# Sustainability Report 2022





# Doing Well by Doing Good GonvorriIndustries 2030



**Gonvarri** Industries



Letter from the Chairman | Letter from the CEO | Gonvarri Industries | Value creation and sustainable management. Drive Model | Materiality



## Letter from the Chairman Jon Riberas

2-22

#### Dear Reader,

In last year's report we paid particular attention to the role that the private sector should play in economic, social and environmental recovery in the post-Covid-19 era. However, despite the lessons learned about the interdependence of global risks, few would have foreseen the extent of the instability that would soon unfold, this time driven by a new war in Europe. As side effects, the cost of energy and food have been hit hard, pushing inflation to levels not seen in decades, causing economic growth to slow. In response to this, the economic and monetary authorities have carried out successive upward revisions of interest rates, hoping for a stabilisation process that will favour a progressive recovery in economic activity. In relation to the main global challenge we face as a society, climate change, global CO<sub>2</sub> emissions related to energy use have reached a new peak in 2022. The World Meteorological Organisation updated its forecasts on the evolution of climate change, warning that this rate of global emissions is likely to lead to a temperature increase of more than 1.5°C compared to pre-industrial times within the next 5 years. These forecasts are a clear testimony to the inadequacy of global action in the face of the climate crisis and a call for the rapid transformation of societies.



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In the face of increasing externalities, Gionvarri Industries' proposal in the area of sustainability begins with maintaining and strengthening the licence to operate. To do this, we believe in a strong strategy-driven approach, defining a portfolio of ESGI initiatives that connect to the core of what we do.

In regulatory matters, the entry into force of the new Directive on corporate sustainability reporting, the European agreement reached to put a price on  $CO_2$  on steel and aluminium imports, and the forthcoming Directive on corporate sustainability due diligence are noteworthy. Regulatory developments that demand our full attention.

In the face of these increasing externalities, Gonvarri Industries' approach to sustainability starts with maintaining and strengthening our licence to operate. To do this, we believe in a strong strategy-driven approach, defining a portfolio of ESG initiatives that connect to the core of what we do. This approach can only be understood through consistency, where these business growth and development initiatives are a reflection of our internal commitment. In this report you will find detailed information on our progress in achieving our sustainability goals over the past year. We have made significant strides in reducing our greenhouse gas emissions by increasing our use of renewable energy. In this regard, this year we proudly received a **B rating** from CDP, the prestigious climate change rating agency, awarding us a silver medal for our transparency of information and performance on emissions. This is undoubtedly very good news that encourages us to continue working on our decarbonisation plan and to continue to deepen our reporting.

On the social front, we continue to support the development and well-being of our employees through specific projects, as well as continuing our social action programme, with the aim of improving the communities in which we operate. Finally, I would like to express my deepest gratitude for the work and dedication of all those people who make it possible for Gonvarri to continue to advance steadily in its business project. Honesty, humility, tenacity and hard work have always been our hallmark and our best guarantee of a job well done. I invite you to take a closer look at our report and learn in detail about our progress in environmental, social and governance matters.

Jon Riberas Executive Chairman Gonvarri Industries



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# Letter from the CEO Josu Calvo

Letter from the Chairman

The evolution towards sustainable business models is part of the changing context faced by companies. Stakeholders at all levels are moving forward in this transformation process in response to the environmental and social challenges we face.

Reflections of this transformation are: an extensive regulatory development in recent years, the growing interest of financial markets in ESG aspects or the orientation of the market towards more responsible products, all of which are closely related to business activity and are undoubtedly boosting the role of sustainability as a fundamental vertical within the company. Within this framework we present our Sustainability Report for the 2022 financial year, a year which for Gonvarri Industries meant the start of our new **Strategic Plan** for the three-year period 2022-2024, a plan defined to drive growth based on our industrial activity and which, despite inflation, the loss of competitiveness and the increase in interest rates, continues to be committed to growth.

The industrial plan, structured around 7 business lines, focuses on technology and innovation in growth markets, where the integration of sustainability in our business model is undoubtedly one of the pillars on which we are developing this process.





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An extensive regulatory development in recent years, the growing interest of financial markets in ESGI aspects or the orientation of the market towards more responsible products, are issues closely related to business activity boosting the role of sustainability as a fundamental vertical within the company.

Examples of this are: the creation of the Electromobility division, the promotion of the Solar Steel division, and the acquisition of a majority stake in H2Greem, a startup dedicated to the production of hydrogen through the hydrolysis of water.

In terms of our environmental, social and governance performance, let me highlight Gonvarri Industries' focus on the implementation of our Carbon Neutral Plan, our carbon neutrality strategy, thanks to which this year we have recorded a 40% reduction in Scope 1 and 2 emissions compared to last year. This good result is significantly influenced by the purchase contracts for electricity from renewable sources, which this year has added countries as relevant for Gonvarri as Spain and Brazil. Also, the activity in the development of photovoltaic solar self-consumption has resulted in the commissioning of 5 new plants, with which we now cover around 5% of our electricity consumption. Our commitment to energy efficiency is the one with the longest track record, with more than 110 projects implemented in recent years, and with the 12 new measures implemented this year we have already achieved a total of 20 GWh/year in savings.

In the **social sphere**, I would like to highlight two projects focused on Gonvarri Industries' main stakeholder group, its employees. The "People" project, a new people management model aligned with the company's Strategic Plan, which takes the employee's life cycle as a reference. From the perspective of internal training and fostering pride in belonging, I would like to highlight the deployment of an ambitious internal communication project, the "Enhancing Progress Tour", which is taking the objectives of the 22-24 Strategic Plan and the elements of the Drive Management Model, the priorities of which are Sustainability, Efficiency, People and Innovation, to all the group's factories.

In relation to the **Health and Safety** of all the people who work in our companies, we remain committed to providing the best working conditions according to our best practices learned in recent years, both in old and new workplaces, and always going beyond the minimums established by law. In addition, we continue to stress the importance of having powerful Management Systems and of growing a transversal and vertical preventive culture that is promoted from the visible and unequivocal Commitment of the plants' Management and is cultivated through the promotion of consultation and participation of employees in the improvement. This will surely lead to satisfactory results in the future, as shown by the results of this past year.

Finally, in relation to corporate governance, activity in 2022 focused on two areas: supervision of the Compliance Model and improvement in the identification and management of risks through new data analysis tools.

Without further ado, I invite you to take a closer look at the 2022 Sustainability Report, an exercise in information transparency with which we want to offer our stakeholders relevant information about our company.

Thank you very much.

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Josu Calvo Chief Executive Officer Gonvarri Industries



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# The company

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**Gonvarri Corporación Financiera, S.L.** (hereinafter Gonvarri) was founded in 1958, developing the manufacturing, transformation and marketing of steel products and metals related to the iron and steel industry, becoming a benchmark in the flat steel and aluminium transformation sector worldwide.

Since its inception, Gonvarri Industries has experienced sustainable growth, diversifying globally. In 2022 it is present in 27 countries with a total of 46 factories in operation, one factory under construction and 29 distribution centres and offices.

#### CONTENTS 2-23:

Sustainability is a key element in the company's culture. Since its beginnings, Gonvarri has been working to grow as a solid and responsible company, where the global corporate culture retains the same values - **Honesty, Humility, Tenacity and Hard Work** - that its founder set. Together with them, sustainability is integrated as a key aspect in all the countries where it is present, becoming a way to fulfil its mission, respond to the expectations of its stakeholders and the Sustainable Development Goals. Gonvarri Industries' ethical and business values lead the way and inspire its "**Doing Well by Doing Good**" purpose.

Because only by acting in the right way; by believing in what you do; by acting honestly and consistently will you get things right.







& Interiors Ltd (CSI)

NETHERLANDS

**O GMH** Holland

POLADD

O Gonvarri Poland

**O GMH** Poland

HUNGARY **O GMH** Hungary O Gonvvama Chonaaina

- **Distribution centres and offices**
- Gonvarri Steel Services
- Gonvarri Metal Structures
- Gonvarri Material Handling
- O Gonvarri Precision Tubes





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#### CONTENTS 2-6A

## **Main brands and products**

Gonvarri Industries is oriented towards a complete service to meet customers' steel and aluminium needs through seven business units:





## Service Centres

#### Sectors

- Automotive
- Industriu
- Household appliances

#### Processes

- Mechanical cutting
- Surface treatment
- Customised production



#### **Metal Structures Road Steel**

Design, manufacture and installation of road safetu products.

#### Mecano

Design, manufacture and installation of profiles and systems for energy and data conduction.

#### **Steel Construction**

Design, manufacture and assembly of metal structures for industrial buildings, electricity pylons, etc.

#### AgroTech

Design, development, supply and construction of complete high-tech greenhouse solutions.

#### Lattice Towers

Design and engineering of electrical towers with the most advanced standards and software.



#### Solar Steel

Design, manufacture and installation of metal structures for solar energy.





#### **Material Handling Storage Solutions**

One of the leading suppliers of engineering and manufacturing of storage and handling systems for all industrial environments offering an integral service..





#### Electromobility

This new division is focused on improving the quality of life in terms of comfort and eco-mobility.

In mobility, it develops innovative and revolutionaru solutions, such as highly efficient industrial systems that help protect the environment.







Design and manufacture of a wide range of tubes, tailored to customer requirements.



#### Laser

Handling, preparation, cutting and 3D industrial laser marking of all kinds of metal and plastic parts and materials used in all kinds of activities and industries, especially for the automotive sector.

The laser process provides parts with minimum weight and maximum strength, resulting in greater stability and lower consumption.







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#### CONTENTS 2-6A

## Key milestones in 2022

Gonvarri Industries is present in 25 countries (24 in the scope of the Report), which enables us to cover a significant part of the world market.

It also continues to invest in new production lines as demand increases, in new products and in internal initiatives to improve the environment. All this contributes to the company's improved positioning in the global market.

The following is a summary of the highlights for the financial year 2022.

#### Gonvarri Portugal

Inaugurates its solar photovoltaic installations for self-consumption on rooftops, with a capacity of more than **500kWp.** JANUARY



aller.

#### Madrid headquarters

New installation of two paddle tennis courts and a multi-court court in the car park area. FEBRUARY



#### Approval of the R&D Project: ACEFICORE: submitted to

the Ministry of Science and Innovation, within its Sustainable Automotive Technology Programme (PTAS) of the EU's Next Generation funds. JANUARY



#### GMH Romania

extension of the stateof-the-art laboratory with the new VLM (Vehicle Lift Module) storage machine. MARCH



Gonvarri celebrates **International Safer Internet Day**, under the slogan **"Together for a better Internet"**. FEBRUARY

**Q1** 2022

#### Flinsa 1 and 2

Inaugurates its solar photovoltaic installations for self-consumption on roofs, with a capacity of more than **1,800kWp.** JANUARY

#### **Gonvvama Changshu** Inaugurates the grid connection of its **1.43 MW** photovoltaic installation, with an estimated production of **1.4 GWh/year**. JANUARY



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# CONTENTS 2-6A Key milestones in 2022



#### Gonvarri Thüringen

Expansion of the existing plant for the installation of a **new laser blanking line**. APRIL Expansion of the changing rooms and new "Quiet zone" noise-free rooms in the car park area. MAY

**Madrid Headquarters** 

**Q2** 

#### AMG Campinas

Expansion of the existing plant for the installation of a new blanking press. APRIL



**Gonvarri** celebrates World Health and Safety Day. APRIL

#### Gonvvama Shenyang

Inauguration of the grid connection of its 1.22 MW photovoltaic roof, with an estimated production of **1,283 MWh/year**.



#### Gonvarri Thuringen Expansion in the area of finished product halls sliting SEPTEMBER



H2Greem Gonvarri Industries has taken a **51% stake** in H2Greem.



#### AMG Rio Grande do Sul (Brazil)

**New 12,000 m<sup>2</sup> factory**, with a slitting line and a cut-to-length line.



**Gonvarri Industries** Gonvarri Industries is part of the Future: Fast Forwad Group and has registered the PERTE VEC project with the ambition of turning Spain into a hub for electric vehicles in Europe.

MAY

Gonvarri Burgos

beams to steel.

Structural reinforcement

of halls 7B and 8B and change of concrete rail



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# Key milestones in 2022



#### Gonvarri Argentina

The extension of the finished product halls was approved in two phases. Phase 1: Reinforcement with steel structure in halls 1A, 2A and 3A and installation of new bridge crane in halls 1A, 2A and 3A completed in December 2022 and solution of the problems in the existing retaining walls, planned for March 2023.

#### **Gonvarri Solar Steel**

Winner of Iberdrola's "Equipment Supplier of the Year 2022" awards for Spain. DECEMBER

#### Gonvvama Shenyang

It is in the process of expanding the plant with a door ring welding line.



#### Gonvarri Turkey (ÇEPAS)

**Modification of sector A and B structure in two phases**. Phase 1: reinforcement with metallic structure in buildings 1A, 2A and 3A and installation of new bridge crane, completed and Phase 2: solution to the problems in the existing retaining walls, slope of the west wall (motorway).



**Gonvvama Chongqing** inaugurates the grid connection of its **880 kW** photovoltaic rooftop with an estimated production of **649 MWh/year**.

#### Gonvauto Puebla

The mechanical upgrade project on the longitudinal line was approved (currently in production).

#### AMG Campinas

The stripping line retrofit project was initiated in two phases. Phase 1 Replacement of Gas Washing and Recirculation Tanks, completed (December) and Phase 2 Replacement of Process Tanks, scheduled for February 2023. Start of photovoltaic installation on the factory floor in two areas (292KWp (1) and **313KWp** (2). Planned commissioning in the first quarter of 2023.

Gonvarri Valencia



#### Gonvvama Changshu

The plant is in the process of being extended with a 3rd Blanking line, two welding lines (door ring) and an ablation line. Start-up planned for March 2023.

#### Gonvauto Navarra:

Aerothermal and Photovoltaic project. Estimated PV generation of **389 MWh/year** and estimated selfconsumption: **305 MWh/year**. Planned start-up in the first auarter of 2023.



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# Value creation and sustainable management. Drive Model

**Drive** is the **Management Model** that drives Gonvarri Industries to meet its objectives of profitability, growth and long-term value creation. This model is based on people, efficiency and continuous improvement of processes, with a special effort in terms of innovation, and always under the focus of sustainability and the compliance model.

Gonvarri Industries is firmly committed to the creation of longterm value. It therefore integrates and updates its strategy with a comprehensive ESG (Environmental, Social and Governance) approach, generating a positive impact on customers, industry, society and the environment.





#### CONTENTS 2-6D

Through its activities, Gonvarri contributes to the United Nations Sustainable Development Goals, mainly those related to stable employment, the fight against climate change, the circular economy, innovation and the health of its professionals. Within this "ESG" framework, the following SDGs aligned with the business and its most important milestones in 2022 stand out.



- **Carbon Neutral Plan 2030/2050** emissions reduction through the use of renewable energy, fuel substitution and energy efficiency.
- Signing of the **SBTi** commitment (February 2022).
- **Energy efficiency**, 102 MAEs implemented (since 2015), with annual energy savings of 19.67 GWh.
- **Circular Economy**, more than 90% of waste is recovered and 36% of the steel used is of recycled origin.
- 81% of factories certified to **ISO** 14001 standard





- Promotion of stable and local **employment**.
- **Talent** retention, performance appraisal, mobility and training.
- Objective : Zero accidents.
- Security Plan "Doing Well by Doing Safe", ISO 45001, training and awareness raising.
- **Customer** service: a priority.
- **Supply chain**: new Code of Ethics and Conduct for suppliers.
- Social action: corporate and local initiatives to benefit the local community.
- Cultural change: Digital WorkPlace
- **Transformation** of the production model and products: GSP, innovation and efficiency.





- Sustainability, Ethics and Compliance Policy.
- Ethics **channel** and ethics committee.
- **Carbon Neutral Committee** : monitoring of actions towards the Net Zero target in 2050.
- Transparency and commitment.
- Distributed Economic Value: €5.77 billion.
- Investment in activities aligned with the **European Taxonomy**.





# materiality

#### CONTENTS 2-29:

Relations with the different stakeholders are a key aspect at Gonvarri Industries. For this reason, since 2013 they have been analysed and updated to improve their coverage, to have greater knowledge of their expectations and to orient the content of the Report towards their main requirements in the ESG (Environmental, Social and Governance) areas.

At Gonvarri we have different specific communication channels for each stakeholder group identified. Communication is twoway and there is no set frequency, as the requirements of each stakeholder aroup are different.

Considering that Gonvarri's products are an intermediate stage in the value chain of the final product, external perception and media presence is low.

For this reason, it considers that the most relevant stakeholders that have the areatest impact on its activity are: Management, Employees, Customers and Suppliers.



#### **Suppliers**

- Supplier evaluation surveus.
- Regular visits and meetings.
- Supplier portal.
- Complaints handling.



**Employees** 

- Global work climate surveys.
- Leading The Change" Intranet.
- Interdepartmental meetings with
- management. • Briefings with the

Committee.





- Catalogues, presentations and stands at trade
- fairs. Communication tools, e.g. "B2B
- platforms". Annual satisfaction
- survey.
  - Regular visits and meetings. Incident

management. Collaborations in improvement projects.



#### Society: local communities and administrations

- Relations with the local administration, associations and other organisations from the management
- of each factory.
- Events and open days.
- - Institutional meetings.



/ Senior

management

#### Competition Shareholders

- Forums and associations.
- Occasional • Regular meetings collaborations. and reports between General
- Quarterly results on the agenda of the



#### The media

- Daily analysis of relevant news.
- Press releases.
  - Social media channels and websites.



#### General Partnership

- Social media, which gives us access to a wider audience.
- andvolunteering. News. Road safety
- Forums and campaians with associations. the Emotional

• loint initiatives

organisations.

Collaborations

with third sector

Driving project. Emotional Driving.

- Managers and the CEO.







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#### CONTENTS 3-1:

Gonvarri Industries identifies its material issues through a "**Materiality Study**" carried out in collaboration with an independent external company and a technological tool for data and information analysis, where the importance and perception of the issues identified are assessed.

The materiality study allows Gonvarri to know the relevant issues and align them with the business strategy, identifying the expectations and needs of stakeholders.

The materiality study is carried out every two years and will be updated in the current financial year 2022.

It combines both an internal (management) and external view. In the first phase, internal sources are consulted (policies, strategy, commitments, etc.) and external sources (news, benchmarking of competitors and main customers, market trends in CSR and sectorial matters, new legal requirements, etc.). All of this is used to weigh up the most relevant issues that could have the greatest impact on the company.

All this information is grouped into 25 questions in the ESG framework. Each question asks about the relevance of each issue and the perception of Gonvarri's commitment and development in each issue.

The survey is sent and weighted by an external company, which guarantees the independence and transparency of the results. As indicated above, consultations are carried out with management and employee stakeholders, as well as a selection of the main customers and suppliers, as these are the most relevant stakeholders. Management is also consulted on the maturity of issues in the company, due to its capacity to influence them.

This process allows us to identify those environmental, social and governance (ESG) issues that are most relevant to Gonvarri Industries and its stakeholders.

#### Internal and external coverage

A total of 2,835 surveys were sent to management, employees, customers and suppliers with an average group response rate of 51%. The segregated participation of each stakeholder group is summarised below:





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CONTENTS 3-2:

The material issues identified are summarised below:



ENVIRONMENTAL Issues	Issues	
Carbon Neutral Strategy	Commitments and Strategic Plan to move towards a Carbon Neutral future	7 торологият
Environmental Management	Public policy and environmental management mechanisms that contribute to continuous improvement and minimisation of the company's environmental impact.	12 PERSONALES TERMAN ESPERATE
Circular Economy	Control and measurement system for raw materials, waste minimisation and sustainable management, promoting the Circular Economy.	12 PRESERVAN TORSMO EXPOSITION
SOCIALS Issues	Issues	
Talent management	Robust training, career development and performance appraisal programmes that contribute to attracting and retaining talent.	4 tecentaria
Health and safety	Policy, management mechanisms, training and measures for employees and subcontractors that contribute to a good working environment and reduce/eliminate accidents and incidents at work.	3 SHED VRIMEERR 
Diversity	Diversity policies, strategy and initiatives (gender, age, origin, etc.).	5 BRANK
Flexibility	Policies, measures and initiatives that enable workers to adapt their needs to working hours and improve work-life balance (personal/professional).	8 TRANADITECTOR
Clients	Customer relations and collaborative projects that contribute to the development of more sustainable products.	8 TRANSPIRCE
Innovation	Projects and initiatives aimed at the improvement and efficiency of products and processes.	9 NATESTIA NATASTAL
Cybersecurity	Policies, measures, training and risk control in cybersecurity, information security and data and asset protection.	9 MARTIN AVVIDINI MARTINERAL
GOVERNMENT Issues	Issues	
Ethics, compliance and whistleblowing channels	Ethics, anti-corruption and compliance framework. Monitoring and measurement. Whistleblowing channels	8 TABAJIECOTE EDERMON EDERMON EDERMON 8 TABAJIECOTE
Risks	Framework for identification, monitoring, mitigation and control of potential risks.	

With regard to the 2020 vs 2022 materiality, five new material issues for stakeholders stand out, such as: Diversity, Flexibility, Risks, Innovation, as well as cybersecurity, information security and data/asset protection.

In addition, the responses in each stakeholder group have been analysed to obtain information on material issues not covered globally. The result shows that:

- For **internal stakeholders**, it is considered material (in addition to the above) to have an Environmental, Social and Governance (ESG) Strategy.
- For **external stakeholders**, it is considered material (in addition to the above): to have a "Human Rights" policy and due diligence procedure and to improve the company's communication and efficiency through digitalisation.

All material topics reported are identified in the GRI content index and in each section of the report.

The study also measures the internal and external perception that stakeholders have of Gonvarri Industries' approach to and development of the topics surveyed.



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In this area, it shows a high perception for the internal stakeholders consulted in matters related to: carbon neutral strategy, environmental management, health and safety, and cybersecurity and data protection, and for external stakeholders, in matters related to:

- **Suppliers:** carbon neutral strategy, environmental management, innovation and sustainability indices.
- **Clients:** client relations and health and safety.
- **Employees:** health and safety and cybersecurity and data protection.



Environment

 Strategy CN
 SGR
 EC
 Mobility
 Biodiversity
 Clients

 Social

 Training and DPO
 H&S
 Diversity
 Pol, HHRR

10 Pol. HHRR 11 CdS HHRR 12 Flexibility 13 Local community

Goverment 14 ASG 15 Compliance 16 Risks 17 Innovation 18 Digitisation 19 Cybersecurity 20 Minerals 21 Communication 22 Government 23 Alliances 24 Sustainable indices 25 Financing

# nvironment



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# Environmental performance



# **Focus on management**

Gonvarri's commitment to the environment began with the certification of its **Environmental Management System** under the ISO 14001 standard.

Currently, 81% of the group's factories are certified. The Laser Automotive plants (Barcelona, Zaragoza, Riera i Tutó and Valencia), which have a very low environmental impact due to their activity, the GMH Kirovsk plant (Russia), the GMH Lohja plant (Finland), the Gonvarri South Carolina plant and the new AMG Rio Grande do Sul plant are pending certification. As a result, **93%** of the workforce operates under the ISO 14001 standard.

In addition, to cover the materialisation of possible **environmental risks**, we make financial provisions and have guarantees to cover the occurrence of these risks in the insurance policies it has taken out, with coverage of up to  $\leq 20m$ :

- Environmental Liability Insurance
- Cove age for Sudden and Accidental Pollution Liability in the General Liability policy.

During 2022, it was not necessary to activate the guarantees of the Group's Environmental Liability Policy.

Likewise, since 2017, the monitoring and measurement of data and relevant environmental information has been consolidated through the **"Sygris-Environment**" software, which also allows us to have reports on parameterised incidents, monitor all analytical values (discharges and/or emissions), the list of consumables, the waste register, etc. This enables us to see trends and transversalise the best practices available internally.

In 2022, in order to improve the information related to Circular Economy, new calculation ratios were defined, which will allow

a parameterised monitoring of the disposal and management of waste. This will improve the final information on the disposal of waste, mainly in those cases that go to transfer centres, unifying the management codes for each waste and prioritising it according to its final treatment. In 2023 the information will be reported with these new criteria.

With all this, Gonvarri monitors the environmental impacts derived from its activity through various indicators that measure its environmental performance, allowing it to measure its evolution and identify opportunities for improvement.







# Plan Carbon Neutral 2030/50



For Gonvarri Industries, being a carbon neutral company means being part of an important commitment in the fight against climate change, assuming a series of actions that promote and contribute to mitigating its impact. For this reason, we defined and approved the "Carbon Neutral 2030/50 Plan" and incorporated it into the company's decision-making, business strategy, management and performance.

#### Government

The Carbon Neutral Committee, made up of members of the Management Committee and an operational team, monitors and measures the plan. This Committee is periodically attended by the Chief Executive Officer, who reports to the Executive Chairman on the progress of the Plan.

#### Milestones 2020-2050 plan

Establishment of emission reduction targets for 2030. Scope 3: Reporting and targeting. Short-term objectives

- 50% reduction in Scope 1 emissions (base year 2019).
- 100% reduction of Scope 2 emissions (base year 2019). Long-term objectives. SBTi targets: Net-Zero





# 👸 Energy information

#### **Energy consumption**

Gonvarri's production process is intensive in energy consumption, especially in those factories where there are steelmaking processes such as pickling, zinc plating or galvanising. This is why monitoring, controlling and reducing energy consumption are very important aspects of the company's management.

#### Internal energy consumption

#### 302-1

In 2022, energy consumption at Gonvarri Industries amounted to 248 GWh, of which 121 GWh corresponded to the consumption of fossil fuels and 127 GWh to electricity consumption. Electricity consumption from renewable sources accounted for 63%.



				GJ				
Country	Electricity	Renewable electricity	Natural gas	Diesel consumption (company cars)	Petrol consumption (company cars)	Diesel (process)	LPG/ Propane	Steam de Cogenera- ción
🛑 Germany	19.446	2.307	20.479	2.860	160	796	-	-
💽 Argentina	3.006	-	-	59	73	-	460	-
🔵 Belgium	39	-	-	207	-	-	-	-
🗿 Brazil	-	31.949	28.437	-	1.174	-	5.543	-
🕑 China	45.988	7.795	22.409	-	-	407	-	-
<b>Colombia</b>	6.802	-	24.010	-	30	6	793	-
🖢 Denmark	263	-	-	528	383	-	-	-
🍃 Slovakia	11.433	-	2.563	460	413	-	887	-
👂 Spain	16.044	223.050	148.947	6.079	502	4.834	392	2.021
🖢 Finland	-	785	-	205	150	-	105	1.310
🕈 Netherlands	-	113	35	538	499	-	-	-
🕽 Hungary	-	-	-	370	79	-	-	-
•) Mexico	4.210	3.851	-	-	138	-	3.498	-
╞ Norway	69	-	-	794	71	-	-	-
Poland	6.731	-	3.816	603	1.771	-	-	-
Portugal	5.427	1.157	-	162	351	214	50	-
🖌 Czech Rep.	3.494	-	4.363	2.416	290	31	-	-
) Romania	10.874	-	37.351	1.042	434	-	2.487	-
<b>R</b> ussia	7.698	-	27.907	58	7	130	891	12.475
🕨 Sweden	-	5.634	-	2.511	995	331	-	621
🕽 Switzerland	79	-	-	138	-	-	-	-
👂 Turkey	8.216	-	30.804	-	-	351	-	-
ик	693	11.750	15.026	536	258	-	1.281	-
🖢 USA	17.361	-	8	-	-	-	3.547	-
Total	167.874	288.391	366.155	19.565	7.778	7.100	19.932	16.428



#### Renewable energy sources

The Plan Carbon Neutral 2030/50 establishes the objective of having 100% of the electricity consumed from renewable sources by 2030. To this end, the company is making a significant effort to develop solar photovoltaic installations for self-consumption and, in addition, through PPA-type supply contracts or certificates of origin, the group is making progress in the purchase of electricity from renewable sources, as shown below:

#### Purchase of electricity from renewable sources

The GMH factories in Finland (Lohja) and Sweden (Stålteknik), the UK Steel&Alloy factories (Aycliffe, Bridge Street, Union Street and Popes Lane) and the distribution centres in Sweden and the Netherlands have electricity supply contracts with guarantees of renewable origin. In addition to these sites, from 01/011/2022 the factories in Spain and Brazil have electricity supply contracts with guarantees of renewable origin. At the end of 2022, the purchase of electricity from renewable sources amounted to 74 GWh, representing 58% of total electricity consumption.

