



SEAT S.A.

Annual Report 2020

2020 REASONS
TO BELIEVE

BETTER,
BOLD
BRIGHTER

2020 REASONS
TO BELIEVE

BETTER, BOLDER, BRIGHTER

ONE COMPANY TWO BRANDS



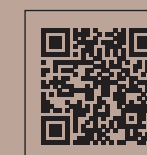
SEAT S.A.



Augmented reality

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Download the SEAT Report AR app



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WELCOME
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SEAT: Live bolder, live better

No one is born to stay still. We are born to live, to move, to seek. We all have a path. We want to accompany you on yours.

SEAT MÓ: the future of mobility

CUPRA: Be the impulse!

Some unique deserts or landscapes, racetracks or races are only accessible to those who want to live differently, in CUPRA mode.

Complementary Non-financial Information

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WELCOME TO SEAT, WELCOME TO CASA SEAT

Exploring the future

CASA SEAT opened its doors in 2020 with the intention of becoming an innovative and multidisciplinary space to contribute to redesigning mobility, to promote urban culture and to offer citizens a collaborative meeting point to stimulate conversations and address the mobility and sustainability challenges of the future.



URBAN MOBILITY HUB AND BRAND EXPERIENCE CENTRE

Located in the heart of Barcelona, at the emblematic confluence between Paseo de Gracia and Avenida Diagonal, CASA SEAT is a tribute to the city that saw the company emerge seven decades ago. It aspires to become an urban mobility hub with space for the dissemination of ideas, debates and meetings on topics of common interest.

In addition, CASA SEAT serves as an open and innovative brand experience centre where visitors can interact with SEAT, CUPRA and SEAT MÓ and discover the company's main projects and initiatives in the spheres of mobility and micromobility.

The building also has a dining area, as well as a work space and an auditorium for hosting innovative meetings, exhibitions and projects.

The CASA SEAT space is intended to foster the exchange of ideas, reflection, analysis, innovation and the invigoration of culture with an outlook focused on the future.

WELCOME TO CASA SEAT

The inauguration of CASA SEAT, originally scheduled for 23 April, which marks St. George's Day (*Sant Jordi*, as it is known in Catalonia) and one of the most important dates in the cultural life of Barcelona, was postponed due to the state of emergency and the measures introduced by the Spanish government due to the COVID-19 health crisis.

Despite this, CASA SEAT remained faithful to its commitment to offer citizens innovative and relevant proposals, and transformed the activities scheduled in the calendar into digital events and experiences.

The first such initiative took place on 23 April, coinciding with the launch of the website www.casa.seat and the celebration of *Sant Jordi* in Catalonia. Citizens had the opportunity to use the website to personalise and send a virtual rose designed exclusively by Conrad Roset, accompanied by one of six available poems by some of the most important authors of world literature, all free of charge.

John Moavenzadeh, executive director of Urban Mobility at the Massachusetts Institute of Technology (MIT), was given the task of launching the digital events calendar on 30 April with an open talk on the impact of the COVID-19 pandemic on the future of global mobility. Both this and the rest of the digital activities could be followed through the CASA SEAT website and are available on the SEAT Spain (SEAT España) YouTube channel.



Online premiere

On 4 June, CASA SEAT opened its doors to Barcelona and the world through a virtual presentation broadcast from the building itself.

The presentation was led by the journalist Ainhoa Arbizu, who revealed the main spaces that make up CASA SEAT, with the participation of company executives, Barcelona Football Club goalkeeper Marc ter Stegen and the interior designer Lázaro Rosa-Violán.



Institutional inauguration and presentation of SEAT MÓ

The institutional inauguration of CASA SEAT took place on 16 June and was attended by leading authorities and business leaders from the Spanish and Catalan economies.

The company took the opportunity to announce the creation of SEAT MÓ, its new urban mobility brand focused on micromobility products and services.

SEAT MÓ, which has its operations centre at CASA SEAT, has been established with the intention of developing new urban mobility solutions in Barcelona, with a view to them later being exported and made accessible around the world.



Public opening

After months of virtual activities, CASA SEAT opened its doors to the public on 19 June with a schedule packed with exclusive artistic performances.

The first visitors had the opportunity to discover the new creation Gizaki by the dancers Lali Ayguadé and Akira Yoshida, to attend a live creation of a dance piece by Sara Colomino, and to enjoy music through an intimate

performance by the singer Cesc, a live performance by the saxophonist Alex Lebron and a recital by the pianist Laura Andrés.

In addition, they were able to witness the artist Julián Lorenzo's creative process with a live painting, as well as being the first people to contemplate the piece created especially for CASA SEAT by the urban artist TV Boy, on permanent exhibition on level 1.



Space for communication with the media and institutions

CASA SEAT has been established as the company's new headquarters in Barcelona and a place for imagining, generating ideas and responding to the mobility challenges of the future, but it is also a place for communicating with the media and institutions.

In this regard, on 23 September a statement was issued from CASA SEAT announcing the appointment of Wayne Griffiths as the company's new chairman as of 1 October 2020. The announcement was made by the chairman of the SEAT Board of Directors and chairman of the Volkswagen Group Executive Committee, Dr. Herbert Diess, and also included the appointment of Herbert Steiner as the new vice-president of Production and Logistics from 1 November.

23 April

Scheduled inauguration date, postponed due to the COVID-19 pandemic. Launch of the website and first digital action: "Send a virtual rose"

30 April

Start of the virtual events calendar

4 June

Virtual opening

16 June

Institutional presentation

19 June

Public opening and first in-person activities open to the public



THE AREAS OF CASA SEAT

Level 2

- Corporate area
- Concept Lab

Level 1

- Brand experience centre with exhibitions of the latest products from SEAT, CUPRA and SEAT MÓ.

Level 0

- Lobby
- Networking area
- Ametller Origen Mercat d'Autors café-restaurant
- Pop-Up Gallery

Level -1

- Auditorium

A flagship of SEAT's digitalisation

In 2020, CASA SEAT invested in digitalisation by installing innovative technology tools that offer customers and fans a unique experience. They included:

- **Retail Car Configurator.** Located on level 1, this is a large-screen configurator that allows customers to configure their own car with a 360° view, both inside and outside the vehicle. With this tool, customers can learn all about the SEAT and CUPRA product range through a digital experience.
- **Touch screen.** Also on level 1, the digital and connectivity environments can be explored through two touch screens, providing access to content from various disruptive initiatives by the SEAT brand.
- **Interactive display.** Located at the building's entrance, it displays real-time data on meteorology, mobility and culture in Barcelona.

onde
ciudad
mueve

Where the
city moves

Level 0

Meeting point and future of mobility

Level 0, located at street level, is where visitors are welcomed to CASA SEAT. It is an open, warm and welcoming space with Wi-Fi service where visitors can meet to chat in the sofa area, work or even develop new projects in the networking area in collaboration with young and emerging companies. Visitors also have the possibility to enjoy the gastronomy on offer at the café-restaurant managed by the food group Ametller Origen.

The Ametller Origen Mercat d'Autors café-restaurant offers a complete menu of dishes designed by some of Barcelona's most famous chefs and based on seasonal produce. The culinary offer includes the Japanese recipes

of Hideki Matsuhisa, the Chinese cuisine of Josep Maria Kao, the traditional style of Nandu Jubany and the Italian heritage of the brothers Max and Stefano Colombo. The menu also includes the sweet creations of Patricia Schmidt and Christian Escribà, the traditional recipes of Carles Gaig, as well as Jordi Morera's organic bakery.

This level also has an area dedicated to the exhibition of the company's concept cars, on public display for the first time, such as the new 100% electric CUPRA Tavascan Concept car and the SEAT Minimó Concept car, as well as an area reserved for urban micromobility and the products of SEAT MÓ.

Level -1

The place where the city moves

Level -1 plays host to CASA SEAT's calendar of events, integrating it into the city's cultural, artistic and business ecosystem.

The auditorium hosts debates, talks, presentations, concerts, performances and other cultural expressions that symbolise the intersection between culture and mobility through co-creation and participation.



Download the app
using the QR code
on page 3 to view
the content.

Level 1

Brand experience centre

Level 1 is home to an innovative experience centre, a hybrid space that combines face-to-face and digital capabilities where visitors can get a closer look at SEAT's main models or configure their very own vehicle.

CUPRA fans also have a dedicated area, in the CUPRA Garage, reserved for the brand's own latest developments. This includes new models, such as the CUPRA Formentor, the first 100% CUPRA model manufactured at the Martorell facilities, and other developments such as the lifestyle collaborations which the brand undertakes with some of its partners, such as Barcelona Football Club.

In addition, in the area dedicated to urban mobility, visitors and fans can get a first-hand look at the products of SEAT MÓ and the company's range of electric vehicles.



A space for sharing...

Carlos Ferrater and his studio Office of Architecture in Barcelona (OAB) have been in charge of redesigning the building that houses CASA SEAT and transforming it into an open, unique and friendly meeting place. The space provides a window display of the city thanks to its emblematic location, where, by dividing the building into two separate sections, a passage is formed from the Paseo de Gracia to the Pompeia church.

The project by Ferrater understands CASA SEAT as a focal point in Barcelona and, therefore, has chosen to create a rounded and continuous façade with bronze-coloured, screen-printed, curvilinear windows that are unique in the world and destined to become a visual icon of the city. The design also reinforces the building's transparency, making its cultural nature and the activities that go on inside it clearly visible to passers-by, further enhancing its accessible nature.

In short, CASA SEAT stands as a contemporary reinterpretation of the buildings that are characteristic of Barcelona's Eixample district. It is a place that celebrates the history of urban planning in Barcelona, while at the same time projecting it into the future.



Level 2

Design and innovation

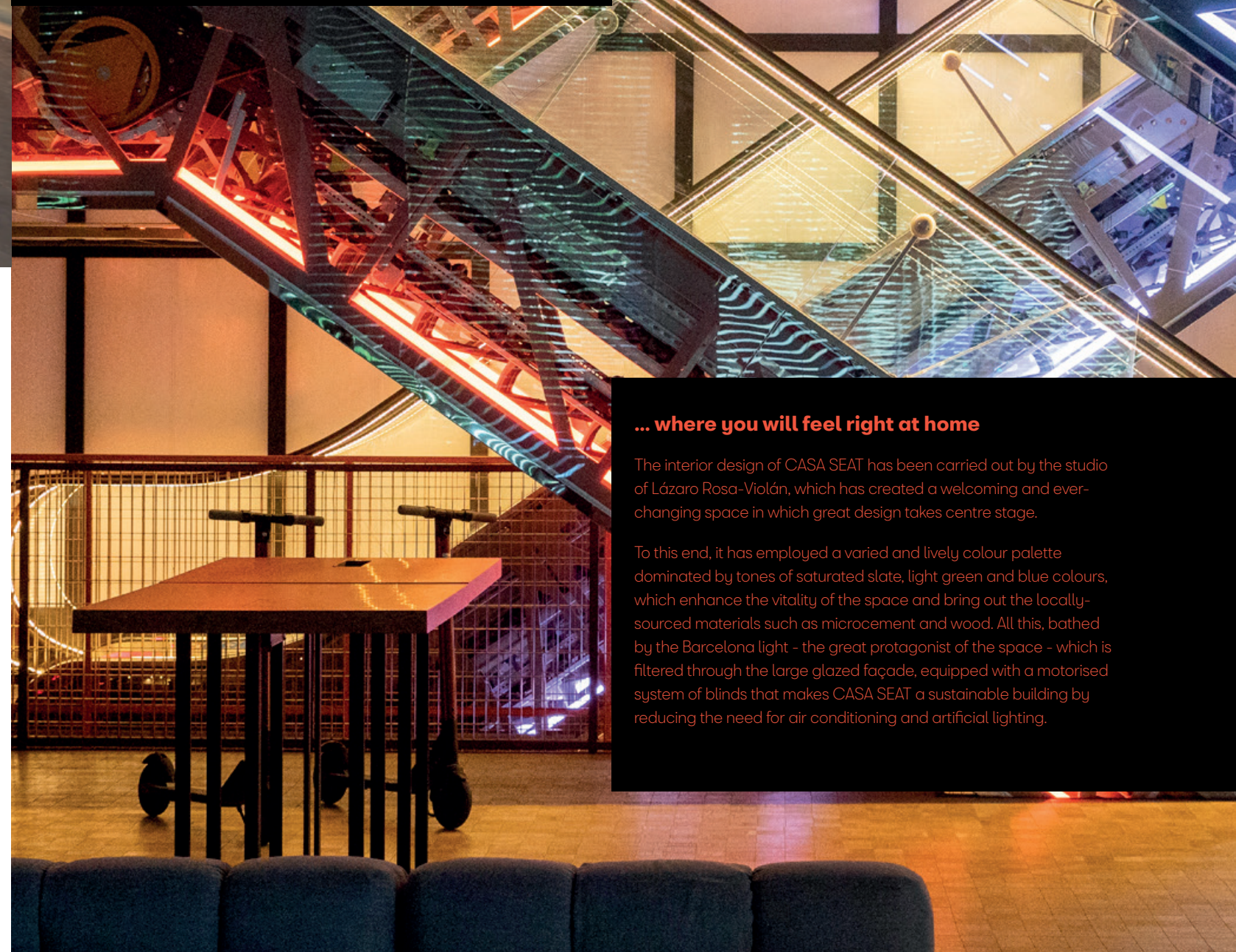
Level 2 houses the company's work space in the heart of Barcelona. This is a corporate area that is home to CASA SEAT's best kept secret, the Concept Lab. Here, work is performed on the early stages of new models and the company's future proposals, inspired by the light and the vibrant lifestyle of the city.



... where you will feel right at home

The interior design of CASA SEAT has been carried out by the studio of Lázaro Rosa-Violán, which has created a welcoming and ever-changing space in which great design takes centre stage.

To this end, it has employed a varied and lively colour palette dominated by tones of saturated slate, light green and blue colours, which enhance the vitality of the space and bring out the locally-sourced materials such as microcement and wood. All this, bathed by the Barcelona light - the great protagonist of the space - which is filtered through the large glazed façade, equipped with a motorised system of blinds that makes CASA SEAT a sustainable building by reducing the need for air conditioning and artificial lighting.



A HIGHLY DIVERSE CULTURAL AGENDA

To promote the gathering and exchange of ideas, in 2020 CASA SEAT offered a programme of activities that included talks, workshops and various cultural events on a wide variety of themes and topics.

 Art	 Urban culture	 Innovation
 Architecture	 Sport	 Mobility
 Audio-visual	 Economy	 Music
 Automotive	 Education	 Networking
 Citizenship	 Business	 Health
 Communication and marketing	 Feminism	 Sustainability and the environment
 Corporate	 Future	 Technology and security
 Culture	 Gastronomy	

April-June

New mobility and socio-cultural future

23 April - You are Sant Jordi



Send a virtual rose

On the occasion of St. George's Day (Sant Jordi), citizens were offered the possibility to personalise and send a virtual rose, designed exclusively by the illustrator Conrad Roset, through the website free of charge.



30 April



The future of mobility

Launch of a series of virtual conferences with an open talk given by John Moavenzadeh, executive director of urban mobility at the Massachusetts Institute of Technology (MIT), on the impact of the COVID-19 pandemic on the future of global mobility.

5 May



Entrepreneurs: Re-think

Talk that included advice from private investors, venture builders and entrepreneurs on how to tackle the challenge of launching a new company in the context of the pandemic.



7 May



Restarting

Five journalists from the automotive industry discussed the current situation and challenges facing the automotive sector.

12 May



Architecture in cinema

Debate on culture and the creation of unique spaces for citizens with the film director Isabel Coixet and the architect Carlos Ferrater.

4 June



Virtual opening

CASA SEAT virtually opened its doors to the world in an event involving company leaders and brand ambassadors who unveiled the space's key areas.

9 June



Feeling right at home

Conversation between the interior designers Lázaro Rosa-Violán and Santiago Inat on the inspiration behind the main spaces and details of CASA SEAT.



10 June



The driver of the recovery

Presentation of the initial results from the Auto Mobility Trends study, and meeting between Raül Blanco, general secretary for Industry and Small and Medium Enterprises of the Spanish government, and mobility experts to discuss the automotive sector and its role in the economic recovery.

15 June



Other possible futures

Debate about the post-COVID-19 world and how the new normal could affect mobility and generate a new socio-cultural scenario.

16 June



Institutional inauguration

CASA SEAT was inaugurated in an event attended by public representatives from the major institutions. SEAT MÓ was also presented during the event.



18 June



Ametller Origen cooking demonstrations I, II and III

Three gastronomic events led by the chefs from the Ametller Origen Mercat d'Autors café-restaurant: Josep Mª Kao and Max Colombo with their examples of Chinese and Italian cuisine; Christian Escribà and Patricia Schmidt, a husband-wife partnership that has prepared some of the best pastries in the world; and the chefs Nandu Jubany and Hideki Matsuhisa.



The new mobility

Rosa Alarcón, mobility councillor at Barcelona City Council, and Octavi de la Varga, general secretary of the World Association of the Major Metropolises, discussed the political, social and business challenges facing Barcelona in the field of mobility.

19-20 June



Open days

CASA SEAT opened its doors to the city with performances by the dancers Lali Ayguadé, Akira Yoshida and Sara Colomina; the musicians Alex Lebron, Cesc and Laura Andrés; and the artists Julián Lorenzo and TV Boy. Visitors also had the opportunity to discover the new SEAT MÓ eScooter 125 electric moped, as well as the latest releases from SEAT and CUPRA.



25 June



TEDxBARCELONA Salon: Coronavirusmakers

TEDxBARCELONA conference, sponsored by SEAT and led by Álvaro Jansá Mas, FabManager at FabLab Sant Cugat, focused on the success story of the Coronavirusmakers platform.

26 June



Liceu Vermut: Andrea Motis and Ignasi Terraza

Concert by Andrea Motis and Ignasi Terraza, prominent artists from the Catalan jazz scene, organised in collaboration with the Gran Teatre del Liceu as part of the Liceu Vermut project.



29 June



Sotto le stelle in piazza grande

Cultural and charitable event aimed at creating a virtual bridge between Italian and Spanish Mediterranean cities.

July

Mobility and creativity

1 July



Infrastructure and mobility

Session organised by the Cercle d'Economia as part of the series of conferences "Infrastructure and mobility for a 21st-century Barcelona", including a round table discussion on the future of infrastructure and mobility.

2 July



Secrets of big brands

In-person gathering on the topic of adapting to change, reinvention and how the COVID-19 pandemic has affected communication campaigns and new consumption habits.

9 July



Tourism and sustainable mobility

Debate on the challenges faced by passenger transport companies and tourism business models.

11 July



Liceu Vermut: Francesco Tristano

Second concert of the Liceu Vermut series, organised in collaboration with the Gran Teatre del Liceu. The pianist Francesco Tristano performed a personal interpretation of classical operatic pieces.

16 July



Learning from failures

A meeting in which a group of entrepreneurs shared their most fateful experiences on the path to success.

21 July



Caring for the planet

Cristina Manzano, a journalist and founder of the portal esglobal.org, and Dr. Mampela Ramphela, co-president of the Club de Roma, attempted to answer the question of how the COVID-19 pandemic has affected the planet.



22 July



Micromobility of the future

Debate about the evolution of transport habits in the city of Barcelona and what the various micromobility solutions have to offer.

23 July



Remembering Amy Winehouse

Concert with versions of Amy Winehouse songs and others by Robin Banerjee, the singer's original guitarist, who presented his latest project.



August
Homage to Federico García Lorca

CASA SEAT paid homage to Federico García Lorca through a series of transmedia experiences inspired by the poet and his work.

24 July - 5 September



Lorca Library

The CASA SEAT pop-up gallery was turned into a space inspired by the La Barraca touring theatre. A Lorca Library was created in which more than 500 copies of the plays performed at the "Recreativos Federico" (Federico Recreation) installation were made available to the public.



Sweet Lorca

The menu at CASA SEAT's Ametller Origen Mercat d'Autors café-restaurant included a sweet creation by the famous Christian Escribà, inspired by the poem "August" by the great poet from the city of Granada.



3 August



Reinterpreting Lorca

CASA SEAT's Instagram profile became a virtual art gallery displaying works by famous illustrators who reinterpreted the Lorca world from their own point of view and using their own artistic style. The illustrations were also displayed on the three floors of the building that are open to the public.

18 August



Dramatised reading

The tribute to Lorca included a dramatised reading by the actress Clara Segura of an extract from *Blood Wedding*.

25 August



Federico Recreation exhibition

Inauguration of the "exodrama" installation created by the artist Àlex Peña and inspired by Federico García Lorca. Through recreational games machines with names inspired by the poet's work, spectators were plunged into the author's dramatic works and time in a playful and interactive experience.



Federico en CASA

A podcast starring Laura García Lorca, the poet's niece, and Pepa Gamboa, stage director, in which each chapter is related to one of the games machines of the "Recreativos Federico" installation, providing a new perspective on the works. Available on Spotify and iVoox.



27 and 29 August



Cultural routes I and II

Guided cultural route that allowed attendees to learn about the history of Barcelona and mobility in the city through an analysis of two urban planning models employed in the 19th century: the Vila de Gràcia and the Cerdà Plan.

September
Sustainability, music and culture

1 September



Cultural route III

Third edition of the cultural route around Barcelona.

4 September



#LISTENINGROOM: Ferran Palau

Ferran Palau launched the new series of music events "#LISTENINGROOM", which recovers the lost custom of meeting with friends to listen to a record together.

5 September



Cultural route IV

Fourth edition of the cultural route around Barcelona.



Liceu Vermut: Marco Mezquida

Final event of the Liceu Vermut series, organised in collaboration with the Gran Teatre del Liceu, in which Marco Mezquida gave an intimate concert performing versions of classical operatic pieces.



10 September - 2 October



"Prelude to the Biennial"

Until 2 October, CASA SEAT hosted the exhibition "Prelude to the Barcelona Biennial", offering works of video art and photography by international artists on the topics of globalisation and colonisation.

15 September



Business and sustainability

Debate on the role of businesses in creating more sustainable cities.

16 September



SEAT Design Talks

The designers of SEAT and CUPRA gave a first-hand account of the conceptualisation and design process behind the CUPRA Formentor, as well as the CUPRA Tavascan Concept car and the SEAT Minimó Concept car.

17 September



Big data and mobility

Talk with Dr. Oleguer Sagarra, a specialist in data science innovation, about ways to model human mobility scales.

19 September



"Prelude to the Biennial": guided tour I

Guided tour of the exhibition "Prelude to the Barcelona Biennial".

Biennial Talks: Caribbean diaspora

Talk about the Caribbean art diaspora and the connection between Latin America and the Caribbean and Europe.

21 September



Miguel Poveda

Intimate and free concert by the singer Miguel Poveda as part of the cultural activities organised for the La Mercè festivities.

22 September



From climate change to ocean change

A unique appointment with Rémi Parmentier, a pioneer of environmental activism, founding member of Greenpeace and one of the most relevant voices in the fight to protect the oceans.



23 September



Alba G. Corral and Björt Rùnars

Innovative audiovisual performance, "A taste of nature", by the visual artist Alba G. Corral, who, together with the cellist Björt Rùnars, explored new artistic languages combining code programming, video and live music inspired by the Terres de l'Ebre region.

24 September



Big Van Ciència – Clowntífics

Educational clown show, backed by the platform for the promotion of science Big Van Ciència, on the fight against climate change.

26 September



"Prelude to the Biennial": guided tour II

Second guided tour of the exhibition "Prelude to the Barcelona Biennial".

29 September



TEDxBARCELONASalon: what democracy do we want?

Edition of TEDxBARCELONASalon, sponsored by SEAT, discussing how best to increase citizen participation in political decision-making.

19

CASA SEAT

October

Women's talent and innovation

1 October



Barcelona Global Challenge presentation

Presentation for Barcelona Global members of the Barcelona Global Challenge report on sustainable metropolitan mobility, streamed live. This document contains a series of consensus plans and proposes a new mobility model and a public-private pact to promote a more sustainable, efficient and accessible form of mobility.

1-2 October



"Prelude to the Biennial": guided tours III and IV

Third and fourth editions of the guided visit to the exhibition "Prelude to the Barcelona Biennial".

2 October



Selection of the Spanish national football team

Press conference held by Luis Enrique, coach of the Spanish national football team, announcing the players selected for the upcoming fixtures.

6-9 October



First edition of BNEW (Barcelona New Economy Week)

CASA SEAT became one of the venues for the BNEW Economic Zones congress, a large-scale hybrid event aimed at addressing the revival of the economy through five sectors: real estate, e-commerce, logistics, the digital industry and economic zones.

10 October



WomenZ

Day of debates, talks and musical auditions by and for the women of Generation Z. A unique event, held as part of International Day of the Girl Child.

13 October



Entrepreneurs: innovation in Alpha

Debate organised by the entrepreneurial magazine *Emprendedores* about how the COVID-19 pandemic has kick-started a race against the clock for innovation with little time for experimentation.

15 October



SEAT Next: Stephen Shapiro

Keynote talk with Stephen Shapiro, global innovation expert and author of the book *How to solve difficult problems during difficult times?*, and Philippe Delespse, creative thinking specialist, focused on solving business problems and the urban mobility of the future.

16 October



Presentation of the results of the Auto Mobility Trends barometer

The minister for Industry, Tourism and Trade, Reyes Maroto, visited CASA SEAT to help present the results of the Auto Mobility Trends barometer by the automotive publication *Coche Global* and YGroup.

17 October



Sara Roy in concert

Presentation of singer-songwriter Sara Roy's new project, in an intimate performance alongside the guitarist Jordi Pinyot.

19 October



Solidarity against breast cancer

CASA SEAT was illuminated in pink, together with other emblematic buildings in Barcelona, on the occasion of World Breast Cancer Day in a gesture of support for the fight against the disease.

20 October



Human Brands: the value of relationships

Meeting organised by CMB and BranWard, at which the attendees discussed how creating a positive relationship with customers and employees can help to improve a brand's image.

21 October



Barcelona Expat Week: Womanthon

Meeting organised by Womanthon, a hub focused on generating a new women's movement and on developing different inspiring formative actions, with a disruptive and innovative approach.

22 and 23 October



SERIELIZADOS Fest: how will we consume TV series in 2030?

Talk organised in collaboration with the Audiovisual Cluster of Catalonia (Clúster Audiovisual de Catalunya) on the possibilities offered by new technologies and new models of audiovisual consumption in the future.

SERIELIZADOS Fest: Travelling Series Live

Recording of the first podcast linking tours and series to discover the city of Naples, its highlights and its popular culture through its series.

SERIELIZADOS Fest: People talking

Talk involving the artist and showrunner Álvaro Carmona and the comedian, screenwriter and radio broadcaster Charlie Pee.

24 and 25 October



48H Open House Barcelona

Initiative associated with the 48H Open House Barcelona event, which in 2020 revolved around the theme "The Healthy City" and included CASA SEAT as one of the buildings offering exclusive visits. The event was a resounding success and CASA SEAT became the second most visited space among the more than 150 participating locations.

25 October



Live painting with Juanito Cortés

On the occasion of International Artist's Day, Juanito Cortés performed a live painting inspired by sustainability, urban mobility and the city of Barcelona.



27 October - 21 November



LOOP Barcelona: Pedro Torres

Exhibition of the artistic project "House of the Sun" by the artist Pedro Torres, created exclusively for CASA SEAT as part of the video-art festival LOOP Barcelona.



28 October



SEAT Innovation² Days: David Calle

Inspirational talk as part of the first edition of the SEAT Innovation² Days, given by the education expert David Calle, one of the 10 finalists of the 2017 Global Teacher Prize and considered one of the 100 most creative people in the world by *Forbes* magazine.

29 October



SEAT Innovation² Days: Claudia de la Riva

Second edition of the SEAT Innovation² Days, with Claudia de la Riva, entrepreneur and founder of the platform Nannyfy, which connects nannies with families.

26 November - 30 January



70 years on the move

Exhibition to mark the company's 70th anniversary, which brought together 24 models from the SEAT Historic Car Collection on public display for the first time. The vehicles were changed every week and included models such as the 600, the 850 Sport and the Electric Olympic Toledo from 1992, as well as archive photos and videos displayed in the CASA SEAT auditorium.



10 November



The narrative of illustration

The young artist Laia López shared her creative process when drawing comics through a live Instagram video.

23 November



DxA: Craftsmanship and activism

First debate as part of Barcelona Design Week focused on how craftsmanship defends a creative form that goes against the grain.

24 November



DxA: Creativity and business led by women

Three women in charge of creative teams shared their ideas and experiences on women's creativity and leadership in the second Barcelona Design Week debate.

26 November - 30 January



"SEAT: its history through its cars"

Visitors to level 1 had access to a digital or printed colour copy of the book "SEAT: its history through its cars", which offers a tour through the seven decades of the brand and the automotive industry in Spain through images and details about SEAT's models.

26 November - 30 January



The sweetest 600

The Ametller Origen Mercat d'Autors café-restaurant offered a sweet in the shape of a SEAT 600, created by the famous pastry maker Christian Escribà, as a gift when ordering a juice or a hot drink.



27 November



TECH4BCN

Inauguration of the TECH4BCN series with a talk in which Miquel Martí, CEO of Barcelona Tech City, and Gabriele Palma, Managing Director of CASA SEAT, reflected on the correlation between technology and mobility in the city of Barcelona.

30 November



Christmas comes to CASA SEAT

CASA SEAT underwent a Christmas transformation with an installation that recreated an enchanted indoor forest. The central fir tree, the Tree of Wishes, invited visitors to face 2021 with enthusiasm through an interactive experience.



30 November



Christmas lights and Messengers in concert

The gospel choir Messengers accompanied the official switching on of the Christmas lights at CASA SEAT with a special concert.

30 November - 9 January



Christmases of cinema

Pop-up installation in the Gallery space, created in collaboration with Filmin and Bel&Bel and inspired by drive-in cinemas.



1 December



World AIDS Day

The CASA SEAT building was lit up in red to mark World AIDS Day.

2 December



Branded Content

Event organised by Godó Strategies, in collaboration with the Barcelona Marketing Club, on the importance of generating content as a way to build more powerful brands.

3 December



"Past and future: Meet the future"

Talk on the new audiovisual narrative with the historian Gina Driéguez, director and producer from the production company CANADA, Rogelio González, and the filmmaker Carla Simón.

5, 9, 12, 16, 19, 22 and 29 December



Guided tours of the exhibition "70 years in motion"

The guided tours were conducted together with an expert from SEAT's Historic Car Collection, who revealed the secrets of the models on display.

7 December



Speranza Scappucci masterclass

Free masterclass in English and open to the public given by the orchestral director Speranza Scappucci, in collaboration with the Istituto Italiano di Cultura (Italian Institute of Culture).

10 December



The sounds of Mishima in CASA SEAT

The album "Ordre i Aventura" by the band Mishima was played at an event attended by the band members themselves, in an intimate and relaxed environment.

11 December



Speranza Scappucci masterclass

The orchestral director of "La Traviata" at the Liceu opera house offered a free masterclass in Italian and open to the public, in collaboration with the Istituto Italiano di Cultura.

12 December



Cesc in concert

Concert by the Catalan singer Cesc, who also presented his latest music video and took part in a talk with Ramón Mirabet.

15 December



TEDxBBarcelonaSalon

Talk given by the journalist Yolanda Quintana, coordinator of activities and programmes from the Platform for the Defence of Freedom of Information (Plataforma en Defensa de la Libertad de Información, PDLI), on freedom of expression.

16 December



ADI Making of: Lighting

Meeting organised in collaboration with the FAD Industrial Design Association (known as ADI) on the importance of lighting in industrial design, led by experts previously awarded the Delta Design Awards.

18 December



Lluís Capdevila in concert

Presentation of the pianist's latest work, his new album ÈTIM.

21 December



Sounds of Christmas: Litus

First concert of the Sons de Nadal (Sounds of Christmas) series as part of the Barcelona City Council's Christmas Festival, in which Litus offered a varied repertoire with rumba, rock, jazz and pop songs.

23 December



Sounds of Christmas: Paula Valls & David Soler

Second event of the Sons de Nadal series, with a special Christmas concert by the artist Paula Valls accompanied by David Soler, who performed a duo repertoire that included versions of Christmas songs and carols.



FORGING AHEAD WITH E-MOBILITY TRANSFORMATION



“Accelerating the transformation of the automotive industry will be key to spur the recovery of the Spanish economy”

The COVID-19 pandemic has hit the Spanish economy harder than most other European countries. With dealerships closed and production shut down over several weeks, the Spanish car market, home to SEAT and CUPRA, shrank by one-third. The company navigated the pandemic and was able to provide short-term relief with the production of emergency ventilators at its factory in Martorell.

Under the leadership of SEAT and CUPRA President Wayne Griffiths, we successfully initiated the electrification of our two Spanish brands. SEAT and CUPRA laid out an e-mobility investment plan of five billion euros, which will support the country's strategy to reach European climate targets. Accelerating the transformation of the automotive industry will be key to spur the recovery of the Spanish economy following the COVID-19 pandemic and create future-proof jobs. Volkswagen is prepared to play a leading role in turning the government's strategy into reality.

In 2021, the business environment will remain challenging. The economic outlook remains uncertain, particularly when it comes to the recovery in the important tourism sector. The global semiconductor shortage adds additional uncertainty. However, with the new CUPRA Formentor and the new SEAT Leon family - both available as plug-in hybrids - and the launch of the new CUPRA Born, the brand's first all-electric model, SEAT and CUPRA have an exciting product portfolio that will meet customers' growing demand for sustainable mobility. With SEAT as conquest brand for young people and CUPRA as unconventional challenger, we have two brands in the market that perfectly complement each other.

As Volkswagen Group, we are in the middle of a massive transformation to a climate-neutral, software-driven mobility company. In a decade from today, we will be operating millions of electric mobility devices globally, while continuously communicating with our customers. SEAT has been driving our digital transformation in Spain with its software development centre, SEAT:CODE. It also has been pushing a new urban mobility strategy with SEAT MÓ. SEAT and CUPRA can be proud of their achievements and I am confident that the team will successfully drive its strategy in 2021.

“With SEAT and CUPRA, we have two brands in the market that perfectly complement each other”

Dr. Herbert Diess

Chairman of the SEAT, S.A. Board of Directors

WE WANT TO BE THE IMPULSE



2020 is a year to be remembered. For many people, it has been one of the worst years of their lives. However, these 12 difficult months have delivered learnings that we cannot and must not forget, not just as individuals but also for the automotive industry, as well as for our company.

The year was set to be marked by the development of electric vehicles, emission reduction targets and a difficult macroeconomic outlook. But there was one factor that nobody anticipated, COVID-19. Logically, the company has also felt the impact of the pandemic in its business performance. 2020's figures are undoubtedly linked to the evolution of the COVID-19 pandemic in Europe. In fact, in the months when the effects of the pandemic were less prevalent, we achieved excellent results and exceeded the sales of 2019.

Yet, in its 70th anniversary year, our company has once again demonstrated its ability to adapt to a context marked by uncertainty. In this phase that is so challenging, both for society and for the industry, we continue to make necessary and important decisions; such as launching new models that were planned and restarting production as soon as possible, despite a complex environment the likes of which we have never experienced. Developing and launching cars in a situation with mobility restrictions and part of the team working from home was very difficult, but with everyone's commitment, we achieved it.

We began 2020 with the launch of the fourth generation of the Leon, the best Leon ever, and opening the doors of our CUPRA headquarters. And we continued to forge ahead. Nothing stopped us, even when the factories shut down and we stopped producing cars: we decided to start producing emergency respirators to help healthcare centres throughout Spain.

“We have once again demonstrated our ability to adapt to an uncertain context”

We also kicked off the electrification in 2020 with the launch of the Leon e-HYBRID, the company's first plug-in hybrid electric vehicle (PHEV), and we continued to expand our range of electrified vehicles with the start of production of the new Tarraco e-HYBRID, SEAT's first electrified SUV.

We didn't stop there. We announced a 5-billion-euro investment plan to develop new models for our two consumer brands, SEAT and CUPRA, and to electrify our range. We also inaugurated CASA SEAT, located in the centre of Barcelona, where we officially presented SEAT MÓ, the business unit focused on electric micromobility. In addition, we kick-started SEAT:CODE, the digital machine that allows us to drive the digital transformation and create digital products and solutions for our customers and users. Finally, to end the year on a high note, we launched the Formentor, our first model designed and developed by CUPRA. This model will be key for the development and growth of the new brand, which in 2020 grew by 11% and sold over 27,000 cars.

We are optimistic about 2021. Our great challenge, in the short term, is to address the impact of the pandemic and recover profitability. We have all the necessary elements and vehicles to look to the future. With the new Leon and the CUPRA Formentor – launched in 2020 and an essential part of our portfolio – as well as with hybrid technology, the updated version of the Arona and the Ibiza and the launch of the fully electric CUPRA Born, SEAT and CUPRA have the best product portfolio in their history.

Since my appointment in October, my main objective as chairman has been to drive the transformation of the company and its brands towards electrification and sustainable mobility, as well as to contribute to the transformation of the Spanish industry. SEAT is going to work tirelessly to play a leading role in the new forms of electric mobility in Spain and thus to help strengthen its industrial fabric and enhance its economic model and its competitiveness.

By electrifying Martorell, electrifying SEAT and CUPRA and helping to electrify Spain, we can do something even greater than selling cars or mobility solutions. We can become a key player in helping to ensure the long-term sustainability of the planet. The transformation has begun.

“Electrification is and will be our priority, and we are committed to leading the transformation of the Spanish industry”

Wayne Griffiths

Chairman of the SEAT, S.A. Executive Committee



05

06

03

02

01

04

BOARD OF DIRECTORS

Chairman

Dr. Herbert Diess

Board members

Dr. Ingrun-Ulla Bartölke

Dr. Oliver Blume

Luis Comas Martínez de Tejada

Bernd Osterloh

Dr. Stefan Piëch

Dr. Josep Piqué

Mark Philipp Porsche

Hiltrud Dorothea Werner

Secretary and legal counsel

Marco Cortinovis

The Ordinary and Universal Shareholders' Meeting of the company, at its session held on 10 September 2020, appointed Luis Comas Martínez de Tejada as a new member of the company's Board of Directors with effect from 2 January 2021.

In addition, Marco Cortinovis was appointed as the company's new non-member secretary and legal counsel, with effect from 2 January 2021, replacing Luis Comas Martínez de Tejada.

EXECUTIVE COMMITTEE

Wayne Griffiths /01

Chairman/Sales & Marketing

Carsten Isensee /02

Finance & IT

Xavier Ros /03

Human Resources & Organisation

Alfonso Sancha /04

Purchases

Herbert Steiner /05

Production & Logistics

Dr. Werner Tietz /06

Research & Development

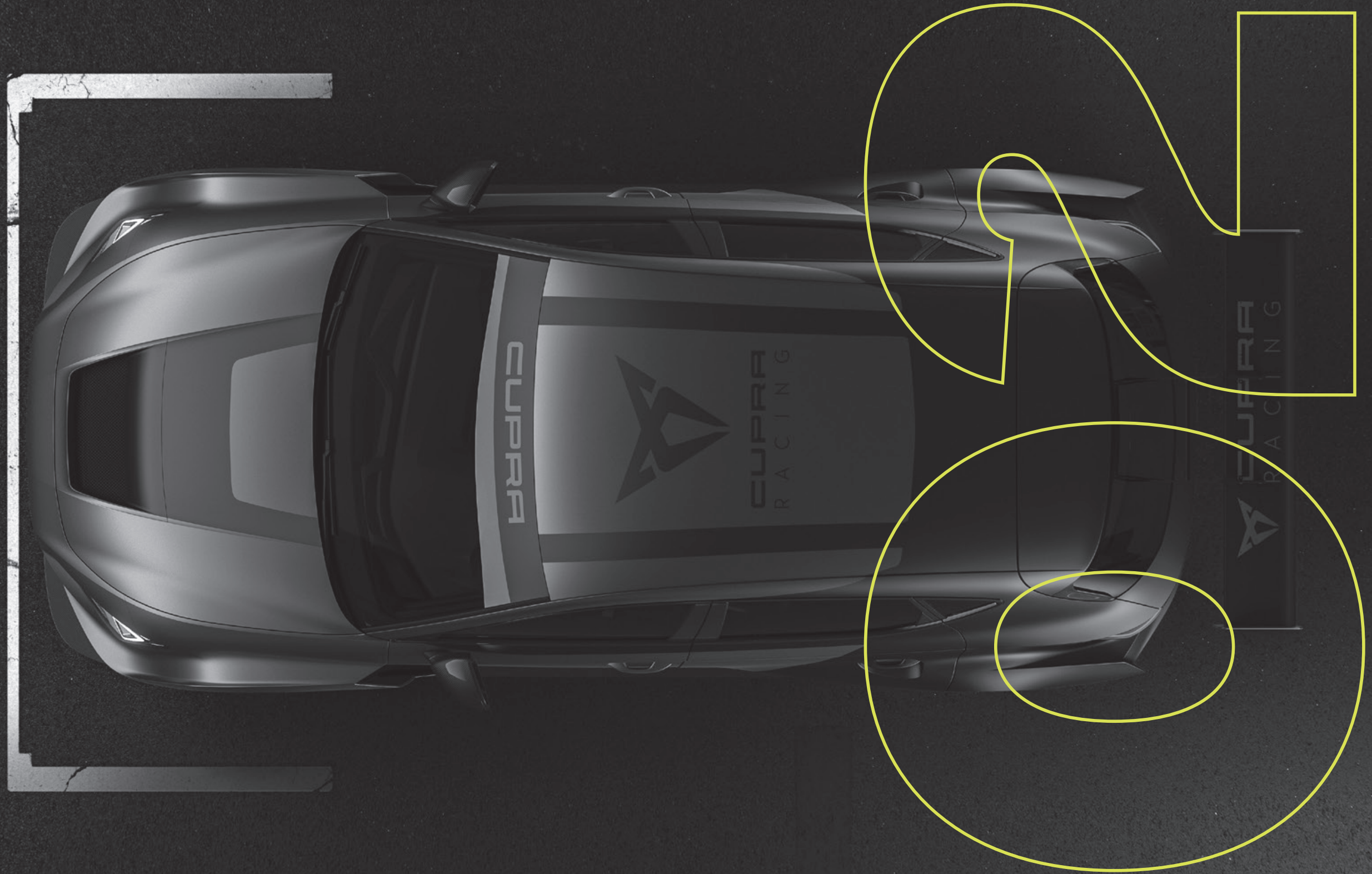
Dr. Werner Tietz was appointed vice-president of Research and Development, with effect from 1 July 2020, replacing Axel Andorff.

Wayne Griffiths was appointed chairman of SEAT's Executive Committee, with effect from 1 October 2020, replacing Carsten Isensee, who had previously assumed the position of acting chairman of the Executive Committee on 7 January 2020.

Wayne Griffiths continues to hold his position as vice-president of Sales and Marketing, while Carsten Isensee also maintains his position as vice-president of Finance and IT.

Herbert Steiner was appointed vice-president of Production and Logistics, with effect from 1 November 2020, replacing Dr. Christian Vollmer.

With effect from 1 October 2020, it was agreed to dissolve the position of vice-president of Legal Services and Governance.



Management Report



Sustainability

Towards a common purpose — **36**

Social responsibility — **39**

Environmental commitment — **52**

Governance and economic
development — **62**

TOWARDS A COMMON PURPOSE

Having a purpose at the corporate level is a good thing. Having a shared purpose is even better. SEAT's sustainability strategy aims to converge on a purpose that is shared by its workers and customers, as well as by other stakeholders. The aim is to become a company that goes beyond its products and to consolidate itself as a great company, one that is seen as essential and which helps to improve the society in which we live. This is the fundamental principle in the development of the company's sustainability strategy.

and strengthen our commitment to our most essential principles and values. As a company, it has provided us with a unique opportunity to put the concept of 'common purpose' into practice. As an organisation with a significant social and economic impact on society—especially in Spain—SEAT supports and assumes this commitment as its own.

SEAT is a big company, which means it also has a big responsibility - towards its employees, its customers, its suppliers and all its other stakeholders. The company performs its social leadership role guided by the twofold ambition of continuing to drive progress and sharing prosperity with society.

With every crisis comes opportunity. As a society, the COVID-19 pandemic has given us a unique opportunity to increase



The pillars of sustainability

SEAT understands sustainability and its main pillars (social, environmental and governance/economic) as a fundamental value and a key strategic and overarching element in the decision-making process. Each of these three areas has a clearly defined framework with a central mission and fields of action, which are in turn developed through a series of strategic projects and initiatives.

The social pillar is mainly built on the basis of the fields of action of occupational health and safety, and training/education. The company is a pioneer in developing tools and resources to assist its employees and share its accumulated knowledge with society as a whole. Some of the most noteworthy initiatives include the CARS Healthcare and Rehabilitation Centre in Martorell, CARS Madrid - inaugurated in 2020 - and the work of the SEAT Healthy Company Scientific Committee (CCSES).

This priority took on special relevance in a year marked by the great impact of the COVID-19 pandemic. Following the Spanish government's announcement in March that certain business activities were to close, SEAT led a public-private initiative to design and manufacture emergency ventilators to help cover the needs of Spanish hospitals. The company also manufactured face masks, provided vehicles to medical centres and made financial donations to research projects, among other actions - all of which help to establish the basis of the 'common purpose' model.

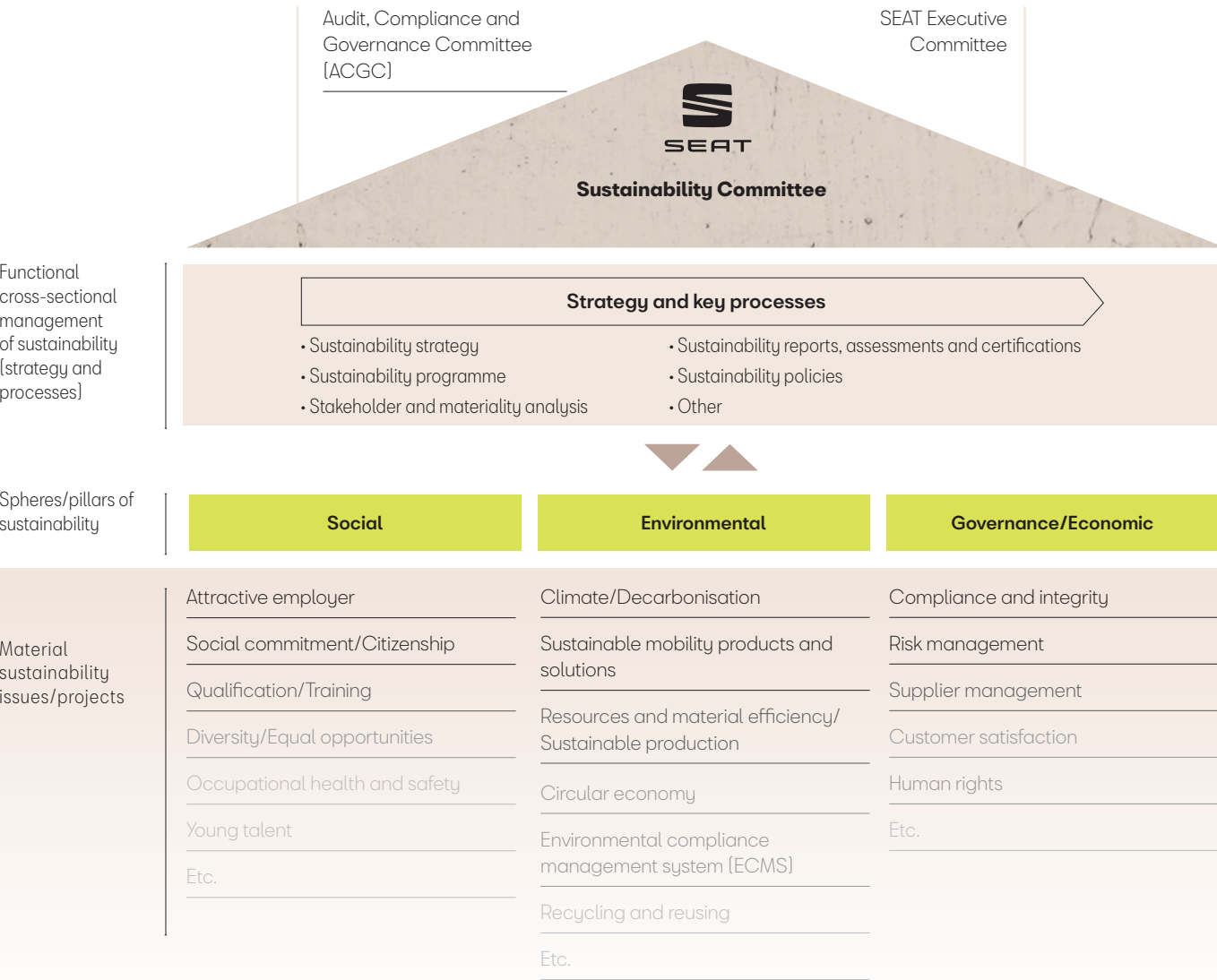
The environmental sustainability pillar focuses on SEAT's commitment to climate change. The decarbonisation programme sets out the roadmap that should lead the company to reduce its carbon footprint throughout the entire product life cycle and thus to meet the objectives of the 2015 Paris Climate Agreement.

The launch of new plug-in hybrid vehicles during 2020, as well as the introduction of SEAT MÓ, the new business unit dedicated to micromobility, represent a decisive step towards improving air quality in urban areas and offering sustainable mobility solutions to customers. The implementation of an environmental compliance management system is another key element that contributes to the company's aim of becoming a benchmark in this field.

Finally, the governance/economic pillar encompasses aspects related to the governance model, integrity, risk management, product conformity, supplier sustainability, and customer satisfaction.

During 2020, it was reinforced by creating an internal committee within the company with the aim of providing the correct strategic orientation in the field of sustainability at SEAT, as well as to promote projects and initiatives in all areas. Furthermore, additional processes and policies have been approved to manage the sustainability model, and a clear approach to stakeholder relations has been defined to strengthen the company's commitment to them.

Sustainability Committee - Governance Model



A sustainability strategy aligned with the United Nations SDGs

The 17 Sustainable Development Goals (SDGs) defined by the United Nations for the period 2015-2030 reflect the global goals for eradicating poverty, protecting the planet and ensuring prosperity for all. These goals have been assumed by administrations and companies all over the world as standard indicators to identify the value they contribute to society and as a communication tool in their relations with the different stakeholders.

SEAT's sustainability strategy aims to achieve the SDGs in their entirety. However, due to its scope of action, it specifically identifies with the following:



Dialogue with stakeholders

The stakeholder map and materiality analysis are two key tools in defining and updating the sustainability policy. The map identifies and prioritises the main groups with which the company relates, while the materiality analysis sets out the issues which most concern the stakeholders and what their impact is on the business model.

The complexity of the current environment requires a permanent review of these two indicators based on our own methodology, which involves three phases:

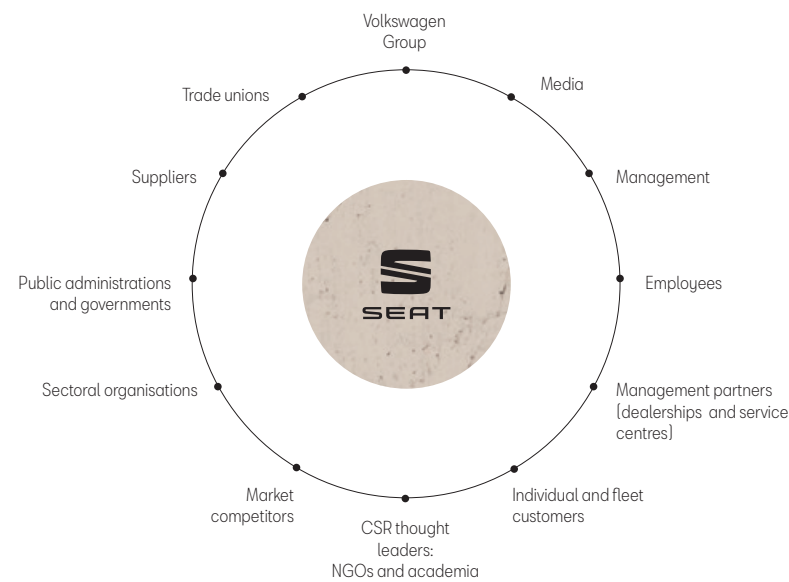
1. Identification of sustainability issues through an analysis of the companies in the sector, sector-specific advisers and sustainability advisers.

2. Consulting with internal and external stakeholders to assess and prioritise corporate social responsibility issues.

3. Selection of material issues of interest to SEAT, giving preference to those with the greatest economic, social or environmental impact.

As a result of this process of constant dialogue and analysis, the company identifies the guidelines to advance towards a relationship model with stakeholders based on trust and the creation of ties that will enable it to address with greater precision the challenges together with society.

Stakeholders involved in SEAT's materiality analysis



SOCIAL RESPONSIBILITY

TOGETHER AGAINST COVID-19



The COVID-19 pandemic has had an extraordinary impact in Spain in 2020, both in terms of the number of infections and deaths and at the social and economic level. To put a stop to the first wave of infections, the country's government decreed a state of alarm from March to June which, in its first phase, involved the complete lockdown of the population.

In line with its historical record of social commitment, and together with measures to ensure the protection of its employees, SEAT reacted to this situation by immediately developing a series of actions aimed at contributing to the fight against the virus. To this end, SEAT relied on the collaboration of a large team of volunteer workers who formed cross-disciplinary groups to develop, in record time, projects such as manufacturing emergency ventilators or face masks that were donated to health centres.

The company also made exceptional donations to contribute to vaccine research or to help the most affected groups.

From manufacturing cars to manufacturing ventilators

At the end of March 2020, barely two weeks after the state of alarm was announced in Spain, SEAT voluntarily and altruistically launched a project to develop and produce emergency ventilators, adapting the Leon production line. This solidarity initiative was possible thanks to the open collaboration between companies, public administration, doctors, hospitals and startups, among others. The common goal was to help the health system and its professionals. The organisations involved included Protofy.xyz, the Germans Trias i Pujol Hospital and Research Institute, and the Barcelona Hospital Clínic.

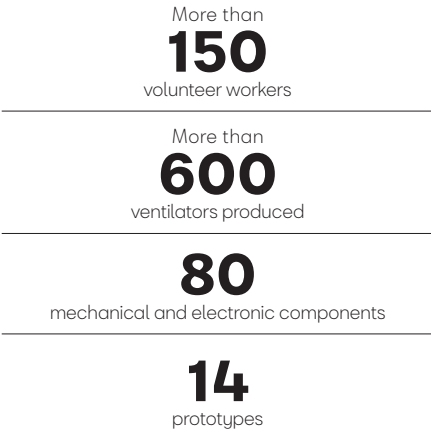
The device, called OxyGEN #HOPE, used the adapted motor of a windscreen wiper and included more than 80 electronic and mechanical components. After being authorised by the Spanish Agency for Medicines and Healthcare Products, the company produced more than 600 emergency ventilators that were delivered to hospitals throughout Spain.

More than 150 employees from all areas of the company were involved in the project on a voluntary basis, with the direct involvement of the Production, Health and Emergency, Development, Logistics, Quality, Legal Services and SEAT:CODE departments, among others.

Manufacture and donation of masks

As well as the production of ventilators, SEAT also pledged to manufacture, in collaboration with other companies, surgical masks made from the filters used in the paint shop cabins at the Martorell plant. Thousands of units were distributed to hospitals, law enforcement agencies and other organisations. This initiative was particularly useful at a time when there was a lack of personal protective equipment (PPE) across the country.

OxyGEN #HOPE figures



Collaborating entities:

- | | |
|--|--|
| <ul style="list-style-type: none"> • Protofy.xyz • OxyGEN • Hospital Clínic de Barcelona • Hospital Germans Trias i Pujol • Instituto de Investigación Germans Trias y Pujol (IGTP) • Hospital del Mar • CMCiB (Centre de Medicina Comparativa i Bioimatge) • Universitat de Barcelona • Recam Laser • Doga Motors • Luz Negra • LCOE (Laboratorio Central Oficial de Electrotecnia) • Ficoso | <ul style="list-style-type: none"> • Bosch • IDNEO • Secartys • Espiroflex • Gaso • Cuatrecasas • Guardia Civil • Guardia Urbana • Mossos d'Esquadra • Policía Nacional • HP • Aernnova • Barcelona LED • Colell S.A. • Correos • Fujikura • IDS • ITW Fasteners • JSV • Kivnon • Meleghy • Proglow • SMP • Sumitomo |
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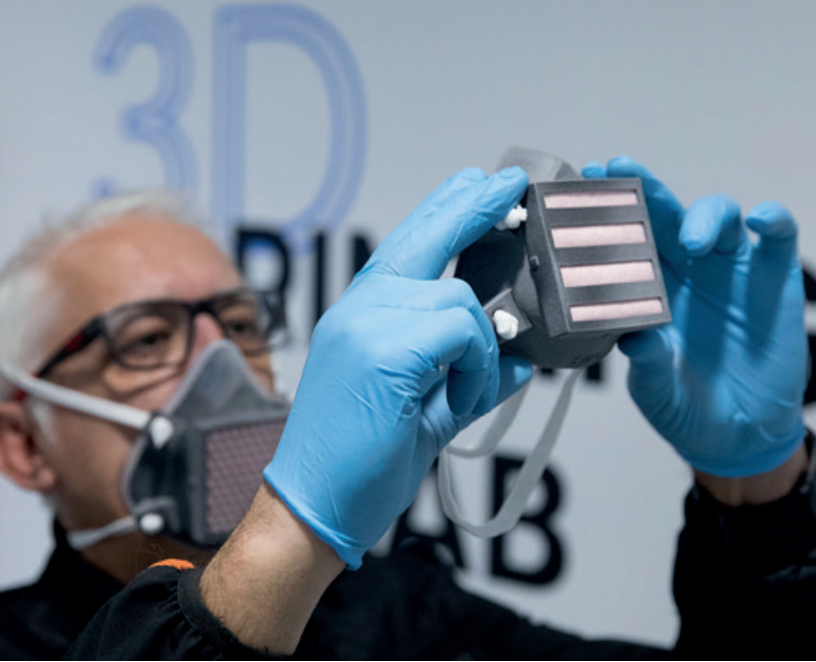
Donation to the #YoMeCorono initiative

In order to contribute to the research and development of a vaccine against the virus, SEAT donated 142,000 euros to the #YoMeCorono initiative. Among the main promoters of this project is Dr. Bonaventura Clotet, an honorary member of the SEAT Healthy Company Scientific Committee (CCSES) and president of the Fight AIDS Foundation.

Donations to #YoMeCorono are aimed at supporting research to combat the COVID-19 pandemic at various levels, such as conducting clinical trials with new drugs or developing antibodies and a coronavirus vaccine.

Providing vehicles to hospitals

SEAT made 150 vehicles available to professionals from various medical centres in Barcelona and Madrid to facilitate the mobility and transport of healthcare personnel and materials. The company did so completely free of charge.



AWARDS FOR THE PRODUCTION OF VENTILATORS PROJECT

Due to the adaptability and response capacity demonstrated by SEAT in the manufacture of emergency ventilators, the company received the IMF Empresa 2020 award, as well as recognition from the newspaper *La Razón*.

IMF Institución Académica, the organiser of the IMF Empresa award, stated that the project represents an exemplary work of innovation and open collaboration. Dr. Patricia Such, director of the Health, Safety and Emergency division at SEAT, collected the award virtually.

The recognition from *La Razón* was collected by Dr. Carmen Martínez, also a member of the Health, Safety and Emergency division, at the event held in tribute to healthcare professionals at the Real Casa de Correos in Madrid.



SEAT people: creativity and solidarity during lockdown



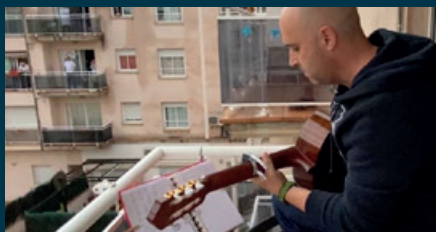
Philipp Klein Herrero

A SEAT engineer, he created a stop-motion video that reached 760,000 views on YouTube. In the video, which is less than a minute long, Philipp skis and rock climbs in his living room. <https://youtu.be/3i8On949bS8>



Esther Durán

An employee of the Technical Centre, she spent some of her time playing music to her neighbours during the daily applause at 8pm to acknowledge the work of the health workers. Esther was one of the people involved in the emergency ventilator project.



Sergio and Mario Córdón

From SEAT Componentes and Workshop 1, respectively, they offered daily live music sessions via videoconference to make the situation more bearable for their neighbours. Their hits included a cover of the popular song *Resistiré* (I will fight on), which became a song of solidarity during the lockdown.



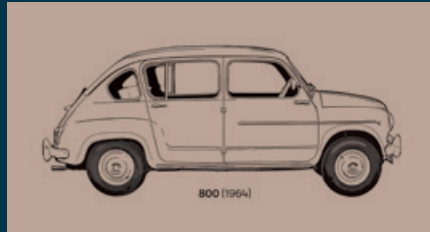
Julián Santos

An employee of Workshop 1, and an actor and singer, he released the song *No hay marcha atrás* (There's no turning back). With the release of this song, available on the main platforms, Julián wanted to do 'his bit to make lockdown more bearable'.



Sponsored Walks in support of hospitals

The employees, family and friends of SEAT who are part of the Sponsored Walks group promoted a donation campaign to raise money for hospitals through the platform Teaming. This group was created in 2017 with the aim of doing outdoor activities, raising funds for different foundations and participating in voluntary activities.



Colour your SEAT

For the first time ever, SEAT distributed drawings of 25 car models from the brand for children to colour during the weeks of lockdown. The drawings could be downloaded from the company's website.

RECOGNITION OF SOCIAL RESPONSIBILITY INITIATIVES AND SEAT'S REPUTATION

The prestigious MERCO corporate reputation ranking recognised SEAT's work during the crisis caused by the COVID-19 pandemic in 2020, as well as its global reputation as a company.

SEAT was the third company in Spain, and the first in the automotive sector, to show great commitment and social responsibility to combat the pandemic, according to the MERCO study, which specifically analysed company performance during that period.

In addition, special recognition was given to initiatives on social networks, which totalled 280 million displays and 35 million views.

The company also led the ranking of the automotive sector for the second year running and was ranked 31st in MERCO Companies and Leaders 2020, a ranking that assesses the corporate reputation of the main Spanish companies.

The MERCO rankings are drawn up on the basis of surveys answered by the public and experts, in addition to the analysis of various assessments and sources of information. Participants include executives from large companies, economic information journalists, government members, social media managers and consumer associations.



Equal opportunities

Equal opportunities for men and women is one of the strategic principles of SEAT's Corporate and Human Resources Policy, specifically developed by the Equality Plan approved in 2012. In this document, the company commits itself to the development of policies that 'integrate equal treatment and opportunities for men and women [...], as well as promote and encourage measures to achieve real equality'.

The commitment to equal opportunities extends to all areas of the company's activities, such as the selection and promotion of personnel, wage policy, working and employment conditions, occupational health, organisation of working time and work-life balance.

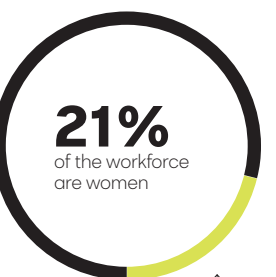
Involvement in the development of measures for equal opportunities is especially valuable in the automotive industry, where women are traditionally the minority. Currently, women make up around 21% of the company's staff, more than 4% of whom are in management positions.

In this sense, and in the current environment of transformation of the sector, SEAT promotes the diversification of profiles and the development of female talent in technical and scientific sectors. This is one of the goals of the new collaboration agreement launched in 2020 with David Calle as the new Education and Youth Empowerment ambassador.

SEAT's Equality Plan also includes the principles of action in the field of work-life balance. An important agreement in this area was reached in 2020 with the approval of the new Smart Work model, which regulates the combination of teleworking and on-site working, as well as the digital disconnection policy. Both internal regulations provide employees with the necessary resources to carry out the statutory rest periods and encourage work time management.

Equal opportunities at SEAT

3,053
women in the workforce



4% of the women
at the company
hold management
positions

Along with the development of corporate policies, SEAT also contributes to promoting gender equality by organising specific actions and workshops.

Meanwhile, the company's collective labour agreement includes, among its values and principles of corporate responsibility, non-discrimination, equal opportunities and the categorical rejection of any behaviour that suggests discriminatory conduct or practices, or workplace, sexual or gender-based harassment. Therefore, SEAT's Equality Plan also includes the appropriate mechanisms to defend these values. Some of the mechanisms that stand out include:

- An action protocol against gender-based and sexual harassment which, through prevention measures, allows this type of action to be eradicated within the company.
- An Equality Committee made up of members of the company's management, the trade unions that have signed the Equality Plan and are represented on the SEAT Intercentre Committee, which ensures that the established objectives are met, that the measures applied are effective and that any modifications proposed to the plan content are made.
- Different instruments that promote the employment of workers with disabilities, such as:
 - Identifying activities and job positions that lend themselves more easily to being covered by people with disabilities.



- Establishing an equitable framework for developing the labour relations of people with disabilities.
- Collaborating with special employment centres.
- The first protocol for the prevention of gender-based violence in the automotive sector, signed in November 2019, defined a framework of action to accompany and support victims, inform them of their labour rights and activate specific measures to create a balance between work and their personal and/or family circumstances.
- The ASES (an abbreviation in Spanish for Social Assistance for SEAT Employees) programme, which offers a personalised and free service with face-to-face attention for those cases that need it.
- A system for the relocation of people with pathologies to positions suited to their profile, as well as the definition of the financial conditions, the steps to be followed to register a disability and the situations arising after the registration is granted or denied.

Promotion of gender equality

Along with the development of corporate policies, SEAT also contributes to promoting gender equality by organising specific actions and workshops.

A highlight of 2020 was the 'I Won't Quit' talk given by sociologist and work-life balance expert Maite Egoscozabal on International Women's Day (8 March). The aim of the event was to reflect on the importance of co-responsibility in the home in order to achieve a more egalitarian society. Egoscozabal is a member of the Club de Malasmadres ("Badmothers" Club), an online community of more than 800,000 women who, since 2014, have been fighting to break the myth of 'the perfect mother' and working towards a society with gender equality. In celebration of the day, the SEAT logo of the Corporate Building was also illuminated in violet and violet flags were waved in all the workplaces.

The company also uses its internal communication platforms to give visibility to equal opportunities and the professional work of its female employees. The magazine *mundoSEAT* published a report on the meeting between three female employees from the company and representatives from the Observatory for Women, Business and Economy [Observatori Dona, Empresa i Economia, ODEE], where they shared experiences and their vision on the challenges yet to overcome to achieve gender equality. On behalf of SEAT, Pilar de Requesens, bodywork and finishing specialist at the Technical Centre; Nuria Rebollo, spokesperson at Workshop 11; and Alicia Molina, process manager at Presses and Bodywork, participated in the meeting. The representatives of the ODEE were its president, Roser Xalabarder, and its former director and a leading authority on feminism in Catalonia, Anna Mercadé.

Commitment to human and labour rights

Another aspect included in the corporate policies and standards that regulate the company's strategy and the performance of its employees is respect for human and labour rights. This specific aspect is set out in two documents:

- Labour Relations Charter, with the commitment to apply the fundamental principles in defence of human rights and to comply with the conventions of the International Labour Organization (ILO).
- Statement of the SEAT Group against slavery and human trafficking, which describes the actions taken to combat modern slavery.

Internally, and in accordance with the principles of integrity and compliance, the company has a series of permanent channels for the detection and reporting of any breach of human and labour rights.



Internally, and in accordance with the principles of integrity and compliance, the company has a series of permanent channels for the detection and reporting of any breach of these rights. The channels are articulated through the whistleblower system developed with the support of the Volkswagen Group.

No complaints classed as human rights violations have been registered through SEAT's compliance channels or the Equality Committee during 2020 (1 in 2019).

The company extends compliance with these commitments to the entire value chain by developing its own resources to certify the activity of all its suppliers, such as the S-Rating (sustainability rating). This tool evaluates the supplier in various areas such as health and safety, the environment, human rights, working conditions and compliance. If the appropriate level is not met, they cannot be appointed as a SEAT supplier, which represents a pioneering level of commitment in Spain's business sphere.

Diversity

Diversity is another value that is fully integrated into SEAT's daily activities, as part of the promotion of equal opportunities regardless of the gender, age, race, origin, culture or sexual orientation of employees.

This aspect is covered in the Volkswagen Group Essentials, the values that govern the behaviour of employees of all brands and companies in the Group, under the point 'We live diversity'. In its text, the following is included: 'We are colourful. Different. Unique. Part of a greater whole. We are open to other ways of thinking, to new experiences and solutions. We approach each other with respect, as equals.'

In this way, SEAT is becoming an increasingly diverse and multicultural organisation, values that contribute to both the professional and personal development of its employees.

PRIDE@SEAT, visibility and support for the LGBT+ community

Under this vision, Pride@SEAT was created in 2020 as an initiative promoted by a group of company employees and supported by the Human Resources division. Its two main objectives are to bring together SEAT employees from the LGBT+ community to find help, share experiences or network, as well as to raise awareness and give visibility and support to the community.



The group is open to people who identify as gay, lesbian, intersex, transgender or queer, as well as to heterosexuals who support the diversity values advocated by this community. In this sense, it works to achieve progress on inclusion issues and rights of members of the community in the company.

Among the company's initiatives to give visibility to this community, the celebration of International LGBT Pride Day (28 June) stands out, incorporating the rainbow flag at the entrance to all its facilities and at CASA SEAT. There was also a social media campaign with the hashtags #SEATpride and #wedriveproud.

Diversity adds up

14,751
people

68 nationalities who speak
33 different languages

4
generations working together
in **8** different **areas**

Occupational health and safety

The health crisis we have experienced throughout 2020, and its consequences at various levels, have highlighted the importance of having efficient tools and resources to ensure the health and well-being of employees, as a fundamental value in the growth and sustainability strategy of any company.

SEAT was a pioneer in this area with the creation of the Healthcare and Rehabilitation Centre (CARS), which in 2020 continued to expand the groups it serves, as well as developing all the protocols necessary to monitor the health of its workers and minimise the risk of contagion. The situation generated by the COVID-19 pandemic has also highlighted CARS' commitment to prevention and improving quality of life, through new services aimed at psychological care.

Furthermore, SEAT extends its commitment to health and well-being to the population as a whole, through the work of the SEAT Healthy Company Scientific Committee (CCSES), which is involved in pioneering projects with some of the country's leading medical institutions.

All this makes the company an international benchmark in occupational health and safety, also recognised by the highest official certifications. SEAT was the first company in the automotive sector in Spain to receive the Healthy Company certificate. This certificate confirms that the organisation has implemented a health and safety management system based on criteria of excellence which promotes and protects physical and mental health, safety and well-being in the workplace, as well as confirming that it has a positive influence on wider society. It is also certified under the international ISO 45001 standard, which specifies the requirements for an occupational health and safety management system and provides guidelines for its use.

