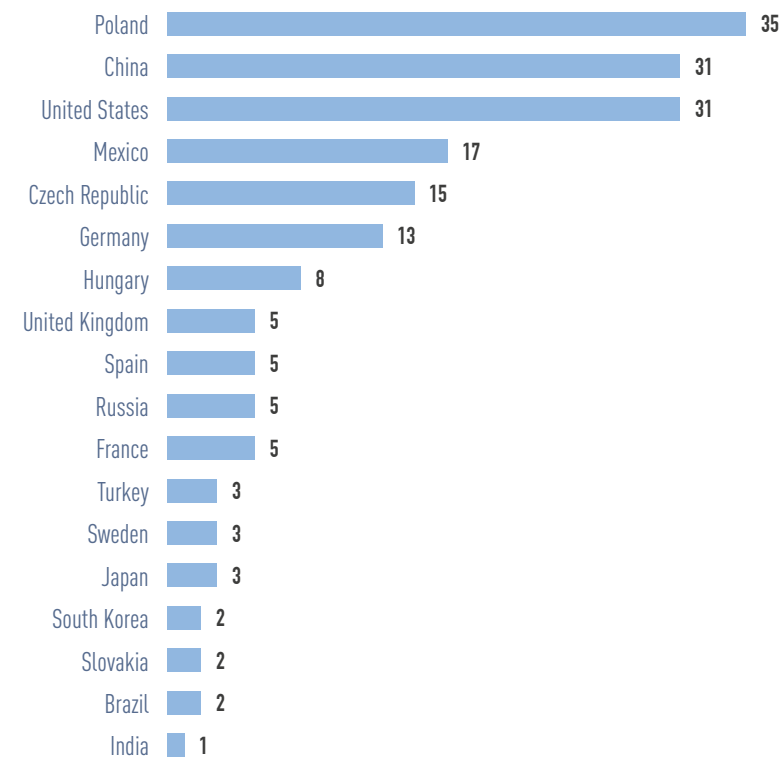
In both cases, the main goal is to train local employees and to collaborate in the starting up of the project, ensuring not only success within deadlines and the quality of the product, but also the implementation of our policies and our corporate culture.

Once the final goal has been achieved, the workforce returns to their country of origin, leaving the plant under the full, or almost full, management of the local employees.

The Corporate Human Resources Department, in its aim to maintain a policy that is homogeneous and that ensures equal treatment among all employees, updated its Gestamp Long-Term Assignment Policy in 2017.

The goal of this policy is to establish, order, define, and regulate standards and guidelines that govern the long-term assignment employees in the entire Group, regardless of the origin and/or destination country.

Number of long term assignment employees per destination country



EQUAL OPPORTUNITIES

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

In addition to this principle, each work centre has locally developed specific equality and work-life balance plans.

The presence of women is scarce in our sector. At Gestamp, women account for 16% of the workforce of the entire Group and for 17% of the members on the different management committees of plants, divisions and business units.

It is rather difficult to find women in selection processes for certain common positions in our business, such as die makers, welders or maintenance specialists, although in some work centres there is almost an equal number of men and women. This is the case in Gestamp Cerveira (Portugal) and Edscha Kamenice (Germany).



FOSTERING THE CORPORATE CULTURE

Gestamp fosters internal communication tools as a path for promoting company knowledge and the sense of belonging to the Group.

Through the One Gestamp platform, global messages are disseminated and at the same time enhance the development of local contents in private spaces for geographical areas and work teams. In this respect, in 2017 we had 26 communities (digital collaboration spaces) with around 6,000 users per month, representing 30% of the total platform use.

In 2017, to ensure the better delivery of messages to all employees, we developed new corporate communication channels with a structure that helps employees to find out more about the strategic projects for the business and to understand their contribution in the achievement of Gestamp's corporate principles. These channels also allow for better browsing and they help employees to better find practical contents.

Additionally, the projection system in plants was improved to aid the launch of communication campaigns in common spaces, which aims to reach employees that do not have access to corporate emails due to the nature of their position. As such, the pages integrated into the platform were created so they could be displayed on TV screens in all work centres, extending the reach of local campaigns and favouring the launch of global campaigns with the same corporate message.



GESTAMP PEOPLE: LIVING UP THE GESTAMP WAY



Thanks to this programme and the development of the collaboration communities, the monthly average of intranet page visits increased by 29% compared with the same period in 2016.

In the 10 audio-visual interviews carried out in 2017 under the Gestamp People programme, over 70 employees shared their experience of working for Gestamp and they discussed the company attributes they most valued, highlighting the effort put in to continuous improvement, the non-conformist and innovative spirit, the diversity of professional profiles, the focus on the client, the sense of responsibility and the desire for a job well done, among other aspects.

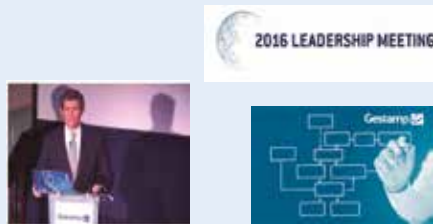
Given the Group's significant growth in recent years, the aim was to consolidate a cultural base that current and future employees could identify with. That entailed identifying our essence as a team, looking for shared elements in each employee's personal experience.

The videos were disseminated through the intranet, with 1,800 site visits per month, and through the company's social media, including YouTube, LinkedIn and Twitter.

One Gestamp INTRANET

- Monthly average of browsing over 16,400 users.
- In 2017, there was an average of 397,439 page visits per month, 29% more than 2016.

Helping the launch of global campaigns through procedures that flow down from the managers to their teams



Fostering the commitment and company culture through programmes that allow users to: Give internal visibility and attract talent through social networks and external online means



Keep up to date with news and developments related to Gestamp and the sector



Share internal knowledge among Gestamp areas through "Communities"



Allow access to information of the Group

26 Communities with over 6,000 user



GESTAMP FAMILY EXCHANGE



This was the first part of the international initiative that we undertook between June and September 2017, which we will launch once again in 2018. The main aim was to strengthen the bond between Gestamp employees by means of a cultural exchange geared towards their children, an experience that allowed them not only to discover a different way of life, but also to improve their linguistic skills.

Over 80% of the families contacted agreed to the exchange and we were finally able to arrange 7 exchanges of girls and boys between the ages of 12 and 16, who were able to experience living in a different culture for 15 days. As such, we connected 14 host families from Germany, China, Spain and France, who knew that their children's experience would take place in a safe and welcoming environment with shared values and principles.

"It is a very positive experience for everyone and I am looking forward to doing it again."
Richard Palisse.

"It has truly been a great experience. The project has been fantastic." **Ángel Torres.**

'Gestamp Family Exchange' involved different Gestamp human resources teams from around the world to make the exchanges possible. The

teams focused on ensuring that contact between the families was made in line with the terms and conditions of the guidelines and that the families could get to know each other and make arrangements. Furthermore, the teams provided all the support and information the participants needed through our website, ensuring they could count on an environment of trust in which to find information on destinations, visas, health and safety, expenses and any other aspect of interest.

In accordance with Gestamp's family values and focusing on our employees and their long-term career path, we continue working to integrate countries where we operate, such as the United States, Poland, Sweden, the United Kingdom and the Czech Republic, into the programme, thereby continuing our commitment to forming these types of bonds and enriching cultural exchanges.

WELLBEING

Our commitment to the health of employees goes further than occupational risk prevention. We seek to improve their wellbeing with healthy habit programmes that can be used in their personal and professional life.

Throughout the year, we continued to disseminate weekly articles aimed at raising awareness about and promoting health habits for all of the Group's employees, concentrating on four aspects: diet, physical exercise, emotional wellbeing and lifestyle.

At the end of 2017, we conducted a satisfaction survey regarding said contents on a section of employees and on the human resources managers of our work centres, with 90% and 83%, respectively, rating them as useful. One out of every three participants said that the contents had helped them to make a positive change in their lifestyle. All of the results obtained are helping us to improve and adjust the subject and dissemination of the contents to the needs and expectations of employees.

Furthermore, many work centres carry out actions fostering the wellbeing of employees by given them free fruit, launching anti-smoking and weight loss campaigns, and holding talks with nutritionists and regular health weeks.



GESTAMP GLOBAL RUNNING: READY TO RUN?

“Ready to run?” With this question we launched our social challenge at Gestamp. Thanks to the collaboration of the INGOA team, we created “Gestamp Global Running”, through which we challenged all employees working around the world to run 20,000 km.



For each 5 km ran, the company guaranteed yearly healthcare for a child under 5 years old. Through this challenge, we wanted to guarantee the healthcare of 4,000 children in a hospital in Nyundo (Rwanda), while also fostering other objectives of the Group: the sense of belonging to the company, teamwork –as we established healthy internal competition among different areas and people–, and the fostering of health, as we encouraged physical exercise benefiting the health of our employees and the health of some of the most disadvantaged children.

How did it start?

We launched the Group application period in October 2017 and within the first 2 months 220 employees in Spain, Portugal, Brazil, Argentina, Czech Republic, Mexico, United States, China, Japan, Germany and other countries had created their ‘virtual participation number’. The response from our employees has been extremely positive, as we have so far exceeded 4,800 km. Furthermore, we have been asked to hold races in each of the cities in which we operate and we are currently working on including kilometres completed in other distance-related sports, such as cross-country skiing in countries where the climate does not offer favourable running conditions.

You run and we'll do the rest.

With simple slogans like “Double your kms” and “You run and we'll do the rest”, we have captured the attention of even the most professional runners in our workforce. Furthermore, some employees, due to collaborating with the charitable cause, have been encouraged to sign up to official races and to start training.

Thus far we have managed to:

- Align the company with the same charitable cause, putting it on par with all of our other business challenges and receiving 1,510 community page visits on the launch day
- Foster a sense of belonging to the global business Group, going beyond the local working environment
- Incentivise healthy habits through the race and the health tips that appeared on the online race application platform
- Contribute to the Sustainable Development Goal 3 (Health and wellbeing) of the United Nations

6

HEALTH AND SAFETY

- Our policy
- Evolution
- Health and Safety Management System
- Balance 2017
- Future challenges

OUR POLICY

We are aware that we work in a sector in which preventing and avoiding risks related to the health and safety of people is fundamental. That is why we have a Health and Safety Policy and a comprehensive management system that encompasses all the Group's production plants.

Our Health and Safety Policy is based on the following principles:

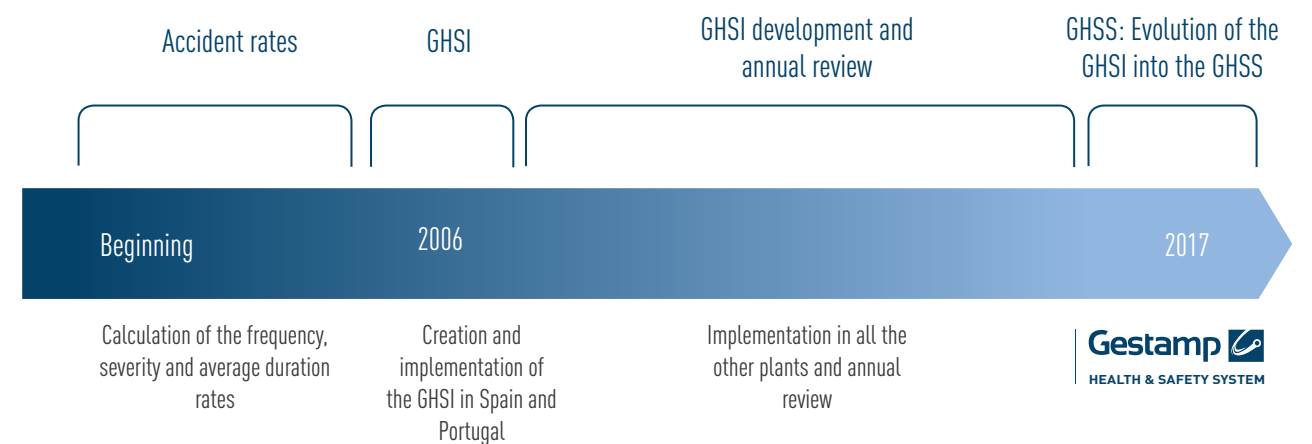
- Health and safety must be integrated in everyday tasks and decisions.
- Preventing industrial accidents and occupational diseases is the ultimate goal of our policy. It is achieved by avoiding and minimising risk to the health and safety of people. To do that, we undertake continuous improvement and actions relating to the risk analysis.
- We comply with the legislation in all countries, but the reference for our centres is an internal one, which often goes beyond the requirements of the legislation in most cases. It is the same for everyone.
- We consider that important risks that are important due to their seriousness, i.e. those that can cause serious accidents, must be prevented or minimised through technical measures.
- The establishment of regulations and procedures, as well as training, is the correct path to controlling risks that we have not been able to prevent.

EVOLUTION

Gestamp, as part of its continuous commitment to offering its employees, as well as companies that work in its facilities, a safer and healthier work environment, it has once again evolved its Health and Safety Policy.

The Indicator, called the GHSI (Gestamp Health and Safety Indicator), has been transformed into something more complex: the GHSS (Gestamp Health and Safety System).

A more advanced global management system that is fully integrated into the Group at all levels.



Accident rates

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

While the Severity Rate combines the number of accidents and their seriousness, the Average Duration Rate assesses whether the results are due to the number of accidents or the seriousness thereof.

Gestamp Health and Safety Indicator (GHSI)

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

As such, in 2006 the GHSI was created. The indicator, which goes beyond international standards, was first implemented in plants in Spain and Portugal, and subsequently in all of the other plants around the world, reaching 100% coverage

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

The uses of the GHSI as a tool:



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

GHSS, Gestamp Health and Safety System

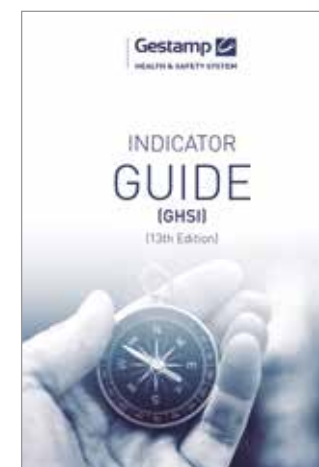
During 2017, the indicator experienced a great transformation, naturally evolving into the rather more complex GHSS (Gestamp Health and Safety System).

HEALTH AND SAFETY MANAGEMENT SYSTEM

Our new management system, Gestamp Health and Safety System, is a system that covers all the fields of action and it is integrated into all levels of our organisation.

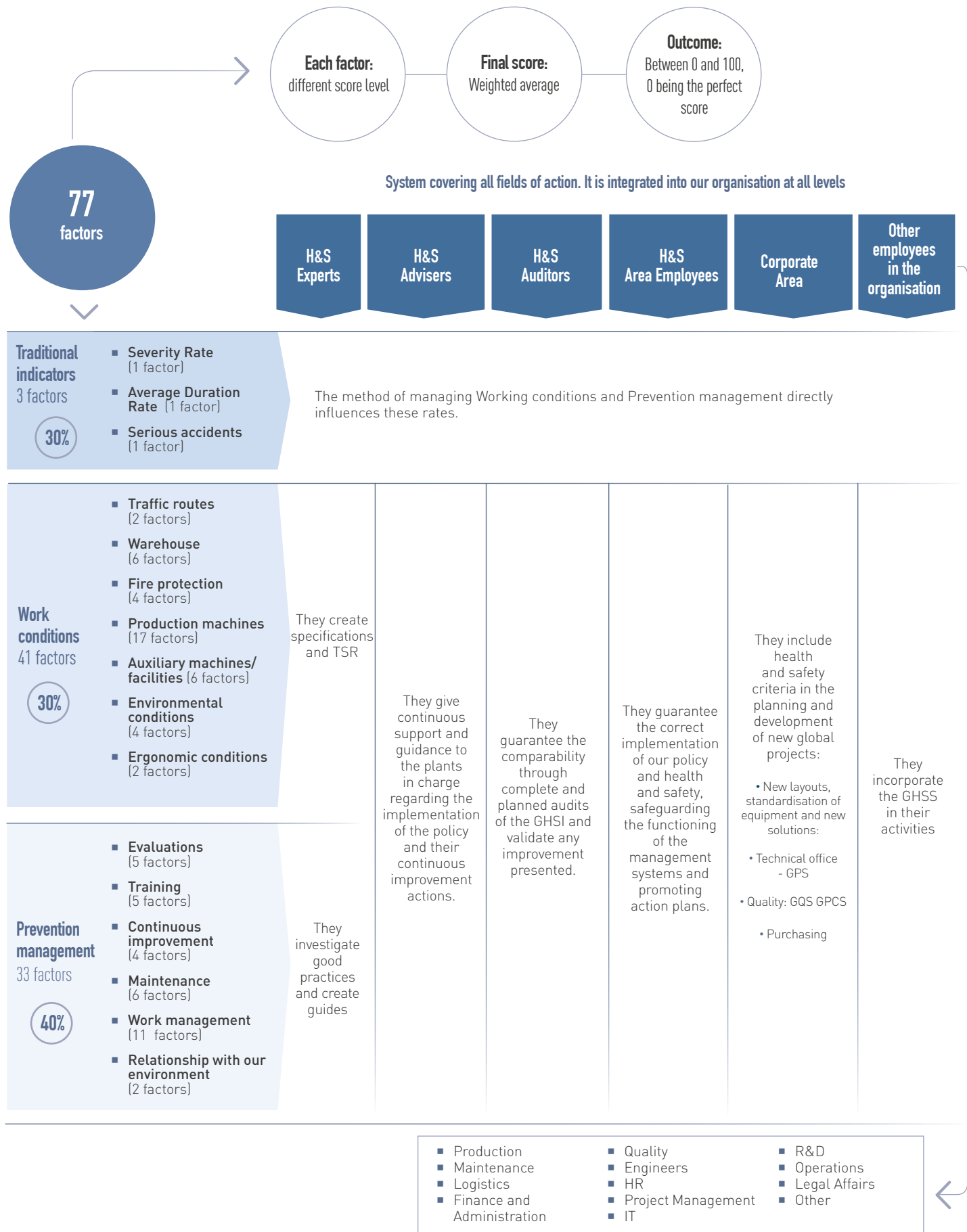
The main characteristics of the system are:

- An extensive team of professionals dedicated to prevention, from a corporate level to the plants, giving criteria when undertaking improvements and starting new projects.
- The inclusion of experts in working and prevention management conditions that look for good practices and solutions, defining the direction of the system.
- The creation of support publications and documents:
 - Technical Safety Reports
 - Management guides
 - Gestamp Safety Standards
 - Good practices



- An indicator that has the following main functions:
 - Precisely evaluating the safety performance of plants, according to the management and specific conditions of the work centres, through periodic audits and reviews.
 - Being the Group's safety standard that everyone knows about and that helps us to compare all of the plants on equal terms.
 - Accumulating the knowledge gained over the years and using it to detect points for improvement in detail.
- IT applications and web communities.
- Collaboration with other corporate departments so that health and safety is another aspect to consider in new projects: layout design, machinery and facility purchasing, training and corporate policies.