Renewable electricity purchase (GdO) 2022					
МШh	GJ				
💿 Spain	60.229				
📀 Brazil	8.875				
🕀 UK	3.264				
🛟 Sweden	1.565				
💠 Finland	218				
Detherlands	32				
Total general	74.182				

#### Photovoltaic power generation for self-consumption

In 2022, 5 new facilities have been put into operation, 3 in China (Changsu, Chongging and Shenyang), 1 in Spain (Flinsa) and 1 in Portugal (Gonvarri Portugal), which together with the factories of Gonvauto Thüringen (Germany) and Gonvauto Puebla (Mexico) add up to a total of 9 MWp of installed capacity. At the end of 2022, self-consumption was 6 GWh, representing 5% of total electricity consumption.

In addition, there are photovoltaic installations entirely dedicated to the sale of renewable energy at Gonvauto Navarra and Gonvarri and Gonvauto in Barcelona, with an installed capacity of 1.8 MWp.

In line with the company's Carbon Neutral Plan, and within the 22-24 Strategic Plan, the commissioning of 6 MWp of selfconsumption at new sites is planned.

### External energy consumption

#### 302-2

Gonvarri manufactures different products/formats, with different finishes. Furthermore, depending on their geographical location, the usual mode of transport is also variable (ship, train, lorry, etc.).

This makes the calculation and availability of data for the estimation of Scope 3 complex. Work is currently underway to define a methodology for calculating this energy consumption and, therefore, it is expected that this information can be reported by 2025.

#### Energy intensity

#### 302-3

Gonvarri believes that measuring its energy intensity is a good way to measure the efficiency and impact of its processes.

The resulting annual ratio is calculated by dividing energy consumption by the total weight of products sold in each country. Both electricity and fuels have been considered for the calculation, corresponding only to internal energy consumption.

	Energy intensity
	GJ/tonne sold
🛑 Germany	0,13
💿 Argentina	0,07
💿 Brazil	0,11
🔮 China	0,23
🗕 Colombia	1,45
🍉 Slovakia	0,05
💿 Spain	0,17
(•) Mexico	0,05
🗕 Poland	0,07
Interpretention (Interpretention) (Interprete	0,04
🦢 Czech Rep.	2,05
🛑 Romania	2,86
🛑 Russia	0,96
🛟 Sweden	2,62
📀 Turkey	1,17
<b>#</b> UK	0,12
틀 USA	0,17



## **Energy Efficiency**

CONTENTS 302-4 AND 302-5

In its commitment to sustainability and as a fundamental pillar within the Carbon Neutral Project, Gonvarri continues to work on maintaining highly efficient production through the energy optimisation of all its processes, production lines and auxiliary equipment, striving at all times to achieve maximum production ratios with the lowest possible energy costs and always maintaining the highest levels of quality.

In order to meet this objective, the ECO-ENERGY project has been underway since 2015, the main objectives of which are as follows:

- Implementation of an energy management and monitoring system in the company's different plants.
- The search for and implementation of energy saving improvements to reduce mainly the consumption of gas, other fossil fuels, electricity and water.

Currently, 18 of the group's plants are monitored and further progress is expected in the coming years, both in terms of the number of plants monitored and the potential and functionalities of the energy management system.

During the last year, a major improvement has been carried out in both the installation and the metering equipment installed, wiring those plants where a Wireless system was still in place and significantly improving all the communication systems.

The control and monitoring of the general consumption of gas, electricity and water, as well as the consumption of all production lines, main engines, compressors, lighting, boilers, air conditioning, cooling systems, etc., is the goal:

• Detailed monitoring of the specific consumption of lines and auxiliary equipment to control their proper functioning and operation.

 To analyse and study the consumption in the installations in order to identify possibilities for improvement and energy optimisation that allow for the reduction of energy consumption and costs, as well as the emissions associated with the processes.

With regard to energy saving measures and the reduction of tonnes of  $CO_2$  emitted into the atmosphere, we work year after year to exceed the targets set at the beginning of the project.

During 2022, 12 energy saving measures (ESMs) were implemented in different plants of the group, resulting in an increase in the annual rate of energy savings of 1.95 GWh and an annual reduction in emissions of 460 tonnes of CO<sub>2</sub>.

These measures bring the total number of MAEs since the ECO-ENERGY project began to 102. As a result, an annual energy saving rate of 19.67 GWh has been achieved, which represents a reduction in the group's energy consumption of more than 7 %.

Of the total energy savings achieved, 65% corresponds to electricity consumption and the remaining 35% to the consumption of natural gas.

Among the measures implemented in 2022, those aimed at reducing natural gas consumption in drying applications, the optimisation of steam boilers and the reduction of residual consumption in process lines and auxiliary equipment should be highlighted. In addition, work continues on other measures such as the optimisation of compressed air generation processes, lighting systems, air conditioning and refrigeration equipment, welding equipment, etc. The strong value that Gonvarri places on its commitment to sustainability and the environment means that the company is constantly seeking and investing in the most efficient solutions and technologies for its processes that will enable it to reduce its energy consumption as much as possible.

The firm commitment to sustainability and energy efficiency has been and will continue to be a fundamental point in Gonvarri's policies









## **B** Information on emissions

#### Greenhouse gas emissions

305-1 AND 305-2

At Gonvarri Industries, following the approval in 2020 of the Carbon Neutral 2030-50 Plan, an ambitious roadmap was defined with important emission reduction targets. With regard to direct greenhouse gas emissions, the objective has been set to reduce emissions by 50% by 2030 vs. 2019. To this end, work is being carried out along four lines of action: energy saving and efficiency, fuel substitution, development of solar photovoltaic electricity and the purchase of energy from renewable sources.

The monitoring of energy consumption and the calculation of emissions are the first step towards having rigorous information on the company's real situation in terms of emissions, and to this end, in 2021 all emission sources and all GHGs were included in the inventory and the emission factors were updated. In addition, the scorecard developed to monitor the Carbon Neutral Plan provides reliable, centralised and updated information on the status of the emissions inventory.

 $\rm CO_2$  emissions are calculated according to the GHG Protocol and the 2006 IPCC Guidelines for National Greenhouse Gas Inventories.

GHG emissions accounting in the Gonvarri Industries inventory is carried out in accordance with the company's financial perimeter. Following this criterion, the emissions excluded from Scope 1 and 2 are those corresponding to the Gonvvama factories (China), in which the company does not have a controlling interest and does not assume their operational management. These issues are consolidated in Scope 3 in category 15 of financial investments.

#### Scope 1 and 2

In 2022, Gonvarri Industries emitted **31,717 tCO**<sub>2</sub> eq into the atmosphere, corresponding to direct emissions (Scope 1) and indirect emissions due to electricity consumption (Scope 2). Direct greenhouse gas emissions (Scope 1) come mainly from: the burning of fossil fuels (natural gas, liquefied petroleum gases and diesel) in production processes, from the fleet of company vehicles (diesel and petrol) and from fugitive emissions of refrigerant gases. In 2022, direct emissions were **21,280 tCO**<sub>2</sub> **eq**.

In 2022, indirect emissions from electricity consumption and steam purchase (Scope 2) amount to **10,437 tCO**<sub>2</sub> **eq**.

tCO <sub>2</sub> eq	2022	2021	VAR
Scope 1			
Gonvarri	21.280	23.513	-9%
Gonvvama	1.165	1.126	
Scope 2			
Gonvarri	10.437	29.816	-65%
Gonvvama	7.046	7.112	
S1+S2			
Gonvarri	31.717	53.329	-41%
Gonvvama	8.211	8.238	

Emissions by origin tCO <sub>2</sub> eq					
Directs (Scope 1)	22.445				
Natural Gas	18.543				
Diesel consumption (company cars)	1.464				
Petrol consumption (company cars)	604				
Diesel (General)	528				
GLP/Propane (General)	1.198				
Refrigerant gases (305-6)	108				
Indirects (Scope 2)	17.483				
Electricity	16.608				
Steam	875				

# Gonvarri Scope 1 67% Scope 2 33%



GHG emissions by country. 2022 (tnCO <sub>2</sub> /year)									
tCO <sub>2</sub> eq	Electricity	Steam	Natural Gas	Diesel consumption (company cars	Petrol consumption (company cars	Diesel (General)	GLP/ Propano (General)	Refrigerant gases	
<b>Germany</b>	432		1.037	214	12	59	-		
💿 Argentina	256		-	4	6	-	28		
🜔 Belgium	2		-	16					
🖲 Brazil	0		1.440		91	-	333		
🕘 China	7046		1.135			30			
🗕 Colombia	249		1.216		2	0	48		
🛟 Denmark	10		-	40	30				
🆢 Slovakia	494		130	34	32	-	53		
🗿 Spain	1203	108	7.543	455	39	360	24	108	
🗣 Finland	0	70	-	15	12		6		
Detherlands	0		2	40	39				
🖿 Hungary			-	28	6				
(*) Mexico	637		-		11	-	210		
🕀 Norway	0		-	59	6				
- Poland	1420		193	45	137	-	-		
Portugal	253		-	12	27	16	3		
► Czech Rep.	463		221	181	23	2			
🛑 Romania	507		1.892	78	34		149		
Russia	695	664	1.413	4	1	10	54		
🗧 Sweden	0	33	-	188	77	25			
🕄 Switzerland	0		-	10					
Co Turkey	856		1.560			26	-		
<b>₽</b> ИК	41		761	40	20	-	77		
<b>⊕</b> USA	2044		0			-	213		
Total	16.608	875	18.542,92	1.464	604	528	1.198	108	

#### **Emission intensity**

#### CONTENTS 305-4

Gonvarri considers emissions intensity to measure the efficiency and impact of its processes. The resulting annual ratio is calculated by dividing direct and indirect emissions (305-1 and 305-2) by the total weight of products sold in each country. The following table details the results obtained in 2022:

	Intensity kgCO <sub>2</sub> eq / ton sold
Germany	4,9
💽 Argentina	5,7
🖻 Brazil	3,1
Dhina 🗧	24,2
🗕 Colombia	69,2
🍃 Slovakia	2,2
👂 Spain	4,1
•) Mexico	3,5
- Poland	10,0
🧿 Portugal	1,8
🖢 Czech Rep.	171,8
📄 Romania	146,0
🛑 Russia	55,5
🛟 Sweden	83,7
📀 Turkey	72,8
🕀 UK	3,9
👙 USA	18,4



#### **Avoided emissions**

CONTENTS 305-5

#### Energy efficiency

In 2022, 12 energy saving measures (ESMs) were implemented in different plants of the group, increasing the annual rate of energy savings by 1.95 GWh.

With these measures, there are now 102 MAEs since the project began, achieving an annual energy saving rate of 19.67 GWh, which represents an 8% reduction in Gonvarri's energy consumption.

The measures implemented in 2022 will lead to a reduction of  $174 \text{ tCO}_2$ /year in Scope 1 and 286.2 tCO<sub>2</sub>/year in Scope 2.

# Purchase of energy from renewable sources

The factories within the renewable electricity supply contract in Spain, the factories in Brazil, the factories of GMH Lohja (Finland) and GMH Stålteknik (Sweden) and the factories of Steel&Alloy (S&A Aycliffe, S&A Bridge Street, S&A Union Street and S&A Popes Lane), as well as the GMH distribution centres in Sweden and the Netherlands, purchase 100% of their energy from renewable sources.

In 2022, 74,182 MWh of electricity was purchased from renewable sources. This avoided the emission of  $17,671 \text{ tCO}_2$  eq.

#### Renewable energy sources

Through self-consumed solar energy in the Puebla (Mexico) and Thüringen (Germany) factories, the emission of 612 tonnes of  $CO_2$  (165 tonnes of  $CO_2$  /year in Germany and 447 tonnes of  $CO_2$  /year in Mexico) was avoided.

#### Solar structures

The company is well aware of the possible negative effects that climate change can cause and, faced with this real risk, Gonvarri contributes to its mitigation through the Solar Steel company.

The main activity of this division is the manufacture and supply of solar structures, mainly fixed and with single-axis trackers (TracSmarT+ 1V DR, TracSmarT+ 2V and RackSmarT), which form part of the photovoltaic parks whose objective is the generation of renewable energy that does not emit greenhouse gases into the atmosphere.

In total, **solar structures** were supplied for the installation of 1,371 MW, distributed in 6 countries. Estimating, among other things, the net hours of solar radiation per project, as well as the percentage that the cost of these structures represents with respect to the total cost of the project and the conversion factor applicable to each country, we estimate that we have **contributed to indirectly avoiding** a total of **306,886 tonnes** of CO<sub>2</sub> in the financial year 2022.

#### **Other emissions**

#### 305-7

With regard to emissions from other sources, these are specific, as they mainly affect factories that carry out surface/special treatments (galvanising, electrogalvanising, etc.), where controls are carried out by an accredited body with the frequency established in the corresponding licences or other legal requirements. The main emissions are summarised below:

Other emissions						
	💿 Spain	🎱 China	🛑 Romania			
ΠOx	11.097	912	2.220			
SO <sub>2</sub>	232	45	0,02			
CO	7.204	0	0			
Π <sub>2</sub> 0	25	0	0			
NH3	6	0	0			
CO <sub>2</sub>	4.388.457	0	0			
Particles (MP)	1.556	408	0			
HCI	926	0	0			
Zn	13	0	0			
СОТ	75.615	0	0			



## 🕅 Follow-up of the plan in 2022

#### Conclusions

Emissions Scope 1

Emissions have been reduced by **9%** compared to 2021.

The level of compliance with the decarbonisation pathway, or carbon budget, has been **76%** compliance.

**High natural gas prices**, a **decrease in the activity** of some factories and a **mild winter** resulted in a 10% reduction in natural gas consumption compared to the previous year.

Scope 1 & Scope 2 emission dropped by **40%** in 2022 against

#### Emissions Scope 2

Emissions have been reduced by **65%** compared to 2021, and the level of compliance with the decarbonisation pathway, or carbon budget, has been **234%**.

Electricity consumption fell slightly, by 1% compared to the previous year, although there was a substantial increase in Electricity purchased from renewable sources, from 5 to 74 GWh. In addition, the energy efficiency measures that have contributed this year with a saving of 1 GWh, or the solar photovoltaic autoconusmo that has accounted for 3.4% of electricity consumption (factories within the perimeter of the Carbon Footprint).



#### Carbon budget Scope 2





Plan Carbon Neutral 2030/50 Circular economy Water and effluents

# Circular economy: raw materials and waste

#### CONTENTS 3-3

In recent years, the circular economy has positioned itself as a key issue in the environmental management of companies, reinforced, among others, by the approval of the "European Green Deal" at the end of 2019 and the recent "Spanish Circular Economy Strategy", in addition to the 2030 Agenda for sustainable development.

Environmental performance

At Gonvarri, instead of focusing on the Circular Economy as an end goal, we want to use the concept as a tool to guide us towards continuous improvement of production processes and areater environmental responsibility.

## **Raw materials**

Due to its characteristics, steel is key to Gonvarri's Circular Economy. It is a fundamental material in society and the main component of all Gonvarri's processes, representing more than 95% of its total consumption.

Steel is infinitely reused, melted and remodelled, iron and the other metals used to produce it have inherent chemical and physical properties that are not altered when recycled. It is the most recycled material in the world.

Life cycle analyses show that the use of recycled steel significantly reduces the consumption of natural resources and raw materials. For every tonne of steel that is recycled, the steel industry saves about one and a half tonnes of iron ore, 85% of water, 80% of energy and 95% of coal and all its associated emissions (Source: UNESID).



#### The life cycle of steel

2 PRODUCCIÓN YCONSUMO RESPONSABLES



In addition to the requirements aimed at manufacturing lighter vehicles, this year it is worth noting the increasing request from many customers, mainly automotive, for information on the origin of steel (the main raw material) with the aim of reducing the environmental impact and carbon footprint of vehicles throughout their life cycle.

In this context, the so-called "**Green Steel**", which accredits a steel with a notably lower carbon footprint (and CO<sub>2</sub> emissions) compared to conventional steel, is becoming increasingly important. This steel comes from electric furnaces (whose raw material is scrap) with processes that use clean energy sources (electricity from renewable sources and hydrogen, among others) (302-5).

Gonvarri Industries uses various materials to manufacture its products. Steel consumption accounts for 96.5% of the total, being the most relevant raw material, followed by aluminium, with 3%.



Raw materials							
	Steel	Aluminium	Zinc and zinc oxide	Hydrochloric Acid	Others*		
🛑 Germany	297.942	16.448	-	0	25		
💿 Argentina	47.657	-	-	0	2		
💿 Brazil	583.698	-	-	2.726	0		
🗕 China	251.404	23.838	-	0	0		
Colombia	20.283	-	834	187	57		
Spain	1.762.816	17.044	3.783	13.083	98		
🕀 USA	76.078	30.156	-	0	0		
🇐 Slovakia	295.012	20.959	-	0	0		
(•) Mexico	219.287	6.803	-	0	2		
- Poland	166.299	243	-	0	0		
Ø Portugal	168.251	136	-	0	0		
🕀 UK	212.614	14.777	-	0	0		
🦢 Czech Rep.	4.536	-	-	0	0		
🜔 Romania	16.236	-	-	0	242		
🔵 Russia	45.476	-	-	0	188		
🔶 Sweden	3.857	-	-	0	10		
📀 Turkey	31.320	-	-	0	0		
TOTAL	4.202.765	130.405	4.617	15.995	623		

\* Includes anti-corrosion oil and electrostatic paint.



#### Purchases of recycled steel

301-1 AND 301-2

The steel industry has been undergoing major changes in recent years. Expectations of future raw material shortages, the increased availability of scrap, the requirements of steel mills to meet their  $CO_2$  emission obligations, as well as the demands of customers and society, are encouraging the increased use of electric furnaces to make steel from old steel.

At Gonvarri, a significant part of the steel used in the processes is made from recycled material.

Extrapolating the data analysed in two of the main plants in Spain, we estimate that approximately 20% of the steel used in the group comes from electric steelmaking and the rest from conventional steelmaking. On the other hand, considering the origin of the steel, it is estimated that in electric steelmaking, 100% is scrap (recycled) and 20% in conventional steelmaking comes from scrap.

As a result, we estimate that 36% of the steel used in the group is of recycled origin, which, together with the efficient management of scrap, favours the development of a more circular steel value chain.









Environmental performance Plan Carbon Neutral 2030/50 Circular economy Water and effluents Soils Noi



## <sup>®</sup> Waste management

CONTENTS 306-1, 306-2, 306-3, 306-4 AND 306-5

The waste produced at the facilities is adequately segregated, monitored, identified, stored and managed through authorised waste managers as established in the procedures and instructions derived from the Environmental Management System.

Gonvarri's factories produced a total of 346,794 tonnes of waste, 94% of which was non-hazardous and the remaining 6% hazardous.

#### Non-hazardous waste

A total of 328,501 tonnes were produced. Scrap stands out with 97% of the total. The remaining 3% is made up of plastic packaging, cardboard, tablex, wood, organic and construction waste, among others.

In addition, around 99% of non-hazardous waste is recyclable (steel, aluminium, wood, paper, recyclable plastic and construction materials).

#### Hazardous waste

A total of 19,294 tonnes were produced, mostly from factories with galvanising, pickling and painting processes, where ferrous chloride from pickling accounts for 88% of the total.

With regard to their management and disposal, this is carried out by authorised managers and transporters (100%), within each country.

#### Integrated scrap management

CONTENTS 301-3, 306-2 AND 306-4

Scrap is the main **waste generated** at Gonvarri. It is also **100% recyclable**, which is why it has an integrated centralised collection and recovery system for all the group's plants.

The amount of discarded steel varies greatly depending on the type of plant and product manufactured. The centralised system manages to collect and recover practically all of the scrap discarded in production, subsequently reintroducing it into the value chain and promoting the production of steel and aluminium from recycled material, with the consequent savings in raw materials and emissions. In 2022, a total of 319,797 tonnes of scrap (98% steel and 2% aluminium) were managed.







#### Project Abstract V SAQA V4 - Decap Value: conclusions



306-2

At Gonvarri, one of the wastes with the greatest environmental impact is spent acids, which are generated in the carbon steel pickling and immersion galvanising processes and which, depending on the process, have different characteristics and do not allow for a circular economy.

For this reason, in 2020, a project was initiated under an agreement between Gonvarri Industries and the National Metallurgical Research Centre (CENIM.CSIC), in collaboration with the Faculty of Physics of the Complutense University of Madrid and the Rocasolano Institute of Chemistry-Physics (CSIC), with a twofold objective:

- To recover the ferrous salts from spent pickling acids, and to allow the resulting free hydrochloric acid to be reused.
- Revalorising spent acids from galvanising, which contain ferrous ions as well as other metal ions such as zinc. The aim is to separate the ferrous salts and zinc salts, in order to recover a waste that is currently destined for landfill.

This technology will have to be accompanied by other measures affecting the pickling and galvanising processes in order to fix the maximum iron content, guaranteeing very high levels of purity.

The conclusions of the study indicate that the project was successfully completed and is now being assessed as to whether its industrialisation is economically viable, as it requires significant operational costs and investments.

This project is a review of the state of the art in the circular economy of spent acids. For its dissemination, the article "Acid pickling of carbon Steel" was published in the Journal of Metallurgy where the possible options for the recovery of pickling water from carbon and galvanised steel are analysed with a review of a wide range of technologies capable of fully or partially recovering pickling water, including galvanic pickling water, which are often excluded from circular economy strategies.

#### New wastewater and coolant evaporator at Flinsa

At the end of 2022, Flinsa installed a Zewatech VT-BC-750 type "**wastewater and coolant evaporator**" with an evaporation capacity of up to 750 l/day.

This evaporator will reduce the liquid waste from spent drilling oils and the plant's floor cleaning water, which contains hydrocarbons, oils and other harmful elements.

This evaporation system aims to achieve a 70% reduction in waste, as the evaporated water can be discharged directly into the sewage system (after analysis) or can be used for cleaning floors and other applications in Flinsa's processes.

The operation of the equipment is based on the placement of 1,000-litre IBR containers of coolants and other aqueous waste, which are sucked and passed to the machine's vacuum boiler. The evaporated water is then collected in other IBR containers, ready for reuse.

The modularity of the equipment (240x140xh230 cm<sup>3</sup>) allows it to be transported to other Gonvarri plants, where a three-phase power supply (power of the equipment is 8 kW) and a 4 bar compressed air supply are sufficient for its operation.




Environmental performance Plan Carbon Neutral 2030/50 Circular economy Water and effluents

### Initiatives

## in raw material substitution at source, waste reduction and optimisation

Within the framework of the European Commission's Circular Economy Action Plan and the "Spain 2030" Strategy (EEEC), Gonvarri Industries promotes measures in its business model that contribute to reducing waste generation, replacing raw materials and resources with more sustainable ones and management efficiency.

Aimed at waste prevention, it develops initiatives focused on the new plastics economy, respecting the needs of reuse, repair and recycling, as well as the development of more sustainable materials and reauirements for containers and packaging, in line with prevention, reuse, recuclability, compostability and the introduction of recycled content.

Always in accordance with the customer and in compliance with their specifications, Gonvarri Industries has carried out various initiatives for the elimination and/or reduction of packaging material (plastic film, paper/cardboard, strapping, corner pieces, etc.) and for substitution at source, through the purchase of materials with sustainable certificates.

Some examples are shown below:

- At Gonvauto Barcelona and Gonvvama Chongqing, they replace their wooden pallets with metal return platforms, which are much more resistant and durable.
- At Gonvarri Polska, Gonvauto South Carolina, AMG Campinas and GMH Lohja (Finland), a system is in place to return customer pallets for re-use (if their technical condition allows it).
- At SteelGAlloy UK, a wooden pallet optimisation programme is in place, including a daily pallet audit.

- At **Gonvauto Barcelona** we eliminated Plastic Film from the packaging of material "X" and paper from the packaging of material "Z".
- In **Gonvauto Navarra**, in agreement with its main customer, plastic film was eliminated from practically all of its products.
- At Gonvauto South Carolina, the use of steel strappina was eliminated for all but one customer reference.
- In Gonvauto Galicia, an agreement was signed with a wood panel manufacturing company for their removal and management at zero cost.
- At Gonvarri Portugal, Gonvarri Burgos, AMG Paraná and Campinas, the packaging material from the coils is reused to package the rejects.
- At **GMH Laubach** (Germany), equipment was purchased to convert old cardboard packaging into filler material instead of discarding it.
- At Gonvarri Portugal, AMG Senica and Gonvarri **Nitra**, metal packaging from coils is reused to make corner protectors for packages. Portugal also reuses wooden separators that come from the supplier in the separation of finished product strapping.

Initiatives are also being developed to reduce packaging and **products**, for example:

- At **GMH Laubach** (Germany), refillable spray cans are purchased and used in most cases (cleaner, grease, etc.).
- In **Gonvarri Barcelona** and **Tarragona**, the following reductions in hazardous waste have been achieved: "O" Th in soda consumption with the installation of the osmosis plant in Tarragona, reduction in consumption by replacing the most efficient inhibitor in Cuba 3 (tank 1), in addition to the improvement in that it helps to eliminate copper deposition

in the material, reduction in acid volume with the periodic purchase of acid of higher concentration and adjustment of additives in auxiliary treatment processes such as EDAR, boiler, etc.

- In **Gonvarri Colombia**, the residue from pickling is delivered for the purpose of recovering it and producing ferric chloride.
- At Gonvarri Turkey (Cepas), a Zero Waste Management System was defined and certified in accordance with Regulation 30829. Among the measures established, the one relating to wood management stands out, with a formal declaration from the Ankara Provincial Environment, Urban Planning and Climate Change Directorate, for Zero Wood Waste, with the return and reuse system agreed with the client.

