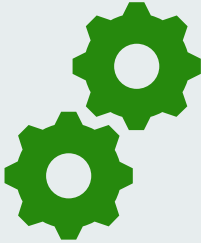





Sustainability Report

2018 - 2019

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1.

Introduction

1.1. APPROACH TO SUSTAINABILITY REPORTING

In this sustainability report of the Segura Group, we gather all the challenges regarding sustainability and the way in which they are addressed. The document also explains the performance of the activities that the Group has carried out during the financial years 2018 and 2019 with the aim of providing, in a comprehensive and clear way, all the necessary information for the stakeholders.

This transparency exercise is motivated by the importance of communicating what we do and how we do it, showing the reality of management in our business.

As fundamental pillars of sustainability, throughout the report we show the performance of the Segura Group in the economic, environmental and social areas, selecting the main aspects to be communicated. To do so, we have taken into account those issues and initiatives considered relevant both internally and externally, i.e., material issues. In this context, we have defined a strategy of dialogue and interaction with our groups of interest that will favour stable relations to approach jointly a model of sustainable development.

Segura Group's desire for transparency towards our stakeholders has inspired the preparation of this report, in which we have considered the guidelines on good practice in sustainability reporting at an international level.

Mainly, we have based ourselves on the guidelines established by the Global Reporting Initiative (GRI), taking into account the indications in its GRI Standards version under the essential modality.

To complete our vision and face the global challenges we face, we have also borne in mind the linkage of our initiatives with the United Nations Sustainable Development Goals (SDGs), as well as with the Ten Principles of the Global Compact on rights human rights, labor regulations, environment and anti-corruption.



1.2. FOREWORD FROM THE PRESIDENT

In the following pages you will find our second sustainability report for the years 2018 and 2019 where we describe the result of the work done in our organization during these years.

We are going through a time of great challenges and it is obvious that the sector is not going through easy times. It is in the difficult moments when the confidence in the teams, the perseverance and the effort of each one become the best allies to continue growing.

We are aware that we have a direct responsibility for the impact generated by our activity, supply chain as well as the impact of our emissions and waste we generate. Therefore, in line with the Sustainable Development Goals and the principles of the United Nations Global Compact, we work to establish partnerships that are durable and above all that help us to achieve our objectives in a more agile and respectful way in the face of the global agenda.

The report that we present includes all these actions in a detailed and exhaustive manner, together with the rest of the relevant issues in environmental, economic and social matters, following the international standards of the Global Reporting Initiative (GRI). Thus, once again, we show our firm commitment to transparency, the essential axis of our management and our system of corporate

governance. A system that is constantly being updated to incorporate the most demanding practices in this area, since only through ethics, good governance and the defense of social interests can we move towards the creation of true sustainable value for society.

The year 2020 is presented as a year full of exciting challenges, both internally and externally. For this reason, we invite you to get to know the basis of our effort to prepare for and respond adequately to these challenges. We are always committed to developing our activity in the most sustainable way possible, and to continue improving year after year through responsible management of the environment and our stakeholders.

Finally, let me highlight the role played by employees, customers, suppliers, industry associations, public administration and, in general, all stakeholders. Their collaboration towards the achievement of the Segura Group's goals and the definition of its strategy for the future have been essential. My personal thanks to all of them.





2.

Who we are

2.1. HISTORY

The Segura Group is an industrial **group dedicated** to the **design, development and manufacture of metal components** for the **automobile**, mainly by means of **stamping and welding processes**. We are specialized in the development and industrialization of metal parts for the automotive industry, as well as in the **design, engineering and development of stamping dies**.

The designs of our parts, allow our customers to manufacture safer and lighter vehicles, and therefore more ecological, contributing to optimize fuel consumption and minimizing environmental impact.

Since its **creation in 1970**, the Segura Group has maintained the objective of being a **global supplier**, capable of adding a differential value to its clients. Since that date Segura Group has not stopped growing, progressively incorporating new products and technologies, which has allowed us to be **leaders in the design and manufacture of automotive components**, and one of the **main suppliers in the automotive sector**.

In Segura Group we have vocation of growth and permanence. Our objective as an industrial group is to provide value to our clients, throughout our chain of operations, and to generate a position of leadership and innovation in the automotive sector.

| 70's | 80's | 90's | 00's | 10's | Currently |
|--|--|---|---|---|---|
| The company is founded by Don Francisco Segura. Initially it was conceived for the design and creation of tools for stamping metal parts. Later, its activity evolved to become a stamper of parts for the toy and furniture industries. | Due to the interest in diversification, Segura Group enters the automotive sector as a stamper of small body parts for the Ford company, being certified as a supplier. The Burjassot stamping plant is inaugurated. | The company becomes an industrial group, offering various clients in the sector engineering activities as well as assembly and painting processes by cataphoresis (KTL). The new facilities of the engineering department are inaugurated in the Burjassot plant. | In 2000 the Almussafes I plant was officially opened, in 2005 100% of a cataphoresis paint company was acquired and in 2008 a new production plant was started up in Szolnok (Hungary), serving automotive manufacturers in Northern, Central and Eastern Europe. | A new plant is acquired, to which it will be baptized as Almussafes II, moving most of the welding processes and being, the logistic center for expeditions. The Group opens offices in Hong Kong and Shanghai, and the new headquarters building in the Paterna Technology Park is also inaugurated. | Segura Group offers the most modern manufacturing processes, the most efficient engineering, and the most competitive design and construction of tooling and prototypes in the automotive sector, being able to serve our products anywhere in the world. |

2.2. PRESENCE



| Headquarters | Burjassot Plant | Almussafes I Plant | Almussafes II Plant | Szolnok Plant | Asia sales office |
|--|--|---|---|--|---|
| Calle Conde Alessandro Volta, 2. Parque Tecnológico de Paterna. 46980 Paterna Spain | Camino Viejo de Burjassot s/n 46100 Burjassot, Valencia Spain | P.I. Juan Carlos I Av. de la Foia, 34-36 46440 Almussafes, Valencia Spain | P.I. Juan Carlos I C/ Ponent, 13 46440 Almussafes, Valencia Spain | Bánki Donát u. 1. 5000 Szolnok Hungary | Ltd. Room 503, Standard Chartered Bank Building, No.201,Century Avenue, Pudong New Area, Shanghai 200120 China |



Additionally, in our main clients we have a **team of resident engineers** who work permanently in their facilities (**Germany, United Kingdom, Sweden**, etc.), supporting the tasks of design, industrialization and prototyping.

Introduction

Who we are

What we do

Stakeholders

2.3. MISSION, VISION AND VALUES

Mission

Design, industrialization and manufacturing at an international level of metal parts through processes of stamping, assembly, and surface finishes, maximizing the value of Segura Group in a continuous and sustainable way, through the loyalty of our customers and the involvement of all our employees.



Vision

To be one of the European reference companies in the automotive auxiliary industry, making our clients feel that their expectations have been fully met.



Organization

The Segura Group's organization is oriented to reinforce the business management capacity, to increase its efficiency and value creation, and to allow the growth and transformation of the Segura Group into one of the leading companies in the sector.




Passion for excellence


Our sector is characterized by a high demand and specialization. Systems and processes with proven quality indices are required, as well as suppliers who understand the specific requirements of each client and know the trends of the sector in general. In order to grow in such a demanding sector, **at Segura Group we do not settle for "good" products and operations.** For the Segura Group, a process is not static; **we improve our products and operations to turn good into excellent.**


2.3. MISSION, VISION AND VALUES


Values


At the Segura Group we are driven by a way of working inspired by our corporate values and our commitment to society. To achieve our goals, at Segura Group we are committed, through the identification of objectives and the achievement of their results, to stay within the path of continuous improvement, in order to increase productivity, stimulate creativity, initiative and sense of responsibility of our staff and the minimization of consumption and waste.


 **Improvement:** In Segura Group we work from the philosophy of effort, perseverance and exigency in the development of our products and solutions, and for it we use all our energies in adopting immediate actions, will and continuous work.

 **Entrepreneurship:** We pursue a project of international character in which we introduce the best and most modern means of production, design, and management. We offer a value proposal that seeks to provide solutions and meet the needs of our customers in an innovative way.

 **Willingness:** we manage to feel and transmit passion and illusion in our projects, behaviors and performances, we bet on a corporate commitment, with a personal involvement and identification with the company and an optimistic attitude.

 **Union:** our team of professionals is made up of highly qualified people, with a passion for a job well done, and for exceeding our clients' expectations at all times. We trust in the capabilities of our employees, in the diversity of talent, in the vocation to grow and in internationalization as a guarantee for the future. We understand professional relationships as a long-term alliance in which everyone benefits.

 **Respect:** We promote truth as an elemental tool to generate trust and credibility of the company. At Segura Group we understand sustainability as permanence in time, and to achieve it we are committed to respond to the expectations that society and the people around us have of us. For this reason we pursue economic, environmental and social objectives in equal measure. Aware of our commitment to society, we have policies and working methods aimed at preserving the environment and protecting the health and safety of our employees.

 **Adaptability:** we are a company with the maximum capacity to accommodate changes, solve problems, and react flexibly to our customers' demands, without reducing efficiency and commitment. We anticipate problems and offer effective and fast solutions.

2.4. CORPORATE GOVERNANCE

Governing bodies

Shareholders' general meeting

It is the body that represents all the shareholders and exercises the corresponding functions to the sovereign body, deciding on the matters attributed to it by law, as well as the current social statutes.

Board of directors

It is the highest governing body. At the moment, it is formed by two men and two women and it is established in the dominant society, **Balpa Sistemas de Gestión Empresarial, S.L.** The board of directors defines and supervises the application of the policy and strategy of the Segura Group, considering the economic, social and environmental perspectives and entrusting the ordinary management to the Management Committee.

Management Committee

The Management Committee is responsible for disseminating, implementing and monitoring the business strategy, meeting once a week to ensure all the areas are coordinated.

Corporate governance

The Board of Directors is the highest governing body of the Segura Group in matters of corporate responsibility, recognizing and assuming the importance of having a system of corporate governance to guide the structure and operation of its corporate bodies, in the interest of the various companies and their shareholders.