Gestamp
HEALTH & SAFETY SYSTEM



BALANCE 2017

Traditional indicators

Despite the Group's growth, in terms of business and people, the company has not only maintained the rates, but rather has improved on them, which is a clear indication of its effort in the area of prevention.

	2015	2016	2017
Severity Rate ¹	0.18	0.19	0.14
Average Duration Rate ²	13.4	13.2	13.1
Fatal Accidents ³	1	1	2

(1) Severity Rate: Number of work days (M-F) lost / 1,000 hours worked.
 (2) Average Duration Rate Number of work days (M-F) lost / Number of accidents resulting in sick leave.
 (3) Number of fatal accidents: Number of fatal accidents that occurred.

Unfortunately, in 2017 we have to lament two fatal accidents that occurred, one in Germany and one in South Korea.

Working conditions and prevention management

According to performance in the previous year and the situation at the beginning of the year, each production plant establishes its action plan that contains an improvement aim.

In the following table, we can see per Division the variations in percentages compared with the 2016 figures.

Division	Working Conditions: improvement variation %	Prevention management improvement variation %
Northern Europe	3.1%	-1.3%
Southern Europe	-1.5%	-2.6%
North America	10.9%	17.4%
South America	13.1%	14.6%
Asia	4.4%	-7.1%
Edscha	17.8%	23.9%
Tooling	-0.1%	-3.6%
Gestamp	10.2%	10.3%

FUTURE CHALLENGES

- **Cranes:** we are aware that the handling of loads using cranes is one of the tasks in our activity that entails the greatest number of risks. This is due to its high occurrence, weight and size of loads, and to precision during movement, especially in warehouses.

We will focus on those points and we will undertake a quarterly follow-up in order to improve the physical conditions and preventive maintenance, such as operating preparation and training.

We will also work on a safety standard to be followed in the acquisition of new crane bridges.

- **Transferring the successful model,** which has provided great results in countries such as Mexico and Argentina, to regions that can improve performance such as France and the United States.
- **Influencing the behaviour of workers through Behaviour-based Safety programmes.** This is a field that is yet to be explored and that we consider to be extremely important in future prevention work. We will start to work with companies that have an established management system with defined and implemented procedures and regulations.
- **Improving the ratio of accepted improvements compared with the quarterly proposals.** That entails greater knowledge and understanding of the system requirements.



OCCUPATIONAL RISK PREVENTION: A RESPONSIBILITY SHARED BY ALL

Health and safety must not be the responsibility of just the professionals dedicated to it in the plants, divisions and corporation. It has to be a transversal system within the company. Each department has to know its role in improving safety in its day-to-day work, always counting on prevention counselling.

The main advantage of this new concept is that safety ends up becoming a habit that does not depend on a particular person. Even if there is a change in personnel, the system will continue because everyone knows his or her function within it. The positive evolution seen in Mexico and Argentina throughout 2017 is a clear example of the impact the system has at all levels.

A few testimonials from Gestamp in Mexico:



"Knowing that we have regulations and prevention plans that help us to undertake our duties with greater confidence and safety has a really positive impact. Additionally, knowing that we are all responsible for safety, results in greater work efficiency."

Rubén Bello - Hot stamping line assistant – Gestamp Puebla II



"We have seen all kinds of improvements. However, the change in culture throughout the company has been decisive, which has helped all and every person working at the plant to get involved in the matter of safety, not just the person in charge of it."

María Guadalupe Torres – Materials Manager – Toluca I

A few testimonials from Gestamp in Argentina:



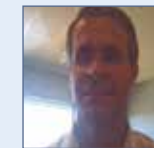
"Each sector is responsible for each factor under its competency, achieving greater awareness, commitment and self-management, which should result in improving the general safety conditions at the plant".

Adrian Piccioni - Manufacturing Manager– Gestamp Baires



"I think the main advantage is that the safety regulations are geared towards the integrity of people, not just in the day-to-day, but throughout our lives. My achievements: that each person arrives home safely".

Fernando Acosta – Manufacturing Supervisor at Plant 4, Stamping – Gestamp Baires



"The impact that the GHSS had, was the change in paradigm, from thinking 'it can't be done' to thinking that as a team we can work towards a higher goal, meeting the national and international standards in workplace conditions".

Román Gartner - Production Accountable – Gestamp Baires



"With the new GHSS, safety does not just depend on a few people and that by involving all the areas, from top to bottom, it is a lot easier to raise awareness of how important this matter is".

Gonzalo Civeira – Manufacturing Engineer at Plant 4, Stamping – Gestamp Baires

7

ENVIRONMENT AND CLIMATE CHANGE

- Our approach
- Gestamp in the vehicle life-cycle
- Environmental impact management
- Sustainable use of resources and waste management
- Climate change and Carbon Footprint
- Environmental incidents
- Proactive participation in global environmental initiatives



Environmental impact management



Energy efficiency



Technological and R&D capacity

OUR APPROACH

The entering into force of the Paris Agreement, the first universal agreement against climate change, confirms the commitment of governments to effectively reduce CO₂ emissions, moving towards low-carbon economies.

At Gestamp, we are aware of our responsibility in this process, providing solutions through environmental impact management and energy efficiency to:

- Reduce greenhouse gas emissions in our production processes.
- Provide added value through our technological and R&D capacity to develop new products and innovative solutions that allow us to obtain lighter parts, which helps our clients to reduce their CO₂ emissions, as less weight means less fuel consumption and less emissions during the useful life of the vehicle.

MAIN FIGURES



Certified centres

Certificates available on the website



Environmental investments

≈ 5 million euros in environmental investments



48,114 Tonnes of waste

≈ 1.4 million euros in environmental expenditure

Sustainable resource use

Responsible waste management

2,413,561 Tonnes of CO₂ equivalent

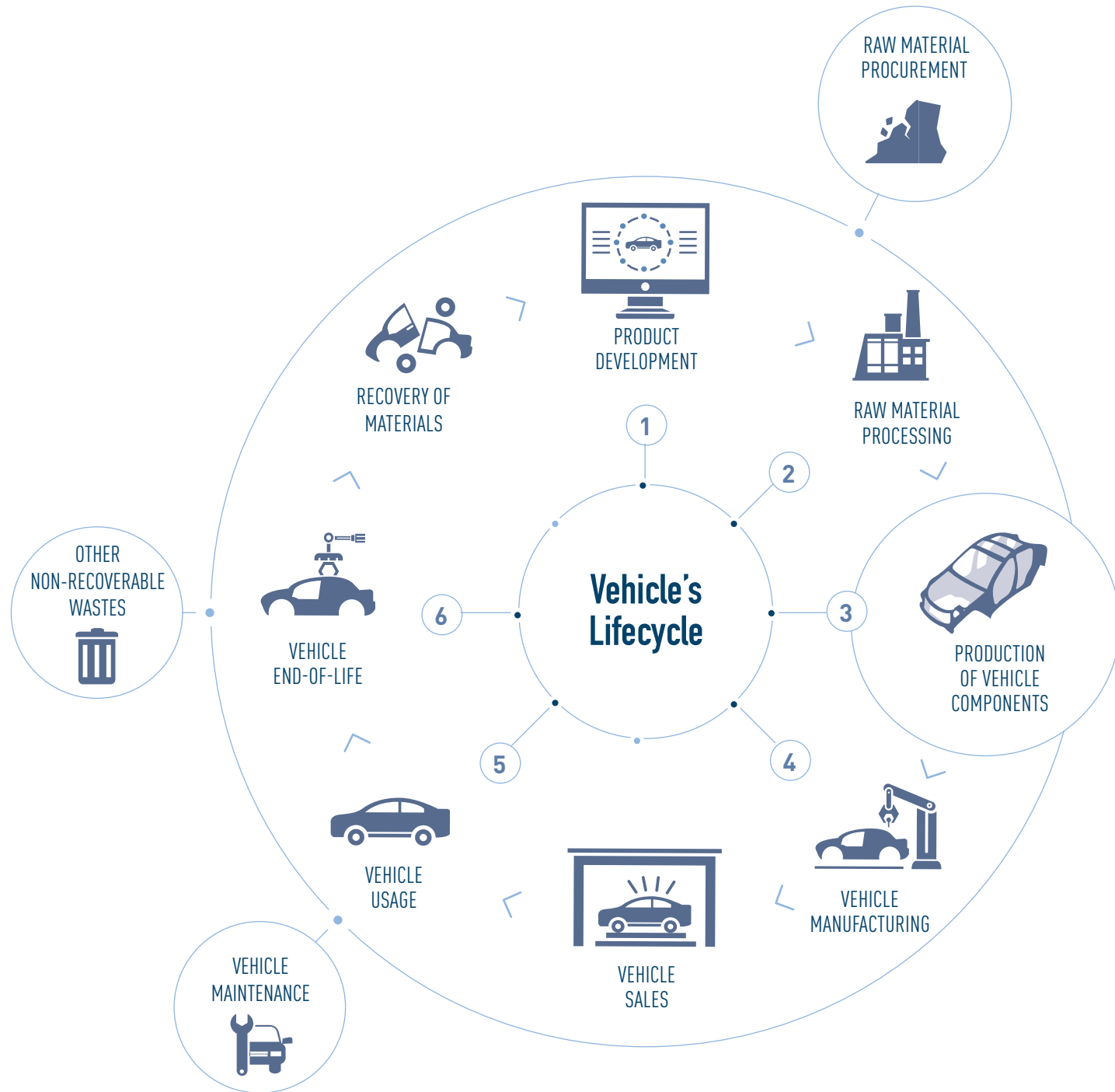
Scope 1 210,734 T CO₂

Scope 2 456,262 T CO₂

Scope 3 1,746,565 T CO₂


GESTAMP IN THE VEHICLE LIFE-CYCLE

As a member of the automotive sector, our environmental performance is analysed from a perspective of vehicle life-cycle, taking into consideration the impacts and solutions at each of the stages in which we can act.




IMPACT OF GESTAMP

- 1 PRODUCT DEVELOPMENT**




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.

- 2 RAW MATERIAL PROCESSING**



At Gestamp, we use environmental criteria when selecting suppliers of raw materials and components.


- 3 PRODUCTION OF VEHICLE COMPONENTS**



As suppliers of automotive components, our activity focuses on:


 - Optimization of raw materials and natural resources consumption.
 - Optimization of manufacturing processes and logistics.
 - Energy efficiency.
 - Management and recyclability of waste produced during manufacture.

- 4 VEHICLE MANUFACTURING**




In this phase, we abide by the requirements established by our clients, including those of weight, materials and recyclability.

- 5 VEHICLE USAGE**



With reduced weight of our parts, we are helping vehicles to consume less fuel and thereby produce fewer greenhouse gas emissions.

- 6 VEHICLE END-OF-LIFE**



All of our products are metallic and therefore 100% recyclable.

ENVIRONMENTAL IMPACT MANAGEMENT

82%* of our production plants were certified in 2017.

(* It includes 8 new production plants that are in process of obtaining certification during the next year.

In our commitment to continuous improvement and environmental protection, we have established an internal Group requirement stating that all of our production plants are to have an environmental management system that has been certified and accredited by an independent entity in accordance with the ISO 14001 international standard or the EMAS II regulation.

In 2017, we incorporated into the Group 8 new production plants that have an adaptation period of one year in which to comply with the requirement to get their environmental management system certified. In this respect, 82% of our production plants were certified in 2017.

Internal work groups

Under the new ISO 14001:2015 standard, which replaces the previous ISO 14001:2004 standard, and with a view to meeting the requirements and deadlines established for the corresponding adaptation, we have created different internal work groups, which serve as a support tool between the different parties involved in the management system adaptation process.

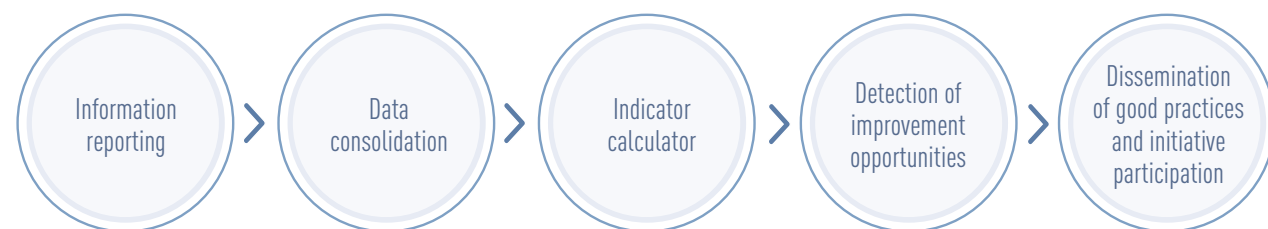
Transparency and communication

In our commitment to transparency, we worked throughout the year on creating a new space through which environment-related information can be shared with our stakeholders. In this respect, we have made the ISO 14001 certificates of our production plants, the environmental policy and other environmental aspects of interest available on our website.

For further information, visit our website: www.gestamp.com

Our key environmental indicators

We monitor our significant environmental impact through a number of environmental indicators that help us to compare the performance of different production plants, to act according to the results obtained, and to identify and disseminate the good practices implemented.



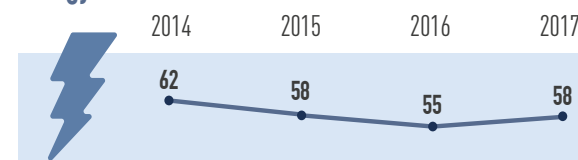
We receive information on a quarterly basis from all of our production plants regarding their energy, natural resource and raw material consumption, as well as their generation and treatment of waste. With this information, we calculate the following indicators:

- EEl: Energy Efficiency Index, defined as the energy consumption in MWh per €100,000 of added value.
- CO₂ EI: CO₂ Emissions Index, defined as tonnes of CO₂ emissions per €100,000 of added value.

- WPI: Waste Production Index, defined as the production of waste (both hazardous and non-hazardous) in tonnes per €100,000 of added value.
- WMI: Waste Management Index, defined as cost of waste management (both hazardous and non-hazardous) per €10,000,000 of added value.
- WCI: Water Consumption Index, defined as water consumption in m³ per €100,000 of added value.

KEY ENVIRONMENTAL MANAGEMENT ASPECTS

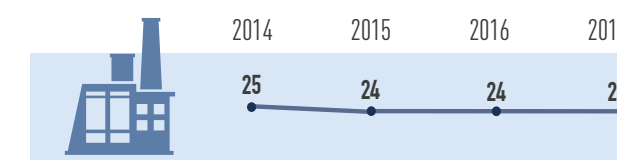
Energy



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

- See chapter: "Operational Excellence".
- See GRI Tables (302-1, 302-2 and 302-3 indicators) for further information on energy consumption.

Emissions

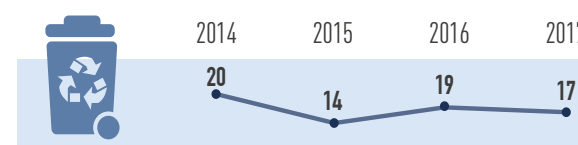


CO₂ EI: CO₂ Emissions Indicator (tonne of CO₂ emitted/€100,000 of added value)

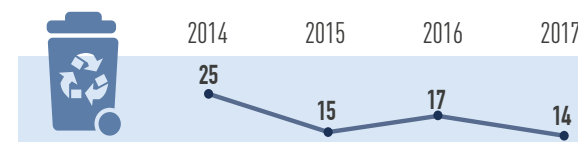
- See the Climate change and Carbon Footprint section in this chapter.
- GRI Tables (305-1, 305-2, 305-3, 305-6 and 305-7 indicators) for further information on emissions.