Second CARS centre

Since the creation of CARS in 2017, the company has been working to extend this healthcare and rehabilitation system to new groups of workers within the Volkswagen Group in Spain. A milestone was reached in 2020 with the opening in September of CARS Madrid, which is the second centre of this type after Martorell. The new facilities provide services to all Volkswagen Group employees in Madrid and are located at the Volkswagen Financial Services corporate headquarters in Alcobendas.

Coverage of SEAT's health, safety, emergency and corporate well-being services

18,925
people in Spain

79.1%

of all the employees of Volkswagen Group companies in Spain



The health crisis we have experienced throughout 2020, and its consequences at various levels, have highlighted the importance of having efficient tools and resources to ensure the health and well-being of employees.



SECOND INTERGROUP COMMITTEE OF THE GROUP'S JOINT PREVENTION SERVICE IN SPAIN

In February 2020, SEAT hosted the second Intergroup Committee of the Joint Prevention Service of the Volkswagen Group companies in Spain. The purpose of the meeting was to define and agree on common objectives regarding health and safety at work.

The Committee was made up of the CEOs and staff representatives of the joint venture companies: SEAT Group, MAN Truck and BUS, Volkswagen Group Services, Volkswagen Group España Distribución, SEAT Motor España, Volkswagen Group Retail Spain and MAN Energy Solutions.

Renewal of Dr. Bonaventura Clotet as a member of the CCSES

A highlight of the activity of the SEAT Healthy Company Scientific Committee [CCSES] in 2020 was the renewal as an honorary member of the committee of Dr. Bonaventura Clotet, a leading authority in the fight against AIDS. Dr. Clotet is head of the Infectious Diseases Service at the Germans Trias i Pujol University Hospital in Badalona (Barcelona), chairman of the Fight AIDS Foundation and director of the IrsiCaixa AIDS Research Institute.

Throughout 2020, and in view of the questions posed by the spread of the coronavirus, Dr. Clotet shared his extensive knowledge of infectious diseases in talks with workers and other actions in the company's internal communication channels.

The usual work of the CCSES was affected by COVID-19, given the need for health centres and scientists collaborating in the various studies underway to concentrate efforts and resources on combating the impact of the pandemic.

Among the studies that were temporarily suspended were MedCARS, which investigates the impact of incorporating healthy habits on improving health, and LiverScreen, which assesses the prevalence of liver fibrosis in the general population.

RECOGNITION OF THE CAREER OF DR. PATRICIA SUCH

Dr. Patricia Such, head of the Health, Safety and Emergency division at SEAT and the Volkswagen Group's joint venture companies in Spain, was honoured for her professional career at the HR Gala awards. Specifically, she received the award in the category 'Development of Welfare in the Organisation 2020'.

The jury for these awards is made up of representatives from the main business schools, as well as important human resources executives from Spanish companies.

Participation of employees

Along with the commitment to defend human rights, the SEAT Labour Relations Charter also explicitly includes the involvement of the staff in the company's strategic objectives and principles. To make this right effective, the company promotes tools that allow employees to actively participate in the proposal and development of new projects. These actions also help to reinforce the pride of belonging and to make employees become SEAT ambassadors in their daily lives.

One of the main lines of involvement of employees is their participation in innovation programmes, which put their knowledge and experience to good use in the joint search for proposals to contribute to the growth of the company. Such programmes notably include the SEAT Ideas Programme, the Innovation² Days and the new SEAT INNOVA platform.

SEAT Ideas Programme

The development of the SEAT Ideas Programme was conditioned in 2020 by the effects of the pandemic, which made it necessary to extend the initial deadlines for the submission of proposals until December. This initiative promotes the submission of ideas that contribute to improving areas or processes of the company.

To recognise the innovative attitude of the workers, a special campaign was launched in which a SEAT Leon was awarded for one year to the employee who submitted the product idea with the greatest savings for the company. A SEAT Leon was also given for one month to the authors of all viable ideas.

Innovation² Days: recognition and promotion of innovative spirit

In recognising and promoting innovative spirit among employees, the organisation of the inspirational Innovation² Days event, which was held for the first time in 2019, has taken on special importance. The excellent reception led to the creation of the Innovation Team, a transversal team of 17 people, to ensure that innovation infiltrates all areas and to promote innovative projects in the company.

In October 2020, its second edition was held, organised in a hybrid format that combined online activities and sessions with others conducted face-to-face. The event was divided into three parts:

- Face-to-face and online fair, in which employees got to know in detail 50 innovative projects that arose during the year and were able to interact with their creators. In the virtual version, the participants created a personalised avatar to walk around the stages and stands designed in 3D.
- Talks on innovation given by various internationally renowned experts in artificial intelligence, innovation in times of crisis, and innovation for the younger generation, among others. The meetings were held at the Martorell headquarters and at CASA SEAT, as well as being broadcast live via streaming.
- Creation of working groups that applied innovative methodologies to try to solve corporate challenges related to new mobility options, electric cars or the customer experience, among other topics.

SEAT Ideas Programme

3,083
ideas received

€7,245,404
saved

846
ideas awarded

€904,198
in prizes

Along with the commitment to defend human rights, the SEAT Labour Relations Charter also explicitly includes the involvement of the staff in the company's strategic objectives and principles.

New SEAT INNOVA platform

The Innovation² Days edition also served to launch the SEAT INNOVA networking and inspiration platform, which was the entry channel to the event's digital platform.

The aim of this new virtual space is to connect employees from different areas of the company and to gather together leading innovation projects at SEAT, as well as to organise challenges, workshops and talks linked to all areas of the company's activities. The platform consists of five main sections: Activities, Get Started, Participate, Projects and Connect.

Stimmungsbarometer, work environment survey

SEAT conducts an annual work environment survey, known internally as the Stimmungsbarometer, in which employees are given the opportunity to express their opinions about the company.

The survey is conducted via an online platform and consists of a 24-question questionnaire that measures employees' satisfaction with their jobs and with the company.

92%

participation

80.5%

degree of satisfaction

The satisfaction rating achieved in the 2020 work environment survey was the highest ever.



VIRTUAL PRESENTATION OF THE SEAT LEON

Another channel for staff involvement in the company's strategy and growth is the organisation of brand experiences for employees and their families. The main action developed in 2020 was the exclusive presentation of the new SEAT Leon, which was carried out through a virtual event broadcast from CASA SEAT and watched by almost 1,000 people.

In the days prior to the event, employees were able to test themselves in the first SEAT Digital Escape Room, an innovative format to demonstrate their knowledge about the new model. Along with the presentation, the company gave its employees the opportunity to test various units of the SEAT Leon for one-week periods, through an ambassador programme.

Commitment to training the new generations

One of SEAT's main social challenges is to educate, inspire and empower future generations. This vision becomes even more important in the face of the complex situation in 2020, where education has been shown to be a key and strategic element for the future of society.

To fulfil this commitment, the company is developing practical training resources, aimed at the development of young people and based on the use of new technologies.

David Calle, new SEAT ambassador to promote change in education

SEAT signed a collaboration agreement with Spanish teacher and YouTuber David Calle, who has become the company's new Education and Youth Empowerment ambassador.

The agreement aims to promote a shift in education practices in order to respond to the great challenges that the new generations will encounter in the working environment and to train them for the future. The aim is for young people to be able to train, develop and prosper in a constantly changing environment. To this end, three main areas will be worked on together:

- The commitment to new methodologies in education.
- The digital transformation of the future working environment.
- The ambition to increase female talent in STEM (science, technology, engineering and mathematics) careers, with special demand in the automotive sector.

David Calle is a telecommunications engineer and teacher, internationally recognised for his revolutionary teaching style and his commitment to teaching mathematics, physics and science on his YouTube channel Unicoos and the websites www.unicoos.com and www.beunicoos.com. His YouTube channel has more than one million subscribers

in Spain and Latin America and has already achieved more than 200 million views. During the lockdown, his videos were included in RTVE's educational programming 'Aprendemos en casa' (We learn at home). Calle was among the 10 finalists for the Global Teacher Prize, equivalent to the Nobel Prize for Education, in 2017 and has been recognised as one of the most creative people in the world by *Forbes* magazine.

Some of the key actions undertaken as part of this collaboration include the presence of David Calle at the Apprentice School Open Day, held virtually, or a talk at CASA SEAT for the Innovation² Days, among others.

Continuity of the BeSEAT training and labour insertion programme

The difficulties arising from the coronavirus pandemic also made it necessary to adapt the content and format of the training sessions for the 2019-2020 academic year of the BeSEAT programme, aimed at students in the final year of the Automotive Degree course.

The course began in September 2019, meeting the objective set for its extension to new autonomous communities, with the incorporation of the regions of Andalusia, Valencia and Galicia. Given the impossibility of carrying out the internships in person, the decision was made to transform the content into virtual training and temporarily reduce the number of contracts for authorised services. The uncertainty over the development of the 2020-2021 academic year also led to the development of a new programme model that is more flexible and open to a greater number of students.



ENVIRONMENTAL COMMITMENT

‘Move to ZERØ’, a comprehensive strategy for reducing environmental impact

SEAT’s Environmental Policy Statement, revised in February 2020, explicitly states its commitment to become a ‘leading provider of sustainable mobility and a role model for the environment’. The company acknowledges its global responsibility in this field and points out that it uses its innovation capacity to address environmental challenges at all stages of the life cycle of its mobility products and services.

This commitment is put into practice through the Environmental Mission Statement, which was approved in 2019 and is aligned with the objectives set by the Volkswagen Group at a global level. In line with SEAT’s current strategy, the roadmap detailed in this document is fully integrated into the company’s business plan for the coming years.

The motto of this roadmap is ‘Move to ZERØ’, which proposes the progressive reduction of the environmental impact of the company’s activities and the use of its products, with the goal of achieving zero emissions in the life cycle of the vehicles. The four main areas of action of ‘Move to ZERØ’ are: climate change, resources, air quality and environmental compliance.

Despite the limitations on activity caused by the COVID-19 pandemic, progress was made in developing each of these four areas in 2020. Among the most significant developments were the integration of the circular economy into the Sustainability Management Committee and the continuation of research projects into alternative propulsion systems. Other developments included the expansion of the range of electric and hybrid mobility products or actions to raise awareness and share knowledge both internally and externally.

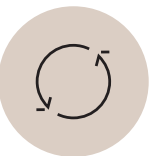


We work to minimise the environmental impact throughout the life cycle of our mobility products and services to safeguard and protect the ecosystem and provide added value to our surroundings and society in compliance with regulations and standards in environmental matters.



1. Climate change

We are committed to the **Paris Climate Agreement - Climate Action**. We are working towards becoming a **carbon neutral company by 2050**.



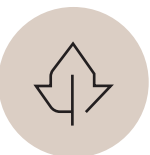
2. Resources

We promote **the maximisation of resource efficiency and the circular economy** in the fields of energy, materials, water and land use.



3. Air quality

We promote **micro-mobility and electric mobility to improve the air quality** within our spheres of operation.



4. Environmental compliance

We aim to become an **exemplary company in terms of integrity** by implementing an **environmental compliance management system** (ECMS).



1. Decarbonisation to combat climate change

The climate change pillar of ‘Move to ZERØ’ is mainly organised around the objective of decarbonising the life cycle of all products and services offered to users by SEAT. This goal is articulated through the progressive reduction of greenhouse gas emissions in the company’s various areas of activity, as well as in all phases of a product’s life cycle:



Production

Emissions from both the supply and production stage of raw materials by suppliers and the production stage (manufacturing, assembly, etc.).



Use of the vehicle

Emissions from the production of fossil fuels for vehicle operation and direct emissions from everyday use. In this aspect, the commitment to the development of new propulsion systems and the incorporation into new models of the latest environmental innovations, both related to the level of efficiency and emissions of the engines and to the composition of the materials or the daily use of their main features, is key.



Recycling and others

Emissions from the car’s end of life (e.g. recycling) and other emissions (transport, distribution, dealerships, etc.).

‘Move to ZERØ’ proposes the progressive reduction of the environmental impact of the company’s activities and the use of its products, with the goal of achieving zero emissions in the life cycle of the vehicles.



How the environmental impact of a vehicle is calculated throughout its life cycle

Since 2012, SEAT has been a member of the Life Cycle Engineering (LCE) consortium's working group, which aims to calculate and analyse the environmental impacts associated with a vehicle or vehicle component using the 'life cycle analysis' (LCA) tool. This resource is based on the collection and analysis of system inputs and outputs (natural resources, emissions, waste and by-products) to obtain quantitative data on their potential environmental impacts. The final goal is to be able to determine strategies for their minimisation or reduction.

To date, the company has evaluated the environmental impact in the life cycle of its Ateca (March 2016), Ibiza (March 2017), Tarraco (October 2019) and Leon (December 2020) models. These assessments have been carried out according to the LCA studies certified by the international standards DIN EN ISO 14040/44.

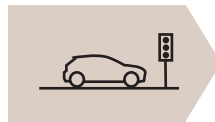
Life Cycle Analysis (LCA)

LCA is a methodological tool for measuring the environmental impact of a product, service, process or system throughout its entire life cycle (from the time the raw materials are obtained until its end of life and subsequent handling).

Scope



Production
(supply chain and in-house manufacturing)



Vehicle use and fuel supply



End of life



2. Efficient resource management through the circular economy

The second pillar of 'Move to ZERO' addresses the efficient management of resources through the development of a proprietary model of the circular economy. This approach involves rethinking the value chain of the automotive sector, which is traditionally characterised by a linear system that does not take into consideration criticality aspects in the use of materials. On the contrary, the circular economy model incorporates the analysis of the entire useful life of the vehicle, including aspects such as the impact of its use—mainly at an environmental level—the preservation of its value for as long as possible and the possibility of recycling parts.

SEAT's strategic commitment to the circular economy was reinforced in 2020 by the integration of a new circular economy working area in the Sustainability Management Committee.

Main lines of action

The integration of the circular economy into the Sustainability Management Committee increases the relevance of this aspect in the company's environmental strategy, with the appointment of a representative dedicated to ensuring compliance. For its effective development, specific lines of action were defined in 2020:

- To encourage eco-design in the development of new vehicles.
- To implement new solutions towards circularity.
- To promote research projects focused on the reduction and recovery of critical metals.
- To improve the efficiency of materials and reduce the use of resources.
- To promote the transformation of the business model from goods to services.
- To extend the useful life of vehicles and components in use.

Examples of projects aimed at improving the efficiency of materials and reducing the use of resources include the actions which have given continuity to the 'LIFE Methamorphosis' and 'Life Landfill Biofuel'. Both initiatives coincide in their objective of researching alternative combustion systems to fossil fuels.

Alternative combustion systems

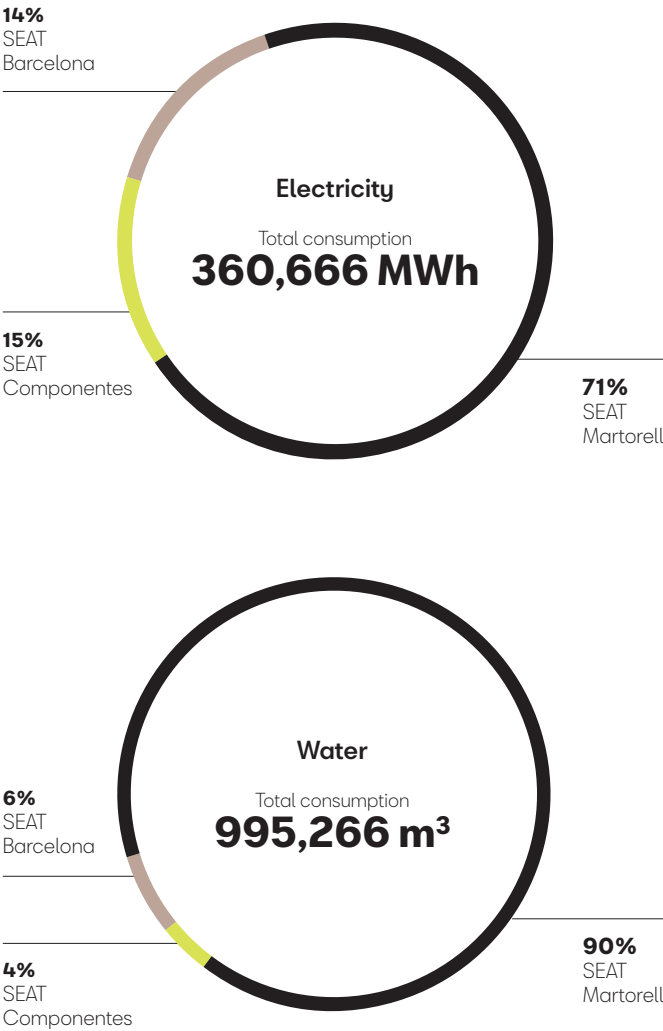
In spite of the pandemic, in 2020 it was possible to continue developing much of the activity planned in the two main research projects on alternative combustion systems in which the company is involved. Both are mainly focused on the biofuel sector:

- ‘LIFE Methamorphosis’: transformation of waste into methane. An initiative promoted by SEAT and based on the transformation of organic waste into methane, a biofuel that can be used in any vehicle running on natural gas. In 2020 the pilot run of four models was completed using biofuels obtained from fully renewable sources. One of them, a SEAT Leon TGI with a 1.5 litre, 96 kW engine, ran for more than 100,000 kilometres over 12 months using only biomethane obtained from a mixture of slurry and cereal waste from a pig farm in Lérida. The project is co-financed by the European Union and involves Naturgy, Aqualia, FCC, the Metropolitan Area of Barcelona (AMB) and the Catalan Energy Institute (ICAEN).
- ‘Life Landfill Biofuel’: obtaining biomethane from landfill waste. Project investigating the transformation of waste from landfills into biofuels without the need for prior separation. In 2020, construction began on a transformation plant in the city of Granada, which came into operation during the first quarter of 2021. This biomethane plant represents an opportunity to provide an outlet for the millions of tonnes of solid urban waste generated in Spain and Europe that accumulate in its landfills. The project is co-financed by the European Commission, with the participation of FCC, IVECO, the University of Granada, the CARTIF Foundation, SYSADVANCE and Gasnam.

Reduction of environmental indicators in the production processes

The goal of reducing the main environmental indicators in the vehicle production phase is part of a long-running programme at SEAT, which in 2010 set the ambitious goal of reducing them by 50% by 2025. The programme continued in 2020 and an overall reduction of 36% was achieved by the end of the year. This figure reflects the reduction achieved in energy and CO₂ emissions, water consumption, waste eliminated and volatile organic compound emissions.

Consumption in SEAT’s production centres in 2020



Waste recycling: from paint sludge to raw material for roads

Project for the recovery of paint sludge with the aim of reducing the amount of waste going to landfill and giving it a second life. It consists of applying thermal drying to the sludge for subsequent mixing with other materials and transforming it into raw material for road construction. Pilot tests began in January and the first shipment was made in May, with 100% of the sludge being recycled.

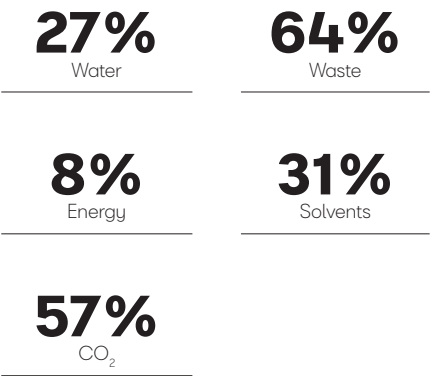
Reducing emissions through renovation of painting robots

Programme for the renovation of the robots in the painting facilities of Workshop 5 at the Martorell factory which will lead to a very significant improvement in the application and consumption of paint, which will have repercussions on the reduction of the factory’s overall emissions rate. The project began in August 2020 and involves the replacement of more than 120 robots within four years.

Reduction of volatile organic compounds (VOCs)

New phase of the programme for the progressive reduction of the emission of volatile organic compounds (VOCs) generated in the paint drying process. In 2020, various improvements were made to the water-based primer process in Workshop 2B in Martorell: renovation of the old primer oven, installation of two robots and adaptation of the mixing room.

Cumulative percentage improvement in 2010-2020 by environmental indicator



3. Promoting electric mobility to improve air quality

The company's contribution to improving air quality, the third area of the 'Move to ZERO' strategy, is mainly based on promoting electric mobility.

After the launch in 2019 of the SEAT Mii electric, the first 100% electric model, a new milestone was reached in 2020 with the creation of SEAT MÓ. Under this new business unit, a series of services and products are grouped together, mainly aimed at meeting the needs of new urban mobility. These include a 125 cc moped-scooter and a range of 100% electric kick-scooters that help to reduce noise pollution in cities.

Evolution of hybrid models

Along with the development of 100% electric products, in 2020 there were also significant advances in the supply of hybrid models, a technology that is constantly evolving for maximised performance.

Among the innovations, the SEAT Leon Mild-HYBRID (eTSI) stood out, equipped with a 48 V Li-ion battery that increases recovery capacity and improves energy management. All this makes it possible to achieve a reduction in consumption and CO₂/km emissions of up to 4 g.

The SEAT Leon e-Hybrid, the brand's first plug-in hybrid, was also launched in 2020, combining a 1.4-litre TSI petrol engine, an 85-kW electric motor and a 13-kWh battery. Its zero-emission electric mode offers a range of up to 64 kilometres using only the energy stored in the battery and incorporates a number of new features:

- Intelligent e-HYBRID: a function that makes it easier for the user to reserve and optimise electrical energy according to the planned route.
- Zero emission: indicator that shows the distance driven emission-free (electric mode).
- e-Range monitor: information on the vehicle's main consumption elements and the electric range that can be gained by switching them off.



SEAT, european brand with the widest range of compressed natural gas vehicles

Already the brand with the widest range of vehicles powered by compressed natural gas (CNG) in Europe - consisting of the Leon TGI, the Arona TGI and the Ibiza TGI -, SEAT continued to work on the development of cars of this type. The company also has a new team at the Martorell plant dedicated to the manufacture of all the tanks required for their production.

CNG models make a key contribution to improving air quality, as they emit 75% less NOx than a diesel vehicle, as well as 25% less CO₂ than a petrol model. In Europe, sales of CNG cars remained virtually stable in 2020 despite the industry's decline due to the COVID-19 pandemic. In Spain, this technology continued its expansion, with a 25% increase in the number of vehicles on the road compared to 2019. The number of gas refilling stations also increased, reaching 99, compared to 77 in the previous year.

4. Guarantee of environmental compliance

The fourth area of 'Move to ZERO' deals specifically with compliance with current environmental regulations in all phases of commercial activity and throughout the life cycle of products and services. The requirement extends to both the external and the Volkswagen Group's own standards.

This commitment is developed through an environmental compliance management system (ECMS) which defines the aspects necessary for effective implementation. It also provides the company with mechanisms and tools for the identification, evaluation and management of environmental risks based on a common methodology throughout the Group.

The ECMS is organised into nine premises that reflect the company's positioning, the requirements to be met and the actions to be developed to achieve the objectives set.

Environmental awareness of employees

The company extends the commitments made in the 'Move to ZERO' strategy to the day-to-day activities of its employees. These actions contribute to greater environmental awareness among the staff, with advice to be applied in both their professional and private areas, and also allow for the sharing of the knowledge of value generated by the company in this area.

Among the main internal awareness-raising activities in 2020, the following stood out:

- 'Eco-challenge' campaign: a monthly 'eco-challenge' with practical actions to help protect the environment. Employees were encouraged to share their actions on SEAT's social networks (Instagram, Twitter or Facebook) with a monthly prize draw.

The 9 premises of the ECMS

01
Leadership and commitment

02
Responsibility and obligation

03
Compliance obligations

04
Risk and opportunity management

05
Improvement of performance

06
Environmental awareness and competence

07
Stakeholder dialogue

08
Evaluation and continuous improvement of the ECMS

09
Management of non-conformities

- Collection of cigarette butts for recycling: collection of cigarette butts from the new smoking areas in the Martorell facilities, to be sent to a recovery plant. In this centre they are treated and recycled to make benches and ashtrays, among other uses.
- Use of non-slip trays in the dining room to avoid wasting paper: replacement of the trays in the corporate dining rooms with new non-slip trays that do not require paper liners.
- Elimination of plastic cups in vending machines, by adding a cupless drink option to use your own cup.

12 annual eco-challenges



January Recycle
February Print less and reuse paper
March Use mobility services
April Disconnect electronic devices from the mains power
May Recycle batteries
June Use a reusable water bottle
July Avoid plastic
August Make the most of natural light
September Reduce water consumption
October Do not waste food
November Recycle used oil
December Recycle unwanted clothes

New SEAT Leon and CUPRA Formentor

The company incorporates into all its new models the latest environmental innovations, both in terms of the efficiency and emissions of its engines and the composition of materials or the daily use of the vehicles. The innovations of the new SEAT Leon and CUPRA Formentor are prime examples of this.

Aerodynamics

Improved ratios for reduced drag.



Materials

Renewable (cotton, natural rubber and cellulose) and recycled (plastic) materials in various parts of the vehicle.



Tyres

Tyres with low rolling resistance, which provide a reduction in the resistance coefficient.



Brakes

RBO technology (reduced friction between the brake pad and the disc), which allows a reduction in CO₂ emissions of 1 g per 100 km.



Lights

100% LED headlights and tail lights to reduce electricity consumption and increase the duration and power of the lighting.



Seats

Reformulation of PUR foams, which reduce emissions of some volatile organic compounds (VOCs) inside the passenger compartment by up to 50%.



Acoustics

Double sealing system on the doors, which reduces noise levels and improves comfort.



Air quality

Optimised exhaust gas treatment system in some diesel engines (double AdBlue® dosing), to minimise nitrogen oxide (NOx) emissions.



SEAT ECO Drive Profile

ECO mode driving style, which modifies the engine and transmission parameters to reduce fuel consumption and emissions.



Bodywork

Reduction of thickness and weight without loss of mechanical properties, thanks to the 5% increase in the use of very high strength steel and hot stamping technology.



Electrical conduction indicators

- Intelligent e-HYBRID
- Zero emission
- e-Range monitor



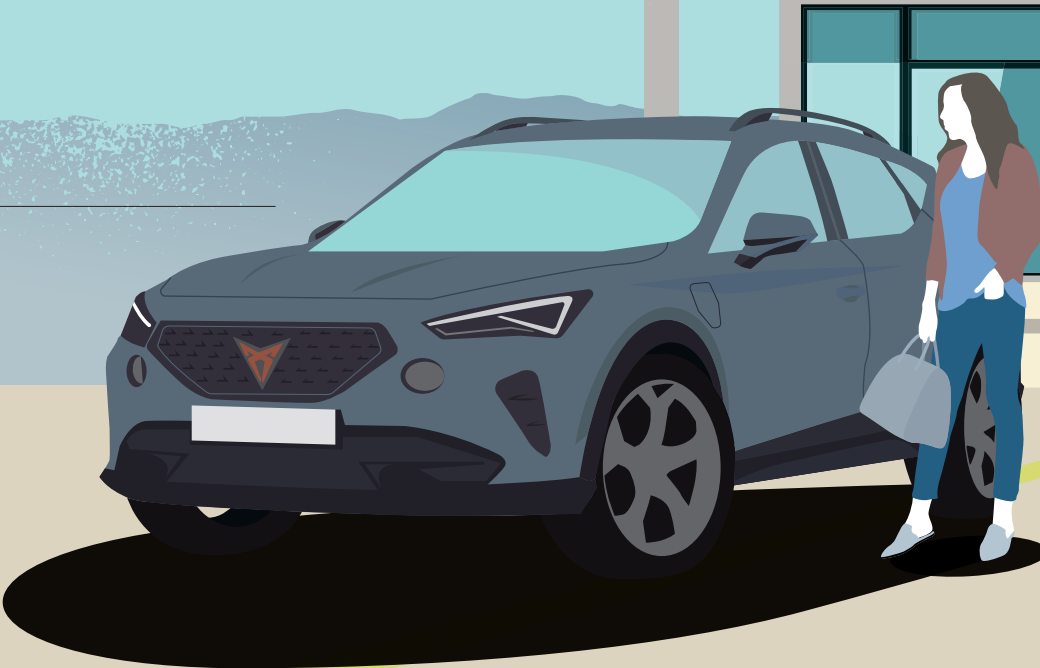
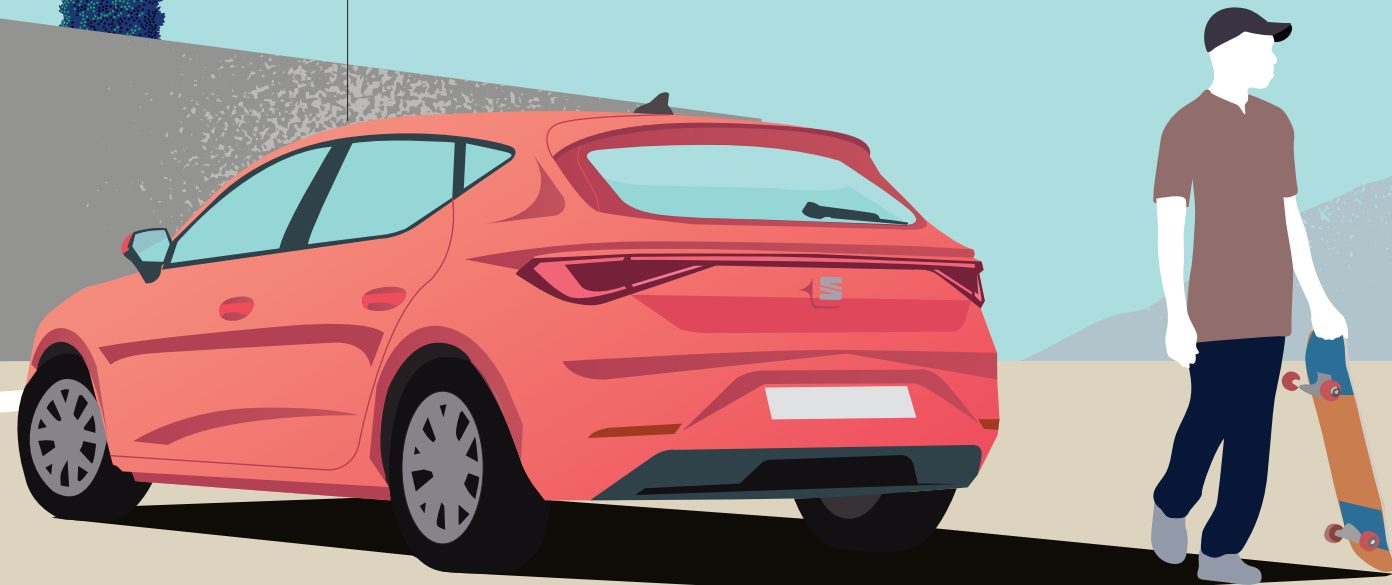
Leon e-HYBRID

The e-HYBRID combines a 1.4-litre TSI petrol engine, an 85-kW electric motor and a 13-kWh battery. The zero-emission electric mode provides a range of up to 64 km using only the energy stored in the vehicle's battery.



Air quality

Improved catalytic converter that reduces harmful exhaust gases according to Euro 6 emission standards. Diesel models feature SCR (Selective Catalytic Reduction) technology with double AdBlue® dosing to minimise nitrogen oxide (NOx) emissions.



Environmental goals of SEAT's technical developments



Preserving resources



Protecting people's health



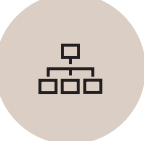
Protecting the climate

GOVERNANCE AND ECONOMIC DEVELOPMENT

Compliance and integrity, risk management and good governance

SEAT works on the premise that business and values go hand in hand to achieve success, so 'how it is done' is just as important as 'what is done'. That 'how' can be summarised as acting with integrity and complying with all regulations in force, both those of a legal nature and the commitments that have been assumed internally. This is a general principle of action that emanates from the Volkswagen Group Essentials, seven basic points that mark the conduct of all Group companies and the development of the various internal regulations.

The 7 elements of SEAT's compliance and integrity management model

- 

1. Organisation
- 

2. Objectives
- 

3. Culture and values
- 

4. Standards and processes
- 

5. Communication and training
- 

6. Risk management
- 

7. Continuous improvement

The seven elements that make up SEAT's compliance and integrity management model are: organisation, objectives, culture and values, standards and processes, communication and training, risk management and continuous improvement.

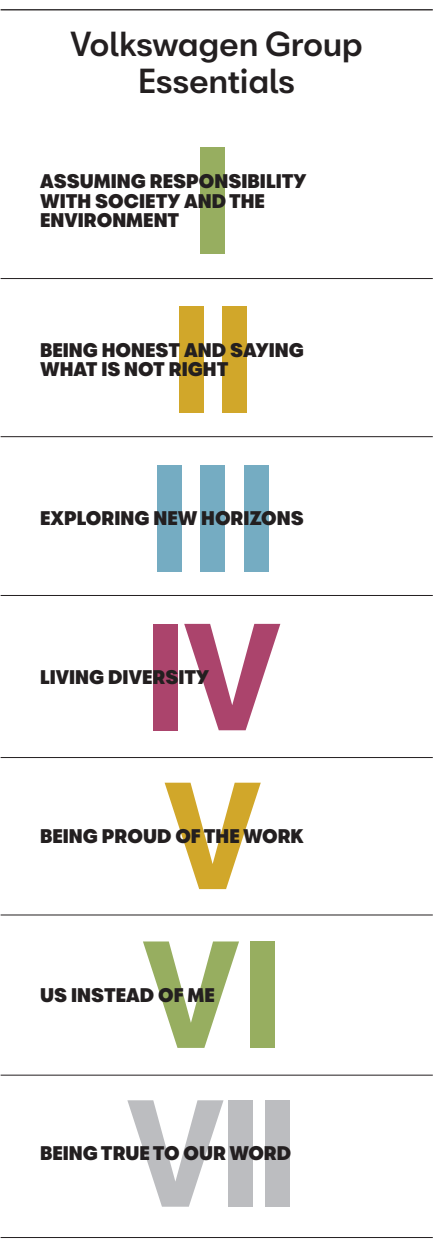
One of the priority actions in recent years has been the integration of compliance and integrity principles into the daily activities, based on a roadmap that in 2020 continued to develop new tools and procedures.

The COVID-19 pandemic had a particular impact on the corporate risk management system, making it necessary to urgently activate all necessary measures to guarantee the company's sustainability. The speed of reaction, the effectiveness of the processes implemented in previous years and the intervention of all the departments involved enabled the situation to be effectively analysed.

Compliance and integrity

Within the general regulatory framework, the Compliance and Integrity department is responsible for implementing and monitoring a legal risk prevention and management system. Among its main functions, it also raises the awareness of the entire staff on the relevance of these issues, through training and communication actions adapted to the needs and characteristics of each group.

The department is responsible for reporting on compliance and integrity issues to the corporate and management bodies of SEAT and the Volkswagen Group, as well as the future certification, through internal or external audits, of the compliance model according to the most rigorous national and international standards.



One of the priority actions in recent years has been the integration of compliance and integrity principles into the daily activities.

Development of the Compliance and Integrity roadmap

The extension of the Compliance programme to Compliance and Integrity builds on a roadmap started in 2018 and divided into three stages. In 2020, the 'Living Integrity' phase was further developed with the aim of consolidating these concepts in the company's strategy, as well as progressively developing tools and processes to measure and evaluate progress.

One initiative as part of this process was the launch of a network of influencers - employees who work to integrate and promote regulatory compliance and a culture of integrity at all levels of the company. Their functions are divided into three points:

- **Guidance:** helping employees to act and react to potential ethical or compliance and integrity dilemmas, as well as guiding them in the use of existing channels for consultation and complaints.
- **Acting:** promoting discussions on compliance and integrity and seeking synergies to optimise procedures.
- **Improvement:** contributing to a good working environment and thus to the improvement of the company's reputation.

In 2020, the programme started with the recruitment campaign and the first training sessions. Acting as an influencer is voluntary and complementary to the regular performance of each employee's duties.

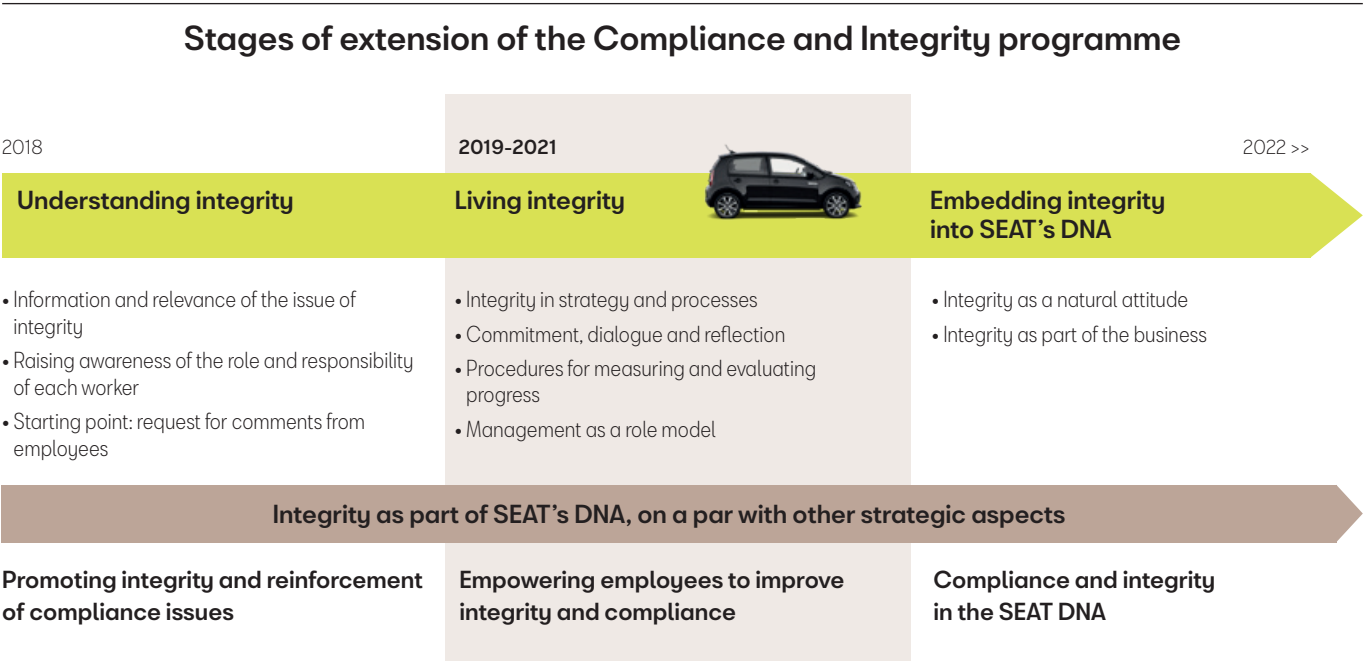
Personalised training focused on risk identification and prevention

The Compliance and Integrity department promoted communication sessions and actions, as well as training sessions based on a risk approach and with personalised sessions for each group.

- **Anti-corruption**, on active-passive corruption, gifts and invitations, conflicts of interest, relations with the public sector and company tools to mitigate these risks.
- **Management's criminal liability and whistleblower system**, to raise awareness of the responsibilities of this group derived from the Spanish Criminal Code and the position they hold.
- **Competition law***, addressing the risks that may arise from relations with customers, suppliers, business partners and third parties, among others.
- **Legal holds***, on the importance and the need to preserve documentation associated with a legal notice, regardless of its format and where the information is stored.
- **Prevention of money laundering and financing of terrorism**, to mitigate the risk involved in commercial transactions, payments to suppliers or customer collections, among others.
- **Whistleblower system for key contact points and specific target groups**, to train members with active participation in the system on the principles and guarantees that govern it and the main stages in the processing of a complaint.

These training sessions are mandatory for the groups that are exposed to the main legal risks.

*With the collaboration and expertise of the Legal Services department.



Business Partner Due Diligence

SEAT may be legally liable for the actions of its business partners, even if it has not participated in them. In order to avoid this risk, the relationship between the company and each of its partners must be governed by the ethical values of integrity, fair behaviour, transparency and good faith.

To ensure this, the company analyses its potential suppliers, distributors and other business partners through a process of integrity analysis, known as Business Partner Due Diligence (BPDD). This procedure is carried out by means of a consortium tool common to the entire Volkswagen Group with the aim of countering corruption risks in a standardised manner in all Group companies.

The initiation or continuation of a business relationship with a partner, and the conclusion of the corresponding contract governing the relationship, can only be carried out after the integrity analysis has been satisfactorily completed. If possible risks are detected, internal regulations require that the necessary actions and measures be agreed with the Compliance and Integrity department to mitigate or eradicate them in an optimal manner. The aim is to ensure that all the guarantees that should govern a business relationship in which SEAT is a party are met.

Whistleblower system

SEAT provides staff and third parties with several channels to communicate reasonable suspicion of regulatory violations by employees within the framework of their employment contract with the company. Specifically, this includes violations of applicable law and/or internal company regulations (especially the Code of Conduct). Serious regulatory violations are those which significantly affect the reputation or financial interests of the Volkswagen Group or one of its companies.

The SEAT whistleblower system is governed by, among others, the principles of fair procedure, presumption of innocence, proportionality and protection of whistleblowers, and therefore all hints received are treated with the utmost confidentiality. Furthermore, it guarantees the highest possible protection for the whistleblowers and affected persons, and an investigation is only initiated after a very careful examination of the facts and a reasonable suspicion of a regulatory violation.

In 2020, the SEAT internal channel [Analysis Office] received 276 communications from potential whistleblowers. Out of these, 135 referred to customer claims (therefore outside the scope of the whistleblower system), 32 to consultations and 109 to hints.

Consultation channels

Do you have questions about Compliance regulations or processes?

compliance@seat.es



Do you have questions about integrity or conduct?

integridad@seat.es



Compliance and Integrity Portal

Direct access from the main Intranet page

- > Queries
- > Blog
- > Guidelines & regulations
- > Legal risk management
- > Training

01

SEAT whistleblower channels

SEAT

Internal channel
Analysis Office
(Compliance)
transparencia@seat.es

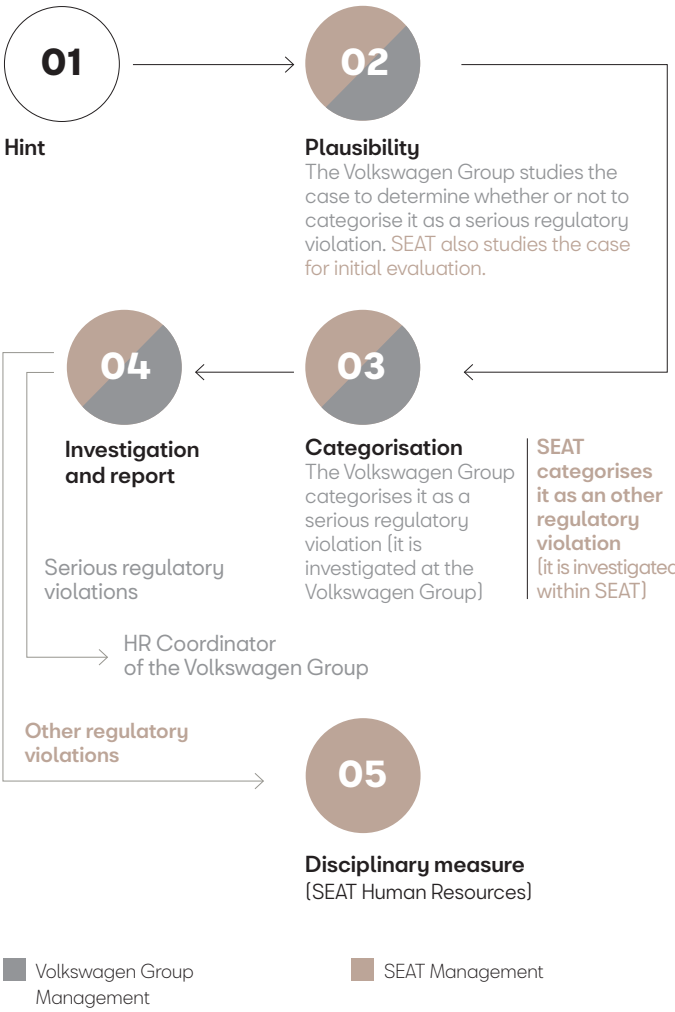
External channel
SEAT Ombudsman
david.velazquez@miombudsman.es
Tel. +34 609 665 001

Volkswagen Group

Internal channel
io@Volkswagen.de
+800 444 46300
+49 5361 94300
www.bkms-system.com/vw

External channel
Volkswagen Group Ombudsman
www.ombudsmen-of-volkswagen.com

How the SEAT whistleblower system works



Further information on the whistleblower system and the different whistleblower channels can be found at the following website:
<https://www.seat.com/company/whistleblower-channels.html>

Risk Management, Compliance and Integrity Model: three lines

As part of the Volkswagen Group, SEAT's Risk Management, Compliance and Integrity model is based on international standards and promotes early risk management and compliance with national and international legislation, as well as ethical principles that should be present in the daily management of the company.

This model is based on three lines, a widely used standard required by the European Confederation of Institutes of Internal Auditing (ECIIA):

- 01 1st Line (Business areas)**
The business areas are responsible for implementing an efficient and effective risk management system.
- 02 2nd Line (Risk Management, Compliance & Integrity and Legal Services)**
Advice, support and assistance to the SEAT business areas.
- 03 3rd Line (Internal Audit)**
They ensure the effectiveness of the first and second lines.



Risk management: a preventive model for the sustainability of the company

Ensuring SEAT's durability and sustainability is the main mission of the corporate risk management model, considered a fundamental pillar in the company's governance system. With the forced halt of activity, the COVID-19 pandemic tested the effectiveness of the model, which is mainly based on three lines:



SEAT's management is directly responsible for risk management, based on a series of tools and protocols already defined by the company. In the management of the respective risks, the different business areas have the coordination and support of the Risk Management department, which applies the international standard COSO (Committee of Sponsoring Organizations of the Treadway).

During 2020 a project was started to strengthen the company's internal control system (ICS) and the model for reinforcing business continuity (BCM) was developed. Its main lines of action are as follows:

1. Train and raise awareness to improve operational risk management in all business areas. This action is an essential requirement to continue to comply with the requirements of ISO 9001:2015 certification, among others.
2. Lead the annual GRC process (Governance, Risk & Compliance), which aims to create a map of the organisation's systemic risks and assess their management, as well as the effectiveness of the measures and controls established to mitigate them.
3. Lead the quarterly process of identifying imminent risks. This includes both those that can affect the company in the short term and those that, although they may affect the medium or long term, require the immediate definition of measures to be able to mitigate them in time.

4. Implement the new Internal Control System (ICS). The aim is to increase security in compliance with internal and external regulations (fraud prevention and environmental controls), thus reducing the probability of committing management errors.
5. Develop the model for business continuity (Business Continuity Management, BCM). BCM is the overall sum of the procedures and measures in place to successfully and swiftly manage a business interruption due to a serious incident. Its main objective is to ensure that, in the event of serious operational interruptions, the company's core processes and tasks can keep running and be recovered.

Based on the aforementioned procedures, the various SEAT departments regularly assess and update their risks, as well as the measures and controls in place to mitigate them.

In 2020, the annual GRC process reported more than 300 risks. Due to their relevance, those associated with business continuity, cybersecurity and regulatory aspects related to product and environmental regulations stand out.

Immediate reaction to mitigate the risks of COVID-19

The COVID-19 pandemic has put the company's risk management and business continuity model to the test. In view of the impact of the health crisis, the precise identification of the processes that could be affected in cases of mobility restrictions was promoted, as well as preventive and reactive actions to facilitate their continuity. We also studied the activities that required specific personnel and those that could be carried out remotely.

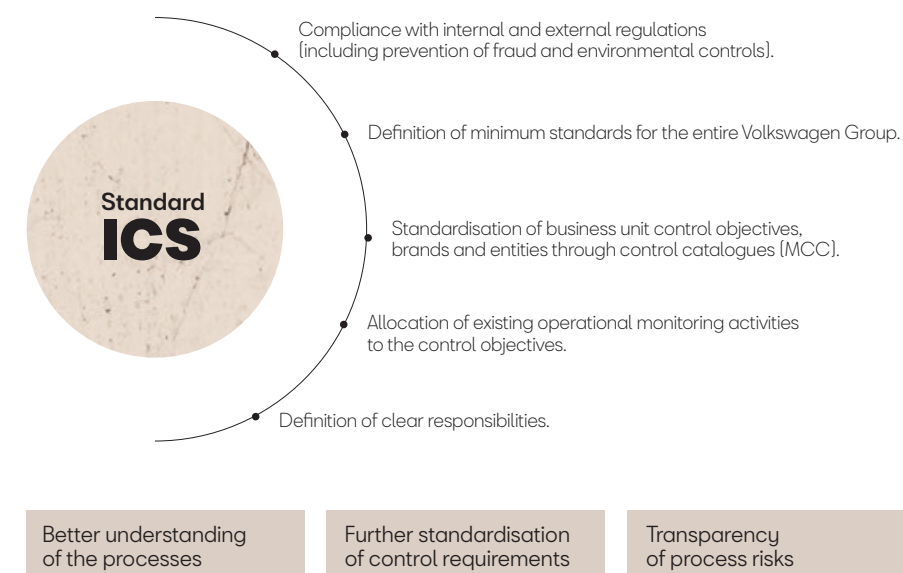
The Risk Management department took an active part in the various internal working groups created to deal with the consequences caused by COVID-19: the BCMT (Brand Crisis Management Team) and the re-start workshops led by the Production division for the start-up of the factory after lockdown. It also participated in exchanges of assessment of the main risks and measures with other companies in the Volkswagen Group and in meetings with representatives of large companies from different sectors to share the specific programmes developed.

Once the factory's activity was resumed, and with the aim of consolidating the knowledge and good practices obtained during the critical phase, the BCMT evaluated the management procedures carried out, identifying the actions that proved to be most effective and the weak points to be reinforced in future crises.

New Internal Control System (ICS): structured approach to strengthen risk management in the company

The implementation of the ICS meets the minimum control objectives required by the Volkswagen Group from its main companies. These objectives have been defined for all areas of the company and are assigned to the management. The SEAT Executive Committee approved its implementation and roll-out, through a project that started in April 2020 and will be completed in 2021.

The five principles that govern the ICS



Successfully passed the US Monitor audit

In 2019 and 2020, a huge number of companies in the Volkswagen Group, including SEAT, underwent certification by the US Monitor to ensure compliance with all its recommendations.

In particular, issues related to human resources and corporate risk management policies and procedures, the relationship with suppliers, as well as the development of specific compliance and integrity programmes and tools were audited.

In September 2020 it was announced that the Volkswagen Group and the companies audited had successfully passed the audit, marking a very significant milestone in the continuous development of the Together for Integrity (T4I) programme and the processes established to ensure that the improvements applied are maintained. In this regard, one of the key new actions initiated during the year was the beginning of the implementation of the T4I measures in the subsidiaries which, in accordance with the plan, had not yet implemented them, namely: CUPRA, SEAT:CODE, SEAT MÓ, SEAT Portugal and SEAT Center Arrábida.

In the specific area of risk management and internal control, the US Monitor certified the proper functioning of the activities and processes implemented to prevent or effectively detect errors or fraud.

Main risks faced by SEAT

Economic, financial and legislative risks, including social aspects, and climate change

RISK EXAMPLES:

- Evolution of national and international economic conditions, legislative changes or political situation.
- Market risks: exchange rate, interest rate or price variability.
- Adaptation to new stakeholder requirements. New legislation on aspects such as data protection, the environment (banning of vehicles in large cities), etc.
- Pandemics and other socio-health risks.

ACTION PLANS

- Strategy of expansion into new markets.
- Strong product offensive.
- Development of new business models related to mobility.
- Exchange rate hedging.
- Analysis and monitoring of economic indicators.
- Procedure to follow in the event of a pandemic and health emergencies.

Production process risks

RISK EXAMPLES:

- Incidents that can affect production capacity (power supply problems, technical failures, system interruptions or fires) and lead to downtime, loss of production, rejections and rework.

ACTION PLANS

- Continuous maintenance of the facilities ensuring that they are always operational and guaranteeing their proper functioning.
- Preventive plans for alarm systems and maintenance of facilities to detect possible failures in time.

Information technology risks

RISK EXAMPLES:

- Challenges of digitalisation.
- Systems obsolescence and computer insecurity (cyberattacks, data theft, identity theft, phishing, etc.).
- Hacking of systems.

ACTION PLANS

- Policies and regulations for proper use and security of systems.
- Review and update of IT systems.
- Reinforcement of cybersecurity.
- Plans for the protection and monitoring of cyberthreats.

Supply risks

RISK EXAMPLES:

- Delays in the receipt of materials, quality defects or supplier insolvency.
- Short-term changes in customer demand that require the rapid adaptation of the company's product characteristics.

ACTION PLANS

- Preventive and reactive measures: broad portfolio of suppliers to respond flexibly to any adverse factors and continuous review of suppliers' financial stability.
- Continuous comparison of available resources with future demand.

Quality and development risks

RISK EXAMPLES:

- Challenges arising from the manufacture of highly complex technological products with high quality requirements in terms of safety, fuel consumption or control of harmful substance emissions.

ACTION PLANS

- Quality standards at all stages of the production process.
- Obtaining international quality standard certifications, such as ISO 9001.
- Emission control measurement systems by external bodies.

Human resources risks

RISK EXAMPLES:

- Need for trained staff with technical skills.

ACTION PLANS

- Comprehensive human resources strategy: planning, recruitment, training and incentives.
- Preservation of jobs.
- Occupational health and safety plans.
- Specific training plans (Apprentice School, dual vocational training, etc.).
- Preparation of the workforce for future trends: for example, digital transformation.

Audit, Compliance and Governance Commission (ACGC)

The Audit, Compliance and Governance Commission (ACGC) is the delegated committee of SEAT's Board of Directors in charge of compliance with the Audit Act, the Capital Companies Act, the Criminal Code, the Good Governance Code, the ACGC Regulations and the internal regulations related to the risk management, compliance and integrity system. Its members at 31 December 2020 are Dr. Josep Piqué, who holds the position of chairman, Dr. Stefan Piëch and Mark Phillip Porsche. Luis Comas holds the position of secretary/legal advisor to the Commission.

In 2020, the ACGC's activity was adapted to the situation created by the COVID-19 pandemic in order to duly analyse the risks to the company and the extraordinary measures adopted to address them.

The Commission met on 10 occasions, twice as many as the previous year, and had to hold frequent virtual meetings during the months of lockdown in Spain.

In the meetings that took place during this period, the impact of the pandemic on various areas (financial, production, sales and marketing, and human resources management, among others) was discussed, as well as reporting on the various solidarity initiatives of SEAT to fight COVID-19, such as the production of ventilators. In this situation, the Commission sessions were attended by the company's vice-presidents to discuss the effects in their respective areas of responsibility.

Along with matters directly related to the pandemic, other issues such as progress in the implementation of the Together for Integrity programme, the results of the US Monitor audit and the effects of tax and customs policies on the company's activity were addressed in the meetings held outside the lockdown period. The company's operational risks and Compliance and Integrity and Risk Management activities were also analysed, as well as financial matters and aspects related to the performance and renewal of external auditors.





Product Compliance
Management System (PCMS)

During 2020, the Technical Compliance department has promoted the implementation of the Product Compliance Management System (PCMS), which aims to ensure the compliance of vehicles and their related services throughout their life cycle. The PCMS establishes an organisational framework of processes, principles and measures to identify and manage potential risks and deviations in product conformity.

The system ensures compliance with binding obligations in any market. These obligations are as follows:

- Legal and regulatory requirements: laws are regulations from a legislative body and usually contain very general legal terms, which are specified by the authorities in the context of official regulations.

- External standards, drawn up through the standardisation activities of national and international technical and scientific standardisation institutions, associations and societies.
- Internal standards, in particular Group standards and developmental testing conditions.
- Contractually agreed customer requirements regarding specific technical characteristics of the product.
- Self-commitments communicated externally whose content does not result from legal regulations or administrative actions.

The PCMS involves various company departments, which it supports to manage product conformity issues, ensure appropriate decisions and behaviour and provide preventive mechanisms to avoid deviations. To this end, it uses existing processes, structures and management systems, which make it possible to exploit synergies and ensure a sustainable PCMS.

The 7 PCMS elements



Sustainable development

A new pattern of growth

Sustainable development implies a pattern of growth that reconciles economic, social and environmental development with a productive and competitive economy. This model aims to promote quality employment, equal opportunities and social cohesion, while ensuring respect for the environment and the rational use of resources. In other words, it seeks to satisfy the needs of present generations without compromising the possibilities of future ones, based on five key factors: productivity, competitiveness, efficiency, innovation and development.

The automotive sector is at the forefront of technology, innovation and digitalisation, areas that generate many positive effects on the economy as a whole. Its capacity to adapt makes it a key player in promoting a sustainable growth model that meets consumers' needs.

Due to its size, impact and commitment, the automotive industry needs to favour the attraction of new investments that allow the development of innovations such as the electric vehicle. This is a common goal that also requires greater involvement from the public authorities to promote the necessary infrastructures and stimulate the demand for this type of vehicle.

The considerable investments and new cost structure involved in the transformation of the sector are currently difficult to compensate with the income generated by the sale of electric models. It is therefore necessary for manufacturers to adapt to the new reality.

SEAT began to prepare this scenario two years ago with the launch of CUPRA. The new brand must contribute to ensuring the company's profitability and sustainability, as well as maintaining its commitment to employees, suppliers and society.

SEAT and CUPRA are two brands that complement one another, each with a distinct target audience and role within the Volkswagen Group. On the one hand, SEAT provides CUPRA with the volume for growth in terms of production, R&D and human resources. On the other hand, CUPRA allows SEAT to move its centre of gravity towards more emotional vehicles, with a higher transaction price and generating greater profitability. With both brands, the company will be able to face the increase in costs derived from the transformation of the automotive sector and, therefore, guarantee its future in a sustainable way.

To achieve this goal, it is also essential to monitor and control the activity of all the members of the value chain, with special emphasis on suppliers and customer feedback.

SEAT has its own tools to ensure that suppliers comply with the demanding sustainability requirements set by the Volkswagen Group.

In addition, the company manages the role of customers by actively listening to their assessments and opinions in different channels, as well as by quickly resolving their queries and complaints.

S-Rating and the sustainable growth of suppliers

In supply chain management, SEAT's and the Volkswagen Group's commitment to sustainability takes the form of active involvement in the continuous improvement and sustainable growth of its suppliers. As part of the strategy of recent years, it is essential that all market players in the supply chain act according to the same principles.

Sustainable development implies a pattern of growth that reconciles economic, social and environmental development with a productive and competitive economy.

Following the guidelines of the Volkswagen Group, and with the aim of ensuring the supply chain and the sustainable growth of suppliers, the S-Rating was implemented at SEAT in July 2019. This tool assesses their level of environmental and social sustainability, in particular with regard to human rights and working conditions, the environment, business ethics, supplier management and responsible procurement.

The instrument used to carry out this assessment is the 'Self Assessment Questionnaire'. Through this sustainability questionnaire, the supplier must provide the evidence necessary to prove compliance with the principles of sustainable development and the Code of Conduct for Business Partners of the Volkswagen Group.

In this way, a high level of excellence is maintained in the supply chain, as suppliers who do not achieve a positive score in the S-Rating cannot participate in new projects or receive contract extensions. However, this tool has been designed for suppliers to continuously improve their rating through a system of individualised recommendations based on the responses of each supplier.

During the last few months of the year, the level of demand and reinforcement of the most relevant aspects referred to sustainability was increased:

- Definition of a series of minimum requirements that suppliers must guarantee. These are based on five policies which any company, regardless of its size and sector of activity, must have implemented: code of conduct, human rights and working conditions, health and safety at work, business ethics and environmental ethics. In this way, the questionnaire can be adapted to companies of any type and size.
- Launch of the new version of the questionnaire (SAQ 4.0), with an improved general structure making it more coherent with the announced aspects and visually more intuitive. At the same time, accessibility was adapted to all the languages used by the Volkswagen Group brands.
- Requirement for suppliers to report on the implementation of a corporate social responsibility system to their own supply chain. Similarly, they are asked to declare the use of conflicting materials and to communicate their origin and destination in order to obtain traceability and transparency in their supply. The questionnaire also includes the measures carried out by suppliers in the field of renewable energy.



The supplier sustainability rating system is undergoing a process of continuous improvement in order to be accessible to all partners and to ensure that they integrate the values of the Volkswagen Group into their policies. Through transparency, reciprocal dialogue and training, SEAT focuses on achieving consolidated sustainability values in its supply chain.

Advanced tools for measuring the quality of service
As part of its commitment to transparency in its relations with stakeholders and its search for excellence in the quality of its service, SEAT integrates the most advanced methodologies for collecting and managing its customers' assessments of sales and after-sales services. In recent years, the company has worked on the public dissemination of these ratings, for example by publishing them on the brand's websites in the various countries using the traditional star rating system (scale from 1 to 5), accompanied by the same comments from users.

The opinions of buyers of a new vehicle at a dealership of the brand and of users of an authorised after-sales service are usually collected through an online satisfaction survey. The results are analysed in order to understand the origin of customer satisfaction and dissatisfaction, so that corrective action can be taken at different levels and in different areas: workshop/dealership, importer and brand. The field work for this study and the data reporting are carried out using software called Customer Experience Management (CEM).

In 2020, work was carried out on the development of an advanced version of the CEM platform to adequately reflect the reality of the company, as well as the various channels currently used by users to express their opinion on the service received. The new platform is created under three principles: more efficiently listening to the customer, greater understanding to make better decisions and the right tools for employees to act.

The new CEM will be more flexible and intelligent and will allow key aspects of the business to be differentiated. For example, the questionnaires can be personalised (SEAT, CUPRA and SEAT MÓ), the different services offered or any strategic segmentation criteria for the company. Another relevant change is that the new CEM will make it possible to know, integrate, evaluate and respond to opinions about dealers and workshops expressed by customers on non-SEAT channels, such as ratings or online comments on social networks and other websites. This will help to improve the digital prestige of SEAT and CUPRA.

Together with the new functionalities for listening and reporting information, the platform also incorporates resources directly aimed at the network to develop actions to improve customer service. For example, an Android and iOS application that facilitates the management of dissatisfied customers, a range of options for managing alerts in the event of detecting an unsuitable service or proposals for action plans based on the indicators received, among others.

Decentralised model for dealing with queries and complaints

SEAT's enquiry and complaint handling system has evolved in recent years. The aim has been to adapt to the new communication channels used by customers to contact companies, such as applications installed on smartphones and social networks. In order to adequately address its customers, SEAT has developed a decentralised management model in which most incidents are dealt with and resolved directly by the authorised importers and services in each country. This model allows the process to be simplified and streamlined, as customers tend to use the channels of their respective countries first.

The company also has a central department in charge of dealing with queries and complaints received on the corporate website www.seat.com, social networks or marketplaces. This department is also responsible for identifying and proactively responding to the opinions that users share via these channels.

Most of the information queries are related to the characteristics or marketing dates of new models, while most of the complaints concern issues related to digital products and services.

Query and complaint figures for 2020

13,570
complaints received
2019: 15,521

31,994
queries received
2019: 27,922

98.1%*
complaints and queries resolved
2019: 98.3%

* At end of 10 January 2021.

Customer satisfaction in 2020



2/20

Production and Logistics / Quality

Adaptation and effectiveness — **76**

Ready for the future — **82**

Transformation
towards Industry 4.0 — **83**

Supply chain — **84**

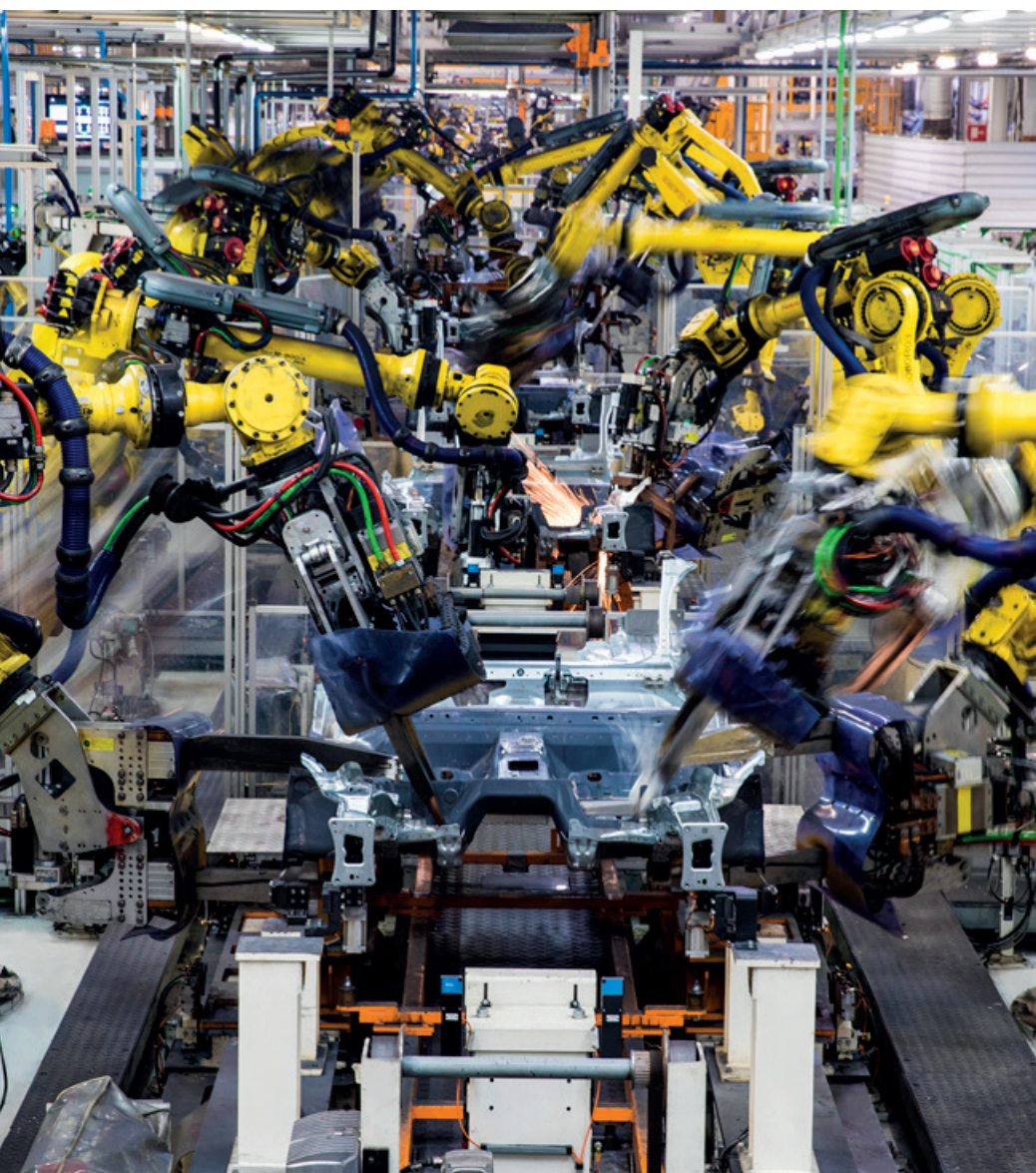
Quality, efficiency and
precision — **86**

ADAPTATION AND EFFECTIVENESS

Commitment to innovation

The Global and Efficient Production strategy, launched in 2019 and conceived as part of SEAT's 2025 Strategy, marked the path for the Production and Logistics division during 2020.

The initiatives put in place allowed the company to strive for constant innovation and transformation towards Industry 4.0 with the aim of adapting to the current challenges, as well as those of the future. These initiatives include the development and implementation of new propulsion technologies, the boost to digitalisation, and the implementation of environmental measures as part of the company's Move to ZERO strategy.



HERBERT STEINER, NEW VICE-PRESIDENT OF PRODUCTION AND LOGISTICS

Herbert Steiner joined the company in November as vice-president of Production and Logistics, replacing Christian Vollmer.

With a degree in Mechanical Engineering from the Graz University of Technology, he began working at AUDI AG in 1998 in the field of Controlling Project Management, as well as working on the company's Purchasing and Global Sourcing strategy. In 2006, he became general secretary of SEAT, a position he held until he was appointed director of the SEAT Componentes factory in 2010. After this phase, he assumed the position of managing director of Engine Production and became a member of the Engine Production Board of Directors at AUDI Hungary.

From 2018 until his recent appointment, Herbert Steiner was head of the Engines and Foundry division at Volkswagen Group Components.

The initiatives put in place allowed the company to strive for constant innovation and transformation towards Industry 4.0.



Industrial activity

SEAT continued to register growth in its production figures during the first two months of the year and in February it marked 11 million vehicles manufactured at its facilities.

In March, following the government's decision to declare a state of emergency to curb the spread of COVID-19, and faced with a lack of supplies, the company agreed on a series of measures to contribute to the containment of the virus and to protect the health of its workers and collaborators. In addition, a furlough (ERTE) scheme resulting from force majeure was negotiated and, despite covering the entire workforce, was only applied to employees who had to cease their work due to the pandemic.

During the weeks without production, the SEAT Leon subchassis production line was adapted to produce emergency ventilators to meet the healthcare needs arising from the COVID-19 pandemic.

On 27 April, the company restarted production at the Martorell, SEAT Barcelona and SEAT Componentes factories. The return to activity was carried

out gradually in order to implement the necessary health and safety measures. In an initial first phase, from 27 April to 4 May, Martorell operated a single production shift and at approximately one third of capacity in each of the three lines, used to produce the Ibiza, Arona, Leon and Audi A1.

In the second phase, during May, production was expanded to two shifts on Line 2. Finally, in the third phase, in June, the ordinary production rate was gradually recovered. On 8 June, the night shift was added on Line 2 in Martorell, and on 15 June the second shift on Line 1 was added. On 21 June, the Spanish government declared an end to the state of emergency.

In this difficult environment, the company's three industrial plants registered a decrease in their figures compared to 2019. In Martorell, 350,850 vehicles were assembled (-29.8%), at SEAT Barcelona 41.2 million parts were produced (-24.8%) and at SEAT Componentes 424,104 gearboxes were manufactured (-24.2%).

The crisis generated by the pandemic was also felt in the production of SEAT models at the Volkswagen Group's various plants

abroad. In Kvasiny (Czech Republic), 76,710 units of the Ateca were produced; in Wolfsburg (Germany), 18,914 of the Tarraco; in Palmela (Portugal), 14,676 of the Alhambra; in Bratislava (Slovakia), 7,597 of the Mii electric; and in Zwickau (Germany), 58 pre-series units of the new CUPRA el-Born.

HISTORIC PRODUCTION MILESTONE IN MARTORELL

In February 2020, the Martorell plant celebrated 11 million vehicles manufactured since its opening in 1993. That year, Martorell became the company's main industrial centre, with production being moved from the old plant in Barcelona's Zona Franca district after 40 years there.

Among the many models to come out of the Martorell facility, one of the most prominent is the SEAT Ibiza, which has been manufactured continuously throughout its 27 years of history. With more than 4.6 million cars sold, it is also the model that has contributed the most to reaching the milestone of 11 million units.