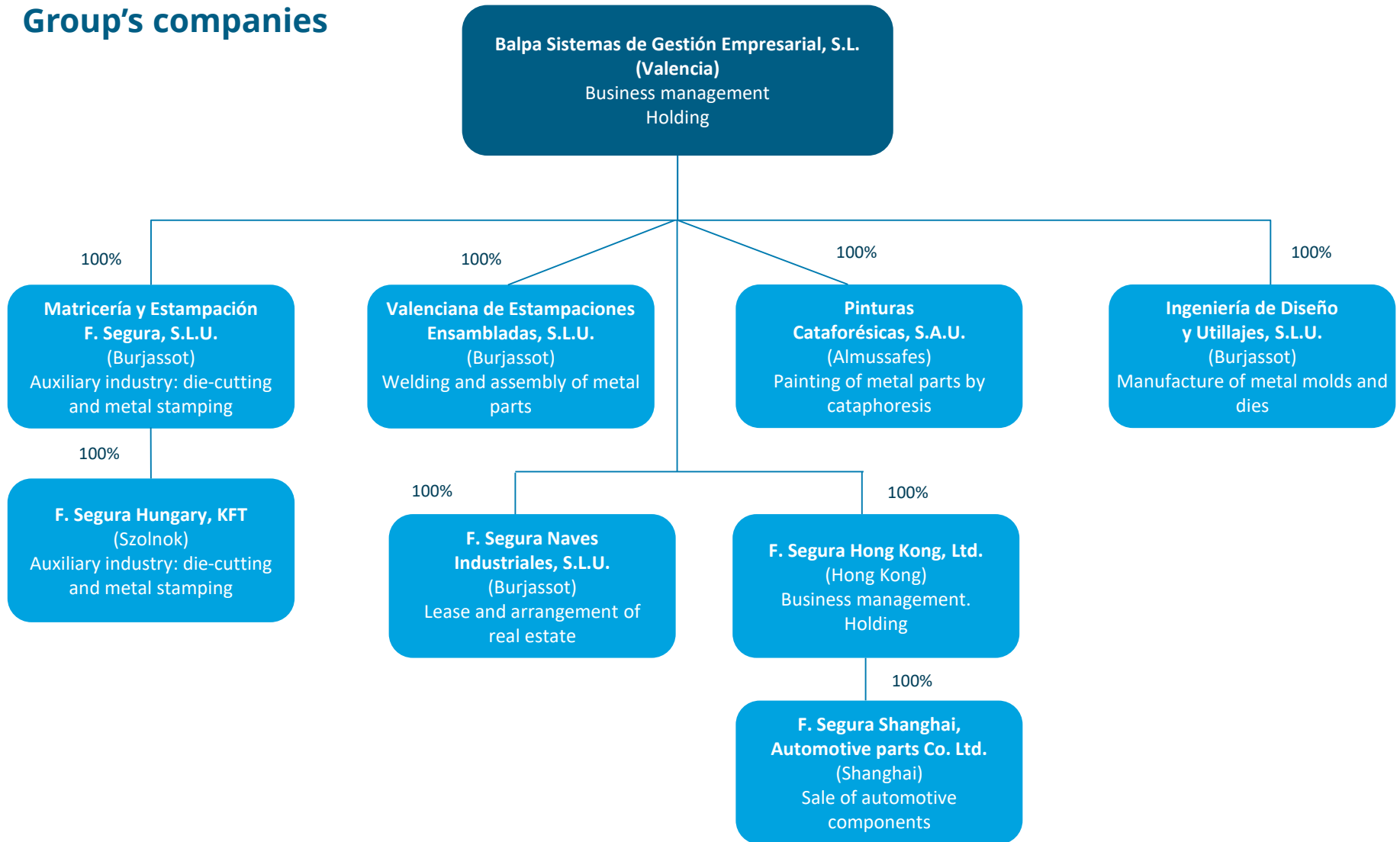
The Group firmly believes that good corporate governance leads to effective decision-making, which is fundamental to the success of any organization.

Main rules of Corporate Governance

- ✓ Promote internal and external communication, responding to the expectations of stakeholders, applying the principle of transparency.
- ✓ To guarantee the defense of human rights, as well as respect for ethical standards and regulations by both internal and external norms.
- ✓ Zero tolerance for corruption and unfair competition practices.
- ✓ Encourage corporate social responsibility by promoting initiatives and monitoring the degree of compliance with commitments.
- ✓ Work continuously to identify risks and opportunities, prioritizing key issues for long-term business sustainability.

2.4. CORPORATE GOVERNANCE

Group's companies



2.5. ETHICS AND INTEGRITY

CODE OF CONDUCT AND BUSINESS ETHICS

Our code of ethics and conduct defines the basic principles of conduct and corporate values that we must follow in our day-to-day professional relationships, constituting the basic pillars of our way of working. With this code we intend to establish a common framework of behaviour applicable to all the staff of Segura Group.

The aforementioned code of ethics and conduct is intended to be a document that sets out the guidelines that define our way of being and acting, the essence of who we are, how we do things and a reflection of our day-to-day actions.

The aim of this document is that we all know and share our framework of action within the company and that we become aware of the responsibility that each one of us has as an integral part of Segura Group.

Each and every one of the workers and managers of the Segura Group must respect the ethical and conduct code and promote its diffusion and respect by its collaborators.

During the financial years 2019 and 2018 **there have been no relevant sanctions or complaints related to the areas described in this section.**

10 PRINCIPLES

| | | | |
|--|---|--|-------------------------------|
| Compliance with and respect for the law | Respect for Human Rights | Respect for people | Safety and Environment |
| Conflicts of interests and transparency | Use of our resources and equipment | Protection of information | Company Image |
| | Equal treatment. No discrimination. No abuse | Corporate Social Responsibility | |

Any employee of the Segura Group who becomes aware of a breach of any of the rules defined in the code of ethics or conduct should report it to their direct supervisor, to the HR department and/or to the e-mail:

lineaetica@fsegura.com

None of our employees may be punished, dismissed or subjected to any type of disciplinary or discriminatory measure for having reported actions that violate the code of ethics or conduct. However, deliberate false accusations will not be tolerated.

From the Management, all employees of Segura Group are encouraged to report and denounce any type of breach of the code of ethics and conduct of which they are aware.

2.5. ETHICS AND INTEGRITY

CODE OF CONDUCT AND BUSINESS ETHICS'S PRINCIPLES

Compliance with and respect for the law

In Segura Group, each and every one of the employees comply with the legal regulations applicable at all times. These regulatory requirements must be respected by the Group's employees and they will ensure that they are complied with. At the same time the employees must adhere to the internal regulations agreed by the company's management and the workers' representatives. The Segura Group aims to create an atmosphere of trust at all levels of the company, inviting employees to express themselves freely. In the same way, the Group recognizes the freedom to organize and not to practice any type of discrimination related to its activities.

Respect for Human Rights

Each and every one of the Segura Group's employees must respect the laws and regulations that are implemented in each of the countries where the Segura Group carries out its activity. The Segura Group complies with both national and international laws related to child labour. Under no circumstances do we work with children under 16 years old and we always ensure that our suppliers and customers comply with this premise, following the guidelines set by the ILO and the regulations related to child labour in each of the countries where our activity is focused. At Segura Group we are fully convinced that work is a right, not an obligation, and for this reason we condemn any type of forced labour or service that is carried out against one's will and under the threat of punishment.

Respect for People

Respect for people is a fundamental principle of our company's day-to-day business. The recipients of this code will ensure that each person in our environment is treated in a fair, equitable and respectful manner.

Safety and Environment

We strive every day to provide a healthy and safe environment in our organization, we understand that favoring this situation generates a positive environment and benefits everyone.

It is the obligation of each of our company's employees to watch over and respect the rules regarding safety and hygiene in the workplace and to use correctly the equipment and facilities to which they have access.

Conflicts of interest and Transparency

All decisions made by Segura Group employees have to be based on the maximum interest for our company and never have to be based on personal interest. When we select our collaborators and suppliers we will always do it following only and exclusively professional criteria and never being guided by a personal benefit. If, due to the exercise of their functions, any of the Segura Group employees finds themselves in the situation of being able to contract the services of a collaborator and/or supplier with whom they have family and/or friendship links, in such a way that there may be doubts about the objectivity of this decision, they will automatically inform their immediate superior of this situation and it will always be decided in accordance with the values of our company. The acceptance or offer of gifts, lunches, dinners, services and any other type of consideration by the employees of the Segura Group towards our collaborators or on their behalf is not allowed under any circumstances, except those due to usual commercial practices or courtesy and whose value is symbolic.

2.5. ETHICS AND INTEGRITY

CODE OF CONDUCT AND BUSINESS ETHICS'S PRINCIPLES

Use of our resources and equipment

As employees of the Segura Group we have the obligation to use the resources offered by the company in an adequate, responsible and efficient way, respecting the purposes for which they are assigned and exclusively for the benefit of the company. Any type of activity not destined to the benefit of the Segura Group, in which its resources are used, is totally prohibited.

All Segura Group employees who use computer, telephony and internet equipment must remember that this equipment has been made available to them with the aim of improving their performance, and therefore it must be used responsibly, and exclusively for their professional use.

Those employees who, due to the activity they carry out in our company, have the responsibility of handling the funds of the same, are responsible for their proper and efficient use, and always under authorization and following the guidelines marked to that effect.

Protection of information

Under no circumstances will any Segura Group employee disclose confidential information concerning our company to other individuals or companies outside the Segura Group. At the same time, this type of information should not be disclosed internally, unless it is necessary for the regular exercise of the functions of each of the jobs. In the case of having to share confidential information with suppliers and/or clients, this will be done with the maximum responsibility and always informing your immediate superior about this situation.

Company image

The corporate image of our company is very important to us, for that reason we encourage our employees to follow and promote the values of integrity, honesty, sincerity, equality and respect and proactivity that the Segura Group Management tries to promulgate every day with the aim of making the Segura Group a dynamic, current company that promotes creativity, the achievement of its goals and the sense of responsibility.

Equal treatment. No discrimination. No abuse

In Segura Group we guarantee for all our employees an equal treatment, of respect, and of not discrimination for reasons of race, age, sex, religion, nationality and any other type of circumstances protected by law. Any of our collaborators must comply with this principle and will ensure its fulfilment. From Segura Group we pursue and report harassment in the work environment and we encourage any of our employees to report any type of situation that could be so.

Corporate Social Responsibility

At the Segura Group we are committed to being a socially committed company, promoting initiatives that make our commitment to CSR known. Proof of this is our close collaboration with non-profit organizations, the creation of a food bank for the most disadvantaged groups, solidarity races and the existence of special employment centers for the integration of mentally handicapped groups in the working world in our production plants.

2.6. RISK MANAGEMENT

Risk management






The Board of Directors of the Segura Group establishes that risk management is one of the key pillars of the Group's internal control system, and therefore of the organization's own strategy.

The Group periodically identifies, classifies and assesses the potential risks that may affect all the relevant business units, as well as establishing those control mechanisms by assigning responsibilities derived from each one of them.

The Group's risk management system allows for the proactive management of the risks identified, implementing both preventive and reactive measures to potential events, as well as the periodic monitoring of their evolution.



2.7. OUR BUSINESS IN NUMBERS

| Year | 2019 | 2018 | % |
|---|---------------|---------------|-----|
|  Total operations | 168,85 MM€ | 168,80 MM€ | - |
|  International sales | 75% | 70% | +5% |
|  Employees 31/12 | 987 | 945 | +4% |
|  Long term contracts 31/12 | 86% | 88% | -2% |
|  Emmisions (Tn CO ₂) | 5.354 Tn | 5.466 Tn | -2% |



3.