Both indices are closely related, as the consumption of energy and fuel is converted into CO₂ emissions. While the Energy Efficiency Index has increased with respect to 2016, the Emissions Index has been maintained. The difference between consumed energy and emissions is due to the fact that the Group has had an increase in operations with greater added value in countries such as China, Mexico and the United States, that are affected by the emission factors related to the electric mix.

Waste



WPI: Waste Production Index (tonne of waste/€100,000,000 of added value)

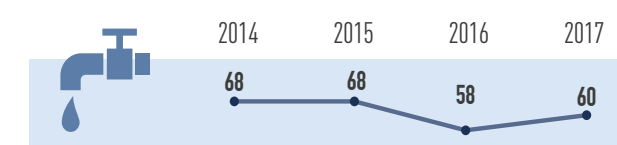


WMI: Waste Management Index (cost of waste management in thousands of euros/€10,000,000 of added value)

- See GRI Tables (306-1, 306-2 and 306-3 indicators) for further information on the waste generated.

Due to improvements in the quality of reporting, the indices relating to waste production and management have decreased compared to previous years.

Water



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

- See GRI Tables (303-1 Indicators) for further information on water consumption per source.

Even though the Group's main water consumption is domestic, the plants that have surface water treatment processes have industrial water consumption. The significant variation experienced in this index depends on the part being painted, which directly relates to the projects being worked on with the client at any given time. The painting of skin parts, which will eventually be placed on the outside of vehicles, involves certain quality requirements that make it essential to frequently change the baths on the cataphoresis lines. As such, there is a considerable increase in water consumption. Conversely, the baths can be reused in the treatment of structural parts, which entails a low water consumption and a reduction in the WCI.

SUSTAINABLE USE OF RESOURCES AND WASTE MANAGEMENT

At Gestamp, we are committed to the circular economy. Scrap metal, which is our main waste product, is reintroduced into the steel production process, contributing to closing its life-cycle.

In our aim to minimise waste generation and natural resource use, we have incorporated into our activity all of the methods, processes, technologies and good practices regarding the management, reuse and recycling of the materials we use.

In 2017, our material consumption (in thousands of tonnes) was as follows:

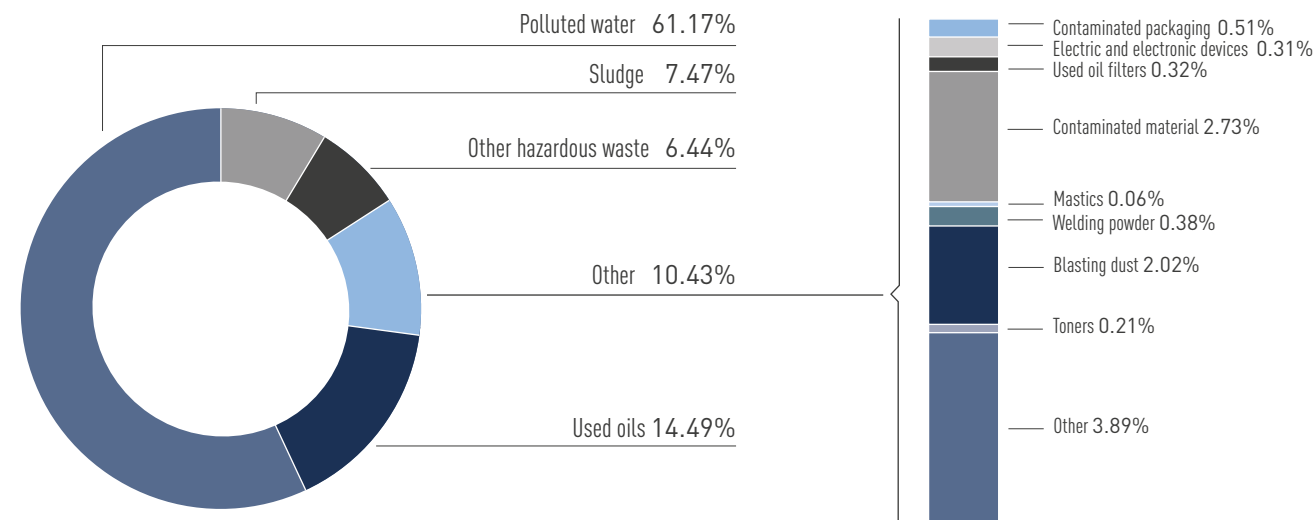
Paint	1.57
Binder agent	1.95
Oil	2.53
Welding wire	9.99
Welding electrodes	0.72
Chemical products	2.65
Welding gases	14.39

In line with this resource management, we encourage procedures and technologies geared towards minimising, separating, reusing, recycling and recovering waste. We consider these actions to be a priority over waste disposal. In 2017, a total of 48,114 tonnes of waste was generated, not including scrap metal. 23,373 corresponded to non-hazardous waste and 24,741 to hazardous waste.

Of the total of non-hazardous waste, 98% corresponded to scrap metal. Scrap metal is a waste product that is 100% recyclable. Its reintroduction into the steel production process contributes to closing its life-cycle and follows a circular economy model.

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

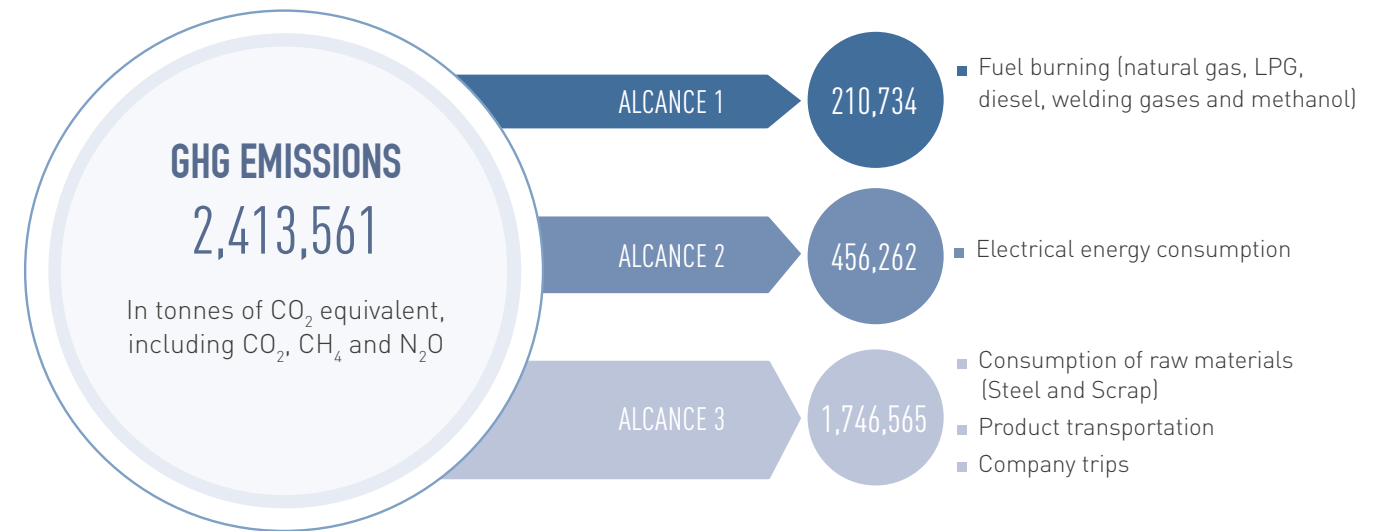
2% OF OUR TOTAL WASTE IS HAZARDOUS. THIS IS ITS COMPOSITION:



CLIMATE CHANGE AND CARBON FOOTPRINT

Under the framework of the Paris Agreement, the aim of keeping global warming below 2°C, and even below 1.5°C, was established. In this respect, we have demonstrated our commitment by means of the Science Based Targets (SBT) initiative, through which we are currently defining our reduction objectives based on the horizons 2030 and 2050.

To calculate the Group's Carbon Footprint, we use the standard of the Greenhouse Gas Protocol (GHG). We also report our emissions performance every year through the international Carbon Disclosure Project.



i For more information see chapter: "Innovation" and GRI Tables (305-3, 305-4 and 305-7 indicators).



ENVIRONMENTAL INCIDENTS

Under the framework of the comprehensive environmental management that we carry out, we have created a register and classification* process for all of the environmental incidents that take place at our production plants and facilities. In 2017, there were incidents at 3 plants, which were related to minor fires, occasional flood due to storms and small oil leakages and limited chemical substance spillages of chemical substances. However, none of those incidents called for the activation of the guarantees under the Environmental Responsibility Policy that the Group has taken out. The analysis of these kinds of events has allowed us to establish prevention and correction measures.

Furthermore, we are currently in the process of resolving a contamination incident that took place some time ago at a production plant acquired by the Group.



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

PROACTIVE PARTICIPATION IN GLOBAL ENVIRONMENTAL INITIATIVES

Since 2011, we have provided detailed information on a yearly basis regarding our strategy, practices, performance and objectives in the fight against climate change. Similarly, since 2015, we have completed the CDP Water Disclosure questionnaire, which specifically regards water issues, publicly disclosing our water footprint and providing information on the different aspects in managing the resource.

Carbon Disclosure Project (CDP):

CDP 2017 Climate Score

COMPANY	SCORE (A, B, B-, C, C-, D, D-)
Gestamp	C
Average of companies in the Supply Chain	D

CDP 2017 Water Score

COMPANY	SCORE (A, B, B-, C, C-, D, D-)
Gestamp	B- Management
Average of companies in the Supply Chain	D Informative



CDP 2017 Supplier Engagement Rating*

COMPANY	SCORE (A, B, B-, C, C-, D, D-)
Gestamp	A- Management
Average of companies in the Supply Chain	C- Informative

* This CDP new initiative aims to promote more supplier engagement, driving significant global emissions reductions. Companies were evaluated on supplier engagement criteria in the Governance, Targets and Initiatives, Scope 3 Emissions (Breakdown), and Scope 3 Emissions (Supplier Engagement) sections of the questionnaire. In addition, each company's CDP climate change score was factored in to their rating as an overall assessment of company performance on climate change.

Other initiatives:



European Commission:

- Participation on the roundtable of the Committee of Experts regarding biodiversity in standards and management systems.
- Participation in the Working Group of metal part manufacturers.
- Publication of the best environmental practices of the vehicle manufacturing Working Group.



Global Value:

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



Forética:

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



ENERGY EFFICIENCY IN AVEIRO



Within the scope of the energy efficiency strategy undertaken at Gestamp Aveiro, energy audits are conducted in collaboration with CCEnergia - Engenharia de Soluções Energéticas in order to identify inefficiencies and improvement possibilities. One of the possibilities identified was detected on analysing the inefficiency of the current industrial cooling stations.

Aim

The aim of the action was to optimise the operating conditions of the cooling system for welding and cataphoresis painting. Several measures were included in the energy efficiency analysis, such as: the optimisation of the cold-water distribution system, replacement of specific equipment and the implementation of a management and control system.

Once the possibilities were identified for improving and quantifying the energy consumption cost and maintenance, an industrial cooling station was installed. After analysing several technological solutions, measurement and result verification plans were drawn up

and online monitoring was conducted through monitoring, control and supervision systems. The final solution was designed to reduce electrical energy consumption by 343,829 kWh/year (66%). Using 2015 as a reference, the expected/calculated saving amounts to €39,400 per year with a 5 to 6-year investment return period.

Achievements

A year after the implementation, the project exceeded the initial predictions. As a result, a saving in energy consumption of 71% was achieved. This saving was confirmed through quarterly measurement and verification reports. Using real measured data, a reduction of 481,221 kWh/year in electrical energy consumption (€50,528 /year) was achieved, corresponding to an amortisation period of 4.2 years. Gestamp Aveiro has once again implemented a low-carbon economy project, reducing its CO₂ emissions by 226 tonnes.



THE GESTAMP FOREST



Aim

Based on the circular economy concepts, this project aimed to place value on a material that is frequently discarded in our plants and offices, while also collaborating on an environmental project. As such, GMA and Gestamp Aragón contacted Terracycle, which proposed a recycling project in which disused writing material was exchanged for points. Given the long-term focus, an exchange for seeds was chosen, planting trees in collaboration with the Fundación + Árboles.

As the project started, a fire coincidentally broke out in Zaragoza that affected 14,000 hectares of highland, lowland and farmland, forcing several towns to be abandoned. As such, a decision was made to work in the affected area.

The first step was to initiate collaborations with the corresponding public authorities (General Council of Aragón and councils) so that our centres could undertake a part the reforestation work. As such, the reforestation of 1.5 hectares started in the Luna municipality, which Gestamp workers and their families took part in.

Achievements

We have already planted the first 1,000 trees in the 17 hectares that were allocated to us for reforestation. Around 500 tonnes of CO₂ will be retained by these trees when they reach maturity. Furthermore, we have managed to get another 13 of the Group's work centres to collaborate in the initiative, collecting together their material and sending it to GMA in order to carry out the exchange and to continue creating the Gestamp Forest. Combining all of these efforts, we will continue to plant trees to strengthen our commitment to the environment and we will continue our everyday work to make the parts that we manufacture lighter.

The circular economy, connecting with the environments in which we work, cultural solidarity by the workers and climate change mitigation are just some of the different aspects involved in this good practice.

8

LOCAL COMMUNITIES

- Our commitment
- Social contribution
- Youth employment training

OUR COMMITMENT

Our presence in different countries and regions has allowed us to establish very diverse relationships with the local communities in which we work, which continue to strengthen over time.

Gestamp considers integration into local communities and participation in the economic, social and environmental needs and concerns to be important.

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

On a local level, we collaborate on initiatives promoted by social organisations, including both economic (business, technology and innovation clusters and associations) and social (improvement in education, environmental awareness, integration of disadvantaged groups, etc.).

On a Group level, the technical and industrial training and preparing of young people is one of our strongest commitments. We are committed to new generations having the studies and skills required to enter the labour market and to improve their level of employability. Transmitting our knowledge and experience to them is fundamental, as they are our future.

On a global level, we participate in international programmes to meet the biggest challenges of our century. In 2008, we signed up to the UN Global Compact and we have also joined its Sustainable Development Goals. To specifically foster the employability of young people, we are members of the European Alliance for Skills Apprenticeships and the European Automotive Skills Council.



SOCIAL CONTRIBUTION

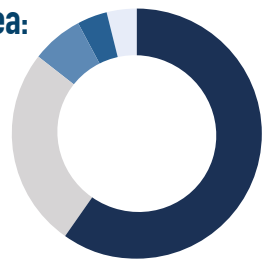
Every year, we renew our collaboration on non-profit projects that take place in the communities in which we work. Most of them arise due to the interest of our work centres in having an active role in their community.

Since 2013, we have used the LBG method (London Benchmarking Group) to identify, classify and evaluate the social initiatives we undertake in the Group.