With regard to certified sustainable sourcing initiatives, some examples are summarised below:

- In Gonvarri Barcelona, Tarragona, Burgos, Valencia and Colombia, Gonvauto Navarra and Barcelona, Steel&Allou UK and AMG Campinas (Brazil), the wood for the pallets is acquired with the corresponding certificate of sustainable forest origin (PEFC, FSC, etc.).
- In **Gonvauto Galicia**, we use packaging plastic of the type "Recycled Polyethylene from selective collection and film offcuts of top quality material and packaging for industrial use".
- At **Gonvarri Burgos**, an improvement target was set for the use of biodegradable cleaning products. Following a market analusis, trials began in December with a new biodegradable cleaning product for cleaning blades.
- At **GMH Stålteknik-Canrena** in the Fellingsbro factory, the use of solvents has been reduced in the paint plant by changing the paints used for lacquering at source.



Environmental performance Plan Carbon Neutral 2030/50 Circular economy Water and effluents Soils Noise

## Water and effluents

CONTENTS 303-1, 303-2, 303-3, 303-4 AND 303-5

With the exception of some specific processes, the activity carried out in the factories does not require water for its operation, and therefore has low consumption. However, as water is an essential and increasingly scarce natural resource, it is monitored in order to achieve its sustainable use.

Indicate that no water sources have been significantly affected by water abstraction in the company (306-5).

In 2022, the total consumption was 292,014  $\mbox{m}^3$  , almost the same as last year.

The **water consumed** came 83% from the network and 17% from underground sources. 295 m<sup>3</sup> of rainwater was reused in Argentina and 658 m3 were recycled, mostly in Spain (Tarragona).

Consumption was mostly industrial (67%), followed by sanitary use (29%) and irrigation of green areas (4%).

Most of the factories (mainly with galvanising, zinc plating, painting, etc. processes) have treatment systems and carry out the regulatory controls established in their authorisations or in local/national legislation. The discharge was mainly into the sewerage system (90%) and septic tank (10%).

## Zero water discharge

In 2021, the "**Zero water discharge**" project was launched at the Gonvarri Barcelona factory with the aim of minimising the environmental impact associated with the wastewater generated in the electrogalvanising and galvanising lines.

An inventory of the discharge points of the lines has been made, the wastewater from each has been characterised and the most efficient and sustainable clean technologies for each case are being evaluated together with specialised suppliers. The project starts in 2023.

The aim is to share the results obtained with the factories that have this type of discharge and to extend the scope of the project to the Group's other wastewater.

Plants with pickling/galvanising processes generally reuse water, although there are no flow meters to provide accurate information on the volume recycled.

For example, Gonvarri Colombia recirculates water in the galvanising area. The process consists of a series of tanks for washing parts (pickling), prior to their passage to the zinc flux bath, where they are mixed with hydrochloric acid and water. In addition, there are also rinsing tanks where the parts are washed after pickling, which are treated in the WWTP.

The reused water comes from the sewage treatment plant and from the rinsing process and is reused to dilute the acid.





Environmental performance Plan Carbon Neutral 2030/50 Circular economy Water and effluents Soils Noise

## Soils

Preventing **soil contamination** is a key management aspect. Gonvarri's factories have the corresponding instructions and means to act quickly in the event of any incident and carries out awareness-raising activities to raise the awareness of all workers.

In addition, they monitor and report spills/spillages, describing the event and the actions taken.

In 2022, there were a total of 109 **spills** with an estimated volume of 19 m3 of mostly non-significant oil, all of which were properly managed and did not cause any damage to the environment (306-3).

In the event that contamination is detected at any site, the relevant actions are taken to clean it up.

During the acquisition process, Chlorinated Hydrocarbon contamination from the old solvent degreasing process was detected at the GMH Laubach plant (Germany). After an exhaustive analysis, the first phase of the decontamination process will begin in 2022 using the "**Enhanced natural attenuation**" (ENA) technique, with a duration of three years. This system will significantly improve the conditions at the site.

The first injections of bacteria and nutrients were carried out in October 2022, the first analyses will be carried out in autumn 2023 and winter 2024, in order to assess and estimate the need for further injections.



## Noise

In general, **external noise** is not a relevant impact at Gonvarri Industries' factories. Most of them are located in industrial estates, far from urban areas, which minimises this impact. In those cases, mainly in older plants, where there has been an increase in the growth of nearby urban centres towards the industrial estates, measures are taken to gradually relocate production.

Likewise, all of them have sectional, roll-up and fixed doors, with automatic closing mechanisms that prevent acoustic emissions to the outside and soundproofing cabins in those elements of the lines where the highest noise levels are produced, for the protection of workers (in addition to the use of the appropriate acoustic protection PPE in each case).

All factories carry out their corresponding external noise reports with the periodicity established in their environmental licences and/or environmental impact studies and/or the country's local legislation. Likewise, in order to minimise the acoustic impact of the transport of raw materials and finished products in lorries, the permitted and established loading and unloading times are complied with.

If non-compliance is detected, appropriate corrective measures are put in place.





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ANNEXES

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## People

## 🗞 Human capital

CONTENTS 2-7

Gonvarri's **global perimeter** is made up of 7,356 professionals (6,180 own and 1,176 external), compared to 7,249 professionals (6,185 own and 1,064 external) in 2021, which represents an overall increase of 1%.

In 2022, in accordance with the scope of the Report, Gonvarri Industries has 6,471 professionals (5,662 in-house and 809 external), compared to 6,299 professionals (5,632 in-house and 667 external) in 2021, which represents a 3% increase in the workforce. The table summarises their distribution by country and is detailed in Annex 3 table 1.

	Own	External		Own	External
🛑 Germany	408	50	🗢 Hungary	10	0
Argentina	59	0	(•) Mexico	109	14
🕒 Belgium	9	0	🌐 Norway	25	9
Brazil	474	3	🗕 Poland	116	0
China	490	232	Portugal	93	14
🗕 Colombia	256	128	<b>⊕</b> ик	274	13
<table-cell-rows> Denmark</table-cell-rows>	16	0	🍉 Czech Rep.	188	30
Spain	1.837	262	🛑 Romania	387	0
兽 USA	72	2	🛡 Russia	145	З
🍯 Slovakia	183	17	🗣 Sweden	101	0
🕈 Finland	43	0	O Switzerland	19	0
Detherlands	31	0	Turkey	317	32
			TOTAL	5.662	809



Annex 3 provides more detailed information in the tables: Table I. In-house staff by country, gender and age and Table II. External staff by country, gender and



People



Labour relations <u>(</u>

CONTENTS 407-1 AND 2-30

Gonvarri supports the rights of association, union representation and collective bargaining. In all cases, it respects the right to freedom of association and trade union representation, and the labour requirements and obligations of each country are always applied.

No significant sites and suppliers have been identified where freedom of association and the right to collective bargaining may be infringed or threatened at operating facilities.

Collective bargaining agreements or similar agreements regulate working conditions (wages, working hours, holidays, etc.) and relations between the company and trade unions. In 2022, 68% of the workforce is represented by collective agreements.

In some countries, where labour agreements do not apply, working conditions are set out in a "Handbook" or the country's own labour standards are applied directly. In 2022, 26% of the workforce is represented by a handbook and the remaining 6% are mostly small offices, where the country's own labour laws apply.



### 2022

ountry	Collective Agreement
👂 Spain	100%
Portugal	89%
📕 Germany	97%
UK	71%
🛡 Russia	67%
Poland	91%
•) Mexico	42%
Argentina	58%
Brazil	100%
Romania	100%
Finland	100%
🗦 Norway	100%
🗦 Sweden	100%
<b>Netherlands</b>	100%

The rest of the countries is "O".



#### CONTENTS 3-3



Gonvarri Industries is aware that people are its main asset, as it has excellent professionals in all business areas and countries. Having a strategy that allows us to have trained, gualified and motivated professionals in a pleasant working environment is a key aspect for growing as a competitive, solid and sustainable company, as the development and future of the company depends to a large extent on the commitment and work of its team. Therefore, attracting and retaining talent is a key aspect for HR management in its different phases.

### **People Growing Together** / Implantación de SuccessFactors

During the Gonvarri Industries Convention held in March 2022, "People Growing Together" was presented, a new people model aligned with the company's Strategic Plan.

Taking the employee lifecycle as a reference, People Growing Together covers nine areas where talent management takes centre stage.







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In addition, the central element is related to the implementation of **SuccessFactors** as a transversal tool for all the group's companies, with the following advantages, among others:

- It promotes the homogenisation of information at Group level.
- It allows obtaining valid KPIs for decision making.
- It contributes to the creation of a culture of digitisation.

In this regard, it should be noted that SuccessFactors is being deployed in Gonvarri in two ways:

- 1 **Employee Central:** module that allows you to have the data of all the people in the company in the same tool and following common guidelines for all of them..
- 2 **Performance Evaluation:** through a specific module with which we will be able to measure the fulfilment of both individual and competence objectives of the different people that make up the organisation.



## Attracting talent

Gonvarri Industries' objective is to have the best professionals available on the market.

We contribute to their development and growth through job offers, internal promotion and mobility. When positions are not filled by any of these mechanisms, external recruitment processes are initiated, for which we turn to media such as LinkedIn, InfoJobs or external recruitment consultancies, depending on the position in question.



Attracting **young talent** is an important challenge for Gonvarri, especially in today's constantly changing work environment, which requires a high level of motivation and wellbeing, allowing the different candidates to design a professional and life project.

To this end, it develops various initiatives focused on attracting, motivating and retaining young talent through training and practical actions with universities, schools and forums, for example:

• **Hiasa** and the **Solar Steel**, division, aligned with the policy of attracting and retaining talent, participated in the conference of the Polytechnic School of Engineering of Gijón on the role of photovoltaic energy in the 2030 Agenda and the need for new profiles in this field.

They also attended as exhibitors the employment forum organised by the University of Oviedo with the aim of connecting new talent with companies in the Principality, where they had the opportunity to present the Uniovi eTech Racing project with which Road Steel collaborates as a sponsor.

• **Gonvarri Material Handling**, launched an internship programme for young engineers who will work for a year in the Product Development department, as well as in other departments, which will allow them to learn about the different processes (Logistics, Production, Quality, Installation and Sales).



People Health and Safety





## Recruitment/

The company's goal is to find the most suitable candidate in the shortest possible time. To this end, there were a total of 17 selection processes in 2022 in the Corporate Division, for which 68 interviews were conducted.

The selection procedure at Gonvarri seeks to carry out an efficient, high quality process, for which a series of interviews are carried out, both by telephone and in person by the HR team as well as by the selection manager.

In addition, different tests are carried out to seek the best knowledge of the person, as well as to maintain an objective process, through technical tests by the area, as well as language tests by the HR team.

The "Predictive Index" questionnaire is also used in order to get to know the person better, as well as to facilitate integration and knowledge between the person and the team.





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### Incorporation/ Hosting

We accompany and ensure the rapid integration of each new professional.

A proper on-boarding process is key for the person who joins the company.

One of the aspects on which we work is the knowledge of the organisation on the part of new recruits. To this end, there is an induction programme where they can see the company at first hand through sessions to get to know the different areas, as well as through visits to the factories, so that they can get to know the industrial process at Gonvarri.

On the other hand, in 2022, the "**Onboarding & Refreshment**" itinerary has been launched within the Academy. This itinerary is designed for professionals at Gonvarri's facilities in Madrid, and has a dual objective: training and information.

Throughout the course, they will be able to learn first-hand about aspects related to Gonvarri's history and values, business lines, tools to be applied and the training required for their position.



In addition, the new policy, which has the following objectives, was launched:

- Avoiding the typical uncertainties of joining the company.
- Establish a supportive role model and help socialise and integrate the new recruit.
- Transmitting Gonvarri's culture.

- Linking new recruits to Gonvarri's objectives and strategy.
- To generate a positive on-boarding experience for the new employee.
- Improve the climate and the degree of loyalty and commitment to Gonvarri







### Learning& Knowledge

#### 404-1 AND 404-2

At Gonvarri Industries, we remain committed to training in order to promote the development of the people who form part of the company.

It is therefore essential to have trained and qualified young people, to whom stable employment and career development opportunities must be offered.

It should be noted that the **"POLO21 Training Policy"** establishes the directives for training and learning actions in the companies that make up the Gonvarri Industries Group.

In 2022, training hours have been increased by around 15% (192,392 hours in 2021), reaching 171,360 hours (84% men and 16% women). The graph shows their distribution by country and gender. This represents 30 hours per employee (average of 30 hours for men and 33 hours for women).

The training hours are detailed by category and gender in Annex 3 table 2.

#### Online training: ACADEMY

Steps have continued to be taken to strengthen the Academy and online training. In this regard, it is worth highlighting the launch of the new image of the training platform in October 2022. With this change of image, the number of modules available to people has been increased. In addition to finding courses and itineraries adapted to their profiles, they will also be able to access Webinars, carry out satisfaction surveys on the training received, carry out tasks related to specific training or have their training actions scheduled.







Currently, the number of people with access to the Academy platform stands at 4,888 (both direct and indirect labour), with more than 700 hours of online training.

On the other hand, Academy launched within its portfolio new courses aligned with the needs of the business (general, specific for a sector, factory, etc.), among which stand out:

- **Training on Key Processes**: developed together with BTM, adapted to the different key processes of the company, and applicable to different types of professional profile and to all the Group's plants.
- **CET itinerary**: this itinerary has been extended in relation to the CET tool used in Gonvarri Material Handling, which will improve specific knowledge about it.
- Information Security: an itinerary was created to provide all Gonvarri professionals with the main risks, as well as advice on how to avoid possible threats. Within the framework of this action, the annual "Information Security 2022" course was launched.
- Itinerary for the FLINSA management team focused on strengthening certain skills of the members of this team, an itinerary was set up to improve aspects such as communication, leadership and the management of highperformance teams.

It also continues with online language training with "**Speexx**", a digital language training partner for companies. During the year, people from the following plants took part in the training:

HIASA, Gonvarri Barcelona, Gonvarri Burgos, Gonvarri Colombia, Gonvarri Corporación Financiera, Gonvarri Valencia, Gonvauto Galicia, Gonvauto Navarra, Steel & Alloy.



### Classroom training

In addition to online training, Gonvarri also offers classroom and/or blended training, adapted to the needs and requirements of the different factories and offices. Some examples are summarised below:

#### Digital Supervisors 2022:

In October, a new edition of the Supervisor School took place in Gonvauto Galicia, aimed at enhancing the skills of the Digital Supervisor.

Throughout this training programme, participants were able to learn a little more about aspects such as Gonvarri 4.0, Innovation, Team Management, Productivity, Key Processes or SPG, among others.

In addition, Supervisors from Gonvarri's plants in Spain, Portugal, Mexico, Colombia and Argentina also took part.



17 to 21 October Gonvauto Galicia

**Gonvauto Asturias**, held a working session with its managers on team management through the "Predictive Index" tool, which helps to create and strengthen team cohesion.

**Gonvarri Burgos**, with a specialised external company, developed a series of workshops for managers in which the aim is to train them on how to show, transmit and emphasise throughout the organisation the visible commitment to Safety in the organisational structure, which is fundamental for having an effective, robust and consistent preventive culture that ends up permeating every last one of its employees.

**Gonvarri Poland** started the "Managers Academy" course through several training sessions for supervisors and the factory manager, with the aim of imparting theoretical and practical knowledge on team management, leadership skills, delegation of tasks and changes in the company.

**Madrid**: IESE's Madrid auditorium hosted the annual management meeting entitled: "Strategic Meeting 2022. Enhancing Progress".

Conference on legal responsibilities at **HGS**: Gonvarri held a conference on the different responsibilities that any manager has in health and safety matters, as well as the implications they entail. It was attended by members of the Management Committee, people with responsibility for regional management and second line of command.

**Gonvarri Burgos**: held a training day on management skills for middle management based on emotional intelligence, which will serve to improve the personal and management development skills of the supervisors who received it, in order to develop more effective leadership. **Gonvauto Iberia** held a three-day meeting in Asturias for the Management Teams of its four plants in order to raise awareness and deepen the scope of the "Strategic Plan" of Gonvarri Industries and, at the same time, to work on the development of the Management Teams.

The Comercial **AUTO** team held its annual meeting at the **Gonvarri Valencia** and **Flinsa** facilities. Over the course of three days, relevant and topical issues such as the Carbon Footprint, its impact on customer RFQs, opportunities related to electromobility and the Battery box, among others, were discussed.

**AMG Brazil's** sales and materials **planning** team also met face-to-face, to share best practices and strengthen synergies.

The **Steel Purchasing** team travelled to the Chateau Forum El Bosque to work and prepare the different future challenges, based on the "Predictive Index", promoting team cohesion as the hallmark of an organisation.

During 2022, general awareness-raising sessions on climate change and specific sessions on the CO2 scorecard developed to track the evolution of emissions in the company were held. In addition, the Enhancing Progress Tour internal communication project included specific sessions on the company's Carbon Neutral project. The sessions were attended by more than **150 people** in 4 sessions. The training activity within the scope of the Enhancing Progress Tour is detailed in the section dedicated to this event.





People





### Performance development

**Stability of employment** is a way of demonstrating confidence in the team and in long-term relationships. As a result, 93% of Gonvarri's professionals are hired on an indefinite-term basis and 96% are full-time. We also promote local employment, where 98.1% of our employees are of local nationality.

Likewise, we look for professionals who meet the Distribution by contract duration: requirements of each position, avoiding any type of discrimination in relation to race, gender, age, nationality, religion, political ideas, sexual orientation, marital status, disability, social origin or any other condition of the person and we control the entries and exits of each factory, in order to have information on the rotation rates.

Distribution by type of contract					
Indefinite Temporary Internships					
Man	4.505	277	24		
Woman	788	52	16		
	5.293	329	40		

Distribution by contract duration					
Full time Part-time					
Man	4.649	157			
Woman	788	68			
5.437 225					

Annex 3, table 3, details the information by type of contract and duration of contract, gender and country.

### **GONVVAMA** has been awarded the "Kincentric Best Employer, China 2022" award

Kincentric (owned by Spencer Stuart), a global leader in executive recruitment and consulting, presented the list of "China's Best Employers 2022", where GONVVAMA was awarded.

Kincentric Best Employer's comprehensive assessment includes four key elements: employee engagement, organisational agility, leadership and talent focus.





## Rotation

### Recruitment

In 2022, there were a total of 1,004 additions of own staff, distributed as follows:

	MEN	MOWEN	TOTAL	
Recruitment	858	146	1004	

Further information is given in Annex 3 in table 4A. Recruitment took place mainly in Turkey, Spain, Brazil and China.

## Percentage distribution of recruitments



#### Exits

In 2022, there were a total of 922 departures of own staff, the distribution of which is summarised below:

	MEN	WOWEN	TOTAL
Dismissal leaving	223	18	241
Voluntary leaving	593	88	681
Total	816	106	922

Annex 3 provides more detailed information in tables 4 B&C. Departures were mainly in Turkey, Brazil, Spain, China and Romania.

### Percentage distribution of departures



This represents an average turnover of 16% (17% for men and 12% for women).

## Internal promotion



The "**Internal Promotion**" process allows professionals to acquire new responsibilities and new challenges that improve their performance, motivation and commitment to the company.

At Gonvarri we contribute to their development and growth through job offers, internal promotion and mobility.

To encourage internal promotion, job offers are periodically published through "**Job Posting**" on the corporate intranet or other media such as noticeboards, email, etc. This makes it possible to fill certain internal positions. Interested candidates go through a process of interviews with HR and the area requiring the position, in order to select the most suitable candidate.

In 2022, 3 new positions were added through Job Posting: two at Gonvarri Barcelona and one at Gonvvama.

There were also 47 internal promotions (34 men and 13 women). Their distribution by country is summarised in Excel:

Internal promotion					
	Men	Women	Total		
🛑 Germany	2	0	2		
Brazil	2	1	3		
🎱 China	1	0	1		
🗕 Colombia	3	2	5		
💿 Spain	18	6	24		
🍯 Slovakia	1	1	2		
🕪 Mexico	2	0	2		
👕 Russia	З	1	4		
📀 Turkey	1	1	2		
兽 USA	1	1	2		
	34	13	47		



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#### <sup>404-3</sup> Performance evaluation

At Gonvarri we have a performance evaluation system based on centralised objectives at an institutional level on the "ETWeb" platform, mainly for management teams. The system allows professionals to have information on their annual objectives, to monitor them and to know the degree of compliance, by means of performance and competence assessment.

A total of 323 evaluations were initiated in 2022, distributed among 12 countries. At year-end, a total of 226 are being finalised and/or completed, as shown in the table below.

Performance evaluation: corporate					
	Man	Woman	Total		
💿 Argentina	5	2	7		
Brazil	1	0	2		
🗕 Colombia	1	0	1		
💿 Spain	140	35	175		
Slovakia	1	0	1		
🕑 Mexico	10	З	13		
🗕 Poland	5	3	8		
🌖 Portugal	4	4	8		
<b>⊕</b> UK	9	2	11		
兽 USA	1	0	1		
Total	177	49	226		

In addition, most factories have their own performance evaluation systems in place. These include plant personnel, in many cases covering 100% of the workforce, with a methodology appropriate to their activity that measures parameters such as versatility in the workplace. Below is a summary of the distribution of the DPOs carried out by country:

Evaluation Factories					
	Middle Management Plnata staff			Tabal	
	MEN	ωοψευ	MEN	MOWEN	Total
💿 Argentina	10	5	37	7	59
Brazil	33	13	318	70	434
China	31	12	367	47	457
🗕 Colombia	21	11	0	0	32
💿 Spain	108	12	355	27	502
🅌 USA	7	1	55	11	74
🍉 Slovakia	16	4	129	31	180
Finland	7	1	26	8	42
Detherlands	2	1	23	3	29
Hungary	0	0	6	3	9
(•) Mexico	7	4	4	0	15
Poland	7	2	81	24	114
Portugal	8	4	58	15	85
<b></b>	38	5	155	37	235
🦢 Czech Rep.	0	0	0	0	0
🛑 Romania	28	8	264	47	347
🛑 Russia	8	4	27	9	48
Total	331	87	1.905	339	2.662







### Compensation, Benefits & Mobility

## Mobility

At Gonvarri we are constantly growing, which implies the need to cover certain vacancies outside Spain and to transfer certain employees as "expatriates", for which we have efficient "**Mobility**" mechanisms.

Opportunities are also offered to other employees for secondments of 1-4 months, such as **"Start-up Teams"** responsible for transferring experience, knowledge and corporate culture to the new centres in the different countries and training new professionals.

As 2022 was a year of recovery from the pandemic, there were no significant movements by the international start-up teams. In terms of expatriates, we sent one Turkish employee to China, two Spaniards to the South Carolina plant and another to the Brazil plant, and three Spanish nationals from China & USA returned to Spain to the corporate headquarters.

## Flexibility and work-life balance

#### 401-3

Through the "Growing Together" and "**Be Healthy**" programmes, we contribute to improving engagement and well-being. Among the initiatives developed, we highlight the improvement of flexible working hours or holiday dates, intensive working days, improved facilities and new possibilities for sporting activities.

In factories, where work is highly customer-driven and shiftbased, flexibility and the necessary adjustments are made on an individual basis.

Some examples of the main flexibility measures defined in offices and factories are summarised below:

#### Madrid HQ (corporate):

- Summer working day: from 1 July to 10 September.
- Working day: flexible start time from 7:00 to 9:30, lunch between 30 min and 2 hours, and departure time will be set in accordance with the two above.
- Holidays: two weeks outside the month of August. These may be grouped in a maximum of 3 periods. If it has not been possible to take the holidays, the period is extended until March of the following year.
- Travel for work and non-working hours: in the event of travel during non-working hours, the hours will be compensated in the following week with the agreement of your line manager.

In factories, where work is highly customer-driven and shiftbased, flexibility and the necessary adjustments are made on an individual basis. Some examples of flexibility measures in factories are summarised below:

**Gonvarri Colombia** has a Flexi-Working Policy of May 2022 which includes start and finish times, as well as teleworking options (once a week),

At **Flinsa**, for office staff living outside lbi, the lunch break is reduced to 45 minutes so that they can leave 45 minutes earlier.

**Gonvarri Argentina**, for non-agreement personnel, flex time is available on Fridays. Remote work is only permitted for specific circumstances.

In **AMG Brazil**, it is carried out from two approaches: Home Office or the so-called "home office", which establishes the general rules and information on its application; and Horário Flexivel, which provides for the possibility of flexible working hours for administrative areas.

**GMH Lohja** (Finland): As stated in the Handbook there is a mandatory working time from 9.00 to 15.30 for each employee. In 2022, 2-3 days a week are set as office working days, the rest can be teleworked.

**Gonvauto Galicia** has flexible entry, lunch break and exit and special summer working hours for MOI staff (split shift), as does Gonvarri Barcelona, which includes these measures in the Collective Bargaining Agreement and in Annex 1 of the "Company Pact 2016-23".

**Gonvarri Polska** sets out the rules for the organisation of work in the working regulations, with flexible working hours for individual jobs and the possibility of remote working.

At **Steel&Alloy UK** they have the legal right to flexible working, as set out in the Employee Handbook. They can also request to work from home on specific days.

**Gonvauto South Carolina** has a flexible working hours plan for office staff.



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Regarding maternity and paternity leave (401-3) in 2022, 126 men and 35 women are on maternity and paternity leave, of which 94% of men and 71% of women have already returned to work.

### Reconcilia" Recognition in Gonvauto Navarra

Gonvauto Navarra has been awarded the "Reconcilia" seal as part of the Business Actions for the Reconciliation of Work, Family and Personal Life project promoted and promoted by Amedna thanks to the collaboration of the Employment Service of the Vice-Presidency for Economic Development of the Government of Navarra.



### Social benefits 201-3 AND 401-2

Gonvarri is a diverse company where social benefits are not homogeneous, adapting to the characteristics of the different factories and countries. In any case, for workers there are no significant differences between the benefits offered to parttime employees and those offered to full-time employees. The following is a summary of the social benefits in the different facilities and countries:

**Health insurance**. This benefit is available at the factories of AMG Brazil, GMH Lohja (Finland), GMH Kirovsk (Russia), Gonvarri Kaluga, Gonvarri South Carolina, Gonvarri Portugal (for employees and their direct family, and for directors/managers it only covers their children), Gonvauto Puebla, Gonvarri Turkey, Steel& Alloy UK (for white collar), Southcarolina offers health, vision and dental insurance, and GMH Laubach (Germany) offer check-ups and the possibility of annual flu vaccinations. Alloy UK (for white collar), Southcarolina offers subsidised health, vision and dental insurance and GMH Laubach (Germany) offers check-ups and the possibility of annual flu vaccination. In addition, it is also available at GMH offices and distribution centres in Belgium, Denmark, the Netherlands and Norway.

**Life insurance** is available at all facilities in Spain, GMH Laubach (Germany), GMH Kirovsk (Russia), GMH Lohja (Finland), AMG Brazil, Gonvarri Kaluga, Govvama factories in China, Gonvarri Poland, Gonvarri Colombia, Gonvauto Puebla, Gonvarri South Carolina (full-time employees) and Steel&Alloy UK. In addition, it is also available at GMH offices and distribution centres in Belgium, Denmark, Norway, Sweden, GMH UK and CSI. In general, most life policies include disability and/or invalidity in their terms and conditions.