What we do

3.1. PRODUCTS

Seats



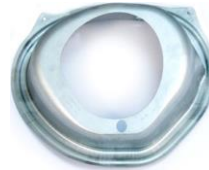
We develop and produce different pieces that make up the metallic structure of the seats, such as the seat runners, the mechanisms to attach to the bodywork, side reinforcement and internal mechanisms.

Interiors



Along this line, we have clips to attach inner handles, the divider separating the passengers cabin from the loading area, different parts of the airbag, inner pieces of the luggage space, multiple safety clips and fixings, among others.

Body



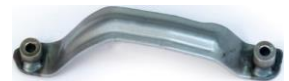
Different design versions of the of the car chassis; headlight seatings, pieces included in pillars A, B and C, the support for inserting the gear shift and the structure to attach the spare tire.

Engines



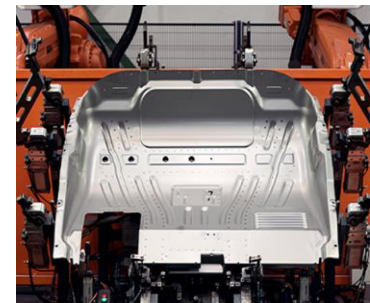
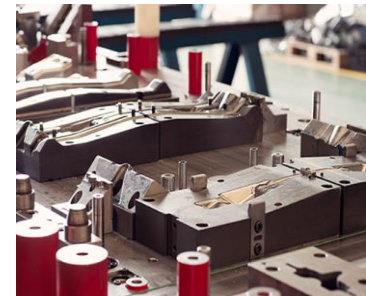
We highlight the divider separating the engine from the passenger compartment, different engine support and attachment pieces, supports for engine pieces, the oil filter protector and the diesel filter protector, among others.

Exhaust systems



Handles and hooks to attach the exhaust pipe to the car's body, to insert and join the exhaust pipe to the engine exhaust outlet, and other exhaust mechanisms, as well as hooks and attachments to the vehicle.

3.2. SOLUTIONS



3.3. SUSTAINABLE INNOVATION

Historically, Segura Group has made a **firm commitment to innovation**. The company works to bring our clients' products to real life, helping them to develop the best solutions, offering them sustainable and environmentally friendly products.

In each of the Group's production plants, projects are born as a result of the needs of our customers, and with the different departments they become a reality, **systematizing the innovation processes** and applying the necessary methodologies according to them.

This is why engineering, tooling construction, supplier selection, quality control and logistics are closely intertwined in our procedures.

This all-encompassing approach guarantees maximum safety, not only in terms of product quality, but above all in terms of the profitability and sustainability of production.

At the Segura Group we know that **innovation is the way to success** and that is why:

- We conceive our products from the point of view of the **most demanding client**.
- We take into account the needs of our customers in relation to the **quality of our products**.
- We strive to understand how we can **positively influence** quality in our **respective areas of work**.



3.4. ENVIROMENT

In a global context, **climate change was identified as one of the major risks to the well-being of humanity and the planet itself**, being one of the key factors in the United Nations' Sustainable Development Goals. The automotive industry is directly connected to the climate change issue due to automobile's contribution to greenhouse gas emissions.

At **Segura Group**, as a member of this industry, **we are aware of the need for conserving and protecting the environment**, assuming the commitment to prevent and minimize environmental impacts arising from our activities of stamping, welding and metal parts assembly for the automotive sector.

Management is **committed to aligning environmental management, quality management, and prevention of occupational hazards** as well as the organization's strategies, establishing environmental goals and objectives, assigning responsibilities, resources and deadlines, always based on continuous improvement and sustainable development, thus reducing the environmental impact of our activities.

Segura Group has an **environmental policy aimed at**:

- ✓ Comply with applicable environmental legislation and regulations, and with other requirements derived from the needs and expectations of our stakeholders.
- ✓ Prevent pollution by using the most appropriate technology in order to reduce, as far as possible, discharges and emissions. Prevent the generation, and ensure the recovery of waste, and preserve the consumption of natural resources.
- ✓ Train and sensitize employees/suppliers/customers in order to promote their environmental commitment.
- ✓ Exercise a positive, responsible and honest attitude towards the community and promote collaboration with all stakeholders, making use of the material and human resources at our disposal.
- ✓ Promote and allocate resources for the efficient use of electricity consumption in an environment of sustainable development and reduction of green house gases and other pollutants emissions.

**ISO
14001**

In order to continually advance its commitment to continuous improvement and pollution prevention, the Segura Group periodically monitors its activities through an environmental management system that complies with the ISO 14001 standard and is implemented at the manufacturing plants in Burjassot, Almussafes I and II and Hungary.

Introduction





Who we are

What we do

Stakeholders

3.4. ENVIROMENT

Main energy indicators

| Year | 2019 | 2018 | % |
|---|---------------|---------------|-------|
|  Emissions (Tons CO ₂) | 5.354 Tn | 5.466 Tn | -2% |
|  Electricity consumption (MWh) | 11.690 MWh | 11.770 MWh | -0,7% |
|  Gas consumption (Mwh) | 5.162 MWh | 6.125 MWh | -15% |
|  Diesel consumption (litres) | 38.613 litres | 38.142 litres | 1,24% |

ISO 14001

In the aforementioned management system, the Group's environmental performance is analyzed considering all stages of the product life cycle, environmental impacts are periodically monitored and measured through indicators that allow the comparison and improvement of the performance of each of the plants. In monitoring and controlling the aforementioned impacts, the Segura Group repeatedly implements best practices to make manufacturing processes more sustainable.

Segura Group is aware that there must be concern about CO₂ emissions and what can be done to minimize the contribution of this cause. Energy and fuel consumption is directly related to CO₂ emissions, which is why the **Group is always looking for improvements, taking actions such as carrying out energy audits, monitoring and periodically analyzing consumption in the facilities, acquiring knowledge, implementing corrective actions and best practices**, as well as setting objectives and ensuring that there is active participation at all levels of the organization.

In 2019 and 2018, the company continued to **implement improvement measures to reduce energy consumption**, such as **replacing the lighting system with LED technology, studying and programming production and maintenance**, as well as **improvements to the mechanical and electrical systems**, from the point of view of energy saving.

3.4. ENVIROMENT


Main water consumption by type

| Year | 2019 | 2018 | % |
|--|-----------|-----------|------|
|  Local (m3) | 12.005 m3 | 10.641 m3 | +13% |
|  Industrial (m3) | 20.773 m3 | 26.626 m3 | -22% |

Water consumption reduction

Among the measures to avoid or reduce water extraction is the reuse of the effluents generated. To this end, the Group has a closed system for the recirculation of the cooling water generated.

Main raw materials consumed

| Year | 2019 | 2018 | % |
|--|-----------|-----------|-----|
|  Steel (Tones) | 69.148 Tn | 71.464 Tn | -3% |
|  Aluminum (tonnes) | 1.204 Tn | 1.221 Tn | -1% |

Sustainable materials

In recent years, the Group has begun to work with stainless steel, which is a 100% recyclable material with a long life span and greater environmental performance. The consumption of aluminum is increasing in decrease of steel in order to bet on the lightening of parts and the technology of aluminum. As far as packaging materials are concerned, almost all the Group's containers are returnable and belong to the customers.

3.4. ENVIROMENT

Circular economy

Segura Group understands that **the move from a linear to a circular economy is a key step in improving and caring for the environment**, as it entails a considerable reduction in waste by making optimum use of available resources.

Segura Group **does not carry out any waste treatment at any of its facilities. Waste is generated, stored and transported by authorized waste managers who treat and eliminate it in accordance with current legislation.**

In this context, in relation to waste management, hazardous and non-hazardous waste is stored separately, in suitable containers and in the appropriate conditions, with each container having an identification label with the main information required to ensure proper segregation, such as the name, code and pictogram referring to each type of waste. Likewise, each department has a visual table on the wall, so that everyone can remember how and where to manage the waste generated.

Main recoverable non-hazardous waste

| Year | 2019 | 2018 | % |
|--|--------------|--------------|-----|
|  Scrap (tonnes) | 33.344 Tn | 33.193 Tn | - |
|  Other waste (tonnes) | 1.318 Tn | 1.389 Tn | -5% |

Regarding our **effluents**, all of them **fulfill the legislation requirements** and do not represent a risk of pollution. All the parameters measured (are under the limits imposed).

The corresponding Spanish plants have a wastewater treatment **plant for sanitary water**, thus ensuring that this effluent reaches the sewage network with improved quality parameters.

In Hungary, the plant effluents go straight to the wastewater collection network, owned by the Industrial Park where it is located. The Industrial Park monitors the waters discharged periodically.

Other waste

Non-hazardous non-recoverable: 8 and 14 tonnes respectively in 2019 and 2018
Hazardous recoverable: 276 and 196 tonnes respectively in 2019 and 2018
Hazardous non-recoverable: 174 and 100 tonnes respectively in 2019 and 2018



4.

Our
stakeholders

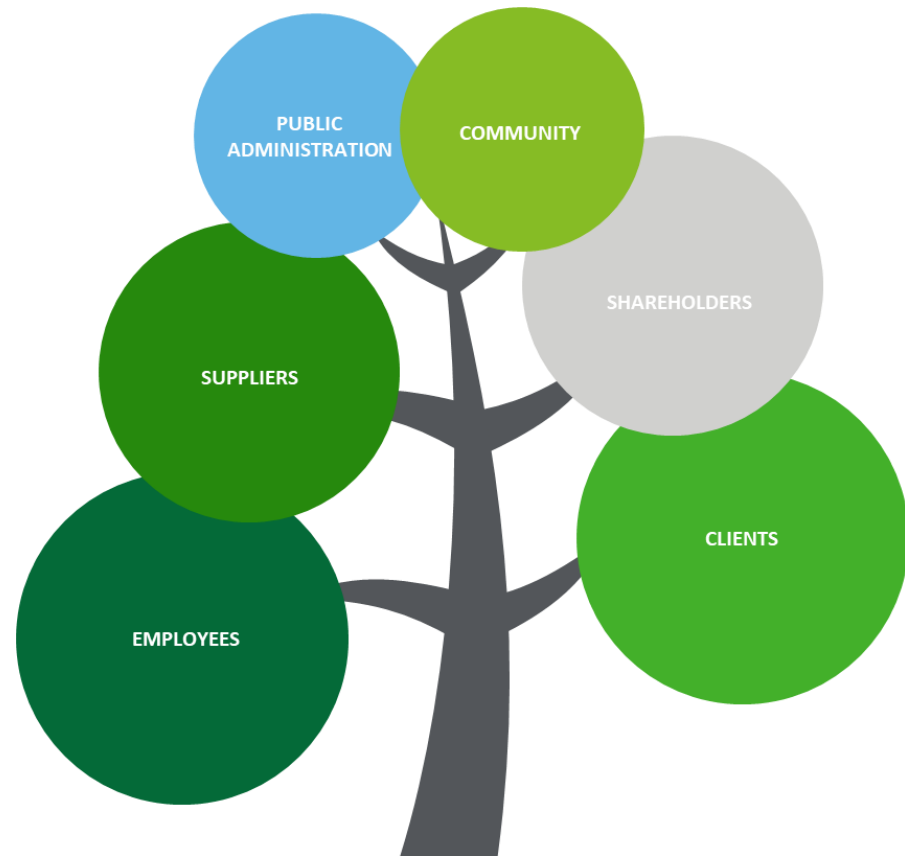
4.1. RELATIONSHIP WITH STAKEHOLDERS AND MATERIAL ASPECTS

Interest groups

Segura Group **consolidates its commitment to open and continuous dialogue with its stakeholders with the aim of providing them with value through an open and participative attitude that is a pioneer in the sector.** By strengthening this dialogue in its business strategy, they produce improvements in the competitiveness and quality of their products and services.