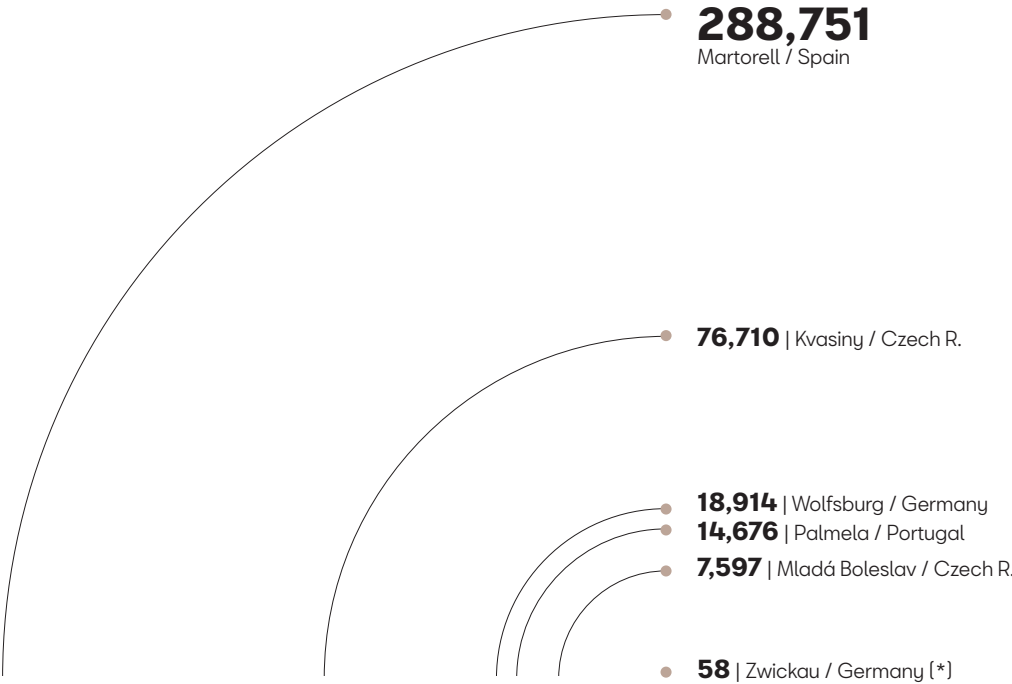


Production at the Martorell plant
Units

	2020	2019	Variation	
			Absolute	%
SEAT / CUPRA models	288,751	418,718	[129,967]	[31.0]
SEAT Ibiza	74,564	130,243	[55,679]	[42.8]
SEAT Arona	78,823	134,611	[55,788]	[41.4]
SEAT Leon	111,904	139,381	[27,477]	[19.7]
CUPRA Leon	12,419	14,456	[2,037]	[14.1]
CUPRA Formentor (*)	11,041	27	11,014	–
Audi models	62,099	81,287	[19,188]	[23.6]
Audi A1	62,099	81,287	[19,188]	[23.6]
Total production (**)	350,850	500,005	[149,155]	[29.8]

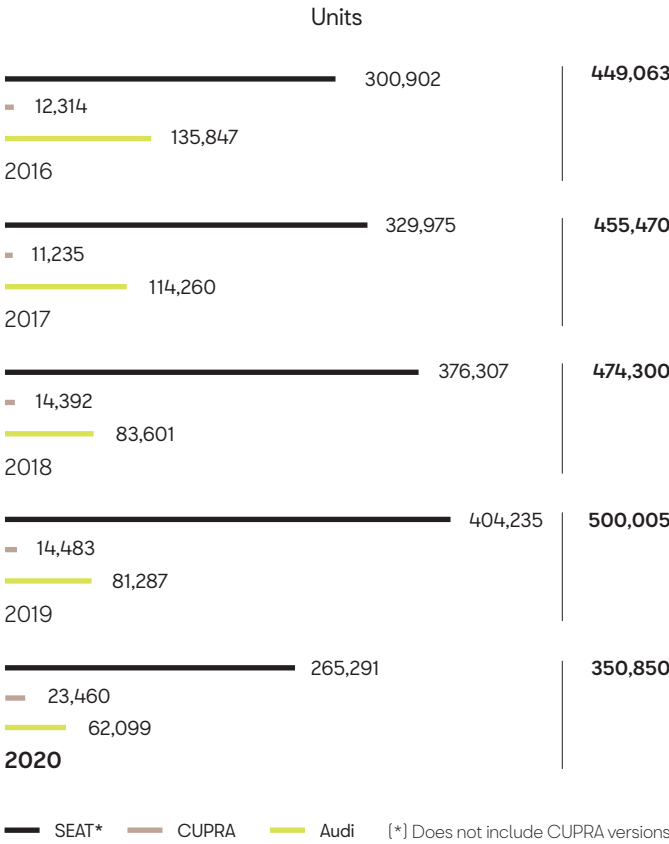
(*) Figure for 2019 corresponding to pre-series units.
(**) Figures for 2020 and 2019 do not include 117,955 and 173,301 SEAT vehicles produced at other Volkswagen Group plants, respectively.

Production of SEAT models in
Volkswagen Group plants in 2020
Units



(*) Figure corresponding to pre-series units.

Production at the Martorell plant



New models and versions

Despite the production limitations related to the COVID-19 pandemic, in 2020 SEAT met the objectives of beginning the manufacture of the new Leon and the CUPRA Formentor, two new models which are of particular strategic value for the company, as well as the plug-in hybrid version of the Tarraco:

- Fourth generation of the Leon, the most complex in SEAT's history. This model was a challenge for the Production division due to the range's high-end performance and electronics, as well as its wide range of engines, which includes the company's first plug-in electric hybrid version.
- CUPRA Formentor, the first car developed and designed exclusively for CUPRA.
- Tarraco e-HYBRID, the plug-in electric hybrid version of the brand's largest SUV.



Despite the production limitations related to the COVID-19 pandemic, in 2020 SEAT met the objectives of beginning the manufacture of the new Leon, the CUPRA Formentor and the SEAT Tarraco e-HYBRID.



The CUPRA Formentor became the sixth model to be manufactured in Martorell and is expected to increase the plant's production volume by over 13%.

SEAT Leon and CUPRA Leon, innovative technology

The production of the new Leon involved the integration of an advanced electronic architecture with cutting-edge technologies, as well as the development of a wide range of engines consisting of five propulsion systems. These included a micro hybrid (Mild Hybrid) version, production of which began in January, and a hybrid plug-in (e-HYBRID) version produced since September.

The process of developing this technology included the implementation of a new staff training programme on electrical components. In addition, it involved the construction of a new section of Line 2 dedicated exclusively to the manufacture of hybrid electric vehicles.

The new Leon has marked the integration of the new MQB Evo platform into the production process at Martorell, allowing the company to offer new standards of comfort and practicality for its two bodywork versions (5 doors and Sportstourer), as well as increasing the car's electronic functionality. Producing the car on this platform involves extending its length relative to the previous generation in order to provide more space in the rear seats and offer a larger boot in

the Sportstourer version. It also includes insulating materials that reduce noise inside and a 15% stiffer body to reduce vibrations.

CUPRA Formentor, sixth model produced in Martorell

In September, the start of production of the CUPRA Formentor was announced. This became the sixth model to be manufactured in Martorell and is expected to increase the plant's production volume by over 13%.

At its launch, an initial volume of 160 units per day was reached, requiring 3,000 workers spread across three shifts. In 2021, the CUPRA Formentor will also be available in plug-in hybrid variants.

Tarraco e-HYBRID, SEAT's first electrified SUV

In November, the company began production of the Tarraco e-HYBRID at the Wolfsburg plant (Germany). The new model brings the benefits of electrification – such as performance and efficiency – to SEAT's SUV segment and represents another step in the company's electrification process.

Virtual reality and augmented reality in training on hybrids

In order to train staff in the manufacture of plug-in hybrid models, the Production System (SPS) training centres developed a new learning concept based on the use of digital tools, such as virtual and augmented reality.

These technologies make training more flexible, effective and engaging. In addition, particular emphasis was placed on safety and general knowledge of new hybrid technologies.



Production of emergency ventilators

To assist in the response to the crisis caused by COVID-19, the Martorell factory was exceptionally used to manufacture over 600 emergency ventilators.

A team of SEAT engineers participated in the development of 13 prototypes of the device before settling on the final design, called OxyGEN #HOPE, which integrated gear cogs stamped in Martorell, gearbox shafts and an adapted windscreen wiper motor. The assembly of all the parts was carried out on Line 2 of the plant, previously dedicated to the production of the SEAT Leon up until that moment.

Each ventilator had more than 80 electronic and mechanical components and was put through comprehensive quality control checks, including sterilisation using ultraviolet light. As part of the approval process, the ventilators were also subjected to a long-duration test.

Following their approval by the Spanish Agency of Medicines and Medical Devices, the first ventilators left the Martorell plant on 5 April.



READY FOR THE FUTURE

Transformation of the Development Prototype Centre (CPD)

SEAT transformed its Development Prototype Centre (known as the CPD) in February with the aim of unifying all the processes that precede a vehicle's manufacture within a single space.

The company built a new 3,000-square-metre building at Workshop 3, featuring virtual reality applications in the new machining facilities and a large area for additive manufacturing projects in the new 3D Printing Lab. The 3D printing area, which has multiplied its surface area by four, is equipped with cutting-edge printers with a focus on new additive manufacturing materials. These machines are used to print state-of-the-art parts for the development of prototypes and pre-series models for future releases.

The new building, located in the heart of the Martorell plant, also includes the so-called Design for Manufacturing room. Here, the R&D, Quality, Processes and Manufacturing divisions work together with 250 professionals from the CPD to analyse and improve products in their early stages of conceptualisation.

This collaboration helps to reduce the time it takes to launch new models, as well as boosting efficiency in processes and resource management. To this end, new technologies are used, including virtual reality to simulate serial manufacturing processes, 3D printing and other Industry 4.0 technologies.



Expansion of the Fast Lane service

SEAT continues to work to expand the coverage of its Fast Lane service with the intention of adapting to customers' consumption habits and the view that a vehicle's delivery time is a key factor in their purchasing decision.

First launched in Austria in 2017, Fast Lane improves the user experience by reducing delivery time to three weeks, well below the usual average of around 90 days. It also gives customers access to an innovative, simple, agile and dynamic purchasing process that allows them to configure their vehicle. The dealership becomes a key player in the process, taking responsibility for registering the final order, closing the contract and ensuring delivery to the end customer in as little as 21 days.

The Fast Lane service was extended in 2020 to Spain and Germany and is currently available for the Ibiza, Arona and Leon models, with sales doubling over the previous year.

In the case of the CUPRA brand, this service will be available under the name CUPRA Priority and will include a number of new digital tools such as the tracking tool, which will help to promote transparency and reliability in the delivery to the end customer.

TRANSFORMATION TOWARDS INDUSTRY 4.0

Implementation of Shopfloor Management

The Production division's Lean Office team implemented the digital Shopfloor Management (SFM) tool for use by staff not directly linked to production.

SFM is a system that helps to improve communication and optimises the resolution of incidents in day-to-day operations through management activities on the production line shop floor.

Digitalising these activities facilitates access to all the necessary information, organised into three areas (organisation, projects/tasks and objectives) through a PowerPoint document. This eliminates paper consumption and contributes to the company's Move to ZERO strategy, which focuses on minimising the environmental impact of its business operations. In addition, digitalising the SFM improves the visualisation of objectives, incidents, measures, scaling and team management, thereby making meetings more efficient.

This strategic programme is the main driver that will help to optimise the Group's production costs, as well as positioning it as a leader of the IoT (Internet of Things) industrial platform in the automotive industry.

Martorell's connection to the DPP allowed the implementation of a first practical application based on condition monitoring methodology, aimed at predictive maintenance. In this project, the plant leads the development for the Volkswagen Group thanks to the work team formed by Martorell Maintenance, Information Technology, the Digital Production Office and SEAT:CODE.

A global production cloud

In September, SEAT Martorell connected to the Digital Production Platform (DPP), a strategic Volkswagen Group initiative aimed at establishing a global production network. The DPP is an industrial cloud that connects the Group's 125 plants and has been developed in conjunction with Amazon Web Services.

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The CPD in figures *

18,927 m²
total surface area

13
concept cars

250
staff

2,472
test prototypes

224
technical models

5,235
pre-series units for product and process optimisation

*Cumulative figures

SUPPLY CHAIN

Expansion of the fleet of gigatrailers and duotrailers

The company expanded the supplier routes on which goods are transported using gigatrailers and duotrailers, the two largest and longest lorries operating on European roads.

SEAT, which pioneered the use of a gigatrailer in Spain in 2016 and a duotrailer in 2018, both in a test phase, established four operational routes for this type of vehicle in 2020:

- Two routes with two gigatrailers link Martorell with the Gestamp factory in Orcogen (Navarre), for the transport of sheet metal materials, and another with KWD, also from Orcogen, for the supply of sheet metal parts.
- Two other duotrailer routes connect the Martorell plant with Borgers (Alcalá de Henares, Madrid), for the supply of parts for interior finishes, and with Global Laser for high production volumes from Ribera Baja (Álava), which transports sheet metal parts.

SEAT's investment in these new trucks is part of its commitment to sustainable mobility for road transportation. Their use enables CO₂ emissions to be cut by up to 30%, as well as a 25% reduction in logistics costs.



Autonomous robots in outdoor areas

In 2020, the company became the first industrial manufacturer in Europe to use automated guided vehicles (AGVs) in outdoor areas, helping to optimise production and logistics processes in an efficient, sustainable and connected manner.

The eight new outdoor AGVs, which joined the 200 AGVs that supply parts inside the assembly workshops of the Martorell and Barcelona factories, are equipped with SLAM (simultaneous localisation and mapping) navigation systems, a 4G connection and electric batteries that are charged by induction.

Each one is able to transport up to 10 tonnes in weight, and together with the carts they create a 25-metre-long convoy and operate on routes of 3.5 kilometres. Thanks to their SLAM navigation systems, these vehicles are not guided by magnetic strips or rails. This reduces their maintenance costs and makes them more versatile to adapt to new routes, as well as avoiding the need for construction works prior to their use. All in all, the eight AGVs cover 240 kilometres a day.

In 2020, the company became the first industrial manufacturer in Europe to use automated guided vehicles (AGVs) in outdoor areas.

The use of the fleet of outdoor AGVs allows the company to avoid 1.5 tonnes of CO₂ per year, as they replace the use of a lorry and a tractor on these routes. Furthermore, they allow for a more efficient supply from an operational and economic point of view, they reduce the accumulation of stock both at the point of origin and at the destination, and they also cut vehicle traffic inside the factory. The project was developed in collaboration with ASTI Mobile Robotics and Telefónica.

Supply of parts using drones

SEAT continues to develop vertical mobility, both outdoors and indoors, by exploring the potential of drones for the rapid supply of parts between the Martorell factory and nearby suppliers.

During 2020, the supply of emergency parts was established as a service. Work also began to connect the plant with a supplier in the area for the supply of serial parts to the workshop without the need for intermediate storage units.

The use of drones also began to be combined with artificial intelligence and 5G communication technologies, thanks to the collaboration with Telefónica and the startup Unmanned as part of the Start4Big initiative.

RECOGNITION OF INNOVATION

The editors of *Auto Bild* and *Computer Bild* awarded SEAT the Connected Car Award for Company of the Year 2019 as part of the 2020 Consumer Electronic Show held in January.

SEAT's commitment to sustainable mobility is reflected in the initiatives launched in Martorell to turn it into a 100% smart factory. These initiatives include, among others, the tests carried out with drones for the supply of parts and components, and the bus-on-demand and shared bicycle services for employees, which help to reduce the facilities' carbon footprint while also improving their sustainability and efficiency.





QUALITY, EFFICIENCY AND PRECISION

During 2020, SEAT's Quality division undertook an internal transformation aimed at offering a more agile and flexible service suitable for tackling the challenges of the future, with electrification and digitalisation as its main pillars.

The new changes allow for more efficient resource management in order to respond to new projects related to new technologies and Industry 4.0 (digital audits, customer satisfaction through different applications, etc.), as well as electric and connected cars.

Technical measurement 4.0

SEAT's Technical Measurement and Meisterbock department is a strategic part of the Quality division. Over the past few years, it has profoundly transformed the processes that ensure that the more than 4,000 parts that make up a vehicle fit together perfectly to within one-tenth of a millimetre, equivalent to the thickness of a sheet of paper.

To this end, three technology projects have been deployed based on Industry 4.0 tools that have enabled the company to:

- Digitalise the development of a vehicle prototype using the Virtual Meisterbock, a process that allows a virtual model of each car to be obtained before beginning mass production.
- Digitalise a vehicle's mass production by combining a contactless, photography-based measurement technique with its use in a cell operated by robots.
- Prepare the department to handle measurements taken during the digitalisation processes in a virtual manner in order to achieve a preventive and predictive level of quality.

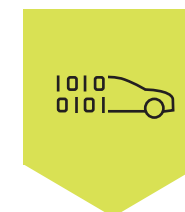
Digitalising the prototype development process

The German term "Meisterbock" refers to the template tool that is used to piece together the different parts of a car like a perfect puzzle. This process, which is mainly used during the development of a new model, is very precise, albeit slow, and helps to understand how each part fits into the final vehicle and affects the overall outcome.

By digitalising this process for the development of the Leon family, the company managed to build the entire puzzle in a virtual manner for the first time, with the same precision as that previously obtained through a physical assembly process. In addition, this new philosophy was conveyed to all the company's suppliers, allowing information about a part that had been measured hundreds or even thousands of kilometres away to be obtained almost instantaneously. In all, this resulted in what was once a three-week manual process becoming a digital, agile process that takes only a matter of hours.

During 2020, SEAT's Quality division undertook an internal transformation aimed at offering a more agile and flexible service suitable for tackling the challenges of the future.

Technical Measurement 4.0



Phase 1

Virtual Meisterbock.
Digitalisation of the prototype development process



Phase 2

Production line photogrammetry.
Digitalisation of the mass production process



Phase 3

Virtual handling of measurements.
Prevention and prediction

Digitalising the mass production process

Following the digitalisation of the prototype development process, the company took another step in 2020 to become a global leader in technology by implementing large-scale and automated contactless measurement in the mass production process through the use of photogrammetry.

To this end, two unique measurement systems were designed and developed. These systems were based on pre-existing technology that was adapted by and for SEAT and which accurately measures millions of points in each part and exponentially multiplies the amount of information obtained in the process.

In particular, the Technical Measurement Department installed two new, fully automated AT-line cells equipped with optical measurement technology, which are located in Workshop 1 of the Martorell Body Shop as part of the production lines for the Leon family and the CUPRA Formentor. With a surface area of 1,500 m², the facility allows

savings of up to 90% to be achieved in measurement times compared to conventional touch technology.

SEAT is thus the first manufacturer in the world to completely eliminate manual work and old touch technology in its production line measurement processes. This change also entails a profound transforming process for the workforce and their skills in new technologies related to Industry 4.0.

Virtual handling of measurements

The automated measurement processes implemented within SEAT involve obtaining a huge amount of information. Through the use of big data techniques and machine learning, this information will allow the company to achieve efficiency gains in the industrial manufacturing process, as well as allowing potential issues that might arise during production to be anticipated.

In 2020, SEAT embarked on the path towards predictive quality, which will lead the company to consolidate excellence in its processes and, therefore, in its products.

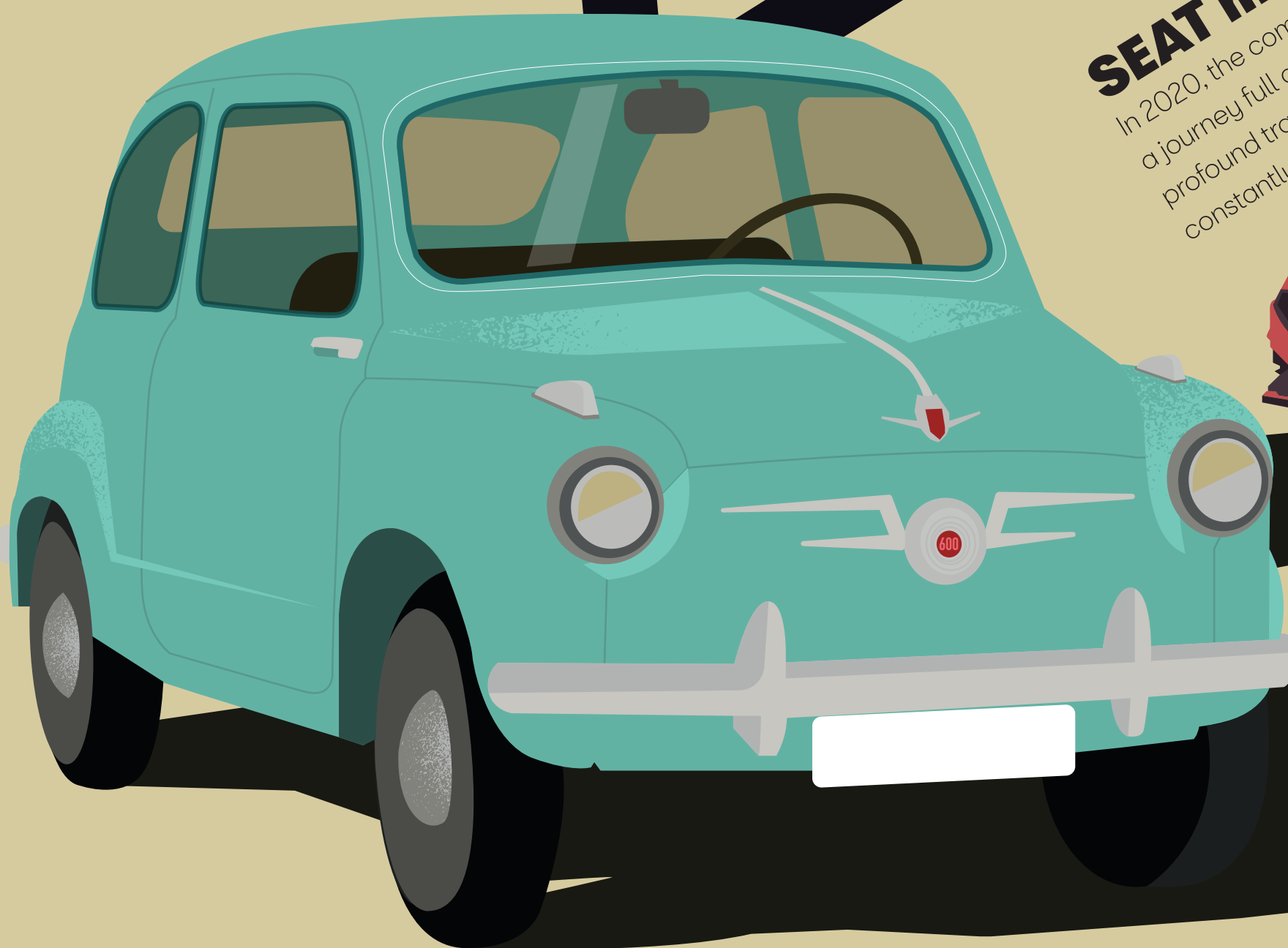
Benefits of the mass deployment of contactless measurement processes

- > Quicker Meisterbock measurement process. From a manual process lasting three weeks to a virtual process that takes just a few hours
- > Time saving of up to 90% in the digitalisation of the mass production process
- > Millions of points analysed per part: over 200,000 per second
- > Elimination of manual work and automation of the process
- > Workforce skills acquired in new industry 4.0 technologies

70 YEARS

SEAT marks 70 years

In 2020, the company celebrated seven decades of history, a journey full of challenges in which SEAT has undergone a profound transformation and has demonstrated its ability to constantly reinvent itself.



70 years of innovation



1950-1960

Three years passed between SEAT's creation and the moment the first car came off its production lines. It was not an easy start, but it became a turning point for the Spanish industry of the time.

1950: The company is born with the name Sociedad Española de Automóviles de Turismo, S.A. (SEAT).

1953: Operations begin at the factory in Barcelona's Zona Franca district. On 13 November, the brand's first car, a SEAT 1400, comes off its production lines.

1957: Production begins on the model which kick-started the country's mass motorisation: the SEAT 600.



1961-1970

With the SEAT 600 consolidated as a mass phenomenon among an ascending middle class, the company continued to grow in the domestic market and opened up a new channel that would never close: exports.

1964: The new headquarters is inaugurated in Madrid.

1965: SEAT begins exporting its first vehicles.

1970: Five years later, the brand's export volume is multiplied by a factor of 10.

1971-1980

The 1970s was a period of significant growth for the company. SEAT expanded its production centres and technical structure to respond to its sales growth. This was also the phase in which the company bid farewell to the SEAT 600.

1974: The company manufactures its 2 millionth car and purchases the facilities in Landaben (Navarre).

1975: The Martorell Technical Centre begins operations.

1979: The El Prat de Llobregat plant, the current home of SEAT Componentes, enters into operation.



1999: The company launches its new corporate identity and presents the SEAT Leon.

1996: The SEAT Ibiza Kit Car wins the World Rally Cup in the F2 category for brands, a title it will go on to win twice more: in 1997 and 1998.

1995: SEAT manufactures its 10 millionth vehicle.

1993: The Martorell plant begins operations.

1992: SEAT participates in the 25th Olympic Games in Barcelona as an official partner and sponsor.

1991: The first model developed within the Volkswagen Group, the SEAT Toledo, sees the light.

1991-2000

The company boosted its international visibility through new launches and its prominent role in the 1992 Olympic Games, just one year before the opening of the SEAT factory in Martorell.

1986: SEAT joins the Volkswagen Group and the company's sports division, SEAT Sport, is founded.

1984: The first version of the SEAT Ibiza comes off the assembly lines of the Zona Franca plant.

1981-1990

The 1980s were a period of integration into the Volkswagen Group, a strategic decision that boosted foreign sales and led to construction starting on the new plant in Martorell.



2001-2010

With the turn of the century and the new millennium, the company stepped up its technological, production and design activities. This was the decade in which the SEAT Ibiza came of age and which saw the inauguration of the SEAT Design Center, one of the brand's biggest contributions to the sector in Spain.

2002: SEAT joins the Audi group of brands, alongside Audi itself and Lamborghini, within the newly-reorganised Volkswagen Group.

2006: SEAT finishes the FIA World Touring Car Cup (WTCC) as runner-up in the Manufacturers category.

2007: The SEAT Design Center, a pioneer of its kind in Spain, is born.

2008: SEAT is proclaimed champion of the FIA World Touring Car Cup (WTCC) in the Manufacturers and Drivers categories for the first time.

2009: SEAT once again wins the WTCC in the Manufacturers and Drivers categories.

2011-2020

SEAT's seventh decade captures the company's innovative spirit and its commitment to being a provider of mobility services. Sustainability, connectivity, digital transformation and R&D have become the cornerstones of the brand's strategy for the future.

2013: SEAT at Sol is inaugurated as the largest photovoltaic plant in the automotive industry in the world at the time.

2016: Entry into the SUV segment with the SEAT Ateca.

2017: The new SEAT Arona SUV is presented at the Frankfurt Motor Show.

Inauguration of CARS, a unique healthcare and rehabilitation centre for employees.

The company enters the Guinness World Records when it organises the biggest parade of SEAT 600s at the closing ceremony of an event held to mark the model's 60th anniversary, with 787 cars.

2018: The Paris Motor Show hosts the presentation of the new SEAT Tarraco, the third SUV in its range.

SEAT creates the new CUPRA brand.

2019: Launch of the SEAT Mii electric, the brand's first electric vehicle.

Creation of SEAT Urban Mobility, a business unit focused on urban mobility.

2020: CASA SEAT, the leading urban mobility hub and industry venue in Barcelona, is inaugurated.

SEAT produces emergency respirators and masks to combat the COVID-19 outbreak.

Logo, from glamour to minimalism



1950



1960



1970



1980



1990



2000



2010



2020

70 years in figures

75

models released (versions and generations)

Over

19

million vehicles produced

Over

73,000

people have worked at SEAT

SEAT in Spain

• It accounts for almost **1% of Spain's GDP**.

• It performs more than **3% of the country's exports**.

• It has over **15,000 direct employees** and **generates more than 160,000 jobs** (including indirect and induced jobs).

• It has **3 production plants of its own**, as well as assembling models of its range at **other Volkswagen Group factories**.

• It is **the country's leading industrial investor in R&D**.

The SEAT Apprentice School, in numbers

1957

Foundation of the SEAT Apprentice School

1971

Incorporation of the first woman into the School

15

million hours of training

Over

2,800

students have passed through its classrooms and joined the workforce

Buying a SEAT in the 1950s

• The first car to come off SEAT's production lines was a 1400, a model initially manufactured at a rate of five per day. It came with a price tag of 117,000 pesetas (around 703 euros).

• At the end of the 1950s, buying a SEAT 600 involved being on a 2-year waiting list. The price of this historic model, which could reach a speed of 95 km/h, was 65,000 pesetas [391 euros].

32 models that have revolutionised the automotive industry



1400 | 1953

The first car manufactured by SEAT saw the light in 1953.



600 | 1957

An icon of motorisation in Spain and a cult car for many households.



1500 | 1963

A car with quick acceleration thanks to its 72 HP engine.



800 | 1963

A four-door version of the 600 used as a microtaxi.



124 | 1968

A medium-sized car with a spacious interior.



1430 | 1969

With its distinctive double square headlights, this sedan also had a family version.



850 Sport Spider | 1969

The first model to be created in a range featuring two and four doors and a coupé.



127 | 1972

A precursor of the B segment in Spain and one of the best-selling cars of its time.



132 | 1973

An innovative car in terms of comfort and safety features.



133 | 1974

SEAT's last vehicle to have both rear-wheel drive and the engine located at the rear.



131 | 1975

With its square-shaped design, this model was manufactured in a sedan, sports and utility versions.



1200 Sport | 1975

The first Spanish sports car in years, affectionately known as Bocanegra ("black mouth") and the first project created at the Technical Centre in Martorell.



128 | 1976

A model with the look of a coupé without sacrificing functionality.



Ritmo | 1979

SEAT's first car to have a name instead of a number.



Panda | 1980

A small, functional car with no room for the superfluous.



Fura | 1981

The enhanced version of the SEAT 127 was also updated with the Fura II.



Ronda | 1982

The first SEAT to be exported to Europe, as well as the first to be named after a Spanish city.



Ibiza | 1984

A flagship model for young people with five generations behind it.



Malaga | 1985

A model that shared a platform with the Ibiza but featured a larger boot.



Marbella | 1986

The Panda's successor, it had a single-point injection version.



Toledo | 1991

SEAT's first sedan under the umbrella of the Volkswagen Group.



Cordoba | 1993

A pioneer within the brand in employing automatic transmission.



Inca | 1995

A van with two asymmetrical rear doors for easier loading.



Alhambra | 1996

The brand's premier MPV, available in a five and a seven seat version.



Arosa | 1997

A small, functional car designed for urban use.



Leon | 1999

Four generations comprise the life of a model with more than 20 years of history.



Altea | 2004

The brand's first compact MPV, with Freetrack and XL versions.



Exeo | 2008

A premium sedan produced in Martorell using Audi A4 technology.



Mii | 2011

In 2019 it incorporated a 100% electric version, SEAT's first such vehicle.



Ateca | 2016

SEAT's compact SUV packed with the latest technology.



Arona | 2017

An agile, powerful and fully connected urban SUV.



Tarraco | 2018

Represents SEAT's entry into the all-terrain vehicle segment with up to seven seats.



70th anniversary SEAT Leon

3/20

Purchases

Strategic purchases
management —**90**

Anticipation and agility to combat
the impact of the COVID-19
pandemic —**92**

Adapting the structure
to face new challenges —**94**

Purchases Academy —**95**

STRATEGIC PURCHASES MANAGEMENT

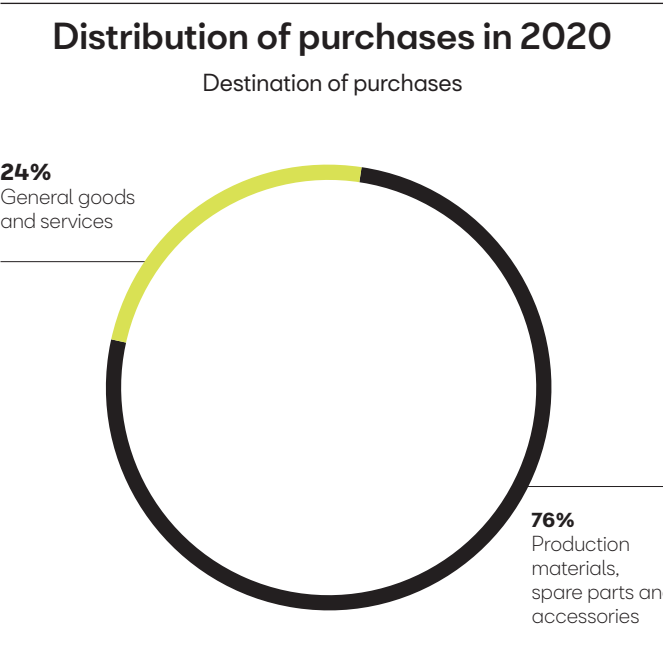
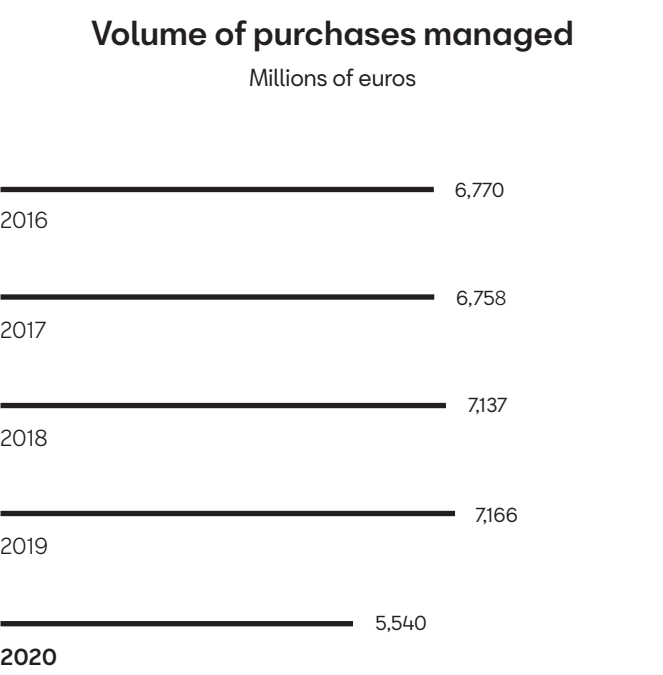
The Purchases division is responsible for managing the acquisition of all the products, goods and services required for SEAT to carry out its operations, including both the components required for producing vehicles and all of the company's other resources (General Purchases).

The increasing complexity of the market has led to the division taking on new responsibilities of great strategic value in recent years. In this context, the two main lines of action in 2020 were:

- Exceptional actions linked to the COVID-19 pandemic: guaranteeing the availability of parts for the regular production of vehicles, securing components for the manufacture of respirators, and managing materials and services to provide protection and prevention against the spread of the coronavirus.
- Restructuring the division with a view to incorporating new functions and methodologies aimed at achieving comprehensive control over the life cycle of the models, from their early stages to their withdrawal from the market.

Purchases always seeks the maximum degree of involvement and commitment from suppliers, with which it promotes a relationship of the utmost trust and transparency. In this regard, in 2020 it organised a meeting with the main Spanish suppliers and leading entities in the sector to present to them the company's future strategy.

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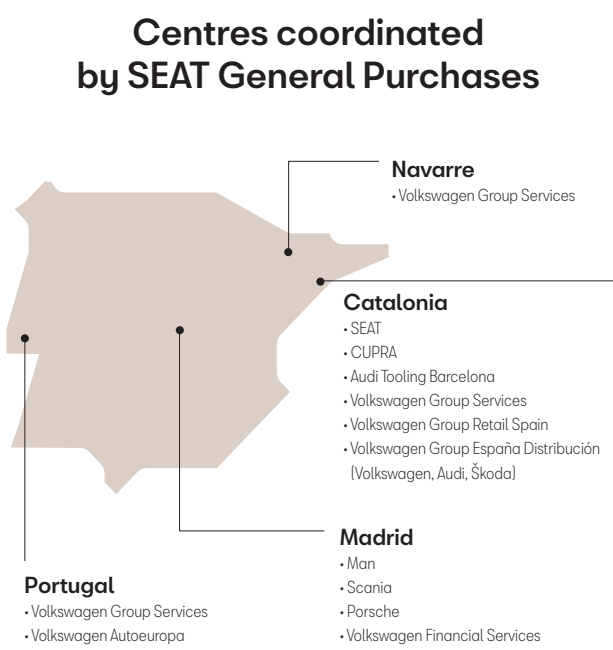
This volume reflects the purchases made for all the models manufactured at the Martorell factory under the SEAT (Leon, Ibiza and Arona), CUPRA (Leon and Formentor) and Audi (A1) brands. It does not include SEAT and CUPRA models produced at other factories of the Group (the Mii electric in Slovakia, the Ateca in the Czech Republic, the Alhambra in Portugal and the Tarraco in Germany). However, Purchases is also responsible for appointing a portion of the suppliers for certain specific parts that are used in the production of the Ateca and the Tarraco.

General purchases of the Volkswagen Group: knowledge sharing and commitment to sustainability

Purchases is also responsible for managing the procurement of the necessary products and services for all Volkswagen Group operating centres located on the Iberian Peninsula.

Besides ensuring that they are available on time and that they meet quality and cost requirements, the division also leads a joint strategy across the different brands operating in Spain and Portugal to facilitate the exchange of knowledge between the various centres that it manages.

Another of its responsibilities is to promote more sustainable operations through two aspects: monitoring compliance with the sustainability rating (S-Rating), which is required of all Volkswagen Group suppliers, and developing initiatives aimed at promoting more sustainable operations among the suppliers.



PRESENTATION OF THE FUTURE STRATEGY TO THE MAIN SPANISH SUPPLIERS

In order to involve the suppliers in the company's purchasing objectives and strategy, a virtual event was held in July which brought together 60 of the main suppliers in Spain. Also present were representatives from various entities of the sector, such as the Spanish Association of Car and Lorry Manufacturers (ANFAC), the Spanish Association of Automotive Suppliers (Sernauto), the Automotive Cluster of the Basque Country (ACICAE) and the Automotive Industry Cluster of Catalonia (CIAC).

In the meeting, SEAT explained to the supplier network that one of the main purposes of the current strategy is to contribute to transforming the car industry in Spain. In this context, the company will be committed to increasing the share of locally-sourced components, which on average already account for 60% of the Purchases division's total procurement.

With this decision, the company aims to shorten the global supply chain in order to make it more robust, while simultaneously boosting environmental and financial sustainability. To achieve these objectives, the need for both manufacturers and suppliers to invest in new technologies was raised, in order to boost competitiveness and adapt to the new paradigms of Industry 4.0, electrification and the connected car.

ANTICIPATION AND AGILITY TO COMBAT THE IMPACT OF THE COVID-19 PANDEMIC

The global impact of the COVID-19 pandemic had a significant effect on the Purchases division, which is responsible for coordinating with suppliers that are located in various different countries around the world.

The global impact of the COVID-19 pandemic had a significant effect on the Purchases division, which is responsible for coordinating with suppliers that are located in various different countries around the world, in relation to both the manufacture of vehicles and all the other products and services that are required by the company.

By identifying risks and needs well in advance throughout the various phases of the pandemic, combined with the ability to react quickly and the use of cross-disciplinary collaboration with other areas of the company and suppliers themselves, the division was able to effectively deal with this extraordinary situation and achieve the objectives of each phase.

Monitoring the impact of the pandemic

In the case of suppliers of components for vehicle production, steps were taken to monitor the impact of the pandemic as early as the beginning of the year, following the first news of its spread in China.

As an initial measure, a special task force was created, focusing on analysing the situation in the Asian country. As COVID-19 spread across the globe, so too did the markets analysed by this unit. This resulted in its operations extending throughout 2020, with working rates adapted to the various phases of the pandemic.

The task force was made up primarily of teams from the Logistics and Purchases divisions. The main responsibilities of this unit included:

- Reporting to the Volkswagen Group on the social and economic impact of the pandemic in Spain, Portugal and North Africa. The reports placed particular emphasis on sectors that have a direct impact on SEAT's activities, such as logistics.
- Continuously analysing the situation and the service capacity of the suppliers in the same regions in order to anticipate potential incidents when restarting production following the shutdown of activity in March and April.



SUCCESSFUL FULFILMENT OF THE LAUNCH SCHEDULE

Despite the fact that the COVID-19 pandemic paralysed industrial activity for weeks in many countries, the Purchases division's intensive work enabled the company to meet its schedule for the launch and development of new products.

Some of the main milestones included the release onto the market of the SEAT Leon and CUPRA Leon families (5-door and Sportstourer models), the start of production of hybrid vehicles at the Martorell plant and the launch of the CUPRA Formentor. These models all incorporate the latest technologies in connectivity and driving aids, as well as high-quality materials.

The close cooperation with the more than 200 suppliers from around the world, together with the rapid adaptation to the new model for collaboration in the supply chain, allowed the launches to go ahead in accordance with the expected timelines and with the required level of quality.

- Developing specific action plans to ensure supply, according to suppliers' responses and developments in their situation.

The Volkswagen Group directly coordinated the work undertaken by this task force and similar units in other markets, such that each team reported on the situation in the areas under their responsibility. The sum of these efforts enabled the Group to remain constantly updated about the impact of the pandemic throughout its sphere of activity.

Responding effectively to new needs

The General Purchases teams faced particularly complex situations during 2020, mainly due to the uncertainty surrounding how the pandemic would develop and the need to manage purchases of non-standard materials. Their activity focused on three major areas:

- Procuring the supply of the 118 components required for the manufacture of respirators. The objective was achieved in record time, despite this task being undertaken at the height of the lockdown and involving a different set of suppliers to those which the company usually deals with. This task involved various departments within the Purchases division.
- Providing support for the various business units in the return to activity by employing measures to ensure the availability of the products and services necessary for the operation of the respective functions.
- Contracting products and services for protection and prevention against the spread of the coronavirus, such as sanitary and hygiene equipment (masks, hand sanitiser gel, etc.). With regard to services, extra measures were taken in the cleaning of the facilities, in transporting employees and in the corporate canteens, where the take-away service took on a greater role.



ADAPTING THE STRUCTURE TO FACE NEW CHALLENGES

The Purchases division operates under the principle of achieving maximum cost optimisation in all development and production processes of SEAT and CUPRA models. This strategic mission takes on a particularly important role in the current phase of transformation of the market and integration of new technological elements into the vehicles.

In order to anticipate needs and ensure that projects generated optimal returns from the outset, Purchases has taken on new responsibilities in recent years by assuming a more cross-disciplinary role that covers the entire process. These new functions have led to a gradual restructuring of the division, which in 2020 culminated in the following milestones:

- The application of a new approach to project management.
- The consolidation of the VAVE (Value Analysis / Value Engineering) department in order to provide value and identify opportunities for improvement.
- The integration of certain quality control functions into the *Kaufteilemanagement* (KTM) department, responsible for purchase part management, in order to boost suppliers' know-how during the initial phases of projects.

These developments allow for a more agile and dynamic structure, aligned with the policies and processes that the Volkswagen Group is progressively implementing in all its companies.

New strategic approach

In order to ensure a high degree of control over the profitability of new projects and process efficiency, a new approach was adopted in 2020 whereby the analysis work begins at a very early stage. The aim of this approach is to ensure that all cost optimisation opportunities are taken into consideration in the early design phases, thereby ensuring that projects provide higher returns. In this prior analysis and planning task, Purchases works in collaboration with the other divisions of both the company and the Volkswagen Group.

Moreover, in order to make the most of suppliers' know-how in the development phases, a structure was implemented in which the same buyer is responsible for their corresponding parts throughout the project, from the initial stage through to the end of the production process. In this way, the lessons learnt can be applied in developing future projects, and the various parts can be monitored more closely during their different phases of the process.

REDUCING COSTS IN THE PURCHASES FOR CUPRA RACING

In the purchases made for racing vehicles, one of the key activities in 2020 was the management of products and services for the launch of the new CUPRA Leon Competition.

In this project, an excellent result was achieved in optimising material and investment costs, with a total savings of more than 14% achieved in the material cost compared to the previous model, clearly exceeding the initial target.



Providing greater value

In the initial stages, the Value Analysis and Value Engineering teams, which form part of the VAVE department within the Purchases division, also play an important role. They are responsible for performing the prior analysis of the value of the parts in order to improve costs from the outset of the projects, as well as adding value to the DNA of the new models to ensure that their concept and design meet real market needs. In this phase, the department works together with the Quality, Production, Sales and Strategy divisions, as well as with the Technical Centre.

The Value Analysis teams, meanwhile, are responsible for identifying opportunities for improvement once mass production has already begun. In collaboration with the suppliers, they analyse potential updates to the manufacturing processes, the incorporation of alternative materials, or the optimisation of logistics costs. The purpose of this process is to ensure that each product remains competitive throughout its lifetime.

Participation in quality control

Another of the new functions assigned to the Purchases division in 2020 was technical control in the launch phase of new models. This function was assumed by the *Kaufteilemanagement* (KTM) department, which is responsible for purchase part management and has the most direct relationship with suppliers.

Its main responsibilities include the audit of suppliers from a quality perspective and the establishment of the Technical Quality Requirements (TQRs). In the event of an incident being detected, the department is responsible for its internal management, analysing the service capacity of the supplier involved and ensuring the reliability of the production process.

In order to take on these new responsibilities, the team was expanded by incorporating new professionals and a training programme was implemented to help the team acquire knowledge related to quality systems.

PURCHASES ACADEMY

The Purchases Academy is the unit responsible for anticipating and meeting the division's specific training needs. Its activities in 2020 were also adapted to the situation generated by the pandemic, promoting the use of virtual communication tools.

Some of the major actions carried out included the organisation of internal talks on technology-related matters in order to encourage the exchange of knowledge. Participation in webinars on topics related to new industry trends and the impact of the COVID-19 pandemic on various markets was also encouraged.

In addition, the Academy helped to set up the first event organised by the Purchases division: a meeting between the management team and their staff, in which they shared stories of unsuccessful projects that had helped them to learn and continue to grow professionally.

Promoting a culture of learning by error is aligned with some of SEAT's core values, such as transparency, communication and continuous learning.



Sales and Marketing

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ADAPTING TO A NEW SCENARIO



WAYNE GRIFFITHS, SEAT'S NEW CHAIRMAN

In September, the SEAT Board of Directors appointed Wayne Griffiths as SEAT's new company chairman as of 1 October. Griffiths also continues to hold the positions of CEO and chairman of the Board of Directors of the CUPRA brand, as well as remaining the company's executive vice-president of Sales and Marketing.

Wayne Griffiths, who studied International Management and German in Leeds (United Kingdom), has always been linked to the Volkswagen Group. He started in 1989 at AUDI AG, in Ingolstadt. After spending two years at SEAT (between 1991 and 1993), he returned to the German brand, where he held various positions of responsibility in the sales division.

In 2016 he was appointed vice-president of Sales and Marketing at SEAT and took the company to the next level. For the last three years, and up until the first quarter of 2020, SEAT was the fastest growing brand in Europe. With him at the helm of the Sales and Marketing division, SEAT deployed its biggest product offensive to date and beat all its sales records, with an increase of more than 40% between 2016 and 2019.

In January 2019, he became CEO of CUPRA and, in early 2020, was appointed chairman of the CUPRA Board of Directors. The new chairman is also one of the creators of the CUPRA brand and of the new SEAT MÓ business unit.

In the first two months of 2020, SEAT continued the upward trend in deliveries to end customers that it had maintained over the past seven years. In January and February, 94,334 vehicles of the SEAT and CUPRA brands were sold, 6% more than in the same period in 2019.

The arrival of COVID-19 and the health and economic crisis resulting from the pandemic impacted the results of the automotive industry in general and of the company in particular during the rest of the year.

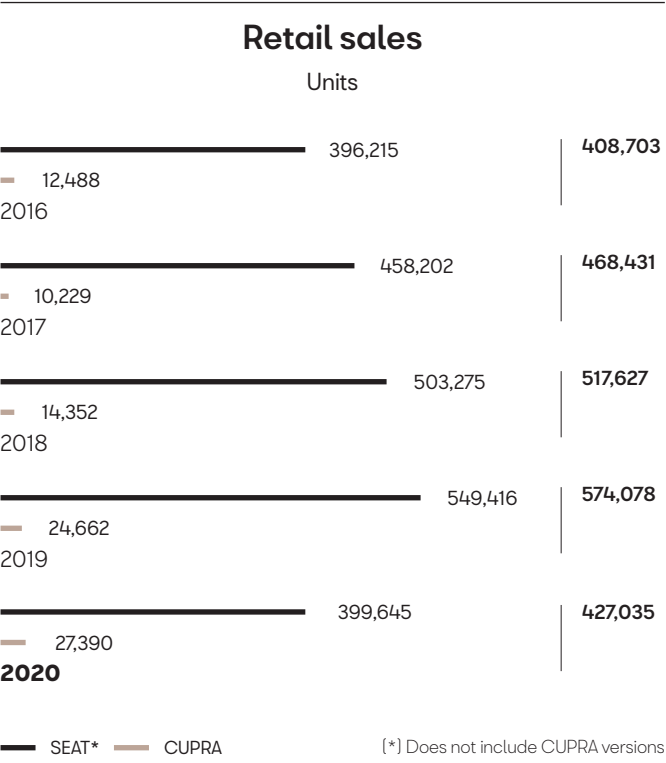
The fall in the market, mainly during the second quarter, was progressively corrected in the third quarter until, in September, a new record was reached with 43,473 vehicles of both brands

delivered to end customers, 0.6% more than in the same period in 2019. Particularly noteworthy is the progress made by the CUPRA brand, which in September exceeded the milestone of 3,000 vehicles sold in a single month for the first time in its history, with 80.6% more sales than those registered in the same month of the previous year.

During the fourth quarter, the second wave of the pandemic (which particularly affected Europe) once again had a negative impact on the sector. In spite of the difficulties, the company was able to close 2020 with sales of 427,035 units. This represents a 25.6% decrease compared to the previous year, a result in line with that experienced by the European automotive industry as a whole.

In this difficult economic and social environment, the company managed to consolidate its main markets and even increase its figures in several countries. In Germany, the company's leading market, a total of 109,516 vehicles were sold, representing 17.4% less than in 2019 and a market share of 4%. Sales in Spain, where SEAT was the leading brand for the third consecutive year, stood at 73,310 cars, 32.1% below the previous year. The company registered particularly strong growth in countries such as Israel (13%, with 10,440 vehicles delivered to end customers) and Turkey (95.3%, with 11,551 units). In Europe, Austria and Switzerland registered 16,262 and 11,128 units delivered respectively, bringing the brand's market share up to 6.5% and 4.6%.

CUPRA, the company's new brand, performed exceptionally during 2020 with 27,390 units sold, representing 11% growth over 2019. In Germany, the brand's leading market, a 40% increase was achieved, while sales in Switzerland reached an absolute record with a 10% increase in deliveries. In addition, CUPRA achieved its best sales in December, with 3,617 vehicles sold.

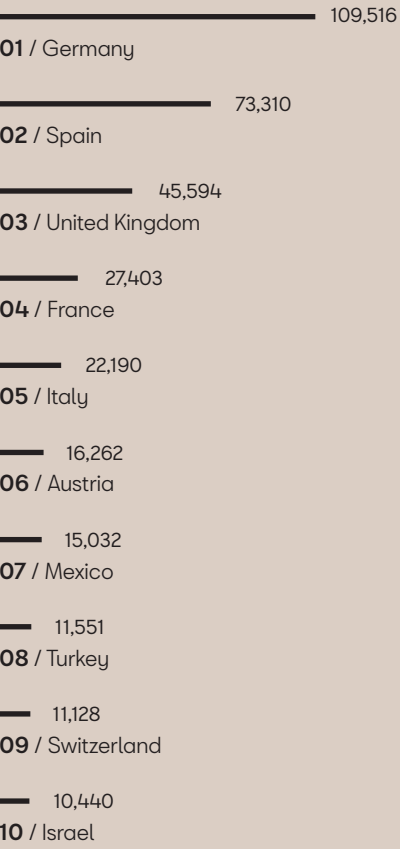


Retail sales in 2020	
Units	
SEAT MODELS	
SEAT Leon	SEAT Tarraco
111,922	22,231
SEAT Arona	SEAT Alhambra
91,555	15,466
SEAT Ibiza	SEAT Mii
81,521	7,818
SEAT Ateca	SEAT Toledo
68,774	358
CUPRA MODELS	
CUPRA Leon	CUPRA Formentor
13,304	3,624
CUPRA Ateca	
10,462	



Main markets of SEAT and CUPRA retail sales distribution in 2020

Top ten SEAT and CUPRA



Top five			
01	Germany	94,544	
02	Spain	70,713	
03	United Kingdom	42,963	
04	France	26,697	
05	Italy	21,733	

Top five			
01	Germany	14,972	
02	United Kingdom	2,631	
03	Spain	2,597	
04	Switzerland	1,930	
05	Mexico	1,651	

Markets in which the company has a presence

- Albania
Algeria
Andorra
Angola
Austria
Bahrain
Belgium
Bosnia-Herzegovina
Bulgaria
Cape Verde
Chile
Colombia
Croatia
Cuba
Curaçao
Cyprus
Czech Republic
Denmark
Dominican Republic
Egypt
- Estonia
Finland
France
French Guiana
Georgia
Germany
Greece
Guadeloupe
Guatemala
Hungary
Ireland
Israel
Italy
Ivory Coast
Kuwait
Latvia
Lebanon
Libya
Lithuania
Luxembourg
- Macedonia
Malta
Martinique
Mexico
Morocco
Netherlands
New Zealand
Norway
Oman
Palestine
Peru
Poland
Portugal
Qatar
Republic of Mauritius
Republic of Moldova
Réunion
Romania
Saudi Arabia
Serbia
- Singapore
Slovakia
Slovenia
Spain
Sweden
Switzerland
Syria
Tunisia
Turkey
Ukraine
United Arab Emirates
United Kingdom
Uruguay
Venezuela
Yemen

Countries
75
Total retail sales in 2020
427,035



DEVELOPMENT AND SUSTAINABILITY IN THE FLEET CHANNEL

New agreements in several countries

The activity of the fleet channel ended 2020 with important agreements featuring the Leon as the star of the show:

- In Germany, Siemens acquired 1,500 units of the Sportstourer version, which will be incorporated into its technical services fleet over the next two years, as well as 131 additional vehicles for the company's team in Switzerland.
- In France, the supermarket chain Leclerc bought a fleet of 300 units of the Leon.
- In Lithuania, the police acquired 103 units of the model to be added to their fleet in 2021. The agreement is equal to the sum of all the sales recorded by the fleet channel in this country over the last few years.
- In the United Kingdom, NHS Northumbria bought 250 units of the hybrid engine variant of the Leon.

Also in the UK, Morrison Utility Services Limited purchased 750 units of the Ibiza FR, while in France Leaseway purchased 250 units of the Arona, 200 of the Ibiza and 300 of the Leon for its fleet.

Residual value of new models

The launch of the new SEAT Leon range was accompanied by positive sector analyses that ensure its excellent residual value and predict a promising future for the model in the fleet channel.

Experts highlighted its sporty design, with balanced and elegant proportions that give it a strong presence on the road, as well as its extensive list of equipment and its driving dynamics, which are above average compared to its main rivals.

In the interior, which is described as spacious, innovative and minimalist, its technology features were highly rated, with the touch screen as one of the outstanding elements, as well as the spaciousness of the passenger compartment, the surround lighting, the boot capacity and the quality of the materials used.

In the case of CUPRA Leon, specialists pointed out how the development of CUPRA as an independent brand has given the model a more solid identity.

They also highlighted its range of engines, with various petrol options (180, 221 and 228 kW) and the brand's first hybrid version (180 kW).

Along the same lines, the CUPRA Formentor received very positive feedback on its residual value from experts, who highlighted the image of robustness and quality conveyed by the vehicle, which perfectly reflects the brand's DNA and its commitment to sportiness.

Among other aspects, the analyses pointed out the attractiveness of its exterior design, its high level of technology and equipment, the quality of the materials used, the feeling of spaciousness and comfort and the good use of the interior space. They also highlighted the interest in the hybrid version, the strength of its sales and after-sales network, its excellent value for money, and the satisfactory driving



experience, with excellent manoeuvrability and robust suspension. All this, according to the specialists, predicts the success of the model in the market of new and used vehicles.

The characteristics of the CUPRA Formentor make it a perfect car for both private and business use. Sophisticated and exclusive, the new model also comes with affordable maintenance costs and high levels of security, making it an ideal choice for small businesses and the self-employed.

The brand also wants to make the Formentor its reference model in the "user chooser" segment and thus promote its growth on a large scale. In this segment, which is characterised by user involvement in the selection of their company vehicle, SEAT has already recorded good results in recent years with the Ateca, the Arona and the Tarraco.

The start of a more sustainable new fleet

The company's new strategy of plug-in hybrid electric vehicles, which started with engines powered by compressed natural gas, has enabled it to meet the requirements of many companies that opt for a fleet of vehicles with low CO₂ emissions. Sustainability is a priority and the incentives associated with it make this type of vehicle perfectly suited to market needs.

The new plug-in hybrid electric engines are in line with demand from the channel, which has chosen its best-selling model, the SEAT Leon, for the launch of a more sustainable fleet. Between 2013 and 2019, the previous generation of the Leon generated an increase in the channel's sales of 154%.



Measures against the pandemic in the used car sector

In the used car sector, measures were taken to alleviate the economic damage caused by the COVID-19 pandemic. Some of the most noteworthy were the financing facilities made available and the reduction of interest rates for customers, as well as the extension of payment terms to dealers.

Furthermore, through the guaranteed used car programme known as Das WeltAuto, the service and maintenance packages and the extension of the warranty were boosted. Security protocols were also activated to reduce personal contact during deliveries, with initiatives that involved the disinfection of vehicles or home delivery with the aim of guaranteeing total confidence and peace of mind when buying a used car.

The activity of the fleet channel ended 2020 with important agreements featuring the Leon as the star of the show.

Thanks to these actions, the network's sales in the company's main European markets only fell by 10% compared to the previous year. This is a positive result considering that, despite the good start to the year, sales had fallen by more than 20% in the first half due to the halt of business.

DIGITALISATION INTEGRATED INTO THE USER EXPERIENCE

Digitalisation is at the heart of SEAT's business, which is committed to offering its customers an all-round experience that integrates digital services in all areas, both online and at the point of sale.

Some of the new features implemented in 2020 include the incorporation of digital tools at CASA SEAT and the first platforms for booking and purchasing a vehicle online. The company also activated permanent connectivity services in its vehicles for the first time, opening up a new world of business opportunities.

Sales and communication through the digital channel

New sales platforms

SEAT continued to make progress in implementing initiatives aimed at digitalising the sales process. One of the most noteworthy was the implementation of the pre-booking platform for the launch of the CUPRA Formentor, available on the brand's official website. In just four steps, customers were able to reserve their vehicle before it went on general sale, allowing them to be among the first to drive the new model.

In addition, a new online tool was implemented for offering stock of new vehicles from dealerships and importers for Germany, France and Poland.

Furthermore, together with Volkswagen Financial Services, a platform was implemented for configuring and contracting private leases online, with limited units of the Mii electric in Spain, and the Mii electric, Ibiza and Arona in France.

Digitalisation of sales: Wallbox in partnership with Elli

The company's digital sales channels grew with the launch of the CUPRA online accessory shop in France and the Wallbox shop deployed in countries such as Ireland, Finland, Germany, Italy, Switzerland, France, Poland and Sweden.

The Wallbox shop offers SEAT and CUPRA customers the possibility to buy home charging solutions for electric vehicles through Elli, the Volkswagen Group's energy and charging solutions supplier.



Communication with customers

CUPRA began development of the private area, which aims to become the main centre of interaction between the customer and the brand online. After logging into this portal using a CUPRA ID personal identifier, customers enter a private area where they can access all their contracted products and services.

The first operational function was Order Tracking. This service allows customers to track their vehicle during its production process up until delivery using products purchased through the Fast Lane service. Subsequently, new services will be added for the customer, such as the possibility to save vehicle configurations or receive personalised offers based on their needs.

Once the customer has picked up the car at the dealership, they can stay connected to it at all times thanks to the SEAT CONNECT and CUPRA CONNECT services, launched in the third quarter of the year.

The service is marketed in two versions: SEAT/CUPRA CONNECT for Radio, which provides access to security and remote control functions, and SEAT/CUPRA CONNECT for Navi, which adds online infotainment functions free of charge for 12 months after vehicle registration. In addition, SEAT/CUPRA CONNECT for Navi also allows customers the option to download Amazon Alexa free of charge within the infotainment system itself.

TAPAS BAR: A UNISON OF GASTRONOMY, CARS AND DIGITALISATION

In August 2020 SEAT opened Hola Tapas Bar, a restaurant located in Vienna that offers a new gastronomic experience to residents and visitors to the Austrian capital in collaboration with the prestigious chef Juan Amador. The restaurant marks a new concept in customer experience, complementing that of traditional points of sale.

Food and cars under one roof

While enjoying Spanish delicacies, Hola Tapas Bar customers can explore the latest SEAT and CUPRA models both physically and virtually. In addition to the exhibition of cars in the space, a video wall and various television screens display brand content so that the entire product range can be discovered. The customer experience is enhanced by the display of lifestyle collaborations.



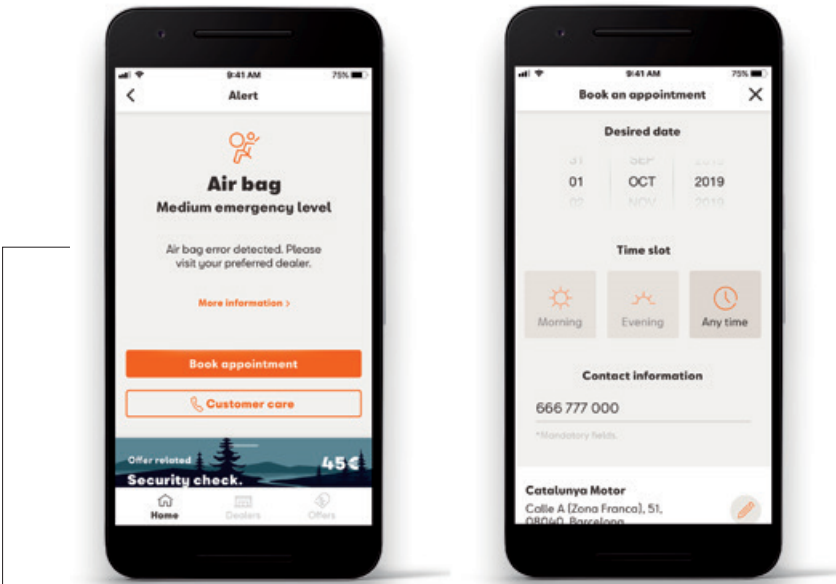
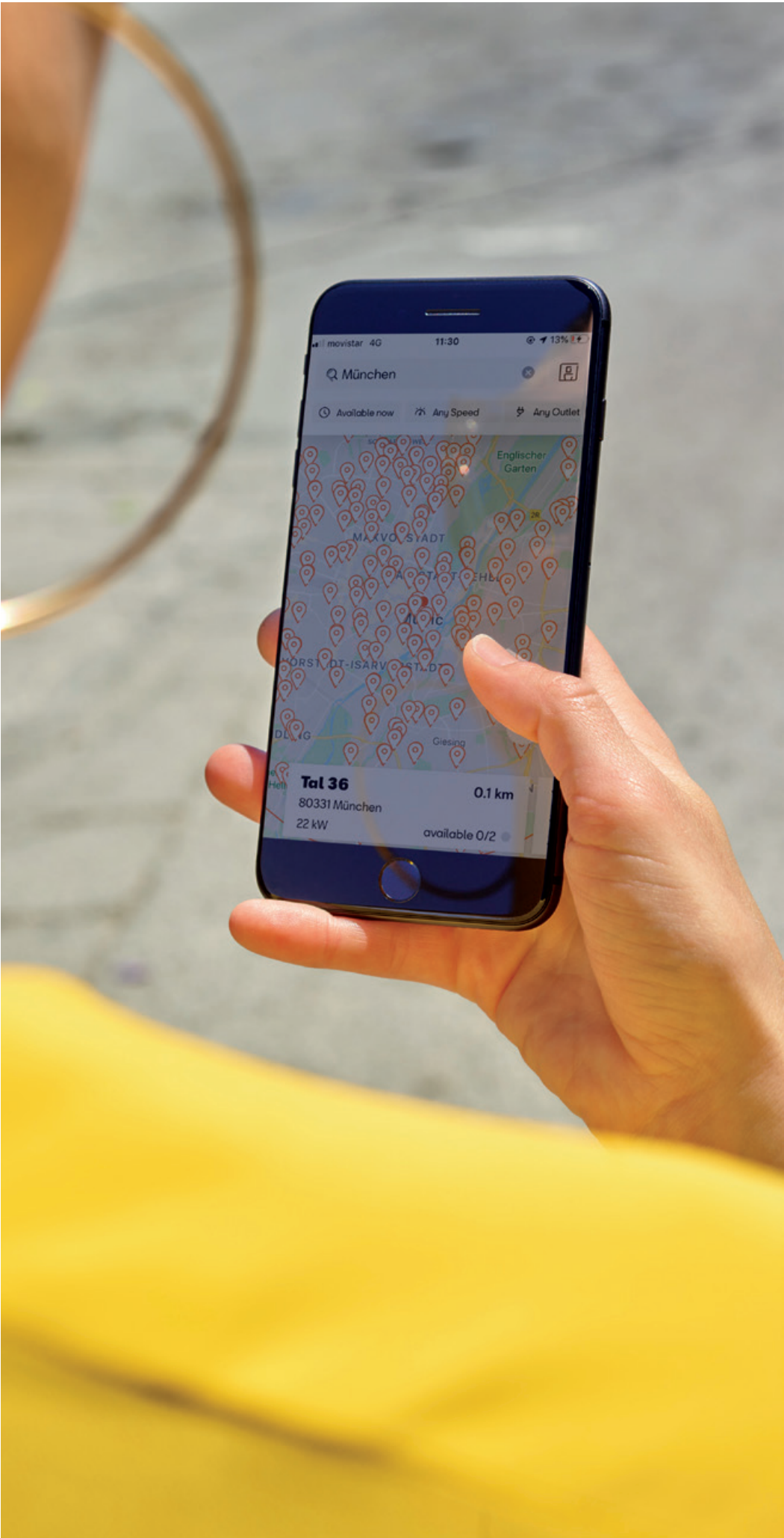
These services can be activated and used via the MySEAT portal or the SEAT/CUPRA CONNECT application for smartphones (iOS or Android), available in various European countries.

The company also enhanced the MY SEAT App so that customers can access a connectivity solution via the DataPlug in vehicles that previously did not have this feature (available for most cars manufactured from 2008 onwards). This device turns the car into a connected car and allows the user to access the application to check and manage its status with a just a click, make an appointment with an official service centre or receive support from the brand, among other functionalities. All the information is sent via Bluetooth connection to the mobile application, without the need to use a USB cable.

heycar

In 2020, SEAT acquired 24.9% of the company heycar, a digital platform for buying and selling high quality used cars. heycar.com, which has come to Spain after its launch in Germany and the United Kingdom, offers users a superior online buying experience which raises the quality standards for used car buyers, whether end consumers, dealerships or financial firms. To ensure these standards are met, the platform only offers vehicles that come with a guarantee, are less than 8 years old and have fewer than 150,000 kilometres.

Buyers have access to a wide range of multi-brand vehicles through a simple, personalised and high quality process that allows them to enjoy the best possible shopping experience with complete peace of mind.



SEAT CONNECT / CUPRA CONNECT,
the connected future



Remote access services

- Driving data and vehicle location.
- Area, speed and theft alerts.
- Hybrid models: remote ventilation and stationary heating.
- e-HYBRID models: remote climate control, e-Manager and programming of the vehicle charging periods.



Online infotainment

- Updated maps.
- Traffic information in line with real-time route status updates.
- Car park and service station locations.
- Hybrid models: charging point location.
- Voice commands.
- Internet radio.



Security and services

- Emergency call, breakdown service and access to SEAT Customer Care.
- Scheduled maintenance.
- Private mode (activates and deactivates private data traffic).

The SEAT Global website

Website visits

Total visits in 2020
97,928,897

▲ Percentage increase in visits
in 2020 versus 2012
+210%

Configurations made
through the website

Total configurations in 2020
9,473,532

▲ Percentage increase in configurations
in 2020 versus 2012
+54%

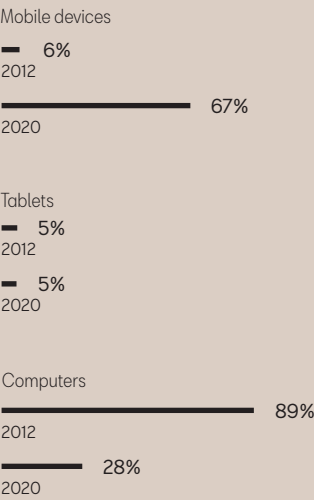
- Most configured models in 2020:
SEAT Ibiza, SEAT Arona and SEAT Ateca
- Most configured colours in 2020:
red, white, and black.

Test drives generated
online

Total test drives in 2020
40,490

▲ Percentage increase in test drives
in 2020 versus 2012
+23%

Traffic by device type
[2012-2020]





AT THE CUSTOMER'S SERVICE

The company made the decision to distribute the CUPRA brand through its own exclusive distribution network.

Changes to the sales network

The company made the decision to distribute the CUPRA brand through its own exclusive distribution network. As of 1 November, and coinciding with the entry into force of the new SEAT contracts, specific contracts were also signed with the sales network for the distribution of the CUPRA brand, with the aim of providing the customer with a differentiated and unique experience.

Since then, only dealerships who have signed a contract with CUPRA can distribute the brand, while the after-sales service remains part of SEAT's official network.

With regard to physical facilities, in addition to the exclusive formats of CUPRA, both brands will be able to share the same showroom, always with a separate contract in place for each of them.

During this stage it will be possible for both brands to be located in the same showroom, either in a CUPRA Garage with SEAT vehicles on sale or in a SEAT facility with a CUPRA Corner. Once this phase is finished, each one must have its own exclusive facilities.

Although all authorised SEAT services will be able to repair CUPRA vehicles, the new sales contract is linked to the CUPRA Service Specialist module. This condition allows the Official SEAT Service to offer customers a unique and exclusive experience through various initiatives, most notably the CUPRA Masters. This a figure responsible for centralising all contact with the customer, acting as their first point of contact and a link between the sales and after-sales services.