**Canteen service/restaurant ickets**, are available at the factories of AMG Brazil, AMG Senica (Slovakia), Gonvauto Thuringen, Gonvarri Kaluga, GMH Kredit, Gonvarri Argentina, Gonvarri Kaluga, Gonvarri Portugal, Gonvarri Colombia, Gonvauto Puebla, Gonvarri Turkey, GMH Lohja (Finland), the Govvama factories in China and Steel&Alloy UK. In addition, it is also available in offices and distribution centres in the UK, the Czech Republic, the Netherlands, Slovakia and Norway.

**Transport service**, , this benefit is available for various types of transport at the Burgos and Tarragona plants in Spain, Gonvarri Portugal, Gonvauto Puebla, Gonvarri Kaluga, Gonvarri Colombia, AMG Brazil, GMH Rasnov (Romania), GMH Kirovsk (Russia), the Govvama plants in China and Gonvarri Turkey. In addition, GMH's distribution centres in Norway and Sweden and various facilities provide company cars to management and the sales department.

**Maternity/paternity leave**, this benefit is available to the factories of Gonvauto Puebla, the factories of Gonvauto And in Spain the factories of Hiasa, Gonvauto Asturias and their engineering companies.

In addition, factories have other social benefits of their own. Some examples are summarised below:



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In **Iberia**, **Gonvauto Portugal** gives **gifts/presents for different reasons** such as; birth, Christmas boxes and a gift for children under 12 years old and in the factories in Spain gifts/ presents are given for different reasons such as; birth, Christmas basket and Gonvarri Tarragona has a laundry service for its employees, season tickets to access the Estival Park sports centre, Aquum, daily delivery of fresh fruit in the canteens and in the central offices in Embajadores there is a gym and sports centre with paddle tennis courts. Gonvauto Galicia has the initiative "Gonvauto Galicia excellent scholarships for sons and daughters of workers 4<sup>th</sup>Ed.

In Spain, a private policy can be taken out voluntarily through the Flexible Remuneration Plan (PRF), with which the tax benefits established by law are available. Its percentage distribution in 2022 is summarised below.



\*Includes only Gonvarri owners, not their families.

In the rest of Europe, **Gonvarri Poland** has a company and **cash benefit fund** for holidays and other occasions, Steel&Alloy (UK) participates in and finances the "Cycle to work & Life Style Scheme" for sustainable mobility, and Gonvarri Thuringen (Germany) gives a "Babythings" voucher for every birth and a bonus for childcare. In Slovakia, AMG Senica and Gonvarri Nitra offer free coffee and tea, and have a social fund that includes various grants and gifts on special occasions.

In Latin America, the Gonvauto Puebla factory (Mexico) social benefits are included in the "Employee Welfare Plan", which incorporates various initiatives such as: food vouchers, major medical expenses insurance, savings funds, assistance in kind for paternity/maternity, scholarships and school assistance, minor medical expenses insurance, accident and life insurance, marriage and death assistance, Gonvarri Colombia also has a "Workplace Welfare Plan" with various initiatives and covers first aid and Gonvarri Argentina has social coverage for food and transport.

In **Asia**, Gonvvama's factories distribute financial support in various benefits to their employees, including birthdays, marriages, births, hospitalisations, landmark dates, transport subsidies, accommodation (in offices, and the Changshu, Shenyang and Chongqing factories), medical check-ups and team building

**Gonvarri Kaluga** (Russia) finances health insurance for employees' disabled children and Gonvarri Turkey, provides a break area with free coffee and tea.



## Pension funds and/or retirement plans 201-3

They are only available in some countries, either because of obligations arising from local legislation or because of historical commitments.

In particular, they have pension funds in the UK, Germany (Thuringen), Norway, Sweden, the Netherlands, Denmark, Slovakia (Senica and Nitra), Poland (GMH), Belgium, Switzerland and South Carolina, as well as voluntary pension plans in the UK.

In Spain, only Barcelona has a partial retirement plan included in the Company Pact 2017- 2022, as well as the United Kingdom, South Carolina and Slovakia. In any case, these are very specific situations and of little relevance to the company as a whole.





## Programme: Be Healthy

403-6

At Gonvarri we are aware of the importance of the need to generate healthy habits among the people who form part of the organisation and to promote physical and sporting activities. In addition, **sports activities** and healthy eating are promoted at the Group's headquarters and factories. Some examples are summarised below:

• At the **headquarters** (employees of Gonvarri Industries and GRI Renewable Industries took part in a "Football Tournament" in which four teams made up of employees from both companies took part, and a "Paddle Tennis Tournament", in which 10 paddle tennis pairs competed over a period of four weeks.

In addition, functional training sessions are offered every Tuesday and Thursday to employees of both companies, where they can participate in training sessions led by a professional trainer with the aim of working on aspects such as strength and endurance.

• The Gonvarri Industries team took part in the twelfth edition of the "Companies' Race". More than 50 runners represented the Gonvarri Burgos, Gonvarri Tarragona, Gonvarri Barcelona, HIASA and Gonvarri Madrid plants.







- In Gonvarri Poland, four employees took part in the "XXXVIII Kosyniera 10km long race", in which they achieved very good results.
- **Gonvarri Metal Structures** organised different activities through its "GMS Healthy Life" portal to promote healthy living, sport and health care, such as: the 2nd GMS Healthy Life Padel Tournament, the Women's Race in Gijón and the "Women for the Heart" workshop to prevent cardiovascular diseases.
- **Gonvarri Tarragona promotes sport by offering its employees full passes** to the "Estival Park, Aquum" sports centre. In addition, in order to create "Healthy Lifestyle Habits", it provides employees with fresh fruit daily in all the company's canteens.
- **Hiasa** and **Gonvauto Asturias**, through GMS Healthy Life, launched a challenge to add up km among all employees at all GMS sites in Spain (walking, running, cycling). The reward was a donation of €1 per kilometre to the Aladina Foundation. They also support other competitions by covering the registration fees for the different San Silvestres races in Gijón, Avilés and Oviedo, football matches for all employees who request it, a paddle tennis tournament and a special activity, such as the descent of the Sella river.

To promote healthy eating habits and disease prevention, it held a workshop to raise awareness of cardiovascular diseases, one of the main causes of death among women in Spain, in collaboration with Fundación Mapfre.

Through the Healthy Portal "GMS Healthy Life", it promoted different actions such as: Nutrition Workshop, Safe Driving Workshop, First Aid Workshop, Control your network Workshop (for minors in the network) and Sleep Control Workshop.

• **AMG Senica**, within the scope of the health week, prepared various activities such as: massages, fruit and drinks, healthy walk inside and outside the plant, blood pressure measurement, first aid, examination of skin marks, healthy food and cakes, fyzio workshop, vitamin tickets for € 20 for the employees. In addition, the "Safety Day" was celebrated with activities such as evacuation, road simulator, fruit for employees, cholesterol measurement, etc.

It also facilitates initiatives with benefits for the physical and mental well-being of its employees, such as massage services and access to swimming pool and gymnasium.

 Gonvarri Road Steel, sponsored the SACYR 2022 golf tournament held in León.

## Francisco Riberas Pampliega Sports Complex

In 2022, the Francisco Riberas Pampliega Sports Complex was launched at the Gonvarri Madrid facilities. This complex has 2 paddle tennis courts and a multisports court, which are being used with great success by professionals in Madrid.





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## Diversity

#### 405-1

At Gonvarri, we believe that the heterogeneity of people and their distinctive contribution gives us an unquestionable competitive advantage. The perspective and way of thinking of professionals with different backgrounds helps us to achieve positive changes in the organisation, in working methods and increases its capacity for innovation and response to today's demanding market.

The development of **Equality Plans** in the different organisations of the Gonvarri Group is one of the strategies being adopted by the group, which has decided to commit to transversality and the integration of equality objectives in the management of its policies.

In Spain, the head offices and the various factories have drawn up the corresponding Equality Plans in accordance with Royal Decree 902/2020. The plans of Gonvauto Galicia, Navarra and Barcelona, Gonvarri Valencia, Gonvarri Corporación Financiera, Hiasa and Flinsa are available or in the process of annual updating. GICS Burgos, Barcelona and GICS in HQ are in the process of negotiation, Gonvarri Tarragona, having recently exceeded 50 workers, is drawing up its corresponding Equality Plan and the rest of the factories have fewer than 50 workers, so it is not applicable.

Employee remuneration is established annually in the collective bargaining agreements for each professional category, including wage increases. They also include overtime, variable hours, night work, etc. appropriate to their activity, factory and country. In addition, the factories that have Equality Plans include the diagnosis and analysis of pay and the pay gap. The results show certain differences between office and factory staff.

The various equality plans include a corrective action plan to minimise this impact, which will be updated annually.

In other cases, equality and non-discrimination measures are set out in the respective collective agreements or handbooks applicable in each case. Some examples are summarised below:

- Collective agreements, such as: Gonvauto Navarra (Section I and II), Gonvarri Burgos (Art. 48°), Gonvarri Tarragona (Chapter X, Article 44), Laser Automotive in Barcelona (Chapter XIV. Equality Policy), in Valencia (Chapter XIV), in Zaragoza (Chapter VI. Articles 34, 36, 37, 38, 39, 40, 41 and 42), Hiasa and Gonvauto Asturias (Art. 33), Gonvauto Galicia (Sixth Additional Provision) and Gonvarri Polska (Annex No. 1 of the work regulations).
- **Employee handbook**, e.g. Gonvauto South Carolina, Steel&Alloy UK (chapter 3 Equal opportunities) and in GMH Rasnov (Internal Regulations chapter X).

### WOMEN OF STEEL I ACTIVATE YOUR CAREER DAY

As part of the Women of Steel initiative, the 1st Edition of "Activate your Career" was held, in which 4th year ESO students from the Mater Salvatoris School in Madrid visited the Gonvarri Industries facilities.



The aim of the conference was twofold:

- To provide students with a global vision of how a company such as Gonvarri operates in a context marked by a commitment to innovation, the development of new products and business lines.
- Orienting and informing students about a company that is committed to STEM careers.





In 2022 we continue with the "**Diversity Project**", to promote diverse talent and inclusive leadership. The Programme incorporates and articulates this variable within the organisation through policies, processes and dissemination and awareness-raising actions.

In relation to gender diversity, the "Women of Steel" project aims to raise awareness and sensitise about equality between women and men and the need to break with old sexist paradigms. On "International Women's Day", an event with the UN theme of "Gender Equality Today for a Sustainable Tomorrow", Gonvarri celebrated the progress made and the determination of women who have played a key role in the history of their countries and communities.

The different Gonvarri factories commemorated the event in different ways, but with a sense of belonging to the steel sector, a historical and traditionally male industry, but which today integrates more and more women, female talent that adds diversity to the sector.

As for professionals with disabilities, we currently have 85 employees (75 men and 10 women) distributed mainly between Spain, Germany and the Czech Republic. The attached graph shows their distribution:

	Different capacitie	25
	Men	Women
🛑 Germany	22	4
💿 Spain	29	5
🍉 Slovakia	6	1
두 Finland	1	0
🦢 Czech Rep.	11	0
🏶 Turkey	6	0

We maintain a fluid collaboration and develop numerous initiatives with **Special Employment Centres**, such as, for example: the purchase of fresh fruit, the rental of rooms for different events, etc. This also allows us to contribute to the integration of people with disabilities and/or at risk of social exclusion. Among others, the Corporate Department supports the **Juan XXIII Roncalli Foundation** with team dynamics at the Foundation's facilities; projects to generate business ideas to create new products and services; and in volunteering actions together with the young people from the special employment centre and, at a local level, the factories carry out different initiatives, for example, **Gonvarri Tarragona** is working with the Randstad Foundation for the inclusion of people with disabilities.

We also promote local employment to create value in the countries where we operate. 98.1% of the workforce is of local origin.

Local origin				
	Men	Women		
Director	91,4%	95,2%		
Middle Managers	89,2%	90,6%		
Direct labor workforce	90,6%	89,1%		
	90,5%	89,7%		



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### Retention & Wellness

#### Work climate

In order to improve the development, performance and life of Gonvarri's professionals, it is essential to know their opinion on different factors which, when analysed together, allow us to obtain an assessment of their level of satisfaction. To this end, we carry out the "**Work Climate**" survey every two years.

The survey conducted in 2021 is a clear reflection of the two difficult years (2020 and 2021) marked by the COVID 19 pandemic, which affected to a greater or lesser extent all the countries in which we are present. Fifty facilities (factories, offices and distribution centres) participated in the survey, sending in a total of 4,852 surveys with a response rate of 69.13%.

The most highly rated issues continue to be working conditions and Health & Safety. On the other hand, the worst rated issues are compensation and benefits, innovation and change management, as well as training and work organisation. The results of the survey were communicated to all employees and managers in order to establish improvement actions.

Climate perception is also influenced by local aspects, so each company designs and implements specific improvement action plans that can also be mainstreamed to other companies.



#### Initiatives with employees and their families

Likewise, in order to contribute to improving the **working environment** and pride in belonging, Gonvarri Industries carries out various activities and initiatives for the group's professionals and their families.

In June, the **Madrid** headquarters hosted the 5th edition of the "Day without School", where the children of Gonvarri Madrid employees enjoy a day at the offices with proposals to have fun, get to know the place where their parents work, and learn what they do on a daily basis.

On this occasion, the mini olympics were held in the Francisco Riberas Pampliega sports complex, where the little ones enjoyed various sporting activities led by expert monitors, a subsequent celebration and presentation of medals where all were the winners.

**Gonvarri Material Handling** developed and commissioned a new storage machine that is more efficient, faster, safer and quieter. On this occasion, a competition was organised among the employees to name this new machine, and the winner was called "GONVALIFT".

**AMG Senica** celebrated the "Open Day" with fun attractions for employees and their families.





## Offboarding

For Gonvarri, saying goodbye to an employee is important, through an orderly transition.

As part of the **Leadership Meeting 2022** event, three of the last executives to retire between 2020 and 2022, who could not be honoured because of COVID-19, were honoured.

In the photo, the honorees (from left to right) Mark Cooper, Abilio Angulo and Luis López with the president Jon Riberas.

Mark Cooper, Gonvarri Industries 2012 – 2022 Abilio Angulo, Gonvarri Industries 1990 – 2020 Luis López, Gonvarri Industries 1979 - 2020





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## Health and safety

## 🐼 Management model

**Gonvarri Industries' Health and Safety model** is based on the principle of integrating Safety throughout the organisation, sharing responsibilities among all members of the hierarchical line, and taking safety aspects into account in all decisions adopted, as well as in all processes and new projects undertaken. Gonvarri Industries' first priority is to provide its own and third-

party employees who carry out activities at its work centres with the best health and safety conditions in workplaces in general, facilities, machinery, equipment, materials, etc. so that risks are eliminated at source, preferably by means of technical measures that keep the number of risks and their magnitude at marginal levels and at the expense of the necessary training and information and risk control measures (maintenance, revision, etc.) which, in both cases, must be perfectly identified and implemented.

The preventive culture to be internalised in the company involves having analysed and eliminated risks that have solutions that do not require placing all the responsibility on the employee, and it can be transmitted to the employee that the company has made every effort and used all its resources to ensure that his or her work is as healthy and safe as possible. The internally defined standards for these working conditions are not based on meeting the minimum legislative and regulatory requirements that are in place, but on transcending them and applying innovative measures arising from experience and best practices that have been identified, not only through the investigation of actual accidents or incidents, but through an in-depth analysis of the root causes of the risks and many practices and ideas arising from the risk-exposed employees themselves, who are to be empowered.

The plants implement improvement plans for these working conditions based on the standardisation of these conditions in Technical Specifications, the mainstreaming of these best practices in weekly communiqués, and the preparation of specific reports by corporate management on the basis of visits carried out, cross audits, etc. Thus, the plants make annual investment requests in this field, which employees appreciate as the true translation into action of the commitments made by their respective managements in the Policies, as well as in the messages conveyed during their visits to the plant to hold conversations with employees and send messages that make this commitment truly visible. All of this has been evolving since 2007, when the "**Health and Safety Policy**" was declared and monitoring indicators began to be established, among other compliance policies. This commitment was reinforced in 2011 with the launch by the CEO of the "**One Step Forward**" plan, in 2014 with the deployment of a specific Health and Safety focus in the global Strategic Plan and in 2017 the "**Doing Well by Doing Safe**" Safety Plan, already focused on improving the company's preventive culture.

Most of the group's factories (74%) are certified under the new international health and safety standard (ISO 45001). Certification is pending for Gonvauto South Carolina, Flinsa and AMG Glorinha Rio grande do Sul, as well as the factories that have recently been integrated into the company, such as the GMH factories in Kirovsk in Russia, Kredit in the Czech Republic, Lohja in Finland, and Stålteknik in Sweden, and the four Laser factories (403-1).

Considering these certifications, 86% of factory employees are covered in the management system under the ISO 45001 (403-8) standards.





The **Gonvarri Safety Model** is not satisfied with mere compliance with the aforementioned international standards and the different local legislations that apply to each plant, but goes further, implementing a series of systems and policies at a global level with the aim of having a preventive culture with its own identity, much more demanding than the aforementioned standards, in which the Health and Safety of all the people who access the work centres are the main protagonists.

Plant management is committed to the guiding principles of corporate policies in this area, which is increasingly visible to the rest of the organisation. On the other hand, the necessary and sufficient tools are in place to facilitate continuous information and communication to workers and for their participation in preventive activities through consultation on possible improvements in working conditions and Management Systems.

The external perception by the certification bodies of the tools in place to show visible management commitment and to increase levels of worker consultation and participation (two key aspects according to this new Standard) have been rated favourably.

The Health and Safety area has two platforms for monitoring and measuring all aspects related to the Health and Safety of its own and external employees:



## **Sygris Platform**

For comparative monitoring where the investigation of incidents and accidents occurring at the plants, proactive performance and policy compliance indicators, and the monitoring of continuous improvement at all Group plants (including Joint Ventures and newly incorporated plants) are consolidated.

This platform provides a large part of the company's employees with up-to-date comparative data on the plants, both absolute and relative, on accident rates and other management ratios compared with previous periods and with the rest of the plants, as well as the investigations of each accident and incident that has occurred or the state of progress of the corrective or preventive actions detected and open for improvement, among others.

In addition, this platform makes it possible to report previously objectified indicators for monitoring proactive performance in Health and Safety matters on compliance with the defined corporate policies (information and communication to employees, continuous improvement, training efforts made, level of employee participation in improvement, etc.), which enable a comparison between plants of this performance and also of the plants themselves with previous periods.

### CTAIMA 2.0 Platform

At Gonvarri, the measures, controls and obligations established for employees are equally applicable to all external companies that access the work centres.

The CTAIMA platform, currently used in the plants in Spain and Portugal, is used to record the information provided to external companies that access their work centres. It includes strict control of the documentation that these companies are obliged to report, both in relation to the companies themselves, their activities, the workers and equipment they provide to the plant, etc., not only to comply with the legal minimums but also to ensure that these companies have Management Systems that provide sufficient compliance both in terms of Health and Safety and other aspects relating to HR, Compliance, etc.







## 🛞 Responsibilities and functions

They are integrated into the entire organisational structure, with the Senior Management of the plants (including not only the Manager but also his direct reports) being the most responsible for compliance with the standards, improvement of working conditions and, in the System, ensuring compliance with the rules (disseminated and updated) and, in general, the protection of the Health and Safety of the people present in the facilities.

In each plant there are workers designated for Health and Safety management, with regulated training in this field. Depending on the size and needs of the plant, they either have exclusive responsibility for occupational health and safety management or share this activity with others (403-3). The on-site control of risks in operations and workplaces falls to supervisors and department heads as direct superiors of employees and delegated persons in the plant, who report events in the work areas and participate in the investigation of these events, inspection of work areas, review of standards and risk assessments, etc., and should be shown as examples in the plant of the philosophy and spirit of the policies, mission and objectives in Health and Safety.



## Workshop Regional Directors and Managers (Madrid)

Two Health and Safety workshops were held to analyse the causes of the higher than average accident rate in Spanish plants and possible solutions, with the participation of Regional Directors and Managers, as well as some members of their Management Committees, the SGI Regional Managers, and corporate Health and Safety.

The reasons why the accident rate results in Spain were not in line with the level of improvements and investments that have been made to eliminate the risks identified over the years in the activities carried out at Gonvarri, nor with the existing Management Systems and tools that make up the corporate policies, were discussed.

The conclusions stressed the importance of fully, homogeneously and effectively implementing the existing tools, systematics, policies and technical specifications, and the need to uniformly implement the best practices (for risk elimination, working methods, etc.) that are transversalised and shared at a global level, and which are already being assumed and adopted by the Group's leading plants.

The main focus was on the importance of having a clear, coherent and perceptible preventive culture for all employees, which should be integrated in all decisions taken and activities carried out. It was also reiterated the importance of continuous communication with the rest of the employees on the aspects of interest related to safety as a fine rain that ends up taking hold.



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## Health and Safety Plan "Doing Well by Doing Safe" 403-2 RDD 403-9

After several years of significantly reducing the accident rate and improving workplaces, where the level of risk has been significantly reduced, Gonvarri decided in 2017 to accelerate Health and Safety awareness among all its employees (at all levels of the organisation), raising awareness of the obligation to apply what is passed on to them with regard to the roles and responsibilities appropriate to their hierarchical scale.

The resulting Safety Plan "**Doing Well by Doing Safe**" defines new measures related to culture, but also contributes to reinforcing the concept "**Stop > Think > Act**", transmitting that a correct action is one that is done with Safety in mind and promoting the concept of "**Shared Safety**" in which each employee is not only concerned for their own safety but also for that of their colleagues, conveying concern for the safety of all, advising them and even helping them in their training processes. An adequate level of preventive culture in organisations is promoted:

- Visibility on the shop floor and among employees of the effective commitment of company management to health and safety.
- The creation of tools that encourage worker consultation and, ultimately, their participation in improvement.
- Acceleration of the implementation of planned actions coming from the various detection tools in the Health and Safety System, mainly those coming from accident and incident investigations, which must be implemented immediately to create a real sense of priority among employees.

Numerous initiatives were developed for its implementation and dissemination, including (403-4 and 403-7):

- **New management systems**: aimed at aspects such as the supervised monitoring of the practical part of the training process for new employees, the periodic evaluation of the safety performance of each employee by his or her superior, the processing and internal cascade dissemination of the "Weekly Incident Reports" transversalised by company (both in Top Management meetings and in the Top 5 meetings at the plant level), etc.
- **Safety Tips**": dissemination of interactive awarenessraising videos produced and produced internally on the main risks in Gonvarri's activities.
- **CCTV**: closed-circuit television focused on the use of recorded images solely for safety purposes, assisting in the investigation of accidents and incidents, and enriching staff training by showing events that occur more or less frequently through images that illustrate more than a simple explanation of these events, standardising in "Technical Specifications" the premises, guidelines and requirements to be met by future projects to be developed in the rest of the Group's plants.
- **External diagnosis** of the preventive culture by specialised external companies, drawing up action plans based on the results obtained about the level of penetration of the preventive culture in the organisations and the employees' perception of this culture.

- **Safety projects** within Industry 4.0 initiatives, workshops in which workers make a significant number of proposals for improvement in working conditions (which are subsequently planned and implemented) based on direct observation and after having received a small induction that helps to stimulate the perception of existing risks by abstracting from other aspects of the environment.
- **Chasing Risks** workshops in which workers make a significant number of proposals for improvement in working conditions (which are subsequently planned and implemented) based on direct observation and after having received a short induction that helps to stimulate the perception of existing risks by abstracting from other aspects of the environment.
- **Observations and One to One interviews**. Behavioural observations and review in the workplace environment by members of the plant management and subsequent discussion with employees about possible improvements in working conditions and the Management System.
- **Safety Stewards**: initiative created in Steel & Alloy and extended to other plants of the Regional Management Group Europe.





Likewise, some plants have already completed the process of designing and implementing the Lock Out-Tag Out systems, which are so important due to the level of risk they aim to protect against and are focused on safely carrying out maintenance, revision, adjustment, etc. work inside the lines by means of shutting down, releasing energy and signalling dangerous moving parts during the presence of employees in the danger zones.

## Improvement in the working conditions of equipment, production lines and facilities

Apart from the investments made at all plants to improve working conditions in accordance with the proposals made by the corporate department, both in the Technical Specifications for facilities and good practices and weekly Accident and Incident Reports, during this year plants such as Portugal, Kredit, AMG Campinas and AMG Paraná have made significant progress in adapting their facilities, production lines and equipment in general to the minimum corporate requirements, always based on the specific plans drawn up and monitored by their respective managements.

### Gonvarri Portugal continues to make progress in improving its preventive culture

Gonvarri Portugal presented the conclusions of the "**Study and Strategic Health and Safety Plan**" developed by a specialised external company. The top management of Gonvarri Portugal and the members of the Regional Management of Gonvauto Iberia participated actively throughout the project, as well as in the presentation of the results and the commitment to comply with the Plan generated from the analysis.

The objective is to be able to make progress, among other things, in improving the preventive culture, from the company's top management to the plant operators, considering of course the key intermediate communication links, such as supervisors and other middle managers.

The study investigates the behaviour and motivations for the daily performance of employees in their field of action, considering that in recent years Gonvarri Portugal has made significant improvements in the health and safety conditions of its facilities and equipment, aligned with the group's existing technical specifications that integrate best practices to eliminate risks at source, all within the framework of the Health and Safety Management System.

However, the company has the ambition to go further and try to improve employee awareness, through interviews that have tried to go beyond the immediate basic subjective responses, by conducting motivational dynamics by representative groups, and by using questionnaires and tools based on existing knowledge in neuroscience.

From the in-depth analysis of the Management and Leadership System, final conclusions have been drawn

about the real motivations and incentives that drive the company, the emotional climate, the staff's knowledge of the tasks, their perception of the importance of safety in the company's culture, the skills and motivations of each employee.

The final action plan highlights aspects such as the planning and organisation of work and processes, investment in people, communication channels, the establishment of a coherent system of safety requirements, the motivation of staff in the search for improvements in ergonomics, order and cleanliness, among others.

The proposed actions go beyond safety and security, improving well-being in the company, employee engagement and retention, and improving aspects such as the working environment and (alternatively) absenteeism.





Gonvarri Valencia "For You, For Me" Project

Last July saw the start of a new Safety Project at the Gonvarri Valencia facilities with the advice of the leading external safety consultancy.

The initiative was communicated to all workers, and the name of the project was submitted for consultation and voting in order to make it more personal. By majority vote the project is called "For You, For Me".

It is based on a "**BOTTOM-UP**" approach targeting frontline workers, as they represent the largest volume of employees in all factories, as well as having a higher risk of exposure due to their daily activity, and therefore represent the largest force as a whole.

"For You, For Me" is focused on three objectives:

- Empower operators to continuously examine their working environment and identify operational risks.
- Moving towards a new culture of risk anticipation based on shared values.
- To further evolve the Health and Safety Culture model towards interdependence and thereby significantly reduce injuries.