Stakeholders are an important pillar in the success of the organization and, therefore, **the Group continuously strives to achieve effective commitment in order to obtain their important contributions and concerns.** The Group seeks to build and develop transparent and trust-based solutions with all its stakeholders, respecting their views, key expectations and concerns as they develop business strategies.

The Segura Group regularly engages with stakeholders through the stakeholder engagement process, for which it has multiple communication channels. Detailed stakeholder engagement helps define the main material issues, which are clearly expressed in business decisions and future aspirations.



The Segura Group assesses materiality issues by considering the importance of economic results, expansion of operations and territorial presence, relations with stakeholders, especially customers, employees and suppliers, and commitments to social issues, mainly associations, community and public administration and environmental issues, mainly emissions, energy, waste, water use, as well as investors and shareholders.

4.1. RELATIONSHIP WITH STAKEHOLDERS AND MATERIAL ASPECTS

Areas and material aspects

Labor

Conciliation (promotion of measures to guarantee the conciliation of work, personal and family life), **equality and diversity** (measures implemented in the organization to promote diversity, ensure equal opportunities and inclusion and guarantee the proportion of fair pay for all employees), **training and retention of talent** (programmes to improve the development of skills of workers through continuous training, adapted to individual needs), employee **health and safety** (ensuring that workplace conditions guarantee the health and safety of employees) and **human rights** (measures defined and implemented to guarantee the human rights of all workers in the organization or who have an employment relationship with the organization).

Product and service management

Customer relations (communication channels established to guarantee transparent and fluid communication with customers) and **customer health and safety** (commitment to ensuring the maximum health and safety of its customers throughout the organization's value chain)

Economic

Supply chain (commitment to a responsible supply chain) and **long-term business sustainability** (measures to ensure the profitability and continuity of the business in the long term) and **tax contribution of the activities**

Corporate Governance

Transparency, ethics and integrity (policies to ensure that operations are conducted in a transparent, ethical and honest manner), **risk management** (due diligence procedures, policies and procedures communicated to staff to ensure proper risk management), **corruption and bribery** (measures taken to join the fight against corruption and bribery) and **regulatory compliance** (policies and procedures to ensure strict compliance with applicable regulations, continuously monitoring any changes to them).

Environmental

Efficient management of resources (appropriate management of material and energy consumption), **circular economy** (the organization's commitment to product responsibility, prevention, recycling, reuse and other forms of waste recovery and disposal), and **climate change** (emissions management and efficiency).

Social Commitment

Contribution to the sustainable development of the community in which it operates. The Group ensures that it has two-way communication channels to promote relations and collaborations with the local community.



4.1. RELATIONSHIP WITH STAKEHOLDERS AND MATERIAL ASPECTS

Sustainable development objectives

Segura Group is committed to promoting best practices in sustainability and carrying out its activities in a responsible manner. It does so through ethical behavior that encourages dialogue with society and **promotes the various Sustainable Development Goals (SDAs)** promoted by the United Nations.

Its involvement is materialized in numerous actions with which, throughout 2019 and 2018, it has been working to respond to the needs raised by these ODS and which are **listed throughout this sustainability report**:



4.2. OUR EMPLOYEES

Segura Group's team of professionals is made up of **highly qualified people** with a **passion for doing things right and for always exceeding customer expectations**. The creativity and contribution of new approaches and different points of view by any member of the Group is always welcome.

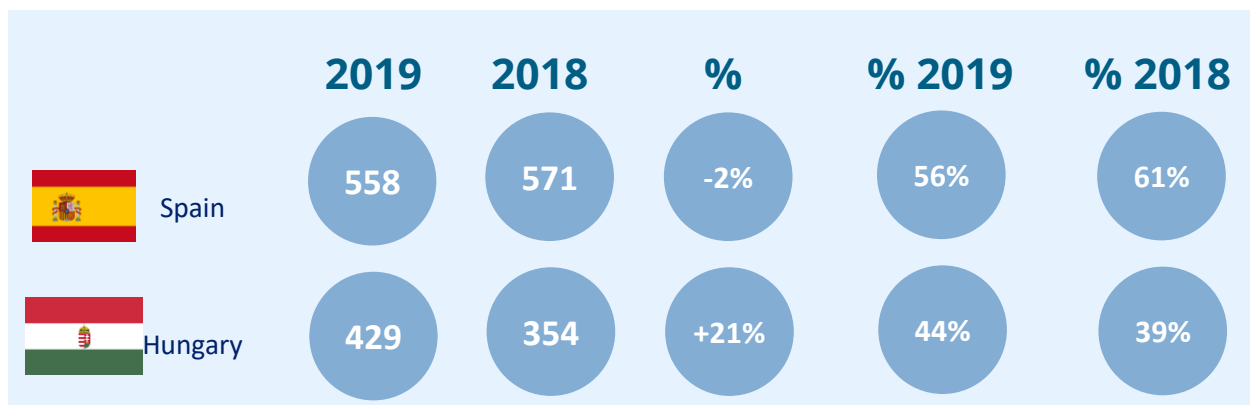
Segura Group has confidence in the **abilities of its employees**, in the **diversity of their talent**, in **their vocation to grow and in internationalization** as a guarantee for the future, which is why it always understands professional relationships as a long-term alliance in which everyone benefits. In this context, the Group offers its employees **job stability** and a **motivating professional project** where they can develop and learn continuously.

One of the main objectives of the Group is the **creation of an inclusive organizational culture**, which welcomes and encourages diversity in order to lead all the professionals who make up the Group to reach their maximum potential. This implies the need for forward-looking employment management, bearing in mind that the current market requires **professionals capable of working in a collaborative, dynamic, diverse and flexible environment**.

In this context, a differential success factor is the **capacity to develop qualified professionals, capable of assuming challenges and responsibilities**. The Segura Group adapts to the demands and requirements that, from the perspective of talent management, the automotive sector poses.

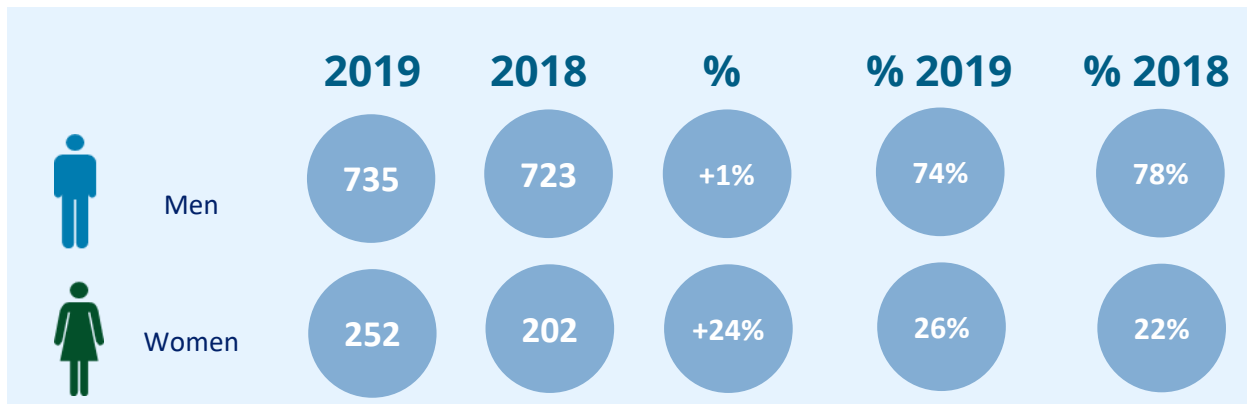
In line with the above, Segura Group conceives talent as one of its main assets, which is why it pays special attention to the development of talent in all areas of the organization. Likewise, it encourages the **creation of working environments** that are conducive to employees developing their professional qualities and growing within the organization with **multipurpose professionals with an international vision and innovative capacity**.