Improving the after-sales experience

SEAT CARE / CUPRA CARE: more time worry-free

Despite the crisis caused by the COVID-19 pandemic, initiatives driven by the after-sales network continued to grow in 2020:

- The Warranty Extension, present in 30 markets, registered a penetration rate of 62%. The number of contracts sold reached 237,129.
- Service and Maintenance Contracts, available in 21 markets, grew by 3% over 2019 in the case of new vehicle sales. In the used and after-sales channel, the increase was 45%.
- SEAT Insurance, available in 26 countries, also grew by 2% compared to the previous year in new car deliveries. In the used and after-sales channel, the increase was 6%.

After-sales also continued working in 2020 to ensure that all customers have a product that meets their needs throughout the vehicle's life cycle:

- Das Welt Auto customers were able to access the SEAT Care solution in seven European markets: Spain, Germany, Italy, France, the United Kingdom, Ireland and Sweden. This service combines, in a single package and at a very competitive price, the Warranty Extension and the Service and Maintenance Agreements.
- Owners of the brand's vehicles had access to an enhanced SEAT Worry-free Programme, which offers them car maintenance for two years, including inspection and maintenance services through the payment of a monthly fee.

Furthermore, coinciding with the launch of the CUPRA Formentor, the network launched the CUPRA Care 2.0 service in Germany, a pilot project that marks the new strategy due to be extrapolated to all other CUPRA and, later, SEAT models.



THE SALES NETWORK MEETS IN BARCELONA

From 10 to 14 February, the Sales and Marketing division held the Commercial Day event at the Fira de Barcelona's Italian Pavilion. This day provided an opportunity to discuss the current and future situation of the different divisions and the company's strategy for the future with those responsible for the company's sales network. The presentation by CUPRA took place in the CUPRA Garage in Martorell.

In total, the event brought together 1,200 people from 80 countries, who had the opportunity to attend five workshops related to some of the key topics of the sales network, such as the customer journey, electrification and micromobility strategies, the new SEAT Leon and the SUV range. They were also able to discover information on the CUPRA brand: its business strategy and distribution model, as well as the new products, including the Formentor, the new Ateca and other vehicles of the future.

7th After-Sales International Conference

As part of the Commercial Day, the After-Sales team brought together after-sales managers and managing directors from 40 countries.

Under the slogan "Make3", the opportunities and challenges facing the network were reviewed, as were the players needed to implement them: the global network of authorised services, importers and the company's After-Sales division.

The contents were shown under the concepts of Growth, Sustainability and Effectivity in a disruptive format, with an escape room to measure customer satisfaction, film dubbing to increase business and a marketplace with virtual reality, among other initiatives. The importance of continuing to grow in all channels, strengthening customer loyalty and working to ensure excellence in services was stressed.



Exclusive services for CUPRA customers

The after-sales network ensures that CUPRA customers receive an exclusive and differentiated service, in line with the brand's values, which increases their level of satisfaction and strengthens their loyalty.

To this end, a specific customer experience has been defined based on four main pillars:

- The figure of the CUPRA Master as the main contact person and link between sales and after-sales.
- An exclusive vehicle collection and delivery service.
- The availability of a free courtesy vehicle in the event of repairs exceeding two hours.
- A loyalty package with exclusive and attractive features, known as CUPRA Care.

In addition, all customer interaction processes have been updated to make the customer's experience the mainstay of the after-sales network.

Post-COVID-19 measures and actions

As a result of the health emergency caused by COVID-19, new initiatives were launched aimed at reviving the markets, ensuring teams receive adequate training and guaranteeing the supply of spare parts to essential services.

New e-learning channels

The after-sales network promoted new e-learning channels for importers. The new e-learning courses were launched together with the new SEAT Leon. From May and throughout the rest of 2020, more than 7,000 participants were able to acquire the necessary knowledge about the fourth generation of this model and the brand's new processes and systems.

At the same time, gamification and microlearning systems were brought into operation, and the publication of training videos and online courses carried out from the recording studio located in the SEAT SAT building was reinforced. One such initiative was the first SEAT Spain Virtual Regional After-Sales Conference, held in June. This event was attended by several regional delegates located in different parts of the country and was broadcast to managers in the division.

In July, the Training team held the first International After-Sales Training Workshop, in which the markets were able to learn live about the new training initiatives related to the 2020 product offensive, as well as the new training strategy in response to the situation caused by the pandemic.



Re-start programme

The reactivation of the markets was boosted by the implementation of a contingency plan that adapted to the new circumstances.

The re-start programme was launched in collaboration with the sales network. It reinforced safety and hygiene and involved measures to cover the urgent needs of customers and their vehicles. It also strengthened communication through digital channels to maintain the owners' confidence and the quality of the services.

Some of the initiatives carried out included the possibility of accessing free services, such as the collection and delivery of the vehicle at home and its disinfection after visits to the workshop. In addition, special offers were launched in various care services, as well as the extension of the warranty period by three months.

CROS emergency service

The company's Original Parts Centre (known as CROS in Spanish) continued its activity and provided an emergency service for the entire distribution network, guaranteeing the mobility of essential service vehicles so that they could continue to operate.

This required a complete adaptation of the logistics processes, which involved, among other adjustments, the detailed management of suppliers, the adaptation of distribution routes to meet importers' needs and to deliver directly to the dealership network in Spain and Portugal.

Thanks to the commitment, flexibility and dedication of an 18-person operation, the Parts Logistics team distributed orders on time to all of the active international markets. This task was also aided by the work carried out by Occupational Risk Prevention, which made a special assessment of the work areas to ensure their safety and the application of all the recommended health protection measures.

AFTER-SALES INTEGRATION INTO THE CRM PLATFORM

SEAT Spain completed the second phase of the CRM (Customer Relationship Management) platform implementation in 2020. The project, which began in 2016, aims to put customers at the centre of activity and provide them with a personalised experience in order to achieve longer-lasting relationships with the company.

The new advance in the implementation of the platform involved the integration of After-Sales data, i.e. all the steps taken by the customer through the workshop with their vehicle, servicing and maintenance, among others. This facilitates the activation of loyalty plans which impact on the growth of repair services, predictive analysis and, in short, a better understanding of the behaviour of network users.

This platform allows SEAT Spain to work with cutting-edge technology, explore the advantages of artificial intelligence and delve deeper into the demands of the connected car, in addition to generating new business opportunities. In the future, there are plans to focus on interaction and active listening to the customer, so that possible unsatisfactory experiences may be anticipated.

TRANSITIONING TO THE DIGITAL WORLD

The company's participation in trade fairs and congresses was cut short in 2020 by the measures adopted in response to the COVID-19 pandemic, which led to the cancellation of most of the events scheduled, such as the Mobile World Congress in Barcelona and the Geneva Motor Show. Others, such as the Smart City, were adapted to be held virtually.

In the case of the Geneva Motor Show, scheduled to be held in the first half of March, the decision was made to offer the media a video conference given by Carsten Isensee, SEAT's president and vice-president of Finance and IT, and Wayne Griffiths, SEAT's executive vice-president of Sales and Marketing and CEO of CUPRA. The two executives presented the new Leon and the long-awaited CUPRA Formentor, which was scheduled to be unveiled at the show for the first time worldwide.

New challenges

Presentation and training on the new SEAT Leon / CUPRA Leon

Following February's Commercial Day, the last face-to-face event held by SEAT in 2020, the company focused on adapting the events planned for the rest of the year to a virtual, safe version in accordance with the current health situation.

The first major challenge was to adapt the presentation of the new SEAT Leon to the sales team, a meeting scheduled to begin on 12 March which, over 30 days, was due to bring together more than 4,700 participants from over 30 countries.

The brand reacted quickly and decided to transform the event into a 100% online event. In just five days, the locations were digitised and adapted to be communicated through the new available channels. The new SEAT Leon / CUPRA Leon was presented, the spaces reserved for workshops were transformed into sets used to give virtual training sessions, and Wayne Griffiths led the presentation, sharing company information and inviting attendees to enjoy and learn through the content shared by SEAT's training applications.



Marketing Round Table Discussion and Marketing Talks

In July, the company held its first 100% digital event, the Marketing Round Table for SEAT and CUPRA. For two days, 400 attendees from more than 40 countries were able to share their knowledge and concerns about the company's products through the digital platforms.

During the rest of the year, various Marketing Talks were organised, either pre-recorded or live, which encouraged participants' interaction through the advanced digital platforms and kept the teams connected and informed.

Smart City Expo

In November, the company took part in the Smart City Expo, the annual event for analysing current and future mobility trends in cities, which this year was held 100% online.

During the event, SEAT explained its participation in the project led by the Greek government and the Volkswagen Group to transform the Greek island of Astypalea into a sustainable island. The company will be part of this initiative by offering its SEAT MÓ eScooter 125 in order to promote fully electric micromobility on the island.



LIVE
BOLDER,
LIVE
BETTER



TRUE TO ITS ESSENCE

The portfolio of products and services has been expanded with the launch of the SEAT MÓ business unit, offering 100% electric urban micromobility solutions to improve and optimise driving in cities and contribute to their sustainability.

SEAT remained innovative and committed in 2020. The brand launched the fourth generation of the Leon and an updated Ateca, as well as presenting new versions of the Arona, the Ibiza and the Tarraco.

The launches include the latest technological innovations in the areas of safety and connectivity. This connectivity is built into all the brand's vehicles and responds to the demands of its customers, who are young and non-conformist, and who share SEAT's willingness to advance and discover the future.

Furthermore, the portfolio of products and services has been expanded with the launch of the SEAT MÓ business unit, offering 100% electric urban micromobility solutions to improve and optimise driving in cities and contribute to their sustainability. Electrification has also been incorporated into the range of models, adding plug-in hybrid electric versions and more efficient engines that respond to new environmental regulations and allow for more effective and environmentally-friendly driving.

Meanwhile, SEAT remains committed to music, culture and sport, supporting a wide range of local and global events. Since the onset of the COVID-19 pandemic, the format of these events has been adapted to offer all participants safe, digital experiences.



SEAT's corporate identity continued to evolve in 2020, reinforcing its optimism and accessibility. With the motto of "Live bolder, live better", the strategy centered on maintaining the momentum and energy which the brand is known for, with positive and striking messages that invite customers to live fearlessly, try new experiences and be open to innovative ideas.

The brand secured its connection to the city of Barcelona through its marketing and advertising campaigns and materials. With a cheerful, decisive and unexpected tone, the narrative encourages the brand's young, inquisitive and committed customers to be bold and express their personality through its range of products, which has embarked on the path towards electrification and new micromobility needs.

THE SEAT DNA

1. Ready to move forward

Model range

SEAT Mii electric

Improve today

The flagship of the electric vehicle offence, the Mii electric offers the most advanced propulsion technology at an affordable price. Perfect for the city's daily challenges and the needs of a new generation of customers.

• “What Car Awards” prizes in the categories “Best small electric car under £25,000” and “Value electric car” in the United Kingdom, awarded by the publication *What Car?*

• “Electricque Business 2020” award in France for “Best electric car”, from the magazine *Kilomètres Entreprise*.

• Chosen “Reveal of the Year 2020-2021” of the “Good Deal” prize at the Automobile Awards in France, by the French company Motul.

SEAT Ibiza

It'll take you anywhere

The Ibiza is now more connected to people, to the road and to services. Thanks to its advanced safety systems, all you have to worry about is enjoying driving.

• “Auto Trophy 2020” award in the small urban car category in Germany, chosen by readers of the publication *Auto Zeitung*.



New SEAT Leon

The most advanced and innovative yet

The brand's first fully connected vehicle. The new 5-Door Leon features a highly advanced design, a new approach to lighting technology and some of the most evolved driving-assistance systems available.

• Chosen “Best Buy Car in Europe 2021” in the AUTOBEST 2021 awards by a group of 31 specialist automotive journalists from various European countries.

• “Coche Car and Driver 2020” award in Spain, from the readers of the specialist magazine *Car and Driver* and from the 21 publications of the Hearst group.



• Chosen “Best Compact” in the Axel Springer Motor Awards in Spain, from the publishing group Axel Springer.

• 2020 “Goldenes Lenkrad” award in the category “Best value under 35,000 euros” in Germany, from the specialist magazine *Auto Bild*.

• “Electric Car of the Year” award in the “Best small plug-in hybrid” category in the United Kingdom, from Driving Electric.

• “Towcar of the Year 2021” award in the “Caravan Weight 1,100-1,200 kg” category in the United Kingdom, from the Caravan and Motorhome Club.

• Named “Used Car of the Year” in Denmark by the Danish Car Journalist Association.

• “Car Grand Prix of Austria 2020” prize in the “Start” category, awarded by the publication of the Arbö Freie Fahrt club.



New SEAT Leon Sportstourer

Make an appearance

The new Leon Sportstourer is full of surprises. Full LED front headlights, infinite rear light, dynamic indicators... Designed to make an impression, whether with its sharp lines or its youthful spirit, it is guaranteed to turn heads.



SEAT Arona
How does the world look from above?

The urban SUV with an agile and powerful engine. The Arona rules the road with its chrome-plated front grille and its elevated driving position. From up there, planning the next step is easy.

- “Used Small SUV of the Year” award in the United Kingdom, from *What Car?* magazine.
- “Klassenbeste” award in recognition of its respect for the environment in Switzerland, from the Environmental Car List of the VCS Traffic Club of Switzerland.
- Professional Fleet Test (PTF) Award in Poland, from the SKFS (Association of Fleet Managers).
- “Car of Hungary 2020” award in the “SUV category winner car on sale” category, from Automotive Grand Coalition.



SEAT Tarraco
There are no more excuses

The technology of the Tarraco makes everything easier. Advanced sensors, automatic steering and a 360° camera to park in even the most difficult spaces. When an SUV offers the most cutting-edge innovations, there are no longer any barriers.

- “Large Family Car of the Year” and “Best Seven-Seater 2021” prizes at the Parkers New Car Awards in the United Kingdom, from the publication *Parkers*.
- “ABC Award for Best Car of 2020” in Spain, selected by a jury of 35 journalists specialised in motor vehicles and the public votes of subscribers and readers of the periodical ABC.
- “Best Large SUV” in the 11th EcoMotor Awards 2020 in Spain, from the readers of the newspaper *El Economista*.
- “Essilor Car of the Year / Crystal Steering Wheel Trophy 2020” in the category “Large SUV of the year” in Portugal, selected by a jury of 19 specialised journalists.

New SEAT Ateca
Back and better than ever

The new Ateca has been redesigned to better adapt to a world that is constantly testing us. The classic full-size car is back. Robust, powerful and ready for any challenge.

- “Used Family SUV of the Year” and “Overall Used Car of the Year” awards in the United Kingdom, from *What Car?* magazine.



- “Auto Trophy 2020” award in the “Imported van” category in Germany, from the readers of the publication *Auto Zeitung*.

SEAT Alhambra
Life in family size

The Alhambra provides space and flexibility to ensure you won’t miss out on anything. Families and friends can enjoy 2,430 litres of interior space and a large boot to transport everyone's belongings.



Product launches

New SEAT Leon

Over 2.2 million

Units sold with its first three generations

1,141,000

Units sold in the 3rd generation of the Leon

5 years

The Leon was the best-selling car in Spain from 2014 to 2019

Over 1,100 million euros

Invested in creating the fourth generation of the Leon

86 mm

More length in the 5-door version compared to the previous generation

93 mm

More length in the Sportstourer version compared to the previous generation

33 litres

More boot capacity of the Leon Sportstourer (up to a total of 620 litres) compared to the previous generation

10”

Screen size

Up to 64 km in electric mode

Range of the new Leon e-HYBRID

Up to 440 km

Range running on natural gas for the new Leon TGI



Highest score (5 stars) in the Euro NCAP tests, with ratings of 92% for adult protection, 88% for child care, 71% for pedestrian safety and 80% for assistance systems, making it one of the safest vehicles of its segment.



New SEAT Leon: innovation and design

In January, the Martorell facilities hosted the presentation of the fourth generation of the Leon, a cornerstone of the company and a leader in its segment, with more than 2.2 million units sold during its 20 years on the market.

The new model, which is the best and most advanced in SEAT's history, is also the first fully connected vehicle manufactured by the company to date, as well as the safest. Furthermore, it is the first to have five different propulsion systems, including the e-HYBRID version, the brand's first plug-in hybrid electric vehicle.

The 5-Door SEAT Leon reached dealerships in May, and the Sportstourer version arrived in July, including the special edition "Launch Pack" with extra features at a very competitive price. Meanwhile, the 5-door version of the e-HYBRID went on sale in October, and the Sportstourer edition went on sale in November.

e-HYBRID: the fist plug-in hybrid electrical vehicle from SEAT

The company's first plug-in hybrid electric vehicle offers the best combination of features and energy efficiency.

The combination of a 1.4 TSI 150 hp (110 kW) internal combustion engine that operates using an Otto cycle, and a 116 hp (85 kW) electric motor, results in a total of 204 hp with a six-speed automatic transmission. It also features up to 64 km of range in 100% electric mode, according to the WLTP cycle (NEDC: 72 km), and bears the ZERO emissions environmental label.

Its hybridisation system allows drivers to use both engines, based on the needs of each moment, or to drive exclusively in electric mode.



Download the app using the QR code on page 3 to view the content.

SEAT Mii electric:
affordable electrification

The brand continued its electric vehicle offensive in 2020 with the Mii electric, its first 100% electric model with the most advanced propulsion technology at an affordable price. Available in dealerships starting in February, it combines dynamism, elegance and new levels of connectivity, making it the perfect car for city driving.

For its launch in Spain, the company did an original marketing campaign involving a quizz for people walking by the SEAT spaces located in the Atocha (Madrid) and Sants (Barcelona) train stations.

In a bid to address the challenge of making our cities more sustainable, the brand developed a list of questions to help people learn about the Mii and electric mobility in general. The initiative was promoted on social media and at Madrid and Barcelona dealerships. For every 300 people who responded to the questions, a public charging station was installed.



SEAT Tarraco: more dynamic,
exclusive and sustainable

The Tarraco completed its range in April with the introduction of a new FR sport finish, as well as the front-wheel drive version featuring a TDI 2.0-litre 150 hp engine with seven-speed DSG transmission, which hit the market in September.

The FR finish adds sporty aesthetic details to the largest SUV ever created by the company. Its exclusive design includes the fully updated FR logo in raised calligraphy, wider wheel arches, a sporty rear wing spoiler, specially designed bumpers and exclusive alloy rims, among other new features.

The interior has an updated multifunction steering wheel, bucket seats with side inserts in Alcantara fabric and aluminium-plated pedals. It also features SEAT's latest-generation infotainment system and a new navigation system on a 23.4-cm [9.2"] screen, boosting the digital features of the SUV and optimising information and connectivity for the driver and passengers.

Furthermore, in November the brand announced the development of the Tarraco e-HYBRID, which will reach dealerships in 2021. Sustainable and efficient, it has a total of 245 hp (180 kW) thanks to its 1.4 TDI 150 hp (110 kW) petrol engine combined with a 115 hp (85 kW) electric motor that runs on 13 kWh lithium-ion batteries.

Available in several driving modes, drivers of the Tarraco e-HYBRID can choose to use 100% electric mode for up to 49 km according to the WLTP approval cycle, thus reducing exhaust emissions to zero, or combine both engines to go for up to 730 km uninterrupted.



SEAT Arona: new DSG transmission

This urban SUV saw an improvement in its range of features in July with the addition of a new mechanical combination to its petrol range: the 1.5 TSI 150 hp (110 kW) engine, with a seven-speed dual-clutch DSG transmission. This automatic transmission technology allows for faster and smoother gear changes and a more dynamic and emotional experience behind the wheel.

The new version with the sporty FR finish also features excellent efficiency, with combined consumption of between 6.0 and 6.7 litres/100 km according to the WLTP test cycle.

The sportiest and most powerful Ibiza model

With over 5.9 million units sold, the SEAT Ibiza is one of the cornerstones of the company. In September, the brand launched the most powerful and sporty version of this model, with a 1.5 litre TSI engine and a seven-speed dual-clutch DSG transmission. The new option provides 150 hp (110 kW) and 250 Nm of torque, and can reach a maximum speed of 219 km/h with 0 to 100 km/h acceleration in just 8.2 seconds.

Equipped with the latest technological innovations to ensure connectivity inside and outside the vehicle, it was available for purchase in Spain in 2020 under the SEAT ContiGO plan. This plan offers customers access to vehicles with immediate availability, exclusive pricing and financing conditions, special GO editions that offer better features at a lower cost and a flexible maintenance service.



SEAT Ateca: a new experience

In September, an updated version of the Ateca was introduced to the market with an even more attractive look, a fully connected user experience, improved safety and comfort, and increased efficiency in its mechanical options.

The new language of design bestows the Ateca with an even more robust character and a more emotional image through a sophisticated and decisive appearance that includes lighting technology with standard Full LED lights in the front and rear. It features the XPERIENCE finish, providing a touch of off-road character, adding to its feeling of versatility and freedom. That character is highlighted by the front and rear bumpers, the black wheel arches and side protectors, as well as the aluminium trim in the side, front and rear.

The interior of the new Ateca has also been updated to include the latest technological innovations. Connectivity is guaranteed with the online functions and services and Full Link technology, enabling wireless integration with Android and Apple devices. Outside the vehicle, the SEAT CONNECT app keeps users connected to the vehicle and the digital world.





SEAT
MÓ

SEAT MÓ: THE FUTURE OF MOBILITY

In June, the company announced the birth of SEAT MÓ, its new business unit of 100% electric products and mobility services created to adapt to the needs of cities and their residents through efficient, sustainable and connected solutions.

The official presentation took place at CASA SEAT, the company's mobility hub and the operations centre for the new brand, where the new mobility solutions will be tested and developed before being exported and made accessible. It is also home to the company's customer service centre, offering subscription and sharing services for some of its products.

The event also included a presentation of its new products: the SEAT MÓ eKickScooter 65 and the SEAT MÓ eScooter 125, the company's first 100% electric motorbike, with a specific model for shared services.





Purchase and pre-booking online

In 2020 SEAT MÓ launched a pilot e-commerce store where customers can purchase the SEAT MÓ eKickScooter 25 and the SEAT MÓ eKickScooter 65, as well as make pre-reservations for the SEAT MÓ eScooter 125 at no cost.

Users who made a reservation in 2020 were also able to benefit from an exclusive launch pack, with accessories valued at 300 euros.

Sustainable urban mobility products

SEAT MÓ eScooter 125: “Move freely”

Audacious, modern and compact, the SEAT MÓ eScooter 125 was designed to meet the mobility needs of city dwellers and offer them an accessible and practical means of transport.

Its electric motor with a maximum power of 9 kW is equivalent to a 125-cc motorbike and provides 240 Nm of torque, allowing it to reach a maximum speed of up to 95 km/h and go from 0 to 50 km/h in just 3.9 seconds. It also provides flexibility, reinforced by dynamic driving options: Eco, to optimise battery use; City, to balance range and power; and Sport, perfect for situations requiring speed and performance. It also has a reverse gear for easy manoeuvring.

Its 5.6 kWh lithium-ion battery pack gives it up to 137 km of range on a single charge. Because the battery can be easily removed and transported, it can be charged at a service station or using a domestic power outlet.

Available in three exclusive paint colours, Daring Matt Red, Aluminium Matt Grey, and Oxygen Matt White, the SEAT MÓ eScooter 125 meets the needs of an increasingly connected world. A smartphone app can be used to track the vehicle and get updated information about its location and status. Its also has two USB ports for charging phones.



- **Motor:** 9 kW (maximum power)
- **Acceleration (0-50 km/h):** 3.9 seconds
- **Maximum torque:** 240 Nm
- **Maximum speed:** 95 km/h
- **Battery capacity:** 5.6 kWh
- **Range in urban areas:** up to 137 km



Download the app using the QR code on page 3 to view the content.



SEAT MÓ eKickScooter 65: “A step beyond”

The SEAT MÓ eKickScooter 65 is a comfortable, safe, smart and clean way to move around the city. It is an urban, robust and durable vehicle, perfect for frequent daily use and company fleets.

With a rated power of 350 W, sufficient for going up hills with angles of up to 20°, it includes front and rear lights, a brake light, and side and rear reflectors to increase visibility. The front drum brake and electric rear brake improve its safety. The 10" solid tyres and the motor integrated into the rear wheel guarantee great performance and optimal passenger comfort. It is made even more versatile by the possibility to choose between three driving modes: Eco, Drive and Sport, adapting to the needs of each driver.

Available in an exclusive deep red paint colour, it has a maximum speed of 20 km/h, in accordance with the traffic rules of some markets, particularly Germany. In terms of performance, it has a range of 65 km, with a 551-Wh battery pack that fully charges in just six hours. It also has an LED screen on the handlebar with information about speed and range, and can connect to a smartphone through an application that can check its status at any time, as well as limit the speed, lock the scooter, and perform other actions

- **Motor with rated power:** 350 W
- **Maximum speed:** 20 km/h
- **Battery capacity:** 551 Wh
- **Charging time:** 6 hours
- **Range in urban areas:** 65 km
- **Angle of climb:** 20°
- **Tyre size:** 10"
- **Weight:** 19.1 kg
- **Dimensions:** 116.7 x 47.2 x 120.3 cm



SEAT MÓ eKickScooter 25: “Closer to everything”

Ergonomic, lightweight and safe, the SEAT MÓ eKickScooter 25, previously known as the SEAT EXS KickScooter, lets customers move around the city in an environmentally friendly vehicle.

It has a maximum speed of 25 km/h and 25 km of range. Its light weight of just 12.5 kg and the option to fold it up make it easy to transport, and comfort is ensured by front and rear shock absorbers and highly stable wheels. The front and rear LED headlamps and electrical and mechanical brakes add to its safety.

- **Motor with rated power:** 300 W
- **Maximum speed:** 25 km/h
- **Battery capacity:** 187 Wh
- **Charging time:** 3.5 hours
- **Range in urban areas:** 25 km
- **Angle of climb:** 10°
- **Front tyre size:** 10"
- **Rear tyre size:** 7.5"
- **Weight:** 12.5 kg
- **Dimensions:** 102 x 43 x 113 cm

Shared urban micromobility

The new SEAT MÓ business unit wants to adapt to the needs of cities and their residents. As part of this commitment, in June it launched two subscription models for its vehicles in Barcelona.

SEAT MÓtosharing

The MÓtosharing service, available in Barcelona 365 days a year between 6 am and 2 am, lets users hire a 125-cc-equivalent electric motorbike and choose from three driving modes: Standard (50 km/h), Custom (75 km/h) and Extra (96 km/h).

To access the service, customers must register on the SEAT MÓtosharing app, available for Android and iOS devices. It can be used to find the closest motorbikes and show where they can be parked on the map.

Subscription service

The company offers a subscription service with no minimum contract period that lets customers use an exclusive motorbike or electric scooter without having to purchase it.

Through a weekly, monthly or quarterly payment, drivers gain access to SEAT MÓ models, with maintenance and insurance included in the price. The service is managed from CASA SEAT, which is where customers collect and return the vehicle.



SEAT MÓ

Vehicles



SEAT MÓ eScooter 125
SEAT's first 100% electric moped.



SEAT MÓ eKickScooter 65
Electric kick-scooter with a range of 65 km.

SEAT MÓ eKickScooter 25
Electric kick-scooter with a range of 25 km.

Shared urban micromobility services (Barcelona)

Subscription

Weekly, monthly or quarterly payment providing access to exclusive use of SEAT MÓ vehicles, including the maintenance and warranty.

MÓtosharing

Hiring of shared electric motorbikes in Barcelona, from six o'clock in the morning through to two o'clock in the morning, every day of the year.

Three driving modes: 50, 75 and 96 km/h.



SEAT, THE MOST HIGHLY-RATED BRAND BY DEALERSHIPS

For the second year in a row, SEAT was the most highly-rated brand by dealerships, according to the “V_CON” report prepared by Faconauto, a federation of associations of official dealerships in the Spanish market.

The award ceremony was held in February during the 29th Faconauto Congress & Expo and was attended by Mikel Palomera, Managing Director of SEAT Spain, who accepted the award on behalf of the company.

The study highlighted that the brand's network of dealerships is satisfied with the profitability, trustworthiness and business standards.

2. Standing by our customers

The SEAT sales network remained stable in 2020, with 1,647 dealerships and official showrooms located in 75 countries.

The brand's presence in Latin America was strengthened in Chile with the launch of the Tarraco. The model's introduction coincided with the opening of a new brand experience centre in Santiago, promoting a customer experience based on digitalisation. The company doubled down on its commitment to online channels during the pandemic with the launch of the SEAT Boutique e-commerce platform and a new digital showroom.

Furthermore, in Peru, a new brand experience centre was opened in September, as was a second point of sale in the Mall de Sur shopping complex.

The brand's expansion in Latin America also included the launch of the Tarraco and the opening of two new points of sale in Colombia, specifically in Bogota, joining those in Medellin, Barranquilla and Bucaramanga.

SEAT also built its presence in other strategic markets. One of note is Israel, where the fleets channel reached its largest sales agreement in history with the purchase of 4,500 Ibiza units by the national government, which are to be delivered gradually over the course of 2020 and 2021. The sale of these vehicles boosts the brand's positioning in that market, where it saw a 10% sales increase over 2019 and a market share of 5.9%.

The SEAT sales network remained stable in 2020, with 1,647 dealerships and official showrooms located in 75 countries.

3. SEAT experiences

Campaigns that connect with customers

New Leon: “Born in the sun”

The launch of the fourth generation of the Leon was paired with a bold advertising campaign communicating the new brand values marked by optimism, positive energy and audacity.

Under the slogan “Born in the sun”, the new Leon is the result of a fresh perspective that encourages customers to face life with bravery and energy. This is a realistic yet optimistic perspective, which prioritises beauty and is inspired by the light and sun of Barcelona, the city of its birth.

Aimed at a young audience of men and women with an average age of 40, the campaign presents the new model as a compact car with an attractive sportier design, an advanced lighting system, the most cutting-edge safety systems on the market and the latest in technology and connectivity.

With bold and suggestive messages like “Go beyond your comfort zone” and “Your next adventure starts here”, the campaign for the new Leon reached traditional and digital media outlets in February, and required the updating of all marketing materials for the model, including the catalogue and web page, which were adapted to the more dynamic and elegant new design.

Ibiza and Arona with BeatsAudio system: “Feel the beat”

In 2020 the Ibiza and Arona models were the subject of an advertising campaign focused on its BeatsAudio™ system. This is a sound system that lets customers enjoy driving and enrich their experience, through music and the connectivity and infotainment systems included in the vehicle.

The campaign was launched under the slogan “Feel the beat” with television ads and other materials highlighting the quality of the sound system, as well as the models’ connectivity options to facilitate and improve the driving experience.



The launch of the fourth generation of the Leon was paired with a bold advertising campaign communicating the new brand values marked by optimism, positive energy and audacity.



SEAT Tarraco: sportiness and efficiency

The communication campaign for the Tarraco range was completed with the development of materials for the launch of the new FR finish, as well as the international campaign to publicise the features of the new SEAT Tarraco e-HYBRID.

The Tarraco FR was presented as an iconic and bold model, with a well-defined personality, perfect for those who love exclusivity. With a refined sporty design, the new finish is the perfect option for customers looking for a large SUV with a seven-seat option, but in a unique model that expresses their dynamic, rebellious and distinctive personality and lets them keep living and having fun behind the wheel.



SEAT Ateca: “Live large”

A robust sporty design, equipment and safety were the pillars of the campaign for the launch of the new Ateca, redesigned and updated with the latest technological innovations for connectivity.

Aimed at a mature audience with a youthful spirit, the model is presented as the perfect companion for exploring the world, being curious, having adventures and challenging life with a spontaneous, positive and creative attitude.

SEAT’s SUV range: “Have it all”

In 2020, the brand intensified the communication for its range of SUV models, linked to a busy city life in constant motion. Using suggestive messages that encourage action, the advertising campaign focused on the rebellious, brave and curious attitude that defines SEAT customers.

It presents a complete range of vehicles that adapt to the needs of urban adventurers, offering them design, technology and connectivity: the Ateca, for urban explorers who want to make every day a great day; the Arona, perfect for free spirits who like to do things their own way; and the Tarraco, the brand's most sophisticated SUV, designed for those who want to expand beyond the routine.

SEAT CONNECT: accessibility and innovation

Connectivity is one of the values underlying SEAT’s innovative and progressive nature, offering its customers technological solutions aimed at improving their driving experience.

To that end, the brand included messages in its campaigns informing customers about the benefits of connectivity and its main features.

Avoiding technical jargon, these messages focused on showing how the technological tools in its vehicles work and how customers can get the most out of them, in an appealing and understandable way. This not only transforms them into an essential element in drivers’ routines, but also builds brand loyalty.

The campaign messages were reinforced with a video tutorial, available on the brand's YouTube channel, giving customers a step-by-step guide to setting up the SEAT CONNECT service for their vehicle.



STAY HOMAS CONCERT

In May, SEAT showed its commitment to being by its customers’ side with a unique concert featuring the Barcelona band Stay Homas, broadcast live via streaming exclusively through the company’s official Twitter account.

The event received five million views, proving the popularity of the band, which in just a few months at the beginning of the pandemic amassed nearly 40,000 followers on Twitter and more than 400,000 on Instagram. Stay Homas are Barcelona natives like SEAT, and are a perfect match for the brand's youthful and optimistic spirit.



At the community's side

The company’s commitment to sport, music, culture and innovation continued in 2020, despite the restrictions of the COVID-19 pandemic making it impossible for the public to attend many of the planned events in person.

To alleviate the limitations of this new reality, the brand focused its efforts on updating formats, intensifying communication with customers through social media and launching digital initiatives to allow it to continue to stand by its community.

SEAT is music

SEAT Music Talks

Several activities were organised in 2020 under the “SEAT We are Music” strategy, allowing audiences to maintain a connection with today's music scene. One of the highlights was the “SEAT Music Talks” programme, launched in June. This programme consisted of a series of interviews shared through SEAT’s social media profiles, presenting top artists from today's music scene along with new emerging talents, in partnership with Live Nation.

The initiative's success led to a second edition being held during the months of October, November and December from the Live Nation offices in Madrid and CASA SEAT in Barcelona.

With a casual and informal format, attendees had the opportunity to hear more from artists such as Sofía Ellar, La Bien Querida, Coque Malla, La Albany, Marlon, Carlos Sadness, Miki Núñez, Víctor Elías, Sidonie and Rozalén, among others.

New SEAT Germany ambassadors

The team of brand ambassadors in Germany grew with the addition of Visa Vie, a songwriter, rapper and DJ, and Nikeata Thompson, a British dancer, choreographer and actress.

Visa Vie hosted #SEATsounds on Air, a digital interview format with musical artists shared on the brand's YouTube channel in Germany.

Meanwhile, Thompson collaborated on the video series “Nikeata meets Urban Moves”, also shared on YouTube, featuring conversations with young athletes and street artists.

Music awards in Italy

For the second year in a row the company sponsored the SEAT Music Awards 2020, a musical event organised and broadcast by the Italian public television channel RAI 1, which held its 14th edition in 2020 to mark the end of the lockdown imposed due to the pandemic.

The Verona Arena was the venue chosen for the event, which included performances by Italian artists such as Elisa, Mahmood, Diodato, Ligabue, Zucchero, Emma Marrone and Alessandra Amoroso, among others.

In addition to being present as main sponsor, SEAT followed up on the event through its social networks and through a collaboration with Radio Italia (official radio partner). Finally, SEAT delivered an award to the artist who best represents the brand’s spirit of optimism and joy: singer-songwriter Irama.

SEAT reinvents drive-in theatres in Germany

The brand gave new life to the drive-in theatre culture with an exclusive concert from German pop star Bendzko at a drive-in theatre in Düsseldorf. This innovative project, organised in partnership with the television channel SAT.1, allowed new generations to rediscover the ambiance of those unforgettable spaces, and allowed SEAT to maintain its commitment to music as one of its main ways of connecting with its community.

Bendzko's followers were able to enjoy his music live while respecting social distancing measures from their vehicles. The event was also broadcast via streaming, thereby offering both a live and a digital experience, which was a great success in terms of number of attendees and views.



SEAT we are football

Support for the Spanish Women’s Football Super Cup

As part of its firm commitment to promoting women’s sport, SEAT attended the first Women’s Football Super Cup in history, organised by the Royal Spanish Football Federation from 5 to 9 February in Salamanca.

The championship, held for the first time under the new final four sport format, welcomed the brand as its official vehicle. The company also boosted the event’s visibility by presenting the trophy in Salamanca with the participation of Galician actress María Castro as special ambassador.



As part of its firm commitment to promoting women’s sport, SEAT attended the first Women’s Football Super Cup in history.

Presentation of the Spanish Men’s National Football Team at CASA SEAT

On 2 October, the coach of the Spanish Men’s National Football Team, Luis Enrique, presented the new players selected for the matches against Portugal, Switzerland and Ukraine from CASA SEAT.

A video shown prior to the press conference showed the coach arriving at CASA SEAT at the wheel of a SEAT Leon and announcing the 25 players using number plates with the players’ names.

The initiative is part of the partnership between the Royal Spanish Men’s Football Federation and SEAT, a sponsoring member and official vehicle of the Spanish National Team and the Sub-21 Spanish National Team. The latter also held a press conference at CASA SEAT on the same day, before another was held for the main team.

The brand is also the official sponsor of the Campeonato de España-Copa de S.M. El Rey (King’s Cup), the Supercopa de España (Super Cup) and the Campeonato de España-Copa de S.M. La Reina (Queen’s Cup) for the 2020 and 2021 seasons.



It’s time to take sides

To celebrate the International Day Against Breast Cancer on 26 October, SEAT and the Women’s National Football Team created an official exclusive jersey to raise money for the Spanish Association Against Cancer (AECC).

The original jersey, signed by the National Team players, was put on display at CASA SEAT before being given to the AECC, which will raffle it off among the donors who participated in the challenge through its web page.



Upgrading the Arona fleet

SEAT strengthened its partnership with the Royal Spanish Football Federation by upgrading the vehicle fleet of the National Team players.

The company, which has been a sponsoring member and official vehicle of the Women’s National Team since 2019, gave the players new Aronas at an event held in November at the Ciudad del Fútbol training facility in Las Rozas, Madrid.

This sponsorship is part of SEAT’s commitment to promoting values related to sport, such as self-improvement, effort, teamwork and perseverance, which fit perfectly into the company’s values.



SEAT Historic Cars

Participation in rallies and other sporting events

The participation of SEAT Historic Cars in competitions and other sporting events was impacted by the COVID-19 pandemic, which caused many of the initiatives planned for the year to be cancelled.



Connected to Barcelona history

In 2020, the MUHBA Oliva Artés space in the Barcelona History Museum welcomed back the exhibition "Interrogating Barcelona: From industrialisation to the 21st century", reviewing the city's history since the 18th century.

SEAT's arrival in Barcelona in 1950 is one of the periods highlighted by the exhibition, which highlights the company's notable impact, not just because of its economic weight and its impact in terms of labour and trade unions, but also for having contributed to the expansion of private vehicle ownership in society.

One of the flash exhibitions, called "We have 600!", shows a SEAT 600 on loan from the SEAT Historic Cars Collection. It highlights this model's role as a consumer object that became an icon of the emerging middle classes before becoming a popular vehicle.

Present at Autobello

Autobello, one of the most important events for sporty and collectable vehicles, held three editions in 2020 in Marbella, Madrid and Barcelona, giving companies and participants the chance to show off their products.

The event, billed as much more than a contest of elegance and good taste for car and watch collectors, included a SEAT 1400 B Especial from 1959, as well as a SEAT 124 Sport 1600, celebrating 50 years since its launch.

SEAT HISTORIC CARS WINS "BEST CARS 2020" AWARD

SEAT's Historic Cars department was recognised with the "Motor Clásico" award for the "Best Promotion of a Historical Vehicle", from the editorial group Motorpress Ibérica.

The award was presented during the 27th edition of the "Best Cars 2020" awards, held on 25 February in Madrid. It recognises the department's efforts and is based on rankings and votes from readers of the magazines *Autopista*, *Automóvil*, *Coche Actual* and *Más que Coches*, as well as users of the website *Autovía*.

[31 January – 6 February]

Rallye Monte-Carlo Historique (Monaco)

SEAT Historic Cars returned to the Rally Monte-Carlo Historique 65 years after the brand's 1955 début in this competition with the 1400, the company's first model and its first race car.

This year, a 1957 SEAT 1400B, completely restored by company specialists, safely completed the more than 3,000 kilometres and hundreds of curves that define this top international event.

Driven by former Spanish rally champion Josep Maria "Mia" Bardolet, with the expert Eloi Alsina as copilot, the 1400B caused a sensation among attendees and ended the race in sixteenth position out of a total of 302 participants.

The SEAT 1430, driven by Enrique Trillo, and the SEAT 127, with Iván Vicario and Jesús Bonilla behind the wheel, finished in 33rd and 91st place, respectively.

[28 -29 February]

4th Rally Catalunya Històric – Rally de les Caves (Catalonia)

A total of 41 classic vehicles attended the fourth edition of the Rally Catalunya Històric, which paid tribute to the Rally de les Caves this year for the second year in a row.

SEAT attended with several models: the SEAT 1400 B Rally, driven by Mia Bardolet and Carles Jiménez; the 124 Sport, with Xavi Pérez and Miguel Ángel Madrazo; the 1430 Especial 1600, with Josep Mateu and Kim Vilatarsana; the 124 D Especial 1800 Gr.4, with Vicenç Aguilera and Eli Aguilera; and the Ibiza GLX 1.5, with Joan Dalmau and Gerard Massanas.

A valiant effort was made by the 1400 B team, which fought for first place during the entire first stage, but fell out of the leadership positions due to a technical problem and ended the race in seventh place. Meanwhile, the SEAT 124 Sport 1600 finished in eighth place and the Ibiza GLX 1.5 and the 124 Especial 1800 Gr.4 finished in ninth and fifteenth place, respectively.

[14-25 October]

País Vasco Classic Tour (Basque Country)

The SEAT Historic Cars team participated in the first edition of the País Vasco Classic Tour with five of its most iconic models: a 1400 Van from 1959, a 850 Coupé from 1967, a 124 Sport 1600 Coupé from 1972, a 124 FL 2000 from 1979 and a 1200 Sport ("Bocanegra") from 1976.

The event, aimed at promoting the enjoyment of driving and discovering the land and culture, toured all three Basque provinces.



CUPRA

BE THE IMPULSE!



CUPRA UNIVERSE

Two years after its creation, CUPRA has consolidated its growth and independent identity by expanding its range of vehicles, promoting electrification and developing initiatives that reinforce its challenging, distinctive and passionate character.

In 2020, its portfolio grew with the CUPRA Leon family, the new CUPRA Formentor and a more technological and sophisticated version of the CUPRA Ateca. This is a range that demonstrates the brand's commitment to contemporary design and to redefining sporting performance with electrification as its goal, and it will be extended with the launch of the CUPRA el-Born, the brand's first 100% electric model.

The firm also consolidated its organisational structure, strengthened its distribution network and opened new headquarters in Martorell, which provides the CUPRA team with the resources and operational base needed to continue growing. This development was boosted by its status as the exclusive automotive and mobility partner of FC Barcelona, as well as by the reinforcement of the CUPRA Tribe with new ambassadors who strengthened its sporting, challenging and exciting character.

The CUPRA Tribe

More than 100

car lovers work to strengthen
the brand in the market



CUPRA GARAGE

Coinciding with its second anniversary, in February CUPRA inaugurated its new headquarters at the Martorell facilities, the CUPRA Garage.

This is a 2,400 square metre building that houses the brand's central offices and thus consolidates its independent identity.

With a spectacular design that fully represents the firm's DNA and evokes a racing paddock, the new headquarters is divided into two floors with open spaces which host the sales, marketing, purchases, finance, product and distribution departments. The multifunctional and eco-efficient building has been constructed with sustainable

materials and includes charging points for electric cars, as well as the latest design innovations. Located in an area measuring 10,500 square metres surrounded by nature, the space has a patio and a large terrace for outdoor events.

The inauguration provided a stage for the debut of the new CUPRA Leon family and the new version of the CUPRA e-Racer, the world's first 100% electric racing car. The new member of the CUPRA Tribe, the goalkeeper of the FC Barcelona Marc ter Stegen, was also introduced.



EXCITING AND CHALLENGING

Created for those who want to get a unique experience and excitement out of their car, the brand offers products and experiences that elevate this feeling to the highest level. CUPRA reinforced its brand values in 2020 in line with a contemporary vision of sportiness, a design endowed with style and emotion, challenging the status quo by means of an unconventional alternative to inspire the world from Barcelona.

These values brought it closer to a non-conformist public who are ready to challenge the status quo and seek a daring and unexpected lifestyle. These are men and women who enjoy driving and look for the path less travelled, both on and off the road.

CUPRA invites them to move forward together into the future through a range of unique products and experiences, with a stimulating design and attitude that have exclusivity as their hallmark. In short, this is a future that looks towards electrification without sacrificing sportiness, a love for cars and the pleasure of driving.

CUPRA reinforced its brand values in 2020 in line with a contemporary vision of sportiness, a design endowed with style and emotion, challenging the status quo by means of an unconventional alternative to inspire the world from Barcelona.

THE FOUR PILLARS OF CUPRA

1. Garage: high-performance and sporty design

MODEL RANGE



CUPRA Formentor

An extra dose of adrenaline

The first 100% CUPRA model. An SUV coupé that is made-to-measure, and is anything but ordinary. An exclusive and contemporary vision of sportiness with innovative design and excellent performance.

“Car of the Year 2020” in Spain in the first edition of the MOVEO La Vanguardia awards, organised by the Godó Group and awarded by popular vote through the readers of the group's various media and a jury of experts.

“Readers’ Car of the Year 2021” award in Spain from the readers of the newspapers of the editorial group Prensa Ibérica.

Chosen “Best Medium SUV 2020” in the Axel Springer Motor Awards in Spain, from the publishing group Axel Springer.

“Golden Delta” prize in the “Mobility” category of the ADI Awards in Spain, from the Industrial Design Association (ADI).

Named “SUV of the Year 2020-2021” in the Automobile Awards in France, from the French company Motul.



CUPRA Leon

Start an exciting journey

Progressive, dynamic and intense. A look into the future of electric mobility that offers urban autonomy and exciting driving. Design and sportiness with the most advanced technology.

CUPRA Leon Sportstourer

An e-HYBRID that stands out from the rest

A unique, dynamic design that cranks up the revs of the new forms of mobility by combining a powerful electric motor and a high-performance combustion engine. Sporty, high-tech and with space for the whole family.



New CUPRA Ateca

Power released

With a design to match its attitude. Robust, comfortable and connected. The perfect combination of precision, sportiness and practicality for a dynamic and exciting driving experience.



“Best Medium-sized SUV” at the 11th EcoMotor Awards 2020 in Spain, awarded by the readers of the newspaper *El Economista*.



CUPRA el-Born

Sustainable
mobility
with attitude

A new concept in electric vehicle dynamics that will see the light of day in 2021. The genes of CUPRA taken to the next level. Sporty, dynamic and high-tech. Proof that performance and electrification are a great combination.

CUPRA Tavascan Electric Concept Car

A dream soon
to come true

A prototype of the first SUV coupé that is 100% electric. A powerful and aerodynamic machine with zero emissions. Bold. Sophisticated. The perfect combination of style and functionality.

Award for the best design in the Automotive Brands Competition 2020 in Germany, awarded by the German Design Council.



PRODUCT LAUNCHES

CUPRA Ateca 2020: a step up in technology and sophistication

The CUPRA Ateca, which was the star of the brand's launch two years ago, reinforced its attributes of precision, sportiness, practicality and design in 2020 with a renewed version that launched in September.

The evolution of the model strengthens its bold aesthetic, multiplies the possibilities for customisation and comes with bucket sports seats, a new sports steering wheel, alloy wheels and DCC (Dynamic Chassis Control) suspension system with variable hardness dampers and progressive steering, all as standard.

In addition, its renewed range of connectivity, comfort and entertainment systems, with a 23-cm (9.2") screen, take connectivity to another level, with access via a phone or online from the car itself, thanks to the integrated SIM card.

The new driving assistants and safety systems make it an even safer vehicle, developed to offer maximum performance in the compact SUV category.



CUPRA Leon e-HYBRID: a new benchmark in sportiness

Born to become a benchmark in the compact category, the new CUPRA Leon marked the beginning of the brand's journey towards electrification with its first plug-in hybrid electric model, which reached the market in October. Available in the 5-door and Sportstourer versions, the plug-in hybrid includes a 1.4 TSI petrol engine that provides 150 hp and an electric motor that generates 115 hp. Together they offer a combined maximum power output of 245 hp and a zero-emission label, associated with a six-speed DSG dual-clutch gearbox with automatic transmission, providing a perfect balance between dynamism and efficiency.

The design of the new CUPRA features an elegant, evolving exterior style that combines aesthetics and practicality and enhances its sporting performance. Inside, the passenger compartment retains the essence of the brand's character, with added comfort and refinement. The range is completed with new integrated lighting technology, state-of-the-art driving assistants and innovative connectivity systems.

The range of the new CUPRA Leon, which is designed, developed and produced in Martorell, is set to grow in 2021 with three petrol engines of 245 hp, 300 hp and 310 hp to top off a complete and efficient mechanical range that allows the customer to choose the car that best suits their lifestyle.



CUPRA Formentor: a different driving experience

In March, the brand presented the CUPRA Formentor, the first model designed, developed and produced exclusively for the firm, through a video conference that replaced its debut at the Geneva Motor Show, which was cancelled due to the COVID-19 pandemic.

It is a high-performance crossover, with the convenience of an SUV and the sportiness of a compact car, which combines CUPRA's DNA with cutting-edge technologies and highly advanced mechanical options.

Robust and refined, the design of the Formentor transmits the wild beauty of the cape after which it is named, one of the most spectacular on the island of Mallorca. Thanks to its dazzling exterior and detailed customised interior, it combines ambition, sophistication and modernity.

Launched at the end of October and produced in Martorell, the new Formentor ensures perfect integration between daily routine and driving with an advanced infotainment system and the most advanced connectivity solutions thanks to the CUPRA CONNECT system. In addition, a wide range of in-vehicle driver assistance and safety systems, which reach a level 2 of semi-autonomous driving, provide a safe and relaxed driving experience.

Engines for the future

The CUPRA Formentor has a wide range of high-performance propulsion options that includes three different technologies: TSI (petrol), TDI (diesel) and plug-in hybrid electric. In total, five variants, ranging from 150 hp to 310 hp, share exceptional dynamic performance.

The range is divided into two categories: CUPRA Formentor, for entry-level versions and those with less than 245 hp, and CUPRA Formentor VZ (referring to 'veloz' in Spanish, meaning 'fast'), for the more powerful versions.

In the lower power range, there is the 150 hp (110 kW) 2.0 TDI diesel version and the 150 hp (110 kW) 1.5 TSI petrol version, both with manual or DSG automatic transmission. The 1.4 TSI 204 hp (150 kW) engine, also with DSG transmission, is available in the e-HYBRID plug-in hybrid version.

The VZ versions consist of the CUPRA Formentor VZ e-HYBRID 14 TSI 245 hp (180 kW) with DSG front-wheel drive and the CUPRA Formentor VZ 2.0 TSI 310 hp (228 kW).

In October, the most powerful version of the CUPRA Formentor was launched, with a 310 hp (228 kW) 2.0 TSI engine and 400 Nm of torque, DSG gearbox and 4Drive all-wheel drive. In November, the 150 hp 1.5 TSI engine was added, with manual gearbox and DSG.

Start of production of the CUPRA Formentor

On 29 September, from its headquarters in Martorell, CUPRA celebrated the start of official production of the CUPRA Formentor, a key model for the brand's international expansion.

The digital event, which was followed via streaming by international media, was attended by CUPRA's chairman, Wayne Griffiths, who reviewed some of the model's most outstanding features.

The event was also attended by Dr. Werner Tietz, vice-president of Research and Development, Jordi Gené, the firm's driver, and a luxury guest, CUPRA's global ambassador Marc ter Stegen, who picked up his new Formentor, the official car of Barcelona Football Club.





PRESENTATIONS

CUPRA el-Born: sustainable mobility with character

At a press conference held in July at CASA SEAT, CUPRA announced the forthcoming launch of the new el-Born, based on a new concept of dynamic electric vehicles that will see the light of day in 2021. This model takes the CUPRA genes to the next level and has evolved to offer a sustainable mobility option associated with the most cutting-edge technology. Sporty, dynamic and high-tech, it is proof that performance and electrification are a great combination.

True to the CUPRA philosophy, the el-Born displays a sporty design associated with high performance. The aim is to ensure sustainable mobility with all the character and fun driving experience that car enthusiasts are looking for.

CUPRA announced the forthcoming launch of the new el-Born, the brand's first 100% electric model, which will come onto the market in 2021.



CUPRA Tavascan Electric Concept Car arrives at CASA SEAT

The brand presented for the first time to the public its bid for the electrification of sportiness, the CUPRA Tavascan Electric Concept Car. This prototype was presented for the first time at the International Motor Show in Frankfurt in 2019 and since July it has topped off the exhibition of concept cars and production vehicles on level 0 of CASA SEAT.

Visitors can see first hand the details that make up its striking interior and exterior design, which combines the presence of an SUV with the elegance of a sports coupé with a streamlined shape designed to minimise drag.

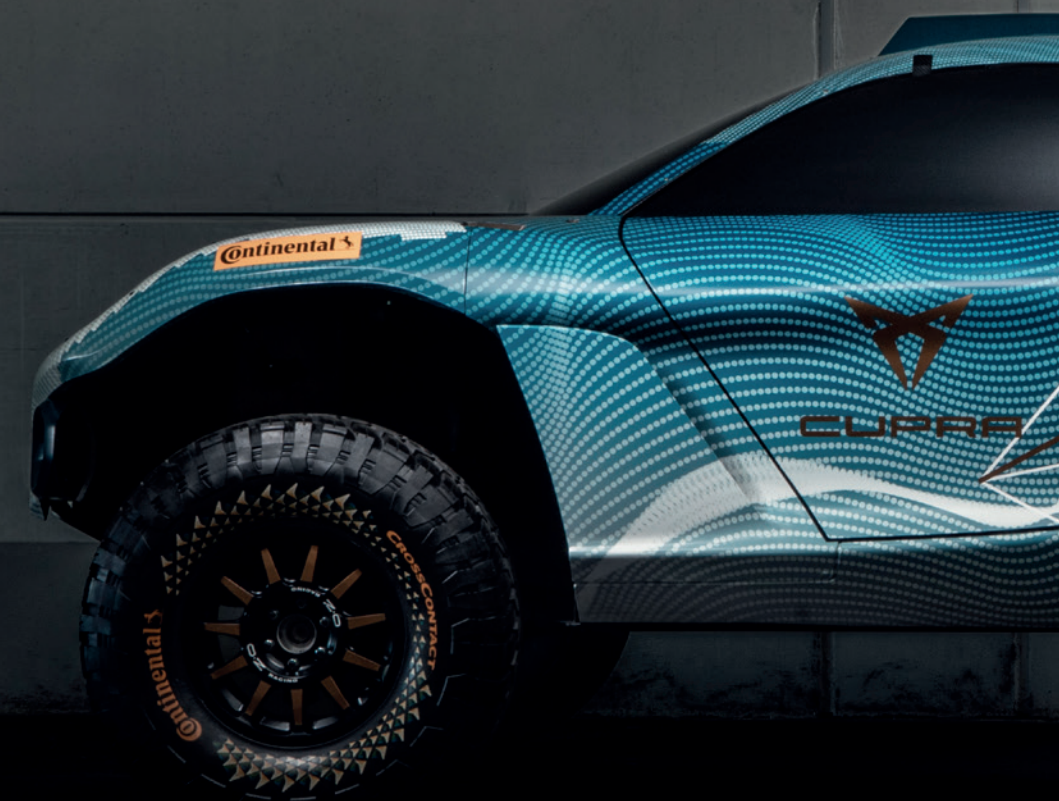
2. Racing

PARTICIPATION IN THE EXTREME E SERIES

CUPRA announced in September its participation in the Extreme E competition as the main partner of the ABT Sportsline team.

The off-road electric SUV competition, which from 2021 will travel to the most extreme and remote locations on the planet, will allow the brand to continue building its sporting legacy and promote the electric and sustainable competition of the future.

CUPRA brings its in-depth knowledge of motor racing and its focus on electrified racing to this competition, which has a gender-equal sporting format in which teams must field a male and female driver. The first will be Mattias Ekström, CUPRA ambassador and world champion of the FIA Rally Cross and the Deutsche Tourenwagen Masters (DTM), who will drive in tandem with the Germany driver Claudia Hürtgen at the wheel of the e-CUPRA ABT XE₁.



CUPRA SIMRACING SERIES

The brand decided to bring the excitement of racing to the digital world with the launch of the CUPRA SimRacing Series, the first virtual racing competition developed in collaboration with RaceRoom, the official racing simulator of the World Touring Car Cup.

During the month of May, motor racing enthusiasts were able to demonstrate their driving skills from home in one of the competition's 13 races, in which the ambassadors Marc ter Stegen and Jordi Gené, actor and singer Tom Beck and driver Mikel Azcona took part, among others.

NEW CUPRA LEON COMPETICIÓN

During the inauguration ceremony of the CUPRA Garage in Martorell, the brand presented the CUPRA Leon Competición, designed to compete in the TCR world championships and endurance races.

Based on the CUPRA Leon model, the racing car combines the brand's new bodywork and a chassis geometry designed specifically for it, which reduces weight, provides rigidity and allows for greater customisation. It also has enhanced aerodynamic efficiency thanks to the use of HP 3D printing for the development of some of its components.

The essence of the vehicle is its 2.0-litre turbocharged petrol engine, which delivers 340 hp (250 kWh) at 6,800 rpm and a maximum torque of 410 Nm across almost the entire engine speed range. It also has a six-speed sequential gearbox



CUPRA E-RACER, THE FUTURE OF ZERO-EMISSION RACING

In February, the brand presented the new CUPRA e-Racer, the first 100% electric racing car in the world to renew its design with more power and zero emissions.

The new generation of the e-Racer has been developed on the new platform of the CUPRA Leon and updates the vehicle's electronic architecture and some electrical components, such as the battery and its peripherals.

Its more aerodynamic design has made it possible to create a more dynamic and powerful racing car. The model reaches 270 km/h with a combined maximum power of 680 hp (500 kW) and 960 Nm of maximum torque, thanks to its 65-kWh capacity liquid-cooled battery and four electric motors located on the rear axle.

The CUPRA e-Racer lays the technical foundations for the multi-brand ETCR championship for 100% electric cars. This new racing format will showcase the intensity and excitement generated by this technology.

In February, the brand presented the new CUPRA e-Racer, the first 100% electric racing car in the world to renew its design with more power and zero emissions.





3. CUPRA specialist network

A DIFFERENT CONCEPT OF DEALERSHIPS

In 2020, CUPRA continued to expand its network of specialist distributors, which was consolidated in November with the signing of the brand's new concession contracts.

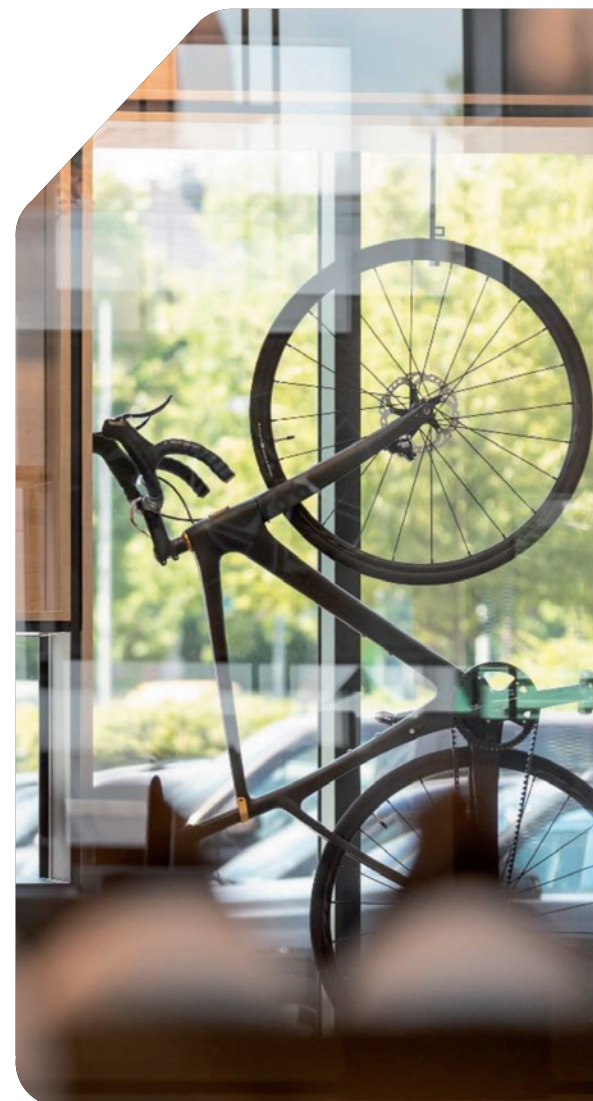
All official CUPRA points of sale offer a shopping experience based on distinction and exclusivity, and have their own spaces dedicated to the firm. These spaces allow the brand to maintain its relationship with the customer and ensure a profitable distribution model for the entire value chain.

CUPRA's specialist points of sale come in a range of formats, from CUPRA Corners, a temporary approach that ensures the CUPRA brand's presence in the company's dealerships, to the CUPRA Garage flagship projects such as those in Hamburg and Mexico, which not only include the exhibition and sale of CUPRA products but also allow visitors to be immersed in the brand, with experiences and events that are exclusive, inspiring, contemporary, stylish, unique and carefully put together.

Regardless of the type of space, all the points of sale include the figure of the CUPRA Master, a point of reference and contact for the customer for any matters related to the brand.

CUPRA Masters are carefully selected and trained specialists who have in-depth knowledge of the models and embody the brand's values and attitude.

Their role is to guide the customer throughout the entire purchasing process, introduce them to after-sales services and put them in contact with the CUPRA Service Advisor, who will help them resolve any technical support issues. Their role transcends the vehicle itself and includes providing access to exclusive experiences and events, thus building and nurturing the CUPRA community.



INAUGURATION OF THE FIRST CUPRA GARAGE IN EUROPE

In September, the brand opened Europe's the first CUPRA Garage flagship project, in the German city of Hamburg. This is the second space of its kind in the world after the one in Mexico City, which opened in 2019.

The new CUPRA Garage is located in an industrial building dating back to the mid-20th century. With a floor space measuring 340 square metres, it has been completely remodelled and inspired by a garage, creating a contemporary space designed to express the brand's values and offer an experience that is at the height of its cars. It is divided into an exhibition area with five vehicles and an after-sales workshop.

The space has two CUPRA Masters, it is equipped with the latest digital technologies and offers the possibility of exploring the brand's models in a virtual reality area. There is another area dedicated to CUPRA Racing and a selection of competition products and lifestyle accessories based on the brand's collaborations and cobranding ventures.

This unique set of elements is enough to turn any visit to a dealership into a memorable experience.



CUPRA MASTER CONVENTION

In October, more than 600 CUPRA Masters from 35 countries participated in the first edition of the CUPRA Master Convention.

This event was noteworthy for several reasons: it was held online for the first time through a revolutionary interactive platform, the CUPRA e-Garage, and took place virtually at the Cap de Formentor in Mallorca.

Thanks to the use of technology and gamification, the brand's DNA was transmitted to the sales network, its future strategy was shared and its products were introduced by the firm's experts.

In addition, the event was a taster of the transformation of learning and training that is currently underway. Participants were able to interact extensively from home, with more than 130,000 likes during the convention, testing their knowledge against the clock. They all answered questions and went through elimination phases until only the best of them were left.

The e-Garage platform gave the community the opportunity to be part of an innovative, immersive experience, with interactions and elements of virtual and augmented reality that remain available to them to continue their training while exploring the CUPRA universe.



4. Lifestyle & experience

The CUPRA universe transcends the world of cars. The brand collaborates with companies, sports entities, organisations and groups that share its values of sportiness, ambition and determination to offer its customers a complete and exclusive experience.

MARC TER STEGEN JOINS THE CUPRA TRIBE

Footballer Marc ter Stegen, a Barcelona Football Club player, joined CUPRA in February as an ambassador to help boost the brand's global recognition. The goalkeeper, who shares the firm's values of ambition and determination, as well as its commitment to exclusivity and sporting performance, was introduced at the CUPRA Garage opening in February.

As a result of this collaboration, Ter Stegen was the protagonist of several digital actions carried out on CUPRA's social networks during the months of lockdown caused by the COVID-19 pandemic. The brand's followers were able to get to know the German international a little better and interact with him in a virtual meeting followed by more than 60,000 people around

the world, as well as discover one of his hidden passions, cooking.

The famous goalkeeper was one of the first to sit behind the wheel of the CUPRA Formentor as part of his participation in the model's pre-reservation campaign launched in July. He also received the keys to his CUPRA Formentor from Wayne Griffiths during the digital event which took place in September at the CUPRA Garage in Martorell to celebrate the start of the vehicle's production.

The addition of Ter Stegen to the CUPRA team is in addition to the brand collaborating with other elite sportspeople, such as the award-winning racing driver Mattias Ekström, Olympic medallist Saúl Craviotto, Swedish racing driver Mikaela Kottulinsky or the five best paddle tennis players in the world: Alejandro Galán, Fernando Belasteguín, Pablo Lima, Alejandra Salazar and Ariana Sánchez.



CUPRA, OFFICIAL AUTOMOTIVE AND MOBILITY PARTNER OF FC BARCELONA

'Let's win this match together'

With the collaboration of FC Barcelona, CUPRA launched an initiative in May to bring the support of the fans to the players when they returned to the competition following its suspension due to the COVID-19 pandemic.

Under the slogan 'Let's win this match together', the brand called on all Barcelona fans to send in photos encouraging their team from home. The images, which were collected via the official CUPRA website, were projected onto the LED screens located around the pitch during the closed-door matches held at Camp Nou, as well as being broadcast on the brand's social networks.



CUPRA Formentor, FC Barcelona official car

In July, the CUPRA Formentor became the official car of FC Barcelona, a decision that reinforces the brand's global alliance as the official automotive and mobility partner of the club in 2019.

Designed, developed and produced in Barcelona, the first exclusive CUPRA model was delivered to the club for institutional use. In addition, players have the option of customising it with a wide range of colours, among other design elements.

The selection of the Formentor as the official car of FC Barcelona, which coincided with the opening of its pre-reservation platform in July, has managed to boost the vehicle's visibility and bring the brand closer to car enthusiasts. It also strengthens the alliance between the two organisations for the next five years. This agreement is based on their shared values of ambition, effort and teamwork, and it aims to boost the image of the city of Barcelona around the world, as well as promoting talent and innovation and creating unique experiences for its global community of fans.



JOINING FORCES AGAINST COVID-19

CUPRA and FC Barcelona joined forces for the 55th edition of the Joan Gamper Trophy, held on 19 September in Barcelona, with the presentation of a special shirt as a show of solidarity.

The Barça players took to the field with a special edition of the 20/21 season's first team shirt, which incorporated the CUPRA brand on the right sleeve. Over the weeks following the match, several of these shirts signed by the players were auctioned through the United Charity platform, which specialises in sports auctions.

At the same time, the more than 15,000 SEAT and CUPRA employees had the opportunity to buy them through internal corporate channels. The funds raised by both actions were added to the #YoMeCorono campaign, aimed at raising funds for the fight against COVID-19.

CUPRA FORMENTOR, NEW OFFICIAL CAR OF THE WORLD PADEL TOUR

The CUPRA Formentor was designated as the new official car of the World Padel Tour (WPT) in October, thus reinforcing the visibility of the model, which will be exhibited at the tournaments of the professional circuit. In addition, the brand's five ambassadors in the paddle tennis world, Fernando Belasteguín, Pablo Lima, Alejandro Galán, Alejandra Salazar and Ariana Sánchez, received a personalised version of the vehicle.

The selection of the Formentor as the WPT's official car is part of the agreement between the firm and the tournament, which became official in 2019 and made CUPRA the premium sponsor of all its official competitions until 2021.

The new Formentor represents the essence of CUPRA, a young and growing brand that identifies with the success story of paddle tennis. The decision to make it an official car allows it to reach an audience with whom it shares the values of passion, determination, sportiness and a contemporary lifestyle.

NEW CUPRA E-GARAGE VIRTUAL PLATFORM

CUPRA reinforced its digitalisation strategy in October with the launch of the CUPRA e-Garage virtual platform at the Cap de Formentor (Mallorca). This is an immersive virtual space where users can configure their own avatar and interact with other people by voice and via chat.

This new digital world, which will be opened up in the future to all the brand's customers, is virtually located in a place that inspired the brand's first model, the Formentor. Here customers can explore the CUPRA models, as well as discover the lifestyle collections and all kinds of content about the brand. The space also has an auditorium for live presentations.

The initiative was announced at an interactive press conference in November and responds to the contemporary and innovative nature of CUPRA, which uses technology to place people and emotions at the centre of its strategy.



EXCLUSIVE PRODUCTS

CUPRA offers its customers a collection of exclusive and limited articles. These products are made in collaboration with partners who represent their lifestyle and share their passion for sophisticated details, craftsmanship and quality. During 2020, the collection grew with the addition of new products associated with the fields of decoration, fashion and accessories.

October marked the launch of Chispa by Marset for CUPRA, a portable, wireless, rechargeable lamp that symbolises the union of the automotive world with the world of design and is inspired by the shape of a garage lamp. The result of a co-creation project with Marset, Chispa evokes creativity and innovation, and can be purchased through Marset's usual points of sale and in the CUPRA distribution network around the world.



In the fashion sector, CUPRA and Mikakus, the international urban fashion brand from Barcelona, joined forces to create the exclusive Mikakus x CUPRA collection made up of three models of sportswear in representative CUPRA colours: Garage White, Garage Blue and Paddock.

In addition, the range of accessories created in collaboration with Trakatan was increased with a new model of copper-coloured leather bag. At the same time, the CUPRA line was expanded to include articles with a distinctive and elegant style. The collection incorporated a leather jacket, a classic in men's fashion with the brand logo printed on the left sleeve, and four models of sunglasses.



CREATIVITY AND EMOTION

‘If they don't understand why, they will’

The campaign leading up to the CUPRA Formentor's launch was reinforced in July with an official announcement filmed in Barcelona with the participation of the first team players of FC Barcelona, including Marc ter Stegen.

Under the slogan ‘If they don't understand why, they will’, the video praised people who are fighting for their own dreams despite encountering obstacles and having their passion and dedication questioned.

The piece was broadcast on television in CUPRA's main markets, as well as on the brand's social networks.

‘Drive, live, feel another way with the new CUPRA Formentor’

In October, CUPRA presented the launch campaign for the Formentor starring the actress Nathalie Emmanuel.

Under the slogan ‘Drive, live, feel another way with the new CUPRA Formentor’, the spot invites you to reflect on your emotions. Through a visual metaphor, the video shows the *Game of Thrones* and *The Fast and the Furious* actress travelling from the stratosphere to Cap de Formentor, where she comes across the new model. The fall takes the protagonist back to her childhood and reminds her that there is something inside her that pushes her to live intensely, similar to the adrenaline and emotion felt when driving the Formentor.