All professionals at Gonvarri Valencia are involved in promoting new initiatives and providing support to the "Base Team". This team is made up of 12 workers and a project manager, who together represent the majority of the factory.

for you, for me DoingWellbyDoing Safe **Gonvarri** Valencia







## Sealth management

Newly hired employees must undergo mandatory medical examinations designed in accordance with job-specific protocols, which declare their medical "fitness" for such positions. In addition, all employees are entitled to periodic medical examinations by the medical services in accordance with these protocols, after which an update of their "fitness" is issued. In general, the task of monitoring and controlling the state of health of employees is outsourced, relying on authorised medical services as provided for in the relevant legislation. Notable examples are the availability of a medical service at the workplace or private health insurance (social benefit) in some countries, as well as training to improve health care (403-3).





## S Communication

At Gonvarri Industries, various communication channels have been established to facilitate a two-way flow of information and the direct participation of all our own and external personnel in matters relating to health and safety.

The management of each plant meets monthly with the Management Committee to monitor the system (objectives, programmes, plans, investments, indicators, etc.) and prioritise the most relevant aspects in a quick, transparent and integrated manner. Likewise, daily 5-minute meetings of the working groups are held where the first topic to be discussed is always safety (accidents or incidents that occurred the previous day, problems arising in the course of work, weekly corporate communications, results of inspections carried out, etc.).

In addition, in 2021, the growing involvement of managers and members of the Management Committees of the plants in the implementation of the "**One to one**" system is noteworthy. This tool aims to make visible the commitment of the members of the Management Committees to safety by carrying out "observations" on behaviours and holding personal and direct dialogues with employees to gauge their opinion on the existing working conditions, the management tools that enable their continuous training and information, the content of the rules, and proposals for improvement on the part of employees to eliminate any existing risks. This project also tries to encourage and promote the consultation and participation of workers in the activity and in preventive improvement, verbalising their problems and proposals to the people with most responsibility in the organisation, who have first-hand knowledge of these concerns.

Supervisors are a key link in this integration, but by no means the only one. These supervisors must be fully aware of regulations, monitor and enforce compliance, conduct regular safety inspections, identify and report incidents and accidents, and ultimately integrate Employee and Facility Safety as a key part of their scope of responsibility (403-2).

It is also worth highlighting the "Chasing Risks" workshops that encourage the participation of workers in the detection of risks and opportunities for improvement, which are well received by the participants in that they feel involved in the improvement, and from which a large number of actions always arise that are suitably planned and executed. **Gonvarri Burgos**: representatives of the factory presented the evolution of the company in recent years at the prestigious Basque Institute of Occupational Safety and Health OSALAN, a leader in this sector, starting by quantifying the significant investments in improvements in working conditions to eliminate existing risks at source, the Management Systems and the importance of integrating safety in the line of command and the participation of workers in the improvement.





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### Safety commitment workshop for managers at Gonvarri Burgos

Gonvarri Burgos, in collaboration with a specialised external company, developed a series of workshops for managers to train them on how to show, transmit and emphasise unequivocally throughout the organisation the visible commitment to Safety and, with this, to have an effective, robust and consistent preventive culture that ends up permeating to the last of its employees in a coherent manner with the Safety Policy of Gonvarri Industries.

The aim, therefore, is to ensure that workers clearly and unmistakably perceive safety as a priority and strategic element in Gonvarri's objectives, in their daily work in each activity or task. Every message, every gesture and every micro-message is key.

These workshops aim to deepen and work on aspects such as, among others:

- Maintain a common and consistent language in the decisions taken and messages conveyed.
- Develop leadership skills for this purpose, so that they emerge even unconsciously in every command.
- Define individual commitments to join and contribute in this field.







## Occupational risk assessment

The "Occupational Risk Assessments" allow companies to identify and quantify the various risks to which workers are exposed as a result of the different hazards existing in their jobs and activities, as well as to establish the necessary and sufficient preventive measures to eliminate or reduce the level of these risks through technical or organisational actions or by informing and training workers about the residual risks that remain after having adopted other types of risk prevention measures at source.

These assessments are updated and reviewed on an ongoing basis whenever changes in working conditions or the findings of incident and accident investigations so require, and these changes are communicated to employees.

The Safety Instructions compile all the information that employees must know in order to avoid risks, and are the first derivative of the previous assessments and are decisive in the content of the training given to employees in the event of any modification in the activities, so that they can be immediately updated. These Instructions (like the risk assessments) must be carried out with the participation of the supervisors and employees to whom they apply and with the approval of the department heads.



Furthermore, in the investigations of accidents and incidents that have occurred, it is internally questioned whether the content of the instructions for the activities involved in the accident/incident actually included all the rules and precautions that the employee should have been warned about in order to prevent such an event from occurring.

In 2022, 19 jobs were identified as being at high risk of occupational disease, distributed between Colombia (47%), Sweden (5%), Turkey (26%) and Germany (21%).

Two occupational diseases have been detected in own male staff (one in Spain and one in Portugal), implying an occupational disease rate in Spain of 0.08 for men and in Portugal of 1.68 for men. The rest of the countries is 0.0 for both genders (403-3 and 403-10).

In addition, emergency drills are conducted annually at the plants to be prepared for possible incidents that may occur, in addition to fires, such as spills, rescues of personnel suspended at height, first aid, use of defibrillators, and efficient evacuations of workplaces.

### Emergency brigade

**Gonvarri Argentina** held training sessions for the emergency brigade, the team of colleagues who provide a first response to possible contingencies that may occur at the plant. As part of the training of these people, the sessions put into practice safe and controlled simulations of different emergency situations in which the brigade might have to intervene to control the problem until the arrival of specialists.

As part of the exercises, fires, spills of hazardous substances and the rescue of a worker from the roof of a building at height were simulated. The students were able to familiarise themselves with the use of PPE, fire extinguishing equipment, etc.



**GMH Germany** provided first aid training to all staff at Dexion GmbH, especially in the business unit "Operations", where 100% of the staff are trained in first aid. This facilitates shift planning, and outside the company, this knowledge can be used in any emergency situation.

## Training at H&S

**Gonvarri Poland** conducted safety training on working at heights with an emphasis on fall protection and evacuation at heights for maintenance technicians, supervisors and production managers, including the risks associated with working at heights, protection standards, the proper use of platforms, ladders, scaffolding, and the principles of action in the event of an accident at work and in emergency situations.

**Gonvvama Loudi (China)**, all employees were trained in CPR and first aid procedures, improving first aid awareness and emergency response capability to unexpected accidents.

**Gonvvama Shenyang (China)**, in order to increase the knowledge of fire safety and prevention, invited fire brigade instructors to organise a public lecture on fire fighting.



**3** SALUD Y BIENESTAR



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## 🛞 Main indicators

In 2022, there were a total of 82 accidents with sick leave and 322 accidents without sick leave, which represents a considerable decrease compared to the previous year, both in accidents with and without sick leave.

Accidents	with sick leave		wit sick	hout leave	
	Men	Women	Men	Women	
Own personnel	61	2	240	7	
External personnel	17	2	69	6	
> Total	78	4	309	13	

With regard to this year's results, it should be noted that both the frequency rate and the severity rate have fallen considerably. In particular, the frequency rate of the Spanish plants continues to be significantly higher than the overall rate for the company as a whole.

Accident rate WITH LEAVE								
	Own personnel		External personnel					
	Men	Women	Men	Women				
🛑 Germany	12	8	32	0				
💿 Argentina	55	0	0	0				
🕒 Belgium	0	0	0	0				
🖲 Brazil	3	0	0	0				
🕘 China	1	0	0	0				
🗕 Colombia	4	0	6	0				
🛟 Denmark	0	0	0	0				
Spain	10	З	18	41				
兽 USA	6	0	0	0				
두 Finland	0	0	0	0				
🛢 Netherlands	0	0	0	0				
🛢 Hungary	0	0	0	0				
🧕 Israel	0	0	0	0				
🕪 Mexico	0	0	0	0				
🕀 Norway	0	0	0	0				
🗕 Poland	0	0	0	0				
Ø Portugal	17	0	49	0				
<b>#</b> ик	0	0	0	0				
🧉 Czech Rep.	16	0	10	0				
🛑 Romania	4	0	0	0				
🛑 Russia	0	0	0	0				
🗣 Sweden	0	0	0	0				
🗘 Switzerland	0	0	0	0				
📀 Turkey	12	0	0	0				
Total	7	1	12	24				

				_⁄µ∕∳				
Accident rate WITHOUT LEAVE								
	Own po	ersonnel	External personnel					
	Men	Women	Men	Women				
🛑 Germany	22	0	129	203				
💿 Argentina	0	0	0	0				
🜔 Belgium	0	0	0	0				
Brazil	10	0	0	0				
🕘 China	7	0	5	0				
🗕 Colombia	4	0	21	0				
🛟 Denmark	0	0	0	0				
Spain	60	12	81	103				
兽 USA	113	71	0	0				
Finland	0	0	0	0				
🛢 Netherlands	0	0	0	0				
🛢 Hungary	0	0	0	0				
💿 Israel	0	0	0	0				
🕒 Mexico	5	0	0	0				
🕀 Norway	0	0	0	0				
🗕 Poland	21	0	0	0				
Portugal	92	28	146	0				
<b>#</b> UK	5	0	0	0				
🧉 Czech Rep.	0	0	0	0				
🛑 Romania	0	0	0	0				
🛑 Russia	5	0	153	0				
🛟 Sweden	0	0	0	0				
Switzerland	0	0	0	0				
📀 Turkey	26	0	0	0				
Total	26	5	48	72				

Frequency rate:

• N° accidentes con baja personal propio/horas trabajadasX1000000

• Nº accidentes sin baja /horas trabajadasX1000000

**3** SALUD Y BIENESTAR





However, there is still great heterogeneity in the accident rate indicators between the Group's different plants, as well as in the level of compliance with corporate policies as reflected in the proactive indicators.

One out of 5 personal injury accidents that are identified ends in sick leave, which does not yet correspond to a normal proportionality pyramid, and therefore absenteeism management measures should be explored.

More than half of the accidents with sick leave have a duration of less than or equal to 10 working days lost and 2/3 of them have less than 20.

With regard to external personnel (subcontractors and temporary employment agencies), the accident rate is significantly higher in certain plants, with a particularly high incidence of accidents among personnel from temporary employment agencies. Although in most cases it is not compulsory, these personnel are trained internally by our internal teams in the plants to adapt the training on risks in the work areas and activities and how to prevent them. However, it must be taken into account that these personnel are inexperienced, so the monitoring and control of the activities must be stricter, and we must count on all our employees to help and tutor these personnel, instructing them in each task and preventing them from carrying out the most dangerous tasks in which they may not be sufficiently trained, all in an example of Shared Safety. In terms of accident injuries, the hands continue to be the most affected part of the body, accounting for a third of all injuries, both total injuries and those resulting in sick leave, and not necessarily due to cuts, but mainly due to blows.

During the last year, the seriousness of the accidents with serious injuries (not including fatalities) have all occurred in men, 10 in own personnel and 2 in external personnel. In the case of own personnel, they occurred in Spain (1), Brazil (3), Colombia (2), Russia (1) and Turkey (3) and in the case of external personnel in Russia (1) and Colombia (1).

#### This year we have to regret a serious hand entrapment accident of our own sufficiently trained personnel in Spain due both to a non-compliance with internal regulations and to improvable conditions in a production line that did not meet the minimum requirements of corporate perimeter safety enclosure.



Injury rate in occupational accidents with major consequences with sick leave								
	Own per- sonnel	External person- nel	Own personnel	External person- nel				
	Men	Women	Men	Women				
🛑 Germany	4,10	0,00	0,00	0,00				
🖲 Brazil	3,52	0,00	2,95	0,00				
📀 Turkey	0,38	0,00	0,00	0,00				
🍲 Slovakia	15,47	0,00	0,00	0,00				
Total	2,13	0,00	2,15	0,00				

It should be noted that the plants continue to improve in the identification, reporting and analysis of "incidents" which, although they have not caused personal injury, in other circumstances could have done so, and their study is very useful for future learning and continuous improvement.




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Days lost d	ve to accidents.	Own Personn <u>el</u>
	Men	Women
Germany	0,19	0,06
Argentina	0,73	0,00
Belgium	0,00	0,00
Brazil	0,25	0,00
China 🖉	0,01	0,00
Colombia	0,35	0,00
Denmark	0,00	0,00
🖻 Spain	0,43	0,46
<b>■</b> USA	0,01	0,00
🍃 Slovakia	0,00	0,00
🕨 Finland	0,00	0,00
🖿 Netherlands	0,00	0,00
Hungary	0,00	0,00
•) Mexico	0,00	0,00
╞ Norway	0,00	0,00
Poland	0,00	0,00
👂 Portugal	0,50	0,00
₿ИК	0,00	0,00
🖕 Czech Rep.	0,30	0,00
📄 Romania	0,17	0,00
Russia	0,00	0,00
🖢 Sweden	0,00	0,00
Switzerland	0,00	0,00
🕏 Turkey	0,17	0,00
TOTAL	0,23	0,10

#### Lost days due to accidents

The registered accidents have meant 2,215 working days lost per accident (93% men and 7% women). The countries with the highest number of working days lost are Germany, Brazil, Spain and Colombia. The rates per country are summarised below.

#### Days lost due to other causes

In 2022, 79,204 equivalent days have been lost due to unplanned absenteeism, 91% of which are for men and 9% for women. The countries with the highest number of days lost are Spain, the Netherlands and Poland. The rates per country are summarised below: The rates per country are summarised below.

Days lost due to oth Germany Argentina	Men 4,80 3,78	Women 5,24
		5 24
🗈 Argentina	2 7 9	J,L-
	5,70	3,76
🕒 Belgium	2,62	0,00
🖲 Brazil	1,82	1,13
🎱 China	0,00	0,00
🗕 Colombia	1,11	0,45
🕽 Denmark	2,86	9,32
🗊 Spain	17,47	7,14
🗐 USA	0,01	0,00
🆢 Slovakia	0,35	2,65
🖕 Finland	4,60	1,46
🖿 Netherlands	210,83	62,04
🛢 Hungary	0,00	0,00
🖲 Mexico	0,38	1,22
🖶 Norway	1,52	6,92
- Poland	47,15	47,25
🕘 Portugal	14,26	12,08
<b>₽</b> ик	3,84	1,54
🦕 Czech Rep.	0,00	0,00
📔 Romania	1,32	0,54
🛑 Russia	0,00	0,00
🐤 Sweden	3,03	0,12
🕄 Switzerland	0,00	0,00
📀 Turkey	0,02	0,03
TOTAL	7,98	4,55

Severity rate: No. of days lost due to other causes/ hours worked per 1000

Severity rate: No. of days lost due to accidents / hours worked per 1000



### World Health and Safety Day at Gonvarri factories

- **Gonvarri Poland**: a day was held with the presence of families in which they were shown the plant, the particularities of driving forklift trucks, rescue practices from heights, firefighting practices... showing how the company prevents the risks to which their families are exposed so that they can return home healthy every day.
- Gonvarri Brazil: developed a day focused on Shared Security and mutual care, with commemorative lunches and the possibility to leave comments on the bulletin boards, an external exhibition focused on human factors as a solution and not as a problem for security, ending with a talk on Self-Knowledge.
- **Gonvarri Valencia**: the Manager summarised the mission and intentions of Gonvarri Industries in this field, and had an external company develop an innovative project to improve the preventive culture, this time not so much from the top down, but from the bottom up.
- Gonvauto Nitra: The day was held under the motto "Safety begins with me, and continues with us". It included information on ergonomics in the administrative workplace, training on how to extinguish a fire and vascular health awareness.
- **Gonvarri Tarragona**: an event was held in which a series of ergonomic aspects in the workplace were discussed by an expert in biomechanics and some ways to solve this problem.

- **Gonvvama**: All 4 plants in China jointly and in a coordinated manner celebrated Safety Day with the slogan "Safety starts with me, and continues with us". A series of activities were organised to stimulate people's thinking about safety, to improve their safety knowledge, awareness and skills, and employees were invited to give their opinion on where they think their plant is positioned on the Bradley Curve of the evolution of the companies' preventive culture.
- Gonvarri Argentina: Management emphasised the message of persevering with the good results obtained in recent times and developed activities within the framework of First Aid, which is so useful and necessary for the daily and family life of employees.
- AMG Senica. It prepared numerous activities focused on health and healthy eating such as: massages, fruit and drinks, walks inside and outside the plant, blood pressure measurement and first aid, skin tag awareness, healthy food and cakes, fyzio workshop, vitamin tickets worth € 20 for employees, among others. It also celebrated "Safety Day" with activities such as evacuation, road simulator, fruit for employees, cholesterol measurement, etc.















#### Celebrating the milestone of "one year accident free"

The factories of Steel & Alloy, AMG Campinas, Gonvarri Poland, Gonvauto Puebla and Gonvarri Nitra are celebrating a great achievement in health and safety - more than a year without lost-time accidents!

It is the daily commitment of all workers to the goal of ZERO ACCIDENTS, the training, initiatives and good practices in health and safety and the promotion of Gonvarri's Health and Safety culture in each factory, which contributes to this SUCCESS.

To celebrate this achievement and the daily involvement of the workers, the factories held various celebrations in which they raffled some gifts among the employees, commemorated it with a special menu and/or took a commemorative photo representing the 365 safe days.





Gonvarri Poland



Gonvarri Brazil



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# S Training and consultation



#### Training

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Training and awareness is a fundamental part of the safety culture. The organisation has identified the training needs that apply to each job position so that each worker who performs it can complete a complete training course that guarantees global knowledge of the position. This training course must be updated and refreshed every three years.

In 2022, 54,622 hours of Health and Safety training were given to our own staff. Each employee received an average of 10 hours of Health and Safety training. In addition, almost 700 hours of training were given to staff from Temporary Employment Agencies and Subcontractors, as these staff must also be trained internally in accordance with corporate policies.

It is important to remember that this is a basic aspect of security management in that it involves knowledge on their part of all the risks and rules applicable to their daily work, as well as awareness of the importance of this aspect.

For several years now, we have been involving not only employees, but also their families in safety awareness through various activities such as: guided tours, drawing competitions for children, family activity days, etc.

Practical on-site training supported by supervisors and colleagues must also complement the theoretical teaching, in accordance with the principle that excellence in safety does not consist of one-off actions but of a working habit. Thus, each new employee, whether in-house or from a temporary agency, who joins the plant must be identified as such and assigned a tutor who carries out monthly monitoring of progress in assimilating

and respecting the rules explained, validating the effectiveness of the theoretical-practical training received after four months in the plant.

This is a key aspect of safety management, not only in terms of knowledge of risks and rules to be applied so that each employee knows what to do and what not to do in each case, but also in promoting awareness of the company's requirement to work safely.



#### Conference on "Legal and juridical responsibilities of supervisors in Health and Safety"

Gonvauto Barcelona and Gonvarri Barcelona gave a seminar with the collaboration of an external company on the "**Legal and juridical responsibilities of supervisors**". The workshop was attended by both the plant supervisors and their management team.

The different implications that the occurrence of accidents at work of own or external personnel in the plants could have on the companies and on the people who perform these positions from an administrative, labour, civil and criminal point of view were developed, in this case in accordance with what is established in the legislation and existing jurisprudence in Spain.

The ultimate goal is that every employee working at Gonvarri understands that they must carry out their activities safely and fulfil their duties according to their position. Therefore, supervisors are a fundamental link that ensures that the preventive culture is transferred from management to employees appropriately and assumed by them as a mark of Gonvarri's values.





## Second Health and Safety conference for regional directors, managers and management teams from plants in Spain and Portugal

The Regional Directors, Managers and Management teams of the plants in Spain and Portugal met in Madrid for another monographic Health and Safety Day to try to reduce the levels of occupational accidents.

At this meeting, the importance of implementing the policies, technical specifications and existing tools launched by the Group for the different aspects and problems raised was emphasised. Each plant presented the projects and initiatives they are developing, among other aspects:

- Effective systems of total implementation of the Lock Out - Tag Out system (key in preventive and corrective maintenance work, as well as in Production).
- Digitisation of Health and Safety tools.
   -Effective control of external companies and temporary workers.
- Use of CCTV with application to Health and Safety and its potential preventive utilities.
- Preventive ergonomics awareness workshops to educate on postural hygiene.

-Efficient storage systems for plate packs provided by the GMH Regional Directorate.

• Multidisciplinary Problem Solving Groups, with participation of all parties involved for recurrent or potentially dangerous incidents.



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• Improvement projects on lines already certified but with residual risks to be covered, as well as on workplaces, lifting accessories, etc. in general.

Bi-weekly scheduled single-topic Manager's Safety walks in the plant.

• Importance of horizontal signage in work areas.

The important participation of the plants and the commitment to try to mainstream these good practices into their respective Management Systems, conveying the real, coherent and visible concern of those responsible for each company in this field, stands out.



#### Gonvauto Iberia Health and Safety Conferences

In Gonvarri Portugal, a Safety Seminar was held for the Regional Management of Gonvauto Iberia, with the participation of the entire Management Team of the Regional Division, together with the Heads of Production, Maintenance, Logistics, Human Resources and Prevention of the four plants of the division, as well as some middle managers of the host company Gonvarri Portugal and the Corporate Head of Health and Safety.

Various topics were discussed and the results of the 2021 indicators and new initiatives and good practices were analysed. In addition, projects were presented in each factory, such as the Preventive Ergonomics project in Gonvauto Galicia; in Gonvauto Barcelona the Warehouse Safety project, including the GRP on falling packages; in Gonvauto Navarra the development of Apps and Digitalisation tools in the field of Safety and, finally, in Gonvarri Portugal some of the actions of the Accident Reduction Plan.

Finally, an activity consisting of a Chasing Risk was carried out on Longitudinal Line 6, from which a significant number of actions were extracted that will contribute to improving safety, and an interesting awareness and motivation day was given by a prestigious consultancy firm using neuroscience tools with the aim of building a proactive safety culture in the company.



#### Communication, consultation and participation

Leading the Change provides all plants with a specific Health and Safety group to which almost 500 people from the Group have joined. This group disseminates information on, among other things:

- Policies, Technical Specifications, supporting documentation, 600 accident and incident reports, contents of mandatory training actions, half-yearly reports on global and comparative performance between plants, Safety Tips, Manuals on the use of tools, etc.
- Informative blog in which two informative entries of interest from a Health and Safety point of view are made weekly on various topics, mainly aimed at the different Coordinators of the companies

In parallel to this group, which functions as a documentary repository and information board, there is a channel on Micorosft Stream (Gonvarri Safety Videos) where recordings of events of interest (accidents, events, good practices, etc.) are deposited.

An Accident or Incident Report is issued weekly, which publishes events of preventive interest occurring within the Group or externally and which are to be considered as events that are likely to occur and which must therefore be prevented, and which therefore express the best practices established at corporate level to eliminate such risks at source from a technical (changes and innovations in equipment or areas or facilities that usually require investment) or management (safety instructions, working methods, etc.) point of view.

Apart from these tools, there are other tools that encourage employee consultation and participation, such as the daily Top 5 (which begin with a two-way communication to and from employees of informative aspects of interest on Safety), the Safety and/or Ergonomics Improvement Ideas (which are proposed by employees and analysed, approved, implemented and awarded if necessary by specific Committees), Safety Steward (implemented in many plants of the Regional Management of Europe & Americas), etc.

The Forums for debate with the legal representatives of the workers are constituted by the Prevention Delegates in Spain in accordance with the applicable legislation (Chapter V of Law 31/1995 on ORP), being a joint committee made up equally by the social part and by persons designated by the company.

In the rest of the countries, as it is not a legal requirement in all cases, its characteristics respond to local needs, although its objective is always to deal with aspects related to health and safety and the mitigation of potential occupational risks or accidents among any person in the workplace, covering 100% of the workers (403-4).

All plants have prevention delegates, whose composition is summarised below (403-1):

	Repres.		Repres.
Germany	21	Netherlands	2
Argentina	7	Mexico	8
Brazil	55	Poland	7
China	40	Portugal	8
Colombia	8	UK	40
Denmark	2	Czech Rep.	6
Spain	55	Romania	8
USA	2	Russia	6
Slovakia	11	Turkey	18
		TOTAL	292





ANNEXES

# Clients

# S Customer proximity

Gonvarri is committed to the **customisation** and **constant improvement** of the products and services offered to its customers. To this end, it has specialised sales teams adapted to the type of business and product, through which it provides specific coverage while detecting customer needs or even proactively anticipating them.

In addition, customer focus forms part of the DNA of the entire Gonvarri organisation, beyond the commercial teams. All departments, whether or not they have direct exposure to clients, carry out their day-to-day work with this approach. Gonvarri understands the relationship with the client as a close collaboration in order to successfully achieve common objectives in a clear win-win situation, advocating long-term client-supplier relationships.

#### **AUTO Solutions**

For Gonvarri, the Automotive sector generates the main volume of turnover. The main customers are OEMs, stampers and Tier1 and Tier2 integrators.

Commercial Auto's Global Corporate Area has a team of highly qualified professionals around the world.

The consolidation of the Key Process "Bid Management" initiated in 2018 represents standardisation at Group level, a crucial pillar of efficiency and sustainability assurance within the organisation.

The automotive sector has clearly evolved to a vehicle with more technological, efficient equipment and less environmental impact, such as the electric vehicle. For this reason, we collaborate with customers in the development of new solutions, processes and products, focused, among others, on the use of new materials such as high-strength steel and aluminium, which are lighter, with lower CO2 emissions and safer.

In 2022, the processing of materials for Hot Stamping processes continued to increase. Gonvarri also continues to win projects for external and internal aluminium parts in all the geographical areas in which it operates, in close collaboration with aluminium manufacturers and OEMs.

The new 2D laser cutting line is already in production at Gonvauto Thuringen, and has attracted a lot of attention from Auto customers in Central Europe. Gonvauto Thuringen quickly got the line approved by several OEMs and interesting projects in both steel and aluminium have been captured thanks to the flexibility that this technology offers to our customers.

#### **Industry Solutions**

Gonvarri Industries develops most of its Industrial business in Spain and Portugal and continues to increase its export presence from both countries.

The Industry business in the UK has been consolidated for 2022 and the project for Poland is also progressing.

In 2022, this business line will maintain the market share growth trend of previous years. The main initiatives are summarised below:

- Maintenance of the action plan initiated in 2016, which contributed to increasing its share in the distribution sector in Spain and Portugal.
- Industry sales have been broken down in all Iberia companies into a Spot and a Programme part in order to better segment the different types of customers in this area.
- Continuation of the plan to strengthen the marketing and sale of each company's own products.

-Developing working teams with key customers to investigate product and logistical improvements.

- Creation of more specialised sales departments for industry customers.
- Full implementation in Spain of online sales channels via market place and own online portal for the Distribution sector.

In Industry, a schedule is maintained for all Iberia companies for visits from the teams of the main customers to the plants and vice versa, from the teams to the customers' facilities.



#### **Storage Solutions**

**Gonvarri Material Handling** (GMH) is one of Europe's leading suppliers of engineering and manufacturing of storage and handling systems for all industrial environments. The main solutions include: pallet racking, picking racking, vertical storage machines and racking for automated warehouses.