Number of employees on 31 December by country

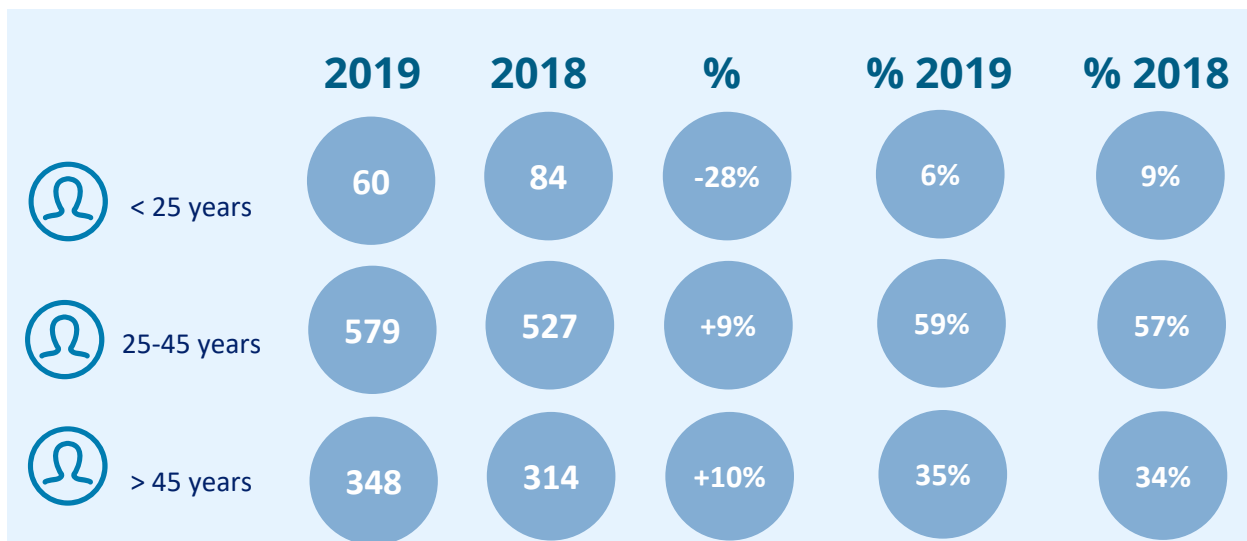


4.2. OUR EMPLOYEES

Number of employees on 31 December by gender

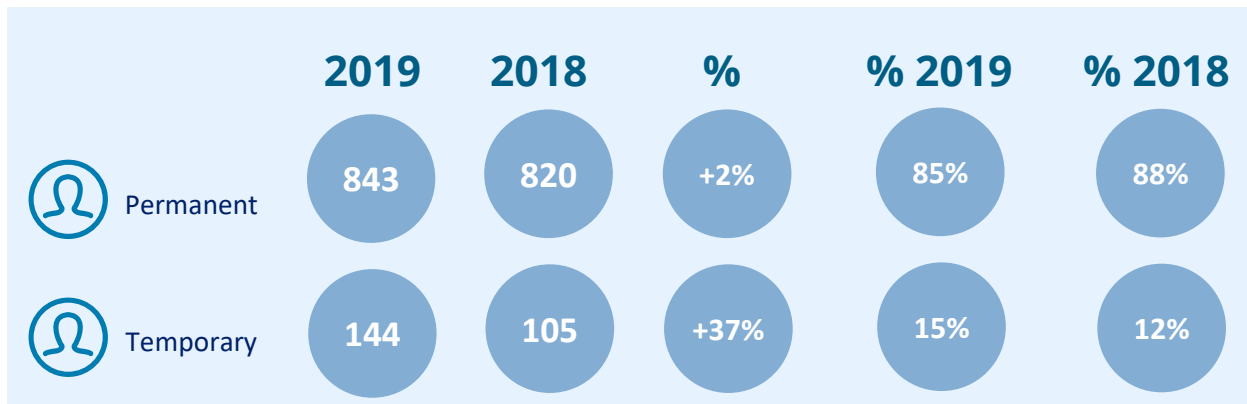


Number of employees at 31 December by age

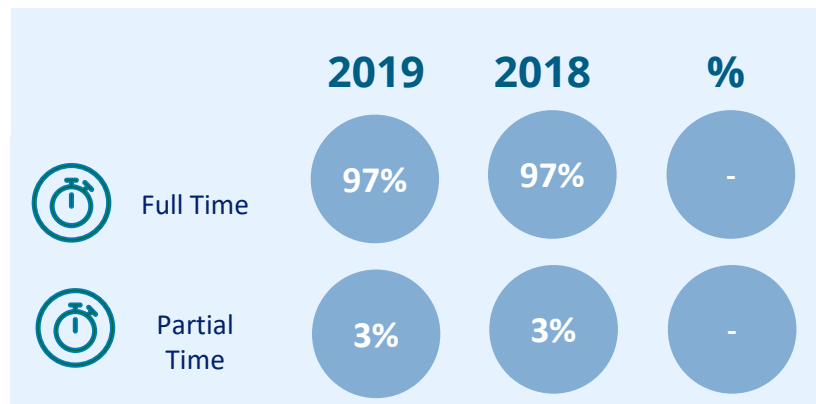


4.2. OUR EMPLOYEES

Number of employees on 31 December by type of contract



Average number of employees per type of workday



4.2. OUR EMPLOYEES

Human resources policies

Attracting, developing and retaining the talent of candidates and employees is a key objective at the Segura Group. The Group is convinced that, through the development of people, it will increasingly become an efficient, productive and competitive organization, consolidating the Group's leadership, based on the value and contribution made by each employee.

Segura Group's human resources policy is based on its code of ethics and conduct, whose main **values** are **integrity, honesty, sincerity, equality, proactivity and respect for the individual.**

Likewise, the **Group offers multiple possibilities** to acquire relevant **experience in internships**, and collaborates in an outstanding way with **universities and professional colleges** to carry out the project or final project. Students are well looked after in the Group, and have opportunities to participate and acquire valuable knowledge for their professional future.

The **working hours and days** of the Segura Group are determined by the **collective agreement applicable** in each situation, as well as by production needs.

In Spain, the working day for the 2019 financial year has been set at 1,744 hours of effective annual work for workers hired on a full-time basis. For part-time workers, the percentage reduction is applied in proportion to the contractually agreed working hours.

Any decision to substantially modify working conditions is notified to the worker concerned and his or her legal representatives at least fifteen days before the date of its effectiveness.

With regard to the organization of working time, although there is currently **no common policy** that establishes measures for the **disconnection of employees from their jobs**, the **Group tries to facilitate**, as far as possible, the **reconciliation** of work and family life of the people who work there.



4.2. OUR EMPLOYEES

Labour relations

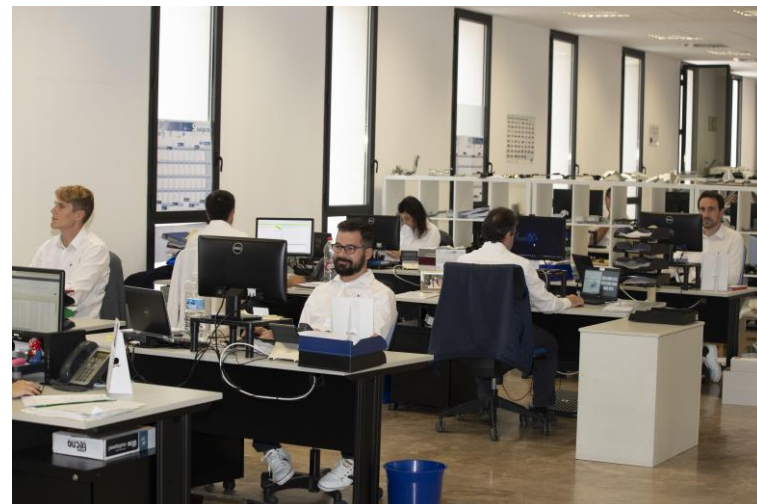
The **remuneration model** generally applicable to the Segura Group's workforce is made up of two different elements:

- **Fixed remuneration**, based on the provisions of the applicable collective agreement, which takes into consideration the level of responsibility, the functions carried out and the professional career of each employee, the principles of internal equity and the value of their function, constitutes a relevant part of the total compensation. The granting and amount of fixed remuneration is based on objective, predetermined and non-discretionary criteria.
- **Variable remuneration** consists of those payments or benefits additional to the fixed remuneration, which revolve around variable parameters. This remuneration is generally linked to the achievement of previously established objectives.

Segura Group's remuneration policy promotes **equal treatment between men and women and does not establish or encourage salary differentiation**. The remuneration model rewards the level of responsibility and professional career, ensuring internal equity and external competitiveness.

In addition, and in order to consolidate the commitment of the Segura Group with its employees, its work centres offer **different benefits** depending on the budget, type of work carried out and agreements reached, such as **free bus transport, social activities, events, etc.** These benefits are reviewed annually to ensure that they remain valuable and competitive in line with the Group's policies.

The collective agreement for industry, technology and services in the metal sector in Valencia is the reference agreement for all the group's production companies in Spain. At the end of 2019, 57% of the Group's employees are covered by this collective agreement (62% of employees in 2018). In relation to the rest of the countries, jobs are not subject to collective agreements, although the labor regulations determined in each of the territories apply.



4.2. OUR EMPLOYEES

Health and Safety

Segura Group assumes, as one of its fundamental commitments, the integral protection of the health of the workers in its charge. The Group's commitment to health and safety in the workplace is transmitted to the different stakeholders through its culture. This is why the Segura Group is a **signatory to the Luxembourg declaration on health promotion in the workplace**.

This declaration proposes a joint effort by employers, employees and society to improve the health and well-being of people at work. This improvement is achieved through a combination of actions in the organization of work and in the working environment, encouraging active participation and stimulating personal development.

Segura Group Management, aware that any activity can affect the health and safety of the workers or third parties, **manages health and safety at work according to the following principles**:

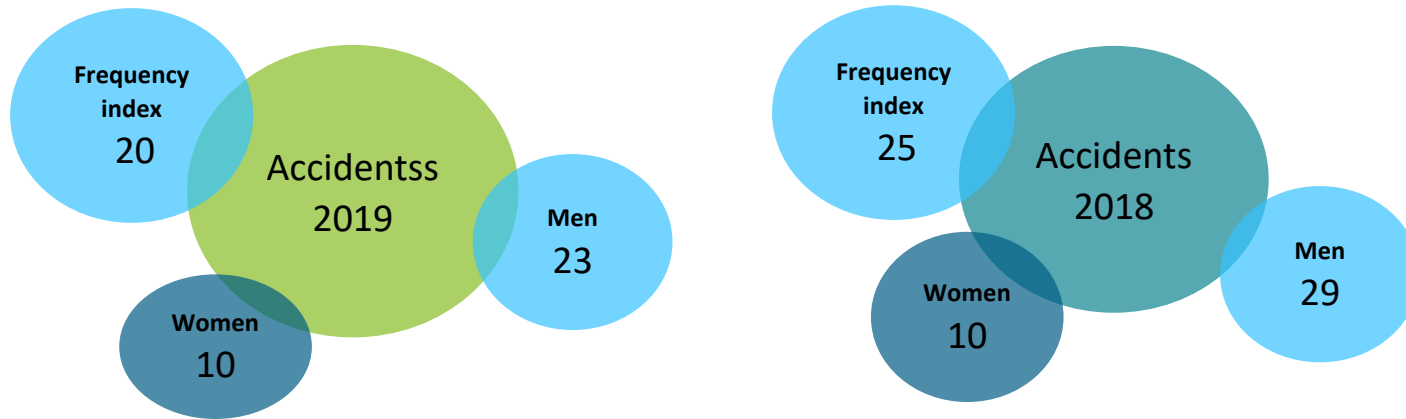
- ✓ Promoting and fostering at all levels of the organization an internal culture of continuous improvement, training, involving and making staff responsible, through information, consultation and participation of all members of the organization in planning and carrying out preventive activities. To this end, both specific objectives and their periodic review are established, ensuring the availability of the necessary resources to fulfil these objectives.
- ✓ Planning and carrying out the appropriate preventive activities to avoid work accidents and professional illnesses.
- ✓ Complying with applicable legislation and regulations, as well as other requirements that the Segura Group subscribes to with its interested parties.
- ✓ Evaluating the evolution of occupational health and safety in order to ensure the maintenance and continuous improvement of its management systems.

Segura Group employees have the right to actively participate in issues related to the prevention of risks in the workplace, for which the representative channels legally established in the regulations on the prevention of risks in the workplace will be available.

Each Segura Group work centre has its own health and safety committee, which in 2019 and 2018 will be made up of the prevention delegates and the company's representatives established by regulation, with 100% of the workers represented on the committees. During the 2019 and 2018 financial years, quarterly meetings have been held to discuss, among other things, aspects related to occupational risk prevention policies, as well as formal agreements with trade unions.

4.2. OUR EMPLOYEES

Health and safety indicators



Hours of absenteeism

The total number of absenteeism hours during the 2019 financial year has increased to 117,175 hours (120,402 hours in fiscal year 2018)

Occupational diseases

No case of occupational disease has been declared during the financial year 2019 (one case corresponding to a woman in the financial year 2018).