Filmed in Mallorca and several locations in Barcelona, the video is based on the song composed exclusively for the campaign by British rapper Loyle Carner.

‘CUPRA goes to Hollywood’ with Daniel Brühl

In December, the brand presented the launch campaign for its first electrified model, the new CUPRA Leon e-HYBRID, starring Daniel Brühl. The Spanish-German actor, known for films such as *Inglourious Basterds* or *Good bye, Lenin!* and series such as *The Alienist*, thus joined the CUPRA Tribe as an ambassador.

Under the slogan ‘There is a time when you drive for others, and a time when you drive for yourself’, the television advert reflects on the inconveniences of urban life, such as traffic jams and stress when driving. Daniel Brühl appears driving the new CUPRA Leon e-HYBRID, whose plug-in hybrid engine maintains the pleasure of sports driving while minimising the vehicle's impact on the environment.

The video, with music composed and produced exclusively by the award-winning jazz star Kamasi Washington, made its debut in the brand's main markets and was reinforced with a campaign on social media.

Two years after its creation, CUPRA has consolidated its growth and independent identity by expanding its range of vehicles, promoting electrification and developing initiatives that reinforce its challenging, distinctive and passionate character.



Research and Development

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NEW STRATEGY TO MAKE ADVANCES IN ELECTROMOBILITY AND CONNECTIVITY

Innovation is one of SEAT’s strategic priorities and is the driving force that propels it to anticipate the new challenges facing society. Aspects such as sustainability, new mobility and digitalisation take a leading role in the actions of the Research and Development (R&D) division of the company, which continues to be Spain’s leading industrial investor in this field.



Dr. Werner Tietz, new vice-president of R&D

In July, Dr. Werner Tietz was appointed as SEAT’s new executive vice-president of R&D, replacing Axel Andorff, who joined ŠKODA. The new executive joined the Volkswagen Group in 1994, where he has held various prominent positions in different brands such as Audi, Porsche and Bentley.

As the head of the R&D division, his main target is to implement a strategy that will enable the design and development of key products for SEAT and CUPRA,

in a time marked by the transition to electromobility and connectivity.

The strategy, defined by Dr. Tietz’s team, is based on six fundamental pillars: focused innovation, strategic partner, specialised experience, Global R&D provider, team-based culture and system-orientated.

The vice-president of R&D oversees the Design Centre, where all the SEAT and CUPRA brands’ vehicles are conceptualised, and the Technical Centre, the knowledge hub where innovations for cars and mobility solutions for the future are developed.

PROCESS EFFICIENCY

In collaboration with the IT division, in 2020 progress was made in the digitalisation of R&D processes. Using the DataDriven philosophy for decision-making, the R&D division aims to manage more than a hundred key processes through applications connected to a common data platform.

With a very similar approach to Agile methodology, by connecting the various applications with the platform that unites the different sources of knowledge, information flow between departments can be optimised and their processes made more efficient.

“Organisational plasticity is key for adapting quickly and efficiently”

Dr. Werner Tietz

Pillars of the R&D strategy

-
1.

Focused innovation

Boosting innovation based on the strategic pillars of SEAT and CUPRA.
2.

Strategic partner

Nurturing an ecosystem of collaborations and strategic partnerships.
3.

Specialised experience

Focused on vehicle development.
4.

Global R&D provider

Developing custom projects, maximising synergies and adapting products to suit all markets.
5.

Team-based culture

The Technical Centre is a fast-adapting environment that empowers and inspires each of its employees.
6.

System-orientated

Developing customer-centric product functions.



SEAT TECHNICAL CENTRE (CTS)

As the backbone of the company’s innovative capacity, one of the main challenges for the SEAT Technical Centre (CTS) is to continue the digital transformation process and to strengthen the electrification projects of the SEAT and CUPRA brands.

In this regard, during 2020 its activity focused on aspects such as electric motors, new platforms for vehicles with alternative propulsion systems, digitalisation, and autonomous and automated driving. These are all basic elements for addressing the new forms of mobility and the demand for innovative and sustainable solutions.

A number of improvements and enhancements were made to the CTS facilities during the year in order to increase its operational capacity and adapt it to the needs of upcoming releases. Furthermore, the CTS collaborated both with the Volkswagen Group and with various startups, universities and suppliers in developing new projects that allow it to maintain its position as a centre of excellence in Spain’s car industry.

The SEAT Technical Centre in figures

Surface area
200,000 m²

Kilometres of project durability tests
4,063,508

Number of engineers
1,130

Number of projects
407

Number of prototypes
763

Hours of engineering
4,041,108



New test facilities

One of the most significant changes in the CTS this year was the improvement made to the facilities of the test centre. The investment made allowed the facilities to be expanded with a new climatic chamber which makes it possible to simulate extreme driving conditions, with temperatures ranging from -40 to +65 degrees Celsius and atmospheric pressure found at up to 5,000 metres in altitude.

A new roller bank was also installed, adding to the two others already in operation, in order to carry out durability and efficiency testing on prototypes. The number of engine test banks was also increased by 50%, from six to nine, all compatible with internal combustion, compressed natural gas (CNG), electric and hybrid engines.

The investment of the last five years, which exceeds 30 million euros, has resulted in a centre with the capacity to carry out 14,300 engine tests a year for various Volkswagen Group brands, covering every step of their development from the early stages to the tests required for their subsequent approval.

Start of the construction of the Test Center Energy

In 2020, construction work began on the future Test Center Energy (TCE), a unique battery laboratory and a pioneering facility of its kind in Spain, which is located in Martorell and scheduled for completion in April 2021.

The new facility, in which over 7 million euros has been invested, will be used to develop and test various energy systems intended for electric and hybrid vehicles.

The SEAT TCE will have test spaces for validating components such as lithium-ion or lithium iron phosphate cell modules, medium and high-voltage batteries, and the various chargers used in the range of electric vehicles.

It will also have climatic chambers for testing batteries and modules under extreme thermal conditions, as well as a high-tech electronics laboratory for designing and producing prototypes and building interfaces for the test systems.

A test workshop for electric vehicles equipped with artificial vision instrumentation will also be installed. This technology will enable testing to be performed whole vehicle energy systems.



TECHNOLOGICAL DEVELOPMENTS

SEAT Ateca / CUPRA Ateca

After four years in the market, the Ateca was renewed with the arrival of the 2020 version for the SEAT and CUPRA brands. The new Ateca maintains its essence and enhances the user experience with technology that gives it maximum connectivity, allowing users of this compact SUV to stay fully connected to online services and functions, both inside and outside the vehicle.

One of the most noteworthy technological innovations is the use of Advanced Driver Assistance Systems (ADAS), which boost safety while also making day-to-day driving easier. Some of the most noteworthy systems include Travel Assist, which adapts the car's speed to the speed limit and traffic

conditions while also keeping it in-lane; Trailer Assist, for assisting vehicles with a trailer; the emergency assistant, which issues a warning if it detects that the driver is not interacting with the steering wheel for a few seconds and is even capable of stopping the vehicle; and the pre-collision assistant, with on-board systems that prepare the car for a hypothetical impact.

In addition, the new CUPRA Ateca comes with a wide range of features as standard, such as progressive steering, voice recognition for easier driver-vehicle interaction and a dynamic chassis control system that allows the driver to access the six available driving modes and get the very most out of the 300 hp offered by its 2.0 TSI engine.

SEAT Leon / CUPRA Leon

The innovations implemented in the new Leon make it one of the most advanced vehicles in its segment. This model has been built on the MQB Evo platform, which has made it possible to produce a larger and more comfortable car.

This is SEAT's first fully connected car. On the one hand, it has connectivity on the inside thanks to the Full Link system, which includes wireless Android Auto and CarPlay functions, as well as online features and services that are accessible on the infotainment system with a permanent Internet connection. On the other hand, thanks to SEAT CONNECT / CUPRA CONNECT., the user can connect to the car remotely using their smartphone and access various parameters, which in the case of the PHEV version include management of the battery charging process and climate control.

The fourth generation of the Leon also comes equipped with a set of completely new and updated Advanced Driver Assistance Systems. These include predictive adaptive cruise control, emergency assist and the pioneering Travel Assist, the first step towards autonomous driving. The sum of these and other systems makes it the safest vehicle ever created by the company.

Another important development is its innovative lighting technology, which incorporates ambient lighting, full-width tail lighting, dynamic indicator lights, Full LED headlights and welcome lights.

The new Leon is available with five different propulsion systems including petrol, diesel, compressed natural gas (CNG), micro hybrid or Mild Hybrid and plug-in hybrid electric (PHEV). The Leon Sportstourer, meanwhile, also offers an all-wheel drive version.



2020 was also the year that saw the launch of the new CUPRA Leon, in its 5-door and Sportstourer versions. In addition to the innovations incorporated into the SEAT version, such as the latest generation of driving aids and the 10" infotainment system that allows for fewer buttons, the King of the Leon family offers an exclusive sporty design, as well as a chassis/steering setting that is specific to CUPRA models.

The new CUPRA Leon is available with petrol engines of 245, 300 and 310 hp (Sportstourer only) and a 245-hp plug-in hybrid electric (PHEV) version, marking the electrification of this high-performance segment for the brand.

CUPRA Formentor

In 2020, production began at the Martorell plant for the CUPRA Formentor, the first model to be designed and developed entirely for the CUPRA brand.

With a coupé body, the new SUV combines high performance with cutting-edge technologies, such as Advanced Driver Assistance Systems and CUPRA CONNECT, which make it a 100% connected vehicle. With this system, the user has connectivity inside the vehicle and can also control and manage various functions remotely using their smartphone. Inside the car, a 12" display provides easy access to all the infotainment menus.

With 100% CUPRA DNA, the Formentor offers the ultimate driving experience thanks to its adjustable steering and chassis that offer the driver a choice between the utmost sportiness and comfort, according to the driver's preference, as well as an exclusive steering wheel with buttons for starting the engine and directly engaging CUPRA driving mode. There is also a button located on the centre console which allows skilled drivers who want to use the car on closed tracks to disengage stability control. In addition, the car comes equipped with bucket seats, exclusive interior trim materials, and much more.

It is available with seven different engines, ranging from 150 hp to the most powerful versions, called VZ (an abbreviation for *Veloz*, meaning rapid), which start from 245 hp and go up to 310 hp. Furthermore, depending on the engine, it is possible to choose either front-wheel or four-wheel drive. In addition, it is available in two plug-in hybrid versions as of early 2021.



The CUPRA Formentor combines high performance with cutting-edge technologies, such as Advanced Driver Assistance Systems and CUPRA CONNECT, making it a 100% connected vehicle.

Developing the chassis of a CUPRA

The dynamic performance that is characteristic of CUPRA models is the result of a clear strategy adopted in developing the chassis of these vehicles:

- **Brakes.** CUPRA vehicles typically come with high-performance variants such as Brembo brakes, they have a characteristic brake dosage curve and they allow the user to completely disable Electronic Stability Control (ESC).
- **Suspension.** A combination of good definition, multiple simulations and experimentation on circuits has culminated in Dynamic Chassis Control (DCC), which allows the driver to regulate the damping force between 15 different levels in order to cover all possible situations: from agile and sporty driving to travelling in complete comfort.

In addition, the new CUPRA Leon features an integrated chassis controller for lateral dynamics. This system works by applying light, selective braking forces on the wheels in order to provide the desired trajectory according to the steering angle demanded by the driver. The system also behaves differently depending on the driving mode selected by the driver.

- **Steering** working together with the adjustable suspension. It has features specifically incorporated to give the car a sporty and dynamic performance. The system incorporates electro-mechanical power steering. The versions equipped with the most powerful engines come with a progressive steering system as standard that provides a variable ratio between the front wheels and the drive wheel, giving the driver a more immersive driving experience.
- **Wheels.** They also play a key role, being the point of contact between the vehicle and the road. CUPRA vehicles are fitted with tyres that are designed to ensure perfect sports driving performance, as well as a minimum braking distance, with optimum rolling resistance. The rims not only stand out for their sporty look but are also developed with functionality, such as brake temperature and aerodynamic drag, in mind.

ELECTRIC MOBILITY

Leon, Tarraco and Formentor, electrified

During 2020, the company made further progress along its road map towards electrification. In the case of SEAT, version of the Leon and Tarraco ranges were released with hybrid engines, while CUPRA launched the PHEV (plug-in hybrid electric vehicle) version of the new CUPRA Leon and began preparations for the presentation of the CUPRA Formentor plug-in hybrid in early 2021.

With the electrification of these models, the company is offering customers a more sustainable driving alternative, while also strengthening its commitment to the environment and its goal of becoming a carbon-neutral company by 2050. In this regard, all models with hybrid technology have a range of around 50-60 km in full-electric mode and CO₂ emissions below 50 g/km.

CUPRA el-Born, 100% electric

The range of SEAT and CUPRA hybrid cars (currently consisting of the SEAT Leon e-HYBRID, SEAT Tarraco e-HYBRID, SEAT Mii electric, CUPRA Leon e-HYBRID and CUPRA Formentor e-HYBRID) will soon be joined by the new el-Born, the first 100% electric model from CUPRA, which will be available in 2021. It is a car with a sporty spirit and a design that fits in perfectly with the brand's philosophy and customer base.

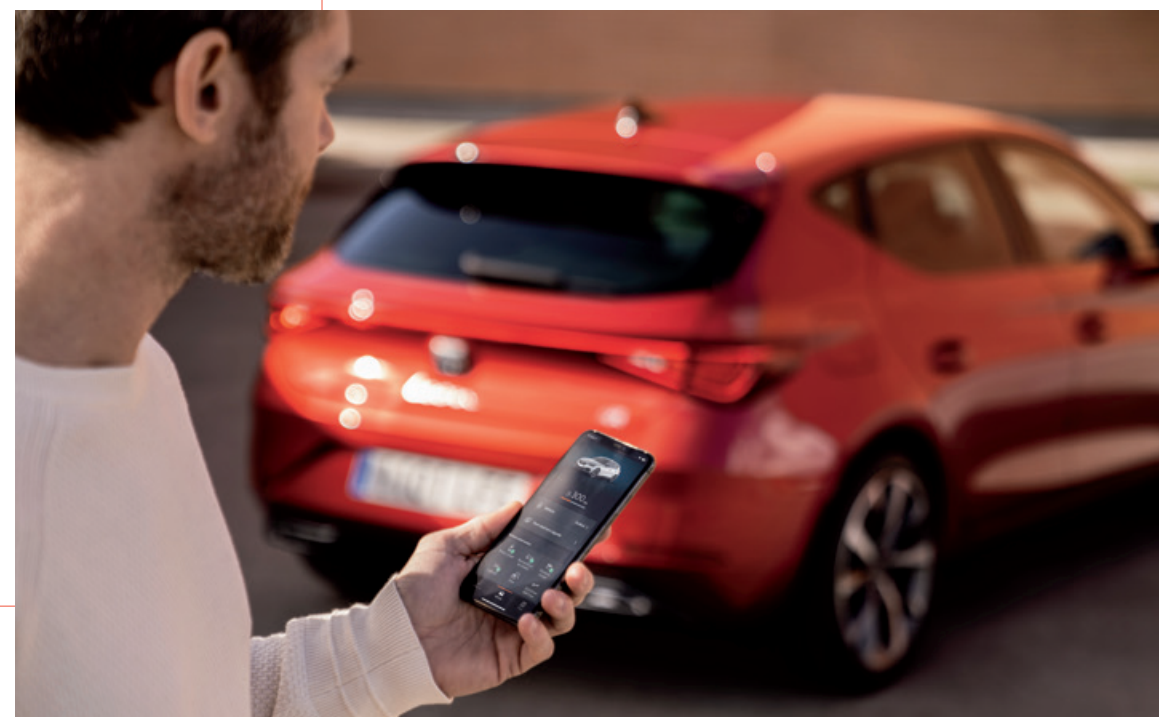
The CUPRA el-Born will have Dynamic Chassis Control (DCC) developed with the specific Sport setting on the MEB platform for this model. This technology allows for different options when setting the firmness of the shock absorbers and guarantees the most dynamic performance for an electric propulsion vehicle.



CUPRA's first 100% electric car will offer instantaneous acceleration from 0 to 50 km/h in as little as 2.9 seconds and will have a battery with a usable capacity of up to 77 kWh (total capacity: 82 kWh), allowing it to travel around 500 km on a single charge. Furthermore, thanks to the battery's maximum charging capacity, it can travel 260 km after just 30 minutes of charging.

Other innovations available in the el-Born include the Head-up Display with augmented reality, the new steering wheel with a button for selecting driving modes and activating CUPRA mode, and the use of recycled materials in the vehicle's interior.

The company continued to make progress in the field of customer-vehicle connectivity with the launch of new online mobility services such as SEAT CONNECT and CUPRA CONNECT.



CONNECTIVITY

Online mobility services

The company continued to make progress in the field of customer-vehicle connectivity with the launch of new online mobility services such as SEAT CONNECT and CUPRA CONNECT. This allows the company to provide its customers with information and services through a variety of channels, such as the in-car infotainment system or the MySEAT portal.

Using these information channels, the user can keep track of the vehicle's overall condition or check where it is parked, remotely operate the climate control, manage the battery, calculate departure

and return times for a journey and a whole host of other functions.

The connection between the car and the user offers an ideal way to get to know customers better, as well as serving as a means to offer them related value-added services, such as vehicle maintenance.

Development of Multimodal Mobility Assistant

In collaboration with Viewnext (IBM), SEAT developed Mobility Advisor, a solution that uses artificial intelligence to help users choose the best mobility service according to their preferences and needs.

In 2019, Mobility Advisor was presented at the Mobile World Congress in Barcelona to demonstrate how SEAT is able to test disruptive technologies of this kind related to mobility.

This mobility assistant underwent an evolution with the integration of Smart Route Planner, originally launched in 2017, which led to the development of the current service, called Multimodal Mobility Assistant, in which the company and Viewnext have continued to collaborate to improve its AI-based predictive algorithms.

Some of the features being considered for incorporation in the case of the Barcelona metropolitan area are a multimodal feature combining car parking with public transport and shared micromobility services, such as Bicing and SEAT MÓ's "motosharing" service offering publicly-shared mopeds. The application was launched in a test phase in December available to company employees.

INNOVATION

Projects by the SEAT Innovation Team

With the slogan “Empower the organisation to challenge the status quo”, in 2020 the innovation of the SEAT Technical Centre continued to be a cornerstone of the company’s future path.

The implementation of initiatives such as the Innovation Circle, where the CTS and the Purchases, Finance, Marketing and Legal Services divisions are all represented, consolidated the role of innovation as a priority for the company. A multidisciplinary team is responsible for evaluating ideas that come from the divisions in order to allocate them resources and allow the first feasibility studies to be undertaken.

During the year, the Innovation team focused on strategic areas such as autonomous driving, lighting, e-mobility and user experience, as well as the new mobility services, connectivity and sustainability. It also focused on researching new additive manufacturing processes and on finding new ways to design or manufacture parts with a view to increasing efficiency and competitiveness.

In the area of autonomous driving, work was performed on technologies that help to answer questions about how to build self-driving cars and what the implications of this form of mobility will be for road infrastructure.

Projects were also undertaken in the areas of lighting technology and e-mobility, where the Innovation team has played an

important role in developing models such as the Mii electric and the new CUPRA el-Born. Sustainability was another area of focus for the team, where research is being carried out in order to meet increasingly demanding targets, both in terms of CO₂ emissions and in the use of renewable materials and energies in the company’s products.

In the case of research into renewable materials, two important examples were the Ku-Fizz and Oryzite projects:

- Ku-Fizz is a physical foaming technology that reduces the weight of plastic parts. The process involves introducing gas into injection-moulded parts to generate a foam-like structure on the inside. Using this technique, less plastic can be used, parts can be lighter, and the carbon footprint as well as production costs and times can be reduced.
- Oryzite is a pilot innovation project, based on the concept of a circular economy, through which research is being conducted into the use of rice husks as a substitute for plastic products in order to reduce the company’s carbon footprint. This new raw material, mixed with polyurethanes and polypropylenes, has been tested in the modelling of some parts of the SEAT Leon. This results in parts that have no restrictions in terms of their function and aesthetics, but which are much lighter and more sustainable.

In customer-related fields such as improving user experience, the new mobility services of the future and connectivity, the focus was on studying the role of the vehicles in the context of smart cities.

More than 30 innovative projects in the CTS were approved and funded in 2020. In some cases, the resources were allocated to researching a new technology, such as additive manufacturing (3D printing) or the introduction of recycled materials into the production of parts. In others, the projects



Through these agreements, students from the centres that collaborate with SEAT continued to work in real business environments, guided by professionals in the sector as mentors, while the company contributed to the training of the personnel of the future.

SEAT/UPC professorship

The SEAT/UPC professorship continued to strengthen the relationship between the company and the Polytechnic University of Catalonia (Universitat Politècnica de Catalunya, UPC), which is among the top 10 European research universities (QS Ranking) in engineering and architecture.

The aim of the professorship is to bolster education, research and the transfer of technology in the field of excellence in innovation and sustainable mobility for the automotive sector.

Formula Student

In the 2020 edition of the Formula Student competition, SEAT supported the two most promising Spanish teams from the Barcelona Higher Technical School of Industrial Engineering (Escola Tècnica Superior d’Enginyeria Industrial de Barcelona, ETSEIB) and the Terrassa Higher Technical School of Industrial and Aeronautical Engineering (Escola Tècnica Superior d’Enginyeries Industrial i Aeronàutica de Terrassa, ETSEIAT), giving the students the opportunity to put into practice everything they had learned during their studies.

went a step further by carrying out a pre-development process, allowing the idea to be assessed from a more technical point of view, as was the case with the novel design of air diffusers integrated into the dashboard or the road safety systems of the Tarraco Cristóbal prototype.

Most of the projects mentioned were featured during the 2020 edition of the Innovation² Days, an event that acknowledges employees for their creative abilities and their collaboration in innovative projects within the company.

virtual sessions in which suppliers offered SEAT employees an exclusive look at their innovations, online.

Relationship with the academic and technological sphere

Cooperation with universities and technology centres allowed the division to learn first-hand about what is being worked on outside SEAT. This relationship with the academic, educational and technological world is one of the sources that provides the company’s experts with a stream of new projects and collaborations.

Ecosystem of innovation

In 2020, the innovation team actively participated in initiatives such as the second edition of the Start4Big Tech Spirit Barcelona forum and Madrid in Motion, the urban mobility hub based in the Spanish capital, demonstrating once again that innovation is an integral part of both the company and the ecosystem that surrounds it.

The COVID-19 pandemic caused the R&D division to react quickly and adapt to the new situation by changing certain working methods. One example of this was the Supplier Days, a face-to-face event that was transformed into a series of

The CTS’s strategic fields for innovation



Autonomous driving



Lighting technologies



e-Mobility



User experience



Connectivity



Sustainability



Efficiency



New mobility services

REGULATORY CHANGES IN THE APPROVAL OF VEHICLES

Two regulatory changes directly affected the field of innovation in 2020. On the one hand, SEAT’s R&D division began adapting its operations to the new United Nations Cybersecurity Regulations (CSRs), which incorporate measures for the mitigation and management of cybersecurity risks, the detection of security incidents and the response for the vehicle fleet. On the other hand, work also began on adopting the new Software Update Regulation (SUR), which ensures compliance in software updates, including those implemented over the air (OTA).

The implementation of these two new regulations, which are expected to enter into force in 2021, is one of the main challenges that the company faces over the next few years, especially given the transformation that the automotive sector is undergoing in terms of digitalisation, automation, connectivity and car sharing.

CARNET

CARNET solidified its position for another year as a leading initiative in creating new technologies and transformative concepts to guide mobility in the cities of the future and help them become greener, more habitable and safer.

The innovation centre founded by Volkswagen Group Innovation, the Polytechnic University of Catalonia (UPC) and SEAT expanded its team, its network of industrial partners and the number of projects it works on both at the local and at the European level. In addition, during the COVID-19 pandemic it continued to expand the realm of knowledge and embarked on a task of reflecting on how the coronavirus impacts mobility.

CARNET's research is based on the initial phases of urban mobility projects. It works on the conceptualisation stages, feasibility studies, the creation of basic prototypes and business model ideas. The addition of user experience to this list took on great importance as a means for channelling ideas.

The centre collaborates very closely with private companies, through its network of industrial partners, with government administrations and with different cities, both at the regional and at the European level, thanks to its status as a founding partner of the EIT KIC Urban Mobility. It is also part of Volkswagen Group Innovation's global network of research centres.

In 2020, CARNET worked on various plans aimed at transforming the mobility of the future. One such plan was the Autonomous Delivery Device, a new concept for the transportation of goods based on an autonomous vehicle for performing last-mile parcel deliveries in urban centres.

Another noteworthy plan was the Last Mile Surfer project, an innovative scooter design that emerged from a creative process based on open, user-centred innovation, which reassesses and challenges the established standard of transport by micromobility vehicles. The scooter has a wide base and three wheels,



it is lightweight for private use, portable thanks to its compact design, and has an inductive charging system included directly in its backpack, which has a customisable design.

Creative Lab

In 2020, the sixth edition of the Creative Lab project, an initiative that allows students to develop new ideas to address the challenges posed by SEAT and Volkswagen Group Innovation, produced excellent results. Four teams of students from different specialities at the Terrassa Higher School of Industrial, Aeronautical and Audiovisual Engineering (Escola Superior d'Enginyeries Industrial, Aeroespacial i Audiovisual de Terrassa, ESEIAAT) and the Centre for Image and Multimedia Technology (Centre de la Imatge i la Tecnologia Multimèdia, CITM) worked together with mentors from the company and Volkswagen Group Innovation to devise novel solutions.

The projects focused on four major areas: virtual-reality based training for innovation centres, controlling the car seat of the future, interactive robots and predictive sports driving.

Elisava

Under the same framework, the Barcelona University School of Design and Engineering (Escuela Universitaria de Diseño e Ingeniería de Barcelona, Elisava) and SEAT continued their cooperation in assessing the future of the automotive sector by analysing users' needs and lifestyles.

Students from Engineering degree courses in Industrial Design and from the degree course in Design developed various projects around a two-seater urban vehicle for the company. The concept "Two seater car vision" addresses various current mobility trends at once, such as urban mobility, personalisation and the shared vehicle.

This initiative enables SEAT to meet students as they develop their projects and to offer some of them the opportunity to join the company's scholarship programme. With these agreements, students have the opportunity to work in real business environments, under the guidance of industry professionals.

MaaS Catalonia

Finally, public-private collaboration workshops were held, focused on the concept of mobility as a service (MaaS), as part of the MaaS Catalonia project.

MaaS is a new paradigm for urban mobility which has aroused an enormous amount of interest in the international community in recent years. In Catalonia, the sector has generated a multitude of initiatives based on this concept. This project starts by providing a picture of the current state of this field in the autonomous region of Catalonia. A guide is then drawn up on how this concept should be developed at the local level, and future opportunities for SEAT are identified.

Projects in the technology sector

As part of its active search for innovation, the R&D division's portfolio includes collaborations with various technology centres, most notably with Eurecat and Leitat in relation to the additive manufacturing projects.

These collaborations provide new ideas, as well as boosting the division's agility by allowing it to obtain a rapid response to the challenges it faces in the early stages of a project, while also providing a means to develop a high-quality initial proof of concept.

Cooperation with the business sphere

During 2020, SEAT's Innovation team continued to work on the XPLORA project. Developed in collaboration with Champion Motors, the company's importer in Israel, the aim of this programme is to foster relationships with local startups and other players related to the field of mobility in the country. In its fourth year of activity, XPLORA focused on the areas of health, cybersecurity, artificial intelligence and sustainability, and numerous contacts were made with innovative companies.

In addition, SEAT is part of the European initiative EIT (European Institute of Innovation and Technology) on urban mobility. This project develops innovations in the European Union with the aim of improving this type of mobility and promoting business innovation and the redesign of public spaces.

In 2020, the company participated in four innovation projects subsidised by this programme (two of which are led by SEAT) alongside other companies, universities and public administrations:

- OSCAR, a new model for a shared vehicle service.
- CAMS, based on the application of a nanotechnology solution to SEAT MÓ's fleet of electric motorbikes which permanently protects users against any virus or bacteria.
- ANTI-TRASH, which studies new materials and interiors to minimise the operations of shared vehicle fleets.
- MOBY, consisting of the elaboration of a guide for the integration of micromobility solutions in cities.

Furthermore, in 2020 the continuation of the ANTI-TRASH project was approved, as were two other new projects due to be launched in 2021: REORDER and CELESTE. Both projects focus on the arrival of autonomous vehicles in cities, and SEAT will play a leading role in testing a new functionality of the autonomous prototype (DIANA) in the city of Barcelona.





Human Resources and Organisation

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EMPLOYEES, A PRIORITY DURING THE PANDEMIC

The strength of the human resources management model, together with the quality and efficiency of the workplace health and safety systems and the disposition and involvement of the staff, allowed the company to successfully address the extraordinary challenge that the COVID-19 pandemic posed for SEAT. The company acted on the basis of the principles of transparency, information and prevention at all times, treating employees' health and safety as a priority.

Measures to combat the COVID-19 pandemic

Performance of PCR tests

- Campaign of PCR testing on the more than 15,000 employees as activity was gradually restarted in April, coordinated by the Medical Service.
- New PCR testing campaign on the workforce following the return from the summer holidays.
- In both cases, the workforce was tested gradually, based on the schedule for the return of on-site positions, with the exception of those who voluntarily chose to take the tests early.
- Implementation of further PCR tests among employees as and when required.

- Analyses performed by a laboratory approved by the Ministry of Health and the Catalan regional government (Generalitat de Catalunya), without affecting the activity of the public healthcare system.

SEAT was the first company in Spain to perform PCR tests on its employees.



SEAT chronology in times of COVID-19

15 February
Monitoring activities in the Volkswagen Group
Representatives from the Health, Safety and Emergencies department begin attending Volkswagen Group meetings to monitor the situation provoked by the COVID-19 outbreak in China.



6 March
First preventive measures
Cancellation of travel to countries at risk, limitation of face-to-face meetings and reinforcement of the cleaning of the facilities.



13 March
Production halted
The restrictions on supplies and the beginning of the lockdown oblige the company to halt activity at its three production plants.



Declaration of the state of emergency in Spain
Adoption of measures to facilitate teleworking and flexible working hours.



16 March
Start of the ERTe
A furlough scheme (known as an ERTe) applicable to the entire workforce is filed, although it only ends up applying to those whose work is interrupted due to the impact of the COVID-19 pandemic.



Monitoring of cases
Start of daily monitoring of cases of the virus among employees and notification to the Executive Committee.



17 March
Presentation of a social plan
Launch of a training plan adapted to the different groups that make up the workforce in order to minimise the effects of the ERTe.



20 March
Alteration of staff services
Stoppage of group transportation and canteen services in Martorell.



26 March
Questions and answers on the ERTe
Distribution among employees of a document, drafted following the approval of the ERTe furlough scheme, answering the main questions arising about it.



29 March
Information on the state of emergency
Publication of questions and answers on the state of emergency declared by the government and how it affected essential activities.



1 April
#SEATencasa through social networks
The company's social networks invite people to respect the lockdown with a video that amassed three million views, using the hashtag #SEATencasa (meaning "#SEATathome").



Measures to combat the COVID-19 pandemic



Prioritisation of teleworking

- Prioritisation of teleworking in all functions where possible until the resumption of normal activity, particularly for staff with young children and those considered to be at risk.

Following the end of the state of emergency, an agreement was signed on the new model for working arrangements, known as Smart Work, and on the digital disconnection policy, effective from 1 September.



Adaptation of workstations

- Application of the necessary preventive measures in all work centres, including both offices and production lines, to guarantee the required safety distance.
- Adoption of additional measures (face shields, goggles, etc.) in cases where the particularities of the post do not allow the required distance to be maintained.
- New hygiene protocols, with deep cleaning of all work spaces. In the case of the production lines, cleaning was performed before and after each shift.
- Delivery of surgical masks to all staff for compulsory use, and distribution of cleaning and disinfection equipment, as well as hand sanitiser gel dispensers and approved reusable face masks (starting from September).
- Installation of specific billboards to inform staff about how to act in lifts, on stairs and in common areas.
- Modification of the flows of personnel entering and leaving, and installation of signs to minimise the risk of agglomerations and crossings.
- Activation of the climate control systems in all workshops and buildings, after analysing the safety of the system and confirming that it did not pose any additional risk.



- Special regulations for the use of common areas, such as changing rooms, dining rooms and meeting rooms. The measures were adapted to the status of the pandemic at all times.

The Health, Safety and Emergencies department created a team responsible for performing random audits to ensure that the measures agreed were being properly followed.



Development of a health protocol

- Design of a specific health protocol in collaboration with union representatives to regulate the gradual return to production.
- Definition of measures to be taken in the event of confirmed COVID-19 cases in order to determine possible transmission risks (team and workplace, as well as direct and indirect contacts and areas frequented).
- Elaboration of a report for the Executive Committee to help determine the next steps to be taken (preventive quarantine, disinfection of the area, etc.).
- Common flu vaccination campaign brought forward to October to protect against the spread of this disease and help to minimise confusion between flu and COVID-19 due to both illnesses sharing some symptoms.

Since the beginning of the pandemic, SEAT has provided direct contact channels with the Health, Safety and Emergencies team (tel. 93 773 23 87 and internationalmedicine@seates).



Resources for well-being in the home

- Publication of the *Guide to healthy living at home*, with basic tips for preventing infection in the family environment.
- Dissemination of advice on the best conditions for teleworking (workplace, routines, etc.) through the usual internal communication channels.
- Launch of the Mywellness app, with programmes and training sessions to help staff exercise at home during the lockdown.

SEAT also bolstered its counselling and psychological support service to help employees who requested it to deal with this extraordinary situation.

3 April
Special production of respirators
Start of production of emergency respirators for hospitals, designed in collaboration with Protofy.XYZ.



27 April
Gradual resumption of activity
Resumption of production at the Martorell (morning shift), Barcelona and Componentes factories with the goal of reaching one third of productive capacity by 4 May. Performance of PCR tests on the more than 15,000 employees during their gradual return to work, as well as external workers and suppliers.



5 May
Pre-Work Medical Attention
Incorporation of Pre-Work Medical Attention, consisting of body temperature checks at all SEAT facility entry points, with the added value of providing support and healthcare to anyone with an above-normal temperature.



11 May
Phase II of the resumption plan
Incorporation of production during the afternoon shift on Line 2, with specific distancing and disinfection measures between shifts.



27 May
Minute of silence for the victims
A minute of silence convened by the Spanish government is held at all SEAT work centres as a tribute to the victims of COVID-19.



17 June
New information leaflet
Update, communication and distribution of a leaflet with new prevention measures arising from developments in the pandemic.



21 June
End of the ERTE
End of the state of emergency and the furlough (ERTE) scheme begun in March. Return to on-site work for the employees of all indirect areas not related to the production process.



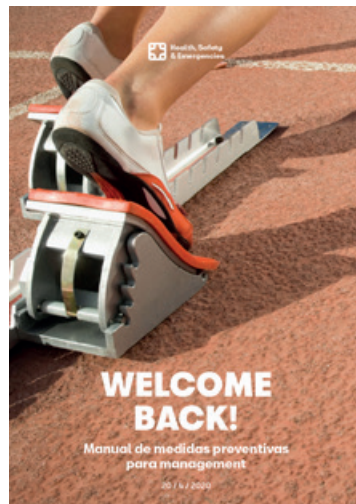
24 July
Signing of the Smart Work and labour disconnection agreement
Agreement with the trade union representatives on the new Smart Work model for working arrangements and the labour disconnection policies.



24 August
Post-summer PCR testing campaign
Reactivation of the PCR testing campaign to ensure a safer return of the workforce in their gradual reincorporation after the summer break. External workers and suppliers were also included in the testing campaign.



Measures to combat the COVID-19 pandemic



Transparency

- Regular communications sent to all staff during the state of emergency, signed by SEAT's chairman. Through this channel, staff were kept up to date on the actions the company was taking to deal with the pandemic.
- Staff survey conducted before the return to work following the summer holidays, to obtain their opinion about the measures taken by the company.

Staff received regular information on the company's actions through special communications issued by the chairman and through the usual internal communication channels.

Dissemination of information material

- Development of a campaign to provide all employees with the information necessary to ensure that the return to activity would be carried out under optimal health and safety conditions.
- Elaboration of various guides and manuals setting out the measures taken to ensure safety in the workplace, as well as advice to help prevent contagion.
- Complete information on the actions taken in internal publications and communication channels, such as the *SEAT hoy* newsletter or the *MundoSEAT* publication.

To shed light on the evolution of the pandemic, a virtual masterclass led by Dr. Bonaventura Clotet was organised to give staff the opportunity to ask questions.

Advantageous conditions for workers affected by the furlough scheme or in a vulnerable situation

Following the declaration of the state of emergency by the Spanish government and the lockdown being imposed, on 16 March SEAT filed to implement a staff furlough scheme (known as an ERTE) due to force majeure, as a result of the logistical and productive difficulties caused by the COVID-19 pandemic. The measure covered the entire workforce, although it was made clear from the outset that it would only apply to those members of staff who would have to cease their work.

To alleviate the effects of the situation, SEAT's Executive Committee agreed on the following conditions:

- The unemployment benefit paid out under the ERTE scheme was supplemented up to 80% of each employee's wage, including the social welfare supplement.
- All pregnant members of staff were granted paid leave, receiving 100% of their salary.
- All employees who were required to quarantine as a result of having been in contact with people who had tested positive, as well as those who were confined in areas delimited by the authorities, were guaranteed 100% of their salary.
- Paid training days were organised for those affected by the ERTE.

ERTE furlough scheme due to force majeure:
from 16 March 2020 to 24 April 2020

ERTE furlough scheme due to production circumstances:
from 27 April 2020 to 21 June 2020

Total employees affected:

12,615

Plan for the resumption of work in three phases

Following the stoppage of production on 16 March, the progressive return of employees to their positions was carried out with the utmost respect for the conditions set out in the various extensions of the state of emergency. In addition, efforts were made to minimise the impact on the company's activity as much as possible. To this end, a three-phase plan was developed:

Phase I 27 April

- Gradual restart of production at the Martorell, Barcelona and Componentes factories.
- In Martorell, one production shift on each of the three assembly lines for the SEAT Ibiza, Arona and Leon, the CUPRA Leon and the Audi A1.
- Production at approximately one third of capacity.
- Teleworking recommended for indirect personnel.

Phase II May

- Incorporation of the second shift on production Line 2.
- Capacity maintained at one third of normal levels.
- Teleworking recommendation maintained for indirect staff.

Phase III June

- Return to on-site work on 21 June for 100% of the workforce in all indirect areas not related to the production process.
- Return to pre-lockdown activity levels.



7 September Start of audits to ensure compliance of the prevention measures

Performance of daily random audits to ensure proper compliance of the prevention measures implemented both at workstations and in rest and common areas.



13 October Update of prevention measures

Further updates to the prevention measures according to the evolution of the pandemic.



29 October Application of mapping techniques to identify positive cases

Start of the daily mapping report to identify active infection cases (positive COVID-19 cases in the last 10 days), identifying them by work shift, workshop, physical space and work team in order to reduce the risk of further outbreaks within SEAT.



4 November Suspension of Smart Work and application of teleworking

To reinforce the restrictions on work-related mobility established by the Catalan regional government (Generalitat de Catalunya), the company and the trade union representatives agree to suspend working arrangements under the Smart Work model for two weeks and to use teleworking where suitable according to the each department's needs and possibilities.



16 November COVID agents

Implementation of new measures to curb the risk of contagion in the second wave of the pandemic. These include COVID agents, who are members of staff responsible for monitoring compliance with the preventive measures introduced at the company's facilities and answering any questions that arise.



18 November Extension of the suspension of Smart Work and application of teleworking

In view of the epidemiological situation in Catalonia, the agreement to temporarily suspend Smart Work and to apply teleworking is extended until 23 December.



30 November Rapid tests for critical personnel

Implementation of rapid antigen testing twice per week (Monday and Thursday) for all critical personnel (200 people) whose absence could jeopardise business continuity.



ANTICIPATING THE FUTURE

The extraordinary effort made in 2020 to manage the consequences of the COVID-19 pandemic did not prevent new milestones from being achieved in two key initiatives for SEAT's future: the ambitious Cooltura project for cultural change and the reorganisation of the human resources management model (#ReinventingHR).

Cooltura: new culture to successfully face a complex future

SEAT's adaptation to the transformation of the automotive industry demands a cultural change throughout the organisation, with talent as its central axis. To facilitate this process, since 2019 the company has been developing the ambitious Cooltura project, which defines the company's new culture and activates the tools needed to achieve it.

To this end, an initial analysis was carried out and the so-called target culture was defined. From this process of reflection emerged the three pillars of the new culture: "Be bold", "Think different", and "Create together", reflecting the idea that each worker has the potential and attitude to achieve the best results through innovation and teamwork.



EXTENSION OF THE HR SERVICE POINTS TO PROVIDE MORE PERSONALISED AND ACCESSIBLE ATTENTION

A key component of the #ReinventingHR programme is the creation of the HR Service Points, located in SEAT's various work centres to offer employees a personalised and expert service in matters related to human resources management. Employees can go to these service points to get answers to questions related to the use of the self-service portals, as well as specific enquiries regarding formalities with the public authorities, temporary leave, certificates, managing their working hours and social benefits, among other matters.

The first HR Service Point was launched in January in the Corporate Building and seven other points were installed throughout the year in strategic areas of the Martorell factory and other work centres.

Consolidation of the new human resources management model

In 2019, the Human Resources and Organisation division underwent a complete restructuring to adapt its operation to the goal of accompanying SEAT in its comprehensive cultural transformation, while also ensuring employee performance and satisfaction. This transformation was developed under the #ReinventingHR concept, with a series of projects aimed primarily at facilitating process-based work, reducing the number of people involved and promoting the automation of lower-value tasks.

In 2020, some of the actions initiated the previous year were fully implemented. Some of the initiatives with the greatest impact on employees' daily work included the following:

- HR Business Partners: a new strategic figure that supports both the management and the business areas in the key processes involving job positions and people. This process is aligned with the new responsibilities and the development of a management model for the company's leaders.
- HR Experts: retraining personnel managers with a view to providing highly-specialised, approachable, personalised and accessible assistance to all staff. The HR Experts handle queries in the new network of HR Service Points.

Throughout the year, a number of practical tools were also brought into operation, aimed at facilitating the completion of certain procedures:

- HR Management System: a resource for visualising the structure of the SEAT Group. This tool allows users to view organisational charts with more structure levels, as well as incorporating new configuration and download options.
- Lexie: a virtual Human Resources assistant, based on artificial intelligence and aimed at answering questions related to all kinds of procedures.
- SEAT Cytric Travel & Expense: a space for managing travel requests within the current framework of reduced non-essential travel and the promotion of video conferencing.
- WE ARE SEAT: redesign and update of the contents of this section of the intranet, which groups together the various services to which employees have access.
- Management platform: a new virtual communication environment that facilitates communication among the management for decision-making purposes.

Drawing People's Future: the vision of SEAT employees

As part of the company's efforts to spread a new culture and engage employees in its future, in 2020 the Drawing People's Future programme was developed. This initiative involved organising talks between various groups within SEAT and the vice-president of Human Resources and Organisation, Xavier Ros.

These meetings served to gather the demands, opinions and future aspirations of staff of all different profiles. At the last session, held in the auditorium of the Corporate Building in Martorell, the visual-thinking specialist Fernando de Pablo provided a final illustration that encompassed the cross-disciplinary themes affecting the entire workforce. The illustration was exhibited for several months in the auditorium's entrance.



SIXTH CONSECUTIVE TOP EMPLOYER CERTIFICATE

The company's talent management model was recognised for the sixth consecutive year with the Top Employer certificate, which evaluates companies all around the world that offer the best working conditions and are the most attractive to workers. SEAT was the first manufacturer in Spain's automotive sector to receive this recognition.



STRUCTURE OF THE WORKFORCE

Basic workforce by function and centre

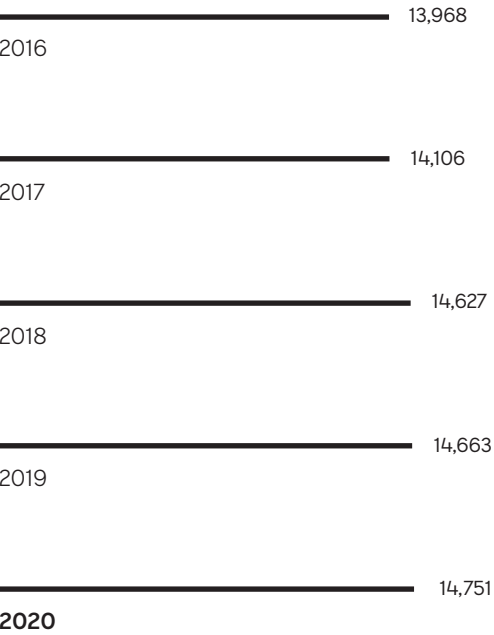
At 31 December

	Change			
	2020	2019	Absolute	%
Direct	8,771	8,586	185	2.2
Martorell	7,226	7,124	102	1.4
SEAT Barcelona	797	649	148	22.8
SEAT Componentes	748	813	(65)	(8.0)
Indirect	5,980	6,077	(97)	(1.6)
Martorell	3,957	3,946	11	0.3
SEAT Barcelona	522	530	(8)	(1.5)
SEAT Componentes	255	266	(11)	(4.1)
SEAT Technical Centre	1,205	1,294	(89)	(6.9)
Other centres	41	41	0	0.0
Total workforce [*]	14,751	14,663	88	0.6

[*] 2020 and 2019 exclude 226 and 232 employees in partial retirement, respectively. 2020 and 2019 also exclude 168 and 174 apprentices with an employment contract, respectively.

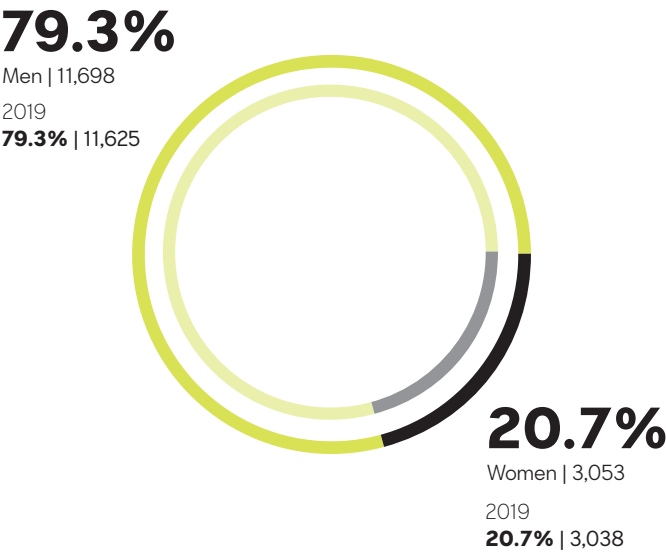
Basic workforce

At 31 December



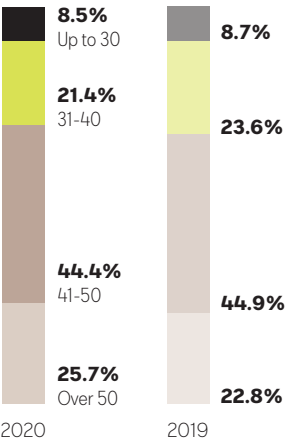
Structure of the basic workforce

At 31 December



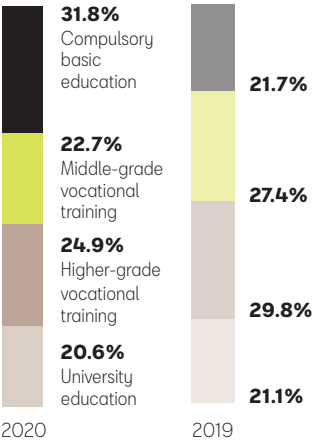
Structure by age

Percentage / years



Structure by level of studies

Percentage



44.2
Average age of the workforce

16.7
Average length of service

98.8%
Permanent contract

5.5%
Proportion of foreign workers

3.0%
Proportion of employees with disabilities

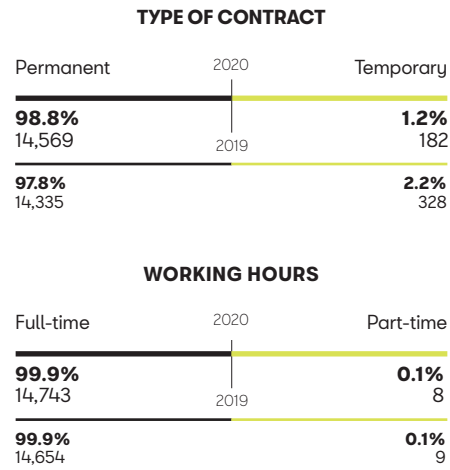
78.5%
Proportion of employees included in training programmes

68
Nationalities

33
Languages

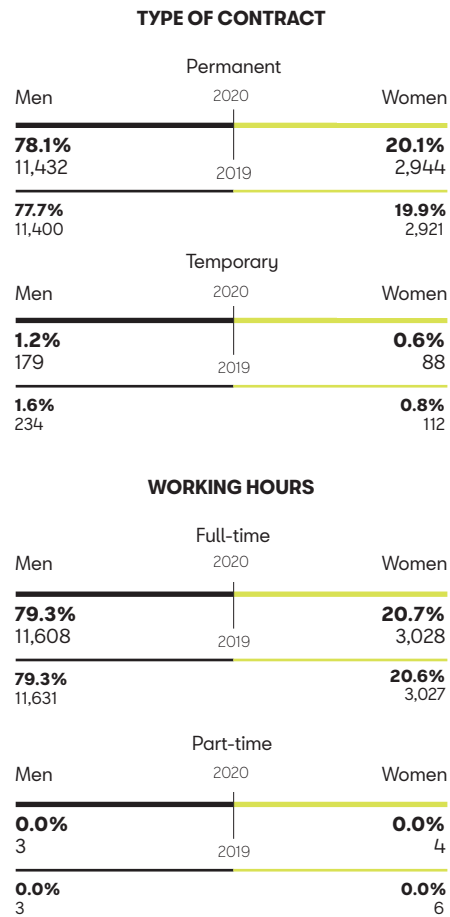
Types of employment contract

At 31 December



Types of employment contract by gender

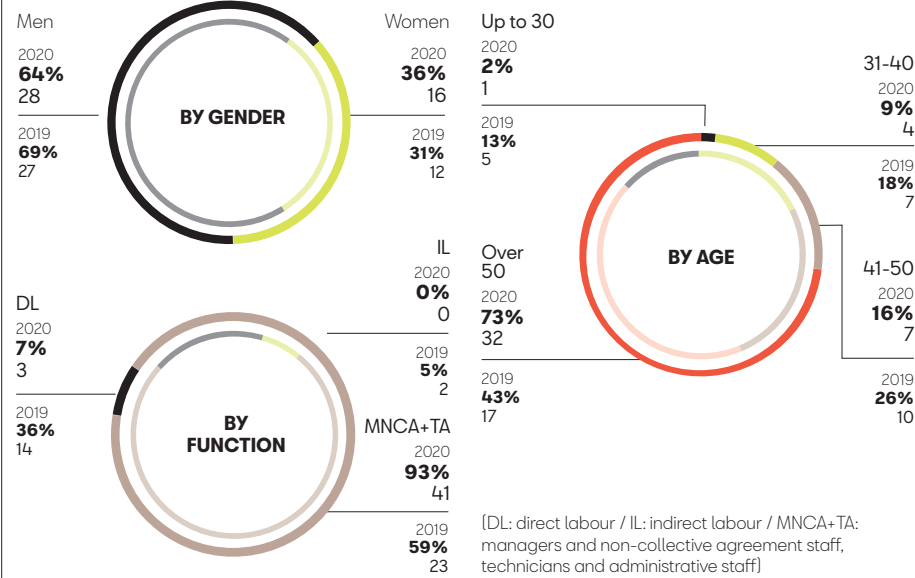
Annual average*



*The annual average number of contracts has been calculated based on the number of employees in the workforce at each month end. Employees affected by an ERTE furlough scheme continue to be counted as part of the SEAT workforce for all purposes.

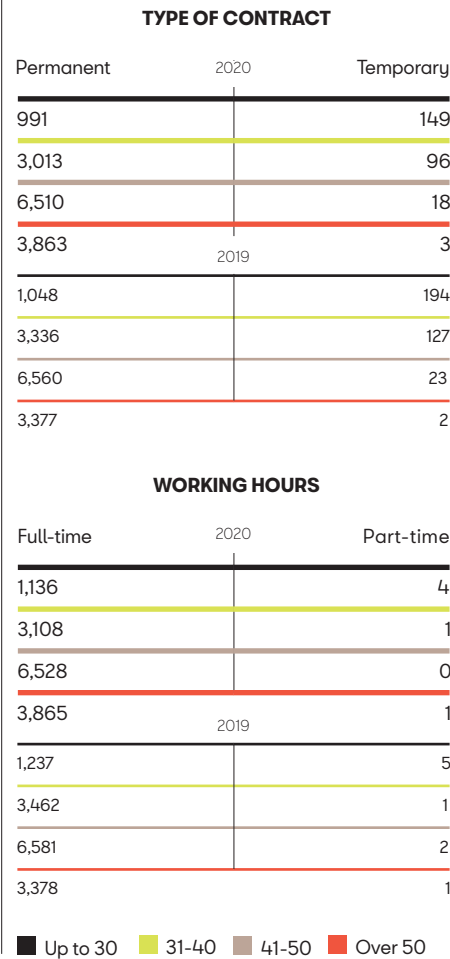
Number of dismissals

At 31 December



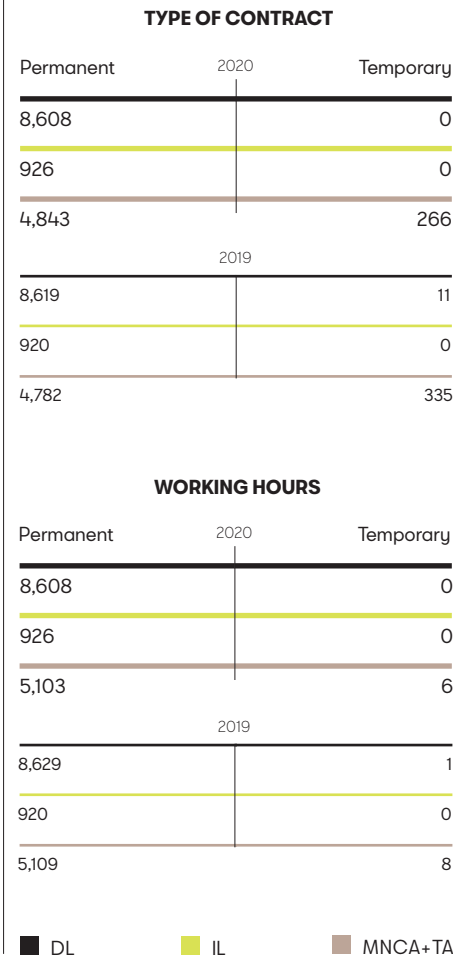
Types of employment contract by age

Annual average*



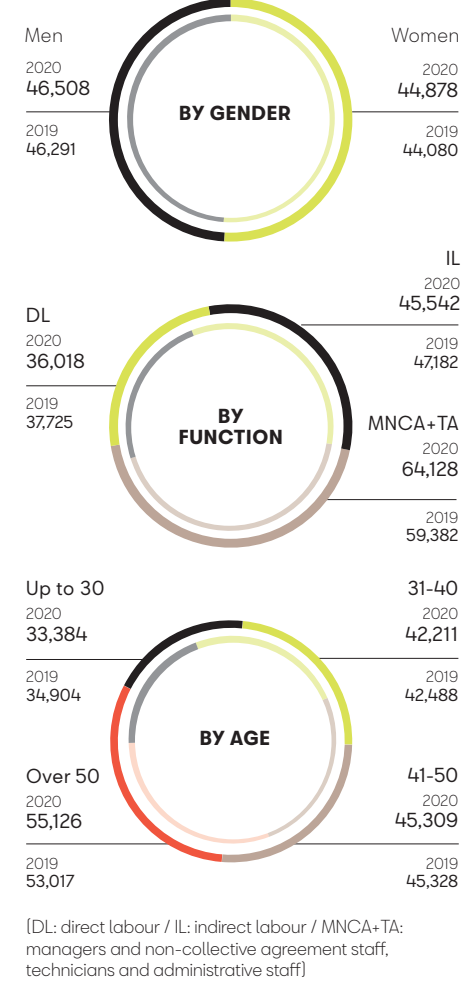
Types of employment contract by function

Annual average*



Average remuneration (€)*

Annual average



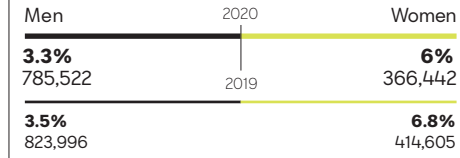
* Includes all components of remuneration (fixed salary, variable salary and payments in kind). Excludes the following groups: retirees, apprentices, and inpatient and expatriate staff. The remuneration of the members of the Board of Directors and the Executive Committee is reported in the Notes to the Annual Accounts [Note 21b]. For employees affected by an ERTE furlough scheme, the average remuneration and the salary gap has been calculated on the basis of the theoretical, annualised fixed salary corresponding to each employee working full-time, plus the variable salary and payments in kind received in the period. During the period affected by the ERTE furlough scheme, production-related variable remuneration was not paid out to affected employees, due to the inactivity.

All data and figures for 2020 included in these tables and charts have been affected by the lockdowns and production stoppages imposed by the health authorities to combat the COVID-19 pandemic. They have also been affected by the decisions taken by the company in various spheres to increase its employees' safety and protect their jobs. The latter include the application of two ERTE furlough schemes and the extension of teleworking practices (see the initial section of this Human Resources chapter).

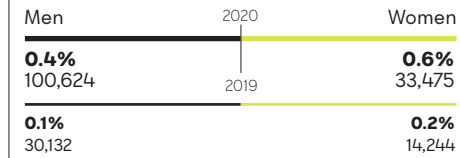
Staff absenteeism

Number of industrial hours

COMMON AND OCCUPATIONAL ILLNESS



WORKPLACE ACCIDENT*

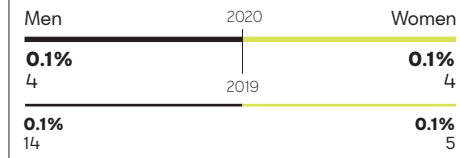


* The figures for 2020 include hours of absenteeism due to COVID-19 between July and December.

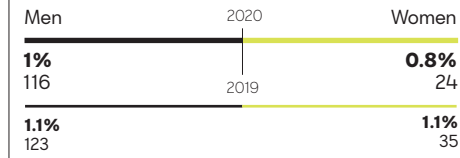
Staff illness and accidents

Number of employees

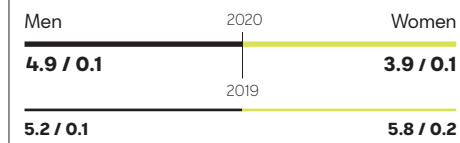
COMMON AND OCCUPATIONAL ILLNESS



WORKPLACE ACCIDENT

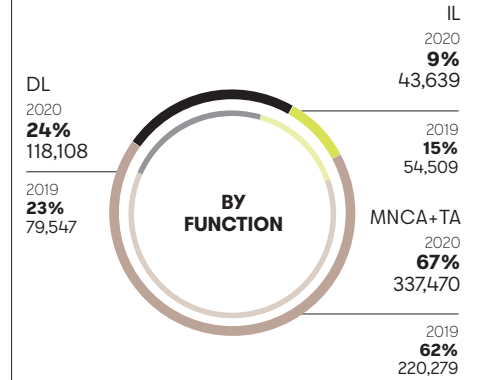


FREQUENCY / SEVERITY INDEX



Hours of training

Number of hours



(DL: direct labour / IL: indirect labour / MNCA+TA: managers and non-collective agreement staff, technicians and administrative staff)

Salary gap

SEAT guarantees equality of wages and rights among its employees. Its remuneration policy follows the principle of gender equality, so there is no difference between the base salary received by men and women in the same job. The salary gap in the company (3.5% in 2020/ 4.8% in 2019) is well below the average in Spain, which, according to the latest data available from the National Statistics Institute (INE), stands at 21.4%.

SEAT's remuneration policy follows the principle of gender equality, so there is no difference between the base salary received by men and women in the same job.

ORGANISATION OF WORK AND SOCIAL DIALOGUE

Together with the exceptional measures introduced to address the consequences of the COVID-19 pandemic, 2020 was a key year in the development of a new work organisation system thanks to the adoption of the Smart Work model and the digital disconnection policy. Both initiatives are aimed at promoting a flexible and dynamic working environment that facilitates a better work-life balance.

Smart Work, a model for a new, more agile and sustainable corporate culture

The new Smart Work work model marks the continuation of the measures introduced in previous years to promote teleworking, which have been accelerated in 2020 due to the social distancing rules imposed to prevent the spread of COVID-19. In addition, it anticipated the regulations approved by the Spanish

government in Royal Decree-Act 28/2020, of 22 September, on remote working.

Agreed with the trade union representatives in July and in force since 1 September, this model combines on-site and remote working and is largely based on mutual trust between the employee and the company. Workers signing up to this initiative can work online from anywhere for up to two days a week, organising their own timetable between 6:00am and 8:00pm.

To apply to work under the Smart Work model, it is essential to have a position that can be performed remotely and to have completed training on occupational risk prevention. In line with the recommendations of the Catalan regional government (Generalitat de Catalunya), in November the Executive Committee took the decision to recommend teleworking for all members of staff able to do so, and

Smart Work was temporarily cancelled. At 31 December 2020, of 5,980 people at SEAT who are eligible for this new form of working, 2,929 were registered.

New digital disconnection policy

As part of the implementation of Smart Work, the company's new digital disconnection policy was also signed. In its first point, this regulation defines disconnection as the right of all SEAT staff to "not make use of or connect to the telematic resources made available to them by the company (...) outside their working hours".

The new policy also states that measures will be taken to train, provide information to and raise awareness among staff on the protection of and respect for their right to digital disconnection and on the proper use of telematic resources. To ensure compliance with the policy, a specific Monitoring Committee was established.

Working time

Chapter V of the SEAT collective labour agreement sets out the rules concerning how employees' working hours are organised. As a general rule, the basic timetable consists of 1,712 hours per year, distributed across 214 working days.

For staff with rotating shifts, the working day consists of eight hours on site. There are 15 weekly shifts from Monday to Friday, and additional production shifts may be worked at weekends for product launches and during peaks in demand. At the most, additional shifts may be organised on 42 weekends.



Each employee has a log of hours which reflects any shortfall in the number of hours worked as a negative balance and any extra hours worked as a positive balance. The purpose of this computation is to allow the company and its staff to adapt the working hours to market demand and, therefore, production requirements, thereby helping to maintain employment and ensuring wage integrity.

Daytime shift workers (most office staff and some production staff) have an eight-hour working day, with flexibility in their start time within a maximum range spanning from 60 minutes earlier to 90 minutes later than the established start time. To implement this schedule change, the employee must submit a request and the corresponding manager must issue an approval.

All of this is handled with Smart Work, the system established in the company which combines on-site and remote working. This system is based on mutual trust, transparency and accountability, without affecting the legal obligation to ensure that employees' daily schedule is logged, including the specific start and end time of each person's working day.

The SEAT collective labour agreement applies to all its workers, with the exception of managerial staff and certain specific staff employed outside the agreement. The percentage of employees covered by the agreement is 92%.

Social dialogue

SEAT has a series of joint committees, which are composed of company staff (from different divisions and levels) and trade union representatives. These committees define reporting procedures, handle consultations and negotiations, guarantee social dialogue and agree employees' working conditions.



Furthermore, the workforce representation includes an Intercentre Committee, which is comprised and operated in accordance with the legislation and has powers extending across the full breadth of the company. This committee is entrusted with negotiating with the Management on any matters affecting more than one work centre, without affecting any negotiation powers that may be attributed to special committees or trade union representatives in certain specific cases.

CHANGES IN FACTORY SHIFTS TO ADAPT PRODUCTION TO DEMAND

Together with the changes caused by the COVID-19 pandemic, during the year SEAT applied shift changes to adapt the Martorell plant's production capacity to market demand. In October, 250 workers were hired for an additional shift on the assembly line of the Ibiza and Arona models. The third shift of this line, a nighttime shift, was introduced in response to the increased demand following the months of lockdown.

SEAT employee committees

Job Position Assessment and Classification Committee
Protected Jobs Committee
Productivity and Ergonomics Committee
Health and Safety Committee
Transport Committee
Training Committee
Social Affairs Committee
Canteen Committee
Equality Committee

HEALTH AND WELL-BEING

SEAT is an international benchmark in preventive medicine and as a healthy company thanks to a model for the management of its staff’s health, safety and well-being which revolves around the Healthcare and Rehabilitation Centre (known as CARS). In 2020, this model reached a very significant milestone with the inauguration of the second CARS centre, located in Alcobendas (Madrid).

- The health management model, coordinated through the CARS centres, involves three main areas of action:
- Face-to-face healthcare.
 - Prevention activities, for both occupational illnesses and other conditions through diagnostic imaging tests (ultrasound, x-rays and mammograms), as well as gynaecology and cardiology services.
 - Well-being and dissemination of healthy habits in all areas of life, with services such as yoga and emotional fitness, or the development of specific campaigns.

At the same time, the company aligns itself with the commitments made in the current collective labour agreement, which sets out a concept for occupational health that takes into account “all working conditions and circumstances that contribute to the prevention of risks, encouraging healthy attitudes and adapting the work to the person”.

Article 112 of the SEAT collective labour agreement recognises that occupational risk prevention goes beyond merely strict safety and hygiene to encompass occupational health in its broader sense. This includes preventing risks, fostering preventive attitudes and adapting the work to the individual. This article also expresses the company’s willingness to cooperate in detecting and assessing all the occupational risks that affect the automotive industry in particular, as well as in determining the most appropriate techniques to prevent them.

This work is conducted with the full participation of the health and safety committees, the trade union representatives and all staff at all levels. Each work centre has its own health and safety committee, which carries out its functions in collaboration with the intercentre Health and Safety Committee. In 2020, the development of special measures to curb the spread of COVID-19 led to the creation of new committees dedicated to monitoring the implementation of these measures.

Furthermore, as part of the joint prevention service of the Volkswagen Group companies in Spain, SEAT is a member and the chair of the intergroup committee which brings together representatives from the staff and management teams of the various companies that form this group.

In addition, article 112 of the collective labour agreement places particular emphasises on improving the practices for occupational risk prevention, especially in relation to psychosocial risks and occupational illnesses related to repetitive movements. Reference is also made to the problem of alcohol and drug consumption in the workplace, establishing programmes and measures to seek solutions to any such situations and the occupational risks that derive from them.

Inauguration of CARS Madrid

The second CARS centre, following the opening of the Martorell facility in 2017, is the result of the agreement between SEAT and Volkswagen Financial Services to open a space dedicated to advanced medicine for the nearly 1,350 Volkswagen Group staff in the Spanish capital. CARS Madrid offers face-to-face services (including occupational medicine, nursing consultations, physiotherapy and rehabilitation), as well as health monitoring activities and medical examinations.

The centre is located at the financial company’s corporate headquarters in Alcobendas and has a room for regular check-ups, an infirmary for the provision of nursing care and a medical office for visits related to occupational medicine. There is also a physiotherapy and rehabilitation room fitted with all the necessary equipment. It also has direct access for ambulances and emergency services.

Prevention campaigns: macular degeneration and flu

In 2020, the prevention campaigns and actions usually coordinated by the CARS were affected by the COVID-19 pandemic and by the need to focus efforts on implementing measures to contain the spread of the virus and provide appropriate care to affected workers.

In February, before the state of emergency was declared, a campaign was conducted to detect cases of macular degeneration. This eye disorder slowly degenerates clear vision in the central field, making it difficult for the individual to read and see fine details. SEAT offered the entire workforce the possibility to perform a rapid test at any of its medical service centres to detect macular degeneration.

In October, the usual free flu vaccination campaign was launched. This campaign was brought forward from the usual dates after several studies showed that some proteins from this vaccine also help to reduce the symptoms of patients with COVID-19.

VIRTUAL HEALTHY DAYS

Created in 2018 with the goal of disseminating healthy habits that help to improve people’s quality of life, the Healthy Days (known as Healthy Week in previous editions) were conducted in a virtual format in 2020 as a result of the situation derived from the COVID-19 pandemic. From 28 September to 2 October, SEAT staff had the opportunity to participate in various online workshops on nutrition, prevention, health and sport, as well as sessions specifically related to coronavirus prevention.

A year of CARS*

4,344
traumatology consultations

9,835
physiotherapy sessions

670
Return to Work sessions

662
back school sessions

842
gynaecology consultations

887
mental health consultations

114
cardiology consultations

38,945
PCR tests

1,886
diagnostic tests

170
ultrasound scans

1,027
x-rays

455
mammograms

234
injections of platelet-rich plasma

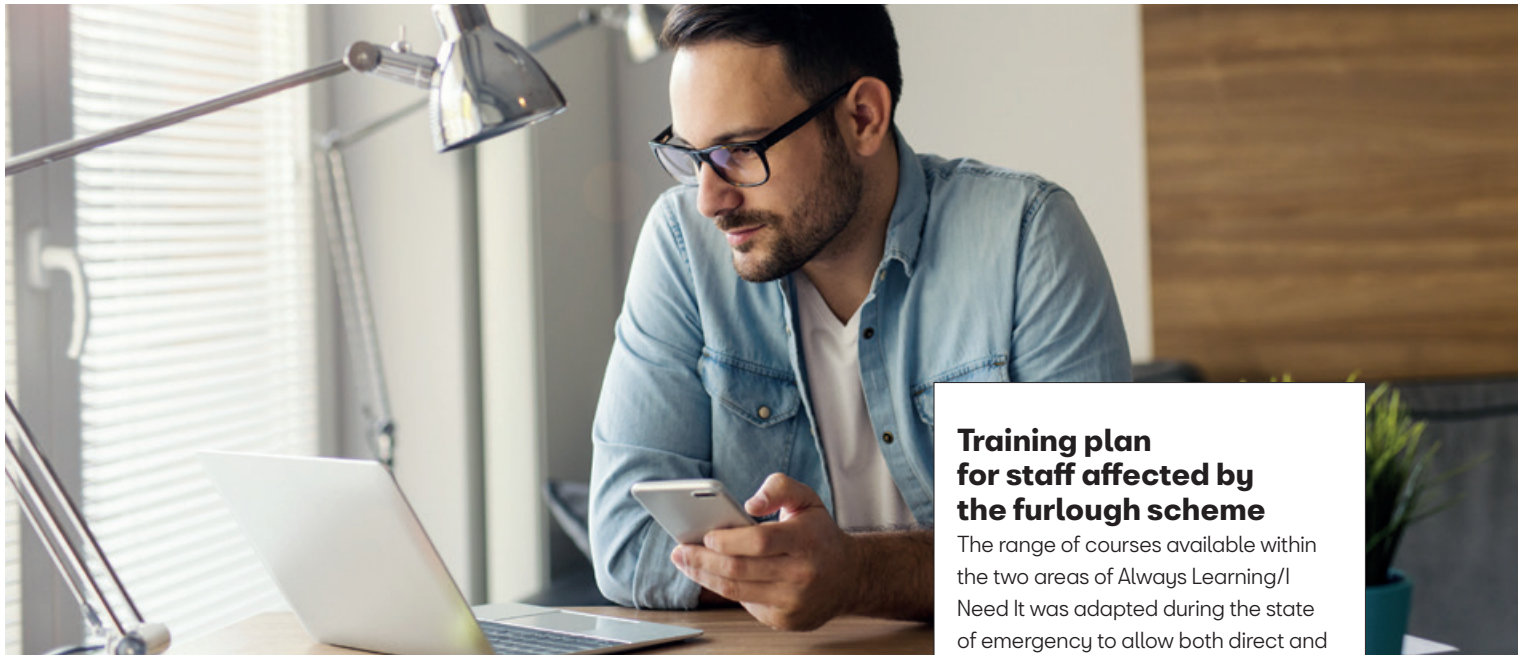
2,643
CARSFIT sessions

44
biomechanical tests

Over 100,000
activities undertaken by the Medical Service**

* Figures for 2020.
** This total also includes services not specified, such as staff medical checks, interventions and visits to the infirmary, other medical consultations, etc.