SOCIAL CONTRIBUTION AT GESTAMP IN 2017

Per geographical area:

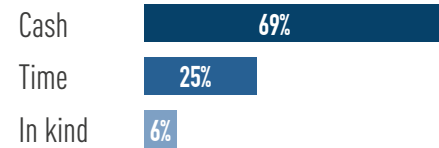
- Spain **60%**
- Rest of Europe **26%**
- South America **4%**
- North America **4%**
- Asia **6%**



8,583

employee participants involved in volunteer activities

Type of contribution:

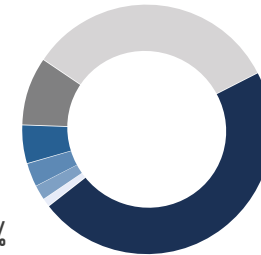


19,673 hours dedicated to volunteer activities by our employees

196 initiatives

Per area of action:

- Education **47%**
- Socio-economic development **33%**
- Social welfare **9%**
- Environment **5%**
- Arts and culture **3%**
- Health **2%**
- Emergency relief **1%**

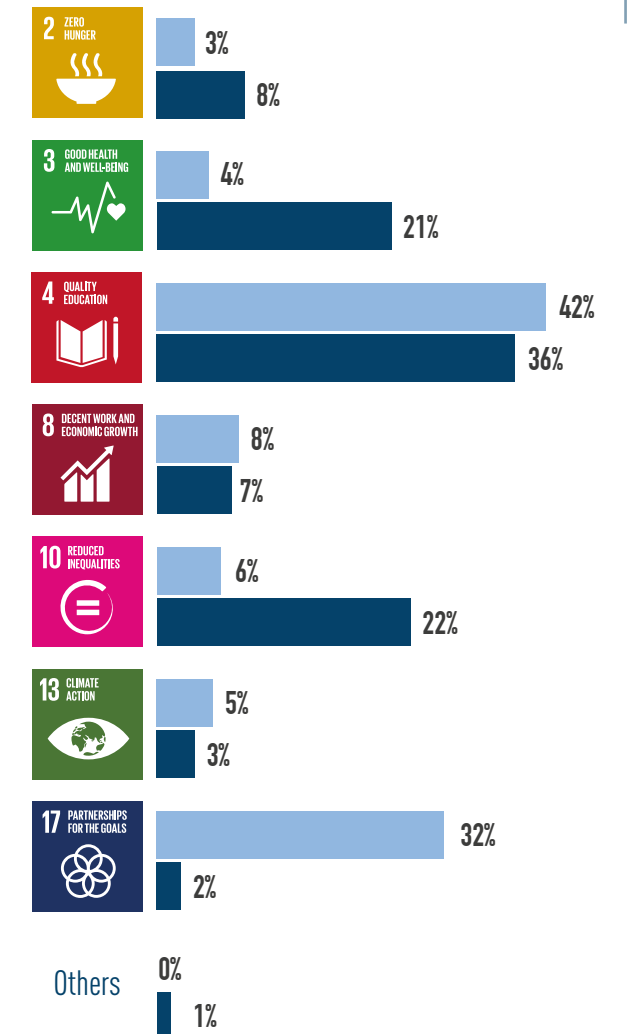


Total contribution: 1,548,572€

97% OF OUR TOTAL CONTRIBUTION IS ALIGNED WITH THE SUSTAINABLE DEVELOPMENT GOALS

345 beneficiary organisations

14,749 direct beneficiaries



■ % economic valuation of the contribution ■ % initiatives of the contribution

SUSTAINABLE DEVELOPMENT GOALS

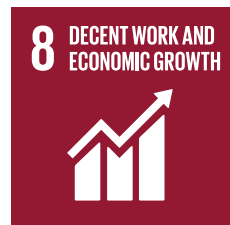
These are the most relevant initiatives:



- Health Week. Gestamp Baires
- Time for Health. Gestamp Toledo
- Support for Bradley Lowery. Gestamp Washington
- Support for children's cancer research. Gestamp Navarra
- Container top recycling for children's health treatments
- Cycling competition for autistic children. Edscha Automotive Technology



- School restoration. Gestamp Pune
- Technology Development Project. Gestamp Córdoba
- Study scholarships. Gestamp Cerveira
- In-plant training programme. Gestamp Prisma
- Robotics programme at public schools. Gestamp Mason



- On-the-job training. Gestamp Levante
- Educa GEBA. Gestamp Baires
- In-plant work projects with universities. Gestamp Aycliffe
- In-plant work placements. Gestamp Hardtech
- In-plant work placements. Gestamp Ludwigsfelde



- Building Together project. Gestamp Baires
- Support for Sweet Home Refuge. Gestamp Aguascalientes
- Building a bike. North America Division
- German course for refugees. Edscha Holding



- River cleaning. Gestamp Kartek
- Gestamp Forest

In 2017, we welcomed 649 young persons into our work centres under internships and training programmes.

Our dual training programmes have an employability rate of 95%.

YOUTH EMPLOYMENT TRAINING

One of the fundamental aspects of our commitment to the community regards educational programmes and collaborations with different local institutions, universities and training centres that provide real employment opportunities to young people in each region.

Dual training

We foster dual education programmes through agreements with universities, business schools and professional training centres around the world that combine regulated training with in-company learning.

As such, we train the local population to facilitate its access to the labour market, we contribute to industrial development and we meet our production needs for qualified personnel, which are often in short supply, for certain profiles.

Those trainees generally work in one of our work centres during normal business hours. They are also accompanied by a tutor, have a contract, are registered with the Social Security and receive a small wage.

GESTAMP TECHNOLOGY INSTITUTE

Since 2015, our Gestamp Technology Institute (GTI) has been working to become a reference for dual training. Furthermore, a part of the training it offers is geared towards professional specialisation programmes.

In 2017, we launched the second edition of the Expert Programme in Metrology and Quality, Industrial Product Design, Process and Manufacturing Simulation (CAD/ CAE/ CAM) and in Metrology.

Students trained

	Men	Women	Total
2017	179 (88.6%)	23 (11.4%)	202
2016	76 (87.4%)	11 (12.6%)	87

Hours of training

	Nr. of students	Hours	Hours/ Student
2017	202	65,008	322
2016	87	56,641	651

We also created a new specialist area in the archive of the Public Employment Service: Specialist area in the automotive sector.

We are members of the "European Alliance for Skills Apprenticeships" and of the "European Automotive Skills Council".



GTI Dual Training testimonies:



The course has been well prepared and the environment of the GTI fosters working efficiently and with enthusiasm. In general, the teachers and staff are friendly and decisive. They help you to resolve any problem you may have. This course has perfected my technical skills and it has helped me with my goal of becoming a mould and die engineer, knowledge that I will use in India, my home country.

Ganesh Kamble, student on the programme CAD/CAM/CAE.



After studying the CAD/CAM/CAE engineering programme, I will work at Gestamp Louny as a process engineer. Working with people from different countries has been really rewarding. On a technical level, the training has been really extensive, covering the functioning of moulds, technologies used, and programmes such as Catia, Nx and AutoForm. All of it was taught by great professionals and we have learnt an enormous amount.

Paul Domínguez, CAD/CAM/CAE graduate.



GESTAMP AUTOMOTIVE SUMMER CAMP

Taking advantage of the holidays and school breaks in Spain, Gestamp organised this camp with recreational and educational activities for children aged between 8 and 12.



The camp lasted two weeks and the activities undertaken were related to science, technology, engineering, art and maths. With outdoor workshops undertaken in English, the children enjoyed taking on the role of bosses and workers on a transversal automotive project: making two electric cars, including the design, assembly and launch.

The aim was to encourage children to explore the professional opportunities that science, technology, engineering and maths offer them in our sector.

The sixth edition started in October 2017 with 26 new students from 7 different nationalities.

Postgraduate training

In 2017, we revised the Master's Degree in International Industrial Project Management with the Comillas Pontifical University, with which we have been collaborating since 2012.

The Master's aims to develop International Project managers and to create an academy of qualified and competitive professionals that are able to interact in the complicated global business area.

Just some of the benefits of this Master's include its multiculturalism (with students from different countries on each edition), study content that adapts both to the latest technology and to business reality, and the opportunity to carry out international work placements in a leading sector, such as that of the automotive sector.

In July 2017, the fifth edition of the Master's came to an ended, on which 80% were hired by Gestamp.

	Students hired on finishing the Master's Degree	Retention rate (August 2017)
First edition	61%	53%
Second edition	50%	71%
Third edition	62%	78%
Fourth edition	78%	90%
Fifth edition	80%	100%

The following data provide a summary of the employability corresponding to the Master's Degree over the last four years:

- Almost 150 students have studied the Master's since 2012.
- The students were from 11 different countries in which Gestamp operates.
- 70% average employability rate between 2012 and 2017.
- 76 students of the Master's Degree have worked at Gestamp since 2012.
- The retention rate after 6 months at Gestamp is 80%.

Further information on the Master's Degree available on : <http://www.gestamp.com/personas/formacion-ydesarrollo/master>



MDIPI testimony:



I would describe this Master's Degree as an academic and professional opportunity. Being taught by renowned university professors and Gestamp professionals was a unique experience and a very useful way to prepare ourselves and to enter the labour market. The Master's Degree was taught in a multicultural environment of trust. Such diversity allowed me to be more open to other cultures and to improve my interpersonal, technical and managerial skills.

Lara Al-Hrerah – Student on the fifth edition of the Master's



V.

CORPORATE GOVERNANCE

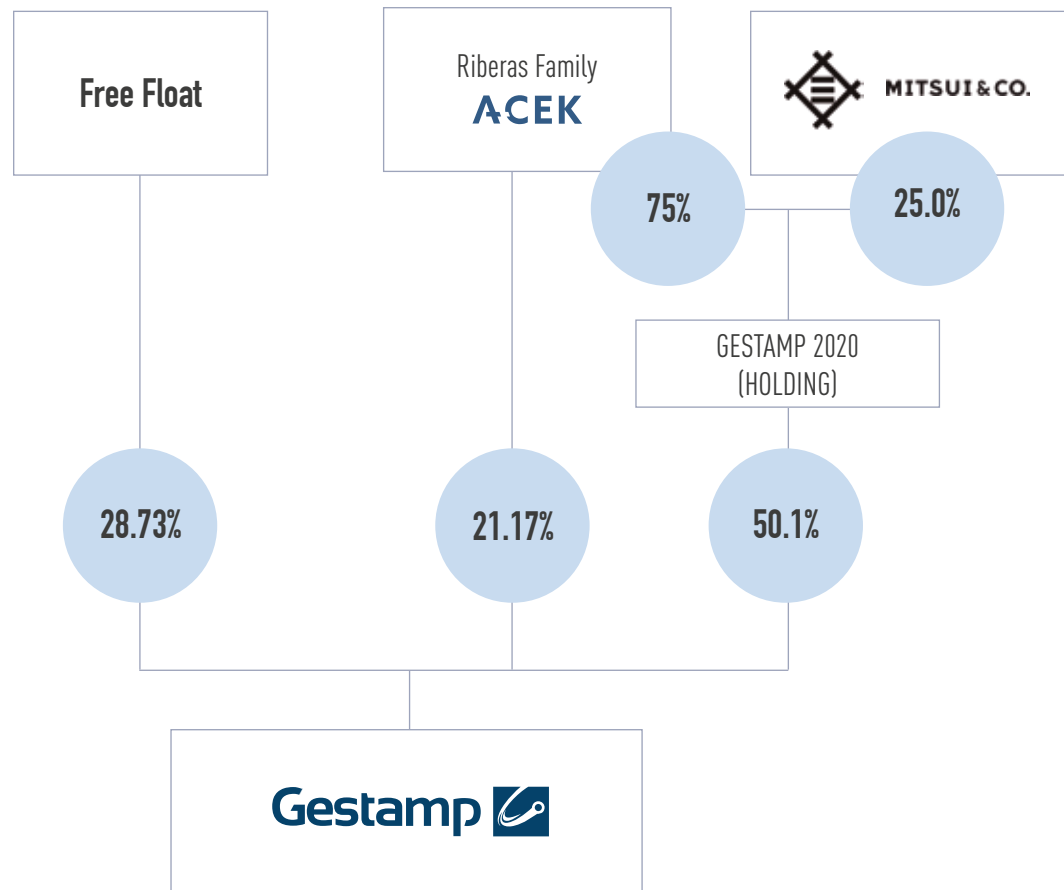
Shareholding Structure	138
Corporate Governance System	139
General Shareholders' Meeting	140
Board of Directors	142
Committees of the Board of Directors	147
Management Committee	151
Remuneration	152
Mechanisms to avoid conflicts of interest	155
Internal Code of Conduct in the Securities' Markets	155
Internal Control over Financial Reporting System (ICFRS)	156
Annual Report on Corporate Governance	157

SHAREHOLDING STRUCTURE

All shares belong to a single class and series and provide their owners with the same rights and duties.

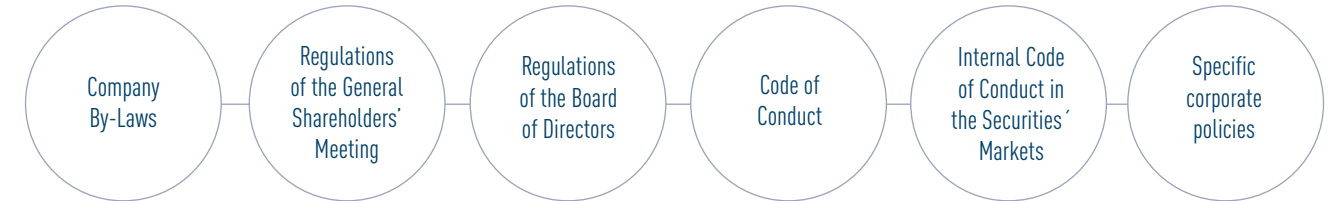
As of the date of this Report, in accordance with the data recorded in the official register of the National Securities Market Commission (CNMV), the current shareholding structure of Gestamp Automoción S.A. (hereinafter, the Company or Group) is as follows:

- 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 total share capital. Acek holds 75% of the share capital of Gestamp 2020, while Mitsui & Co. Ltd. holds the remaining 25%.
- The rest of the share capital, i.e., 28.73% is free float.



CORPORATE GOVERNANCE SYSTEM

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



Our Corporate Governance rules are periodically reviewed and updated.

The contents are modelled and based on our commitment to the Best Corporate Governance Practices, business ethics and social responsibility in all areas of action.

Governing Bodies

To meet the transparency and business ethics commitments, the Company implements its rules of corporate governance through the following Governing Bodies, which distinctly undertake strategy and supervision, and administration and management functions:

THE GENERAL SHAREHOLDERS' MEETING	THE BOARD OF DIRECTORS	THE MANAGEMENT COMMITTEE	COMMITTEES OF THE BOARD OF DIRECTORS
Is the main channel for shareholders to participate in Gestamp and it is our highest decision-making body. Our shareholders attend the meeting to discuss and decide on, subject to majority vote requirements applicable by law or according to the By-laws, matters that fall within its scope of authority.	Focuses on establishing, supervising and monitoring the policies, strategies and general guidelines to be followed by the Company and the companies in its consolidated group.	Is responsible for the organisation and strategic coordination of the Group by disseminating, implementing and monitoring the business strategy and guidelines.	The Board of Directors receives support from specialist internal committees in the undertaking of its work. In this regard, the Board of Directors has formed an Audit Committee and Nomination and Compensation Committee.

GENERAL SHAREHOLDERS' MEETING

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

Functions

The General Shareholders' Meeting decides on any matter falling within its scope of authority in accordance with the Law, the By-laws and the Regulations of the Company's General Shareholders' Meeting, having authority to pass resolutions on the matters listed below, without limitation:

1. Appointment, re-election and removal of members of the Board of Directors.
2. Appointment, re-election and dismissal of the auditor of the Company and its consolidated group.
3. Approval of the financial statements and allocation of profits and approval of the Company's management.
4. Authorisation to acquire treasury shares or shares of the parent company.
5. Amendment of the By-laws.
6. Increase and reduction of the share capital, and the exclusion or limitation of pre-emptive rights.
7. Issuance of bonds convertible into shares, or any other security conferring the right to subscribe for newly-issued shares at the Company.
8. Acquisition, disposal or contribution to another company of essential assets and transfer to subsidiaries of essential activities.
9. Transformation, merger, spin-off or global assignment of assets and liabilities, and transfer of the registered offices overseas.
10. Dissolution of the Company and approval of any actions having liquidation-related consequences for the Company.
11. Approval of the liquidation final balance sheet.
12. Approval of the remuneration policy applicable to directors.
13. Approval of the 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 waiver for directors of any prohibition derived from the duty of loyalty and the duty to avoid situations of conflict of interest.
15. Approval and amendment of the Regulations of the General Shareholders' Meeting.
16. Any other matter reserved for the General Shareholders' Meeting, whether by law or under the By-laws.

Important resolutions passed by the General Shareholders' Meeting

March 3rd, 2017

- Reduction of the share capital by 479,595.30 euros by means of reducing the nominal value per share by 10 euro cents through the establishment of a restricted reserve.
- Splitting the number of Company shares by reducing the nominal value, following the aforementioned resolution, from 60 euros to 50 euro cents per share, at a rate of 120 new shares for every old share.
- Application for listing the Company's shares on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges, as well as its inclusion into the Spanish Stock Market Interconnection System.
- Amendment of the Company By-Laws 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. Setting the number of members of the Board of Directors at 12.
- Authorisation to the Board of Directors for the derivative acquisition of own shares.
- Authorisation to the Board of Directors, for a maximum term of five years, to increase the share capital according to the provisions of Article 297.1.b) of the Spanish Capital Companies Act, by up to half of the share capital.
- Authorisation to the Board of Directors, for a maximum term of five years, to issue securities convertible into new Company shares, as well as warrants.
- Approval of the remuneration policy for the Company's directors for financial years 2017 to 2019.

March 22nd, 2017

- Approval of the individual financial statements, the management report and the management of the Administration Body corresponding to the year ended December 31st, 2016.
- Application of profits for the year ended December 31st, 2016.
- Approval of the consolidated financial statements and management report corresponding to the year ended December 31st, 2016.
- Amendment of Article 11.3 of the Company By-Laws.

BOARD OF DIRECTORS

The structure, responsibilities and functioning of our Board of Directors are governed by the Spanish Capital Companies Act, the Company By-Laws and the Regulations of the Board of Directors.

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

At the core of its mission, it must establish the approval of the Company's strategy and the organisation required to put it into practice, as well as the supervision and control of goal achievement by management, and respect for the Company's purpose and interests.

Functions

The following non-delegable competencies are assigned to the Board of Directors:

- a) The Company's general policies and strategies:
- the strategic or business plan, as well as management objectives and annual budgets;
 - the investment and financing policy;
 - the definition of the structure of the Company and its group;
 - the Company and its group's Corporate Governance policy;
 - the corporate social responsibility policy;
 - the remuneration policy and senior management's performance assessment. For these purposes, "senior management" shall be understood as managers that report directly to the Board of the Chief Executive of the Company; this concept will necessarily include the Internal Audit Director;
 - the dividend and treasury stock policy and, in particular, its limits;
 - the risk control and management policy, including tax risks, as well as the periodic monitoring of internal information and control systems.
- b) The following decisions:
- upon proposal by the Company's chief executive, the appointment and possible dismissal of senior managers, as well as their severance conditions;
 - distribution among the directors of the fixed annual remuneration determined by the General Meeting, which will be held by the Board of Directors, taking into account the conditions of each director, the roles and responsibilities allocated to them and their relevance to the various committees and, in relation to executives, determining their additional remuneration for their executive functions and other conditions that their contracts must observe;
 - the financial reporting that the Company, due to its status as a listed company, must periodically publish;
 - all kinds of investments or operations which, due to their significant amount or special characteristics, are strategic or have a special tax risk, unless their approval corresponds to the General Meeting;

- and the creation or acquisition of shares in special-purpose entities or entities based in countries or territories classified as tax havens, as well as any other transaction or operation of a similar nature that, due to their complexity, could diminish the Company's transparency.