The health and safety department continuously produces 8D risk management reports, with the collaboration of the different departments and an external expert in the field to determine the correct cause, the issues initially considered, as well as short and long-term corrective actions.

4.2. OUR EMPLOYEES

Training

Segura Group believes that **investing in employee training and development** will lead to more committed and motivated people in their work, and is also a **key aspect** in maintaining the **success of the organisation in the future**. The Group focuses on the development of knowledge and skills, as well as leadership and management capabilities. Managers and executives are committed, together with the employee, to ensuring the growth and development of the employee through training and development.

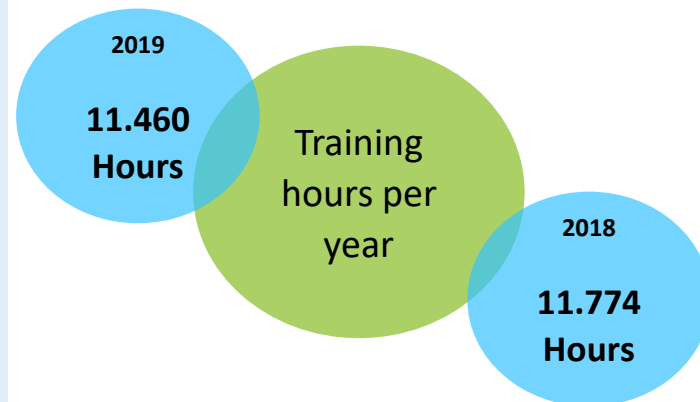
In this context, the **Group develops career plans linked to talent management and development**, in order to ensure that the right people are available in the right places. This connection not only strengthens the Group's competitiveness as an employer, but also enhances customer service capabilities, which contributes to the growth of the business.

In line with the above, **the training of employees in the Segura Group is a key element in the human resources strategy**, as the preparation and performance of the professionals provides a differential value as an organization. For this reason, **they have actions and programmes adapted to each job and their different levels of experience**, to which we must add numerous specific and flexible actions aimed at informing and updating them on new developments.

In this sense, **every year** the Group prepares a **training plan** from human resources that is adapted both to the concerns expressed by the different departments of the workforce, as well as to the directives of the Management, ensuring that the scope of the courses reaches all employees.

The Group places special emphasis on **courses aimed at integrating employees into the organization, languages, updating products and those that have to do with risk prevention and actions to deal with emergencies**. Specifically, most of the courses are aimed at continuous training in specialization and improvement of personnel, with the objective of learning about **new techniques and products, learning new administrative and management processes and**, in general, improving skills for the performance of different tasks and responsibilities.

In addition, the Group carries out at least once a year an evaluation of the performance of the employees in each department, obtaining useful conclusions in order to be able to improve continuously.



4.2. OUR EMPLOYEES

Equality

The Segura Group declares its commitment to establishing and developing policies that integrate equal treatment and opportunities for all its employees, without discriminating directly or indirectly on the basis of gender, ideology, race, age or social origin, as well as to promoting and encouraging measures to achieve real equality within the organization by establishing equal opportunities between men and women as a strategic principle of its corporate and human resources policy, in accordance with Organic Law 3/2007, of 22 March, for effective equality between women and men and RD Law 6/2019, of 1 March, on urgent measures to guarantee equal treatment and opportunities between women and men in employment and occupation.

In each and every one of the areas in which the activity is carried out, from selection to promotion, including wage policy, training, working and employment conditions, occupational health, organization of working time and conciliation, the principle of equal opportunities between women and men is assumed.

The aforementioned principles are put into practice by the Segura Group through the implementation of a manual of measures aimed at guaranteeing equality in the Group in the various areas of action. The main measures adopted in each of these areas are as follows:

- **Selection, hiring, promotion and development:** the criteria and principle that guides the Group is the inclusion in the job offers of the express commitment to apply a principle of absolute equality of opportunities, avoiding sexist language and evaluating candidates with clear and objective criteria that are far from stereotypes and prejudices that could lead to a bias in the selection process.
- **Training and communication:** the group is governed by giving access to training to all of its employees without making any distinction on the basis of sex, as well as ensuring that employees are invited to attend courses in full respect of the principle of equal treatment and opportunities between women and men.
- **Conciliation:** the Group applies the measures and initiatives that are legally provided for in the area of conciliation of work and family life, as well as those other business practices that contribute to a more balanced distribution of family responsibilities and flexibility.
- **Remuneration and equality policy:** The Segura Group reviews the remuneration of its employees in order to guarantee that there are no wage differences when it comes to remunerating women and men for the same work or work of equal value.
- **Harassment:** The Segura Group expresses its deepest rejection of any undesired behavior of a sexual nature or connotation, as well as of any conduct constituting moral harassment in the workplace, committing itself to collaborate closely, effectively and in good faith, to prevent, detect, correct and sanction any type of conduct constituting sexual harassment, moral harassment or harassment for reasons of sex.

4.2. OUR EMPLOYEES

Equality

Respect for the dignity and privacy of individuals, the fight against all forms of discrimination, the promotion of effective equality between women and men, and the guarantee of health and safety and physical and moral integrity are fundamental rights of all Group employees.

The manual of measures aimed at guaranteeing equality in the Group is publicly available to all employees, although it will be extended through the implementation of an equality plan that will mean improvements with respect to the present situation, establishing the corresponding monitoring systems, with the aim of making progress in achieving real equality between men and women and, by extension, in society as a whole.

In order to carry out this purpose, workers will be legally represented, not only in the process of collective bargaining, as established by Organic Law 3/2007 for effective equality between women and men, but also in any process of development and evaluation of the aforementioned equality measures or equality plan.

During the financial years 2019 and 2018, **no relevant risks have been identified in the field of equality and human rights, nor have any complaints been received in relation to this.**

Accessibility

For Segura Group, **the integration of people with diverse abilities into the labour market is important both from a human rights and an economic perspective**, leading to equal opportunities and higher employment rates. The Segura Group works towards this integration, offering jobs and working hand in hand with special employment centres.

At 31 December 2019, Segura Group had 12 people with different abilities (14 people at the end of 2018). In this context, Segura Group supports the integration of people with disabilities into the labour market.

4.3. OUR CLIENTS

In the competitive automotive sector, collaboration with customers is a key success factor. **Segura Group puts all its efforts into achieving customer satisfaction** throughout the entire product development process, from the initial engineering concept, through the manufacturing process, complying with the required quality requirements and finishing with the fulfilment of the orders on time.

We provide service to any plant in the world, and for our main customers we have a team of resident engineers who work permanently in the customer's home, supporting the design, industrialisation and prototype tasks.

The **distribution of turnover by geographical markets** during the financial years 2019 and 2018 is as follows: national (41.2 MM euros in 2019 and 45.7 MM euros in 2018), EEC (113.2 MM euros in 2019 and 110 MM euros in 2018) and export (14.3 MM euros in 2019 and 13 MM euros in 2018).

During financial years 2019 and 2018, **amounts equal to or greater than 10% of net turnover** were invoiced **to 4 and 3 clients** respectively, with the amounts invoiced to the aforementioned clients being as follows: client 1 (29.5 MM euros in 2019 and 31 MM euros in 2018), client 2 (27.5 MM euros in 2019 and 13.5 MM euros in 2018), client 3 (25.7 MM euros in 2019 and 12.4 MM euros in 2018) and client 4 (20.5 MM euros in 2019).

Segura Group works for the main car manufacturers, with the following clients standing out among **our most relevant** one:



4.3. OUR CLIENTS

Quality Management System

In the highly competitive automobile sector, a **«partner» relationship with customers is a key success factor**. The quality policy and objectives of Segura Group are the clear intention of our Senior Manager to guide the organization and management of the Group according to a **management system that seeks to meet requirements and continuous improvement focused on customer satisfaction, the organization itself and third parties involved**.

The Quality Management System is based in four international standards that, combined, help the Group to achieve **best practice** in design, manufacture and supply of automobile products:

- ✓ **International Automotive Task Force (IATF 16949)**: Defines the fundamental quality management system requirements for automobile suppliers, providing continuous improvement, emphasizing defect prevention, providing specific requirements and tools for the automotive industry and reducing the variation and waste in the supply chain.
- ✓ **ISO 9001**: Focuses on customer satisfaction and the ability to provide products and services that meet both internal and external demands of the organization, without distinction of sector or activities.
- ✓ **ISO 14001**: Focuses on helping to manage and identify the environmental risks that may occur internally in society while carrying out its activity.
- ✓ **ISO 27001**: It is the standard that allows the risk assessment of information security management systems.

Customer Service

The Segura Group has an operational procedure on external non-conforming treatment in which a system is established for the reception, attention, approach and solution of claims and complaints that may be presented by customers.

The complaints or claims are considered as non-conformities detected by the client. From the study of them by the departments involved, and depending on their importance or reiteration, corrective actions can be originated. Periodically, within the process, the study of the incidents received, accepted and rejected by type will be carried out in order to determine trends in them and possible improvement actions.

During the financial years 2019 and 2018 from customers and admitted for processing by the Segura Group has not been significant in relation to the total volume of operations.

During the financial years 2019 and 2018, the Segura Group has not had any fines or penalties for non-compliance with regulations relating to aspects of consumer health and safety linked to its products.

4.3. OUR CLIENTS

Information Security Policy

As a response to a new technological environment where the convergence between computing and communications is facilitating a new productivity paradigm for companies, Segura Group is highly committed to maintaining a competitive service, where the development of good practices in information security is essential to achieve the objectives of confidentiality, integrity, availability and legality of all information managed.

Consequently, Segura Group, defines the following **application principles to be considered in the framework of the Information Security Management System (ISMS)**:

- **Confidentiality:** the information treated by Segura Group will be known exclusively by the authorized persons, previously identified, at the moment and by the enabled means.
- **Integrity:** the information treated by Segura Group will be complete, exact and valid, being its content the one facilitated by the affected ones without any type of manipulation.
- **Availability:** the information treated by Segura Group will be accesible and usable by the authorized and identified users at all times, being guaranteed its own persistence before any foreseen eventuality.
- **Legality:** Segura Group will guarantee the fulfillment of any legislation or contractual requirement that is applicable to it and, the regulations in force related to the treatment of personal data.

The Management Committee of Segura Group assumes the responsibility of supporting and promoting the establishment of the organizational, technical and control measures that are necessary for the fulfillment of the present policy of information security, as well as, of providing those resources that are necessary to solve with the major rapidity and efficiency possible, the nonconformities and incidents of safety of the information that could arise, and take the necessary measures in order that these do not happen again.

This policy will be maintained, updated and adapted to the organization's purposes, aligning it with the organization's risk management context. For this purpose, it shall be reviewed at planned intervals or whenever significant changes occur, in order to ensure that its suitability, adequacy and effectiveness are maintained.

Similarly, in order to manage the risks faced by the Segura Group, a formally defined risk assessment procedure is established.