ADVANCED TRAINING IN NEW SPECIALITIES AND SKILLS

SEAT's training activities in 2020 were marked by the logical impact of the pandemic on the delivery of planned courses, a situation that was offset by the company's firm commitment to learning in new specialities and skills.

On the one hand, the residential lockdown during Spain's state of emergency forced the company to adapt the format and content of its courses in order to continue to deliver them through remote training. This initial setback ended up providing a major boost to the comprehensive Always Learning programme, largely thanks to the excellent receipt of the voluntary courses.

In parallel, SEAT continued to focus on staff specialisation in new areas of knowledge through two investments that are of great importance to the company's future: the inauguration of a centre specialised in electromobility and the promotion of training in the field of Industry 4.0.

Always Learning adapts its range of courses to new online training needs
Launched in 2018, Always Learning is the programme that encompasses all staff training initiatives in order to ensure their training needs are met in a wide range of current and future areas of knowledge. The platform is divided into three modules, which in 2020 received new functions:

Training plan for staff affected by the furlough scheme

The range of courses available within the two areas of Always Learning/I Need It was adapted during the state of emergency to allow both direct and indirect employees affected by the furlough (ERTE) scheme to take part in a series of voluntary courses related to their professional speciality.
The training was delivered through the YeS portal and participants benefited from receiving full pay on the days on which they performed courses.

Training plan associated with the furlough scheme

Course on occupational risk prevention	13,354
Electric vehicle awareness course	6,563
Privacy course	2,312
OFFICE 365 course	428
Total courses performed	22,657

- **I need it for my day-to-day activities**, with the necessary training for each professional to perform their daily tasks, based on the specific requirements of each position and the personalised training itinerary defined. In 2020, a qualitative leap was made with the integration of new functions into the platform to improve access to courses and employee feedback. A new virtual campus was also created for training sessions delivered through streaming, ensuring that such learning activities adhere to the usual quality standards.
- **I need it to transform myself**, which brings together the knowledge necessary to discover and master new trends, especially those related to technology and digitalisation. 2020 marked the launch of the second edition of the "Nanodegrees" programme, delivered by the prestigious international institution Udacity, which offers advanced training in areas such as big data, cutting-edge technologies, and web and mobile environments.
- **I want it**, with all the programmes that SEAT makes available to its employees to be performed outside of working hours, at any time and at no cost. This sphere is used to offer more inspiring training content, responding to personal concerns and not directly linked to work. This section experienced significant growth in both the range of courses on offer and the number of workers registered, as a result of the residential lockdown during the state of emergency.

MORE THAN 3,500 COURSES AVAILABLE FOR VOLUNTARY STUDY

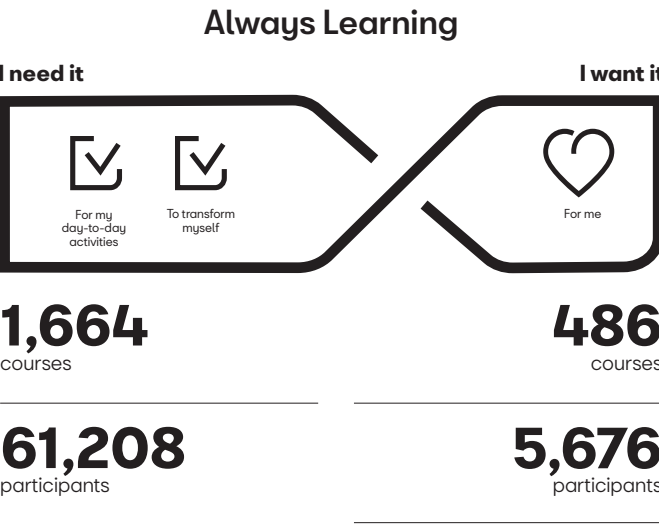
In response to the extraordinary situation experienced in 2020, which prevented staff from enjoying their summer holidays and free time with complete freedom, the Always Learning/I Want It platform expanded its range of voluntary training on offer, bringing the total number of courses available on a wide variety of subjects to more than 3,500. Some of the most popular courses included those on the topics of blockchain, artificial intelligence and mind mapping.
During the state of emergency declared as a result of the pandemic, 800 people registered on the platform and 4,000 training sessions were completed. This increase brought the total number of registered employees to 6,000, representing around 40% of the workforce.

Boosting knowledge in new trends and technologies

In light of the challenges facing the automotive industry and the need to continuously update employees' knowledge, SEAT prioritises providing its professionals with training in the new trends and technologies that will determine what shape their roles take in the near future.

Electromobility Learning Centre (eLC)

One of the company's most ambitious commitments is the development of knowledge in the field of electromobility through the opening of the electromobility Learning Centre (eLC) in 2020, which specialises in providing training on aspects related to electric propulsion technology, mechanics and safety.
The eLC occupies a new building with a surface area measuring 400 square metres, located in the heart of the Martorell factory, and it offers a complete programme covering all aspects of the electric vehicle, specially designed by SEAT. Its mission is to prepare the entire workforce for the manufacture of hybrid-electric and fully-electric vehicles, through sessions with varying degrees of specialisation depending on each employee's responsibilities.



New graduates from the Apprentice School

The Apprentice School, SEAT's specialist automotive training centre, trained its 56th year group of students in 2020. The 53 graduates began their new jobs in the Martorell, Componentes and Barcelona operating centres.

One of the highlights of the academic year was the internship undertaken by three students at the Volkswagen plant in Salzgitter (Germany) as part of the Automation and Industry 4.0 project, financed through the European Erasmus+ programme.

The restrictions resulting from the COVID-19 pandemic forced the school's traditional open doors day to be held virtually, in an event attended by David Calle, SEAT's new ambassador for Education and Youth Empowerment. The selection of candidates for the 2020-2021 academic year was also carried out remotely, using a candidate-friendly process involving competency assessments performed through video interviews.



Industry 4.0 Academy programme

Another new initiative intended to provide training on new technologies is the Industry 4.0 Academy programme. This programme is aimed at production-line workers and is part of a comprehensive project to transform and train this group in competencies that will be necessary for working in the factory of the future.

At the academic level, the programme is equivalent to a university extension certificate, thus allowing participants to expand their CVs. It consists of five modules that are performed outside of working hours with 90% remote learning, allowing participants to combine their work with their studies.

Three modules were completed in 2020 and involved some 80 workers, selected from over 300 applicants.

Training and development through SEAT:CODE

An occupational training and development initiative was also launched within SEAT:CODE, the centre of excellence that is leading the company's digital transformation. The initiative involves providing intensive training to five factory professionals to enable them to perform programming tasks at that centre.

This pioneering initiative tests occupational transformation in the company through cases involving a radical change in individuals' job functions: from tasks involving physical labour to programming.

ATTRACTING AND RETAINING TALENT

In the current phase marked by the transformation of the sector, SEAT's capacity to retain its staff who are developing their career in the company takes on a particular importance in order to obtain the maximum return on the investment made in their training. In parallel, the company continues to pursue programmes to attract new talent, with a particular focus on young professionals embarking on a career in technology.

Tool to showcase the capabilities of the workforce

One key initiative in the field of talent retention was the launch of "Tell us more about you!", a tool aimed at learning more about employees' skills, knowledge and competencies through a short voluntary survey.

The questionnaire includes eight questions about employees' knowledge, courses, certifications, projects, international experience and interests in other areas. The ultimate goal is to complete workers' profiles in order to assess their participation in new corporate projects within the framework of SEAT's current transformation.

Programmes to identify professionals of the future

With regard to actions to attract new talent, the suspension or postponement of the vast majority of trade fairs and sectoral meetings prevented SEAT's usual presence at these forums to identify profiles of interest. Nevertheless, the internal Kickstart and Trainee programmes were successfully carried out.

In the current phase marked by the transformation of the sector, SEAT's capacity to retain its staff who are developing their career in the company takes on a particular importance.





Kickstart

SEAT's internship programme, Kickstart, consists of two editions each year (January and September). Coordinated by the Talent Acquisition team, the process involves an initial call inviting university students to apply, from whom around one hundred candidates are then selected. Most applications are submitted by students reading business administration and management, IT, marketing, finance or engineering.

The selected group of students then participates in the Kickstart Challenge, an event at which their competencies are assessed by inviting them to solve a challenge related to the company's contribution to sustainability and environmental improvement. The students selected finally join the company to undertake an internship lasting between six months and one year.

Trainee

In July, the annual call for the Trainee programme was opened to new high-potential graduates seeking to develop their career at SEAT. This programme lasts 12 months and includes a rotation plan encompassing various areas of the company, continuous training, challenging projects and an international placement at one of the companies of the Volkswagen Group.

Doctorate Programme

Another of SEAT's initiatives is the Doctorate Programme, which supports strategic research projects being carried out for the company as part of its commitment to high-quality research and to making progress in new areas that will play an important role in the sector's future. This initiative is developed in collaboration with various universities and the research conducted in each case is the subject of a doctoral thesis.

The industrial doctorates thus act as bridges for the transfer of knowledge and contribute to building closer relations between industry and university and research centres.



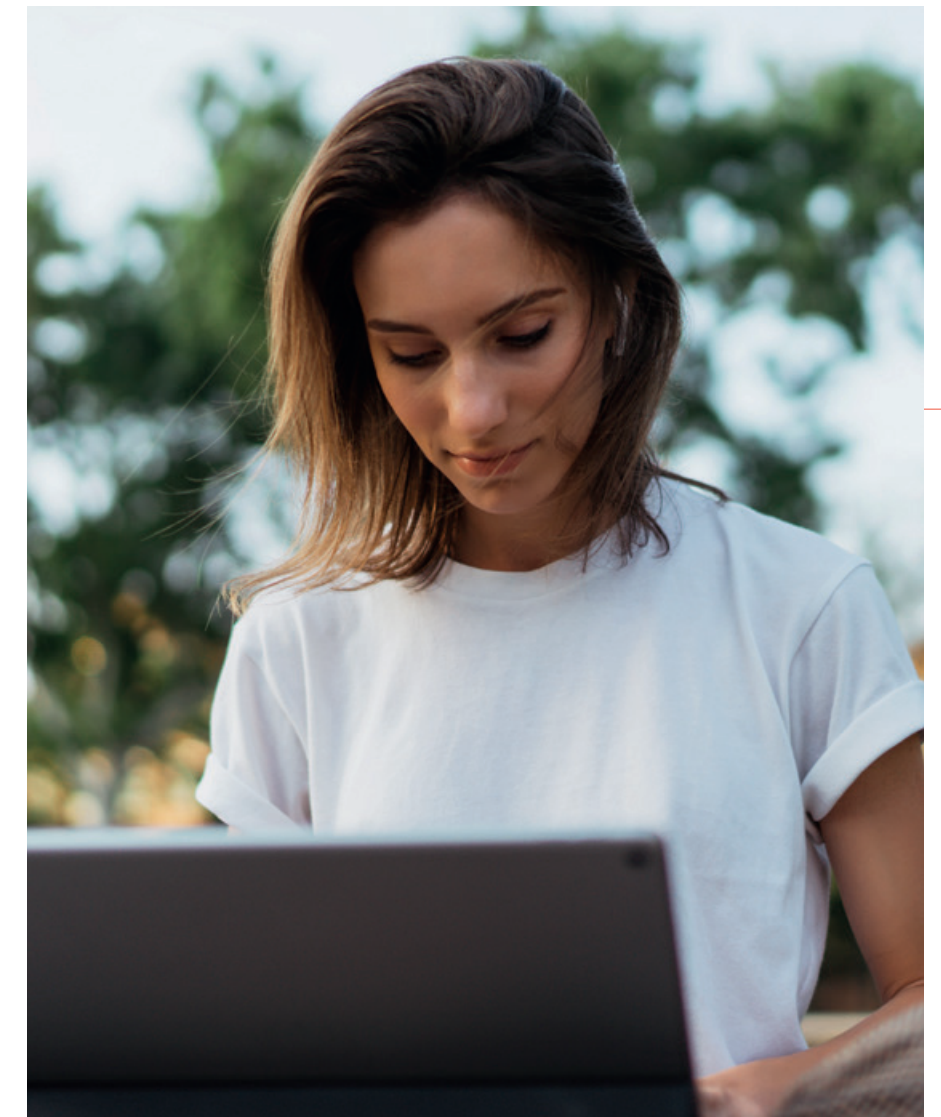
“BEING SEAT IS MORE”

Just for being part of the SEAT workforce, staff enjoy a number of company benefits such as a payment linked to the company's profits and a flexible remuneration system. They also have access to discounts on company products and services, as well as promotions in associated establishments and shops.

Record payment of company profits

In compliance with the current collective labour agreement, SEAT employees have the option to receive an annual benefit payment based on the company's operating profit in the previous year.

In 2020, staff received a gross payment of 1,550 euros, 45.1% more than in the prior year and the highest in SEAT's history. The amount exceeded the maximum limit established in the collective labour agreement by 250 euros. Nevertheless, following a request from the UGT and CC. OO. unions, the company approved the distribution of this exceptional additional payment in recognition of the workforce's efforts during the 2019 financial year. In the last four years, SEAT has paid out nearly 4,000 euros to each employee under this arrangement.



Benefits of the “Activate your payroll” system

One of the most highly-valued benefits among the workforce is the flexible remuneration system known as “Activate your payroll”, which allows staff to enjoy special conditions on health insurance, childcare, language courses or training at various universities and business schools.

Through this system, employees benefit from special financing conditions, as well as tax benefits that allow them to reduce their taxable base income.

In 2020, staff received a gross payment of 1,550 euros, 45.1% more than in the prior year and the highest in SEAT's history.



Communication and Institutional Relations

Institutional presence — **156**

Business cooperation — **162**

SEAT remained highly active in the spheres of institutional and business cooperation during 2020, a year particularly marked by the COVID-19 pandemic. The company continued to work to become a protagonist of the new mobility through its new products and collaboration with companies and institutions.

INSTITUTIONAL PRESENCE

SEAT chairs the Chamber of Commerce Mobility Commission

The company played an active role in the Mobility Commission set up by the Spanish Chamber of Commerce. In December, SEAT MÓ's director, Lucas Casanovas, was appointed chair of this commission which serves to lead private-public cooperation initiatives that promote sustainable urban mobility.

The commission's creation was marked at an event held in March and attended by the secretary of state for Transport, Mobility and Urban Agenda, Pedro Saura. Mr. Saura outlined the government's mobility strategy, which aims to be sustainable, safe, connected and equal for all regions and productive sectors. The president of the Spanish Chamber of Commerce, José Luis Bonet, also participated in the working group's presentations.

At the Mobility Commission's second plenary session, which took place in June, the economic service minister from the French Embassy, Yasser Abdoulhousen, presented France's mobility law, which seeks to transform the mobility sector in order to identify easier, cleaner and less expensive solutions.

In July, within the framework of the work undertaken by the Mobility Commission chaired by SEAT, the secretary of state for Environment, Hugo Morán, expressed the Cabinet's willingness to continue to pursue the transition towards a sustainable economy and to combat climate change.

The Mobility Commission is composed of 22 companies, in addition to the city councils of A Coruña, Barcelona, Gijón, Madrid, Palma, Pamplona, Valencia and Zaragoza, and the Ministries of Industry, Trade and Tourism; Interior; Ecological Transition and Demographic Challenge; and Transport, Mobility and Urban Agenda.

SEAT, RECOGNISED WITH THE ANNUAL FEDECOM AWARD

In December, the Federation of Official Chambers of Commerce of Spain in Europe, Africa, Asia and Oceania (FEDECOM) awarded SEAT its Annual Award, which distinguishes a Spanish company for its commercial activity and international profile.

The event, which took place in Paris, was attended by Spanish President Pedro Sánchez, who delivered the prize to the managing director of SEAT France, Robert Breschkow, in the presence of Eduardo Barrachina, the president of FEDECOM.

The event was attended by 40 guests, including personalities and representatives of various Spanish companies in France.



JOSEP MARIA RECASENS, NEW DIRECTOR OF STRATEGY AND INSTITUTIONAL RELATIONS

SEAT's Strategy Director, Josep Maria Recasens, was appointed Director of Strategy and Institutional Relations in November. In addition to continuing to lead the company's corporate strategy, he will also be responsible for developing the path towards electrification, as well as consolidating relations with all stakeholders in order to further strengthen the company's global positioning.

Projects by SEAT and ANFAC on sustainable mobility

As a member of the Board of Directors of ANFAC (the Spanish Association of Car and Lorry Manufacturers), on 2 March SEAT participated in presenting to the government the report entitled "Automotive 2020-40 – Leading sustainable mobility". This plan, drawn up by ANFAC and KPMG in close collaboration with SEAT, sets out the road map for tackling the transformation of the sector in Spain. One of the steps in this transformation involves designing a strategic framework for the development of the new mobility in order to achieve the goal of decarbonising the stock of vehicles on the road – a goal to which the automotive sector is fully committed.

The meeting, held at the Moncloa Palace, was attended by the Spanish president Pedro Sánchez; the fourth vice-president and minister for the Ecological Transition and the Demographic Challenge, Teresa Ribera; the minister for Industry, Trade and Tourism, Reyes Maroto, and the minister for Transport, Mobility and Urban Agenda, José Luis Ábalos.

In June, the Spanish government presented the Automotive Industry Value Chain Promotion Plan, an initiative that emerged from ANFAC's meetings with various ministries in which manufacturers' requests, including those of SEAT, were conveyed and which led to the Moves II and Renove plans.



Corporate events

January

Launch of the new SEAT Leon

The official presentation of the new Leon, which took place on 28 January at the company's facilities in Martorell, was attended by various regional and local institutional representatives.



February

Visit by Members of the European Parliament

On 7 February, the Martorell plant was visited by eight MEPs from different political groups. Topics addressed at the meeting with the MEPs included the current situation in SEAT, the digital transformation of industry and the European Commission's Green Pact, which is the road map for the European Union to achieve a sustainable economy.



Inauguration of the CUPRA Garage

The CUPRA Garage opening event, held on 20 February, brought together institutional representatives at the national, regional and local levels, as well as brand ambassadors. In addition to visiting the corporate headquarters, the attendees all got to witness the world premiere of the CUPRA Leon family.

March

Videoconference with the King and Queen of Spain

On 30 March, the King and Queen of Spain held a videoconference with SEAT's chairman and vice-president of Finance and IT, Carsten Isensee; the director of the Health, Safety and Emergencies division of SEAT and other Volkswagen Group companies in Spain, Dr. Patricia Such, and part of the company's Executive Committee.

In the conversation, the monarchs conveyed a message of support and solidarity to the company's workforce for their hard work. King Felipe and Queen Letizia expressed their support and pride for the work performed by the company to support the healthcare system, as well as for the professionals who are fighting COVID-19 on the front line. The King and Queen also expressed their wish for SEAT's activity to resume normal operations as soon as possible after the epidemic, given the company's importance for the Catalan and Spanish business sector.



May

Meeting with representatives from the Generalitat de Catalunya

Pere Aragonès, vice-president and minister for Economy and Finance of the Catalan regional government (Generalitat de Catalunya), and Alba Vergés, minister for Health of the Catalan regional government, visited the Martorell facilities on 20 May. After meeting SEAT's chairman and vice-president of Finance and IT, Carsten Isensee, they met with Xavier Ros, vice-president of Human Resources and Organisation. Accompanied by Dr. Patricia Such, director of SEAT's Health, Safety and Emergency department, Xavier Ros presented them the OxyGEN ventilator, manufactured by the company for the ICUs of hospitals caring for COVID-19 patients.

The members of the Generalitat also met with Matías Carnero, the general secretary of the UGT trade union at SEAT and president of the Intercentre Committee, and with Rafa Guerrero, general secretary of the CC. OO. trade union at SEAT. The visit ended with a tour of Assembly Workshop 8 accompanied by Christian Vollmer, vice-president of Production and Logistics, to observe the implementation of safety measures and the working conditions inside the Martorell factory.



June

Inauguration of CASA SEAT

On 16 June, the institutional inauguration of CASA SEAT was held. This is a meeting point for events in the spheres of mobility and culture and a hub for the co-creation of future-focused solutions and for enriching cultural life. The event was attended by numerous personalities from the political and business world, in addition to Dr. Bonaventura Clotet, head of the Infectious Diseases Service at the Hospital Universitari Germans Trias i Pujol.

The event was also attended by Ada Colau, mayor of Barcelona; Teresa Ribera, fourth vice-president of the Spanish government and minister for the Ecological Transition and the Demographic Challenge, who participated by videoconference; Àngels Chacón, minister for Enterprise and Knowledge of the Generalitat de Catalunya, as well as Jaume Collboni, first lieutenant of the Barcelona Mayor's office, and Pere Navarro, special state delegate in the Consortium of Barcelona's Zona Franca district (Consorcio de la Zona Franca).

Attendees from the business sector included Jordi Gual, president of CaixaBank; Àngel Simón, executive president of Agbar; Josep Martínez, CEO of SABA, and Javier Godó, president of Godó Group, as well as Josep Sánchez Llibre, president of Foment del Treball, and Josep M^a Bartomeu, president of Barcelona Football Club.

The company was represented by Carsten Isensee, SEAT's chairman and vice-president of Finance and IT; Wayne Griffiths, SEAT's executive vice-president of Sales and CUPRA CEO; and Lucas Casanovas, head of Urban Mobility.

July

Meeting with the president of the Generalitat de Catalunya

On 8 July, the president of the Catalan regional government (Generalitat de Catalunya), Quim Torra, together with the minister for Enterprise and Knowledge of the Catalan regional government, Àngels Chacón, received SEAT's chairman and vice-president of Finance and IT, Carsten Isensee, and the managing director of Communication and Institutional Relations, Christian Stein, at the Palau de la Generalitat. At the meeting, the SEAT executives informed the Catalan president of the R&D investment plan announced by the company, which amounts to 5 billion euros up until 2025.



Felipe VI receives Carsten Isensee

On 22 July, King Felipe VI held a private audience with Carsten Isensee, SEAT's chairman and vice-president of Finance and IT, who explained to the sovereign the company's plans to boost electrification in Spain. During the visit to the Zarzuela Palace, Mr. Isensee also conveyed to the King the company's future objectives in the field of innovation, which were particularly relevant after revealing the scale of the investment planned for the next five years for the development of new models, equipment and facilities.

October

Visit by the minister for Industry to CASA SEAT

The minister for Industry, Commerce and Tourism, Reyes Maroto, visited CASA SEAT on 16 October to attend the presentation of Automobility Trends, the barometer for monitoring trends in the sector promoted by the website *Coche Global*. During the event, SEAT Chairman Wayne Griffiths explained to the minister the company's commitment to leading the transformation of Spain's automotive industry in the new era of electric mobility.



Institutional sponsorships

Presence at the Gasnam Congress

SEAT was a sponsor of the Gasnam Congress (Iberian Association of Natural and Renewable Gas for Mobility), known as the Green Gas Mobility Summit, which was held from 22 to 24 September in an online format with 70 speakers and more than a thousand attendees. The brand was represented at the event by Alfonso Sancha, executive vice-president of Purchases, and Mikel Palomera, managing director of SEAT Spain.

Alfonso Sancha participated in the opening roundtable discussion together with the minister for Industry, Trade and Tourism, Reyes Maroto. Mikel Palomera, meanwhile, led a conference entitled "Medium- and long-term perspectives for a sustainable automotive industry".

Participation in the 34th AMETIC Meeting

SEAT's director of strategy, Josep Maria Recasens, participated in the 34th Digital Economy and Telecommunications Meeting organised by AMETIC (the Multisectoral Association of Spanish Electronics and Communications Companies), held from 2 to 4 September. At the event, Recasens gave a presentation on cooperation for sustainable growth and the role of electric vehicles in the future of the industry.

SEAT MÓ, MEMBER OF ANESDOR

In 2020, SEAT MÓ joined ANESDOR (the National Association of Enterprises of the Two-Wheel Sector). Founded in 1954, ANESDOR is the oldest entity of Spain's automotive industry and represents brands of the two-wheel sector.



BUSINESS COOPERATION

The agreement between SEAT and Iberdrola includes a plan to deploy rapid and ultra-rapid charging points across Spain's national road network.

Collaboration with Iberdrola to promote electric mobility

SEAT, Iberdrola and Volkswagen Group España Distribución signed a strategic collaboration agreement in July to jointly promote the deployment of sustainable and electric mobility in Spain.

The signing ceremony was attended by the president of Iberdrola, Ignacio Galán, and the CEO of the Volkswagen Group and chairman of the SEAT Board of Directors, Dr. Herbert Diess. The two executives agreed on their willingness to work to make Spain a leading country in the future of vehicle transportation and sustainable mobility in Europe, highlighting the need to move ahead with the electrification process in a coordinated manner.

The agreement includes a plan to deploy rapid and ultra-rapid charging points across Spain's national road network, as well as at SEAT's facilities and at the dealerships of the brand itself and those managed by Volkswagen Group España Distribución. Indeed, Iberdrola has already installed 140 charging points at SEAT's centres in Martorell, located in both private and public spaces.

In addition to participation in R&D&i projects, the partnership between the three companies involves the incorporation of electric vehicles into Iberdrola's fleets.



In 2020, SEAT joined Madrid in Motion, the innovation hub that is working to meet the new challenges of urban mobility.

SEAT joins Madrid in Motion

In 2020, SEAT joined Madrid in Motion, the innovation hub that is working to meet the new challenges of urban mobility. The multi-sector, public-private initiative brings together companies, public administrations and startups from all over the world which, while treating Madrid as the epicentre, are working to develop innovative solutions that will have a global impact.

Thanks to its leadership in the automotive industry and its commitment to mobility with its cutting-edge models, SEAT is a key player in the evolution and growth of Madrid in Motion, as well as being the only vehicle manufacturer to participate in the project.

Agreement between SEAT and MAPFRE to develop safe mobility

In February, SEAT and MAPFRE signed a collaboration agreement to develop a safer, more efficient and more sustainable new form of mobility based on parameters of safety and accident prevention. Through this alliance, the two companies will launch initiatives to minimise the occurrence of accidents and will promote avenues for collaboration in the field of road safety.

The agreement was signed by Christian Stein, managing director of Communication and Institutional Relations of SEAT and the Volkswagen Group in Spain, and by José Manuel Corral, managing director of Business and Customers at MAPFRE.

Thanks to the agreement, SEAT's micromobility products are analysed at MAPFRE's Experimentation and Road Safety Centre (known as CESVIMAP), where data is obtained to help improve their development.

In addition, the agreement includes the study and validation by MAPFRE of the functions of SEAT's safest car, the Cristóbal concept car. This prototype features 16 Advanced Driver Assistance Systems (ADAS), which help to improve safety while driving and to minimise the risk of accidents.

Furthermore, in the context of the European General Data Protection Regulation (GDPR), the two companies have undertaken to look into the possibility of developing projects related to the connected car. Such projects would involve the companies sharing their knowledge and experience in order to assess how the data these vehicles provide could help to create products that are better tailored to the end user.

START4BIG, at Tech Spirit Barcelona

Start4Big, the European open multi-sector innovation initiative promoted by SEAT, Aigües de Barcelona, CaixaBank, Naturgy and Telefónica, participated in Tech Spirit Barcelona, the entrepreneurship forum held in February. Entrepreneurs attending the event got to hear about the opportunity that collaborating with one of the founding companies represents for any emerging company.

During the event, the five founding companies of Start4Big presented the challenges that had been set out in the second invitation notice, related to four major topics:

- Augmented reality as a tool for improving processes and services.
- Biometric authentication as a means to increase security in digital transactions or in vehicles.
- The circular economy as a way to contribute to sustainable development.
- Leveraging inter-system connections in order to achieve advances in the field of smart cities and to offer new products and services to the public in real time.

The five companies behind Start4Big managed to capture the interest of 170 applications from around the world in the first edition, from which five winning startups were chosen that already have a variety of pilot projects underway.

During the Tech Spirit Barcelona forum, the five founding companies of Start4Big presented the challenges that had been set out in the second invitation notice.



VOLKSWAGEN GROUP COMMUNICATION CONVENTION

More than 280 professionals from the Volkswagen Group's Communication department, hailing from almost 30 different countries, participated in the 2020 Communication Convention (ComCon 2020), held on 3 and 4 February in Workshop 15 of SEAT's Martorell facility.

The event included a discussion on how aspects such as sustainability and the new mobility affect the car industry, the Volkswagen Group and, consequently, its communication policy.

TRIPLE RECOGNITION IN THE DIRCOM RAMÓN DEL CORRAL AWARDS

The Association of Communication Executives (known as Dircom) acknowledged the work of SEAT's Communication department this year, awarding it three Dircom Ramón del Corral awards, which recognise the best examples of communication and public relations in Spain.

In its third edition, SEAT received the extraordinary award for "Senior management commitment to the organisation's communication" for its project "A Committee with #Attitude".

In the category "Events abroad of more than a thousand people", the company received an award for its SEAT & CUPRA on Tour series, a project in which the two brands' latest models visit various countries, bringing the "Created in Barcelona" spirit to all of Europe.

The third prize to be bestowed on the company was in the "Multimedia & Digital" category for the video "An industry of women", which recognises the role of women pioneers in the car industry who have been responsible for key advances that today are taken so for granted by the sector, such as the rear-view mirror, road lines and indicators.



Finance and IT

Global economic crisis —**168**

A sector united against
the pandemic —**169**

A year of challenges —**171**

A major investment
in the future —**174**

One IT Team in two locations —**175**

- Martorell IT Hub
- Barcelona SEAT:CODE

GLOBAL ECONOMIC CRISIS

The COVID-19 pandemic and the measures adopted to limit its spread led to a sharp contraction of the global economy. Gross domestic product (GDP) fell by 3.5% in 2020, the biggest decline since World War II.

Following the initial impact of the pandemic in the first quarter, most governments implemented systems to support fiscal and monetary policy. The range of measures introduced helped to reduce corporate bankruptcies and maintain employment, at the cost of a substantial rise in debt. Significant differences between countries were also generated, depending on the effectiveness of the measures adopted to mitigate both the health crisis and the economic one.

During the third quarter, coinciding with the relaxation or complete lifting of the lockdowns in many regions, there was a slight improvement in global economic activity. Trade growth among both more developed countries and emerging markets managed to partly ease the contraction of their economies. However, the worsening health crisis during the fourth quarter, particularly in the United States, Latin America, India and Europe, threw cold water over the prospects for a quicker-than-expected recovery.

The only surprise was China. Following its strict lockdown imposed during the first few months of the year, the country managed to successfully contain the pandemic within its borders. Moreover, the implementation of an intensive public investment programme allowed it to stimulate its economic activity and return to positive growth.

The COVID-19 pandemic and the measures adopted to limit its spread led to a sharp contraction of the global economy.

In the European Union (EU), the impact was more severe than expected, with a historic fall in GDP of 6.8%. To alleviate the effects of the crisis, in July the European Commission drew up an extraordinary joint budget known as the European Recovery Funds (NextGenerationEU), which will be distributed among its members between 2021 and 2023. This extraordinary financing initiative aimed at reviving the economy has a budget of 750,000 million euros (390,000 million in non-refundable grants and a further 360,000 million in low-interest loans).

The uncertainty generated by Brexit continued to arouse low levels of confidence among EU partners. On 31 January, the United Kingdom officially left the EU and a transition period ending on 31 December began. Within that time frame, the EU and the United Kingdom had to negotiate an agreement regulating their trade relations from 2021 onwards. Finally, on 24 December with just seven days to go before the deadline, a provisional trade agreement was reached, applicable from 1 January 2021.

Spain faced its worst crisis in 2020. The economic contraction, amounting to 11%, was one of the biggest registered in Europe and a reflection of the country's heavy dependence on sectors such as tourism, transport and services, which were the hardest hit by the pandemic. This contraction had immediate and severe consequences for three of the country's economic variables in which the biggest imbalances from the previous financial crisis of 2008 persist: unemployment, debt and the deficit.

Hopes for reactivating the economy and correcting these imbalances largely hang on the rapid implementation of the EU's "European Recovery Funds" (NextGenerationEU). Spain is the second biggest recipient of this fund, having been allocated 140,000 million euros. The Spanish government's proposal for managing these funds is geared towards public-private collaboration, with a focus on projects related to sustainability and digitalisation, in line with the guidelines set out by the European Commission.

A SECTOR UNITED AGAINST THE PANDEMIC

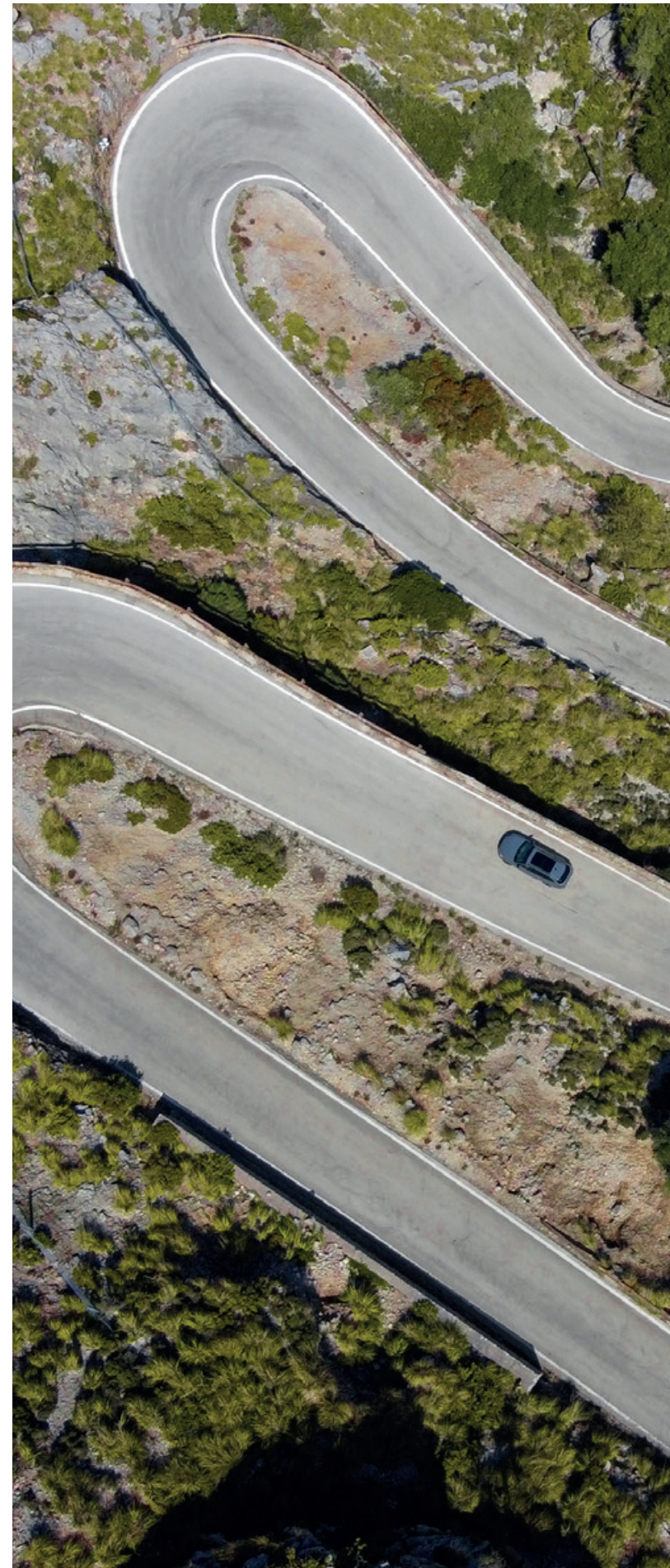
2020 was one of the most difficult years to date for the car industry, not only because of the transformation process already initiated in response to society's demands in the environmental, digital and shared-mobility spheres, but also because of the pandemic.

The sector participated in various projects with governments and humanitarian organisations to collaborate in the fight against COVID-19. At the same time, it demonstrated its ability to react to and address the enormous difficulties generated by the health crisis. Following the initial lockdown imposed in China and subsequently in many other countries, vehicle manufacturers and their suppliers resumed work in their factories, thus driving the revival of the global economy.

The fall in production, caused by the growing restrictions on mobility, was compounded by the collapse in global sales provoked by the economic crisis and the reduction in consumption. The limitations imposed on mobility, industrial activity and consumption during the second quarter led to a sharp decline in business. According to data from the consultancy firm E&Y, the sector's global revenues fell by around 40% between April and June, representing a decline of over 176,000 million euros.

The exception once again was China, the world's leading producer of vehicles, where manufacturers resumed production in the second quarter of the year. The speed with which the country managed to contain the pandemic within its borders made it the country with the smallest negative impact on its production and sales volumes. In addition, it introduced measures such as the elimination of taxes on purchases of electrified vehicles and the extension of subsidies until 2022, which helped to revive consumption.

In the European Union, the pandemic had a dramatic impact on the sector. The near-total closure of the market during the second quarter of 2020 resulted in a significant decline in both production and sales. Manufacturers also faced the uncertainty surrounding the Brexit negotiations and the need to meet the CO₂ emission targets set by the new EU regulation which came into force on 1 January 2020. Sales for the year finally stood at 11.6 million passenger cars (including the United Kingdom), a decrease of 24.5% compared to 2019.



2020 figures
for the sector in Spain

Vehicle production
2.27 million

Vehicle exports
1.95 million

Passenger car registrations
0.85 million

In Spain, the sector was also affected by the strict lockdown imposed by the government, which entailed the complete shutdown of the vehicle supply chain for almost two months. In this context, vehicle production reached only 2.27 million cars, 19.6% less than in 2019, while exports fell by 15.5% down to 1.95 million units. In addition, the 0.85 million passenger cars registered in the Spanish market represent a decrease of 32.3% compared to the previous year.

The vast reduction in the sector’s activity and production volumes accelerated the Spanish government’s decision to approve an aid plan known as the “Plan to boost the automotive industry’s supply chain, towards a sustainable and connected form of mobility”. The plan has a budget of 3,750 million euros and, together with other plans to support the purchase of vehicles, aims to facilitate the rapid recovery of a sector that is considered strategic for the Spanish economy.



A YEAR OF
CHALLENGES

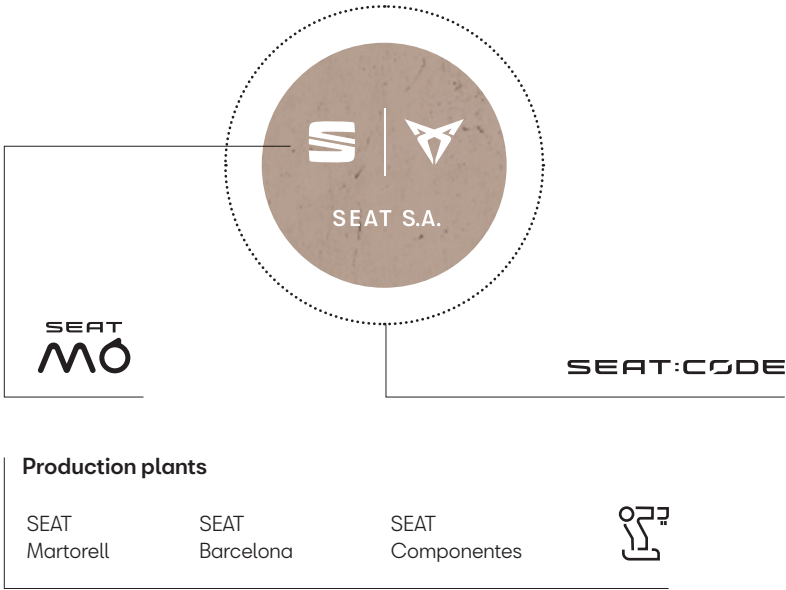
2020 was a difficult and transitional year for SEAT, not only because of the COVID-19 crisis, but also because of the necessary adaptation to the new European regulation that limits CO₂ emissions for vehicles sold in Europe.

The company’s operations were heavily affected by the decisions taken to contain the pandemic. At the end of the first quarter the production facilities were closed, before being gradually reopened with a tightening of measures to protect the workers’ health. The second half of the year was marked by a lack of confidence generated by the evolution of the pandemic and global economic uncertainty about its consequences.

The enormous efforts made by the company in the last six months of the year in terms of production and sales, following the strict lockdown imposed between March and May in Spain, managed to partially offset this period of inactivity. Nevertheless, SEAT registered revenues of 8,784 million euros, a decrease of 21.3% compared to the previous year (11,157.3 million). In addition, the volume of new vehicle sales to the commercial network stood at 468,403 units, a decrease of 28.2% compared to 2019 (651,998 units).

In this difficult environment for the automotive sector, the company registered post-tax losses of 194.2 million euros in 2020, compared to the 345.6 million of profit registered in 2019. The deterioration of the result compared to the previous year was driven by a combination of several factors that significantly affected the profit and loss statement.

One company, two brands





In 2019, the result included a positive effect arising from the Volkswagen Group adapting the process used to calculate asset impairment tests, as a result of the transformation of the sector’s business model. In 2020, meanwhile, the company had to face the extraordinary costs derived from the new CO₂ emission regulations and the coronavirus crisis, which led to both a halt in production activity and a significant fall in sales and revenues.

The negative impacts generated by these factors were partially offset by various cost-saving and efficiency programmes implemented in all areas of the company, which enabled the optimisation of expenses and revenues. In this way, the measures adopted to ensure the company’s core activities and liquidity helped to achieve one of its priority objectives: obtaining a positive cash flow from operating activities, which stood at 466 million euros.

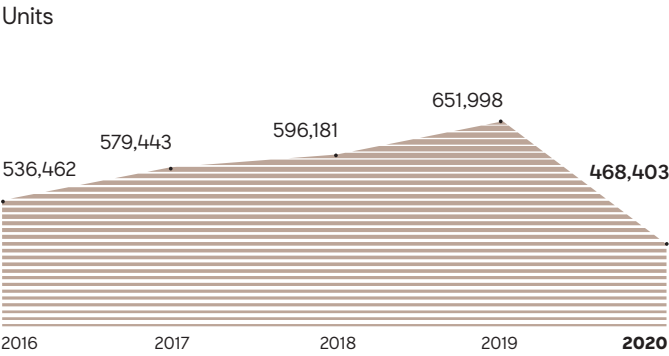
SEAT’s significant investment efforts of recent years continued during 2020. During the year, 820.5 million euros were allocated to investment, representing 9.3% of the company’s turnover, demonstrating its commitment and the strength of its financial base at a time of extreme difficulty for all economic sectors.

Wholesales of new vehicles to the commercial network

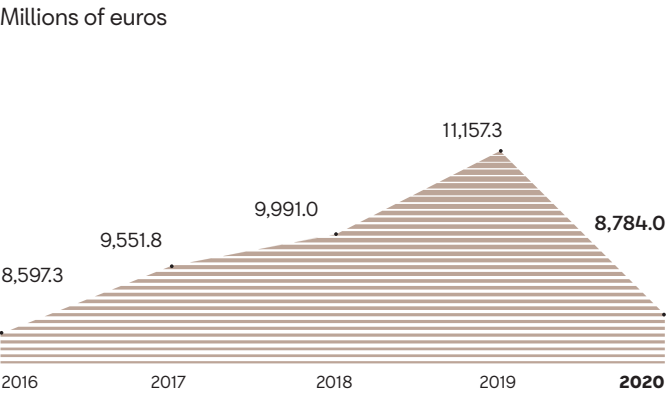
	2020	2019	Change	
			Absolute	%
SEAT/CUPRA models	406,358	570,664	(164,306)	(28.8)
SEAT Mii	7,803	11,235	(3,432)	(30.5)
SEAT Ibiza	74,682	124,754	(50,072)	(40.1)
SEAT Arona	79,630	129,981	(50,351)	(38.7)
SEAT Leon / CUPRA Leon	122,871	147,185	(24,314)	(16.5)
SEAT Toledo	39	1,682	(1,643)	(97.7)
SEAT Ateca / CUPRA Ateca	77,786	95,997	(18,211)	(19.0)
SEAT Tarraco	19,195	36,742	(17,547)	(47.8)
SEAT Alhambra	14,663	23,088	(8,425)	(36.5)
CUPRA Formentor	9,689	0	9,689	—
Audi models	62,045	81,334	(19,289)	(23.7)
Audi A1	62,045	81,334	(19,289)	(23.7)
Total sales[*]	468,403	651,998	(183,595)	(28.2)

[*] 2020 and 2019 exclude 10,889 and 15,911 used vehicles, respectively.

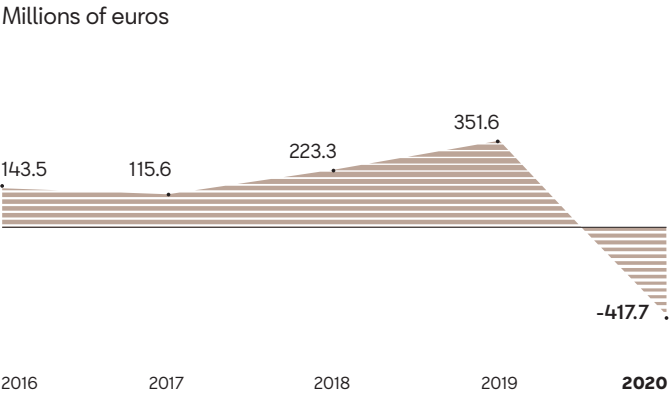
Wholesales of new vehicles to the commercial network



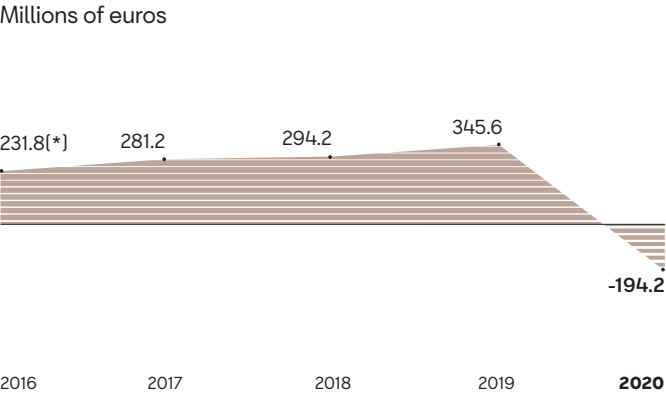
Net sales



Operating result

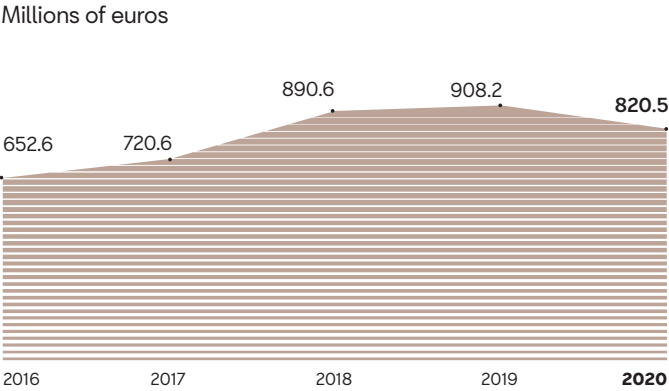


Result for the year

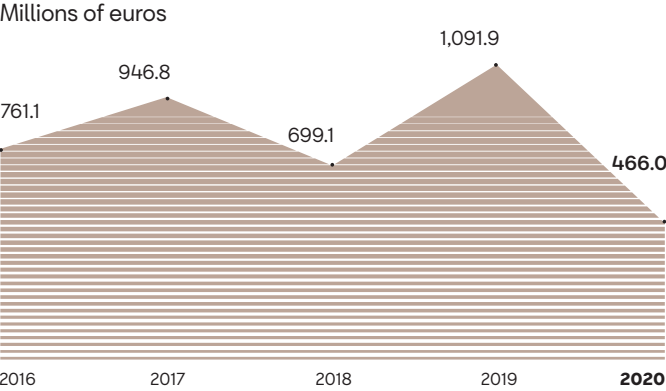


[*] Before extraordinary items.

Investments



Operating cash flow





A MAJOR INVESTMENT IN THE FUTURE

With the aim of becoming a stronger and more innovative, efficient and sustainable company, as well as a leading company for new forms of mobility in Spain, SEAT will invest 5,000 million euros between 2020 and 2025.

The funds will be allocated to new R&D projects for developing new vehicles at the SEAT Technical Centre, and in particular to electrify the range, as well as to equip the production plants of Martorell, Barcelona and SEAT Componentes with new equipment and facilities.

This ambitious investment programme prepares the company to begin the production of electric cars, which will ensure employment and boost its future prospects by empowering its two brands: SEAT and CUPRA. In addition, it demonstrates its full commitment to the development and transformation of industrial activity in Spain.

Active collaboration from state, regional and local government administrations will also help to facilitate the transformation of the automotive sector in Spain: more charging infrastructure and purchase incentives are needed to stimulate the sale of electric vehicles. The "Plan to boost the automotive industry supply chain, towards a sustainable and connected form of mobility", approved by the Spanish government, is a key step in this direction.



With the aim of becoming a stronger and more innovative, efficient and sustainable company, as well as a leading company for new forms of mobility in Spain, SEAT will invest 5,000 million euros between 2020 and 2025.

ONE IT TEAM IN TWO LOCATIONS

2020 marked the year in which all of SEAT's Information Technology (IT) departments were brought together in two locations: the new IT Hub in Martorell and the SEAT:CODE in Barcelona.

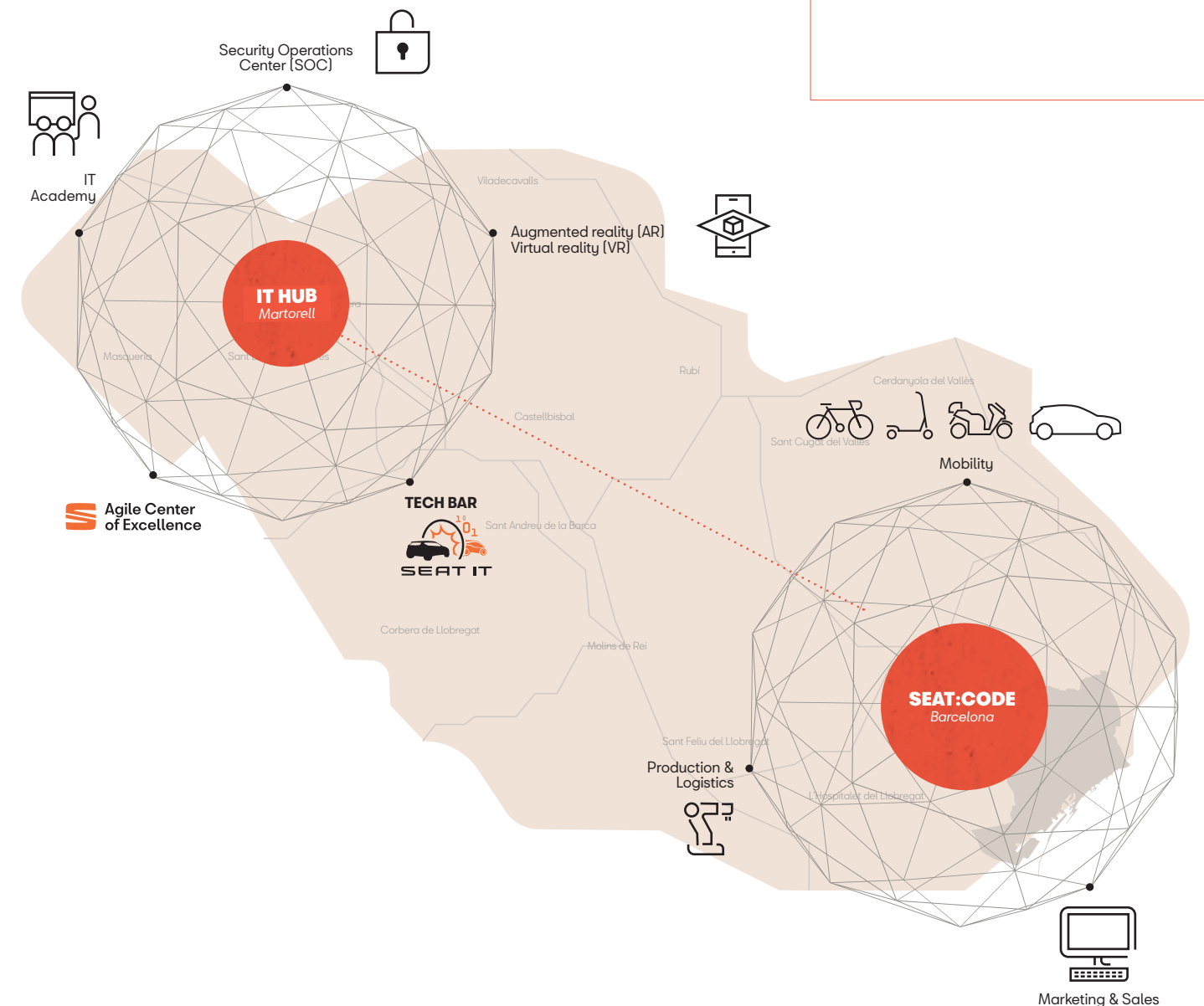
The IT Hub in Martorell brings together within its facilities units such as the Agile Center of Excellence, the Tech Bar, the Security Operations Center (SOC), the

virtual and augmented reality teams, as well as the security, licensing and infrastructure teams, among others.

Having a IT Hub unified site has helped to boost the IT division's efficiency, while also allowing it to make better use of synergies and enabling more seamless communication, thereby cutting coordination and decision-making times.

2020 marked the year in which all of SEAT's Information Technology (IT) departments were brought together in two locations.

Information Technology (IT) in SEAT



SEAT:CODE premieres its new HQ

Coinciding with its first anniversary since its creation, SEAT:CODE [Centre for Digital Excellence] premiered its new headquarters, located in the heart of Barcelona's Rambla. It is a four-story office building which is also home to a team from the Porsche software division, helping to share knowledge and synergies between the two brands.

With the opening of this space, the company now has two major information technology centres: SEAT:CODE, in the city centre, and the IT Hub, at the Martorell plant, which unites the rest of the company's technology services. The

aim of the former is not only to serve as a strategic and cross-disciplinary pillar for the company's digitalisation process, but also to create digital products and new businesses for the brands.

SEAT:CODE has a team made up of approximately 150 software developers from 24 countries working on the planning, design and development of value-added solutions in fields such as mobility services, internal process improvement and user experience. Its projects address the digital world from a cross-disciplinary perspective and incorporate aspects such as data analysis, the Internet of Things (IoT) and software development with a view to integrating them into technology for the car.

The first year of operation for SEAT:CODE has confirmed the company's objective to create new businesses, such as software development, that are not purely focused on the car. Some of the projects pursued in this sphere included:

- The online platforms for making advanced reservations for the CUPRA Ateca Limited Edition and for leasing the Mii electric.
- The Fast Lane system for tracking the vehicle purchase process.
- The ByBus app, an on-demand bus service at the Martorell facilities.
- The CASA SEAT and CUPRA websites.
- The mobile app for the SEAT MÓ moped-sharing service.
- The development of a digital logistics tool for the emergency respirators manufactured in Martorell during the COVID-19 pandemic.

The company benefited from the methodologies and technologies developed by SEAT:CODE in areas such as faster project implementation (in up to 20% less time), improved quality thanks to increased test coverage (85%) relative to other suppliers and IT projects implemented in the company. This strategy will help to boost efficiency and speed in delivering products to customers, and it will also involve these solutions being adopted throughout the supply chain.



SEAT:CODE Mobility Platform

The most ambitious project initiated by the centre in 2020 was SEAT:CODE Mobility Platform, a multi-modal mobility platform which allows multiple types of vehicles to be managed in a unified manner in order to deliver the best user experience. The objective of this project is to market the system in a Multi-Platform-as-a-Service (MPaaS) format for mobility service operators.

The system includes an app for the end-customer which makes it easy to register and manage user accounts. The software incorporates gateways for making bookings, locking and unlocking vehicles and paying for the service. For ease of use, SEAT:CODE Mobility Platform incorporates visual tools and panels for data analysis, as well as fleet management utilities such as real-time geolocation.

The first operator to use the new app (available for both iOS and Android) was the SEAT MÓ moped-sharing service. Nevertheless, the system is also available to other interested operators, since it is compatible with any type of shared usage of cars, mopeds, bicycles or scooters. The new platform also allows user behaviour to be analysed, as well as offering the ability to make usage forecasts based on IoT technology.

Martorell, mobility lab

The Mobility Platform is also the basis for the internal ridesharing solution, called SEAT Corporate Mobility, implemented in Martorell, which therefore became a true mobility laboratory. Thanks to this initiative, the company's employees will be able to access services such as ByBus and the shared vehicles already available, such as cars, electric bicycles or the models offered by SEAT MÓ: the eScooter 125, the eKickScooter 25 and the eKickScooter 65.

The analysis of the Martorell pilot programme enabled various functions to be validated, such as the tracking of vehicle usage, access to key performance indicators (KPIs) and optimised fleet management, even for private travel, making it possible to monetise unused corporate assets. All the user experiences will help to shape the future implementations that SEAT:CODE introduces into its comprehensive mobility platform.

Creation of the Data Office

With the support of SEAT:CODE, in October the new Data Office was launched, tasked with defending the high value of data as a company asset.

The Data Office will provide support to the various divisions when using data in their decision-making processes in order to reduce costs, increase revenues and devise new business models.

The new structure will help to optimise the management of the millions of items of data which flow between the company's 1,200 IT systems, including connected cars, customer mobile apps, manufacturing processes and the new mobility services currently being developed. The challenge is to turn that large volume of data into useful information that helps each of the different areas and, at the same time, connects them with one another.

Systems and processes

First anniversary of the Agile Center of Excellence

The Agile Center of Excellence (ACE) team marked one year supporting SEAT on its journey of transforming its working methods into a new, more agile way of working. In order to implement Agile culture in a cross-disciplinary manner, the ACE offers coaching, guidance, tools and techniques to facilitate the integration of agile methodologies – such as Kanban or the Scrum framework – into the daily life of the company.

IT collaboration models

The ACE not only supports projects undertaken by the IT division itself, but it also facilitates this division's collaboration with other business areas. In this regard, it launched actions such as the integration of the Accelerate Delivery initiative. Under this initiative, each IT delivery team explains the status of their respective projects at weekly meetings in order to improve transparency both within and outside the department.

Another collaboration model is PULSE, which consists of a weekly meeting in which an update is provided on current projects and their status, using a traffic light system set out on a physical or digital white board. PULSE meetings, which are used to seek help from all participants, help overcome sticking points and speed up delivery times, take the form of 30-minute sessions with an additional 15-minute closing session to discuss the proposals presented.

In addition, in collaboration with the Learning & Development department, ACE developed an Agile Training Path for training and coaching that allows employees to acquire new skills in order to adapt more quickly to current and future challenges.

Virtual and augmented reality

The FS SEAT IT Software team worked in 2020 to provide virtual reality (VR) and augmented reality (AR) solutions to the company's various areas, enabling all kinds of immersive simulations: from prototypes to assist in decision-making processes, to various training experiences, including some in which the risks derived from handling certain materials are eliminated.

The SEAT and Volkswagen Group strategy in the field of AR and VR has also been bolstered with the creation of working teams in which projects related to both of these technologies are jointly addressed.

The company's plan in this field includes the implementation of an immersive technology platform for creating software standards that allow for the reuse of applications, developments and software, as well as reducing project delivery times.

In addition, the Showroom XR, which will be located in the IT Hub building, will provide a dedicated space for learning about AR and VR, as well as for testing several of the projects developed both inside and outside the company using this type of technology.

During the course of the year, seven concept tests based on the use of these emerging technologies were performed in eight different business areas. Some of these tests were subsequently implemented in virtual reality training and analysis projects.



Improvements to the Corporate Building auditorium

In 2020, new audiovisual equipment was inaugurated in the auditorium of the Corporate Building, marking another step in SEAT's digital transformation. The facility now has a digital panel at its entrance and is equipped with systems compatible with Office 365, allowing the content of all kinds of events to be centrally managed.

The equipment installed provides greater flexibility for presentations in the space, thanks to a UHD display with five HD cameras and LED lighting, as well as surround sound distributed throughout the auditorium. These enhancements also make it easier to record events and stream them live.

Private networks and cloud strategy

In 2020, a system was installed for monitoring automated guided vehicles (AGVs), using 4G technology to control the mobile installations of the Martorell factory. In addition, an access point was created in the telephone network's infrastructure to maintain contact with some 40 customers and connect some one hundred telephones in maintenance tasks.

SEAT also continued to promote the adoption of cloud technologies through the Cloud Center of Excellence and the Data Center Management team, combining them with traditional infrastructure hosting. The challenge faced by the company is to ensure the use of modern, scalable and reliable tools that allow it to make headway in its digitalisation process. At the same time, it aims to adopt technologies that will help to improve the services available to customers and users, such as big data, the IoT, artificial intelligence, machine learning and high-performance computing.

The third Tech Bar opens its doors

As part of the strategy designed to provide users with an agile and personalised service, September marked the opening of the third SEAT Tech Bar.

In this new space, which is integrated into the IT Hub, users can receive face-to-face advice on the company's IT services directly from qualified IT-division staff.

ADAPTATION OF IT DURING THE LOCKDOWN

One of the challenges in 2020 was to adapt SEAT's way of working to the lockdown imposed as result of the COVID-19 pandemic. The situation tested the flexibility of the systems team, as well as the company's digital infrastructure.

The IT division identified improvements within the organisation to increase the productivity of the 5,000 employees working remotely, which included optimising the agility and efficiency of meetings.

During this period, the number of direct users connected to a VPN network increased seven-fold, while meetings conducted via Skype and Microsoft Teams increased five-fold. In response to the rise in demand, the number of portable devices was increased, as was the company's available bandwidth, doubling and strengthening the capacity of its VPN connections.

The company's remote working plan, supported by the Smart Work initiative to foster a flexible and dynamic working environment, included the implementation of programmes such as Desk Sharing, a desk-booking system that allows physical spaces within each area to be managed.

Inauguration of the Security Operations Center (SOC)

One of the highlights of 2020 was the inauguration in September of the SEAT Security Operations Center (SOC). This is a centre, operating 24 hours a day and 365 days a year, dedicated to monitoring security alerts across all of the company’s different systems. Its functions include:

- Providing a comprehensive service in the field of IT security issues.
- Preventing global attacks.
- Detecting dangerous user behaviours.
- Ensuring a rapid recovery in the event of problems arising in order to guarantee business continuity and keep the company safeguarded from any threats.

Machine learning and big data to combat threats

In the field of security, one of the most prominent projects is the use of big data and machine learning applied to predictive and advanced threat analysis for the company. In order to guarantee the maximum security of the company’s systems, a project known as Machine Learning as a Threat Intelligence Platform is being pursued.

This project is based on three aspects: defining metrics for the big data platform, applying machine learning algorithms to the data obtained in order to group the items of data and identify which ones behave differently and, finally, identifying anomalous behaviours. With this process, which is repeated periodically, the system protects not only corporate assets but also customers and connected cars.



IT Governance

When it comes to new technologies, not everything is screens, communication networks and databases; important management and administration tasks are also undertaken in order to ensure good governance of the IT ecosystem.

The Governance team performs back-office tasks, acquiring software licenses, managing budgets, designing the company’s strategy, monitoring risks, coordinating audits and ensuring compliance with the legal framework.



1. IT processes and licence management

Ensuring the continuity of business processes involves managing software operations and licences:

- **6,546** intervention requests dealt with and over **260** meetings held for their validation and approval.
- Over **854,211** software licences managed to ensure the company’s ability to operate fully, representing a total investment of some **15** million euros per year.



2. Financial management

Annual budget of 160 million euros:

- Expenses: **113** million euros.
- Investments: **47** million euros.



3. Risk management

Compliance with the legal framework is ensured, as is the transparency of the processes involved. In addition, an average of two risks are identified, dealt with and mitigated each week.

- Identification and management of **90** risks.
- Mitigation of the risks by coordinating the implementation of **74** measures.



4. Quality Management System

In compliance with the quality requirements of ISO 9001:2015, IT helps to raise awareness of SEAT’s procedural framework by distributing information on more than 300 procedures, both for their review and for the dissemination of knowledge.



The Finance and IT Academy, created in late 2017, continued its activity during 2020 by adapting to the circumstances arising from the exceptional health situation.

Finance and IT Academy

The Finance and IT Academy, created in late 2017, continued its activity during 2020 by adapting to the circumstances arising from the exceptional health situation.

Due to the specific nature of the different financial and technical profiles who are trained at the academy, differentiated training plans are developed for each of these groups. The aim of the academy is to enhance and develop the competencies of each profile by creating appropriate training plans.

In the financial sphere, the training focused on knowledge of robotics adapted to this area through sessions on “How robots can help finance”, with specific examples already implemented in the division. In addition, RAFA (Robotic Autonomous Finance Award) was alunched as a stimulus to continue the digitalisation process of the finance function.

In the technology sphere, specific training courses were planned using different platforms, adapted to each professional profile and created in such a way so as to be accessible for all brands across the whole Group.

The new courses that were delivered, focusing on areas such as Always Learning, Future Competences and Udacity Nanodegrees, included those on Big Data, Essential Skills and Management 3.0, and courses on Agile Methodology and Data Analytics will soon be added to the list.

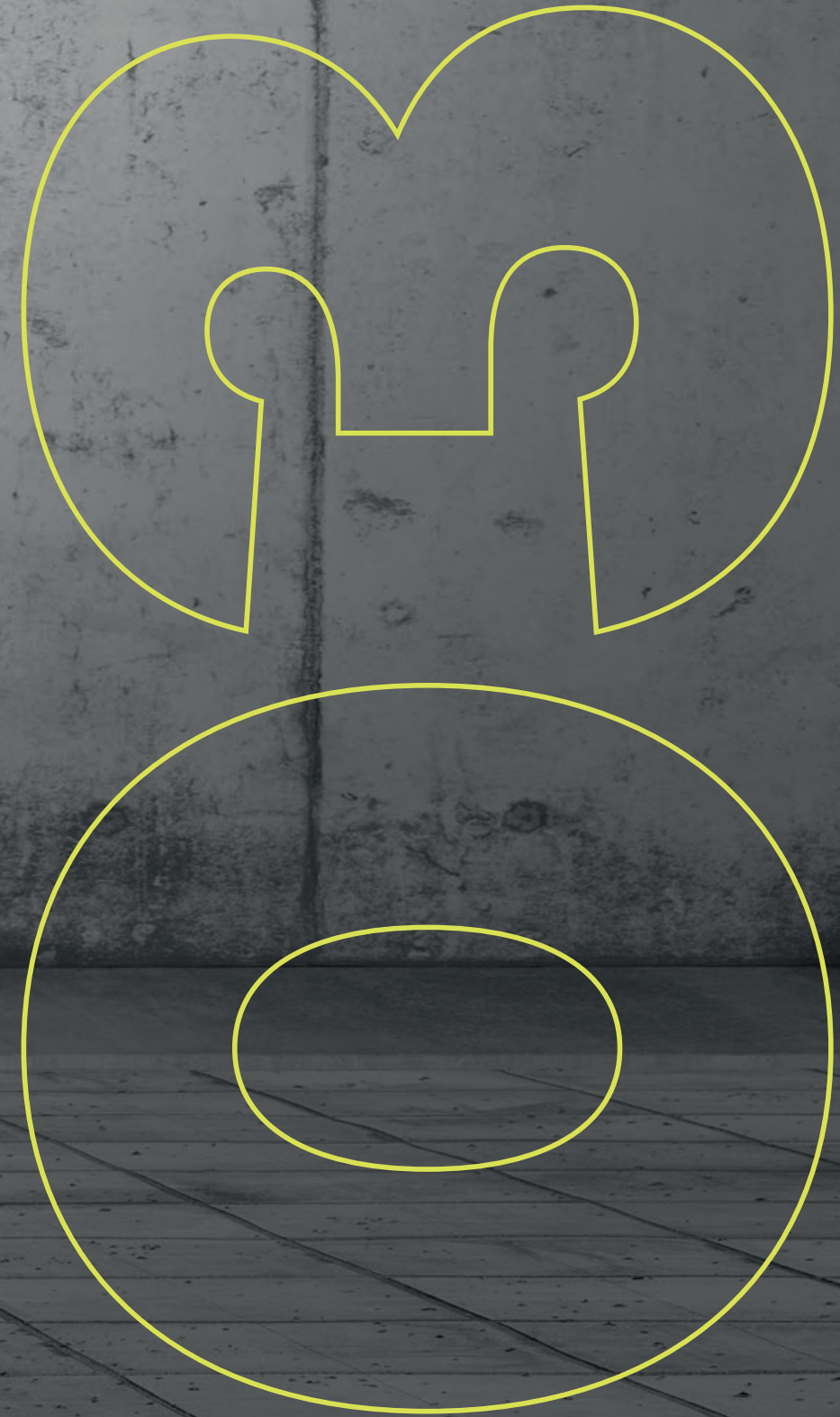
The IT Academy conducted specific sessions on LBK contracts and Office 365, as well as courses on technologies such as AWS and the Cloud. At the same time, work has continued to explore the possibility of designing new specific training courses with external service providers and to expand knowledge in the field of ITIL (information technology infrastructure library).

Cross-disciplinary soft-skill training sessions were also conducted, and masterclasses were organised with internal and external experts on topics such as processes, security and information technology. In addition, IT staff had the opportunity to exchange views and ideas with the division’s Chief Information Officer, Sebastian Grams, in an activity organised as part of the Meet the Director initiative.

Note

The company does not conduct and has not conducted any operations with its own shares during the financial year. Transactions involving foreign currency hedging derivative instruments were carried out during the financial year.

The weighted average payment period to company suppliers was 38 days in 2020. There have been no events having an impact on the financial statements after the closure of the financial year.