The professionals combine a high level of knowledge, guidance and practical support. The strong sales and marketing network enables them to reach customers through multiple channels, with sales offices in 15 European countries and global coverage through the well-known brands De**xion, Constructor, Kasten, Stålteknik and Kred**it.

## Top Sales Award 2022

**Gonvarri Material Handling** presented the "Top Sales Award 2022" with which the company recognises the best salespeople in the GMH sales force in Finland for having the "Best GMH Country of the Year" award.





GMH brings together all phases of the process, including: planning, production, distribution and installation of shelving, as well as after-sales service. All this, through a remarkable service capacity, which allows it to serve thousands of customers annually, where 80% of them are recurring.

GMH's solutions cover a wide range of clients; from small local companies to large international corporations, as well as covering multiple sectors: automotive workshops and tyre storage, food and beverage companies, cold storage, construction products and e-commerce, among others. The **vertical farm** sector has recently been incorporated as an area of expansion within the 2022-2024 Strategic Plan.

From the GMS division, **Gonvarri Colombia** develops the Almaceno business line, which covers the Latin American and Caribbean market.

It is oriented towards the industrial and commercial sector, companies in the logistics sector and large retail outlets, with significant storage and logistics management needs.

The management model is based on developing innovative products and providing specialised technical advice to customers, mainly in Latin America.



#### **Solar Steel**

Gonvarri began its activities in the supply of structures for the solar market in 2005. Its current trackrecord amounts to more than 16GW of projects on a global scale, having reached milestones such as becoming the leading supplier of trackers in Europe in 2019, having supplied the largest photovoltaic project on the continent to date or being awarded as the best manufacturer of main equipment by IBERDROLA in 2022.

People

Since 2019, all products and services associated with this activity have been supplied by Gonvarri Solar Steel, SL, which has a renewed and reinforced team that brings together all the past experience gained by the group.

**Gonvarri Solar Steel's** main clients are companies related to the development, construction and investment in large-scale solar farms (large utilities, IPPs and EPCs). In a selective customer strategy, Gonvarri Solar Steel works with those who have large project portfolios and a vocation for permanence in the market, financial solvency, good payment conditions and, in some cases, even the possibility of framework agreements covering several annual periods. Within this selection of customers, Gonvarri Solar Steel prioritises its resources by grouping customers in a matrix with the following categories of relevance: Priority, Major and Intermediate.

Gonvarri Solar Steel's activities include the development of innovative products with the TracSmarT+ family of trackers in 1V single-row, double-row and 2V configurations, as well as a broad portfolio of fixed structures (RackSmarT) adaptable to any terrain and project conditions. In addition, it has its own control system, with wireless communication and self-powering, as well as other additional functionalities focused on improving customer OPEX and gaining greater control over after-sales activities.



It is also worth highlighting the range of services offered that provide added value to the customer throughout the different stages of the life of the photovoltaic project: detailed engineering, foundation analysis, SmarTCare after-sales service platform, etc.

In response to the globalisation of its sector, Gonvarri Solar Steel developed a strategy of diversification of supply sources. The production of the structures combines the group's production plants with an extensive supply chain based on collaborating suppliers on a global scale (China, Turkey, Brazil, India, Mexico, Spain, Portugal, etc.). This results in a clear competitive advantage that provides great flexibility and commitment to deadlines, with the product and process know-how remaining with Gonvarri Solar Steel.

As a result of the pandemic, in 2021 numerous face-toface events, forums and fairs, in which Gonvarri Solar Steel has been participating regularly as an exhibitor, were also postponed, reduced or cancelled. Nevertheless, Gonvarri Solar Steel has been present at events such as Genera (Spain) or the UNEF Solar Forum where it took part as a direct participant in highly relevant panel discussions, as well as in face-to-face monographic meetings with current and potential national and international customers.

On a complementary level and as a result of the launch of telematic communication tools with customers and collaborating companies in the sector, Gonvarri Solar Steel has led technical Webinars in specific areas of its segment in the sector or general ones such as the management of the supply chain in volatile environments, and has followed a much more active communication strategy both on LinkedIn and in the sector's specialised press.

Within the scope of Gonvarri Solar Steel, **Suports** as an engineering company for the design, development and supply of solar structures for roofs, parking canopies and ground structures in the field of distributed generation, experienced spectacular growth, among others, due to its highly competitive aluminium solutions in this segment of the sector (distributed generation and self-consumption) which, far from contracting, has continued to expand at great speed in the specific markets where it is present.



#### **Precision Tube Solutions**

Gonvarri's tube division has a production capacity of 150,000 tonnes/year at the **Flinsa** and **Gonvauto Asturias** factories. The manufacture of low carbon steel tubes covers a range from Ø8 to Ø130 mm, and from Ø25 to Ø104 mm in stainless steel. For both types, it has a wide portfolio of services, whether it is round tubes or its different derived sections, such as square, rectangular, oval and some other special shapes, adapting to the customer's requirements.

In addition, to provide a complete solution, various cut-to-length mechanisms are available using sawing or cutting and laser drilling technologies, in addition to the hardening process and some other forming operations.

In its permanent objective of continuous improvement, important R&D&I projects are carried out for the development of new solutions and products, where the use of the latest generation of Advanced High Strength Steels (AHSS) is of special importance. A clear example of this is the improvement made on the tubes of the headrests in cars, as during their processing they showed certain difficulties due to their limited plasticity. After a long research process and with the use of new "extra ductile" steels, we defined a new type of high quality tube, which exceeds the requirements of current standards. Furthermore, important improvements have also been made to the "Finitube", significantly improving the surface finish, which in many cases requires high quality aesthetic components, such as chrome plating, metal paints, etc.

We are currently working in closer cooperation with general industry customers where we are trying to apply all the innovations achieved in the automotive sector.

In addition, we are working on strengthening our customer proximity by means of an increasingly personalised logistics service and optimal supply chain support

### **Road Steel Solutions**

At Road Steel, we develop, design, manufacture, install and prepare engineering projects related to appropriate roadside protection, which allows us to offer our clients a comprehensive service tailored to their needs.



Road Steel's engineering team develops containment systems, and its catalogue is one of the most complete on the market. The main achievements of the year include the following:

- Development of N2W2 containment system
- Development of H1W3 containment system.
- Development of H4b containment system.
- Development of N2W6 containment system crashed by the opposing party.
- Development of H1W3 system with anchoring in asphalt.



Gonvarri Industries Sustainabilitu Report 2022



#### **Laser Solutions**

The Laser business aims to provide a quality response to the needs of the metallurgical sector by offering mainly 3D laser cutting services processing hot and cold stamping material. We also offer other services such as 2D laser cutting, metrology and 3D scanning, prototyping, as well as 2D and 3D welding.

We make high quality laser cuts in metals, with minimum weight and maximum resistance. This quality and precision in laser cutting makes the subsequent machining and machining of the parts perfect, meaning for the customer a significant saving of working hours, high precision, efficiency and a high quality product.

In addition, laser cutting centres allow us a high work rate and a great diversity of types of cutting, offering a guarantee of speed and quality of all work, offering the customer the best service of hot and cold stamping cutting, in sheets of any type of steel and aluminium, among others, depending on their needs.

#### **Electromobility Solutions**

This new division is focused on improving the quality of life in terms of comfort and eco-mobility, developing innovative and technologically advanced solutions that bring to the market highly efficient hybrid and electric motor components for sustainable mobility and other industrial applications, thus helping to protect the environment.

Hidria (www.hidria.com) is one of Europe's leading manufacturers of rotor and stator components for hybrid and electric motors and other industrial applications, operating state-of-the-art facilities in Slovenia, Germany, Hungary and China. Last year it announced the construction of a new production plant dedicated exclusively to the manufacture of electric motor components for electromobility at its Hybrid and Electric Vehicle Technology Centre in Spodnja Idrija, Slovenia, which will serve to strengthen its leading role in this segment. In addition to its leading position in rotor and stator manufacturing, Hidria produces high-pressure die-cast aluminium parts for vehicle steering systems and traction engines, steel and aluminium motorbike frames, electric motors for industrial applications, electronically controlled turbines and fans, and is a global leader in cold start systems for internal combustion engines, helping to improve the environment by reducing harmful emissions.

Finally, Hidria's success is based on a group of more than 2,000 people fully involved in the different companies, distributed in 5 business units and 2 competence centres, in the four countries in which it operates.







# S Customer satisfaction

Customer satisfaction and loyalty is a key issue for Gonvarri in order to achieve its profitable growth objectives, which is why it is continuously monitored through constant communication and structured feedback.

Customer surveys are therefore an important tool to help assess customer satisfaction, identify areas for improvement, build customer loyalty and increase market share.

### **Gonvarri Solar Steel**

Gonvarri Solar Steel carries out the corresponding surveys appropriate to its business, where the following characteristics are quantified: Product Price, Product and Service Quality, Customer Technical Support, Delivery Times, Commercial Service and Response Capacity. The different customer areas with direct interlocution with Gonvarri Solar Steel receive the satisfaction survey and evaluate each of these characteristics according to their degree of satisfaction and according to their perception of the relevance of each characteristic. Conclusions:

- The cumulative average is 3.8 out of 5 (target score > 3.5), which means an average close to "quite satisfied".
- All PRIORITY customers approve of us: average 3.8 (> 3.5) and all MAJOR customers approve of us: average 3.6 (> 3.5).
- The highest rated characteristics (> 4.0 "quite satisfied") are: Commercial Service (4.3), Quality of Service (4.1) and Technical Support (4.0) "Great technical-commercial orientation of customer-facing departments".
- The worst rated characteristic is Product Price, which passes but does not reach the target (3.3 < 3.5). This is considered a normal rating, given that most of the customer responses come from the purchasing department and the solar sector



is under considerable pressure to lower prices.

- The average of the characteristics rated are in the high quartile of rating (2.7 out of 3). This is normal as these are the key criteria for customer relations.
- The most relevant (Importance >2.7) are: Product price (satisfaction 3.3), Product quality (3.8), Technical support (4.0), Delivery time (3.6). All of them pass (satisfaction > 3) and in all of them the score is above a B (> 3.5), except for product price.

En base a los comentarios proporcionados por los clientes se identifica claramente como área de mejora la agilidad en el proceso de negociación contractual y remisión de la documentación legal asociada. En relación a esta cuestión se han incorporado medidas como la depuración del proceso de revisión contractual así como la incorporación de una figura de Contract Manager, puesto cubierto por una nueva contratación.

## Gonvarri Material Handling

GMH surveys have been carried out in various centres such as Sweden, the Netherlands and Romania.

By way of example, the result of the survey launched by GMH in Sweden, where 65 customers responded, with an average rating of 4.5 out of 5, is summarised. The company's objective is to obtain a minimum rating of 4.2.



#### Industry and auto

We periodically carry out customised surveys, depending on the type of product and/or geographical area.

During 2022, the implementation of the new Key Process called "Customer Relations Framework" has been a success. One of the most important points it regulates is the standardisation of the Satisfaction Survey, as well as the obligation to implement it in all the Group's plants.

All companies collect the results of their respective Satisfaction Surveys, analyse them, and create action plans to improve customer satisfaction in all areas that relate to them.



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Gonvarri Industries is a company with a presence in 24 countries. Therefore, its supply chain is also global. The purchasing process is differentiated according to the type and volume of purchase, at three levels:

• **Steel Purchases:** this encompasses purchases of steel and aluminium throughout the world. Purchases are made with suppliers such as wholesalers, traiders (intermediaries) or spot suppliers, adapting to the different business models demanded by customers.

Relationships with steel suppliers can be contractual and are mostly medium to long term, in order to secure and respond to the most demanding needs of the supply chains. **Non-steel purchases:** these include purchases of equipment and machinery, products for the production process, energy supplies, cleaning and maintenance services, consultancy, logistics and transport, etc. Purchases are mostly made with wholesale suppliers, service providers and manufacturers of other raw materials.

The number of suppliers varies, but transport, energy, zinc and temporary employment agencies account for around 85% of the total. Relations with non-steel suppliers are mostly medium and long-term contracts. • **Local purchases:** this includes minor purchases made in each factory (not centralised), with local and proximity suppliers. This area includes maintenance services, office raw materials, catering, etc. These purchases are the most relevant in number, but the smallest in amount.

Steel purchases stand out in terms of volume and price. Due to its characteristics, the steel industry is considered a "heavy industry", with high fixed costs, a significant impact on the generation of qualified employment and a high environmental impact, both in the use and consumption of natural resources and in atmospheric emissions, mainly CO2, where it is considered responsible for 7% of global emissions.

It is currently investing heavily in technology and renewable sources in order to produce "Green Steel" in the not too distant future and significantly reduce its impact.

The following is a summary of sustainability management in procurement.



# Steel purchases

The purchasing process is considered a "**key process**" due to its high economic impact. The "**KP0100 Steel Purchasing**" procedure summarises the purchasing methodology, with its different variables, the responsibilities at each stage of the process and the records.

This process comprises not only a view of procurement in a narrow sense, but presents a broader view of its function, conceptualising the definition of rules and best practices in the 5 major sub-processes in continuous interaction.

Of note this year is the renewal of the "**Suppliers' Code** of **Ethics**" approved on 12 December 2022, with the aim of adapting it to the new demands of the market and stakeholders, mainly customers, summarised in four lines.

- Human rights and labour standards
- Ethics, transparency and compliance
- Environmental protection
- Responsible purchasing

Gonvarri Industries therefore requires its suppliers to comply with all their obligations, with standards in regulatory compliance in all areas, health and safety, human rights, compliance with trade sanctions, anti-corruption and environmental protection, among others. These criteria are decisive for the selection of a new supplier, as well as the maintenance and retention of an existing supplier. We therefore encourage our suppliers to collaborate with us to jointly develop improvements in the management of these areas and to promote these standards throughout their own supply chains.

Likewise, the Gonvarri Industries website contains the "Corporate Policy on Conflict Minerals", which is also applicable to Gonvarri's suppliers.

As part of this process, Gonvarri has a supplier selection and approval questionnaire, which describes the guidelines to be followed in order to be classified as "suitable", provided that the products it can supply are validated by the organisation.

In addition to product, service, support, etc. obligations, HSE Management, Corporate Social Responsibility and Compliance requirements are included in order to be classified as "eligible".

The questions to be assessed relate, inter alia, to the following aspects:

- Environmental protection.
- Relevant staff information.
- Local legislation and related international standards.
- Equality and ethics.
- Bribery and corruption.

Financial information and corporate organisation of the supplier, enabling the risk of non-continuity of its activity to be measured.

• Screening and compliance with third parties/international trade sanctions.



Only compliant suppliers will proceed to the next stage, which includes financial and corporate requirements.

The **Supplier Code of Ethics and Conduct** is sent to all suppliers (100%). Information on its dispatch, receipt and signature/acceptance is properly monitored and archived. The new version will be sent during the 2023 financial year.

Those suppliers that do not comply with these requirements are considered Suppliers in Development, and their relationship with Gonvarri is conditional upon the presentation of a Compliance Plan, which shall be duly validated by Gonvarri.

Procurement management is based on and harmonised with the following principles:

- Ensuring the standards and commitments acquired with customers by guaranteeing the mechanisms that allow for continuous improvement.
- The creation of spaces for dialogue with the different suppliers that allow the transmission of the company's commitments to sustainability, as well as the collaboration of its supply chain.
- Negotiate ethically, responsibly and competitively, in line with business expectations.
- Promote among suppliers compliance with basic standards or criteria related to human and labour rights, occupational health and safety of their workers, respect for the environment and ethical behaviour.
- Ensuring supply through proper risk management of the suppliers we work with.
- To be a management reference model in the market for Gonvarri Industries' stakeholders.





# **Non-steel purchases**



Likewise, in line with the "**Carbon Neutral**" strategy and with the demands of our main customers, we are studying and signing alliances with steel suppliers to enable us to purchase so-called "Green Steel" (steel manufactured without using fossil fuels as a source of energy) to help minimise the carbon footprint of the products manufactured.

At present, only a very small number of steel mills are capable of supplying green steel. However, important investments, plans and technological developments are foreseen in their strategic plans to allow for a significant production capacity of this type of steel.

Gonvarri Industries will therefore increase this type of alliance in line with the evolution of the market and the possibility of supplying large volumes of green steel. Focused on purchases of other auxiliary raw materials (oils, lubricants, chemical products, etc.), other materials (packaging, spare parts, etc.) and services (cleaning, transport, travel, etc.) that require a structured, transparent and objective negotiation process, as well as the application of a specific methodology due to the volume they represent.

As part of the negotiation process, suppliers are required to read and accept a series of policies and procedures, including the Code of Ethics and Conduct, in order to transfer Gonvarri's values and principles to suppliers.

Gonvarri Industries requires its suppliers to meet all their obligations and compliance standards in all areas: health and safety, human rights, anti-corruption and environmental protection, among others. In addition, we invite them to collaborate in the joint development of improvements in the management of these areas. Those suppliers who exceed a certain turnover limit must complete the Gonvarri Corporate Social Responsibility Questionnaire, which includes questions relating to these matters.

Likewise, those suppliers that supply products and/or services on a regular or potential basis at Gonvarri's plants, and which, due to the nature and/or criticality of the product/service, may have some influence on the quality of the end product for the client, shall be subject to a prior approval process and subsequent continuous re-evaluation. This process ensures their ability to supply in accordance with the specified requirements and to verify their compliance. In this sense, it is an essential requirement for the supplier to be in possession of ISO 9001 certification, with Environmental (ISO 14001), Health and Safety (ISO 45001), and Automotive Quality Management Systems (IATF 16949) certifications also being valued.

Finally, it is worth highlighting the active participation of the Non-Steel Procurement area in the signing of PPA contracts for the long-term supply of electricity in different countries in which

## Local purchases

This section includes minor purchases made at the factories, which are not centralised. They are normally made from local suppliers and the approval criteria are not homogeneous in the different factories, with the application of environmental, health and safety and trust criteria being more frequent than social or human rights criteria.

**CONTENTS 2-6** There have been no changes in the supply chain.



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# Spending on local suppliers

CONTENTS 204-1

In 2022, expenditure on total suppliers amounted to 5,855,547 thousand euros, of which 67% (3,943,909 thousand euros) corresponds to local suppliers.

Country (euros)	Local Suppliers	Non-local suppliers	Total	Percentage local suppliers
🛑 Germany	374.196.654	267.169.096	641.365.750	58%
💿 Argentina	20.927.591	59.021.213	79.948.804	26%
📔 Belgium	6.321.408	3.391.019	9.712.427	65%
🛢 Brazil	20.701.338	5.592.791	26.294.129	79%
🎱 China	285.532	16.576	302.108	95%
╞ Denmark	4.137.580	11.970.239	16.107.819	26%
🆢 Slovakia	312.749.051	129.931.908	442.680.959	71%
💿 Spain	2.425.120.105	475.948.559	2.901.068.664	84%
Estados Unidos	268.768.328	5.424.056	274.192.384	98%
🕨 Finland	10.428.000	15.896.000	26.324.000	40%
Detherlands	6.134.495	18.041.583	24.176.078	25%
🛢 Hungary	2.574.635	7.829.897	10.404.532	25%
<ul> <li>Mexico</li> </ul>	109.795.353	340.164.507	449.959.860	24%
╞ Norway	3.719.824	9.265.581	12.985.405	29%
- Poland	34.233.563	209.214.698	243.448.261	14%
Portugal	99.643.417	120.016.913	219.660.330	45%
🗜 UK	32.080.656	55.900.928	87.981.584	36%
🖢 Czech Rep.	55.186	111.006	166.192	33%
🕨 Romania	44.031.330	11.773.102	55.804.432	79%
🛡 Russia	31.019.815	1.464.685	32.484.500	95%
🗦 Sweden	32.056.338	17.523.569	49.579.907	65%
🕄 Switzerland	5.927.770	8.437.862	14.365.631	41%
🗿 Turkey	27.870.372	6.327.002	34.197.374	81%
🗕 Colombia	71.130.846	131.205.351	202.336.197	35%
TOTAL	3.943.909.185	1.911.638.143	5.855.547.327	<b>67</b> %



#### Solar Steel, supplier of the year

Gonvarri Solar Steel was honoured at Iberdrola's "**Supplier of the Year**" awards for Spain, winning the "Equipment Supplier of the Year 2022" award.

The recognition is part of Iberdrola's commitment to the national industry and specifically its confidence in the work carried out by the entire Solar Steel team not only during this year, but also during previous years, in a sector as competitive as the renewable energy sector. Specifically, Iberdrola recognises us as a supplier that "provides great support in various key projects for Iberdrola, showing flexibility, quality of service, reliable equipment and competitive prices in the field of renewable energies".





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# Value creation: Efficiency, digitalisation and Innovation



# Senhancing Progress Tour

Enhancing Progress Tour is a face-to-face and itinerant event that is touring Gonvarri's factories and offices around the world. So far, 14 stages have been held in 6 different countries (Spain, United Kingdom, United States, Mexico and Colombia) and it has been attended by more than 1,700 professionals, both factory and office staff.

People

Gonvarri Industries' Enhancing Progress Tour event aims to communicate the objectives of the 22-24 Strategic Plan and the elements of the Drive Management Model whose priorities are Sustainability, Efficiency, People and Innovation.

The participants of this event have been able to attend different informative and participative sessions, such as the Drive Day, which helps to understand the objectives of the 2022/2024 Strategic Plan and the elements of the Drive management model. The Drive Day sessions focused on topics such as: Strategic Plan 22-24, Business Technology/ Compliance / Safety, Efficiency, Innovation, Sustainability and People.

In addition to the Drive Day, specific sessions on Digital Workplace, Carbon Neutral, Mobile App and Makers are organised to promote each of these projects among the professionals of the factories visited.

This event is a way of improving and promoting a common corporate culture, as it seeks to convey the company's values and objectives to all Gonvarri professionals, with the aim of improving their motivation and pride in belonging.











#### **Carbon Neutral**

Each Enhancing Progress Tour includes specific sessions related to the company's Carbon Neutral project. These 90-minute sessions aim to raise awareness of climate change, its impact on the private sector and the company's response to this global challenge through the Carbon Neutral Plan.



In each of the events, we have sought to maximise the number of people who receive this training, even training all the personnel in factories such as: Gonvarri Burgos, Gonvarri Barcelona, Gonvarri Tarragona or Gonvauto Barcelona.

Involving the maximum number of employees in these sessions, where the meaning of the Carbon Neutral Plan is conveyed, allows the company to take a very important quantitative leap forward in meeting its emission reduction targets; ambitious objectives for 2030 that seek to reduce direct emissions by half and which will require the collaboration and drive of all Gonvarri Industries employees.





Image of a Carbon Neutral session at the Gonvarri Burgos factory.



# S Cultural Change & Digital WorkPlace



The "**Digital Workplace**" project began in 2019 with the aim of adopting Microsoft technology and offering employees the Office 365 work tools to continue advancing in the company's digital transformation. The project is aligned with SDG 9 and Gonvarri's innovation and digitalisation strategy.

This is a process that requires significant company-wide cultural change management in a collaborative environment to successfully address the challenge of incorporating new digital technologies.

In the first phase in 2019, the Outlook, OneDrive and SharePoint tools were integrated into the Office 365 platform, enabling the company's employees to work much more quickly, easily, comfortably and efficiently.

In 2020, new tools were introduced and integrated: Teams, Planner, Stream and Forms. These tools boosted digitalisation and connectivity between employees and helped to resolve the difficulties of meeting and travelling to adapt to the new circumstances arising from the pandemic, in order to continue advancing the digitalisation project.

In 2021, a specific area was created within the "Digital Workplace" organisation, acquiring new responsibilities such as the definition, evolution and adoption of the digitalisation of the Group's workplace, in the field of software (Office 365), mobile and fixed telephony, and hardware (computers, printing and digitalisation equipment, meeting rooms and other specific devices).

Within this framework, in 2021 and 2022 a number of actions were carried out, such as:

#### 1 Corporate mobile telephony

Making procedural changes, tariff adjustments, alternative solutions for roaming connectivity and usage recommendations to users. This has led to a more efficient use of mobile phones, with corresponding savings in corporate mobile telephony.

#### 2 Teams Meeting Rooms

This covers a new scenario where hybrid meetings (faceto-face and remote) are becoming more and more common, standardising equipment and Teams configurations in order to be able to evolve current solutions.

#### 3 Remote Support

Remote Support initiatives have been carried out with HoloLens devices for industrial use, so that audits, inspections, etc. can be carried out virtually.

#### 4 Adoption and Training Office 365

Completed in 2021, by 2022 the adoption and training of ALL divisions has been completed, including those whose technological integration was pending, thus increasing the number of users and also the collaborative capabilities in the group.

5 Documentation Management in SharePoint

The movement of documents from local servers to SharePoint sites was significantly increased, taking advantage of the collaborative and offshoring benefits. Most of the moves have taken place naturally, although some specific projects have also been developed to encourage them.

Within this framework, the Gonvarri Library initiative stands out as a database of Gonvarri Industries' corporate documentation, which contains the policies, Key Processes, Procedures, Guides, Manuals, Instructions, Forms and other corporate documents applicable to the entire organisation and necessary for the group's operation. Gonvarri Library consists of 2 main parts:

- a multilingual SharePoint site for documentation, also optimised for mobile use
- Flows for document approvals, revisions and publications, enabling their management and configuration by the IMS area.

#### 6 Governance of the Power Platform

To take digitalisation to another level, in 2021 and 2022 the foundations were laid to initiate specific automation projects that have a direct impact on the business. To this end, Power Platform Governance was implemented, supporting new projects in Telephony Management, Travel Management, Digital Supervisor 0365, etc.





# 7 Creating low-code applications using the Power Platform

With the foundations in place, in 2022 several applications created on this technology (Power Apps + Power Automate) have seen the light of day, which have demonstrated that with ease and simplicity they are capable of responding to business needs quickly and efficiently, in some cases being a better alternative than commercial tools. Some notable cases of applications implemented to cover last mile needs are:

- Gontravel: for the management of travel expenses, facilitating requests (especially for mobility) and automating the reconciliation of all movements, resulting in significant cost and time savings.
- My mobile": which allows the management of corporate mobile telephony, automating the lifecycle of handset repairs, device purchases, activations and modifications of national vouchers and the management of international data roaming. All of this facilitates very detailed management, as the application automatically resolves most requests.
- Digital Supervisor in O365": with a set of applications for use in plants, which very simply resolve the capture of data mainly in terms of inspections, safety, validations, etc. adapted to the internal operating system (IMS). This allows significant time savings and the availability of information and data in real time for decision making. This process is already implemented in 8 plants and its deployment plan continues through 2023.

#### 8 Community of Application Creators - Makers Project:

Having demonstrated the capabilities of low-code tools and with the aim of "democratising" their use throughout the organisation, the identification of "makers" or creators of applications by any user (not only technical) is encouraged, as no programming knowledge is required.

These "makers" are trained in the use of these tools and provided with all the necessary material and means, becoming part of a growing community to share innovations, solutions and concerns, developing new, simpler and more efficient applications.

It is worth highlighting the thread followed in this project in the "Hackathon" held in November 2022 in Barcelona, where 5 teams of 5-6 "makers" developed proofs of concept, responding to the needs identified. Some of these solutions will be continued in 2023.