4.3. OUR CLIENTS

Certificates and awards

**Q1 PREFERRED
QUALITY AWARD,
FORD MOTOR
COMPANY
1989**



**Award NOVA
Technology
1998**



**SEAT FORMEL
Q 1999**



**Nova Award to the
Best Company of
2003**



**Award for business
success in the
Valencian
Community 2008**



Introduction

Who we are

What we do

Stakeholders

4.3. OUR CLIENTS

Certificates and awards

**VOLVO VQE Cars
Quality Excellence
award
2012**



**World Excellence
Award Gold, FORD
MOTOR
COMPANY 2012**



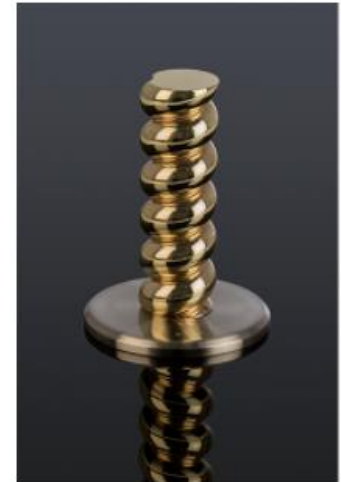
**World Excellence
Award Silver, FORD
MOTOR
COMPANY 2013**



**JAGUAR LAND
ROVER – JLR
QUALITY
AWARD 2014**



**FEMEVAL AWARD
for Business
Excellence 2015**



4.4. OUR SUPPLIERS

Segura Group believes that success in business is defined by well managed relationships with customers and suppliers. Managing relationships with suppliers is also includes the added value that human aspects of business can bring to operations, respecting the basic foundations of: the effective and open two-way communication, the mutual respect and willingness to consider the needs and opinions of the other party, the fairness in negotiating, building trust, so we can seek innovative ways to work and solve problems together, and flexibility to accommodate the needs of both parties.

Each of the elements that come into play in the Group is sought to achieve excellence in the final product, which is, after all, the presentation letter to its customers. These components are sought from the best suppliers, those who, in turn, provide the best of themselves to contribute to the sustainable and responsible growth of the Group.

The Group's **purchases to attend production needs** are carried out in two different ways: **according to the client needs**, in which the client indicates the price and the supplier from whom to buy the materials, and **open market purchases** in which at least three offers are requested, negotiated on a quantity basis and clearly presented as a business case. To avoid supply risks, Segura Group does business with more than one supplier, usually buying 60% of their needs from one and 40% from another.

The Group's **related purchases** with **productive aspects** are divided into **three main groups**:

- **Raw materials and components**: This is the biggest group of purchases. The Group buys raw materials on a yearly basis, fixing a price for the business year to avoid fluctuations. Regarding components, as there are less suppliers and the sizes of the pieces are smaller, the price is not fixed for the year, being negotiated according to needs.
- **Shaping tools, gauges and prototypes**: The tools bought to shape the pieces are separated into those made of steel, used in the final production of the pieces, and those more basic and rudimentary, used for initial prototype testing.
- **Outsourcing**: Subcontracts are focused on the external subprocesses of welding, paint and finishing.

In general, all the Group's **suppliers** of **raw materials, components and subcontracting** are European.

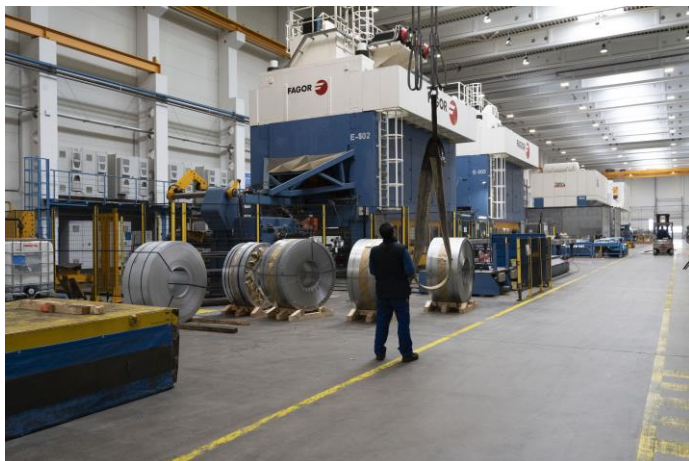
4.4. OUR SUPPLIERS

In Spain, although there is a good amount of foreign suppliers to attend production needs, most of the budget is spent with local suppliers. In Hungary, as there is a lack of suppliers and distribution centres, the Group negotiates with the closest ones in the region, especially in Romania and Slovakia. The economic value of the purchases made in Spain during the financial year 2019 amounted to 43 million euros (46 million euros in 2018).

The **purchase criteria** of Segura Group is based, **in addition to the price, the effectiveness of delivery and the measurement of pieces, on the concern of the suppliers in relation to social and environmental criteria**. Additionally, the Group has established a purchasing policy that defines the general conditions of purchase and contracting.

Within the Group's model, **the homologation of new suppliers and the continuous review of their quality is part of the control and audit processes carried out by the Segura Group**.

In this context, **at the Segura Group we demand from our suppliers the same standards that characterize us as an organization**.



4.5. STRENGTHENING SOCIETY

Society

For the Segura Group, sustainability is understood **as permanence in time**, and that to achieve it, it is necessary to respond to the expectations that society and the people around them have of the Group. For this reason, **the Group pursues economic, environmental and social objectives in equal measure**.

The Group is committed to ensuring that the activities it carries out have positive repercussions on the society in which it operates, establishing a good relationship with the environment through various active initiatives in the constant search for these currently important goals.

The Segura Group is committed to everything that is involved in being socially responsible. **The activity is developed in an environment that must be respected, in a society to which a good part of what is given every day must be returned, and in a state to which one must contribute with taxes and contributions.**

In this context, as an organization in continuous growth with the possibility of impacting lives positively, the Group is aware of social responsibility. Among other actions, Segura Group has been working to align the core business with philanthropic campaigns for the benefit of those in need.

The Segura Group maintains ongoing relationships with local community stakeholders due to its strong commitment **to actively support the local community where its facilities are located. In this sense, the plant managers are local staff and in Spain, most of the suppliers are local.**

The Group attends annual job fairs in order to establish a relationship with the labor market and with potential candidates in search of employment and training opportunities, maintaining collaboration agreements with various institutions.

Periodically, as part of the diversity and approach to Hungarian culture program promoted by the management in different forums, the importance of its Hungarian plant in Szolnok for the Segura Group has been mentioned, and how this has been the first impulse to the internationalization of the Group.



4.5. STRENGTHENING SOCIETY

Partnership and sponsorship

Segura Group **participates and collaborates with the community by promoting sports, cultural and supportive activities**. Additionally, the Group encourages social contribution through collaboration initiatives with non-profit groups or entities with a commitment to assess the potential impacts and inherent risks in the activity that may affect society.

In these actions, it is worth mentioning that every year the employees participate in the **10k solidarity event organized by Ford Almussafes, Appi (Association of Parks and Zones of Almussafes) and the Almussafes City Council "Stay breathless for Pulmonary Hypertension and stxbp1 syndrome"**, with the Group **paying for the inscription and a commemorative technical t-shirt for the participants**.

The associations and entities in which the Group participates could be highlighted, among others:

- AVE (Valencian Association of Entrepreneurs)
- AVIA (Automotive Cluster of the Valencian Community)
- FEMEVAL (Federation of metal companies of the Valencian Community)
- FVEA (Valencian Foundation of Advanced Studies)
- AVI (Valencian Agency of Innovation)
- Chair of management and business culture of the Social Council of the University Politécnica of Valencia
- Board of Trustees of the King Jaime I Awards
- Chair of corporate culture of the University of Valencia

The amount of the donations made by the Segura Group during the financial year 2019 was twenty-seven thousand euros (a similar amount during the financial year 2018).



4.5. STRENGTHENING SOCIETY



Tax contribution

The fundamental objective of the Group's tax strategy is **to ensure compliance with tax regulations and all tax obligations in each of the jurisdictions in which it operates**, all within the framework of respect for the corporate principles of integrity, transparency and achievement of social interest. In this sense, the Segura Group is committed to maintaining a relationship of cooperation with the different public administrations

Committing to the responsible payment of taxes and respecting in all cases the local tax regulations in each of the countries where the Segura Group carries out its activity, **the principles that govern the Group's tax strategy and the good practices that derive from them, are the following:**

- ✓ Adoption of the necessary measures to guarantee the reduction of significant fiscal risks and the prevention of the behaviors susceptible to generate them, by setting a policy of supervision, monitoring and control of the tax activity.
- ✓ Implementation of effective information systems and internal control of fiscal risks, contemplating measures to mitigate them and establishing internal rules of corporate governance in this area.
- ✓ Relationship with the tax administrations based on the principles of good faith, collaboration and transparency
- ✓ Information to the Group's administrative body on the tax policies applied and the tax consequences of the operations or matters to be submitted for its approval when these constitute a relevant factor.
- ✓ Adoption of decisions in tax matters based on a reasonable interpretation of the rules, under the principles of prudence and responsibility and avoiding possible conflicts of interpretation through the use of instruments established for that purpose by tax authorities.

After-tax results (thousands of euros)

| Financial year | 2019 | 2018 |
|--|--------------|----------------|
|  Spain | 4.594 | 1.136 |
|  Hungary | (2.253) | (3.786) |
| Other countries | (59) | (60) |
| Total | 2.282 | (2.710) |

Taxes on benefits paid (thousands of euros)

| Financial year | 2019 | 2018 |
|--|-------|-------|
|  Spain | 1.213 | 1.276 |

4.5. STRENGTHENING SOCIETY

Subsidies and deductions

The Group's most significant subsidies on 31 December 2019 associated with the financing of productive investments and the hiring and training of personnel came from the Hungarian Government. On 31 December 2019, the amount pending transfer to income at that date totals Euros 4,370 thousand (Euros 3,319 thousand in 2018), having received during 2019 an amount of 1,364 thousand euros (435 thousand euros in 2018) and transferred to income an amount of 315 thousand euros (317 thousand euros in 2018).

In addition, during 2019 the Group has taken **tax deductions** amounting to 323 thousand euros (408 thousand euros in 2018), with a total of 322 thousand euros pending application on 31 December 2019 (391 thousand euros in 2018).



GRI INDICATORS

I. BASIC GENERAL CONTENTS

1. Organization's profile

102-1 Organization Name | Segura Group

102-2 Activities, brands, products and services | Pages 7, 8, 12, 19 and 20

102-3 Location of Headquarters | Pages 8 and 12

102-4 Location of Operations | Pages 8 y 12

102-5 Property and legal form | Balpa Sistemas de Gestión Empresarial, S.L.

102-6 Markets served | Pages 8, 12 and 40

102-7 Organization Size | Pages 12 and 17

102-8 Employee Information | Pages 17 and 30-39

102-9 Supply Chain | Pages 45 and 46

102-10 Organizational and Supply Chain Changes | Pages 45 and 46

102-11 Precautionary or approach principle | As far as the principle of precaution is concerned, it is not appropriate for the Segura Group to address this principle, as the activities it carries out do not generate impacts that could lead to serious or irreversible damage to the environment.