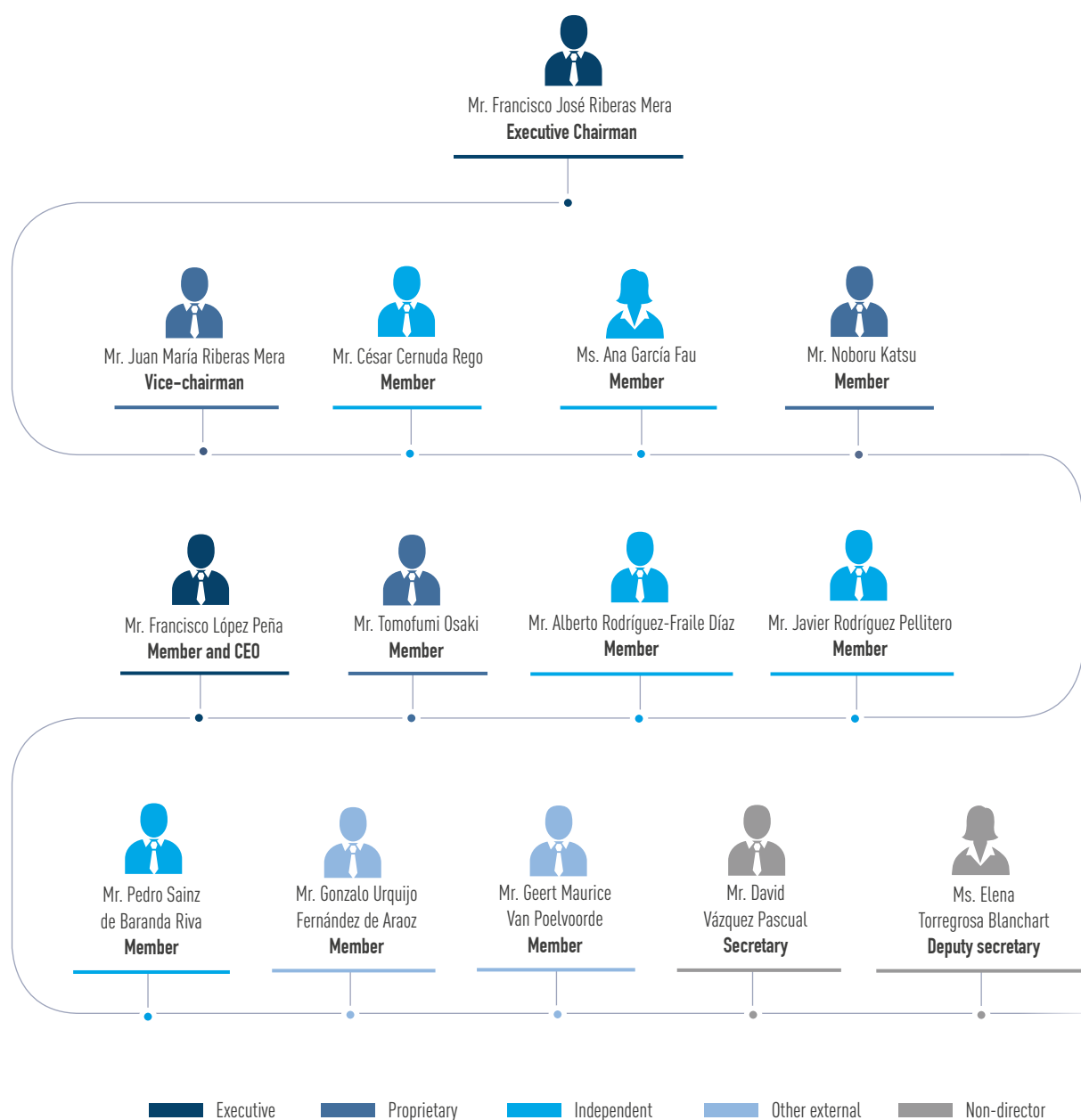
- c) The preparation of any kind of report legally required from the Board of Directors provided that the operation referred to in the report cannot be delegated.
- d) Monitoring the effective functioning of the committees formed and the performance of the delegated bodies and appointed managers.
- e) Convening the General Meeting and drawing up the agenda and proposed resolutions.
- f) The powers that the General Meeting delegates to the Board of Directors, unless authorisation is expressly given by it to sub-delegate them.
- g) Transactions that the Company, or companies belonging to the Group, undertakes with Directors, major shareholders or shareholders represented in the Board of Directors of the Company or of other companies belonging to the Group, or with persons related to it, after a favourable report from the Audit Committee, and with the abstention of the affected directors, except for exempt cases set out in the legislation in force.
- h) Other decisions specifically set out in the Regulations of the Board of Directors.



Structure

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

A description of the structure of the Board of Directors of the Company as of December 31st, 2017, stating the position and category of each member, is set out below.



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 a report from the Nomination and Compensation Committee. The Board, after receiving the report from Nomination and Compensation Committee, may appoint one Vice-chairman or more to replace the Chairman in the event of absence or incapacity.

The Chairman of the Board of Directors will hold this status for the Company and all corporate bodies thereof, which he will permanently represent.

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

The Chairman, as the person responsible for overseeing the efficient functioning of the Board of Directors, prepares and submits to the Board a schedule of meeting dates and agendas; organises and coordinates regular evaluations of the Board and, where applicable, of the Chief Executive Officer. He exercises leadership of the Board and is accountable for its proper functioning; he ensures that sufficient time is given to the discussion of strategic issues, and approves and reviews knowledge refresher courses for each director, when circumstances so advise.

The Chairman also chairs the General Meeting and guides the discussions and deliberations held.

The Chairman is also responsible for convening and chairing Board meetings, setting the agenda and guiding discussions and deliberations. He ensures that directors timely receive enough information to discuss items on the agenda. He encourages debate and active participation during the meetings.

Calling and frequency of meetings

The Chairman may call a meeting of the Board of Director 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 meets as regularly as necessary to effectively perform its functions, provided it is required in the interest of the Company, and at least 6 times a year.

In 2017, the Board of Directors met on 8 occasions. All the meetings were presided over by the Chairman.

Quorum

The Company By-laws and the Regulations of the Board of Directors establish that the Board shall be validly convened when the majority of its members are present or represented at the meeting.

Adoption of resolutions

Resolutions are adopted by absolute majority of directors present or represented, unless there is another majority required by Law, under the By-laws or in accordance with the Regulations of the Board of Directors. In the event of a tie, the Chairman shall have the casting vote.



COMMITTEES OF THE BOARD OF DIRECTORS

Greater efficiency and transparency in exercising the powers and performing the functions assigned to the Board of Directors warrant the establishment of committees.

These committees are not only called upon to facilitate decisions of the Board (by assessing the matters in advance), but also to strengthen the principles of objectivity and reflection with which the Board of Directors must address certain issues. To this end, the Board of Directors has formed an Audit Committee and Nominations and Compensation Committee.

Audit Committee

Functions

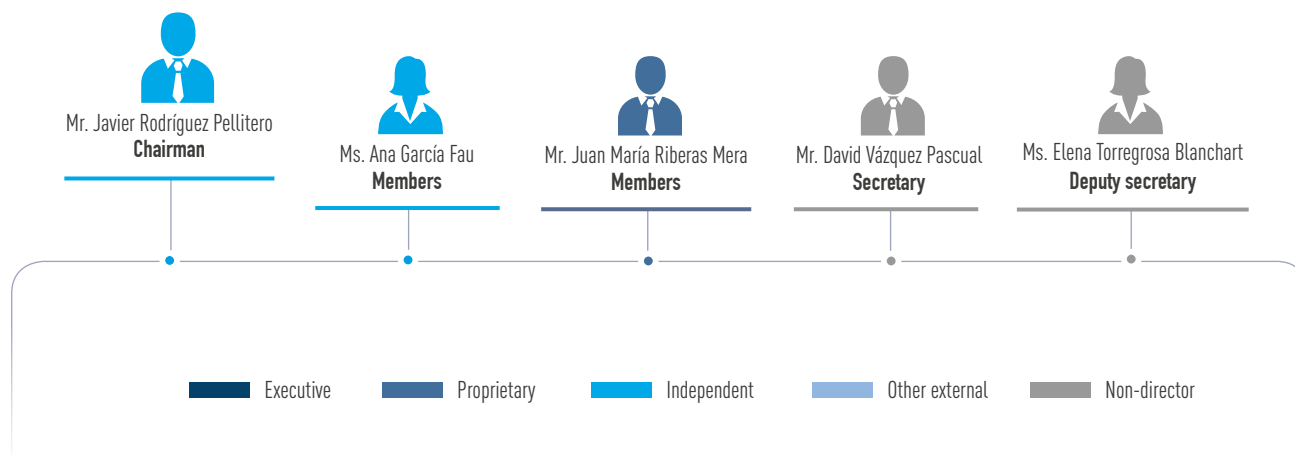
The Audit Committee is responsible for, among other matters:

- a) Informing the General Shareholders' Meeting about issues raised by the shareholders on matters under its competency and, in particular, about the audit findings.
- b) With regard to information systems and internal control:
 - Supervising the preparation, integrity and presentation of financial information.
 - Periodically reviewing the internal control and risk management systems, including fiscal risks, and also discussing with the auditor any significant weaknesses in the internal control system found during the audit.
 - Safeguarding the independence and effectiveness of the internal auditing function: to propose the selection, appointment, re-election and dismissal of the head of the internal audit service; to propose the budget for this service; to receive regularly information about its activities; to verify whether senior management takes into account the conclusions and recommendations in its reports; and to discuss with the auditor or auditing firms any significant weaknesses in the internal control system detected in the audits.
 - Setting up and supervising a mechanism that enables employees to anonymously and confidentially report irregularities they are aware of within the Company.
 - Approving, monitoring, reviewing and ensuring compliance with the Company's policy on corporate social responsibility.
- c) With regard to the account auditor:
 - Submitting proposals to the Board on the selection, appointment, re-election and replacement of the auditor.
 - Regularly receiving information from the auditor regarding the audit plan and results of its implementation.

- Establishing an appropriate relationship with the account auditor to receive information about any issue that could jeopardise his or her independence, as well as any other correspondence stipulated in the corresponding legislation on accounts auditing and auditing standards.
 - Issuing a report expressing an opinion about the independence of the account auditor once a year, prior to the issuance of the account auditor's report.
- d) As regards the risk management and control policy:
- Proposing to the Board of Directors a risk management and control policy.
 - Overseeing the operation of the Company's risk management and control unit.
- e) Reviewing the prospectuses or equivalent documents for issuance and/or admission of securities and any other financial reporting that the Company is required to submit to the markets and its supervisory bodies.

Structure

On March 3rd, 2017, the Board of Directors approved the formation of the Audit Committee and appointed its members, entering into effect on March 24th. Below is a description of the structure of the Company's Audit Committee as of the date of this report, stating the position and category of each member.



Calling and frequency of meetings

The Audit Committee meets as often as necessary and whenever its Chairman considers it appropriate. In any case, the Chairman of the Committee will call a meeting of the Audit Committee whenever the Board of Directors or its Chairman requests the preparation of a report or the adoption of a proposal, or whenever it is requested by at least 2 members of the Audit Committee.

In 2017, the Audit Committee met on 7 occasions. All the meetings were presided over by the Chairman.

Nominations and Compensation Committee

Functions

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

Functions relating to the appointment of directors and senior managers:

- a) Assessing the competencies, skills and experience of the Board, describing the duties and required skills of the candidates to fill vacancies, and assessing the time and dedication required for them to perform the assigned tasks.
- b) Annually checking compliance with the director selection policy.
- c) Examining and arranging the procedure for replacing the Chairman of the Board of Directors and, as the case may be, the Chief Executive Officer.
- d) Guiding the proposals for appointment and dismissal of Senior Management members that the Chairman submits to the Board and the basic conditions of their contracts.
- e) Submitting proposals to the Board of Directors for the appointment, re-election or removal of independent directors
- f) Reporting on proposals for the appointment, re-election or removal of remaining directors.
- g) Guiding the Board on gender diversity issues, setting representation targets for the under-represented gender on the Board of Directors and creating guidelines for achieving such targets.
- h) Arranging and coordinating periodic assessments of the Chairman of the Board of Directors and, in conjunction with such person, periodic assessments of the Board of Directors, its committees and the Chief Executive of the Company.

Functions relating to the remuneration of directors and senior managers:

- a) Proposing to the Board of Directors the remuneration policy for directors and for the parties that carry out senior management duties and directly report to the Board, executive committees or Chief Executive Officers, as well as the individual remuneration and other contract conditions of executive directors, ensuring compliance with such policy.

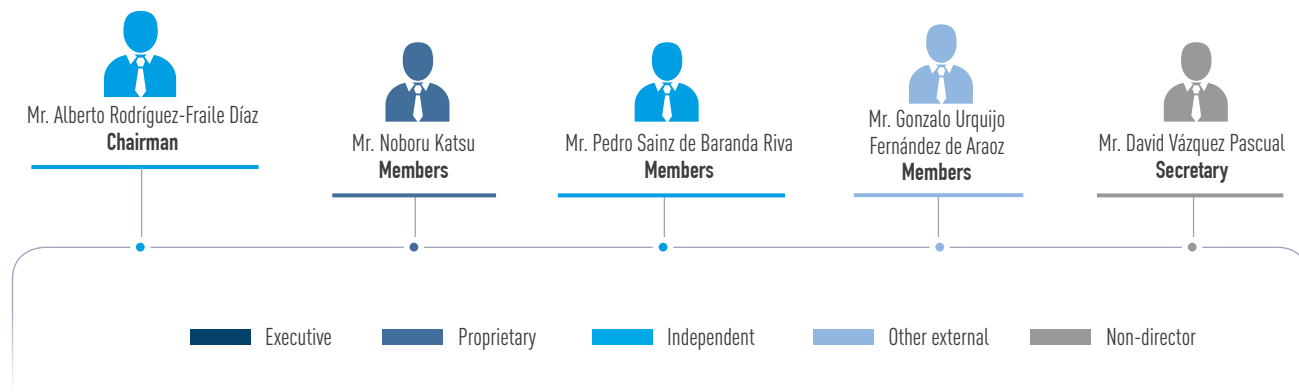
- b) Proposing to the Board of Directors the individual remuneration of directors and approval of the contracts entered into by the Company and its directors who carry out executive duties.
- c) Proposing types of contracts for Senior Management to the Board of Directors.
- d) Ensuring compliance with the remuneration policy for directors approved in the General Meeting.

Other functions:

- a) The Chairman of the Audit Committee shall inform the Board of Directors of the issues discussed and the resolutions adopted at meetings during the first Board of Directors' meeting held after the Committee meeting.
- b) The Audit Committee shall submit, within three months after the financial year-end, a comprehensive report on its activities in said year to the Board of Directors for approval, which shall be made available to shareholders at the Annual Shareholders' Meeting.

Structure

On March 3rd, 2017, the Board of Directors approved the formation of the Nominations and Compensation Committee and appointed its members, entering into effect on March 24th. A description of the structure of the Company's Appointments and Remuneration Committee as of the date of this report is set out below, stating the position and category of each member.



Calling and frequency of meetings

The Nominations and Compensation Committee meets as often as necessary and whenever its Chairman considers it appropriate. In any case, the Chairman of the Committee will call a meeting of the 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 2 members of the Committee.

In 2017, the Nominations and Compensation Committee met on 4 occasions. All the meetings were presided over by the Chairman.