#### 9 Other initiatives in 2023:

In order to continue improving and extending the use of Digital Workplace tools, new activities are planned for 2023, including:

- Improvement and optimisation of print services
- Improving the management and communication capabilities of the intranet, evolving to a more robust and scalable model, keeping the focus on mobility.
- Information Governance and Optimisation (SharePoint and Teams)
- ChatBot leveraging AI capabilities to provide information of interest through a variety of channels, including Teams.

And of course, always emphasising continuous training for employees, in order to make the most of all the capabilities of the Digital Workplace tools.

Finally, to conclude that 2022 has been an exercise of consolidation of the 0365 and Power Platform tools, following the Digital Workplace 2022-2024 Plan, with the objective of evolving the current workplace to a more efficient and simpler model, through actions in 2 main blocks: Devices and Applications, with a total of 14 lines of action.





# Sefficiency Model

In an increasingly demanding and competitive world, only by doing things better and better can we ensure the profitable and sustainable growth of the organisation.

#### Efficiency Model: two years of resilience

Gonvarri Industries' 2019-2021 Strategic Plan proposed reinforcing the organisation's continuous improvement and core knowledge management system through actions coordinated by the SGI (Integrated Management System), which includes the 5 areas of **Health and Safety, Environment, Quality, SPG/Lean Manufacturing** and **Key Processes**, with a dual objective:

- 1. Establish robust working systems that prevent this culture and know-how from being dispersed or lost, and make it available to the company as a whole.
- 2. To ensure its continuous improvement in the future, providing Gonvarri's professionals with a safe, environmentally friendly and professionally enriching framework.

In these unique years due to a global pandemic, the SGI teams have fulfilled these objectives, adapting to the new scenarios and contributing more and more value to Gonvarri's products and services.

The first step was to strengthen the main tool for monitoring progress in the deployment of this Model: the SGI Integrated Audit.

#### Control mechanisms: the Integrated IMS Audit

AAlthough practically all the Group's companies are certified in accordance with the most rigorous international standards: ISO 9001, IATF 16949, ISO 14001 and ISO 45001, the culture of self-demanding standards led to the creation in 2017 of a much stricter internal standard, which is mandatory, concerns all operations and is audited annually: the Integrated Management System (IMS) Integrated Audit.

The advantage of our own system is not only that it brings us closer to Excellence, but also that its architecture provides a global vision of the situation of each audited centre with respect to international and internal standards (Health and Safety system, Environmental Performance Index, TQM methodology and SPG model).

## **SGI Audit**

				Last Rudit					Previous Rudit					Variation					
Region	Ronk	Site	Date	GLOBE	HAR	le.	10	as .	Dote	GOB	100	(a)	0	ets.	GLOS	St. AN	1	6	4
Gonvauto Iberia	1	Golicio	25-04-22	80,8%	76.0%	68.5N	79,6%	73,7%	26-04-21	79,1%	76.0%	86,0%	77,9%	70.3%	+1.7	+0,1	+2,4	+1,8	+3,4
Europe	2	Borcelona	25-04-22	73,4%	75.8%	85,2%	65,2%	56,8%	19-04-21	67,1%	73.7%	81,1%	55.8%	47.3%	+6,3	+2.1	+4.0	+9,4	+9,5
Europe	3	Polsko	14-03-22	72,0%	69.2%	85,1%	59,3%	61.7%	08-03-21	68,6%	65,1%	76,6%	68,5%	59,5%	+3,4	+4,2	+8,5	+0.9	+2.2
Europe	4	Kaluga	23-05-22	69,4%	61,7%	63,2%	79,0%	67,6%	24-05-21	62,8%	60.8%	63,2%	68.0%	50,1%	+6,5	+0,9	-0,0	+11.0	+17,5
Gonvauto Iberia	5	Novarro	23-05-22	68,9%	59,7%	82.5%	66,2%	72,4%	24-05-21	69.7%	62.0%	81,9%	66,2%	65,3%	-0.9	-2,3	+0.6	-0.0	+7,1
Europe	6	Volencia	14-03-22	67,3%	65,8%	80.0%	62,9%	63.8%	29-03-21	62,6%	63,6%	73,4%	57,6%	58.0%	+4,7	+3,2	+6,6	+5,3	+5.8
Convauto Iberia	7	Portugol	07-03-22	66,5%	65,4%	85.1%	58,2%	54,6%	01-02-21	63,6%	66,0%	83,7%	49,3%	42.7%	+2,9	0,6	+1,4	+8,9	+11.9
Europe	8	Burgos	09-05-22	66,2%	61,3%	85,7%	55,4%	\$5,5%	10-05-21	63,8%	61,6%	82,1%	51,9%	52,5%	+2,4	-0,3	+3,6	+3,4	+3,0
DAFTA	9	Pueblo	10-10-22	64.3%	76.1%	75.7%	57.3%	51.2%	08-11-21	60.9%	68.8%	75,6%	\$3,4%	46,8%	+3,4	+7,3	+0,1	+3.8	+4,5
Europe	10	Terregona	30-05-22	63,6%	61.7%	85.0%	49,9%	48,0%	31-05-21	61,8%	60,1%	82,5%	46.6%	43,5%	+1,7	+1,6	+2.5	+3.3	+4.5
Gonvouto Iberio	11	Gonvauto Barcelona	21-03-22	62,5%	61,2%	75,8%	58,0%	53,9%	22-03-21	60,3%	65,9%	72,3%	55,0%	44,0%	+2,2	-4,7	+3,5	+3,1	+9,9
Metal Structures	12	Colombia	13-06-22	60,9%	70,6%	76,5%	48,8%	41,8%	31-05-21	\$3,0%	69,1%	62,6%	39,2%	35,2%	+8,0	+1,5	+13.9	+9.6	+6,6
Europe	13	Popes Lone	05-10-22	58,8%	64,3%	65,7%	57,8%	44,8%	11-10-21	50,9%	53,5%	53,3%	53,1%	37,3%	+7,9	+10,8	+12,5	+4,7	+7,5
Europe	14	Bridge Street	03-10-22	58,3%	61.2%	66.0%	58,5%	48.0%	11-10-21	50.7%	50.9%	53,8%	53.9%	42,5%	+7,6	+10,3	+12,2	+4,6	+5.5
Europe	15	Union Street	28-09-22	55,6%	59,4%	62.1%	58,2%	43,4%	11-10-21	50,2%	53.2%	50,4%	53,7%	39.2%	+6,4	+6,2	+11.7	+4,6	+4,2
Europe	16	<b>Newton Rycliffe</b>	26-09-22	56,3%	\$7,0%	63,1%	57,8%	45,1%	04-10-21	50,6%	52,4%	52,9%	53,8%	41.0%	+5,6	+4,5	+10,2	+3,9	+4,1
metal Structures	17	Gonvauto Asturias	21-03-22	53,9%	41,3%	60,0%	\$5,2%	66,8%	22-03-21	55,1%	26.5%	59,7%	64,0%	61.9%	-1.1	+14,8	+0,3	-8,8	+4,9
LATAM	18	Paranó	12-09-22	52,6%	50,8%	75,3%	43.2%	18.8%	24-12-21	54.9%	54.4%	71,8%	46,6%	28,3%	-2,2	-3,6	+3.6	-3,4	-9.5
Metol Structures	19	Hiosa	21-03-22	50,9%	36,1%	60,0%	53,6%	54.1%	22-03-21	48.2%	24,8%	52,3%	58.9%	51,3%	+2,7	+11,4	+7,7	-5.3	+2.8
LATAM	20	Compinas	07-11-22	49,3%	43,5%	65.1%	45,2%	23,4%	06-12-21	47,0%	47,3%	62,7%	41,0%	16,1%	+2,4	-3,9	+2.5	+4,2	+7,4
Europe	21	Thüringen	25-04-22	48,6%	45,4%	69.0%	41,7%	25.5%	12-03-21	43,2%	43,4%	59,6%	37,7%	20,8%	+5,4	+2,0	+9,5	+4.0	+4,6
Europe	22	Nitro	20-06-22	47,4%	44.6%	74,5%	38,1%	10.8%	21-06-21	35,3%	33,5%	60,7%	26,8%	7.2%	+12,1	+11,2	+13.7	+11.3	*3,6
LATAM	23	Regenting	22-90-52	47,2%	45.0%	62,9%	43,2%	33,3%	06-09-21	56.8%	68,1%	77.5%	39.5%	40,6%	-9.7	-23,1	-14,6	+3.6	-7,3
Precision Tubes	24	Flinse	14-11-22	31,6%	17,1%	43.2%	36,1%	15.6%	14-06-21	22,6%	11,4%	19,7%	32.9%	7,7%	+9,0	+5,8	+23.5	+3.2	+7,8
NAFTA	25	South Corolina	24-10-22	26,9%	18.1%	13,3%	41,7%	13,2%	06-12-21	26,0%	18,5%	12,8%	41.9%	16,4%	+0,9	-0,4	+0.5	-0,Z	-3,2
Miscellaneous	26	GCF	03-05-22	25,4%	15,0%	22,6%	38,8%	4.1%	10-05-21	24,8%	17,9%	22,8%	34,0%	4,8%	+0.5	-2,9	-0,1	+4,8	-0.7
Metol Structures	27	Çepos	17-10-22	18,8%	20.9%	29,2%	14,4%	6,4%	23-11-21	17,4%	15,5%	23.1%	18,5%	9.6%	+1,4	+5,4	+6,2	-4.1	-3,2
		Total		55.5%	52.8%	66.7%	53,1%	42.8%		52.1%	50.5%	61.3%	49.8%	38.5%	+3,4	+2,3	+5.4	+3.2	+4.2

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The audit as such is carried out in a single week, in which the audit team reviews 364 items. The assessment, quantitative and segmented into 4 levels from lowest to highest compliance for each of the questions, turns the benchmark into a real roadmap to achieve Excellence in all areas related to Efficiency (Health and Safety, Environment, Quality and SPG).

Initiated with teams of corporate auditors, cross-audits are now encouraged within the same region, which promotes the mainstreaming of good practices and the homogenisation of operational modes.

The massive use of new technologies and tools (Teams, O365, Smart Glasses) helps the audit and avoids unnecessary travel. The result of the analysis is that the deployment of the SGI Model continues to progress (+3.4 points in 2022):

For 2023, the IMS benchmark has been revised, reducing the number of questions, focusing more on results and less on documentation, adding the controls established in the Key Processes. This new audit will be completed in 2 phases:

- Phase 1: audit conducted by each Company with internal auditors from the Company and/or the Region/Corporate to verify all questions.
- **Phase 2**: audit carried out by auditors from the Region and/ or Corporate to verify a random selection of questions by an algorithm parameterised in Sygris, in addition to questions selected by Corporate after review of the Phase 1 reports and those that the audit team considers should be verified in the course of the audit.

#### SPG Gonvarri Production System

Based on the Toyota Production System (TPS), the Gonvarri Production System (GPS) is Gonvarri's Lean Manufacturing programme.

In this sense, it is not only a set of tools or a structured method for achieving objectives, but a philosophy, a culture of continuous improvement that is based on the involvement of all the teams, as well as on fluid communication between them. In this environment, it is the operators themselves, organised in GAP (Autonomous Groups), who take most of the operational decisions in a proactive and autonomous manner, but also in harmony with the rest of the organisation.

Like any other Lean Manufacturing system, the SPG covers all Gonvarri's processes, products, activities and people. Its methodology for achieving operational excellence is based on the comprehensive elimination of all types of muda (= inefficiency, waste): defects, overproduction, transport, waiting times, stocks, useless movements of people, unnecessary processes and wasted creativity. The SPG is made up of around thirty tools (SMED, Standard Work, 5S, Value Stream Mapping, Communication Boards, GAP, Top meetings at all levels, etc.) organised into 4 modules: Staff Involvement, Efficiency of Means, Efficiency of Flows and Lean Office (adaptation to the administrative environment), applicable to the improvement of any person in the organisation: operators, administrative staff, technicians and managers.

Each GAP or basic work cell has specific communication areas, managed by the operators themselves, in which they maintain and periodically review the indicators and information that affect their performance, proposing, when necessary, improvement actions to achieve the established objectives.

Of all the PGS tools, the most important focus on improving engagement by strengthening communication channels within the organisation. In the year 2022, we are returning to pre-pandemic activity data, returning to being able to hold workshops and face-to-face meetings, which make these activities more efficient:

	2016	2017	2018	2019	2020	2021	2022
GAPs working to GSP standards	368	417	467	537	521	527	513
GSP training hours	20219	19069	24542	20508	14911	17897	16343
Workshops held (5S, STDW standardised work, SMED, Value Stream Mapping, Total Productive Maintenance, Lean Office)	609	718	972	759	607	697	655
GRPs (Problem Solving Groups) launched	265	243	279	246	177	233	212
Ideas for improvement issued	4240	3725	3869	3902	2922	4257	4144



## Key processes

where a possible breach could result in economic, operational or reputational damage for the company.

For its construction, 16 working groups were defined in which the approximately 150 Gonvarri professionals with the best knowledge of the business participate, with representatives from all countries, companies and functions of the organisation.

The year 2022 ended with 11 Key Processes released out of the 16 initially planned, some of them fundamental for the construction of the OneSAP Project Template, MES and GAM:

Table Key processes released:

KPO1 Purchase of Steel

KPO2 Bid Management

KPO3 Scrap Management

KPO4 Stock management

- KP05 Customer Relationship Framework
- KPO6 Approval Flows
- KP08 Business Risk Management
- KP10 Brownfields
- KP11 Greenfields
- KP12 People Development
- KP16 Operational Notifications

In recent years, SGI/SPG has turned its attention to a new dimension: the digitalisation of processes, and has been involved in several innovation programmes:





- OneSAP: MES, Videowall (digital information board), definition of SAP4H template.
- Deployment of GAM (Asset and Maintenance Management)
- Costs of Non-Quality.
- Digital Supervisor.
- Laser positioning of the pallets on the tables
- H&S actions: forklift 4.0, CCTV...
- Smart glasses.
- Training with augmented reality.



One of the main projects has been the participation in the MES (Manufacturing Execution System) project whereby the control of operations and the interface with the workers is being completely changed:





Another project with a long way to go is the development of the **Rol of the Supervisor**.

In order to develop this role, **supervisors' workshops** have been promoted, where the supervisor's day-to-day work is observed and compared with his or her role, detecting changes and proposing improvement actions that help the supervisor to correctly develop his or her role and daily tasks, whether they be training actions, techniques, etc.

One part of these actions has been the development of the innovation and mobility project called **Digital Supervisor**, which involves a radical change in the day-to-day work of supervisors in all companies.

- Reduction of travel.
- Automation of administrative tasks.
- Increased time spent on value-added tasks.
- Strengthening the control of workshop operations.
- Increased productivity and quality of the team by improving leadership and communication.
- Improving training through the use of audio-visual media.

The tools available to the supervisor (PDCA management, STDW audit, 5S audits, H&S and MA inspections, GRPs, access to ERP, Office, Outlook and Sharepoint) as well as the smartphone and tablet support have been tested in 8 companies, with the following results:

- 1. Minimum 12,5 % reduction of workload (at least 1 hour per shift for travel and 1 hour per shift for automation of administrative tasks).
- 2. Motivation for supervisors.
- 3. Better control of the workshop by the supervisor, with a consequent improvement of all operational indicators.

The adoption of new tools such as SAP4H and MES will enhance the project's strengths.



The Supervisors' Schools have also been resumed, such as the one held in Galicia in October 2022, where 16 supervisors from 13 plants took part and where the company's progress in all those points that affect the supervisor's work was presented and experiences were exchanged among the participants.



The GSP challenges specified in the 2022-2024 strategic plan can be summarised as follows:

- Working on a project basis, using a methodology that helps to monitor and achieve objectives.
- Continue to develop the role of the Supervisor as a key player in the company.
- Deployment of the GPS system in new companies (GMH, Flinsa, etc.).
- Further digitisation of the system (ideas for improvement, validation of polyvalence, etc.).
- Coordination with Innovation, Industry 4.0 and Technical Management on new projects to add greater value.



# Business-oriented innovation

#### Innovation

#### Model, Culture, Product, Process and Venture Capital

The strategic lines that have shaped innovation activities during the year have been oriented towards the development of market knowledge, especially in the automotive and electromobility sectors, as well as the definition of the "Venture Corporate" model, which will be implemented during the period of the current Strategic Plan.

The following sections summarise the main initiatives developed in line with the strategic priorities.

### **Innovation model**

# Market Intelligence as a basis for defining innovation priorities

Given the importance of the automotive market for the Gonvarri Group, a study was carried out on **Electromobility** trends, including not only the positioning of the Auto sector, but also knowledge of the mobility ecosystem, which complements the traditional vision of OEMs with the appearance of new agents that will play a relevant role in mobility, such as electric charging points, last mile mobility systems (scooters, motorbikes...) or dissuasive infrastructures to reduce emissions in city centres.

These trends are in line with the Company's diversification policy, which includes taking new positions in the electric vehicle market.

Oriented with this vision, and with a clear commercial vocation, Gonvarri participated in the F3: Future: Fast Forward cluster promoted by Seat / Volkswagen, which was awarded a PERTE VEC initiative for the Electric and Connected Vehicle. Within this Business Cluster, Gonvarri is committed to digitalisation and sustainability through digital twin and Hydrogen combustion projects.





Likewise, in response to the new automotive needs, and based on the technological knowledge of high-precision tube manufacturing, the creation of the Tube Innovation Committee was promoted, with the aim of responding to the new requirements of automotive customers, and sponsoring the development of advanced solutions both in high-performance materials and in the incremental improvement of manufacturing technologies.



#### Culture of innovation

Technological empowerment and openness to external talent as drivers of innovative thinking

### **Open Innovation**

During the year 2022, the different open innovation trends have been studied, analysing the tools that best adapt to Gonvarri's culture, with the aim of defining the "**Open Innovation Model**" on which to develop new business opportunities and to provide the best response to the group's internal challenges.

As a result of this analysis, it has been concluded that the most Group-oriented trends are Venture Client and Venture Building.

During the next financial year, a Venture Client pilot project will be developed, in which an internal Gonvarri challenge will be defined and opened up to potential external partners who will respond to this challenge.

Similarly, following an analysis of potential innovative business lines for the group, a Venture Building pilot project will be launched, the aim of which will be to develop a business project from the outset to cover an emerging need in the market, with a view to growing organically.

Gonvarri MS R&D, the R&D Centre of Gonvarri Metal Structures, launches the "Proof of Concept 2022" Awards with IDEPA and the University of Oviedo. This public-private collaboration invites researchers to submit original ideas to transfer the results of their scientific achievements to the industrial sector. Artificial intelligence, digital twins, drones, FPGAs, structural modelling, genetic tools... are some of the topics covered by the proposals. Three research groups have been selected to carry out proofs of concept for one year.

## Technological training

During 2022, the online training tool has been consolidated through the Gonvarri Academy, allowing access to online training for a large number of internal students, and multiplying the number of training hours in a flexible, convenient and flexible way for students, both in courses developed internally and in outsourced training with multichannel access.

Also based on innovative technologies, the webinars have become a basic tool for disseminating the company's strategy and a vehicle for transmitting local experiences transversally to all the Group's work centres.

Training in the enabling technologies of Industry 4.0, as well as the communication of the initiatives developed, underpins the group's philosophy to lead technological change, with the **"technological webinars**" (Application Month, Asset Management and Maintenance, among others) being a key tool for this cultural change.





Health and SafetyClientsSupply ChainValue creation: Digitalisation, Security and InnovationContribution to the community

### **Product innovation**

New materials enable improved properties for key industrial applications

#### **Automotive**

As one of the most dynamic sectors within the business world, the automotive world demands the development of new materials that give new properties to the components of new vehicles, with the classic demands of reducing weight and increasing "recyclability", while at the same time increasing the strength properties of these components.

People

Following this path, the **ACEFICORE** Project, recognised by CDTI as a high value R&D project, has advanced during 2022 in the development of a recyclable resin with high properties for the manufacture of composites with glass fibre SMC.

As a result of new trends in the world of tube applications for car chassis, the market has made it necessary to study the incorporation of new steel grades for high-precision tubes, with the aim of offering products with greater ductility in response to the demands of Gonvarri's customers. To this end, an R&D project has been proposed for the use of thinner materials and improved properties, in consortium with the main supplier and the Group's main customer, covering a large part of the value chain.



Image of the target piece of the ACEFICORE project

## Agro

**Gonvarri AgroTech** specialises in intensive agriculture and technologies applied to it, with the aim of offering tailor-made solutions that enable maximum yields to be obtained within the scope of sustainability and to meet the needs of customers.

Through the combination of appropriate technologies, new cultivation and exploitation techniques are realised, increasing production per square metre and minimising the use of resources.

## Solar Steel

The main focuses of Solar Steel's innovation are new structure designs to lighten weights while maintaining strength, reduce the number of elements or facilitate on-site assembly processes, among other improvements, algorithms to maximise energy generation through artificial intelligence and the development of proprietary tools to reduce customer response time.

## **Road Steel**

Road Steel is continuously working to raise safety standards in road barriers with the development of high-performance products. Sensorisation, adaptation to new mobility systems, sustainability and landscape integration are other key areas of work in engineering and R&D developments.





PeopleHealth and SafetyClientsSupply ChainValue creation: Digitalisation, Security and InnovationContribution to the community

#### Innovation in process

Innovation and sustainability combined for process improvement

# Hydrogen as a solution for decarbonisation

After analysing the possibilities of hydrogen as an energy vector for decarbonisation, the "**GreenHY Barcelona**" project has been proposed.

This pilot has been conceptualised to generate hydrogen from renewable energy in an electrolyser, which will fuel the steam boiler of the electroplating line to be mixed with natural gas in its combustion process.

#### Additive manufacturing, new marketoriented processes

As part of the additive manufacturing process at Addimen, a machine was acquired in 2022 that develops a new process based on **SLS technology** (Selective Laser-Sintering).

SLS technology uses polymer in powder form with a diameter of a few microns, which is sintered layer by layer by melting with a laser head. This new acquisition has made it possible to diversify the business for affordable applications with low mechanical stresses, but with freedom of design, and with the use of polyamide as a raw material. Based on SLS technology, a new milestone was reached at Addimen, which has been to turn the application of PA12 (Polyamide) powder in the additive manufacturing of components for electric vehicle chargers into a profitable business.

Apart from the significant growth in Addimen's turnover, the fact that this new technology is applied in solutions within the growing electromobility market contributes to promoting sustainable applications of the new processes.



Image of the SLS line

## **Venture Capital**



Open innovation, a key player in the acquisition of new start-up businesses

As part of its Venture Capital activities, in June 2022 the Gonvarri Group took a stake in the capital of "**H2Greem**", an innovative SME specialising in the world of green hydrogen.

H2Greem is a company located in Segovia, which specialises in the manufacture of electrolysers with PEM (Proton Exchange Membrane) technology, with the capacity to supply equipment of up to 200kW of power.

This investment helps to consolidate the Venture Capital Model, whereby small investments are made in medium-risk but highgrowth technology companies.





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9 INDUSTRIA. INNOVACIÓN E INFRASSTRUCTURA

#### CONTENTS 3-3

# 🛞 IT security, processes and data protection

People

#### Business process support

Systems are a fundamental pillar for the execution of processes and the success of the business strategy in a market that increasingly requires a focus on digital transformation, immediacy, flexibility and information security.

In recent years, Gonvarri's IT department has gone from being a business support area to becoming an actor in the digital transformation of the entire company, requiring the ability to identify future business needs from a global and strategic perspective. At the same time, it is necessary to continue to guarantee the day-to-day operations, availability, effectiveness and efficiency of services: application maintenance, communications and infrastructure. These two aspects, transformation and day-to-day operations, must be carried out in a coordinated manner in order to generate value for the business.

In 2022, we have continued to focus on the transformation of the application map, continuing with the definition and implementation of the new OneSAP system, with projects and implementations included under the "Industry 4.0" paradigm, going from participating in pilots and proofs of concept to deployment in plants. An example of this evolution is the maintenance and deployments of the new MES system, the new asset management and predictive maintenance system, where the first implementations of use cases of RPA or "robot software" technology have been carried out.

In the improvement of infrastructure and operations, we have opted for methods such as deployments of code-type infrastructure to meet the new network requirements through solutions such as SDWAN. This solution makes it possible to create more secure software-managed communications, maintaining them with tunnels through the internet with internal destinations in the corporate network, updating WIFI systems in all headquarters, centrally coordinating mobile devices for their securisation, updating perimeter security devices, and even software management and improving industrial cybersecurity.

#### **Information Security**

Today, cyber threats continue to evolve. Not so long ago, cyber security was seen as a technical issue left to technology experts. However, with the process of digital transformation, the threat level has increased exponentially, requiring a more holistic approach to mitigate cyber security risks.

In the industrial sector, the evolution derived from the progressive connection of production equipment to the data network, together with the lack of global security standards, means that the number of vulnerabilities is increasing, increasing the possibility of their exploitation by cybercriminals.

In line with the above, attacks based on social engineering are also on the rise, using techniques to manipulate company employees to force the execution of actions that endanger corporate information.

Gonvarri has defined as its line of action and response to these threats a comprehensive approach with the strategic objective of being a "cyber-resilient" company, anticipating, preventing, resisting and, if necessary, recovering from any attack, thus protecting and guaranteeing business continuity. To this end, the necessary mechanisms have been established to safeguard the company's, customers' and suppliers' data throughout their life cycle in the systems, addressing all areas of information security. These measures include, among others, the definition of a security management and governance framework, the establishment of policies, procedures and guidelines, and design, implementation and continuous monitoring actions in the field of physical and logical security of systems (asset management, identity and access controls, cryptography, security copies, network and end-point security, incident management, etc.).

In addition, the following actions, among others, have been taken to ensure cybersecurity in 2022:

- Installation of a NAC (Network Access Control) system, to control in a very granular way the devices accessing the group's network.
- Implementation of a SASE system (secure access perimeter server) to guarantee security in access to the internet or in general outside the company's perimeter in a hybrid cloud environment.

Multi-factor access extension.

- Diagnosis of information security and its risks based on the ISO 27000 standard.
- Campaigns and training actions to reinforce the awareness and training of the group's employees.



People Health and Safety Clients Supply Chain Value creation: Digitalisation, Security and Innovation Contribution to the community

# Contribution to the community



# Social action: Contribution from the corporate side

One of Gonvarri's priorities is to support local development in the areas where we operate. To this end, collaboration agreements are established with non-profit organisations to develop corporate and local activities of various kinds. The most relevant of these are summarised below:



### LQDVI

Since 2014, we have been collaborating with the LQDVI Foundation in the dissemination of universal human, ethical and moral values in its congresses for young Spaniards and/or internationals.

In 2022 the company supported five national face-to-face congresses in: A Coruña, Seville, Bilbao, Madrid and Valencia by disseminating them via internal channels and RSS.

In addition, for the second consecutive year, Gonvarri participated in and received an award at the "UVE Business Values Congress", which focuses on companies sharing their best practices in the dissemination of ethical and human values.

#### AESLEME

With the aim of preventing traffic accidents, it has been collaborating with AESLEME since 2013 through training and awareness-raising initiatives.