Socioeconomic Impact

182—197

Summary of the study performed by SEAT, S.A. for the 2019 financial year, in order to highlight the company's contribution in economic, tax, social, environmental and innovation terms.



ECONOMIC IMPACT

SEAT's activities in Spain actively contribute to the country's economic development, with revenues that represent 0.9% of GDP and with the creation of more than 116,000 direct, indirect and induced jobs.

Revenues and suppliers

€11,157 m
SEAT's revenues

SEAT contributed to the generation of economic activity with revenues of €11,157 million in 2019, a figure which represents 0.9% of Spain's GDP. Since 2013, SEAT's turnover has increased by 72.4%.

SEAT's activities generated 15,069 direct jobs⁽¹⁾, a figure that rises to 116,785 including those that are generated indirectly and induced, which is equivalent to 0.6% of the total employment in Spain.



For every direct employee hired by SEAT...

60%
SEAT's suppliers
based in Spain

SEAT uses predominantly national suppliers in its operations. In particular, approximately 60% of its purchases and investments are made through domestic suppliers.

...
7.75
jobs are created in Spain⁽²⁾



Source: Analysis based on information from SEAT and the Spanish National Statistics Institute: National Accounting (2019) and Labour Force Survey (4th quarter of 2019).

(1) Includes the basic workforce (14,663 people), partial retirees (232 people) and apprentices with a contract (174 people) at 31/12/2019.

(2) 2020-40 Automotive Report published by ANFAC.

SEAT is the the leading exporter company in the manufacturing industry with exports of more than €9,000 million during 2019, which represents 3.1% of the total exports carried out in Spain in this period.

Exports

In 2019 **the volume of exports** carried out by SEAT from Spain reached **€9,014 million**.

This figure represents a **13.5% increase** over the previous year and a **67.2% increase** over 2013.

In 2019 SEAT exported a total of **557,250 passenger cars and SUVs**, surpassing the previous year's figure by **53,413 units**.^[1]

Since 2013, the number of passenger cars and SUVs exported by SEAT **has increased by 38.5%**.

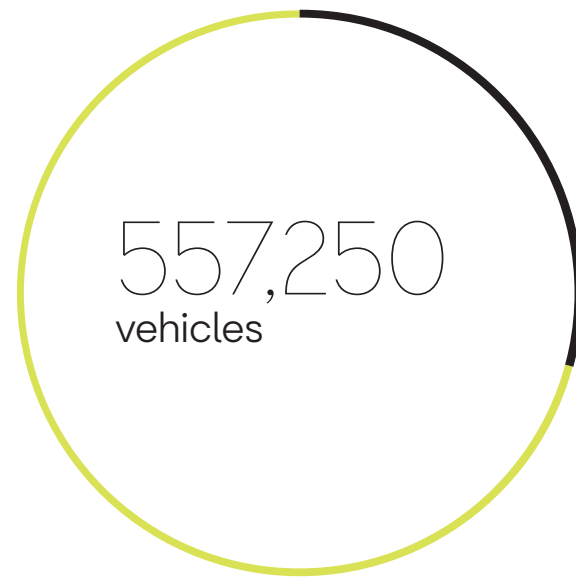
Exports carried out in 2019

SEAT's export volume



... representing **3.1%** of the total **value of exports** carried out in Spain in 2019^[2] and an **increase of 67.2%** over 2013.

Passenger cars and SUVs exported by SEAT



... representing **29.3%** of the total number of passenger cars and SUVs **exported by Spain** in 2019, with **38.5% growth** since 2013.

Source: Analysis based on information from SEAT, the Ministry of Economy and Competitiveness (Report on foreign trade, with data for January-December 2019) and ANFAC.

[1] The number of vehicles exported corresponds to exports from the Martorell factory and other plants of the VW Group where SEAT models are produced, whether located in Spain or not.

[2] The value of exports carried out in Spain 2019 is provisional.

SOCIAL IMPACT

SEAT contributes to the generation of stable, high-quality employment with almost 98% of its workforce having a permanent contract, well above the national average and that of the industrial sector.

Employment and permanent contracts

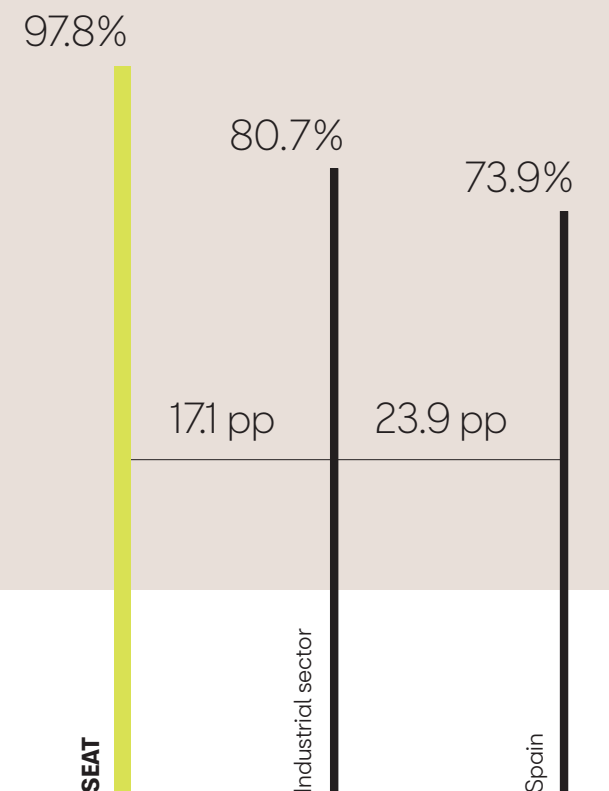
28.2%
Increase in the workforce
since 2013

Over the past few years, SEAT has significantly increased its workforce in Spain. **Since 2013**, the **number of employees** has **increased by 28.2%**.^[1]

97.8%
Employees with a permanent
contract

In addition, SEAT promotes the **creation of stable, high-quality employment: 97.8% of its workforce has a permanent contract**, well above the average in the industrial sector and in Spain as a whole.^[2]

Percentage of employees with permanent contracts in 2019



Source: Analysis based on information from SEAT and the Spanish National Statistics Institute (Labour Force Survey, 4th quarter of 2019).

[1] Taking into account the merger with Gearbox (2014) and with CTS (2016), the increase in the workforce since 2013 amounts to 9.4%. [2] Figure for SEAT calculated on the basis of the basic workforce at the 2019 year end. The figures for the industrial sector and for Spain as a whole correspond to the 4th quarter of 2019.

Furthermore, SEAT is committed to the recruitment of young people and women, two groups that experience significant difficulties in the labour market.

Diversity

20.7%
of SEAT’s workforce
is made up of women

SEAT, in its commitment to increase **the diversity of its workforce**, continues attracting and incorporating **female talent into the company**.

The **percentage of women in SEAT’s workforce reached 20.7%** in 2019,^[1] which is a slightly higher figure than that of the sector average.^[2]

Youth employment

63%
of the employees hired by SEAT in
2019 were under 30 years of age

People under 30 years of age accounted for around **9% of the workforce** in 2019.^[3]

Of the total number of new hires in 2019, **63% were under the age of 30, helping to reduce youth unemployment in Spain, which stood at around 30%.**^[4]

Source: Analysis based on information from SEAT and the Spanish National Statistics Institute (Labour Force Survey, 4th quarter of 2019).

[1] Figure for SEAT calculated on the basis of the basic workforce at the 2019 year end.
[2] Weighted average of the percentage of women in the sectors of manufacturing of motor vehicles, trailers and semi trailers (sector 29 of the CNAE) and sale and repair of motor vehicles and motorcycles (sector 45 of the CNAE). Data corresponding to the 4th quarter of 2019.
[3] Figure for SEAT calculated on the basis of the basic workforce at the 2019 year end.
[4] Data corresponding to the 4th quarter of 2019.



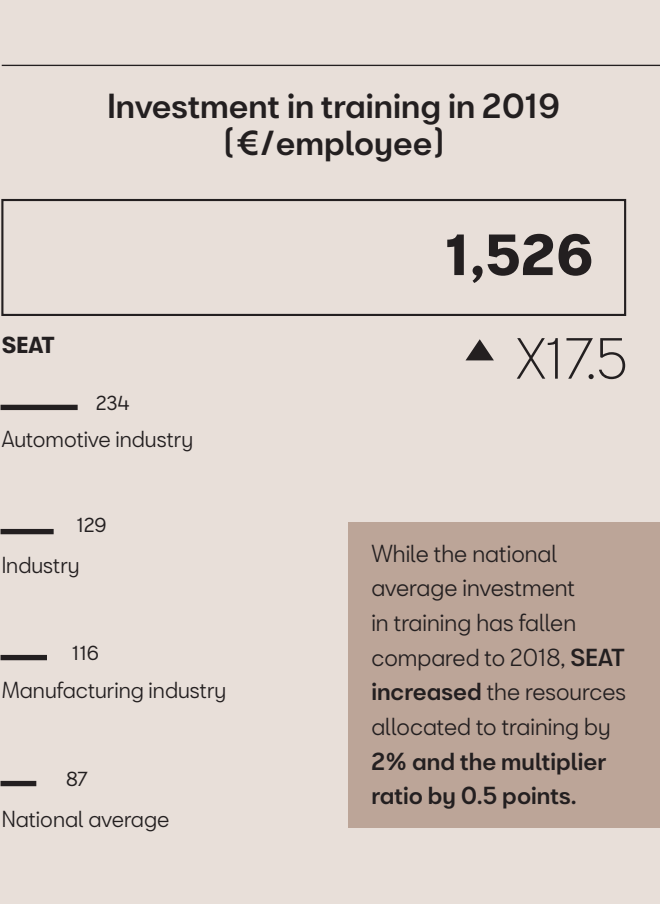
SEAT promotes the training and development of its employees, for which it allocated €23 million to training in 2019.

Training

The resources dedicated by SEAT to **training its employees** amounted to **€23 million in 2019**, which represents a **2% increase over 2018**.

Investment in training represents 2.4% of all the staff costs incurred by SEAT.

SEAT allocated €1,526 per employee to training in 2019. This is **well above the amount invested by other industrial sectors and in Spain** as a whole,^[1] which also registered a reduction in the total resources allocated compared to the previous year.



Source: Analysis based on information from SEAT and the Spanish National Statistics Institute.

[1] Spanish National Statistics Institute: Annual Labour Cost Survey. Figure for vocational training expenditure corresponding to 2018 (last year available).

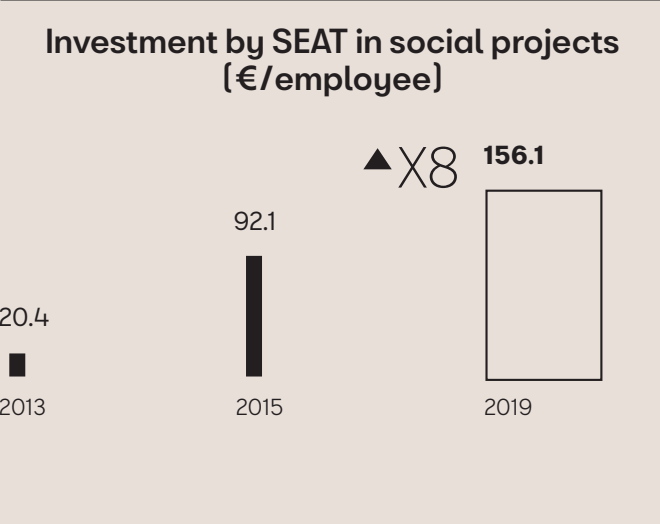
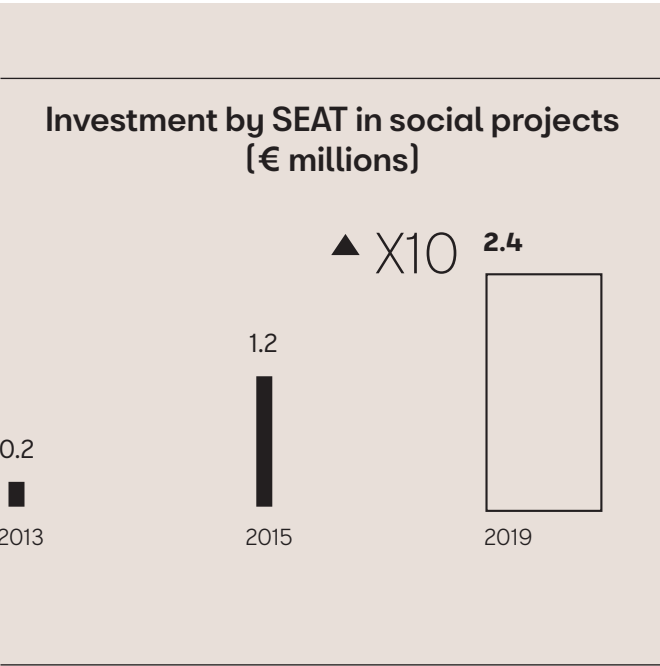
As part of its commitment to society, SEAT dedicates part of its resources to social projects, allocating €2.4 million to this purpose in 2019.



Social projects

In recent years, SEAT has dedicated part of its resources to social projects. Since 2013, SEAT’s investment in social actions has increased 10-fold, going from €240,000 to €2.4 million in 2019.

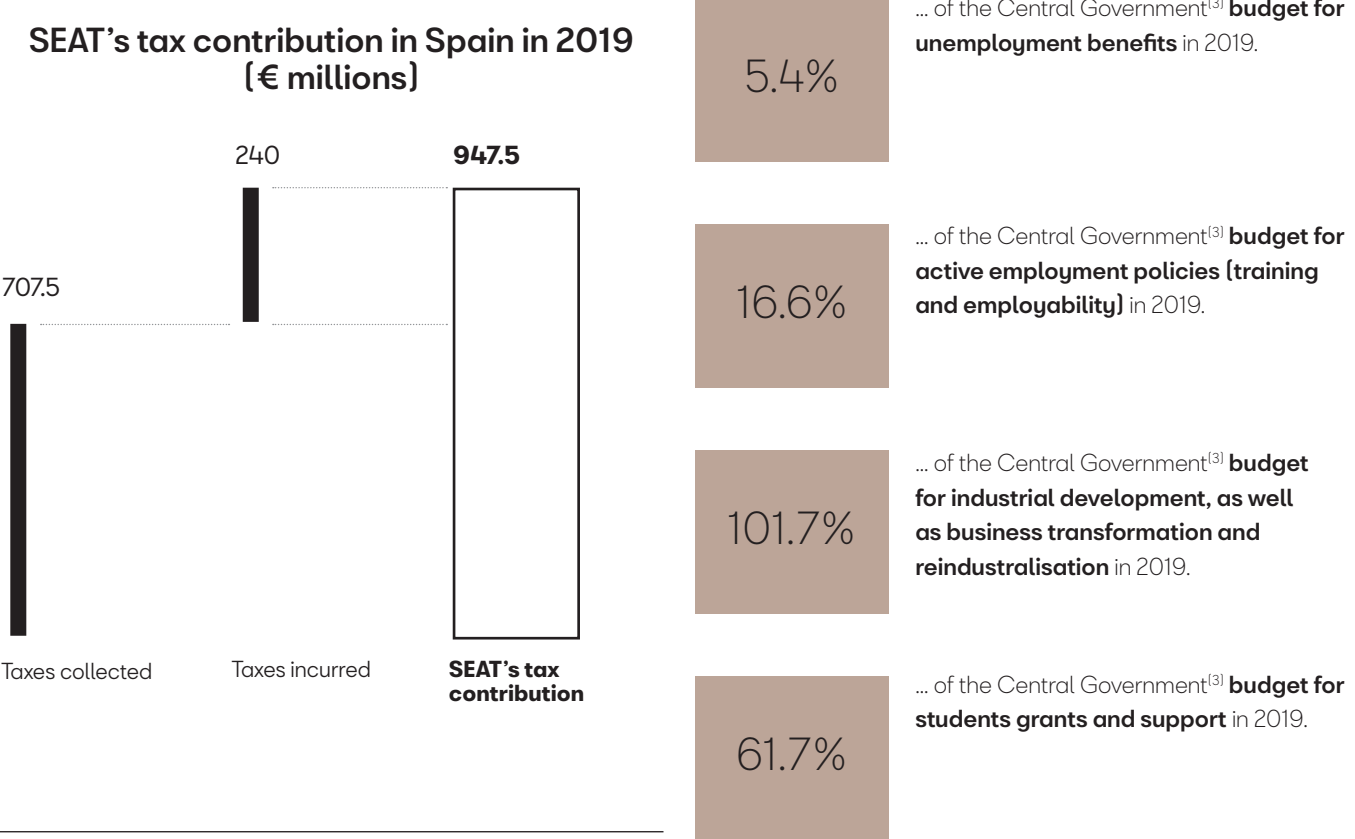
During 2019, SEAT dedicated €156 per employee to social actions.⁽¹⁾ By doing so, the figure allocated to this sphere in 2013 was multiplied by 8.



Source: Analysis based on information from SEAT.
(1) Figure calculated on the basis of SEAT’s total workforce at the 2019 year end.

FISCAL
IMPACT

SEAT makes a significant contribution to the public finances with €948 million in taxes, which represents 8.5% of its total turnover.

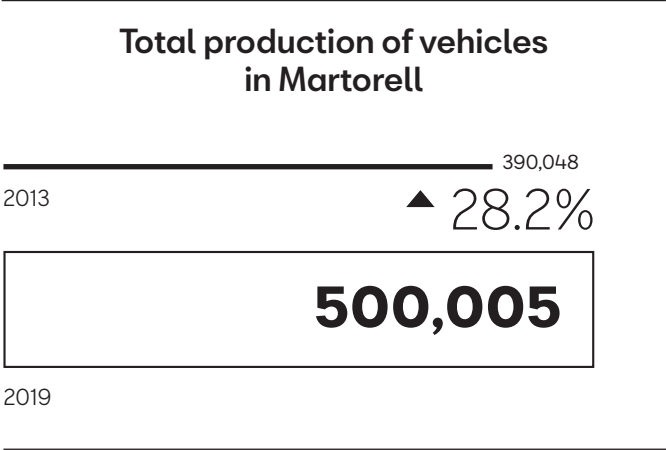


In 2019, SEAT’s contribution to the public finances amounted to €947.5 million, including €707.5 million corresponding to taxes collected⁽¹⁾ and €240 million to taxes incurred⁽²⁾.

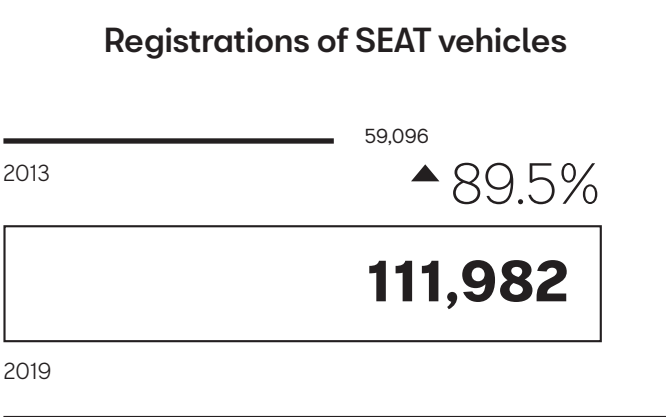
Source: Analysis based on information from SEAT and the Ministry of Finance and Civil Service.
(1) Includes VAT collected on sales, Personal Income tax and Social Security deducted from employee wages.
(2) Includes Corporate Income Tax, company Social Security and other taxes (Economic Activity Tax, IBI property tax, etc.).
(3) Central Government Budget for 2019.

INDUSTRIAL IMPACT

From its factory in Martorell, SEAT manufactured 22.2% of all the passenger cars and SUVs produced in Spain during 2019.



In 2019, **500,005** passengers cars and SUVs were manufactured at the Martorell factory, which represents **22.2% of the total production of these vehicles in Spain**. This amounts to a **28.2%** increase in production compared to 2013 and a **5.4%** increase over 2018.



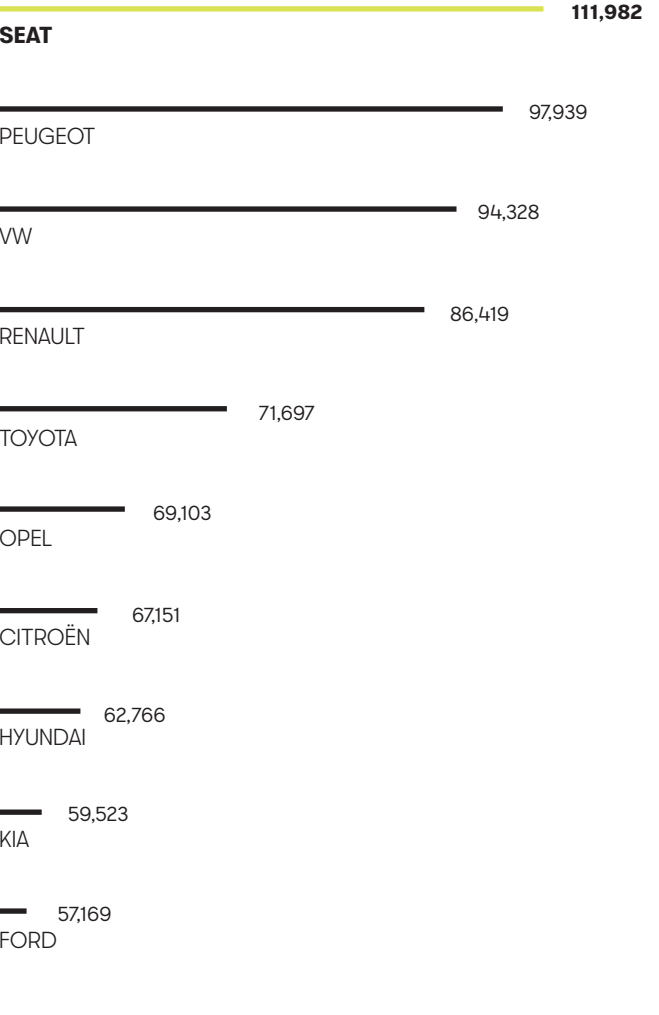
With **111,982** registrations of passenger cars and SUVs in 2019, SEAT has achieved a growth of **89.5%** since 2013 and an increase of **4.3%** over the previous year. In 2019, **8.9%** of all the passenger cars and SUVs registered in Spain were SEAT vehicles.



Source: Analysis based on information from SEAT and ANFAC.

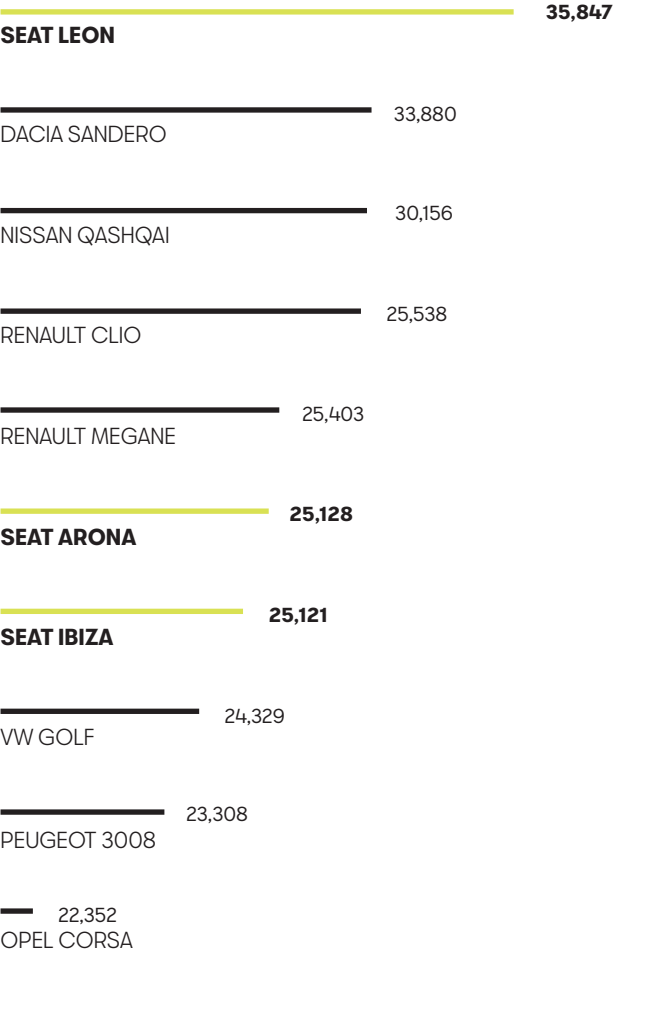
SEAT is the leading company in the automotive sector in Spain, holding the top spot in terms of passenger car and SUV registrations in 2019.

Top 10 brands of passenger cars and SUVs by number of registrations in 2019



SEAT holds the top position in the ranking of passenger car and SUV brands by number of registrations in 2019 (**111,982 vehicles**), thus consolidating its leadership in the sector.

Top 10 models of passenger cars and SUVs by number of registrations in 2019



By model, SEAT also leads the ranking of registrations with the LEON, the ARONA and the IBIZA in the top 10 of the most sold vehicles in Spain.

Source: ANFAC. Press release on the number of vehicle registrations in Spain.

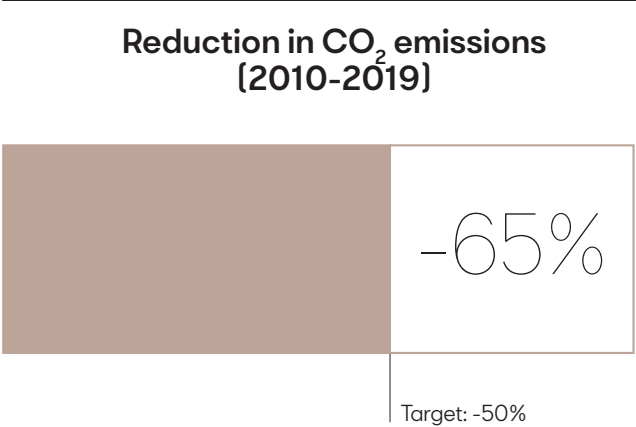
ENVIRONMENTAL IMPACT

The preservation of the environment is a priority issue for SEAT, which managed to exceed by far its target for reducing harmful emissions per vehicle set for 2025.

CO₂ emissions

SEAT's efforts to reduce the impact of its activities on the environment have been reflected in the **improvement registered in various environmental indicators.**

Since 2010, SEAT's CO₂ emissions have fallen by 65%, clearly surpassing the **50% target set for 2025** by the "Move to ZERØ" Group roadmap.



Source: Analysis based on information from SEAT.

(1) The sector average figure (codes 29 and 30 of the CNAE) refers to the figure for 2017 (latest available data) from the industry spending on environmental protection survey weighted with the employment in these branches of activity.

R&D IMPACT

SEAT is ranked 4th among Spanish companies in terms of resources dedicated to R&D, and it is the leading company in Spain's industrial sector. SEAT allocates 6.3% of its turnover to this activity, clearly exceeding the 2% sector average.⁽³⁾

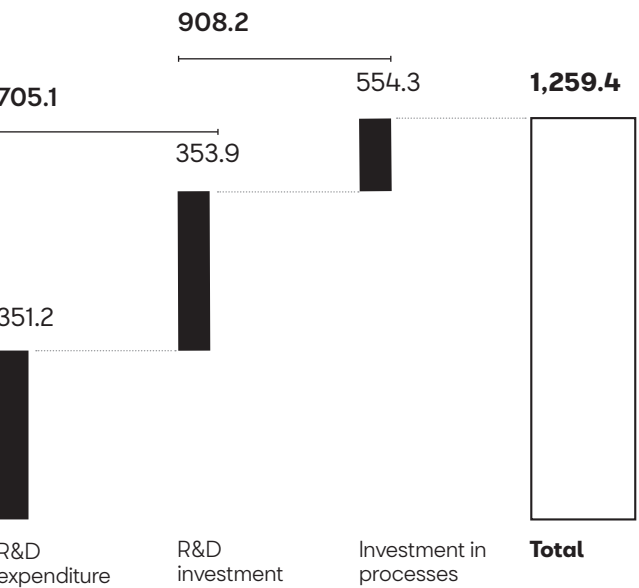
R&D resources

During 2019, SEAT dedicated **€353.9 million to investment in R&D**, with a further **€351.2 million in R&D expenditure**. In total, SEAT contributed **€705.1 million to R&D**, equivalent to **€46,791 per direct employee**. At a national level, SEAT's total contribution to R&D represents **4.8% of the total R&D carried out in Spain.**⁽¹⁾

The total investment carried out by the company in Spain amounts to **€908.2 million**, of which **€353.9 million** were allocated to R&D and **€554.3 million to processes**. The company's level of investment accounted for **3.8% of the total investment of the industrial sector in Spain.**⁽²⁾

In summary, the company's **total investment and expenditure on R&D** amounted to **€1,259.4 million** in 2019, which is equivalent to a contribution of **€83,576 per direct SEAT employee**.

SEAT's total investment and expenditure on R&D in 2019 (€ millions)



Source: Analysis based on information from SEAT, the European Commission (EU R&D Scoreboard 2019-Data 2018) and the Spanish National Statistics Institute.

(1) 2017 Business Innovation Survey by the Spanish National Statistics Institute (last year available).
(2) 2017 Structural Statistics of Companies of the Spanish National Statistics Institute (last year available).
(3) 2020-40 Automotive Report published by ANFAC.



Business driver

SEAT is among **the top 10 Spanish companies** in terms of turnover (€11,157.3 million which represents **0.9% of Spain's GDP**), and has the **highest turnover in the industrial manufacturing sector**.⁽¹⁾

Economic driver

SEAT contributes to Spain's economic development with a high percentage of domestic suppliers (**60%**), which stimulates economic activity throughout the supply chain.

Export driver

SEAT supports the "Made in Spain" brand, since **it is the leading company in Spain's manufacturing sector in terms of exports** (€9,014 million, a figure that represents **3.1%** of all Spanish exports).

Job creator

SEAT is the biggest employer in the industrial manufacturing sector and one of the most important in Spain overall (15,069 direct employees,⁽²⁾ and as many as **116,785** including indirect and induced jobs).⁽³⁾

R&D driver

Leading company in the industrial sector in terms of R&D (€705.1 million in expenditure and investment in R&D, which represents **4.8%** of the total in Spain), and the **fourth largest R&D investment programme overall**.⁽⁴⁾

Stability creator

SEAT once again increased its activity in 2019 with growths of **5.4%** in vehicle production and **11.7%** in turnover compared to 2018, thus contributing to the stability of the Spanish economy.

Through its activities, since its creation in 1950, SEAT makes a significant contribution to Spain's socioeconomic development.



Source: Analysis based on information from SEAT, the Spanish National Statistics Institute (Business Innovation Survey, with data for 2017), El Economista by Informa D&B ranking 2019-Data 2018 and the EU 2019-Data 2018 R&D Industrial Scoreboard.

(1) El Economista by Informa D&B ranking 2019-Data 2018 of non-financial companies.
(2) Includes the basic workforce (14,663 people), partial retirees (232 people) and apprentices with a contract (174 people) at 31/12/2019.

(3) El Economista by Informa D&B ranking 2019-Data 2018 of non-financial companies.

(4) EU 2019-Data 2018 R&D Industrial Scoreboard ranking.



Auditor’s Report on the Annual Accounts



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AUDIT REPORT ON FINANCIAL STATEMENTS ISSUED BY AN INDEPENDENT AUDITOR
Translation of a report and financial statements originally issued in Spanish. In the event of discrepancy,
the Spanish-language version prevails

To the Sole Shareholder of SEAT, S.A., Sociedad Unipersonal:

Report on the financial statements

Opinion

We have audited the financial statements of SEAT, S.A., Sociedad Unipersonal (the Company), which
comprise the balance sheet as at December 31, 2020, the income statement, the statement of
changes in equity, the cash flow statement, and the notes thereto for the year then ended.

In our opinion, the accompanying financial statements give a true and fair view, in all material
respects, of the equity and financial position of the Company as at December 31, 2020 and of its
financial performance and its cash flows for the year then ended in accordance with the applicable
regulatory framework for financial information in Spain (identified in Note 3.a to the accompanying
financial statements) and, specifically, the accounting principles and criteria contained therein.

Basis for opinion

We conducted our audit in accordance with prevailing audit regulations in Spain. Our responsibilities
under those standards are further described in the Auditor’s responsibilities for the audit of the
financial statements section of our report.

We are independent of the Company in accordance with the ethical requirements, including those
related to independence, that are relevant to our audit of the financial statements in Spain as
required by prevailing audit regulations. In this regard, we have not provided non-audit services nor
have any situations or circumstances arisen that might have compromised our mandatory
independence in a manner prohibited by the aforementioned requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis
for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in
our audit of the financial statements of the current period. These matters were addressed in the
context of our audit of the financial statements as a whole, and in forming our audit opinion thereon,
and we do not provide a separate opinion on these matters.

Demisión Social: Casa de Ramón y Cajal, S.L. 28002 Madrid - inscripción en el Registro Mercantil de Madrid, tomo 9.364 general, 8.120 de la sección 3ª del Libro de Sociedades, folio 68.
Inscrita nº 67.690-1, inscripción en el C.I.F. B-79970506.
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Recoverability of non-current non-financial assets

Description At December 31, 2020 the net carrying amount of intangible assets and tangible
assets amounts to 1,511.4 and 1,749.3 million euros, respectively. Additionally, at
that date the Company has recognized deferred tax assets amounting to 359.3
million euros. Determining the recoverable amount of the said assets, which account
for 66% of the Company’s total assets at that date, requires Company Management to
make complex estimates of projections of results and future cash flows, which entails
the use of judgments in the determination of the assumptions considered in those
estimates. Given this circumstance, together with the uncertainty created by the
COVID-19 pandemic, and the relevance of the amounts mentioned above, we have
considered this issue a key audit matter.

Our
response

- Our audit procedures consisted, among others, in:
- ▶ Understanding the procedures established by Company Management in the
preparation of projections of results and future cash flows, and assessing the
design and implementation of relevant controls.
 - ▶ Analyzing the consistency of the data used in the projections made with the
budgets approved by the Management of the Company and of the Volkswagen
Group it belongs to.
 - ▶ Assessing the reasonableness and consistency of the key assumptions considered
in the determination of the Company’s future cash flows, as well as the
projections of results of the tax group it belongs to, based on historical
information, economic forecasts for the industry and other supporting
documentation.
 - ▶ Conducting an analysis by our valuations experts of the reasonableness of the
methodology used to estimate future cash flows and, specifically, the discount
rate and long-term growth rate considered by Company Management.
 - ▶ Reviewing the disclosures included in the accompanying notes to the financial
statements in accordance with the applicable regulatory framework for financial
information.

Recording and quantification of provisions and contingencies

Description As detailed in Note 14 to the accompanying financial statements, at December 31,
2020 the Company has recognized provisions amounting to 1,394 million euros to
face commercial, production and legal risks, among others. The said provisions have
been recorded in the “Long-term provisions” and “Short-term provisions” captions in
the liabilities side of the balance sheet. The recording of these provisions requires
Company Management to make complex estimates of the probability of future cash
outflows and their quantification, which entails the use of judgments in the
determination of the assumptions considered in those estimates. Given this
circumstance, together with the relevance of the amount mentioned above, which
accounts for 35% of the Company’s total liabilities at that date, we have considered
this issue a key audit matter.

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Our
response

Our audit procedures consisted, among others, in:

- ▶ Understanding the procedures for identifying and quantifying the risks established by Company Management, and assessing the design and implementation of relevant controls.
- ▶ Assessing the reasonableness of the judgments made by Company Management for estimating the amounts to be set aside in the provisions, based on past experience, specific risks identified and other supporting documentation.
- ▶ Obtaining written confirmation from the Company's legal department and external advisors of the assessment and quantification of litigations and contingencies risks.
- ▶ Reviewing the minutes of the meetings held by the Company's managing and administration bodies.
- ▶ Reviewing the disclosures included in the accompanying notes to the financial statements in accordance with the applicable regulatory framework for financial information.

Other matters

On February 25, 2020 other auditors issued their audit report on the 2019 financial statements, in which they expressed an unqualified opinion.

Other information: management report

Other information refers exclusively to the 2020 management report, the preparation of which is the responsibility of the Company's directors and is not an integral part of the financial statements.

Our audit opinion on the financial statements does not cover the management report. Our responsibility for the management report, in conformity with prevailing audit regulations in Spain, entails:

- a) Checking only that the non-financial information statement was provided as stipulated by applicable regulations and, if not, disclose this fact.
- b) Assessing and reporting on the consistency of the remaining information included in the management report with the financial statements, based on the knowledge of the entity obtained during the audit, in addition to evaluating and reporting on whether the content and presentation of this part of the management report are in conformity with applicable regulations. If, based on the work we have performed, we conclude that there are material misstatements, we are required to disclose this fact.



Based on the work performed, as described above, we have verified that the information referred to in paragraph a) above is provided as stipulated by applicable regulations and that the remaining information contained in the management report is consistent with that provided in the 2020 financial statements and its content and presentation are in conformity with applicable regulations.

Responsibilities of the directors and the audit, compliance and good governance commission for the financial statements

The directors are responsible for the preparation of the accompanying financial statements so that they give a true and fair view of the equity, financial position and results of the Company, in accordance with the regulatory framework for financial information applicable to the Company in Spain, identified in Note 3.a) to the accompanying financial statements, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The audit, compliance and good governance commission is responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with prevailing audit regulations in Spain will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with prevailing audit regulations in Spain, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.



- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ▶ Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the audit, compliance and good governance commission of the Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit, compliance and good governance commission of the Company with a statement that we have complied with relevant ethical requirements, including those related to independence, and to communicate with them all matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the audit, compliance and good governance commission of the Company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Report on other legal and regulatory requirements

Additional report to the audit, compliance and good governance commission

The opinion expressed in this audit report is consistent with the additional report we issued to the audit, compliance and good governance commission of the Company on February 23, 2021.



Term of engagement

The extraordinary general shareholders' meeting held on March 17, 2020 appointed us as auditors for 3 years, commencing on December 31, 2020.

ERNST & YOUNG, S.L.
(Registered in Spain's Official Register of Auditors under No. S0530)

(Original in Spanish signed by Xavier Pujol Pamies, registered in Spain's Official Register of Auditors under No. 18302)

February 23, 2021

Balance Sheet

At December 31 (millions of euros)

Assets	Note	2020	2019
Non-current assets		4,397.7	4,084.5
Intangible assets	6b	1,511.4	1,310.1
Tangible assets	6c	1,749.3	1,724.6
Long-term Group and associated companies investments	6d	761.5	762.9
Long-term financial investments		16.2	8.3
Deferred tax assets	18	359.3	278.6
Current assets		1,103.2	1,758.5
Inventories	9	479.2	546.9
Trade and other receivables	10	553.1	659.1
Short-term Group and associated companies investments	11	55.3	548.2
Short-term financial investments	11	11.8	0.0
Short-term prepaid expenses		3.8	3.5
Cash and cash equivalents		0.0	0.8
Total		5,500.9	5,843.0

Equity and liabilities	Note	2020	2019
Equity		1,511.9	1,991.4
Shareholders' equity	12	1,501.4	2,007.0
Valuation adjustments		9.0	(17.3)
Grants	13	1.5	1.7
Non-current liabilities		704.0	606.9
Long-term provisions	14	430.8	331.3
Long-term liabilities	15	61.3	95.0
Long-term Group and associated companies liabilities	15	0.0	0.0
Deferred tax liabilities	18	12.4	7.9
Long-term prepaid income	5i	199.5	172.7
Current liabilities		3,285.0	3,244.7
Short-term provisions	14	963.2	933.6
Short-term liabilities	15	102.6	128.1
Short-term Group and associated companies liabilities	15	198.1	4.1
Trade and other payables	16	2,006.4	2,067.0
Short-term prepaid income	5f	14.7	111.9
Total		5,500.9	5,843.0

Profit and Loss Statement

January 1 to December 31 (millions of euros)

Continuing operations	Note	2020	2019
Net sales	19a	8,784.0	11,157.3
Change in inventories of finished goods and work in progress	19b	(33.4)	32.4
Material, wages and overheads capitalized as assets	5a	376.1	339.2
Supplies	19c	(6,364.2)	(8,258.5)
Other operating income	19d	215.2	265.7
Personnel costs	19e	(861.8)	(953.0)
Other operating expenses	19f	(2,005.5)	(2,126.0)
Depreciation of fixed assets	6a	(581.4)	(395.1)
Change of grants from non-financial fixed assets and others	13	0.5	1.0
Excess of provisions		62.5	14.4
Impairment and result on disposal of fixed assets	6a	(9.7)	274.2
Operating result		(417.7)	351.6
Financial income	19g	98.7	98.9
Financial expenses	19h	(4.5)	(6.3)
Exchange rate differences	17	2.5	12.9
Impairment and result on disposal of financial instruments	19i	(3.0)	(3.7)
Financial result		93.7	101.8
Result before tax		(324.0)	453.4
Corporation tax	18	129.8	(107.8)
Result for year		(194.2)	345.6

Statement of Changes in Equity

At December 31 (millions of euros)

Statement of recognized income and expenses	Note	2020	2019
A) Result of Profit and Loss statement		[194.2]	345.6
For valuation of financial instruments		47.8	[27.0]
Financial assets available for sale		0.0	0.0
Derivative financial instruments		47.8	[27.0]
For coverage of cash flow		0.0	0.0
Grants	13	0.2	0.2
For actuarial gains and losses and other adjustments		0.0	0.0
For non-current assets and linked liabilities, maintained for sale		0.0	0.0
Conversion differences		0.0	0.0
Taxation effect		[12.0]	5.8
B) Total income and expenses entered directly to equity		36.0	[21.0]
For valuation of financial instruments		[12.8]	3.7
Financial assets available for sale		0.0	0.0
Derivative financial instruments		[12.8]	3.7
For coverage of cash flow		0.0	0.0
Grants	13	[0.5]	[1.0]
For non-current assets and linked liabilities, maintained for sale		0.0	0.0
Conversion differences		0.0	0.0
Taxation effect		3.4	0.3
C) Total transfers to Profit and Loss statement		[9.9]	3.0
D) Total recognized income and expenses (A+B+C)		[168.1]	327.6

Statement of total changes in Equity	Subscribed capital	Share premium	Reserve	Profit/loss from prev. years	Profit/loss for year	Valuation adjustments	Subventions	Total
Final balance 2018	0.1	1,008.1	359.0	0.0	294.2	0.2	2.2	1,663.8
Adjustments for changes of criterion	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Adjustments for errors	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Adjusted balance beginning 2019	0.1	1,008.1	359.0	0.0	294.2	0.2	2.2	1,663.8
Total recognized income and expenses	0.0	0.0	0.0	0.0	345.6	[17.5]	[0.5]	327.6
Operations with partners or owners	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capital increase	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capital reduction	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Conversion of financial liabilities into equity	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Distribution of dividends	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Operations with own shares or participations (net)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Variation in equity due to business combinations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other operations with partners or owners	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other variations in equity	0.0	0.0	294.2	0.0	[294.2]	0.0	0.0	0.0
Final balance 2019	0.1	1,008.1	653.2	0.0	345.6	[17.3]	1.7	1,991.4
Adjustments for changes of criterion	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Adjustments for errors	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Adjusted balance beginning 2020	0.1	1,008.1	653.2	0.0	345.6	[17.3]	1.7	1,991.4
Total recognized income and expenses	0.0	0.0	0.0	0.0	[194.2]	26.3	[0.2]	[168.1]
Operations with partners or owners	0.0	0.0	[138.5]	0.0	[172.8]	0.0	0.0	[311.3]
Capital increase	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capital reduction	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Conversion of financial liabilities into equity	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Distribution of dividends	0.0	0.0	[138.5]	0.0	[172.8]	0.0	0.0	[311.3]
Operations with own shares or participations (net)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Variation in equity due to business combinations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other operations with partners or owners	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other variations in equity	0.0	0.0	172.7	0.0	[172.8]	0.0	0.0	[0.1]
Final balance 2020	0.1	1,008.1	687.4	0.0	[194.2]	9.0	1.5	1,511.9

Cash Flow Statement

January 1 to December 31 (millions of euros)

	Note	2020	2019
A) Cash flow from operating activities			
Result before tax		(324.0)	453.4
Adjustment of result		619.8	176.3
<i>Depreciation of fixed assets</i>	6a	581.4	395.1
<i>Valuation corrections due to impairment</i>		2.2	(261.7)
<i>Variation of provisions</i>		128.4	142.1
<i>Accounting entry of grants</i>	13	(3.0)	(3.4)
<i>Results of disposal of fixed assets</i>		9.7	0.0
<i>Results of disposal of financial instruments</i>		0.0	0.0
<i>Financial income</i>	19g	(98.7)	(98.9)
<i>Financial expenses</i>	19h	4.5	6.3
<i>Exchange rate differences</i>	17	(1.3)	0.2
<i>Valuation at reasonable value in financial instruments</i>		0.0	0.0
<i>Other income and expenses</i>		(3.4)	(3.4)
Changes in current capital		(50.8)	321.6
<i>Inventories</i>	9	76.4	(134.1)
<i>Trade and other receivables</i>	10	0.4	159.8
<i>Other current assets</i>		(0.5)	(1.5)
<i>Trade and other payables</i>	16	(56.9)	196.9
<i>Other current liabilities</i>		(70.2)	100.5
Other cash flow in operating activities		221.0	140.6
<i>Payment of interests</i>		(2.5)	(2.2)
<i>Collection of dividends</i>		98.4	98.3
<i>Collection of interests</i>		0.2	0.6
<i>Collection (payment) for corporation tax</i>		124.9	43.9

	Note	2020	2019
B) Cash flow from investment activities			
Payments for investment		(842.1)	(1,068.4)
<i>Group and associated companies</i>		(1.9)	(217.3)
<i>Intangible assets</i>	6	(420.4)	(401.3)
<i>Tangible assets</i>	6	(419.4)	(447.3)
<i>Other financial assets</i>		(0.4)	(2.5)
Collection for disinvestments		520.1	0.8
<i>Group and associated companies</i>		519.0	0.0
<i>Intangible assets</i>	6	0.4	0.1
<i>Tangible assets</i>	6	0.1	0.4
<i>Other financial assets</i>		0.6	0.3
C) Cash flow from financing activities			
Collection and payments for equity instruments		2.6	2.7
<i>Acquisition of own equity instruments</i>		0.0	0.0
<i>Disposal of own equity instruments</i>		0.0	0.0
<i>Grants</i>		2.6	2.7
Collection and payments for financial liability instruments		163.9	(27.5)
<i>Issue</i>		185.5	0.0
<i>Borrowing from credit institutions</i>		0.0	0.0
<i>Borrowing from Group and associated companies</i>		185.4	0.0
<i>Other liabilities</i>		0.1	0.0
<i>Repayment and depreciation of</i>		(21.6)	(27.5)
<i>Borrowing from credit institutions</i>		0.0	0.0
<i>Borrowing from Group and associated companies</i>		0.0	0.0
<i>Other liabilities</i>		(21.6)	(27.5)
Payments for dividends and remuneration of other equity instruments		(311.3)	0.0
<i>Dividends</i>	12, 21a	(311.3)	0.0
<i>Remuneration of other equity instruments</i>		0.0	0.0
D) Effect of exchange rate variations			
E) Net increase/decrease in cash or equivalents (A+B+C+D)			
Cash or equivalents at beginning of year		0.8	1.3
Cash or equivalents at end of year		0.0	0.8

Notes

Notes to the Annual Accounts (Financial year ending December 31, 2020)

1. Company activity

a) Registered offices and legal form

SEAT, S.A. was legally incorporated on May 9, 1950, and is currently included in the Barcelona Mercantile Register, Volume 23,662, Folio 1, Page B 56,855, CIF A-28049161. On June 7, 2006, the Shareholders' meeting changed the company's registered offices, with effect the same day, to its present site at: Autovía A2, Km 585 [E-08760 Martorell].

b) Business aim and activities

The company's business aim is the manufacture and sale of cars, parts, spare parts, accessories, R&D services, and any other complementary or related services, including technical assistance and service. Through its subsidiaries SEAT also undertakes commercial sales and marketing activities.

On January 1, 2014 and January 1, 2016, the company merged the subsidiaries SEAT Componentes, S.A. and Centro Técnico de SEAT, S.A., respectively. Under Article 84 of the Corporation Tax Act, the absorbing company may benefit from the assets acquired that are indicated in the merger Balance Sheets included in the company's Annual Accounts for 2014 and 2016, respectively.

2. Exemption from presenting Consolidated Annual Accounts

The General Shareholders' Meeting, held on June 20, 1991, voted for the exemption of the companies making up the SEAT Group, pursuant to the terms of Article 43 of the Code of Commerce, from presenting Consolidated Annual Accounts. In accordance with the provisions of the above-mentioned Article 43, SEAT, S.A. [Single Shareholder Joint Stock Parent Company of the SEAT Group] is exempt from the obligation of presenting Consolidated Annual Accounts, as it is a wholly-owned subsidiary of Volkswagen Finance Luxemburg S.A. [its sole shareholder, with registered offices in Luxembourg], and indirect subsidiary of VOLKSWAGEN AG (with registered offices in Wolfsburg, Germany); the pertinent financial statements, together with those of its subsidiaries, are included in those of the Volkswagen Group, of which VOLKSWAGEN AG is the parent company.

From the aforementioned agreement, the Consolidated Annual Accounts of VOLKSWAGEN AG, as well as the Consolidated Management Report and the Group's Auditors' Report, are presented in their Spanish translation for deposition at the Barcelona Mercantile Register.

3. Presentation basis of Annual Accounts

a) True and fair view

The Annual Accounts — comprising the Balance Sheet, Profit and Loss Statement, Statement of Changes in Equity, Cash Flow Statement and Notes — have been prepared on the basis of the company's accounting records, and are presented in accordance with current mercantile legislation and the Spanish General Accounting Plan approved by Royal Decree 1514/2007 of November 16, in addition to subsequent modifications to said Plan by Royal Decree 1159/2010 of September 17 and by Royal Decree 602/2016 of December 2.

The Annual Accounts give a true and fair view of the company's equity, its financial situation and results of business, cash flow and changes in equity.

The figures contained in the Annual Accounts are expressed in millions of euros.

b) Grouping of headings

In order to present the figures clearly, the headings are grouped together in the Balance Sheet and the Profit and Loss Statement and broken down in the Notes (Article 256 of Capital Company Act).

c) Items appearing under several headings

There are some items whose amounts are shown under different headings of the Balance Sheet, due to their being credits or liabilities whose collection arises in different financial years, with the items receivable or payable in the next year shown as short-term items, while amounts that will fall due in the forthcoming years are shown as long-term.

d) Measurement and estimation of uncertainty

In preparing the Annual Accounts, company management was required to make judgments estimates and assumptions that may affect the accounting policies finally adopted as well as the value of assets, liabilities, income, expenditure and breakdowns related thereto.

Estimates and hypotheses are based, inter alia, on past experience or other factors considered reasonable in view of the factors or circumstances considered at the Balance Sheet date, the result of which constitutes the basis for decisions concerning the book value of the assets and liabilities which cannot be determined immediately in any other fashion. Actual results may differ from initial estimates.

Some judgments, accounting estimates and assumptions are considered material, due to their nature and because their impact on the company's financial position or operating performance is material. Below is a list of the main judgments and estimates made:

- Useful lives of fixed assets (see Notes 5a, 5b and 6). The company's management determines the estimated useful lives and the corresponding depreciation and amortization charges for tangible and intangible assets on the basis of their expected life cycles. These could change as a result of factors such as technical modifications, obsolescence or changes in the demand for the products sold by the company.
- Assessment and quantification of any possible impairment of the tangible and intangible assets (see Note 6). The company assesses whether there are any signs of impairment of its Cash Generating Units [hereinafter, CGUs] at the end of each financial year. Where appropriate, it then determines the amount of the impairment on the basis of their recoverable value, taking into consideration the projections of expected cash flows, which are subject to significant estimates and judgment.
- Assessing the economic and financial viability of the development projects, for the purposes of recognizing the related costs as an intangible asset on the Balance Sheet, involves significant judgment and estimates on sales projections and the expected profitability of their CGUs [see Note 6b].
- The calculation of taxes on profits requires interpretations of tax legislation applicable to the company. The company evaluates the recoverability of deferred tax assets on the basis of the probable existence of future taxable profits within its tax group against which such assets can be offset [see Notes 5k and 18].
- Provisions are recognized when it is probable that a current obligation, the result of past events, gives rise to an outflow of resources and the amount of the obligation can be estimated in a reliable fashion. To comply with the requirements of accounting standards, significant estimates are necessary. The company makes estimates by evaluating all information and relevant events concerning the probability of occurrence of the contingencies as well as the amount of the liability to be settled in the future [see Notes 5h and 14].
- Determining the CGUs for the purposes of the impairment test of tangible and intangible assets (see Notes 5c and 6). Determining the CGUs requires significant judgments regarding the dependency of the company's various businesses. Up until 2018, the company considered that its different model ranges constituted separate CGUs. In the 2019 financial year, the company and the Volkswagen Group reassessed the definition of these CGUs on the basis of the applicable accounting standards and considering the changes affecting the technology, market and regulations of the automotive industry, as well as their impact on the businesses and management models. These changes include, for example, the development of technologies that are increasingly common across different models and regulatory requirements in the European Union on CO₂ emissions.

The company concluded that at the 2019 year end, the cash flows arising from its activities, and particularly from the different models it sold, were not significantly independent. Therefore, for the purposes of the impairment test, its activities are grouped into a single CGU. As a result of this test at the 2019 year end, the company recognized an income in the Profit and Loss Statement due to the reversal of asset impairments (see Notes 6b and 6c).

► In response to the COVID-19 pandemic, at the year end the carrying value of the company’s assets was revised, particularly in the case of tangible and intangible assets and deferred asset taxes (see Notes 6 and 18). The company currently assumes that the pandemic is a temporary event that will not have any significant, lasting negative impact on the commercial performance of its SEAT and CUPRA brands in the long term. The company has adjusted its projections for the period between 2021 and 2025 for the purposes of the asset impairment tests, based on the current expectations regarding overall market trends and the estimated unit sales resulting from them, as well as the costs associated with them.

4. Application of results

At its meeting on February 19, 2021, the Board of Directors submitted a proposal to the General Shareholders’ Meeting for the losses incurred in 2020 (194.2 million euros) to be allocated to losses from previous years.

In compliance with the Capital Company Act, dividends which reduce the balance of reserves below the balance of R&D expenses pending amortization may not be distributed.

5. Recognition and measurement standards

a) Intangible assets

Research costs are recognized as an expense when incurred. Development projects that are specifically individualized and that demonstrate grounds for technical success and economic and commercial viability are capitalized as intangible assets. Projects are amortized on a straight-line basis according to the useful life of the model they refer to. Other development costs are recognized as an expense when incurred. Development costs previously recognized as an expense may not be recognized as an asset in a subsequent financial year.

Software applications are valued at their acquisition cost and are amortized on a straight-line basis over a three-year period. Expenditure related to software maintenance, meanwhile, is recognized as an expense when incurred.

The estimated useful lives of the assets that make up the other intangible assets are 5 years.

The costs related to SEAT’s participation in the manufacturing of tooling needed for the production of shared parts for the platforms of the Volkswagen Group, which incorporate the new models of the Group’s different brands, are shown under this heading and will have a linear amortization over a maximum period of five years from the date of the model’s launch.

b) Tangible assets

Tangible assets are valued at their acquisition price or production cost. Assets acquired before December 31, 1983 were revalued in accordance with the provisions of Act 76/1961, Decree 12/1973, Act 1/1979, Act 74/1980 and Act 9/1983.

Repair and maintenance expenses are posted as expenses when incurred. Expenses that represent an improvement or lengthening of the useful life of assets are capitalized and depreciated over the new estimated useful life. Depreciation is calculated using the straight-line method, based on the estimated useful life of the assets (see Note 6c).

c) Losses due to impairment of non-financial assets

When the carrying amount of an asset is higher than its estimated realizable value, its net book value is immediately reduced to its recoverable amount. Assets subject to amortization are tested for impairment whenever events or changes in the circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the excess of the asset’s carrying amount over its recoverable amount, where the latter is understood as the greater of the asset’s fair value less costs to sell, or its value in use. For the purposes of assessing impairment losses, assets are grouped into CGUs, which are the smallest identifiable group of assets capable of generating cash inflows that are largely independent of the cash inflows produced by other assets or groups of assets.

The impairment test of non-financial assets is carried out at each financial year end, on the basis of the CGUs identified at the date on which this test is performed (Note 3d). In accordance with the accounting standards, in the event of changes arising in the circumstances and in the dependency of the cash flows generated by the different assets, and where these changes require a modification of the CGUs, this modification is considered to apply prospectively starting from the moment when it occurs.

An impairment loss recognized in prior periods would only be reversed if there has been a change in the estimates used to determine the recoverable amount of the asset or CGU (see Note 3d) since the last impairment loss was recognized. If this were the case, the net book value of the asset or CGU should be increased up to its recoverable value, where this may not exceed the net book value that would have been recognized, net of depreciation or amortization, had the impairment loss not been recorded in previous years. This reversal is recognized in the Profit and Loss Statement for the period in which it arises.

d) Leases

I. When the company is lessee

Leases of tangible assets in which the company substantially has all the risks and rewards deriving from ownership are classified as finance leases. They are capitalized at the beginning of the lease period at the fair value of the property leased or the current value of the minimum payments agreed for the lease, whichever is the lesser. The interest rate implicit in the contract is used to calculate current value; failing that, the company’s usual interest rate in similar transactions is applied. Each lease payment is distributed between liabilities and financial charges. Total financial charges are distributed over the duration of the lease operation and are booked to the Profit and Loss Statement of the financial year in which they accrue, applying the method of effective interest rate. Contingent quotas are costs of the financial year in which they are incurred. The corresponding obligations for the lease operation, net of financial charges, are included under liabilities in the Balance Sheet. The fixed assets acquired under finance leases are depreciated during their useful life.

Those leases in which the lessor maintains a substantial part of the risks and rewards of ownership are classified as operating leases. Payments for operating leases (net of any incentive received from the lessor) are booked to the Profit and Loss Statement during the financial year when they accrue, on a straight-line basis for the duration of the leasing period.

II. When company is lessor

When assets are leased under operating leases, the asset is entered on the Balance Sheet in accordance with its nature. Income deriving from leases is recognized on a straight-line basis for the duration of the lease operation.

e) Financial instruments

I. Investments in Group, multigroup and associate companies

These instruments are valued at their cost less the accumulated amount of any impairments of value, where applicable. However, when an investment exists prior to it becoming classified as a Group, multigroup or associate company, the cost of the investment is taken to be its net book value prior to this new classification. Any previous valuation adjustments recognized directly in equity are maintained in equity until they are canceled.

If there is objective evidence that the net book value is not recoverable, the appropriate valuation adjustments are applied for the difference between its net book value and the recoverable amount, which is understood as the higher of its fair value less costs to sale and the present value of the cash flows derived from the investment. Unless better evidence exists for the recoverable amount in estimating the impairment of these investments, the subsidiary’s equity, adjusted for any unrecognized increases in value on the valuation date, is taken. The valuation adjustment, and where applicable its reversal, is recognized in the Profit and Loss Statement in the period in which it occurs.

II. Loans and accounts receivable

Loans and receivables are non-derivative financial assets with receipts that are fixed or that can be determined, which are not quoted in an active market. They are included in current assets, except for maturities exceeding 12 months from the Balance Sheet date, which are classified as non-current assets.

These financial assets are initially recognized at their fair value, including the transaction costs that are directly attributable to them. They are subsequently valued at their amortized cost, recognizing the accrued interest according to their effective interest rate, understood as the discount rate that equates the instrument’s net book value with the total of its estimated cash flows to maturity. Nevertheless, accounts receivable from commercial operations with a maturity within one year are valued at their nominal value, both upon their initial recognition and thereafter, provided that the effect of not discounting the cash flows is not significant.

At least at the end of each financial year, the necessary valuation adjustments due to impairment are applied if there is objective evidence that not all the amounts due will be collected.

The amount of the loss due to impairment is the difference between the asset’s net book value and the present value of the estimated future cash flows, discounted at the effective interest rate at the time of the initial recognition. Valuation adjustments, and where applicable their reversal, are recognized in the Profit and Loss Statement in the fiscal year when incurred.

Financial assets are retired from the Balance Sheet when the contractual rights over the corresponding cash flows have expired, or when the risks and rewards inherent in their ownership are transferred. If the company has not substantially assigned or retained the risks and rewards of a particular financial asset, it is retired from the Balance Sheet when control is no longer retained. If the company maintains control of the asset, it continues to recognize it for the amount to which it is exposed due to the changes in the value of the asset assigned, i.e. due to its continued involvement, recognizing the associated liability. The company also ceases to recognize a financial liability when the corresponding obligation has been extinguished.

III. Debts and accounts payable

This category includes amounts payable from commercial operations and non-commercial operations. These funds owed to third parties are classified as current liabilities, unless the company has an unconditional right to defer their settlement until at least 12 months after the Balance Sheet date.

These debts are initially recognized at their fair value, adjusted for directly attributable transaction costs, and they are subsequently valued at their amortized cost according to the effective interest rate method. This effective interest rate is the discount rate that equates the instrument’s net book value with the expected flow of future payments up until the liability’s maturity.

Nevertheless, accounts payable from commercial operations with a maturity within one year and which do not have any contractual interest rate are valued at their nominal value, both upon their initial recognition and thereafter, when the effect of not discounting the cash flows is not significant.

IV. Financial derivatives and accounting hedges

Financial derivatives are measured at fair value, both on initial recognition and in subsequent valuations. The method for recognizing the resulting gains or losses depends on whether the derivative has been designated as a hedging instrument or not and, where applicable, the type of hedge in question. The company uses derivatives undertaken by the Volkswagen Group to hedge foreign exchange rate fluctuations, which are designated as cash flow hedges. In addition, future commodity prices are hedged through operations undertaken by the Volkswagen Group (see Note 8b).

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognized temporarily within equity. These amounts are then released to the Profit and Loss Statement in the periods in which the operation to be hedged affects profits.

The nominal principal of all the fixed-term contracts denominated in foreign currency pending at December 31, 2020 amounted to 4,214.4 million euros (1,434.6 in 2019).

At December 31, 2020, the value of long-term and short-term assets recognized as derivative financial instruments amounted to 13.5 and 11.6 million euros, respectively (3.5 and 0 in 2019). The value of long-term and short-term liabilities, meanwhile, amounted to 5.0 and 7.5 million euros (24.4 and 2.6 in 2019).

f) Inventories

Inventories are valued at cost or net realizable value, whichever is less, with the pertinent value corrections being made. The following methods are used to determine the cost of inventories:

- Raw materials: at acquisition cost, applying the FIFO method (first in, first out).
- Work in progress, vehicles, gearboxes and spare parts produced by the company: at raw material cost, according to the method described previously, adding labor costs and other direct and indirect manufacturing expenses of production.
- Acquired spare parts: at acquisition cost as per invoice (plus customs, insurance and transport costs), applying the FIFO method.

The vehicle fleet utilized by the company for its own use, whose useful life or sales period is considered lower than one year, is maintained within the year’s inventory and is not shown under tangible assets, registering the corresponding valuation correction.

Vehicles handed over to rental car companies with a purchase commitment are recorded in this section with the corresponding depreciation applied. The amount of the consideration received at the time of initial delivery of the vehicles is booked on the liability side of the Balance Sheet. The difference between the amount received and the agreed repurchase price is transferred to the Profit and Loss Statement on a straight-line basis in the period ranging between the initial delivery and the repurchase date.

g) Grants

Capital grants are posted to equity, at the amount granted when they are not repayable. These grants are transferred to the Profit and Loss Statement based on the depreciation of the assets associated to the subsidized projects. For their part, non-repayable grants related to specific costs are recognized on the Profit and Loss Statement in the same financial year in which the corresponding costs accrue, with those granted to offset an operating loss being recorded in the financial year in which they are granted, except when given to offset an operating loss in future years, in which case they are entered during said financial years.

h) Provisions and risks

Provisions are recognized when the company has a present obligation, whether legally or implicitly, as a result of past events, it is probably that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Provisions are valued at the present value of the payments that are expected to be necessary to settle the obligation, using a pre-tax discount rate that reflects the current market’s assessments of the time value of money and the specific risks of the obligation. Adjustments to the provision to unwind the discount are recognized as a finance cost as when they accrue.

i) Short and long-term prepaid income

This heading mainly includes the amount relating to warranty extensions that the company offers its customers. This amount is recognized in the Profit and Loss Statement according to the type of contract in question, which is usually linked to an additional period of one or more years beginning at the end of the contractual warranty period.

j) Foreign currency transactions

The conversion into euros (functional currency) of the cost of fixed assets and inventory items whose original value was expressed in foreign currency is conducted at the going exchange rate on the date of acquisition.

Positive and negative differences which may arise between payables and receivables and their corresponding exchange rates in force on the closing date are recorded in the Profit and Loss Statement in the year in which they arise.

k) Corporation tax

The company is subject to corporation tax under the consolidated tax regime, which includes all companies of the Volkswagen Group in Spain that fulfill the requirements required by current legislation.

The Profit and Loss Statement includes as corporation tax income or expenses attributed to the company arising from tax consolidation, calculated according to the criteria established for groups of companies with consolidated taxation (see Note 18).

The expense (income) for taxes on profits is the amount that accrues under this item in the financial year, and which comprises both the expense (income) for current as well as deferred tax.

The expense (income) for both current and deferred taxes is recorded on the Profit and Loss Statement. This notwithstanding, the tax effect related to items directly recorded in equity is recognized in equity.

Deferred taxes are calculated in accordance with the liability method, based on timing differences arising between the tax bases of assets and liabilities and their net book values within the company's tax group.

Deferred taxes are determined by application of the rules and tax rates approved or about to be approved at the Balance Sheet date, and which are expected to be applied when the corresponding deferred tax asset is realized or when deferred tax liability is settled.

Deferred tax assets are recognized insofar as it is probable that there will be future taxable income which can be used to offset time differences.

l) Income and expenses

Income is recognized at the fair value of the consideration received, and represents the amounts receivable for goods delivered and services rendered in the ordinary course of the company's activities, less returns, reductions, discounts and value added tax.

Income is recognized when its amount can be reliably valued and it is likely that the future economic benefits will flow to the company.

Income from dividends is entered as income on the Profit and Loss Statement when the right to receive payment is established. In the event of coming from results generated prior to the date of acquisition it is entered by reducing the book value of the investment.

m) Severance payments and pension commitments

Severance payments are paid by the company to employees as a result of the decision to terminate their labor contract. The company recognises this compensation when it has committed itself demonstrably to terminating the contracts of employees in accordance with a formal detailed plan.

The Company makes fixed contributions to a defined contribution pension scheme contracted with a separate entity. It has no legal, contractual or implicit obligation to make additional contributions if this entity were it to have insufficient assets to honor the commitments assumed. These contributions are recorded in the Profit and Loss Statement when they are accrued.

n) Environment – related assets

Expenses deriving from business activities aimed at protecting and improving the environment are posted as expenses in the financial year in which they are incurred. Said expenses are posted as an increase to the value of fixed assets when involving additions to tangible assets whose objective is minimizing environmental impact and protecting the environment.

o) Related party transactions

As a general rule, transactions between Group companies are initially accounted at their fair value. In the event that the agreed price is different from the fair value, the difference is recorded with consideration for the economic reality of the operation. Subsequent valuation is carried out in accordance with the applicable standards.

In the case of merger, demerger or non-monetary contribution operations of a business between Group companies, once the transaction has been completed the constituent elements of the acquired business are valued at their corresponding amounts in the consolidated annual accounts of the Group or subgroup.

When the transaction does not involve the parent company of the Group or subgroup and its subsidiary, the annual accounts in which such assets are recognized for these purposes will be those of the largest Group or subgroup into which the assets and liabilities are incorporated and which has a Spanish parent company.

In such cases, any difference arising between the net book value of the assets and liabilities of the acquired company is recognized in reserves.

In the event that these accounts are not prepared, based on any of the grounds for exemption set out in the consolidation standards, the values that appear in the individual annual accounts of the contributing company before the transaction was carried out will be taken.

p) Business combinations

Merger, demerger and non-monetary contribution operations of any deal between Group companies are accounted for in accordance with the criteria established for related party transactions (Note 5o).

Merger and demerger operations other than the above, as well as business combinations arising from the acquisition of all the assets and liabilities of a company or of a part that constitutes one or more business, are accounted for in accordance with the acquisition method.

In the case of business combinations arising as a result of the acquisition of shares or holdings in the share capital of a company, the company recognizes the investment in accordance with the criteria established for investments in group, multigroup and associate companies (Note 5e).

q) Greenhouse gas emission rights

I. Facilities:

Greenhouse gas emission rights, obtained for consideration are valued at acquisition price. Rights received via the National Allocation Plan are valued at the beginning of the calendar year they correspond to, in line with a Group-wide uniform single policy.

As gas emissions are generated, the company reflects the cost deriving from the obligation to return the corresponding rights by establishing a balance within a short-term provision. The rights have been received gratis by the company, so the amount of the subsidy posted should be applied, in general, as the emissions associated with the rights received gratis are booked against costs.

On November 15, 2013 the Spanish Cabinet approved the definitive individual assignment of emission rights for greenhouse gases for 2013-2020. SEAT, S.A. obtained a free assignment of 304,122 tonnes of CO₂ for the above-mentioned period.

On July 17, 2015 a modification was approved affecting the assignment of emission rights for greenhouse gases for 2015-2020. SEAT, S.A. obtained a free assignment of 401,899 tonnes of CO₂ for the above-mentioned period.

During the financial year acquisitions of 58,000 emission rights (EUAs), to the value of 1.7 million euros, have been made (there have not been any acquisitions of EUAs in 2019).

II. New vehicles:

The company operates in various markets that are subject to regulations governing CO₂ emissions for manufacturers of new vehicles. With effect from January 1, 2020, a European Union regulation came into force which set an emissions target of 95g CO₂/km for all vehicles that are registered for the first time in member states.

Under the regulations currently in force, manufacturers can form clusters. SEAT is part of one such cluster, together with all the other manufacturers of the Volkswagen Group. For the purposes of meeting its obligations, this allows the Group to be considered a single manufacturer. This makes it possible for the companies of the Group to trade CO₂ emissions internally among one another (see Note 9).

6. Non-current assets

a) Evolution of non-current assets

Movements of the items included in non-current assets are detailed in Appendix 1 of these Notes.

b) Intangible assets

The cumulative impairment of intangible assets at December 31, 2018 amounted to 285.3 million euros. These cumulative impairments were associated with the estimated future sales volumes of the vehicles that made up the range of models at December 31, 2018. The value in use was calculated on the basis of the contribution margin from sales throughout the models' life cycle and using an annual discount rate of 5.5%.

At the 2019 year end, the company conducted an impairment test of its tangible and intangible assets based on the CGUs identified at that date. As a result, it recognized an income in the Profit and Loss Statement for the reversal of the impairment of intangible assets amounting to 209.6 million euros. This sum corresponds to the net amount of impairment recognized in prior periods, less the amortization that would have been charged had the impairment loss not been recognized in previous years (see Notes 3d and 5c).