MANAGEMENT COMMITTEE

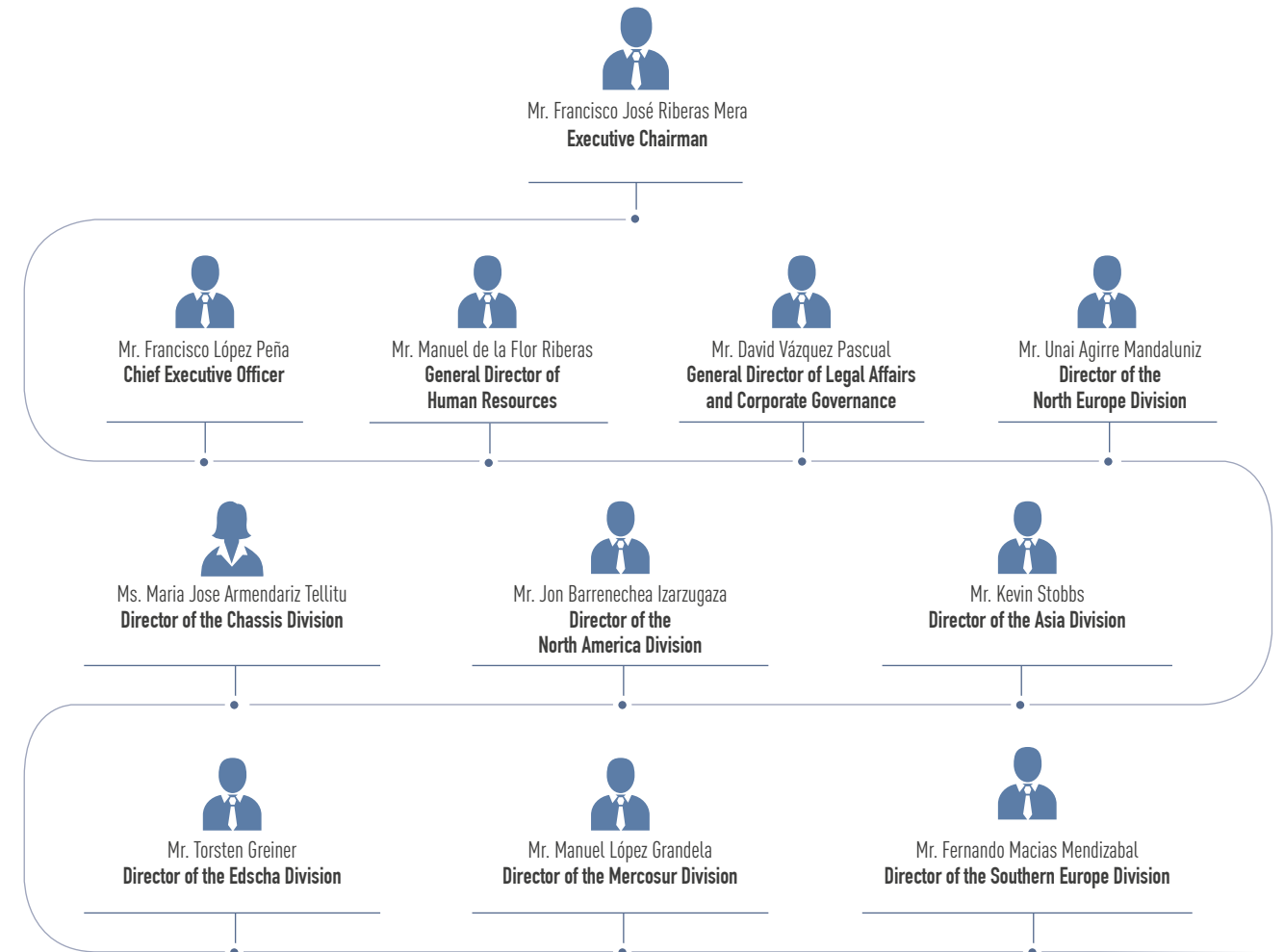
The Management Committee is responsible for the strategic organisation of the Group by disseminating, implementing and monitoring the business strategy and guidelines.

We have a Management Committee comprised of members of Senior Management and Executive Directors of the Company, Mr. Francisco José Riberas Mera and Mr. Francisco López Peña. From an organisation standpoint, the Management Committee performs its functions in accordance with the different geographical markets and operating segments where the Company operates.

The Management Committee has extensive experience in the automotive industry, which is paramount to the success of our business. In fact, many members have been working in our Group for over 10 years. The Management Committee is chaired by Mr. Francisco José Riberas Mera. The following table contains the name and position of each member of the Management Committee.

Structure

A description of the structure of the Company's Management Committee as of the date of this report is set out below, stating the position held by each member.



REMUNERATION

The Remuneration Policy of the Directors of the Company approved at the General Shareholders' Meeting held on March 3rd 2017 defines the following principles, which guide the remuneration of directors for holding such position:

Sufficiency	Competitiveness	Dedication	Reasonability	Transparency
It shall be sufficient in order to compensate their dedication, qualification and responsibility without compromising their independence.	It must help to attract and retain the talent of directors. 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 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 in the Remuneration Policy:

Performance	Sustainability	Equity
It shall include a variable component linked to the achievement of specific targets, aligned with the strategic objectives and the creation of value for the Group.	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.

From the approval date of the Remuneration Policy up to the present date, the Company's General Shareholders' Meeting has not passed any amendments to the policy. However, the Company's Board of Directors is expected to propose a new Remuneration Policy for approval by the Company's General Shareholders' Meeting in 2018 to adapt the policy to the new organisational structure effective in 2018 relating to the appointment as Chief Executive Officer of the Director with executive duties and to the CFO of the Group.

Directors' remuneration in their condition of directors

Our Regulations of the Board of Directors establish that the position of director shall be remunerated. The remuneration of directors for acting as such consists of a fixed annual fee that is allocated by the Board of Directors at its discretion, considering the circumstances of each director, the functions and responsibilities attributed to them by the Board and whether they belong to different committees, which may give rise to different remuneration amounts payable to each one of them. The Board of Directors shall also determine the regularity and payment method, which may include insurance and social security amounts applicable at any time.

The remuneration structure for Director status (excluding Directors with executive duties), for membership on the Board of Directors and on its committees, depending on the position held, consists of a fixed annual sum, and the total amount payable to all directors must not exceed 885,000 euros/year, which is allocated as follows:

- For Board of Directors membership: 75,000 euros/year.
- For Committee membership: 15,000 euros/year.
- For Chairing a Committee: 15,000 euros/year.

No other remuneration items or social benefits have been defined for Director status.

The total sum of fixed remuneration accrued in 2017 for Director status was 605 thousand euros.

It should be pointed out that for professional reasons, the Other External Director, Mr. Geert Maurice Van Poelvoorde, waived his right to the remuneration accrued in his favour as Director of the Company during 2017, so no amounts or remuneration items whatsoever were paid to him.

Remuneration of directors for the performance of executive duties

Each executive director has signed an agreement with the Company providing for the different concepts by virtue of which he or she receives remuneration for performing executive duties. These agreements are for an indefinite term and include:

- Claw-back clause that enables the Company to claim reimbursement of the variable remuneration components if it is found that the settlement and payment thereof was fully or partially based on false or inaccurate information.
- Termination payment for unilateral dismissal from their duties by the Company, which does not result from a severe negligent breach by the Director with executive duties. Where appropriate, such party shall be entitled to receive a gross termination payment equal to the sum of two years of fixed remuneration and annual variable remuneration at the rate valid at the time of dismissal.

The remuneration package for executive directors for performing executive duties at the Company is structured as follows:

- Fixed remuneration:** the fixed remuneration takes into account the executive duties assigned to each executive director, the level of responsibility, the experience, the contribution to the role and the market rate of remuneration paid in similar companies. The agreed fixed amount is 700,000 euros for the Director with executive duties and Chief Executive Officer of the Company, and 455,000 euros for the Director with executive duties and Chief Financial Officer of the Company.
- Annual variable remuneration:** the purpose of the variable remuneration is: (i) to link part of their remuneration to the accomplishment of specific targets aligned with the strategic objectives and the creation of value for the Group, to strengthen their commitment and to link their short-term goals to those of the Group and its shareholders. The Board of Directors, upon a proposal of the Nominations and Compensation Committee, establishes the variable remuneration corresponding to each executive director in proportion to their fulfilment of objectives. The maximum amount of annual variable remuneration of directors with executive duties is 495,000 euros on the basis of 100% performance.
- Multiannual variable remuneration:** is based on the Group Incentive Plan for the 2016-2020 period and on the fulfilment of long-term objectives. The maximum amount of multiannual variable remuneration of the Director with executive duties and Chief Financial Officer of the Group would be 3,000,000 euros for the above period and on the basis of 100% performance.
- Other concepts:** comprising benefits-in-kind or social benefits that include, among others, the use of a company vehicle or a life insurance policy.

The nature of the amounts paid in 2017 is detailed below, covering the period spanning from March 24th, 2017, the date following the day on which the prospectus of the initial public offering of the Company's shares was verified and registered by the CNMV, to December 31st, 2017:

Directors with executive duties	Fixed remuneration Thousands of euros	Annual variable remuneration Thousands of euros	Multi-year remuneration Thousands of euros	Benefits-in-kind or social benefits
Mr. Francisco J. Riberas Mera	541	211	Not applicable	Not applicable
Mr. Francisco López Peña	351	137	515	Company vehicle Life insurance

Senior Management Remuneration

The fixed and variable remuneration of Senior Management in 2017 amounted to 9,633 million euros.

The remuneration of Senior Management is not linked, neither in its fixed nor variable components, to the market value of shares. However, through the General Incentive Plan, which was approved in 2016, Senior Management are eligible for multi-year variable remuneration. The purposes are: to motivate and retain its members and link their remuneration to the fulfilment of the Company's long-term strategy. This allows the Company to indirectly align the interests of Senior Management with those of shareholders insofar as it is linked to value creation of the Group.

MECHANISMS TO AVOID CONFLICTS OF INTEREST

Pursuant to Article 22 of our Board Regulations, our directors are required to report the Board of Directors of any circumstance that may lead to a direct or indirect conflict of interest as soon as they become aware of such circumstance.

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

Additionally, directors should abstain from engaging in commercial or professional transactions that may lead to a conflict of interest, without having first informed and received approval from the Board of Directors, which shall request a report from the Audit Committee. This approval will not be necessary for transactions performed with the Company if the following conditions are met:

- the transaction is performed in accordance with agreements with standard conditions and applied to a wide range of clients;
- the transaction is performed at prices or rates that are generally established by the supplier of the good or service concerned, and
- the amount of the transaction does not exceed 1% of the annual turnover of the Company or the connected entity with which the transaction is performed.

For further information regarding potential conflicts of interest, consult Note 36 to our Consolidated Report attached to the Consolidated Financial Statements of the Company for the financial year ending December 31st, 2017.

INTERNAL CODE OF CONDUCT IN THE SECURITIES' MARKET

The Internal Code of Conduct in the Securities' Markets determines the standards of conduct and performance to be followed by those to whom they are addressed, including, but not limited to, the members of the Board of Directors, senior management, employees or external advisors who have access to insider information belonging to the Company, as well as those involved in handling, using and disseminating insider information, all for the purpose of fostering transparency, protecting the interests of investors with regard to Company securities and avoiding any situation that potentially qualifies as market abuse.

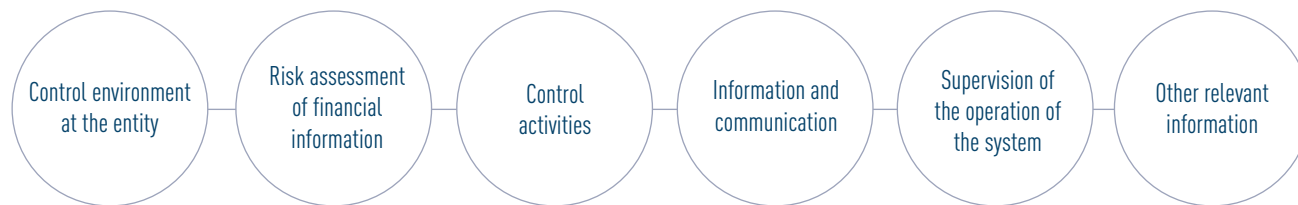
INTERNAL CONTROL OVER FINANCIAL REPORTING SYSTEM (ICFRS)

Transparency requirements of securities markets have significantly evolved in recent years affecting, mainly, the financial reporting that listed companies provide to the market, as well as its associated quality and reliability.

In response to this need, internal control systems of listed companies have also had to evolve to provide reasonable assurance about the reliability of said financial reporting. In this context, the Spanish Securities Market Commission (CNMV) published the document entitled "Internal Control over Financial Reporting in Listed Companies" in June 2010. It provides a series of recommendations regarding the Internal Control over Financial Reporting System (SCIIF in Spanish, hereinafter "ICFRS") that listed companies are required to describe in their Annual Corporate Governance Report (ACGR).

Transparency and sustainability at Gestamp are inextricably linked. In this regard, in 2017, we formalized within the Group the constitutive elements of the ICFRS, the principles of which were already an integral part of our financial reporting preparation and disclosure processes, in order to fulfill the abovementioned transparency requirements.

The different elements that comprise our ICFRS are described in our ACGR – section F–, published in February 2018 and covering –in accordance with the CNMV model– the following aspects:



The ICFRS plays an essential role in the Group's risk control and management system, and is intended to provide reasonable assurance about the reliability of the financial reporting that Gestamp, as a listed company, provides the securities markets. Its main characteristics have been summarized below.

The Board of Directors is responsible for ensuring the existence of an appropriate and effective ICFRS; and Senior Management, via the Finance Department, is responsible for its design, implementation and functioning, as set out in our ICFRS Policy, which has been formally approved by the Board of Directors of Gestamp. Additionally, as indicated, the Audit Committee is the body in charge of monitoring the ICFRS; to this end, it relies on the Internal Audit Function that, in compliance with its annual plan of activities –approved by said Committee–, must provide adequate support when conducting oversight.

To ensure proper compliance with the abovementioned responsibilities, Gestamp developed in 2017 an ICFRS scope matrix, which was approved by the Audit Committee. This matrix, which is updated on an annual basis, is intended to identify the accounts and their related breakdowns that are subject to a significant risk with a potential impact on the fulfilment of those objectives that are linked to the reliability of financial reporting.

We have defined the critical processes and subprocesses associated with each one of the significant accounts and breakdowns included in the scope matrix. In addition, we identified the risks as well as the controls established to prevent errors and/or fraud in the financial reporting.

Lastly, to obtain reasonable assurance that the controls are active, operating as designed and remain effective, Gestamp has been monitoring its ICFRS since 2017, carrying out reviews of those companies included in the scope matrix, and periodically communicating its conclusions to Senior Management and the Audit Committee.

ANNUAL CORPORATE GOVERNANCE REPORT

In its meeting held on February 26th, 2017, the Board of Directors approved the Company's Corporate Governance Annual Report for the 2017 financial year. According to this report, the Company complies with 45 out of the 64 Recommendations from the Good Governance Code of Listed Companies, partially complies with 4 Recommendations, does not comply with 7, and is not subject to a further 8.

i Further information, please see the Gestamp 2017 Corporate Governance Annual Report published on the Gestamp and CNMV websites.





VI.

APPENDICES

Group companies	160
Methodology used to prepare the Report	162
Scope and coverage	162
Materiality analysis	162
International standard	164
Independent review	164
Contents and GRI Standards indicators	165
United Nations Global Compact	172
Independent Review Report	173

GROUP COMPANIES

At December 31st, 2017, the Group was comprised of 161 subsidiaries around the world, and their holding company is Gestamp Automoción, S.A.:

EUROPA

- 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
- 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.
- Gestamp Palau, S.A.
- Esymo 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 Cerqueira, 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 Westerbürg 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 Erandio, S.L.
- 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.
- Global Láser Araba, S.L.
- GMF Holding, GmbH
- Industrias Tamer, S.A.
- Ingeniería Global Metalbages, S.A.
- Ingeniería y Construcción de Matrices, S.A.
- IxCxT, S.A.
- Loire SAFE
- Matricería Deusto, S.L.
- Metalbages Aragón P21, S.L.U.
- MPO Providers Rezistent, SRL
- Mursolar 21, S.L.
- Societe Civile Immobilière de Tournan Responsabilité Limitée
- Societe Generale de Financement, S.A.
- Sofedit S.A.S.
- Tavol 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.
- Edscha Automotive Michigan, Inc.
- Edscha Automotive SLP, S.A.P.I. de C.V.
- Edscha Automotive SLP Servicios Laborales, S.A.P.I de C.V.
- Gestamp 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.
- Autotech Engineering (Shanghai) Co., Ltd
- Edscha Aapico Automotive Co. Ltd.
- Edscha Automotive Components Kunshan Co., Ltd.
- Edscha Automotive Technology (Shanghai) Co., Ltd.
- Edscha PHA, Ltd.
- Gestamp Autocomponents (Chongqing) Co., Ltd.
- Gestamp Autocomponents (Shenyang) Co., Ltd.
- Gestamp Autocomponents (Wuhan) Co., Ltd.
- Gestamp Autocomponents (Dongguan) Co., Ltd.
- Gestamp Autocomponents (Kunshan) Co., Ltd.
- Gestamp Automotive Chennai Private Limited
- Gestamp Automotive India Private Limited
- Gestamp Automotive Sanand, Private Limited
- Gestamp Autotech Japan K.K.
- Gestamp (China) Holding Co., Ltd.
- Gestamp Edscha Japan Co., Ltd.
- Gestamp Hot Stamping Japan Co., Ltd.
- Gestamp Kartek Corporation
- Gestamp Metalforming (Wuhan) Ltd.
- Gestamp Pune Automotive Private Limited
- Gestamp Services India, Private Limited
- Kunshan Gestool Tooling Manufacturing Co., Ltd.
- Jui Li Edscha Body Systems Co., Ltd.
- Jui Li Edscha Hainan Industry Enterprise Co., Ltd.
- Jui Li Edscha Holding Co., Ltd.
- Shanghai Edscha Machinery Co., Ltd.

CORPORATE HEADQUARTERS

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

METHODOLOGY USED TO PREPARE THE REPORT

Scope and coverage

This Report refers to the period between January 1st, and December 31st, 2017 and it applies to all the Group's activities in the regions where we are present. This report is published on a yearly basis.