102-12 External initiatives | Page 47

102-13 Association Membership | Page 48

2. Strategy

102-14 Statement from Senior Executives | Page 5

102-15 Major Impacts, Risks and Opportunities | Pages 5 and 16

3. Ethics and integrity

102-16 Values, Principles, Standards and Codes of Conduct | Pages 13-15

102-17 Advisory Mechanisms and Ethical Concerns | Pages 13-15

4. Governance

102-18 Governance Structure | Page 11

102-19 Delegation of authority | Page 11

102-20 Executive-level responsibility for economic, environmental and social issues | Page 11

102-21 Stakeholder consultation on economic, environmental and social issues | Page 27

102-22 Composition of the highest governing body and its committees | Page 11

102-23 President of the highest governing body | Page 5

102-24 Nomination and selection of the highest governing body | Page 11

102-25 Conflicts of Interest | Pages 11, 13 and 14

102-26 Role of the highest governance body in the selection of purposes, values and strategy | Pages 9, 10 and 11



GRI INDICATORS

I. BASIC GENERAL CONTENTS

4. Governance (continuation)

102-27 Collective knowledge of the highest governing body | The highest governing body has specific training actions that allow them to develop and enhance their knowledge.

102-28 Evaluation of the performance of the supreme governing body : No evaluation of the performance of the supreme governing body is carried out.

102-29 Identification and management of economic, environmental and social impacts | Pages 11, 27 and 28

102-30 Effectiveness of risk management processes | Page 16

102-31 Evaluation of economic, environmental and social issues | Page 11, 27 and 28

102-32 Role of the highest governance body in sustainability reporting | Final review and approval

102-33 Communication of critical concerns | Page 16

102-34 Nature and total number of critical concerns | Page 16

102-35 Remuneration Policies | Page 34

102-36 Process for Determining Remuneration | Analysis of Market Positioning by External Company

102-37 Stakeholder Involvement in Compensation | Information not available

102-38 Total annual compensation ratio | Information not available.

102-39 Ratio of percentage increase in total annual compensation | Information not available.

5. Stakeholder engagement

102-40 List of stakeholders | Page 27

102-41 Collective Bargaining Agreements | Pages 33 and 34

102-42 Identifying and Selecting Stakeholders | Page 27

102-43 Approach to Stakeholder Engagement | Pages 27 and 28

102-44 Key Issues and Concerns Mentioned | Page 27 and 28

6. Reporting practices

102-45 Entities included in the consolidated financial statements | Page 12

102-46 Definition of the contents of the reports and coverage of the topic | The content of this report has been defined based on the principles set out by the GRI (Inclusion of stakeholders, context of sustainability, materiality and completeness).

102-47 List of material issues | Page 28

102-48 Re-expression of information | Not applicable

102-49 Changes in reporting | Not applicable

102-50 Reporting period | 2019 and 2018

102-51 Date of last report | 2017 and 2016

102-52 Reporting Cycle | Biannual

102-53 Point of contact for questions about the report | rrhh@fsegura.com

102-54 Statement on the preparation of the report in accordance with GRI standards | This report has been prepared with the essential option of the GRI standards.

102-55 GRI Table of Contents | Pages 51 onwards

102-56 External verification | Not performed



GRI INDICATORS

II. TEMATHIC CONTENTS

ECONOMICS

201. Economic Performance

201-01 Direct economic value generated and distributed | Page 49

201-02 Financial Implications and Other Risks and Opportunities of Climate Change | Pages 22-25

201-03 Obligations of the defined benefit plan and other retirement plans | Not applicable

201-04 Financial assistance received from the government | Page 50

202. Market presence

202-01 Ratio of standard entry level wage by sex to local minimum wage | 1.44 and 1.01 in Spain and Hungary, respectively (2019) and 1.75 and 1.08 in Spain and Hungary, respectively (2018)

202-02 Proportion of senior executives hired from the local community | Page 47

203. Indirect economic impacts

203-01 Investments in infrastructure and supported services | Information not available

203-02 Significant indirect economic impacts | Information not available

204. Procurement Practices

204-01 Proportion of spending on local providers | Page 45-46

205. Anti-Corruption

205-01 Operations evaluated for corruption-related risks | Page 13

205-02 Communication and training on anti-corruption policies and procedures | Pages 13 to 15

205-03 Confirmed cases of corruption and measures taken | Page 13

206. Unfair competition

206-01 Legal actions related to unfair competition, monopolistic practices and against free competition | There are no files in progress in this regard.

ENVIRONMENTAL

301. Materials

301-01 Materials used by weight or volume | Page 24

301-02 Recycled inputs used | Page 24

301-03 Reused products | Page 24

302. Energy

302-01 Energy consumption within the organization | Page 23

302-02 Energy consumption outside the organization | Information not available

302-03 Energy intensity | Response in 305-4

302-04 Reduction of energy consumption | Page 23

302-05 Reduction of energy requirements of products and services | Page 23



GRI INDICATORS

II. TEMATHIC CONTENTS

ENVIRONMENTAL (continuation)

303. Water

303-01 Water extraction by source | Page 24

303-02 Water sources significantly affected by water withdrawal | Page 24

303-03 Recycled and reused water | Page 24

304. Biodiversity

304-01 Owned, leased or managed operations centres located within or adjacent to protected areas or high value zones for biodiversity outside protected areas | Segura Group does not have any operation centre located within or next to protected areas or areas of great value for biodiversity.

304-02 Significant impacts of activities, products and services on biodiversity | Not applicable

304-03 Protected or restored habitats | Not applicable

304-04 Species on the IUCN Red List and national conservation listings whose habitats are located in affected by operations | Not applicable.

305. Emissions

305-01 Direct GHG emissions (scope 1) | Page 23 (1,144 and 1,340 tons CO2 in 2019 and 2018, respectively)

305-02 Indirect GHG emissions from power generation (scope 2) | Page 23 (4,210 and 4,126 tons CO2 in 2019 and 2018, respectively)

305-03 Other indirect GHG emissions (Scope 3) | Information not available

305-04 Intensity of GHG emissions | Pages 22 and 23

305-05 GHG emission reduction : See 305-04

305-06 Emissions of ozone-depleting substances (ODS) | Information not available

305-07 Nitrogen oxides (NOX), sulphur oxides (SOX) and other significant air emissions | Information not available.

306. Effluents and Waste

306-01 Water discharge according to its quality and destination | Page 25

306-02 Waste by type and disposal method | Page 25

306-03 Significant spills | Not applicable.

306-04 Transportation of hazardous waste | Not applicable.

306-05 Water bodies affected by water spills and/or runoff | Not applicable.

307. Environmental compliance

307-01 Non-compliance with environmental legislation and regulations | No files have been received in this regard.

308. Environmental evaluation of suppliers

308-01 Suppliers that have passed evaluation and selection filters according to environmental criteria | Pages 45 and 46

308-02 Negative environmental impacts on the supply chain and measures taken | Information not available.



GRI INDICATORS

II. TEMATHIC CONTENTS

SOCIAL

401. Employment

401-01 Employees, New Hires, and Staff Turnover | Pages 30, 31 and 32

401-02 Benefits for full-time employees not given to part-time or temporary employees | Page 34

401-03 Parental leave | During the 2019 financial year, all Group employees who were able to take parental leave were 24 men and 14 women (18 men and 7 women in the 2018 financial year).

402. Worker-company relations

402-01 Minimum notice periods on operational changes | As established by current legislation.

403. Health and safety at work

403-01 Worker representation in formal worker-company health and safety committees | 100% of the workers are represented by the Health and Safety Committee which is governed by the provisions of Articles 38 and 39 of Law 31/1995 on the Prevention of Occupational Risks.

403-02 Types of accidents and accident frequency rates, occupational diseases, lost days, absenteeism and number of deaths for accidents at work | Page 36

403-03 Workers with high incidence or high risk of activity related diseases | None

403-04 Health and safety issues dealt with in formal agreements with trade unions | Within the health and safety committee, 100% of the issues relating to the prevention of occupational risks are dealt with, and agreements are reached in this area.

404. Training and education

404-01 Training hours per year per employee | Page 37

404-02 Employee skill improvement and transition assistance programs | Page 37

404-03 Percentage of employees receiving periodic performance and career development reviews | Information not available.

405. Diversity and Equal Opportunity

405-01 Diversity in governing bodies and employees | Pages 11 and 31

405-02 Ratio of basic salary and remuneration of women to men | Page 34

406. Non-Discrimination

406-01 Cases of discrimination and corrective actions taken | Not recorded. Page 39

407. Freedom of association and collective bargaining

407-01 Operations and suppliers whose right to freedom of association and collective bargaining may be at risk | Segura Group supports the right to freedom of association and the recognition of the right to collective bargaining | Page 39

408. Child labour

408-01 Operations and suppliers with significant risk of child labour cases | Not applicable

409. Forced or compulsory labour

409-01 Operations and suppliers with significant risk of cases of forced or compulsory labour | Not applicable

410. Safety practices

410-01 Security personnel trained in human rights policies or procedures | Not applicable

411. Rights of Indigenous People

411-01 Cases of violations of the rights of indigenous people | Not applicable



GRI INDICATORS

II. TEMATHIC CONTENTS

SOCIAL (continuation)

412. Human rights assessment

412-01 Operations subject to reviews or human rights impact assessments | Not conducted

412-02 Employee training on human rights policies or procedures | Pages 13 and 14

412-03 Significant investment agreements and contracts with human rights clauses or subject to human rights assessment | have not been realized.

413. Local communities

413-01 Operations with Local Community Participation, Impact Assessments, and Development Programs | Pages 47 and 48

413-02 Operations with significant negative impacts - actual or potential - on local communities | Pages 47 and 48

414. Social evaluation of suppliers

414-01 New providers that have passed selection filters according to social criteria | No providers have been evaluated during the period based on social criteria.

414-02 Negative social impacts on the supply chain and measures taken | Not applicable.

415. Public policies

415-01 Contribution to political parties and/or representatives | Segura Group has not made any contribution in this regard.

416. Customer Health and Safety

416-01 Evaluation of health and safety impacts of product or service categories | No impacts.

416-02 Cases of non-compliance regarding the health and safety impacts of product and service categories | No files have been received.

417. Marketing and labelling

417-01 Requirements for information and labelling of products and services | No impacts

417-02 Cases of non-compliance related to the information and labelling of products and services | No files have been received in this sense.

417-03 Cases of non-compliance related to marketing communications | No files have been received in this regard.

418. Customer Privacy

418-01 Substantiated complaints regarding violations of customer privacy and loss of customer data | Not received claims in this regard. Page 42

419. Socioeconomic compliance

419-01 Non-compliance with laws and regulations in the social and economic fields | No significant non-compliance in either economic or social matters



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