At the year end, there is no correction due to impairment. The value in use is calculated based on the discounted cash flows under the budgets approved by the company for the next 5 years, plus a terminal value calculated with a perpetual growth rate of 1.0%. The discount rate (after taxes) used was 5.3% in 2020 (4.8% in 2019). Any reasonable and possible change in the hypothesis considered in determining the cash flows or in the discount rate would not suppose the book value of the CGU to exceed its value in use.

R&D investments that are capitalized are either acquired from Group companies or developed internally. In 2020 the investment in intangible assets acquired from VW Group companies amounted to 285.1 million euros (242.4 in 2019). Thus, the gross and amortized value of the assets acquired from Volkswagen Group companies amounts to 1,862.8 and 973.4 million euros, respectively (1,637.9 and 900.5 million in 2019).

The value of fully depreciated assets amounts to 966.6 million euros (824.6 in 2019).

At the end of the financial year, the company has firm commitments for the purchase of goods to the amount of 0.6 million euros (0.3 in 2019).

In 2020 and 2019 no grants for the acquisition of R&D assets were received.

c) Tangible assets

The estimated useful life of the goods in tangible assets are as follows: buildings and other constructions, from 10 to 50 years; technical equipment and machinery, from 4 to 18 years; other facilities, tooling and office equipment, and other assets, from 1.3 to 35 years.

The cumulative impairment of tangible assets at December 31, 2018 amounted to 85.7 million euros. These cumulative impairments were associated with the estimated future sales volumes of the vehicles that made up the range of models at December 31, 2018 as set out in Note 6b.

At the 2019 year end, the company conducted an impairment test of its tangible and intangible assets based on the CGUs identified at that date. As a result, it recognized an income in the Profit and Loss Statement for the reversal of the impairment of tangible assets amounting to 64.6 million euros. This sum corresponds to the net amount of impairment recognized in prior periods, less the depreciation that would have been charged had the impairment loss not been recognized in previous years (see Notes 3d and 5c).

At the year end, there is no correction due to impairment. The main hypotheses used in the impairment test are set out in Note 6b.

The land and buildings heading includes the gross value of both in a single section. Of the total amount, 6% corresponds to land, and the remaining 94% to buildings (6% and 94% respectively in 2019).

In 2020, assets unrelated to operations amount in 3.5 million euros at cost value and 1.8 million euros of accumulated depreciation (3.5 and 1.8 respectively in 2019). The value of assets fully depreciated amounts to 4,059.3 million euros (3,823.3 in 2019). Of these, 171.1 million euros relate to buildings (165.9 in 2019).

Likewise, in 2020 investment in tangible assets acquired from VW Group companies amounted to 38.2 million euros (57.4 in 2019).

The principal amounts of assets (listed according to origin, utilization and location) are as follows:

Millions of euros	2020		2019	
	Gross Value	Depreciation	Gross Value	Depreciation
Tangible assets acquired from VW Group companies	633.5	449.4	599.0	418.8
Tangible assets used by VW Group companies	64.2	33.9	53.0	33.7
Tangible assets used by non-Group suppliers	1,861.5	1,580.0	1,709.0	1,516.4
Tangible assets placed abroad	449.7	329.3	367.3	277.3

The company has taken out various insurance policies to cover risks to which tangible assets are subject. The coverage of these policies is considered sufficient.

At the year end the company assumed firm commitments to purchase capital goods to the value of 237.5 million euros (349.7 in 2019).

In 2020 and 2019, no significant grants have been received for the acquisition of tangible assets.

d) Long-term Group company investments

The companies in which SEAT, S.A. has an investment of 20% or more in the share capital are listed in Appendix 2 of these Notes. None of the companies are quoted on the Stock Exchange.

7. Leases and other similar operations

a) Finance leases

The company did not hold any assets under finance leases at the 2020 and 2019 year ends.

b) Operating leases

The company has operating leases. The amounts paid for rent to other Group companies or third parties, excluding those already mentioned in the previous paragraph, and comprising mainly information technology, land, buildings, fork-lift trucks, containers, fields and warehouses, total 27.1 million euros (24.3 in 2019). Rents received, mainly for buildings, fields and warehouses, amounted to 5.4 million euros (5.3 in 2019).

The total amount of the minimum future payments under non-voidable operating leases subscribed by the company, distributed by maturity date, is as follows: 19.9 million euros in 2021, 32.0 million euros in the period 2022-2025 and 24.1 million euros in subsequent years (20.9; 40.6 and 29.2 million respectively in 2019).

8. Financial instruments

a) Impact on financial situation and results

I. Balance Sheet

The categories of financial assets and liabilities appearing on the company’s Balance Sheet can be broken down thus:

Millions of euros	Equity instruments		Borrowing securities		Credits, derivatives and others	
	2020	2019	2020	2019	2020	2019
Long-term financial assets						
Group and associated companies investments (Note 6d)	761.5	762.9	0.0	0.0	0.0	0.0
Financial investments	0.0	0.0	0.0	0.0	16.2	8.3
Short-term financial assets						
Loans and receivables	0.0	0.0	0.0	0.0	585.0	1.061.8
Trade and other receivables (Note 10)	0.0	0.0	0.0	0.0	517.9	513.6
Group and associated companies investments (Note 11)	0.0	0.0	0.0	0.0	55.3	548.2
Financial investments (Note 11)	0.0	0.0	0.0	0.0	11.8	0.0

Millions of euros	Borrowing from Credit institutions		Bonds and other Negotiable securities		Derivatives and others	
	2020	2019	2020	2019	2020	2019
Long-term financial liabilities						
Debts and other payables	0.0	0.0	0.0	0.0	61.3	95.0
Group and associated companies liabilities (Note 15)	0.0	0.0	0.0	0.0	0.0	0.0
Third-party liabilities (Note 15)	0.0	0.0	0.0	0.0	61.3	95.0
Short-term financial liabilities						
Debts and other payables	0.0	0.0	0.0	0.0	2,254.9	2.150.9
Group and associated companies liabilities (Note 15)	0.0	0.0	0.0	0.0	198.1	4.1
Third-party liabilities (Note 15)	0.0	0.0	0.0	0.0	102.6	128.1
Trade and other payables (Note 16)	0.0	0.0	0.0	0.0	1,954.2	2.018.7

Financial instruments relate mainly to loans and receivables and debts and other payables.

During the financial year, SEAT did not hold any own shares, and therefore carried out no related operations; neither was this the case in 2019.

II. Profit and Loss Statement and equity

The net amount of addition corrections due to the impairment for financial interest in Group companies totaled 3.0 million euros (3.7 in 2019).

III. Other information

SEAT has formalized various commercial surety contracts jointly with other companies within the Group, for the issue of guarantees covering the refundable advances made by government bodies, and covering third parties, to a maximum total amount of 244.7 million euros (244.8 in 2019)(see Note 15).

b) Nature and level of risk

The company’s activities are exposed to various financial risks: market risks (including exchange rates, interest rates and prices), as well as credit and liquidity risks. The company’s global risk management program centers on managing the uncertainty of financial markets and aims to minimize potential adverse effects on financial profitability.

Risk management is under the purview of company Management, which identifies, assesses and covers financial risks in accordance with the policies approved by the Board of Directors. The Board provides guidelines for global risk management, as well as for more specific areas such as exchange rate risk, interest rate risk, liquidity risk, the use of derivatives and non-derivatives as well as investment of excess liquidity.

I. Market risk

I.I. Exchange rates

As an operator with global reach, the company is exposed to exchange rate risk via currency operations, especially with the US dollar, pound sterling, Swiss franc, Japanese yen, Polish zloty, Mexican peso, Russian rouble, Chinese yuan, as well as Czech, Danish, and Swedish crowns. The exchange rate risk emerges from future commercial transactions, recognized assets and liabilities, and net investment in operations abroad. This notwithstanding, both the company and the Volkswagen Group manage these foreign currency operations to mitigate this risk.

I.II. Price

The company is not exposed to the risk of the price of securities since it does not include in its Balance Sheet investments held for sale or at a fair value with changes in the Profit and Loss Statement. The company limits its risk exposure to the price of commodities by participating in hedging operations applied at a Volkswagen Group level so as to ensure the price of certain metals such as aluminum, copper and lead. The company does not have any open positions at the year end.

I.III. Interest rates

Since the company does not possess any significant interest-bearing assets or liabilities, the income, expenses and cash flows from its operating activities are substantially unaffected by fluctuations in market interest rates.

II. Credit risk

Credit risk arises out of cash and equivalents, deposits with banks and financial institutions, and clients. With regard to banks and financial institutions, independent creditworthiness scales are used. If clients have been assessed independently, the resulting scale is used; failing an independent creditworthiness check, credit control assesses the client’s creditworthiness, taking into account their financial situation, previous experience and other factors. Individual credit limits are established on the basis of internal and external credit qualifications, with regular monitoring of the use of said limits.

The company has a contract in place for factoring without recourse with a financial entity of the Volkswagen Group. The customer balances that are assigned remain recognized until the risks and rewards associated with them are substantially transferred.

III. Liquidity risk

Precaution in the management of liquidity risk involves maintaining sufficient cash and tradable securities as well as financing availability via a sufficient amount of committed credit facilities. Management undertakes close scrutiny of forecasts of the company’s liquidity reserves on the basis of expected cash-flows.

The company has the necessary financing for its business operations through the financial support provided to it by the Group (see Note 15).

9. Inventories

Millions of euros	2020	2019
Acquired products	121.0	172.9
Raw materials and other supplies	156.4	136.7
Work in progress and partly-finished goods	39.1	32.2
Finished goods	162.7	205.1
Total	479.2	546.9

At the year end the impairment of inventory amounted to 126.4 million euros (135.2 in 2019) and an income amounting to 8.8 million euros has been recognized in the Profit and Loss Statement during the fiscal year (expense of 10.0 in 2019).

Within the Finished goods category, the company has registered a purchase commitment of the cars invoiced to rental car companies (see Note 5f) to the value of 0.7 million euros (88.2 million in 2019).

Within the category Raw materials and other supplies, the company holds a total of 78.0 million euros (78.0 in 2019) relating to CO₂ emission rights purchased from the Group (see Note 5q).

The company has taken out various insurance policies to cover risks to which inventories are exposed. Coverage provided by these policies is deemed sufficient.

10. Trade and other receivables

Millions of euros	2020	2019
Trade receivables	43.2	35.7
Group company receivables	467.5	473.4
Other receivables	6.4	3.5
Personnel	0.8	1.0
Current tax assets	0.0	100.7
Government bodies	35.2	44.8
Total	553.1	659.1

Impairment of the value of receivables from commercial operations totals 13.3 million euros (5.4 in 2019).

11. Short-term investments

Millions of euros	2020	2019
Group and associated companies	55.3	548.2
<i>Loans</i>	<i>1.3</i>	<i>1.3</i>
<i>Other financial assets</i>	<i>54.0</i>	<i>546.9</i>
Third-party	11.8	0.0
<i>Loans</i>	<i>0.0</i>	<i>0.0</i>
Derivatives	<i>11.6</i>	<i>0.0</i>
<i>Other financial assets</i>	<i>0.2</i>	<i>0.0</i>
Total	67.1	548.2

The heading “Loans in Group companies” includes loans at market interest rates, while “Other financial assets in Group companies” includes mainly the cash pooling and the net value of the balances generated each year by the taxable profits/losses of the subsidiary companies that are subject to corporation tax under the consolidated tax regime applicable to SEAT (see Note 18).

During the fiscal year the company has maintained loans and deposits with Group companies and credit institutions at a weighted average interest rate of 0.1% (0% in 2019).

12. Shareholders’ equity

The breakdown and evolution of company equity may be found in the Statement of Changes in Equity.

On February 25, 2010, the sole shareholder of SEAT, S.A., the German company Volkswagen AG, transferred its shareholding (100%) in SEAT’s share capital to the Dutch company Volkswagen International Finance N.V. On May 13, 2014, Global VW Automotive B.V. became sole shareholder of SEAT, by means of a partial division (‘split-off’) from VW International Finance N.V. Later, on June 28, 2014 Volkswagen Finance Luxemburg S.A. became sole shareholder of SEAT, by means of cross-border absorption of its subsidiary Global VW Automotive B.V.

The share capital amounts to 120,200 euros which represents 20,000 shares at 6.01 euros per share, entirely subscribed and paid up by the sole shareholder Volkswagen Finance Luxemburg S.A. Share premium totals 1,008.1 million euros and legal reserves, recognized in full in compliance with current legislation, total 24,040 euros.

The “Reserves” category includes a capital reserve with a balance of 79.2 million euros at December 31, 2020 (79.2 million euros at December 31, 2019), in accordance with Article 25 of the Corporation Tax Act. A sum of 62.0 million euros was allocated to this capital reserve in 2017, followed by a further 17.2 million euros in 2018, and it will be unavailable for use for a 5-year period from the date the funds were allocated.

The General Shareholders’ Meeting, held on September 10, 2020, approved the distribution of a dividend of 172.8 million euros, charged to the profit generated in 2019. It also approved the distribution of a dividend of 138.5 million euros, from reserves.

The company does not have any treasury shares.

13. Grants

Non-repayable capital grants appearing on the Balance Sheet in this section have been provided by central and autonomous regional governments for projects in production process improvement as well as new product development. The movement is as follows:

Millions of euros	2020	2019
Initial balance	1.7	2.2
Addition	0.1	0.2
Transferred to results	(0.3)	(0.7)
End balance	1.5	1.7

The company has also received operating grants, basically to cover costs associated with R&D projects as well as activities relating to training; commercial development and energy efficiency (see Note 19d).

The total of operating grants amounts to 2.5 million euros (2.4 in 2019).

14. Provisions and risks

Millions of euros	Balance 01.01.20	Addition 2020	Disposal 2020	Balance 31.12.20
Trade operations	596.9	190.2	(215.0)	572.1
Personnel benefits	58.6	35.9	(51.3)	43.2
Environmental activities	11.1	0.6	(4.6)	7.1
Other provisions	598.3	381.6	(208.3)	771.6
Total	1,264.9	608.3	(479.2)	1,394.0

At the year end, provisions amounted to 1,394.0 million euros, of which 430.8 million euros were long-term (discounted at a market interest rate) and 963.2 million euros were short-term (1,264.9; 331.3 and 933.6 respectively in 2019).

The ‘Trade operations’ section includes mainly provisions for vehicle warranties. The estimated cost of warranties has been calculated on the basis of historic ratios held by the company on vehicles sold, as well as according to the specific risks identified.

The ‘Environmental activities’ section includes those provisions aimed at recycling vehicles based on the 2000 European directive on end-of-life vehicles (see Note 20b), as well as those provided for concerning facilities emission rights (see Note 5q). The estimated cost for the provision of vehicle recycling has been based on two factors – the average useful life of vehicles per country and cost of scrapping. Provision for emission rights is calculated on the basis of annual consumption of the same.

The “Other provisions” category traditionally includes provisions for commercial, production and legal responsibilities. The estimated cost of these provisions has been calculated on the basis of the probable payments that are expected to arise for the claims received, as well as the risks likely to be assumed by the company. The European Union’s new CO₂ emissions regulation, which came into force in January 2020, requires vehicle manufacturers to comply with specific emissions quotas (see Note 5q). This line item includes the provision necessary in order to contribute to the Volkswagen Group the premiums that correspond to the SEAT and CUPRA brands.

15. Liabilities

Millions of euros	2020	2019
Group companies	198.1	4.1
Third-party	163.9	223.1
Financial institutions	0.0	0.0
Derivatives	12.5	27.0
Other financial liabilities	150.0	195.1
Official loans with granted interest	74.2	92.2
Bonds, deposits received and other liabilities	0.5	0.8
Suppliers of fixed assets	75.3	102.1
Rest	1.4	1.0
Total	362.0	227.2

At the year end liabilities amounted to 362.0 million euros (227.2 in 2019), 198.1 million euros with Group companies (short-term), (4.1 in 2019) and 163.9 million euros with third parties (61.3 long-term and 102.6 short-term), (223,1; 95,0 and 128,1 respectively in 2019).

Liabilities are distributed according to maturity date as follows: 300.7 million euros in 2021, 58.9 million euros for 2022-2025 and 2.4 million euros in later financial years (132.2; 92.7 and 2.3 respectively in 2019).

When granting a loan to the company financial institutions apply current market interest rates applicable at time of authorization. Likewise, interest rates applied to liabilities with Group companies are also subject to market conditions.

The amount of loans and credit lines granted to the company by Group companies totaled 800 million euros on December 31, 2020 of which 185.5 million euros were used (500 and 0 respectively in 2019).

16. Trade and other payables

Millions of euros	2020	2019
Trade payables	1,064.5	1,009.7
Group companies payables	776.0	865.1
Other payables	19.2	17.7
Personnel (remunerations pending)	94.5	126.2
Current tax liabilities	0.1	0.1
Government bodies	52.1	48.2
Total	2,006.4	2,067.0

Payment periods to suppliers comply with limits established by Act 15/2010 of July 5, modifying Act 3/2004 concerning late payments in commercial operations.

Said law stipulates a limit for payment of 75 days for 2012, and 60 days from January 1, 2013 onwards. At the year end, payments made within the legally established time-frame totaled 9,345.8 million euros and pending payments totaled 859.3 million euros (11,680.8 and 908.3 respectively in 2019). Furthermore, the weighted average payment period to company suppliers was 38 days, with the ratio of transactions paid being 38 days and the ratio of transactions pending payment, 37 days (35, 36, and 32 respectively in 2019).

17. Foreign currency

The net value of balances in foreign currency totaled a debit balance of 76.2 million euros on December 31, 2020 (debit balance of 19.1 million euros in 2019), held mainly in US dollar, pound sterling, Swiss franc, Mexican peso, Japanese yen, Polish zloty, Russian rouble, South Korean won, Chinese yuan, as well as Czech, Danish and Swedish crowns. Of this total, 33.8 million euros correspond to credit balances with Group companies and other suppliers, and 110.0 million euros to debit balances with Group companies and other customers (66.9 and 86.0 respectively in 2019). The amounts attributed to income and expenses for exchange rate differences during the year total 33.8 and 31.3 million euros, respectively (33.9 and 21.0 in 2019).

Amounts (in millions of euros) of the main transactions carried out in foreign currency are as follows:

Millions of euros	2020	2019
Purchases	166.5	155.5
Sales	1,583.8	2,286.8
Services received	51.9	87.8
Services rendered	4.6	4.5

18. Tax situation

a) Corporate fiscal policy of the SEAT Group

I. Introduction

Within the framework of tax risk management, of the Volkswagen Group's guidelines on Governance, Risk and Compliance (GRC) and of the Code of Good Tax Practices signed with the Spanish Tax Agency in 2010 (hereinafter, the CGTP), SEAT's Board of Directors considers it necessary to have a governance framework covering tax and customs-related matters that ensures that its actions and operations are governed by a clear set of principles, values and rules that allow any employee, any person or any entity that has a relationship with the company, as well as the Board of Directors itself, to take appropriate decisions in order to comply with tax law.

On the basis of the above, SEAT's corporate fiscal and customs policy provides a regulatory framework, with which compliance is considered compulsory. This regulatory framework complements the Code of Conduct and the existing corporate governance system, with the aim of establishing the principles for action that govern SEAT's corporate behavior, ensure that the tax compliance function operates properly and mitigate the occurrence of tax and customs risks.

Within the framework of corporate social responsibility, SEAT is committed to maintaining a cooperative relationship with the various public administrations and to ensuring compliance with applicable tax regulations.

In this context, and in order to promote continuous improvement in the company's governance on tax and customs-related matters, in 2020 SEAT updated its corporate fiscal and customs policy. The changes introduced aim to increase legal certainty in fiscal matters, as well as reducing and avoiding tax risks.

II. General Principles and Fiscal and customs strategy

The fundamental objective of SEAT's corporate fiscal and customs policy is to ensure compliance with tax and customs regulations, as well as all tax and customs obligations in each of the jurisdictions in which the company operates, all within a framework of respect for

the corporate principles of integrity, transparency and for the benefit of society. In this regard, its actions are marked by compliance with the following basic principles:

One. - Respecting tax regulations at all times:

- Promoting and implementing both processes and practices aimed at the prevention, reduction and elimination of tax and customs risks across the company at the global level.
- Informing the Board of Directors about the tax and customs implications of all operations and/or matters requiring its approval.
- Taking tax-related decisions on the basis of a reasonable interpretation of the rules and, where appropriate, avoiding potential conflicts of interpretation through:
 - I) the use of tools established by the relevant tax authorities, such as prior consultations, valuation agreements, etc.; and,
 - II) where appropriate, making use of the services of independent and reputable tax experts.
- Avoiding the use of structures of an opaque or artificial nature, as well as the acquisition of companies resident in tax havens aimed at avoiding the relevant tax burdens.
- Evaluating in advance any investments and/or operations involving a notable tax risk or particular tax implications detailed by SEAT in the Internal Regulations of the Audit, Compliance and Governance Committee (hereinafter, the Audit Committee).
- Having a specific procedures manual in place for the management and control of the tax function and the supervision of the company's internal reporting and control systems for tax and customs-related matters.

Two. - SEAT's relations with the tax authorities shall be governed by the principles of transparency, mutual trust and good faith. Specifically, the following good tax practices shall be implemented:

- Collaborate with the relevant tax authority in detecting and seeking solutions with respect to fraudulent tax and customs practices in the countries in which SEAT operates.
- Provide information and documentation that is relevant for tax purposes upon request by the relevant tax authorities, in the shortest time frame and the most complete manner possible.
- Strengthen agreements with the competent tax authorities insofar as possible.

III. Reporting to the Board of Directors

SEAT's Board of Directors assumes powers such as approving the fiscal strategy, supervising the internal control system for tax risks integrated into the company's general risk control system, as well as approving investments and/or operations which involve a particular tax risk due to their nature.

The principles mentioned throughout this section, which shall govern the SEAT Group's activity in tax and corporate matters, shall be drawn up and implemented by SEAT's tax department, establishing control mechanisms and internal standards as required to ensure compliance with them.

The tax department will report to the Audit Committee on the results of the actions carried out in relation to the control and management of tax risks, in order for this committee to then report to the Board of Directors.

IV. Dissemination of the corporate fiscal policy and good tax practices

As part of its functions related to the organization, management and coordination of the Group, the Board of Directors undertakes to disseminate this internal standard.

Furthermore, SEAT's corporate fiscal and customs policy will be disseminated in the following ways:

- By including it in the SEAT annual report.
- By incorporating it into SEAT's corporate website or any other communications it may issue to third parties (external dissemination).
- By posting it on the SEAT intranet (internal dissemination).

b) Corporation tax

SEAT, S.A., has been integrated in the SEAT Group since 1988, under the consolidated tax system of corporation tax, with No. 2/88.

In the 2015 financial year, as a result of the application of the new Corporation Tax Act, the Tax Group of which SEAT was the parent company, was expanded to include all of the Spanish companies in which Volkswagen AG holds an investment that meet the requirements established by this Act, with SEAT having been named its representative.

In the 2020 financial year, the SEAT Group's negative tax assessment base derived from its consolidated tax return amounts to 234.0 million euros.

The reconciliation of the posted result with the tax assessment base for the corporation tax for SEAT, S.A., including eliminations and adjustments from tax consolidation, is as follows:

Millions of euros	Profit and Loss Statement			Equity		
	Increase	Decrease	Total	Increase	Decrease	Total
Result for year	(194.2)	0.0	(194.2)	0.0	0.0	0.0
Corporation tax	0.0	(129.8)	(129.8)	0.0	0.0	0.0
Permanent differences	6.1	(115.8)	(109.7)	0.0	0.0	0.0
Specific to the company	6.1	(115.8)	(109.7)	0.0	0.0	0.0
From consolidation adjustment	0.0	0.0	0.0	0.0	0.0	0.0
Temporary differences	298.8	(277.9)	20.9	0.0	0.0	0.0
Specific to the company	293.3	(274.8)	18.5	0.0	0.0	0.0
Originating in the year	292.8	(0.6)	292.2	0.0	0.0	0.0
Originating in previous years	0.5	(274.2)	(273.7)	0.0	0.0	0.0
From consolidation adjustment	5.5	(3.1)	2.4	0.0	0.0	0.0
Originating in the year	0.0	(3.1)	(3.1)	0.0	0.0	0.0
Originating in previous years	5.5	0.0	5.5	0.0	0.0	0.0
Tax assessment base	110.7	(523.5)	(412.8)	0.0	0.0	0.0

The reconciliation between the corporation tax income and the result of multiplying the applicable tax rate by the total of the income and expenses recognized in the period is as follows:

Millions of euros	2020
Tax rate (25%) applied to the accounting result	81.0
Permanent differences	27.4
Capitalisation of deductions	22.9
Other differences	(1.5)
Corporation tax income	129.8

The breakdown of the corporation tax income is as follows:

Millions of euros	2020
Current tax income	45.0
Deferred tax income	84.8

The permanent differences stem mainly from dividends received by the company (98.4 million euros).

As a consequence of consolidated taxation, the total reciprocal debts and loans between the Group companies amount to 44.7 million euros.

At December 31, 2020, the accumulated deferred tax assets amounted to 359.3 million euros, of which 261.4 million euros relate to timing differences, 36.4 million relate to tax deductions, 58.5 million to negative tax assessment bases and 3.0 million to items classified within equity.

For their part, deferred tax liabilities amount to 12.4 million euros, of which 5.8 million euros arise from timing differences, basically due to the tax depreciation of assets acquired under the system of finance leases, and 6.6 million euros to items classified within equity.

The variation in the financial year of the net balance of deferred tax assets and liabilities amounts to 80.7 and -4.5 million euros, respectively. The detailed breakdown of the net movement of the same is as follows:

Millions of euros	2020	2019
Initial balance	270.7	410.0
Deferred taxes entered directly to Profit and Loss Statement	84.8	(145.3)
Deferred taxes entered directly to equity	(12.0)	5.7
Deferred taxes transferred to Profit and Loss Statement	3.4	0.3
End balance	346.9	270.7

At December 31, 2020, SEAT, S.A. tax credits or tax incentives for the following items and amounts in millions of euros were left pending for application:

Millions of euros	Maturity date					
	Balance 31.12.20	2021	2022	2023	2024	Later
R&D	154.5	0.0	0.0	0.0	0.0	154.5
Export companies	0.0	0.0	0.0	0.0	0.0	0.0
Environmental investment	0.0	0.0	0.0	0.0	0.0	0.0
Other deductions	1.6	0.0	0.0	0.0	0.0	1.6
Pension plans contributions	0.0	0.0	0.0	0.0	0.0	0.0

The company considers the recovery of the deferred tax assets held on the Balance Sheet at December 31, 2020 over a time horizon of less than 10 years to be probable, based on the future taxable profits that have been budgeted and approved by the management for the coming years, including both those of the company itself and those of the tax group to which it belongs.

These tax credits and incentives will be applied in accordance with consolidated settlements of the Group, within the legal period established for each one.

The company is open to an administrative audit for non-prescribed taxes for the period 2013-2020, with the exception of corporation tax which extends to the period 2012-2019.

19. Income and expenses

a) Net sales

The distribution of items is as follows:

Millions of euros	2020	2019
Vehicles	7,844.7	10,050.4
Spare parts	508.6	620.1
Gearboxes	172.7	170.1
Other sales	258.0	316.7
<i>Materials</i>	143.9	180.7
<i>By-products and reusable waste</i>	20.6	32.5
<i>R&D services</i>	60.7	64.8
<i>Hedging</i>	14.7	23.4
<i>Digital services</i>	1.0	0.0
<i>Other services</i>	17.1	15.3
Total	8,784.0	11,157.3

The geographical distribution of markets is as follows:

Millions of euros	2020	2019
Spain	1,574.4	2,143.4
Rest of European Union (includes UK)	6,349.9	7,922.2
Rest of world	859.7	1,091.7
Total	8,784.0	11,157.3

b) Change in inventories of finished goods and work in progress

Millions of euros	2020	2019
Decrease/increase of inventory	47.8	[24.8]
<i>Work in progress</i>	[0.7]	9.2
<i>Partly-finished goods</i>	[3.3]	2.5
<i>Finished goods</i>	51.8	[36.5]
Impairment of inventory	[14.4]	[7.6]
Total	33.4	[32.4]

c) Supplies

Millions of euros	2020	2019
Acquired products	2,320.8	3,040.8
<i>Purchases</i>	2,270.5	3,075.7
<i>Decrease/increase of inventory</i>	50.3	[34.9]
Raw materials and other supplies	4,019.2	5,176.0
<i>Purchases</i>	4,040.9	5,250.5
<i>Decrease/increase of inventory</i>	[21.7]	[74.5]
Other external expenses	18.6	24.1
Impairment of acquired products, raw materials and others	5.6	17.6
Total	6,364.2	8,258.5

The purchases managed during the year are distributed geographically as follows: Spain 57% and rest of the world 43% [60% and 40% respectively in 2019].

During the financial year, the company used an estimated total of 420,053 tons of different materials in the process of producing its vehicles at the Martorell factory. These included: 298,237 tons of metals (steel, iron, alloys, castings and others), 88,211 tons of polymers and plastics, 21,003 tons of materials intended for the vehicles’ operation and 12,602 tons consisting of a mixture of various different materials. [588,211; 417,630; 123,524; 29,411 and 17,646 respectively in 2019] .

d) Other operating income

Millions of euros	2020	2019
Sundry income	207.2	262.3
Operating grants (see Note 13)	2.5	2.4
Discounted provisions	[1.1]	[0.3]
Other income	6.6	1.3
Total	215.2	265.7

The ‘Sundry income’ section includes, among others, income from the rendering of services to Group companies and personnel.

e) Personnel costs

Millions of euros	2020	2019
Wages, salaries and similar concepts	639.1	740.1
Social costs	222.8	217.4
<i>Social security</i>	205.5	197.2
<i>Others</i>	17.3	20.2
Provisions	[0.1]	[4.5]
Total	861.8	953.0

f) Other operating expenses

Millions of euros	2020	2019
External services	1,681.6	2,037.6
Taxes	15.2	14.1
Losses, impairment and variation in provisions due to trade operations	29.1	65.7
Greenhouse gas emission rights (Note 14)	267.6	4.3
Other expenses	12.0	4.3
Total	2,005.5	2,126.0

g) Financial income

Millions of euros	2020	2019
For participations	98.4	98.3
<i>Group companies</i>	98.4	98.3
<i>Third-party</i>	0.0	0.0
For other investments and financial instruments	0.3	0.6
<i>Group companies</i>	0.0	0.0
<i>Third-party</i>	0.3	0.6
Total	98.7	98.9

h) Financial expense

Millions of euros	2020	2019
For Group company debts	1.9	1.7
For third-party debts	1.9	2.3
Discounted provisions and debts	0.7	2.3
Total	4.5	6.3

i) Impairment and result on disposal of financial instruments

This heading primarily contains impairments and reversals of stakes in Group and associated companies (see Note 8a).

20. Environment

a) Environment-related assets

Under the 'Tangible assets' section, the company possesses a waste water treatment facility, plus a heat and power co-generation plant, at the Martorell factory, as well as other environment-related assets. The combined gross value of these facilities amounts to 223.8 million euros, and accumulated depreciation stands at 158.4 million euros (208.4 and 146.2 respectively in 2019).

In the wide-ranging investment program implemented in 2020, a capitalized amount of 15.1 million euros, plus another totaling 4.0 million euros (26.9 and 14.4 respectively in 2019) corresponding to firm commitments for the purchase of capital goods has been identified, which can be devoted entirely to environmental protection-related activities.

b) Environment-related liabilities

In compliance with the European Union directive on end-of-life vehicles, approved in 2000, the company set up a provision to cover risks deriving from end-of-life vehicle recycling (see Note 14).

c) Environment-related expenses

Expenses for material and outside services have been identified. Said expenses, earmarked for protection and improvement of the environment, can be broken down as follows:

Millions of euros	2020	2019
Control and monitoring of air pollution	3.2	2.6
Waste water treatment and management	2.5	3.0
Industrial waste treatment and management	6.6	6.6
Energy savings	0.3	0.9
Visual impact improvement	0.3	0.4
Communication management	0.0	0.0
Environmental process management	1.1	0.6
End-of-life vehicles management	1.3	1.1
Miscellaneous	0.2	0.6
Total	15.5	15.8

Expenses incurred for the financial year, regarding amortization of environment-related assets, amount to 12.2 million euros (9.8 in 2019).

The overall estimated staff costs of SEAT employees devoted to total or partial implementation of environmental protection-related activities amount to 2.4 million euros (2.4 in 2019).

d) Environment-related income

Income deriving from the sale of by-products and reusable waste totaled 20.6 million euros (32.5 in 2019).

21. Related party transactions

a) Group and associated companies

The following transactions were carried out with Volkswagen Group companies. In addition to the companies included in Appendix 2 of these Notes, the most noteworthy being: Audi AG; Audi Hungaria Motor Kft.; Audi Tooling Barcelona, S.L.; Groupe VW France s.a.; Skoda Auto a.s.; Skoda Auto Slovensko s.r.o.; VW AG; VW de México, S.A.; VW Group Services S.A.; VW Group UK Ltd.; VW Insurance Service Correduría de Seguros S.L.; and VW Slovakia a.s.:

Millions of euros	2020	2019
Purchases	3,274.4	4,278.0
Net sales	6,086.5	7,620.5
Services received	648.9	749.3
Services rendered	120.8	148.5
Dividends paid	311.3	0.0
Accrued financial income	0.0	0.0
Dividends received	98.4	98.3
Accrued financial expenses	1.9	1.7

The breakdown of the amounts of the main transactions with related parties carried out in foreign currencies is as follows:

Millions of euros	2020	2019
Purchases	171	271
Net sales	1,186.4	1,895.2
Services received	37.4	69.6
Services rendered	3.8	3.6

Purchases refer mainly to the acquisition of vehicles, parts, accessories and machinery. Sales corresponded mainly to vehicles produced in Spain for export markets. Services received comprise, among others, R&D, transport of sales, maintenance of equipment, logistics, marketing, consulting services and training. Services rendered refer mainly to transport, warranties, advertising, technical assistance, training, vehicle rental and leasing of buildings. Financial income and expenses stem from loans and current account operations between Group companies.

The margin generated by sales operations with Group companies is broken down by business lines as follows: 38.2% in materials (40.7% in 2019), 30.7% in spare parts (29.0% in 2019), 13.2% in vehicles (14.4% in 2019) and 29.0% in gearboxes (32.6% in 2019). Purchases made from Group companies were done so in normal market conditions.

In the Notes, other transactions with Group companies are referenced: Notes 6b and 6c, additions of assets; and Note 18, net charges for tax consolidation.

Transactions carried out with the parent entity of the Volkswagen Group are: purchases 1,345.3 million euros (1,829.0 in 2019); net sales 188.1 million euros (202.3 in 2019); services received 345.2 million euros (397.6 in 2019); services rendered 36.8 million euros (49.5 in 2019); not existing neither accrued financial income nor accrued financial expenses in the current and the previous year. Likewise, balances at the year end with the parent entity of the Volkswagen Group are: trade and other receivables 43.8 million euros (62.8 in 2019), and trade and other payables 495.8 million euros (132.5 in 2019).

On December 31, 2020, SEAT, S.A. (Single Shareholder Company) and Volkswagen Finance Luxembourg S.A., sole shareholder of the company (see Note 12), have no agreements in force.

b) Board of Directors and Senior Management

The total amount of remuneration received under all headings by former and current members of the Board of Directors and by Senior Management in the exercise of their functions during 2020 was as follows:

Millions of euros	2020	2019
Board of Directors	2.3	3.8
Senior Management	13.6	8.6
Total	15.9	12.4

No advances or credits have been accorded to either members of the Board of Directors or Senior Management, nor other commitments made vis-à-vis pensions, insurance policies, guarantees or similar items during the 2020 financial year. At the 2019 year end, there was a loan granted to a member of the Senior Management team for a 15-year term and a sum of 2.1 million euros.

During 2020, public liability insurance premiums amounting to 0.2 million euros (0.1 in 2019) were paid, covering possible damages caused to the members of the Board of Directors and Senior Management in the performance of their duties.

Members of the Board of Directors make no declaration of interest concerning Article 229 of the Capital Company Act, referring to posts or responsibilities which Board Members hold or discharge in companies outside the Group of which SEAT is a member, concerning activities similar, analogous or complementary to the stated business aims of the company.

Fulfilling their duty to avoid conflicts with the company's interests during the financial year, the members of the Board of Directors have complied with the obligations provided for in Article 228 of the consolidated text of the Capital Company Act. Likewise, they and their affiliates have not entered into the conflicts of interest set out in Article 229 of said act, except in cases where authorization has been given.

22. Other information

a) Workforce

The breakdown of the total average basic workforce by functions of SEAT, S.A. is as follows:

	2020	2019
Direct labour	8,608	8,630
Indirect labour	926	920
Managers and non-collective agreement staff, technicians and administrative staff	5,103	5,109
Members of the Executive Committee	6	8
Total*	14,643	14,667

* The estimated average number of people/year, calculated with the working hours undertaken during the two "ERTE" furlough schemes implemented during 2020, amounts to 1,942 people.

The average number of employees with a disability greater than or equal to thirty three percent, amounts to 456 people: 369 productive wage earners, 13 time-rate wage earners and 74 managers, technicians, administrative and support staff (415; 330; 12 and 73 respectively in 2019).

The breakdown of SEAT, S.A.'s basic workforce at December 31 is as follows:

	2020			2019		
	Men	Women	Total	Men	Women	Total
Direct labour	7,018	1,753	8,771	6,865	1,721	8,586
Indirect labour	890	24	914	904	26	930
Managers and non-collective agreement staff, technicians and administrative staff	3,784	1,276	5,060	3,848	1,291	5,139
Members of the Executive Committee	6	0	6	8	0	8
Total	11,698	3,053	14,751	11,625	3,038	14,663

SEAT, S.A.'s Board of Directors comprises 9 members (2 female and 7 male).

b) Auditors

At the General Shareholders' meeting held on March 17, 2020, Ernst & Young, S.L. (hereinafter, EY) was appointed as the company's auditor for a 3-year period from the 2020 financial year, replacing PricewaterhouseCoopers Auditores, S.L. (PwC).

The fees accrued by EY in the 2020 financial year for audit and other verification services provided to the company amounted to 0.3 and 0.0 million euros, respectively (0.3 and 0.1 million euros in the 2019 financial year for audit services and other verification services, respectively, provided by PwC). In addition, the fees charged in 2020 by EY as well as by other companies of the EY network for other services (primarily IT system security services) and for tax advisory services amounted to 1.1 and 0.0 million euros, respectively (0.1 and 0.1 million euros in 2019 for tax advisory services and other services provided by PwC).

The non-audit services which EY has provided to the company include the following: review of financial information for consolidation with the Volkswagen Group and services related to IT systems.

The non-audit services which EY has provided to subsidiary and other investee companies include the following: review of financial information for consolidation with the Volkswagen Group and services related to IT systems.

c) Emissions

In relation to the issue detected in September 2015 in some of Volkswagen's EA189 diesel engines, during 2020 the implementation of the appropriate technical solutions approved by the competent oversight authorities in the SEAT vehicles equipped with these engines has continued. The cost of this implementation is being and will continue to be assumed by Volkswagen AG. All the vehicles are technically safe and roadworthy.

The Volkswagen Group remains in permanent contact with the various European authorities in this matter, acting quickly and transparently.

The directors have assessed the possible risks that may arise as a result of this situation and have acted consequently considering all existing circumstances with impact in the Annual Accounts.

d) Measures applied by the company to mitigate the effects of the COVID-19 pandemic

During 2020, various savings programs were successfully implemented to reduce fixed costs. Cash management has also been prioritized in order to preserve the company's liquidity and that of its entire value chain (suppliers, importers, dealerships, etc.). As part of the Volkswagen Group, the company has sufficient financial support (credit lines and guarantees) to overcome any negative and temporary shock such as the current one resulting from the pandemic. In addition, the company's management report contains various sections which provide further details of the aforementioned measures.

23. Post-Balance Sheet events

On January 14, 2021, SEAT's Management and representatives from the UGT and CCOO unions agreed on the measures for the reorganization of production activity resulting from the restrictions in the global supply of semiconductors affecting the entire automotive industry.

The furlough scheme (known as an ERTE), filed with the Catalan regional government (Generalitat de Catalunya), will be in force between January 18 and June 30. At the SEAT Martorell plant, the scheme will affect up to a maximum of 400 people per day, with 20 days without production. In SEAT Barcelona, a maximum of 150 workers will be affected, also with 20 days without production. In the case of SEAT Componentes, there will be a maximum of 30 days without production and no additional personnel will be affected.

The volume of vehicles not produced during the weeks under the ERTE furlough scheme due to the lack of semiconductors is expected to be recovered during the course of the year.

Appendix 1. Evolution of Non-current Assets

2019															
Cost of acquisition or manufacture							Depreciation / Impairment					Net book value			
Millions of euros	Initial balance 01.01.19	Additions	Disposals	Transfers	Impairment	End balance 31.12.19	Initial balance 01.01.19	Additions	Disposals	Transfers	Impairment	End balance 31.12.19	Initial balance 01.01.19	End balance 31.12.19	
Intangible assets	2,251.9	407.8	[6.3]	0.0	0.0	2,653.4	1,433.0	125.8	[5.9]	0.0	[209.6]	1,343.3	818.9	1,310.1	
Research and Development	1,344.8	14.8	0.0	3.6	0.0	1,363.2	1,010.2	100.2	0.0	0.0	[200.5]	909.9	334.6	453.3	
Software	56.7	7.2	[5.9]	1.7	0.0	59.7	47.9	5.7	[5.9]	0.0	0.0	47.7	8.8	12.0	
Other intangible assets	509.7	55.1	[0.4]	5.8	0.0	570.2	374.9	19.9	0.0	0.0	[9.1]	385.7	134.8	184.5	
Intangible assets in progress	340.7	330.7	0.0	[11.1]	0.0	660.3	0.0	0.0	0.0	0.0	0.0	0.0	340.7	660.3	
Tangible assets	6,288.9	464.0	[111.8]	0.0	0.0	6,641.1	4,823.5	269.3	[111.7]	0.0	[64.6]	4,916.5	1,465.4	1,724.6	
Land and buildings	855.5	24.9	0.0	0.3	0.0	880.7	455.0	18.8	0.0	0.0	[0.5]	473.3	400.5	407.4	
Technical equipment and machinery	2,449.6	225.9	[21.3]	164.3	0.0	2,818.5	1,992.9	129.9	[21.3]	0.0	[34.5]	2,067.0	456.7	751.5	
Other facilities, tools and office equipment	2,659.3	151.1	[88.0]	38.0	0.0	2,760.4	2,344.7	116.5	[88.0]	0.0	[29.6]	2,343.6	314.6	416.8	
Other tangible assets	40.1	6.5	[2.5]	0.1	0.0	44.2	30.9	4.1	[2.4]	0.0	0.0	32.6	9.2	11.6	
Tangible assets in progress	284.4	55.6	0.0	[202.7]	0.0	137.3	0.0	0.0	0.0	0.0	0.0	0.0	284.4	137.3	
Long-term Group and associated companies investments	764.1	7.6	0.0	0.0	0.0	771.7	5.1	0.0	0.0	0.0	3.7	8.8	759.0	762.9	
Participations	764.1	7.3	0.0	0.0	0.0	771.4	5.1	0.0	0.0	0.0	3.7	8.8	759.0	762.6	
Loans	0.0	0.3	0.0	0.0	0.0	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.3	
Other financial assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Long-term financial investments	2.7	28.8	[23.0]	[0,2]	0.0	8.3	0.0	0.0	0.0	0.0	0.0	0.0	2.7	8.3	
Participations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Loans	1.6	2.5	0.0	[0.2]	0.0	3.9	0.0	0.0	0.0	0.0	0.0	0.0	1.6	3.9	
Derivatives	0.2	26.3	[23.0]	0.0	0.0	3.5	0.0	0.0	0.0	0.0	0.0	0.0	0.2	3.5	
Other financial assets	0.9	0.0	0.0	0.0	0.0	0.9	0.0	0.0	0.0	0.0	0.0	0.0	0.9	0.9	
Deferred tax assets	418.3	33.4	[173.1]	0.0	0.0	278.6	0.0	0.0	0.0	0.0	0.0	0.0	418.3	278.6	
Total	9,725.9	941.6	[314.2]	[0.2]	0.0	10,353.1	6,261.6	395,1	[117.6]	0.0	[270.5]	6,268.6	3,464.3	4,084.5	

2020	Cost of acquisition or manufacture						Depreciation / Impairment					Net book value		
Millions of euros	Initial balance 01.01.20	Additions	Disposals	Transfers	Impairment	End balance 31.12.20	Initial balance 01.01.20	Additions	Disposals	Transfers	Impairment	End balance 31.12.20	Initial balance 01.01.20	End balance 31.12.20
Intangible assets	2,653.4	425.0	[86.3]	0.1	0.0	2,992.2	1,343.3	223.4	[85.9]	0.0	0.0	1,480.8	1,310.1	1,511.4
Research and Development	1,363.2	192.5	[86.0]	594.8	0.0	2,064.5	909.9	163.2	[85.9]	0.0	0.0	987.2	453.3	1,077.3
Software	59.7	7.7	0.0	0.2	0.0	67.6	47.7	7.9	0.0	0.0	0.0	55.6	12.0	12.0
Other intangible assets	570.2	37.8	[0.3]	9.8	0.0	617.5	385.7	52.3	0.0	0.0	0.0	438.0	184.5	179.5
Intangible assets in progress	660.3	187.0	0.0	[604.7]	0.0	242.6	0.0	0.0	0.0	0.0	0.0	0.0	660.3	242.6
Tangible assets	6,641.1	383.2	[80.7]	[0.1]	0.0	6,943.5	4,916.5	358.0	[80.3]	0.0	0.0	5,194.2	1,724.6	1,749.3
Land and buildings	880.7	14.7	0.0	0.1	0.0	895.5	473.3	19.8	0.0	0.0	0.0	493.1	407.4	402.4
Technical equipment and machinery	2,818.5	85.4	[18.4]	35.6	0.0	2,921.1	2,067.0	141.3	[18.0]	[0.5]	0.0	2,189.8	751.5	731.3
Other facilities, tools and office equipment	2,760.4	273.0	[62.2]	96.0	0.0	3,067.2	2,343.6	192.3	[62.2]	0.5	0.0	2,474.2	416.8	593.0
Other tangible assets	44.2	4.2	[0.1]	0.1	0.0	48.4	32.6	4.6	[0.1]	0.0	0.0	37.1	11.6	11.3
Tangible assets in progress	137.3	5.9	0.0	[131.9]	0.0	11.3	0.0	0.0	0.0	0.0	0.0	0.0	137.3	11.3
Long-term Group and associated companies investments	771.7	1.9	[0.3]	0.0	0.0	773.3	8.8	0.0	0.0	0.0	3.0	11.8	762.9	761.5
Participations	771.4	1.8	0.0	0.0	0.0	773.2	8.8	0.0	0.0	0.0	3.0	11.8	762.6	761.4
Loans	0.3	0.1	[0.3]	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.3	0.1
Other financial assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long-term financial investments	8.3	10.4	[2.5]	0.0	0.0	16.2	0.0	0.0	0.0	0.0	0.0	0.0	8.3	16.2
Participations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Loans	3.9	0.3	[2.5]	0.0	0.0	1.7	0.0	0.0	0.0	0.0	0.0	0.0	3.9	1.7
Derivatives	3.5	10.0	0.0	0.0	0.0	13.5	0.0	0.0	0.0	0.0	0.0	0.0	3.5	13.5
Other financial assets	0.9	0.1	0.0	0.0	0.0	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.9	1.0
Deferred tax assets	278.6	80.7	0.0	0.0	0.0	359.3	0.0	0.0	0.0	0.0	0.0	0.0	278.6	359.3
Total	10,353.1	901.2	[169.8]	0.0	0.0	11,084.5	6,268.6	581.4	[166.2]	0.0	3.0	6,686.8	4,084.5	4,397.7

Appendix 2. Subsidiary Companies

2019	Location	Holding [**]		Gross value 31.12.19	Depreciation 31.12.19	Book value 31.12.19	Equity 31.12.19	Profit/Loss for year 2019	Dividend received 2019
Millions of euros		Direct	Indirect						
Production									
SEAT Cupra, S.A. [*]	Martorell (Barcelona)	100		0.1		0.1	1.4	0.7	
Volkswagen Navarra, S.A. [*]	Arazuri (Navarre)	100		668.6		668.6	718.5	78.0	65.6
Distribution and Marketing SEAT									
SEAT Center Arrábida Automovéis, LDA	Setúbal (Portugal)	2	98				2.2	0.8	
SEAT Deutschland GmbH	Weierstadt (Germany)	100		51.1		51.1	111.7	30.9	
SEAT Motor España, S.A. [*]	Barcelona		100				0.7	1.9	
Distribution and Marketing VW/Audi/Skoda									
Volkswagen Group España Distribución, S.A. [*]	Prat de Ll. (Barcelona)	100		24.4		24.4	137.2	20.4	32.7
Volkswagen Group Retail Spain, S.L. [*]	Prat de Ll. (Barcelona)		100				28.3	[3.1]	
Wagen Group Retail España, S.A. [*]	Barcelona		100				22.6	0.5	
Services									
SEAT Portugal, Unipessoal, LDA	Lisbon (Portugal)	100		0.6		0.6	2.5	0.7	
SEAT Metropolis Lab Barcelona, S.A. [*]	Barcelona	100		5.0	[1.2]	3.8	3.8	[0.4]	
Connected Mobility Ventures, S.A. [*]	Barcelona	100		21.6	[7.6]	14.0	14.0	[3.3]	
Respiro, S.L. [*]	Madrid		100				0.3	[1.0]	

[*] Companies subject to corporation tax under the consolidated tax regime.
[**] Voting rights do not differ from the percentage shareholding.

2020	Location	Holding [**]		Gross value 31.12.20	Depreciation 31.12.20	Book value 31.12.20	Equity 31.12.20	Profit/Loss for year 2020	Dividend received 2020
Millions of euros		Direct	Indirect						
Production									
SEAT Cupra, S.A. [*]	Martorell (Barcelona)	100		0.1		0.1	2.6	1.2	
Volkswagen Navarra, S.A. [*]	Arazuri (Navarre)	100		668.6		668.6	707.3	66.2	78.0
Distribution and Marketing SEAT									
SEAT Center Arrábida Automovéis, LDA	Setúbal (Portugal)	2	98				2.3	0.1	
SEAT Deutschland GmbH	Weiterstadt (Germany)	100		51.1		51.1	136.1	24.5	
SEAT Motor España, S.A. [*]	Barcelona		100				(1.4)	(2.2)	
Distribution and Marketing VW/Audi/Skoda									
Volkswagen Group España Distribución, S.A. [*]	Prat de Ll. (Barcelona)	100		24.4		24.4	141.2	24.4	20.4
Volkswagen Group Retail Spain, S.L. [*]	Prat de Ll. (Barcelona)		100				24.0	(3.7)	
Wagen Group Retail España, S.A. [*]	Barcelona		100				10.1	(12.1)	
Services [***]									
SEAT Portugal, Unipessoal, LDA	Lisbon (Portugal)	100		0.6		0.6	2.5	0.0	
SEAT Metropolis Lab Barcelona, S.A. [*]	Barcelona	100		5.0		5.0	5.5	1.8	
Connected Mobility Ventures, S.A. [*]	Barcelona	100		21.6	(11.8)	9.8	9.8	(3.8)	
Mobility Trader Spain, S. L. [****]	Barcelona	24.9		1.8		1.8	3.1	(4.4)	

[*] Companies subject to corporation tax under the consolidated tax regime.
[**] Voting rights do not differ from the percentage shareholding.
[***] In 2020, SEAT, S.A. carried out the dissolution and liquidation of the company Respiro, S. L.
[****] Company set up in 2020.

Table of Complementary Non-financial Information

Areas	Contents	Material issue (Yes/No)	GRI Standards	Section
Environmental issues	Sustainable use of resources			
	Consumption of raw materials.	Yes	301-1	Annual Accounts / Notes / 19. Income and expenses / c) Supplies
Social and employee-related issues	Employment			
	Total number and distribution of employees by gender, age, country and professional classification.	Yes	103 Management approach - Employment 102-8 / 405-1	Management Report / Human Resources and Organisation / Structure of the workforce Annual Accounts / Notes / 22. Other information / a) Workforce
	Total number and distribution of types of employment contract.	Yes	102-8	
	Annual average of permanent contracts, temporary contracts and part-time contracts by gender, age and professional classification.	Yes	102-8 / 405-1	
	Number of dismissals by gender, age and professional classification.	Yes	401-1	
	The average remunerations and their evolution disaggregated by gender, age and professional classification or equal value; salary gap, the remuneration of equal or average positions in the company.	Yes	103 Management approach - Diversity and equal opportunity 405-2	Executive Committee: 6 men; Board of Directors: 7 men and 2 women (the remuneration by gender is not disclosed for confidentiality reasons). Annual Accounts / Notes / 21. Related party transactions / b) Board of Directors and Senior Management
	The average remuneration of directors and executives, including variable remuneration, allowances, severance pay, payment to long-term savings schemes and any other items of remuneration disaggregated by gender.	Yes	103 Management approach - Diversity and equal opportunity	
	Implementation of labor disconnection policies.	Yes	103 Management approach - Employment	Management Report / Sustainability / Social Responsibility / Equal opportunities
	Employees with disabilities.	Yes	405-1	Annual Accounts / Notes / 22. Other information / a) Workforce
	Organization of work			
	Organization of working time.	Yes	103 Management approach - Employment	Management Report / Human Resources and Organisation / Organisation of work and social dialogue / Working time
	Number of hours of absenteeism.	Yes	403-2	Management Report / Human Resources and Organisation / Structure of the workforce
	Health and safety			
	Workplace accidents, in particular their frequency and severity, occupational diseases, disaggregated by gender.	Yes	403-2 / 403-3	Management Report / Human Resources and Organisation / Structure of the workforce
	Social relations			
	Organization of social dialogue, including procedures for informing and consulting staff and negotiating with them.	Yes	103 Management approach - Labor/Management relations	Management Report / Human Resources and Organisation / Organisation of work and social dialogue / Social dialogue
	Percentage of employees covered by collective labor agreement by country.	Yes	102-41	Management Report / Human Resources and Organisation / Organisation of work and social dialogue / Working time
	The balance of collective agreements, particularly in the field of health and safety at work.	Yes	403-4	Management Report / Human Resources and Organisation / Health and well-being
	Training			
	The total amount of training hours by professional category.	Yes	404-1	Management Report / Human Resources and Organisation / Structure of the workforce
	Equality			
	Equality plans (Chapter III of Organic Law 3/2007 of March 22, for effective equality of women and men), measures adopted to promote employment, protocols against sexual and gender-based harassment, integration and the universal accessibility of people with disabilities.	Yes	103 Management approach - Employment	Management Report / Sustainability / Social Responsibility / Equal opportunities
Human rights	Complaints about cases of violation of human rights.	Yes	406-1	Management Report / Sustainability / Social Responsibility / Commitment to human and labour rights
Society	Consumers			
	Claims systems, complaints received and their resolution.	Yes	103 Management approach – Customer health and safety, marketing and labeling and customer privacy	Management Report / Sustainability / Governance and economic development / Advanced tools for measuring the quality of service
	Tax information			
	Profits obtained country by country. Taxes paid on profits.	Yes	103 Management approach - Economic performance	Annual Accounts / Profit and Loss Statement Annual Accounts / Notes / 4. Application of results Annual Accounts / Notes / 18. Tax situation / b) Corporation tax
	Public subsidies received.	Yes	201-4	Annual Accounts / Notes / 13. Grants

On December 28, Act 11/2018 was approved, amending the Code of Commerce, the revised text of the Capital Companies Act approved by Royal Legislative Decree 1/2010 of July 2, and Act 22/2015 of July 20 on the Auditing of Accounts, regarding the reporting of non-financial and diversity-related information. In accordance with the exemption established in article 262.5 of the revised text of the Capital Companies Act, SEAT, S.A. has opted not to prepare a full statement of non-financial information, given that the company and its subsidiaries are included in the "Sustainability Report" of the Volkswagen Group, through which it complies with this obligation. Volkswagen AG, parent company of the Group to which SEAT, S.A. and its subsidiaries belong, is a company incorporated in Germany, with registered address at Berliner Ring 2, D-38436 Wolfsburg, Germany, and inscribed in the Companies Register of the Wolfsburg City Court under entry number HRB 215. The "Sustainability Report" of the Volkswagen Group can also be found on the corporate website <https://www.volkswagenag.com>.

In order to comply with the commercial obligations regarding the publication of non-financial information currently in force, SEAT, S.A. has carried out an analysis to identify the additional information required by article 49.6 of the Code of Commerce. This included a comparison between the contents required by article 49.6 of the Code of Commerce and the non-financial information included in the "Sustainability Report" of the Volkswagen Group, with the aim of identifying the contents that are required by the Spanish commercial regulations in force which are not covered at the Group level and, therefore, which SEAT, S.A. must include as part of its Management Report. In this regard, the Volkswagen Group includes in the "Sustainability Report" information concerning the business model, non-financial risks, policies in place in the non-financial sphere and the results of their application, as well as all of the contents regarding anti-corruption and anti-bribery measures and part of the contents related to environmental matters, social matters and those relating to the staff, the respect for human rights and society. The remaining contents are presented in the Table of Complementary Non-financial Information of the 2020 Annual Report for SEAT, S.A. and form an integral part of the company's Management Report. This table links the complementary information with the various Global Reporting Initiative (GRI) standards and with the corresponding section of the 2020 Annual Report where it is included.

Independent Verification Report on the Complementary Non-financial Information



A free translation from the original in Spanish

This version of our report is a free translation of the original, which was prepared in Spanish. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

Independent verification report

To the Sole Shareholder of SEAT, S.A. (Single – Shareholder Company):

Pursuant to Article 49 of the Code of Commerce, we have verified, under a limited assurance scope, the Non-Financial Information Statement (hereinafter NFIS) for the year ended 31st December 2020 of SEAT, S.A. (hereinafter SEAT or the Company) which forms part of the accompanying Management Report of the Company.

As indicated in section 'Complementary Non-financial Information' SEAT has taken the exception included in article 262.5 of the consolidated text of the Law of Capital Companies for integrating part of its non-financial information in the NFIS of the Volkswagen Group based in Germany, to which it belongs. In order to comply with mercantile obligations regarding the publication of non-financial information in force, SEAT has prepared the supplementary NFIS with partial information included in the accompanying Management Report, which includes, in accordance with the analysis carried out by the Company described in section 'Complementary Non-financial Information', the supplementary information required by article 49.6 of the Commercial Code in comparison with that required in articles 19. Bis 1 and 29. Bis1 of the Directive 2013/34/UE. Our work has been limited exclusively to the verification, based on the aforementioned analysis of contents, of the supplementary NFIS included in the accompanying Management Report, without having carried out any verification procedure on the information integrated in the consolidated NFIS of the Volkswagen Group.

Responsibility of the Board of Directors

The preparation of the NFIS included in the Management Report of SEAT and the content thereof are the responsibility of the Board of Directors of SEAT, S.A. The NFIS has been drawn up in accordance with the provisions of current mercantile legislation and with the Sustainability Reporting Standards of the Global Reporting Initiative (GRI Standards) in line with the details provided for each matter in section 'Table of Complementary Non-financial Information' of the aforementioned Management Report.

This responsibility also includes the design, implementation and maintenance of the internal control considered necessary to allow the NFIS to be free of any immaterial misstatement due to fraud or error.

The directors of SEAT, S.A. are also responsible for defining, implementing, adapting and maintaining the management systems from which the information required to prepare the NFIS is obtained.

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Inscrita en el R.O.A.C. con el número 50242 - CIF: B-79 031290



Our independence and quality control

We have complied with the independence requirements and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA) which is based on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies the International Standard on Quality Control 1 (ISQC 1) and therefore has in place a global quality control system, which includes documented policies and procedures related to compliance with ethical requirements, professional standards and applicable legal and regulatory provisions.

The engagement team has been formed by professionals specialising in non-financial information reviews and specifically in information on economic, social and environmental performance.

Our responsibility

Our responsibility is to express our conclusions in an independent verification report based on the work carried out. Our work has been carried out in accordance with the requirements laid down in the current International Standard on Assurance Engagements 3000 Revised, 'Assurance Engagements Other than Audits or Reviews of Historical Financial Information' (ISAE 3000 Revised) issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC) and with the Guidelines for verification engagements on non-financial information statement issued by the Spanish Institute of Auditors ('Instituto de Censores Jurados de Cuentas de España').

In a limited assurance engagement, the procedures performed vary in terms of their nature and timing of execution, and are less extensive, than those carried out in a reasonable assurance engagement. Accordingly, the assurance obtained is substantially lower.

Our work has consisted of posing questions to management and several units of SEAT that were involved in the preparation of the NFIS, in the review of the processes for compiling and validating the information presented in the NFIS, and in the application of certain analytical procedures and review sampling tests, as described below:

- Meetings with the SEAT's personnel to ascertain the business model, policies and management approaches applied, the main risks related to these matters and to obtain the information required for the external review.
- Analysis of the scope, relevance and integrity of the contents included in the NFIS for 2020, based on the materiality analysis carried by SEAT and described in section 'Dialogue with stakeholders', considering the content required under current mercantile legislation.
- Analysis of the procedures used to compile and validate the information presented in the NFIS for 2020.
- Review of information concerning risks, policies and management approaches applied in relation to material issues presented in the NFIS for 2020.



- Verification, through sample testing, of the information relating to the content of the NFIS for 2020 and its adequate compilation using data supplied by the Company's sources of information.
- Obtainment of a management representation letter from the directors and the management.

Conclusion

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the NFIS for 2020 of SEAT for the year ended 31st December 2020 has not been prepared, in all its significant aspects, in accordance with the provisions of current mercantile legislation and the GRI Standards in line with the details provided for each matter in section 'Table of Complementary Non-financial Information' of the aforementioned Management Report. The content of the aforementioned supplementary Statement has been determined by SEAT in accordance with the analysis carried out by comparison between the non-financial information required by article 49.6 of the Commercial Code and that required in articles 19. Bis1 and 29. Bis 1 of the Directive 2013/34/UE. SEAT has determined that this last information will be included in the consolidated NFIS of the Volkswagen Group to which it belongs, so the supplementary NFIS included in the accompanying Management Report does not include all the content required in the current mercantile regulations.

Use and distribution

This report has been drawn up in response to the requirement laid down in current Spanish mercantile legislation and therefore might not be suitable for other purposes or jurisdictions.

PricewaterhouseCoopers Auditores, S.L.

PRICEWATERHOUSECOOPERS AUDITORES, S.L.

Original in Spanish signed by
Juan Ignacio Marull Guasch

February 23rd, 2021



Consumption and emission figures

Consumption (MVEG) l/100 km - CO₂ emissions (g/km)

Model [*] [**]	Power		Gearbox		Consumption (MVEG) l/100 km	CO ₂ emissions Average (g/km)
	KW	HP	Man.	Aut.		
Mii						
Mii electric	61	83		•	0	0
Ibiza						
1.0 MPI	59	75	•		5.2-6.0	118-137
1.0 EcoTSI	70	95	•		5.1-5.9	116-133
1.0 EcoTSI	85	115	•		4.9-6.1	112-138
1.0 EcoTSI DSG	85	115		•	5.3-6.4	122-146
1.5 TSI Evo DSG	110	150		•	5.6-6.4	128-147
1.0 TGI [***]	66	90	•		3.5-4.1	95-111
Arona						
1.0 EcoTSI	70	95	•		5.3-6.0	121-135
1.0 EcoTSI	85	115	•		5.2-6.0	117-137
1.0 EcoTSI DSG	85	115		•	5.8-6.6	131-149
1.5 TSI Evo DSG	110	150		•	6.0-6.7	137-152
1.0 TGI [***]	66	90	•		3.6-4.2	100-114
New Leon/Sportstourer						
1.0 TSI	66	90	•		5.3-6.0	120-137
1.0 TSI	81	110	•		5.3-6.1	119-139
1.0 TSI mHEV DSG	81	110		•	5.3-6.2	120-141
1.5 TSI	96	130	•		5.4-6.2	122-141
1.5 TSI	110	150	•		5.5-6.5	125-146
1.5 TSI mHEV DSG	110	150		•	5.5-6.4	125-145
2.0 TSI DSG	140	190		•	6.7-7.3	151-165
2.0 TSI DSG	180	245		•	7.0-7.7	159-176
2.0 TSI DSG	221	300		•	7.4-8.0	168-181
2.0 TSI 4WD DSG [only SP]	228	310		•	8.1-8.6	183-196
1.5 TGI [***]	96	130	•		3.7-4.1	102-115
1.5 TGI DSG [***]	96	130		•	3.9-4.3	107-119
2.0 TDI	85	115	•		4.2-4.8	109-127
2.0 TDI DSG	110	150		•	4.3-4.9	113-129
2.0 TDI 4WD DSG [only SP]	110	150		•	5.0-5.7	130-148
1.4 TSI PHEV 150kW	150	205		•	1.1-1.3	25-30
1.4 TSI PHEV 180kW	180	245		•	1.3-1.5	29-34
CURA Formentor						
1.5 TSI	110	150	•		6.3-6.8	141-153
1.5 TSI DSG	110	150		•	6.6-7.2	150-163
2.0 TSI 4WD DSG	140	190		•	7.5-8.0	169-183
2.0 TSI DSG	180	245		•	7.4-7.7	167-175
2.0 TSI 4WD DSG	228	310		•	8.2-9.0	186-203
2.0 TDI	110	150	•		4.7-5.1	122-134
2.0 TDI 4WD DSG	110	150		•	5.7-6.2	151-162
1.4 TSI PHEV 150kW	150	205		•	1.2-1.4	27-32
1.4 TSI PHEV 180kW	180	245		•	1.4-1.6	31-35

Model [*] [**]	Power		Gearbox		Consumption (MVEG) l/100 km	CO ₂ emissions Average (g/km)
	KW	HP	Man.	Aut.		
Ateca						
1.0 TSI	85	115	•		5.9-6.8	134-155
1.5 TSI	110	150	•		6.1-7.2	139-163
1.5 TSI DSG	110	150		•	6.4-7.1	146-162
2.0 TSI 4WD DSG	140	190		•	7.6-8.4	172-192
2.0 TSI 4WD DSG CUPRA	221	300		•	8.7-9.5	198-215
2.0 TDI	85	115	•		4.8-5.4	125-142
2.0 TDI	110	150	•		4.7-5.4	123-141
2.0 TDI DSG	110	150		•	4.9-5.5	129-144
2.0 TDI 4WD DSG	110	150		•	5.7-6.4	149-167
Tarraco						
1.5 TSI	110	150	•		6.6-7.7	150-174
1.5 TSI DSG	110	150		•	7.0-8.1	160-184
2.0 TSI 4WD DSG	140	190		•	7.8-8.7	176-198
2.0 TSI 4WD DSG	180	245		•	8.4-9.2	190-208
2.0 TDI	110	150	•		5.3-5.9	139-156
2.0 TDI DSG	110	150		•	5.4-6.0	140-157
2.0 TDI 4WD DSG	147	200		•	6.2-7.0	164-183
1.4 TSI PHEV 180kW	180	245		•	1.6-2.0	37-46
Alhambra						
1.4 TSI	110	150	•		7.6-8.6	172-194
1.4 TSI DSG	110	150		•	7.9-9.1	180-206

[*] Engines sold in the European Union in 2020. Discontinued models not included.
[**] Where different models provide different results, data shown refer to minimum and maximum values.
[***] Consumption (m³/100 km-kg/100km).

SEAT, S.A. key figures (2016/2020)

	2016	2017	2018	2019	2020
Retail sales (units)	408,703	468,431	517,627	574,078	427,035
Wholesales of new vehicles (units)	536,462	579,443	596,181	651,998	468,403
Wholesales of used vehicles (units)	11,482	15,072	14,435	15,911	10,889
Production in Martorell plant (units)	449,063	455,470	474,300	500,005	350,850
Production of SEAT brand in Group plants (units)	103,796	138,092	137,594	173,301	117,955
Basic workforce at 31.12	13,968	14,106	14,627	14,663	14,751
Martorell (includes Spare Parts Centre)	10,544	10,592	10,977	11,070	11,183
SEAT Barcelona	1,192	1,183	1,185	1,179	1,319
SEAT Componentes	1,087	1,075	1,153	1,079	1,003
SEAT Technical Centre (*)	1,102	1,210	1,264	1,294	1,205
Other centres	43	46	48	41	41
Partial retirement workforce at 31.12	116	141	210	232	226
Apprentices with labor contract at 31.12	155	173	160	174	168
Net sales (millions of euros)	8,597.3	9,551.8	9,991.0	11,157.3	8,784.0
Spain	1,515.6	1,805.8	2,045.9	2,143.4	1,574.4
Vehicles	950.2	1,235.1	1,427.4	1,543.0	1,123.6
Spare parts	304.2	322.8	338.5	349.2	275.6
Gearboxes	93.2	83.5	73.4	60.0	25.0
Other sales	168.0	164.4	206.6	191.2	150.2
Export	7,081.7	7,746.0	7,945.1	9,013.9	7,209.6
Vehicles	6,592.7	7,251.6	7,392.2	8,507.4	6,721.1
Spare parts	225.8	246.1	269.9	270.9	233.0
Gearboxes	140.4	148.5	154.6	110.1	147.7
Other sales	122.8	99.8	128.4	125.5	107.8
Shareholders' equity (millions of euros)	1,480.9	1,512.1	1,661.4	2,007.0	1,501.4
Result before tax (millions of euros)	874.7	231.7	286.0	453.4	(324.0)
Result after tax (millions of euros)	903.2	281.2	294.2	345.6	(194.2)
Depreciation (millions of euros)	323.3	460.9	422.0	395.1	581.4
Investments (millions of euros)	652.6	720.6	890.6	908.2	820.5

(*) In 2016 Centro Técnico de SEAT, S.A. was absorbed by merger with SEAT, S.A.



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3. Decode
4. Website



This version sets forth the Management Report, the Auditor's Report and the Annual Accounts of SEAT, S.A. (Balance Sheet, Profit and Loss Statement, Statement of Changes in Equity, Cash Flow Statement, Notes and Appendices 1 and 2) for the year 2020, compiled according to the criteria and rules established by Spanish law[*].

This version of the Annual Report is a translation of the Spanish original. Once approved by the General Shareholders' Meeting, the Annual Accounts and Management Report will be deposited in the Barcelona Mercantile Register together with the Auditor's Report. These reports are authoritative.

The Consolidated Annual Accounts of VOLKSWAGEN AG, together with its Management Report and Auditor's Certificate, will be deposited at the same Registry[**].

Approved by the Board of Directors at the meeting of 19 February 2020.

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[*] Publication available
on the internet:

<http://www.seat.com>

[**] Art. 43 of the Spanish
Commercial Code