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 throughout the chapter or in the Global Reporting Initiative (GRI) performance indicators tables.

We also use other reports to inform more specifically on certain matters:

- Gestamp Automoción S.A. Consolidated Financial Statements Report for the year ended December 31st, 2017.
- Corporate Governance Annual Report 2017.
- Annual Remuneration Report 2017.

All of these detailed reports published at Spain's National Securities Market Commission (CNMV) on February 26th, 2018.

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.

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 analysed 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, 11)
- Social (Employees and Society)** (12, 13, 14, 15, 16, 17)
- Environment** (18, 19, 20, 21, 22)

MATERIAL ASPECTS	COVER
14 Health and Safety	●
7 Client oriented	●
8 Product stewardship	●
9 Innovation	○●
10 Energy Efficiency	○●
Risk management and business opportunities	○●
6	○●
1 Corporate Governance	●
2 Compliance and Business Ethics	●
21 Emissions reductions	○●
15 Training and Professional development	●
4 Stakeholders engagement	○●
5 Financial Strength	○
12 Human Rights	●
17 Community involvement	○
20 Waste management	○●
3 Transparency	●
11 Supply chain management	●
18 Raw and procured materials	○●
13 Labour practices	●
19 Water	○●
16 Equal opportunities and non-discrimination	●
22 Biodiversity	○

Cover: Internal ● External ○

International standard

Gestamp Automoción's Sustainability Report 2017 was prepared in accordance with the Global Reporting Initiative (GRI) international standard, "GRI Standards" version, "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 EY 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 by EY, an external independent company in compliance with applicable law.

GRI STANDARDS CONTENTS AND INDICATORS INDEX

GENERAL STANDARD DISCLOSURES

Indicator	Description	Page / Information / Omission	External Assurance
ORGANIZATIONAL PROFILE			
102-1	Name of the organization	Gestamp Automoción S.A.	✓
102-2	Activities, brands, products, and services	Pages 14-15	✓
102-3	Location of headquarters	Page 161	✓
102-4	Location of operations	Pages 12-13, 16-17	✓
102-5	Ownership and legal form	Pages 16, 138-139	✓
102-6	Market served	Pages 12-13, 16	✓
102-7	Scale of the organization	Pages 12-13, 16-17	✓
102-8	Information on employees and other workers	Pages 17, 95, 97	✓
102-9	Supply chain	Pages 20-21, 78-91, 118-119	✓
102-10	Significant changes to the organization and its supply chain	Pages 6-7, 16, 20-31, 155-156	✓
102-11	Precautionary Principle or approach	Pages 24-31	✓
102-12	External initiatives	Pages 6-7, 34, 46, 125, 131	✓
102-13	Membership of associations	<p>Among the most outstanding are:</p> <ul style="list-style-type: none"> - APD – Asociación para el progreso de la dirección - ASEPA -Asociación Española de Profesionales de la Automoción - Asociación Instituto de Auditores Internos - Asociación Española para la Calidad - Asociación de Ingenieros Industriales - Asociación de la Empresa - Asociación de Usuarios de SAP - Asociación Española de Directivos - Cámara de Comercio Alemana - Cámara de Comercio Británica - Cámara de Comercio de España - Cámara de Comercio de Brasil en España - Carbon Disclosure Project - Cátedra Industria 4.0 de la Universidad pontificia de comillas - Centro de Ciberseguridad Industrial - Círculo de Empresarios - Club de Exportadores e Inversores - CEDE- Confederación Española de Organizaciones Empresariales - Consejo Empresarial de América - Forética - Fundación Consejo España-Japón - Fundación Consejo España-Estados Unidos - Fundación Consejo España-China - Fundación Consejo España-Rusia - Fundación Cotec para la innovación - Global Compact - Instituto de la Empresa Familiar - Lo Que De Verdad Importa - MAS Business - Red Española del Pacto Mundial - Sernauto - Sociedad de Técnicos de Automoción 	✓
STRATEGY			
102-14	Statement from senior decision-maker	Pages 6-7	✓
102-15	Key impacts, risks, and opportunities	Pages 6-7, 20-31, 155-156	✓
ETHICS & INTEGRITY			
102-16	Values, principles, standards, and norms of behaviour	Pages 10-11, 43-47	✓
102-17	Mechanisms for advice and concerns about ethics	Pages 43-47	✓
GOOD GOVERNANCE			
102-18	Governance structure	Pages 138-139	✓
102-19	Delegating authority	Pages 142-143	✓
102-20	Executive-level responsibility for economic, environmental, and social topics	Pages 142-143	✓

Indicator	Description	Page / Information / Omission	External Assurance
102-21	Consulting stakeholders on economic, environmental, and social topics	Pages 140-141	✓
102-22	Composition of the highest governance body and its committees	Pages 142-146	✓
102-23	Chair of the highest governance body	Page 145	✓
102-24	Nominating and selecting the highest governance body	Pages 147-150	✓
102-25	Conflicts of interest	Page 155	✓
102-26	Role of highest governance body in setting purpose, values, and strategy	Pages 139, 142-146	✓
102-27	Collective knowledge of highest governance body	Pages 142-146, 155-157	✓
102-28	Evaluating the highest governance body's performance	Page 157	✓
102-29	Identifying and managing economic, environmental, and social impacts	Pages 142-143, 156	✓
102-30	Effectiveness of risk management processes	Pages 156-157	✓
102-31	Review of economic, environmental, and social topics	Page 145	✓
102-32	Highlights governance body's role in sustainability reporting	Page 147	✓
102-33	Communicating critical concerns	Pages 44-45, 155	✓
102-34	Nature and total number of critical concerns	Pages 44-45, 155	✓
102-35	Remuneration policies	Pages 152-154	✓
102-36	Stakeholders' involvement in remuneration	Pages 152-154	✓
102-37	Stakeholders' involvement in remuneration	Pages 140-141, 152-154	✓
102-38	Annual total compensation ratio	There is no information available with the level of detail required	✓
102-39	Percentage increase in annual total compensation ratio	There is no information available with the level of detail required	✓
STAKEHOLDER ENGAGEMENT			
102-40	List of stakeholder groups	Pages 36-37	✓
102-41	Collective bargaining agreements	Page 96	✓
102-42	Identifying and selecting stakeholders	Pages 36-37	✓
102-43	Approach to stakeholder engagement	Pages 36-37	✓
102-44	Key topics and concerns raised	Pages 36-37	✓
REPORT PROFILE			
102-45	Entities included in the consolidated financial statements	Consolidated Financial Statements 2017	✓
102-46	Defining report content and topic boundaries	Pages 38, 162-163	✓
102-47	List of material topics	Page 163	✓
102-48	Restatements of information	No information from previous Reports has been re-expressed during 2017	✓
102-49	Changes in reporting	Pages 162-164	✓
102-50	Reporting period	Page 162	✓
102-51	Date of most recent report	Page 162	✓
102-52	Reporting cycle	Page 162	✓
102-53	Contact point for questions regarding the report	sustainabilityreport@gestamp.com	✓

Indicator	Description	Page / Information / Omission	External Assurance
102-54	Claims of reporting in accordance with the GRI Standards	Page 164	✓
102-55	GRI content index	Page 165	✓
102-56	External assurance	Appendices	✓
KEY MATTERS			
GOVERNANCE			
103-1	Explanation of the material topics and its Boundary	Pages 138-157, 163	✓
103-2	The management approach and its components	Pages 138-157, 163	✓
103-3	Evaluation of the management approach	Pages 138-157, 163	✓
419-1	Non-compliance with laws and regulations in the social and economic area	Gestamp has not had significant fines or sanctions for breach of social and economic regulations during 2017	✓
FINANCIAL STRENGTH			
103-1	Explanation of the material topic and its Boundary	Pages 10-17, 20-31, 49-59, 163	✓
103-2	The management approach and its components	Pages 10-17, 20-31, 49-59, 163	✓
103-3	Evaluation of the management approach	Pages 10-17, 20-31, 49-59, 163	✓
201-1	Direct economic value generated and distributed	Pages 49-59	✓
201-2	Financial implications and other risk and opportunities due to climate change	Page 31, Section of Risk and Opportunities of CDP questionnaire 2017	✓
201-4	Financial assistance received from government	Consolidated Financial Statements 2017	✓
203-1	Infrastructure investment and services supported	Pages 58-59, 130-133	✓
ETHICS AND HUMAN RIGHTS			
103-1	Explanation of the material topic and its Boundary	Pages 43-47, 163	✓
103-2	The management approach and its components	Pages 43-47, 163	✓
103-3	Evaluation of the management approach	Pages 43-47, 163	✓
205-1	Operations assessed for risk related to corruption	Page 45	✓
205-2	Communication and training about anti-corruption policies and procedures	Page 45	✓
205-3	Confirmed incidents of corruptions and actions taken	Pages 44-45	✓
408-1	Operations and suppliers at significant risk for incidents of child labour	Child labour and forced labour are not risk factors for the company as our activity is very technical and all employees need to be qualified	✓
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	Child labour and forced labour are not risk factors for the company as our activity is very technical and all employees need to be qualified	✓
412-1	Operations that have been subject to human rights reviews or impact assessments	Pages 46	✓
412-2	Employee training on human rights policies or procedures	There is no information available with the level of detail required	✓
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Pages 79-81	✓
OUR PEOPLE			
103-1	Explanation of the material topic and its Boundary	Pages 95-107, 163	✓
103-2	The management approach and its components	Pages 95-107, 163	✓

Indicator	Description	Page / Information / Omission	External Assurance
103-3	Evaluation of the management approach	Pages 95-107, 163	✓
401-1	New employee hires and employee turnover	There is no information available with the level of detail required	✓
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	There is no information available with the level of detail required	✓
401-3	Parental leave	There is no information available with the level of detail required	✓
402-1	Minimum notice periods regarding operational changes	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	✓
404-1	Average hours of training per year per employee	Page 99	✓
404-2	Programs for upgrading employee skills and transition assistance programs	Pages 98-102	✓
404-3	Percentage of employees receiving regular performance and career development reviews	There is no information available with the level of detail required	✓
405-1	Diversity of governance bodies and employees	Pages 97, 103, 144	✓
405-2	Ratio of basic salary and remuneration of women to men	There is no information available with the level of detail required	✓
406-1	Incidents of discrimination and corrective actions taken	Page 45	✓
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Pages 46-47, 79-81, 96	✓
HEALTH AND SAFETY			
103-1	Explanation of the material topic and its Boundary	Pages 109-115, 163	✓
103-2	The management approach and its components	Pages 109-115, 163	✓
103-3	Evaluation of the management approach	Pages 109-115, 163	✓
403-1	Workers representation in formal joint management-worker health and safety committees	There is no information available with the level of detail required	✓
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Page 113	✓
403-3	Workers with high incidence or high risk of diseases related to their occupation	Pages 109-115	✓
403-4	Health and safety topics covered in formal agreements with trade unions	Pages 96, 109-115	✓
LOCAL COMMUNITIES			
103-1	Explanation of the material topic and its Boundary	Pages 129-135, 163	✓
103-2	The management approach and its components	Pages 129-135, 163	✓
103-3	Evaluation of the management approach	Pages 129-135, 163	✓
413-1	Operations with local community engagement, impact assessments, and development programs	Pages 130-132	✓
413-2	Operations with significant actual and potential negative impacts on local communities	There is no information available with the level of detail required	✓
202-2	Proportion of senior management hired from the local community	Of all plant managers, 80,7% have local nationality	✓
ENVIRONMENT AND CLIMATE CHANGE			
103-1	Explanation of the material topic and its Boundary	Pages 117-127, 163	✓
103-2	The management approach and its components	Pages 117-127, 163	✓
103-3	Evaluation of the management approach	Pages 117-127, 163	✓

Indicator	Description	Page / Information / Omission	External Assurance																																																																																					
301-1	Materials used by weight or volume	<table border="1"> <thead> <tr> <th colspan="3">Steel consumption (tons)</th> <th colspan="5">Other raw material consumption by type (tons)</th> </tr> <tr> <th>Region</th> <th>2016</th> <th>2017</th> <th>Region</th> <th>Paint</th> <th>Binder</th> <th>Oils</th> <th>Welding wire</th> <th>Welding electrodes</th> <th>Chemicals</th> <th>Welding gases</th> </tr> </thead> <tbody> <tr> <td>Europe</td> <td>1,704,154</td> <td>1,809,387</td> <td>Europe</td> <td>867</td> <td>1,926</td> <td>1,869</td> <td>7,598</td> <td>609</td> <td>1,785</td> <td>9,058</td> </tr> <tr> <td>North America</td> <td>660,129</td> <td>548,334</td> <td>North America</td> <td>74</td> <td>0</td> <td>271</td> <td>169</td> <td>38</td> <td>445</td> <td>396</td> </tr> <tr> <td>South America</td> <td>174,856</td> <td>213,914</td> <td>South America</td> <td>28</td> <td>24</td> <td>219</td> <td>211</td> <td>61</td> <td>134</td> <td>599</td> </tr> <tr> <td>Asia</td> <td>317,785</td> <td>293,909</td> <td>Asia</td> <td>597</td> <td>0</td> <td>168</td> <td>2,012</td> <td>13</td> <td>290</td> <td>4,337</td> </tr> <tr> <td>Total</td> <td>2,856,924</td> <td>2,865,544</td> <td>TOTAL 2016</td> <td>2,405</td> <td>1,314</td> <td>2,541</td> <td>9,380</td> <td>341</td> <td>2,866</td> <td>15,567</td> </tr> <tr> <td></td> <td></td> <td></td> <td>TOTAL 2017</td> <td>1,566</td> <td>1,950</td> <td>2,526</td> <td>9,990</td> <td>721</td> <td>2,654</td> <td>14,390</td> </tr> </tbody> </table>	Steel consumption (tons)			Other raw material consumption by type (tons)					Region	2016	2017	Region	Paint	Binder	Oils	Welding wire	Welding electrodes	Chemicals	Welding gases	Europe	1,704,154	1,809,387	Europe	867	1,926	1,869	7,598	609	1,785	9,058	North America	660,129	548,334	North America	74	0	271	169	38	445	396	South America	174,856	213,914	South America	28	24	219	211	61	134	599	Asia	317,785	293,909	Asia	597	0	168	2,012	13	290	4,337	Total	2,856,924	2,865,544	TOTAL 2016	2,405	1,314	2,541	9,380	341	2,866	15,567				TOTAL 2017	1,566	1,950	2,526	9,990	721	2,654	14,390	✓
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			301-2	Recycled input materials used	Page 121-122	✓																																																																																		
301-3	Reclaimed products and their packaging materials	The packaging of Gestamp products are done according to the client technical specifications	✓																																																																																					
302-1	Energy consumption within the organization	<table border="1"> <thead> <tr> <th colspan="6">Direct energy consumption by type of fuel (GJ)</th> <th colspan="3">Electricity consumption (GJ)</th> </tr> <tr> <th>Region</th> <th>Natural Gas 2016</th> <th>Diesel 2016</th> <th>GLP 2016</th> <th>Natural Gas 2017</th> <th>Diesel 2017</th> <th>GLP 2017</th> <th>Region</th> <th>2016</th> <th>2017</th> </tr> </thead> <tbody> <tr> <td>Europe</td> <td>1,148,370</td> <td>14,055</td> <td>114,010</td> <td>1,297,853</td> <td>14,200</td> <td>113,648</td> <td>Europe</td> <td>1,879,459</td> <td>2,056,653</td> </tr> <tr> <td>North America</td> <td>123,325</td> <td>1,046</td> <td>53,776</td> <td>332,188</td> <td>10,810</td> <td>62,450</td> <td>North America</td> <td>572,236</td> <td>847,351</td> </tr> <tr> <td>South America</td> <td>38,071</td> <td>1,430</td> <td>28,804</td> <td>38,095</td> <td>3,325</td> <td>31,708</td> <td>South America</td> <td>207,051</td> <td>243,726</td> </tr> <tr> <td>Asia</td> <td>136,597</td> <td>7,094</td> <td>3,769</td> <td>173,726</td> <td>4,941</td> <td>3,120</td> <td>Asia</td> <td>574,893</td> <td>610,068</td> </tr> <tr> <td>Total</td> <td>1,446,363</td> <td>23,625</td> <td>200,359</td> <td>1,841,862</td> <td>33,276</td> <td>210,926</td> <td>Total</td> <td>3,233,639</td> <td>3,757,798</td> </tr> </tbody> </table>	Direct energy consumption by type of fuel (GJ)						Electricity consumption (GJ)			Region	Natural Gas 2016	Diesel 2016	GLP 2016	Natural Gas 2017	Diesel 2017	GLP 2017	Region	2016	2017	Europe	1,148,370	14,055	114,010	1,297,853	14,200	113,648	Europe	1,879,459	2,056,653	North America	123,325	1,046	53,776	332,188	10,810	62,450	North America	572,236	847,351	South America	38,071	1,430	28,804	38,095	3,325	31,708	South America	207,051	243,726	Asia	136,597	7,094	3,769	173,726	4,941	3,120	Asia	574,893	610,068	Total	1,446,363	23,625	200,359	1,841,862	33,276	210,926	Total	3,233,639	3,757,798	✓																
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			302-2	Energy consumption outside of the organization	<table border="1"> <thead> <tr> <th colspan="5">External energy consumption (GJ)</th> </tr> <tr> <th>Region</th> <th>Transport</th> <th>Travel</th> <th>Steel</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Europe</td> <td>210,540</td> <td>44,581</td> <td>3,311,751</td> <td>3,566,872</td> </tr> <tr> <td>North America</td> <td>52,472</td> <td>4,519</td> <td>948,633</td> <td>1,005,624</td> </tr> <tr> <td>South America</td> <td>9,316</td> <td>5,467</td> <td>337,877</td> <td>352,660</td> </tr> <tr> <td>Asia</td> <td>29,520</td> <td>248</td> <td>488,999</td> <td>518,767</td> </tr> <tr> <td>Total</td> <td>301,848</td> <td>54,815</td> <td>5,087,260</td> <td>5,443,923</td> </tr> </tbody> </table>	External energy consumption (GJ)					Region	Transport	Travel	Steel	Total	Europe	210,540	44,581	3,311,751	3,566,872	North America	52,472	4,519	948,633	1,005,624	South America	9,316	5,467	337,877	352,660	Asia	29,520	248	488,999	518,767	Total	301,848	54,815	5,087,260	5,443,923	✓																																															
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302-3	Energy intensity	MWh per ton of consumed steel = 0.57	✓																																																																																					
302-4	Reduction of energy consumption	Pages 77-78, 121	✓																																																																																					
302-5	Reductions in energy requirements of products and services	Pages 83, 86-91, 92	✓																																																																																					
303-1	Water withdrawal by source	<table border="1"> <thead> <tr> <th colspan="6">Water consumption by water sources (m³)</th> </tr> <tr> <th>Region</th> <th>Public water system</th> <th>Superficial</th> <th>Groundwater</th> <th>Total 2016</th> <th>Total 2017</th> </tr> </thead> <tbody> <tr> <td>Europe</td> <td>662,240</td> <td>240</td> <td>102,511</td> <td>686,386</td> <td>764,991</td> </tr> <tr> <td>North America</td> <td>266,450</td> <td>0</td> <td>31,524</td> <td>216,072</td> <td>297,974</td> </tr> <tr> <td>South America</td> <td>52,603</td> <td>0</td> <td>73,906</td> <td>108,767</td> <td>126,509</td> </tr> <tr> <td>Asia</td> <td>436,133</td> <td>0</td> <td>48,643</td> <td>431,540</td> <td>484,776</td> </tr> <tr> <td>Total</td> <td>1,417,426</td> <td>240</td> <td>256,584</td> <td>1,442,765</td> <td>1,674,250</td> </tr> </tbody> </table>	Water consumption by water sources (m³)						Region	Public water system	Superficial	Groundwater	Total 2016	Total 2017	Europe	662,240	240	102,511	686,386	764,991	North America	266,450	0	31,524	216,072	297,974	South America	52,603	0	73,906	108,767	126,509	Asia	436,133	0	48,643	431,540	484,776	Total	1,417,426	240	256,584	1,442,765	1,674,250	✓																																											
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304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	All the Gestamp centres are located in urban and industrial areas, and fulfil the regulations about land use, consequently the biodiversity impact is low	✓																																																																																					

Indicator	Description	Page / Information / Omission	External Assurance																																																
304-2	Significant impacts of activities, products, and services on biodiversity	All the Gestamp centres are located in urban and industrial areas, and fulfil the regulations about land use, consequently the biodiversity impact is low	✓																																																
305-1	Direct (Scope 1) GHG emissions	<p>Greenhouse gas emissions (tCO₂ eq)</p> <table border="1"> <thead> <tr> <th>Region</th> <th>2016</th> <th>2017</th> </tr> </thead> <tbody> <tr> <td>Europe</td> <td>114,118</td> <td>133,826</td> </tr> <tr> <td>North America</td> <td>15,220</td> <td>45,351</td> </tr> <tr> <td>South America</td> <td>8,000</td> <td>10,901</td> </tr> <tr> <td>Asia</td> <td>21,725</td> <td>20,656</td> </tr> <tr> <td>Total emissions</td> <td>159,063</td> <td>210,734</td> </tr> </tbody> </table>	Region	2016	2017	Europe	114,118	133,826	North America	15,220	45,351	South America	8,000	10,901	Asia	21,725	20,656	Total emissions	159,063	210,734	✓																														
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305-2	Energy indirect (Scope 2) GHG emissions	<p>Greenhouse gas emissions (tCO₂ eq)</p> <table border="1"> <thead> <tr> <th>Region</th> <th>2016</th> <th>2017</th> </tr> </thead> <tbody> <tr> <td>Europe</td> <td>182,837</td> <td>202,766</td> </tr> <tr> <td>North America</td> <td>76,554</td> <td>113,838</td> </tr> <tr> <td>South America</td> <td>12,568</td> <td>12,690</td> </tr> <tr> <td>Asia</td> <td>119,305</td> <td>126,968</td> </tr> <tr> <td>Total emissions</td> <td>391,264</td> <td>456,262</td> </tr> </tbody> </table>	Region	2016	2017	Europe	182,837	202,766	North America	76,554	113,838	South America	12,568	12,690	Asia	119,305	126,968	Total emissions	391,264	456,262	✓																														
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305-3	Other indirect (Scope 3) GHG emissions	<p>Other indirect greenhouse gas emissions (tCO₂ eq)</p> <table border="1"> <thead> <tr> <th rowspan="2">Region</th> <th colspan="2">Product and raw materials transport</th> <th colspan="2">Business travel</th> <th colspan="2">Raw materials</th> </tr> <tr> <th>2016</th> <th>2017</th> <th>2016</th> <th>2017</th> <th>2016</th> <th>2017</th> </tr> </thead> <tbody> <tr> <td>Europe</td> <td>48,152</td> <td>56,799</td> <td>14,113</td> <td>12,027</td> <td>1,003,649</td> <td>1,074,356</td> </tr> <tr> <td>North America</td> <td>12,039</td> <td>14,156</td> <td>62</td> <td>1,219</td> <td>417,631</td> <td>307,743</td> </tr> <tr> <td>South America</td> <td>1,987</td> <td>2,513</td> <td>209</td> <td>1,475</td> <td>90,527</td> <td>109,610</td> </tr> <tr> <td>Asia</td> <td>6,783</td> <td>7,964</td> <td>62</td> <td>67</td> <td>179,444</td> <td>158,635</td> </tr> <tr> <td>Total emissions</td> <td>68,961</td> <td>81,432</td> <td>14,446</td> <td>14,788</td> <td>1,691,251</td> <td>1,650,344</td> </tr> </tbody> </table>	Region	Product and raw materials transport		Business travel		Raw materials		2016	2017	2016	2017	2016	2017	Europe	48,152	56,799	14,113	12,027	1,003,649	1,074,356	North America	12,039	14,156	62	1,219	417,631	307,743	South America	1,987	2,513	209	1,475	90,527	109,610	Asia	6,783	7,964	62	67	179,444	158,635	Total emissions	68,961	81,432	14,446	14,788	1,691,251	1,650,344	✓
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305-4	GHG emissions intensity	Tons of CO ₂ / Tons of consumed steel = 0.23	✓																																																
305-5	Reduction of GHG emissions	Pages 121, 123	✓																																																
305-6	Emissions of ozone-depleting substances (ODS)	Gestamp has not generated significant emissions of substances that destroy the ozone layer	✓																																																
305-7	Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions	<p>SO₂ NOx emissions (t)</p> <table border="1"> <thead> <tr> <th rowspan="2">Region</th> <th colspan="2">SO₂ emissions (t)</th> <th colspan="2">NOx emissions (t)</th> </tr> <tr> <th>2016</th> <th>2017</th> <th>2016</th> <th>2017</th> </tr> </thead> <tbody> <tr> <td>Europe</td> <td>0.9</td> <td>0.9</td> <td>140.1</td> <td>155.0</td> </tr> <tr> <td>North America</td> <td>0.2</td> <td>0.7</td> <td>23.8</td> <td>47.3</td> </tr> <tr> <td>South America</td> <td>0.1</td> <td>0.2</td> <td>10.0</td> <td>10.8</td> </tr> <tr> <td>Asia</td> <td>0.4</td> <td>0.2</td> <td>15.0</td> <td>18.4</td> </tr> <tr> <td>Total emissions</td> <td>1.6</td> <td>2.0</td> <td>188.9</td> <td>231.5</td> </tr> </tbody> </table>	Region	SO ₂ emissions (t)		NOx emissions (t)		2016	2017	2016	2017	Europe	0.9	0.9	140.1	155.0	North America	0.2	0.7	23.8	47.3	South America	0.1	0.2	10.0	10.8	Asia	0.4	0.2	15.0	18.4	Total emissions	1.6	2.0	188.9	231.5	✓														
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Indicator	Description	Page / Information / Omission	External Assurance																																																																		
306-1	Water discharge by quality and destination	The waste water generated is managed according to the regulations and normative that apply in the country, so that in all the Gestamp centres discharging of waste water 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 authorization of discharges.	✓																																																																		
306-2	Waste by type and disposal method	<p>Scrap generation (tons)</p> <table border="1"> <thead> <tr> <th>Region</th> <th>2016</th> <th>2017</th> </tr> </thead> <tbody> <tr> <td>Europe</td> <td>664,639</td> <td>696,638</td> </tr> <tr> <td>North America</td> <td>227,573</td> <td>229,593</td> </tr> <tr> <td>South America</td> <td>81,094</td> <td>100,387</td> </tr> <tr> <td>Asia</td> <td>131,929</td> <td>129,605</td> </tr> <tr> <td>Total generation</td> <td>1,105,235</td> <td>1,156,224</td> </tr> </tbody> </table> <p>Dangerous and not dangerous waste generation (tons)</p> <table border="1"> <thead> <tr> <th rowspan="2">Region</th> <th colspan="2">Not dangerous</th> <th colspan="2">Dangerous</th> <th colspan="2">Total</th> </tr> <tr> <th>2016</th> <th>2017</th> <th>2016</th> <th>2017</th> <th>2016</th> <th>2017</th> </tr> </thead> <tbody> <tr> <td>Europe</td> <td>14,682</td> <td>13,415</td> <td>13,457</td> <td>13,765</td> <td>28,139</td> <td>27,180</td> </tr> <tr> <td>North America</td> <td>10,946</td> <td>6,106</td> <td>1,205</td> <td>7,823</td> <td>12,151</td> <td>13,929</td> </tr> <tr> <td>South America</td> <td>2,358</td> <td>2,599</td> <td>1,866</td> <td>2,221</td> <td>4,224</td> <td>4,820</td> </tr> <tr> <td>Asia</td> <td>1,310</td> <td>1,253</td> <td>848</td> <td>932</td> <td>2,158</td> <td>2,186</td> </tr> <tr> <td>Total emissions</td> <td>29,296</td> <td>23,373</td> <td>17,376</td> <td>24,741</td> <td>46,672</td> <td>48,114</td> </tr> </tbody> </table>	Region	2016	2017	Europe	664,639	696,638	North America	227,573	229,593	South America	81,094	100,387	Asia	131,929	129,605	Total generation	1,105,235	1,156,224	Region	Not dangerous		Dangerous		Total		2016	2017	2016	2017	2016	2017	Europe	14,682	13,415	13,457	13,765	28,139	27,180	North America	10,946	6,106	1,205	7,823	12,151	13,929	South America	2,358	2,599	1,866	2,221	4,224	4,820	Asia	1,310	1,253	848	932	2,158	2,186	Total emissions	29,296	23,373	17,376	24,741	46,672	48,114	✓
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306-3	Significant spills	There have not been significant spills, considering significant spill those that cannot be solved by own methods and external help or needed or those that are necessary remediation measures	✓																																																																		
306-4	Transport of hazardous waste	Page 122	✓																																																																		
307-1	Non-compliance with environmental laws and regulations	Gestamp has not had significant fines or penalties in 2017 because of breaches of environmental regulations	✓																																																																		
SUPPLIERS MANAGEMENT AND CONTROL																																																																					
103-1	Explanation of the material topic and its Boundary	Pages 79-81, 163	✓																																																																		
103-2	The management approach and its components	Pages 79-81, 163	✓																																																																		
103-3	Evaluation of the management approach	Pages 79-81, 163	✓																																																																		
204-1	Proportion of spending on local suppliers	Page 79	✓																																																																		
308-1	New suppliers that were screened using environmental criteria	Pages 80-81	✓																																																																		
308-2	Negative environmental impacts in the supply chain and actions taken	Page 27	✓																																																																		
414-1	New suppliers that were screened using social criteria	Pages 79-81	✓																																																																		
414-2	Negative social impacts in the supply chain and actions taken	Pages 79-81	✓																																																																		
PRODUCT																																																																					
103-1	Explanation of the material topic and its Boundary	Pages 66-70, 163	✓																																																																		
103-2	The management approach and its components	Pages 66-70, 163	✓																																																																		
103-3	Evaluation of the management approach	Pages 66-70, 163	✓																																																																		
417-1	Requirements for product and service information and labelling	Pages 66-70	✓																																																																		
417-3	Incidents of non-compliance concerning marketing communications	No breach of regulations or voluntary codes regarding marketing communications	✓																																																																		
416-1	Assessment of the health and safety impacts of product and service categories	Pages 66-70, 90-91	✓																																																																		
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Pages 66-70	✓																																																																		

UNITED NATIONS GLOBAL COMPACT



In 2008 Gestamp endorsed the Principles of the Global Compact, and in 2011 we became a partner. Our compromise with this principle 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 Spanish Global Compact Network website: www.pactomundial.org and in United Nations website: <https://www.unglobalcompact.org/what-is-gc/participants/4608>

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	SDG
Human Rights	1. Businesses should support and respect the protection of internationally proclaimed human rights within their sphere of influence	102-41, 403-2, 403-3, 405-1, 405-2, 412-3, 406-1, 409-1, 414-1, 416-1	1, 2, 3, 4, 5, 6, 7, 8, 10, 11, 16, 17
	2. Businesses should make sure they are not complicit in human rights violations	412-3, 414-1, 406-1-409-1	1, 2, 3, 4, 5, 6, 7, 8, 10, 11, 16, 17
Labour Rights	3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	102-41, 402-1, 407-1, 412-3, 414-1	1, 3, 5, 8, 9, 10, 16, 17
	4. Businesses should uphold the elimination of all forms of forced or compulsory labour	409-1, 412-3, 414-1	1, 3, 5, 8, 9, 10, 16, 17
	5. Businesses should uphold the effective abolition of child labour	409-1, 412-2, 412-3	1, 3, 5, 8, 9, 10, 16, 17
	6. Businesses should uphold the elimination of discrimination in employment and occupation	202-2, 401-1, 405-1, 405-2, 406-1, 412-3, 414-1	1, 3, 5, 8, 9, 10, 16, 17
Environment	7. Businesses should support a precautionary approach to environmental challenges	301-3, 302-1, 303-1, 304-1, 304-2, 305-1-305-3, 306-1, 306-2, 307-1, 416-1, 417-1	2, 6, 7, 9, 11, 12, 13, 14, 15, 17
	8. Businesses should undertake initiatives to promote greater environmental responsibility	201-2	2, 6, 7, 9, 11, 12, 13, 14, 15, 17
	9. Businesses should encourage the development and dissemination of environmentally friendly technologies	301-3	2, 6, 7, 9, 11, 12, 13, 14, 15, 17
Fight against corruption	10. Businesses should work against corruption in all its forms, including extortion and bribery	205-1-205-3	3, 10, 16, 17

INDEPENDENT REVIEW REPORT



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INDEPENDENT REVIEW REPORT ON GESTAMP AUTOMOCION GROUP 2017 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 2017 (hereinafter the Report) of Gestamp Automoción (hereinafter Gestamp) and in the "GRI Standards 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 Standards.

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 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standard Board (IAASB) of the International Federation of Accountants (IFAC), with a limited level of assurance.

Applied Procedures

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

- Interviews with the staff in charge of the preparation of the sustainability information, in order to gain an understanding of how the objectives and Sustainability policies are considered and put into practice and integrated in Gestamp global group strategy.
- Reviewing the processes for the compilation and validation of the sustainability information included in the attached Report.
- Verification of the Gestamp's processes to determine the material aspects, as well as the participation of stakeholders in them.
- Review of the adequacy of structure and contents of the sustainability information, in accordance with the statements of the Guide for the preparation of Sustainability Reports of Global Reporting Initiative GRI Standards, according to the exhaustive compliance option.

- Checking, through review tests based on a selection of both qualitative and quantitative information samples of the indicators included in the Content Index and GRI Standards 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 2017 Sustainability Report and in the "GRI Standards 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 2017 Sustainability Report, within the previously described scope, we conclude that no matter came to our attention that would lead us to believe that the Report was not prepared, in all its significant aspects, according to Global Reporting Initiative (GRI) Preparation Guide for Sustainability Reports version GRI Standards, as it is stated in the Report, having reviewed the "GRI Standards 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 April 9th, 2017. In case of any discrepancy, the Spanish version always prevails)

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Design and layout

www.baetica.es

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**For any clarification, queries or suggestions
related to the report:**

Contact

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sustainabilityreport@gestamp.com



<http://www.gestamp.com/>
www.gestamp.com/sustainability-report

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