In 2022, the company continues with the project to disseminate road safety in schools in the Community of Madrid. In addition, following the analysis of the messages written to raise awareness among their family and friends to drive responsibly and safely, a 2nd ESO student was awarded a prize.

### WCK

It has been working with World Central Kitchen since 2013, with the aim of helping to alleviate food insecurity and malnutrition in areas where humanitarian disasters occur.

In 2022, efforts and donations went to refugees and victims of the war in Ukraine. As a novelty, more than 20 volunteers took part in two volunteering actions in the kitchens of WCK (Madrid) helping to prepare meals for soup kitchens for the most disadvantaged.











#### Fundación Juan XXIII Roncalli

It has been collaborating with the Juan XXIII Roncalli Foundation since 2007, also forming part of the Board of Trustees, with the aim of contributing to improving the lives of people with intellectual disabilities and promoting their social integration.

### Fundación Real Madrid

In 2018, the collaboration with the Real Madrid Foundation began, with the aim of educating young people of school age with disabilities on road safety.

September saw the start of the new season of the "road safety education: a great value" project in the Foundation's adapted football and basketball socio-sports schools, extending the project to Real Madrid's youth academies.

#### Seres

In 2016, we began working with the SERES foundation to jointly build a stronger society with competitive and sustainable companies.

For yet another year, Gonvarri was included in the "VIII Corporate Social Impact Report", which measures the real impact and contribution of companies to society through an analysis model based on five axes (economic, organisational, relational, social and personal), aggregating their social contribution to GDP.

It also participated in projects aimed at improving the communication and measurement of sustainability actions. These included participation in the "ProyectaRSE" conference.



People Health and Safety Clients Supply Chain Value creation: Digitalisation, Security and Innovation Contribution to the community



### FUNDACION ALADINA

Gonvarri will support the Aladina Foundation in its projects to help young cancer patients in hospitals and family homes.

In 2022, it focused on supporting and disseminating the "Improved Reality" campaign aimed at creating a new oncology unit at the Vall d'Hebron hospital. This action reached more than 6,000 young people and was presented in 11 Gonvarri factories, impacting more than 1,500 employees.





### Ponte las gafas de Realidad Mejorada y colabora con nosotros

Ponte las gafas de Realidad Mejorada y colabora con nosotros en la nueva Área de Oncología Pediátrica del Hospital Universitaria de Vall d'Hebron. Porque no podemos cambiar la malidad pero podemos mejorarla.





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People Health and Safety Clients Supply Chain Value creation: Digitalisation, Security and Innovation Contribution to the community

### Social action: Local contribution

In 2022, Gonvarri Industries focused its efforts on social action initiatives related to the areas of health and sport, social welfare, and to a lesser extent, the environment, education and health and humanitarian aid. All its work has been aimed at the development and support of the societies where it is present.

Social programmes have taken place in 33% of the countries where Gonvarri is present. The most relevant actions are detailed below:



Education and youth



**AMG Brazil** sponsored several projects to help children and adolescents in vulnerable situations through the Child and Adolescent Incentive Law:

- The future belongs to everyone", which will serve more than 2,600 children and adolescents from different cities. The funds raised will be invested in: the purchase of more than 3,600 books; the equipment of two Science Laboratories; the equipment of a Computer Laboratory; the purchase of equipment for the Cafeteria; equipment for the Auditorium; electronic equipment; furniture; the training of Educators; pedagogical excursions; and the hiring of professionals.
- Development of workshops in schools to stimulate the national production of animated films, where students have the opportunity to create animated short films and research on various topics. It also includes free screenings of the short films.
- The 7<sup>th</sup> edition of the "Theatre in Schools Project", which carries out free children's theatre performances for public primary school pupils, held in the school space, with the aim of addressing educational themes related to healthy eating, social values and respect for diversity, citizenship and environmental preservation.



**Hiasa and Gonvauto Asturias**: continues to support the purchase of materials for the Etech project (Polytechnic School of Gijón), where students from different disciplines build a car to compete in the "Formula Student".









**GMH Romania**: sponsored financially and through volunteering the second edition of the international wheelchair basketball and handball tournament "Veraflor's Cup". It also sponsored the Râsnov event of the "FIX Grand Prix", one of the world championships to qualify the best ski jumpers in the world.

Gonvarri Metal Structures took part in the Women's Race in Giión, the proceeds of which were donated to different NGOs that fight against breast cancer and gender violence.

**AMG Brazil**, through the Sports Law, carried out the following projects:

- collaborated with the NIVEA project through a volleyball school in schools, bringing sport closer to children and adolescents. The project applies to schools located in at-risk neighbourhoods and targets vulnerable children.
- supported the "sport is for all" project helping more than 2,100 children and adolescents in 10 cities. The funds raised will be invested in: equipment for team sports, such as basketball, football, indoor football, table tennis and volleyball; equipment for martial arts; equipment for athletics and artistic gymnastics; electronic support equipment, such as laptops and projectors; the fitting out of spaces for sports practice with the purchase of screens and the painting of courts; and investment in physical education professionals.



In addition, AMG Brazil csupports through donations the project "Pela Vida do Idoso em Tratamento com Câncer" which offers cancer treatment to elderly people who cannot afford it. Hiasa and Gonvauto Asturias: through GMS Healthy Life, launched a challenge to add up km among all employees at all GMS sites in Spain. The reward was a donation of €1 per kilometre to the Aladina Foundation.

Gonvauto Nitra: financed sports and educational camps for children "Sports club VLK" to build a positive relationship and attitude towards nature.

Gonvvama China, in response to the national fitness programme, and to enable more employees to participate in public welfare activities, the head office organised their participation in the public welfare activities "Walk to exercise, take a step to donate" during the National Day. They could exchange the number of steps for money and donate books to rural children with the HQ Labour Union. Also, in response to World Earth Day, 26 employees from Chongging factory participated in the 7-day "Step Donation" activity.



Gonvvama China, where the Changshu headquarters and factory organised 8 blood donations in August and September, with the participation of more than 40 employees and more than 5000 ml of blood donated. In addition, the Shenyang factory organised a team of "Gonnvvama volunteers" to join the epidemic prevention and control work and were praised by the "BiGuiYuan" community. Volunteers from the head office also carried out sanitisation and disinfection work in the public areas of the building.

# Humanitarian emergency 🦲



**GMH Germany**: made two donations of shelving: 50 m of model HI280 for the association "Spendenbrücke Ukraine" and 100 m of model HI280 for the association "Das kunterbunte Kinderzelt" to organise the donations received and destined for the population of Ukraine.





Contribution to the community People





Gonvarri Tarragona yand Gonvauto Puebla participated in the annual collection of empty plastic bottle caps in the canteens, to be sold and destined to a specific aid programme for people with low resources or illnesses in each country.

Gonvauto SouthCarolina: collaborates through donations with the United Way of the Piedmont programme to help lowincome families in the area to alleviate their basic needs.

Gonvauto Puebla: donated food, cleaning and hugiene items to the Casa Hogar IPODERAC to collaborate with the care and upbringing of children and adolescents without parental links.



AMG Brazil, developed several projects.

- During the celebration of the Internal Occupational Accident Prevention and Environment Week (SIPATMA), a food collection competition was organised, with a total of 2.7 tonnes of food being donated to various organisations.
- On the occasion of the "Children's Day" celebration, employees donated 300 toys for needy children in social institutions.
- Employees in Brazil participated in the "Solidarity Christmas" campaign by making Christmas bags to be given to underprivileged children in various institutions.

Hiasa and Gonvauto Asturias: all employees collaborated in a collection of non-perishable foodstuffs "Operation KG" for delivery to the Food Bank, as well as a collection of new toys or toys in good condition for delivery to the organisation No Child Without Dinner Gijón.

**AMG Senica** made numerous donations with the amount derived from 1% of the company's taxes. Among others, to contribute to improving the quality of life of people with disabilities and health problems, to support initiatives in education and sports activities. For example, with an organisation for people with disabilities and day care, through the purchase of prizes for a charity raffle.

Gonvvama China purchased 480 crates of home-grown pears from Shahao village to solve the problem of stagnant sales of agricultural products and contribute to poverty alleviation in the area. It also defined various actions to increase farmers' income with concrete actions and launched a second-hand book donation activity with a low-carbon and environmental protection theme at the Loudi factory.





Gonvvama China, through the Chongging factory, participated in the "Waste Sorting Knowledge Competition" to improve employee awareness of waste sorting.

It also conducted several reforestation campaigns in its factories:

- **Gonvvama Loudi**, planted 30 trees on the factory campus, to further reinforce ecological and environmental awareness with all employees.
- **Gonvvama Shenyang** planted 71 trees with 650 m<sup>2</sup> of hedges and flower belts, including American red maple, ainkao, five-pointed maple, radiant begonia, golden-leaf elm and eight-treasure sedum. With this, the factory has a total of 200 trees, hedges, flower belts and lawns totalling some  $9,000 \text{ m}^2$ , contributing to the avoidance of  $8.7 \text{ tonCO}_2/\text{year}$ .



• Gonvvama Chongqing, 18 employees participated in tree planting with 8 camellia seedlings.

Finally, **Gonvvama Shenyang** as a solidarity enterprise located in Sujiatun District, participated in the activity "Protect Beisha River, Beautiful Sujiatun", jointly launched by Shenyang Sujiatun Ecological Environment Bureau, Shenyang Environmental Volunteers Association, and others.



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# Semotional Driving

importance of road safetu.

and safe habits on the road.

to achieve the aoals".

The Emotional Driving road safety programme was created

at the end of 2014 with the aim of raising awareness and

motivating both the company and society as a whole about the

The differential factor of this programme lies in the transmission

of positive and motivating messages to encourage responsible

The project contributes to the achievement of the Sustainable

Development Goals, mainly Goal 3.6: "halve the number of

global road traffic deaths and injuries by 2020", as well as

generating positive impacts on targets: 11.2: "provide access to

safe, affordable, accessible and sustainable transport systems

for all and improve road safety by 2030" and 17: "partnerships

## **Emotional Driving Programme and stakeholders**

#### Employees

#### Preventive driving

- Our drivers

In 2022, Emotional Driving focused on disseminating the use of the Emotional Driving 8<sup>th</sup> anniversary app, "**A Road Safety Commitment Trajectory**", which summarises all the project's developments over the past five years.

In 2022, three awareness campaigns will be launched: Easter with the message "Choose to take care of yourself", summer, focusing on the use of "responsible technology" to support driving (not as a distraction) and year-end, focusing on the importance of "zero" (zero accidents and zero emissions).



# Primary and secondary school students

#### Motivated drivers

- Raising awareness among their parents

The ED School project was launched in 2016. Coinciding with the school calendar, AESLEME and Emotional Driving joined forces to bring road safety to schools and raise awareness among young people through talks that highlight the importance of safe and responsible driving.

In 2022, they continued to visit schools and study centres in the Community of Madrid, where after the training conferences, the young people write on a post-it note a message addressed to their parents, relatives and closest environment, so that they can improve their driving and be more responsible at the wheel. In 2022, the prize corresponding to the EDSchool Message Competition was awarded to a 2nd ESO student.

These students become the best ambassadors of Emotional Driving, encouraging reflection on driving behaviour and sharing something as relevant as driving safety and the importance of arriving home safe and sound.


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### University students

Future drivers - Responsibility in the use of mobile phones

Emotional Drivina in alliance with Movistar and the Aladina Foundation participated in the first Congress in Spain, where the use of Enhanced Reality was disseminated.

On this occasion, a Gonvarri professional made the presentation and, supporting this message, an audiovisual entitled "Improved Reality" was projected. Finally, in a symbolic way, glasses were given to the attendees to show that reality depends on each one of us and that it is in our hands to improve it.

The thousands of young people who received the message participated in a contest through the LQDVI Foundation App and the Emotional Driving Instagram account, telling what they would do to improve reality. At the end of each congress, two winners were selected and received respective prizes for the emotionality of their messages



### Groups with different abilities

Intellectual Disability

### Road safety and the value of Autonomy for social inclusion

In 2022, the Real Madrid Foundation and Emotional Drivina continued with the road safety programme for people with disabilities, with the objective of "Road Safety, A great Value", introducing complementary concepts to the practice of sports in values in adapted and inclusive schools, which improves their autonomy and level of social integration.

The students carried out inclusive football and adapted basketball sessions, where they had the opportunity to learn about different signs, learn how to cross properly or were able to help people in need. More than 450 beneficiaries with different abilities will participate in this activity, where they will also be able to interact with the mascots Valorcito or Valorgol, in charge of being examples of transmission of values.

In September, the fifth edition was launched with great novelties: awareness was raised among younger students (pre-benjamin 5-7 years old) reinforcing the early acquisition of content related to road safety education; 5 videos were made within the digital training platform of the "Sport Values Academy TV", broadcast through the company's internal channels; and three inclusive sessions were developed with the students of Adapted Schools and Socio-sports Schools, seeking to offer a space that promotes the inclusion of students with different abilities through joint work.





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## Corporate Governance



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Gonvarri Corporación Financiera, S.L. (hereinafter Gonvarri) was incorporated in 1958, manufacturing, transforming and marketing steel products and metals related to the iron and steel industry.

The corporate structure of Gonvarri Corporación Financiera is 99.99% owned by HOLDING GONVARRI, S.R.L.

The head office is located at: Prolongación de Embajadores, s/n 28053 Madrid – Spain

Los órganos rectores de la sociedad son la Junta General de Socios y el Consejo de Administración, máximo órgano de gobierno, supervisión, decisión y control de Gonvarri.

The company's governing bodies are the General Meetina of Shareholders and the Board of Directors, Gonvarri's highest governing, supervisory, decision-making and control body.

Gonvarri's Articles of Association set out the functioning of the Board of Directors, and the requirements and deadlines established for convening the General Shareholders' Meeting.

In terms of government members, 100% are over 46 years of age. Also, 78% are of local nationality and all are men (405-1).

The Management Committee meets every four months and is composed of the Chairman, the CEO, the Corporate Directors and the General Manaaers. These committees deal with all matters related to the strategic plan, new projects, financial, social and environmental aspects, and all matters considered relevant to the company's performance.

In line with the sustainability objectives, the "Carbon Neutral 2030/50 Strategic Plan" was approved in December 2020. For its monitoring and measurement, a Carbon Neutral Committee was approved, comprising: the CEO, Sustainability Director, Technical Director, Strategy Director and Finance Director and an operational team, with the participation of sustainability, finance, energy efficiency, purchasing, customers, innovation and strategy managers. In addition, the General Managers and Managers of the different divisions and factories will participate as quests in specific sessions.





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axation Compliance model Risks and opportunities Associations and organisations



### **CONTENTS 2-9** As at 31 December 2022, the Board of Directors of the Company consists of:

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The Chairman Mr. Juan María Riberas Mera and the company ACEK DESARROLLO Y GESTIÓN INDUSTRIAL, S.L. represented by Mr. Juan María Riberas Mera, as of 31 December 2022 held the position of Joint and Several Managing Directors, having delegated each and every one of the powers attributed to the Board itself, except those that cannot be delegated by Law or the Articles of Association.



### CONTENTS 2-10

## Appointment and selection of the highest governance body

Gonvarri is an unlisted company whose Board members represent the total number of shareholders and, therefore, there is no legal obligation to include representatives of other stakeholders, nor to take into account other aspects relating to diversity, minorities, etc.

The Board of Directors, in plenary session, takes the relevant decisions and delegates, where appropriate, the execution thereof. In addition, the Board of Directors may grant special powers of attorney to company employees to undertake specific aspects of those operations previously approved by this body. He is the highest authority responsible for the company's economic, environmental and social affairs.

To be appointed as a director, it is not necessary to be a shareholder, and both natural and legal persons may be appointed as directors. The Articles of Association also establish the conditions under which the performance of these functions is prohibited.

The powers to appoint Directors are vested exclusively in the General Meeting, which represents the interests of all the company's shareholders.

**CONTENTS 2-11** The President holds an executive position.

### CONTENTS 2-12 Y 2-13

## Role of the highest governance body in oversight and impact management

With regard to information and consultation mechanisms, these are carried out through the different directorates that act as a vehicle between the Board of Directors and the different stakeholders. In addition, the General Manager holds biannual meetings with all corporate staff where relevant aspects related to the management and situation of the company are summarised, and receives feedback from professionals on these issues and on those aspects that are of interest to all employees in Madrid, and deals with their queries directly.

The Board of Directors is responsible for approving and ensuring compliance with the Code of Ethics, the Sustainability Policy and compliance policies. In addition, it may expressly empower company employees to undertake specific aspects of those operations previously approved by this body.

In particular, the following corporate compliance policies were approved in 2022: POLO42 Conflict Minerals Corporate Policy (approved by the Compliance Committee in May 2022), update of CODO01 Code of Ethics for Suppliers (approved by the Compliance Committee in December 2022). In addition, at the Spanish facilities, the corresponding Equality Plans have been drawn up and the Human Rights Policy was approved at the beginning of 2023.

For the development and execution of new projects, a thorough study is carried out in which all quantitative and qualitative aspects of the project are assessed and analysed, as well as the investments, financing and potential risks, by the various company departments and the Management Committee, prior to their presentation and subsequent approval by the Board of Directors. All these actions and the possible risks arising from them are continuously analysed by Gonvarri's management and teams, which enables risks to be detected and the necessary corrective measures to be implemented quickly and swiftly. The Risk Management section describes the risk identification and management methodology.

With regard to the reporting of information, in addition to the economic, environmental and social matters that apply in each case, in accordance with the Internal Audit Charter, the defined risks are reported at least once a year to the Chairman and the CEO, and through them to the Board of Directors.

### contents 2-14 Sustainability reporting

The Sustainability Report is coordinated through the Corporate Communication and Sustainability Department. Every two years it carries out a materiality study, with the participation of all the company's management, in which the key aspects for its stakeholders are included and developed throughout the Report. Its function is transversal within the organisation, so it covers the different companies in the Group.

The Report follows a process of supervision and review by the different directorates, and is finally approved by the Director General. In addition, to ensure the reliability of the information, it is externally verified by an independent body.





## CONTENTS 2-15

Shareholders may not exercise the voting rights corresponding to their shares when they are in any of the cases of conflict of interest established in article 190 of Royal Legislative Decree 1/2010, of 2 July, approving the Consolidated Text of the Capital Companies Act.

Gonvarri has a POLOO2-General Policy on Conflicts of Interest, applicable to the entire Group, which complements the provisions of the Code of Ethics and Conduct. The purpose of this Policy is to establish the bases of the action procedures to be followed in the Group with regard to the prevention or, as the case may be, treatment of conflicts of interest in which the Group's directors, managers, employees and collaborators may find themselves in their relations with the Group, as well as with regard to conflicts that may arise with customers, suppliers and society in general, all in accordance with the provisions of the corporate and regulatory rules and the corporate governance system of Gonvarri Industries.

The Group is committed to conducting its business in such a way that the business judgement and decision making of its directors, officers, employees and executives is in no way influenced by their unlawful personal interests.

## CONTENTS 2-16

The General Meeting shall be called by the directors and, where appropriate, by the liquidators of the Company, within the first six months of each financial year, in order to review the management of the Company, approve, where appropriate, the accounts of the previous financial year and decide on the distribution of profits.

The directors shall also call a General Meeting whenever they consider it necessary or advisable and, in any case, when requested by one or more shareholders representing at least five per cent of the share capital. When the administration and representation of the Company is entrusted to a Board of Directors, the guidelines established for this purpose shall be followed.

In 2022 the Board of Directors met four times. Notice of meetings shall always be given in writing, addressed personally to each Director, at least five days before the date of the meeting.

The Board of Directors may appoint an Executive Committee or one or more Managing Directors from among its members, determining the persons who are to hold such offices and the manner in which they are to act, and may delegate to them, in whole or in part, on a temporary or permanent basis, all powers that may not be non-delegable under the law.

All discussions and resolutions of the Board shall be recorded in a Minute Book, the Minutes of which shall be signed by the Chairman and the Secretary or by the Vice-Chairman and the Vice-Secretary, as the case may be.

With regard to the most relevant issues dealt with, the annual accounts for the previous year were drawn up, and all meetings monitored projects, investments, budgets, sales and the market situation, as well as the strategic plan and the most important issues considered by each management.

In addition, the heads of the various divisions are in constant and fluid communication with the company's Chief Executive Officer. Any major concerns are immediately reported by the heads of the various areas to the CEO, who, if necessary, will forward them to the Board of Directors.

In particular, legal, compliance and internal audit management meet regularly with the Chairman and CEO to report on all relevant compliance and risk issues that may affect the company, including environmental, social and governance issues.

### CONTENTS 2-17 Y 2-18 Knowledge and assessment

The performance of the Board of Directors is not evaluated, as part of the members through their shareholdings are the owners of the company and represent all shareholders. There have been no changes in membership or organisational practices this year.

The company participates and integrates its economic, social and environmental responsibilities in the different Directorates, the heads of which submit any decisions to be taken to the General Manager and, where appropriate, to the Board of Directors.

In addition, they are kept permanently informed of economic, social and environmental issues through the various internal communication mechanisms, such as: regular meetings with the managers of the different areas, the biannual meetings of the General Manager with the staff, the preparation and approval of the Sustainability Report and the various communication mechanisms such as the Leading the Change intranet.





In line with the sustainability objectives, the "Carbon Neutral 2030/50 Strategic Plan" was approved in December 2020. A Carbon Neutral Committee was approved for its monitoring and measurement, which carries out monthly monitoring to see the degree of progress in its fulfilment and define the necessary measures for its achievement. Among others, the CEO and several members of the Management Committee form part of this committee.

### CONTENTS 2-19

### **Remuneration policies and processes**

The remuneration of the Board of Directors shall consist of a fixed cash payment which shall be fixed at the General Meeting held at any time before the end of the financial year. This shall be compatible with other professional or employment-related remuneration which, where applicable, corresponds to the director for any executive or consultative functions he performs in the Company and shall establish the rules for the corresponding payment.

If the Administrative Body takes the form of a Board of Directors, the Board of Directors shall determine the amount to be received by each of the members, depending on their dedication to the administration of the Company. If the administrative body takes another form, it shall be for the General Meeting to decide whether the remuneration of each director shall be the same or vary according to these parameters.

### CONTENTS 2-20

The remuneration of the Board of Directors and senior management is available in the section "(c) Compensation of key management personnel and directors" of the Audit Report, Consolidated Financial Statements and Consolidated Directors' Report as at 31 December 2022. Stakeholders are not involved in remuneration.

During the financial year 2022 the members of the Board of Management received salaries and wages in the amount of 2,100 thousand euros (1,750 thousand euros in 2021) of which 1,200 thousand euros are for the lease of services of the members of the Board of Management. At year-end the Group had not granted any loans or advances to members of the Board of Directors.

The total remuneration paid to senior management in 2022 amounts to 1,961 thousand euros (1,128 thousand euros in 2021). There are no contributions to pension plans and insurance premiums as in the previous year.

Neither during the financial year 2022 nor during the previous year did the Company grant loans to senior management personnel.

### **contents 2-21** Not available.

### CONTENTS 2-25

With regard to the possible negative impacts of the activity carried out by Gonvarri, through the Code of Ethics and Conduct, as well as the various ethics and compliance policies, the message is disseminated against any type of bribery, corruption, fraud, as well as behaviour towards professionals or collaborators that includes any form of harassment or discrimination.

In addition, the Criminal Risk Prevention Protocol includes numerous risks, mitigation/prevention measures and controls including: environment, consumers, influence peddling, corruption, intellectual property, terrorism, counterfeiting, discrimination, money laundering, etc.

The ethics channel allows all internal and external stakeholders to communicate any complaints or allegations in different areas (fraud, harassment, human rights, etc.).



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## Economic Balance Sheet 2022

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## **Oroup developments**

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In 2022, the Gonvarri Industries (GI) Group has concluded a complicated financial year, in the context of great uncertainty in the markets, with significant increases in all energy, production and labour costs, and with major logistical and supply problems for certain materials, steel being one of them, derived to a large extent as a result of the war in Ukraine.

This financial year has had two distinct semesters. In the first six months of the year, the trend of increased activity initiated in 2021 continued, which helped to achieve very good margins and results; however, from July and August onwards, a downward trend began to be experienced, which led to a reduction in expected results.

Despite this instability in the market, the involvement, performance and efficiency of the teams have allowed the Group to adapt at all times to the best possible way to act in the face of constant uncertainty, and also helped by the rise in the price of steel, the GI Group has achieved an EBITDA of 363MM, which represents 6.08% of sales. All divisions of the GI Group have met expectations in terms of results, although it is worth highlighting the Europe & Americas Division as the largest contributor to the Consolidated result, and the Gonvauto and ASIA Divisions as the divisions with the highest growth, derived from the increase in activity and material prices in the automotive sector.

In terms of activity, the Group has recorded a slight increase in volume terms compared to the previous year, but is still far from the just over 5 million tonnes sold in 2019.

Compliance model

The automotive world, which remains the Group's reference market worldwide (around 65% of total Group sales), saw a slight recovery in the volume of production in 2021, thanks to improved supply and logistics flows, which were severely affected during the pandemic and 2 subsequent years, as well as the increased availability of semiconductors.

Global passenger car production has reached 80.1 million units produced (up 4% year-on-year and down 9% compared to 2019, the last year before the pandemic). In the Old Continent, Germany and Spain continue to be the main producers, although this market is suffering more than the rest. Spain, which is the second largest European producer, has increased its vehicle production by 5.8% to 2.2 million vehicles, which continues to position the country as the ninth largest manufacturer in the world, behind Brazil. These figures for Spain are far from the expectations set years ago of reaching 3 million vehicles produced, figures that were close to being achieved in 2019.

During 2022, the GI Group continued to drive forward in other markets such as Metal Structures, to which it contributes its high technology in the manufacture of Road Safety elements, the market for structures for Photovoltaic Parks, and the Storage or handling market with the contribution of synergies to the GMH subgroup, acquired in 2018, after carrying out a strong commercial action. All these markets, where the Group diversifies its activity, have improved both in terms of activity and results.

The Group now has 46 Production Centres and 29 Offices or Distribution Centres in a total of 27 countries worldwide.

In terms of inorganic growth, it is worth highlighting the effort made to enter a new market such as electric mobility, a transaction which, however, materialised in January 2023 and therefore did not provide figures in 2022. This acquisition is part of the Group's development and diversification strategy, and will help us to reach different markets and products, but complementary and always attached to the Steel chain.

The Group maintains its growth plans, studying new locations and industrial possibilities both through the construction of new facilities and the acquisition of existing businesses, with the aim of increasing its presence and addressing new areas of diversification.





CONTENTS 201-1

In the financial area, constant monitoring of market financing levels is maintained in order to adapt the costs of the bilateral financing lines that the Group maintains with its pool of financial institutions, with the aim of achieving an adequate level of availability of financing at the lowest possible cost. In this sense, financing costs have been reduced, without taking into account the implicit increase due to the rise in interest rates, both in Spain and abroad, and sufficiently long terms have been obtained so that their amortisation is reasonably accompanied by the cash generated in the operations of the Projects financed with them. The Group's Net Financial Debt (NFD) decreased from €539 million in 2021 to €404 million at the end of 2022 (including IFRS 16 in both cases). This reduction, which is more significant when considering the adverse effect of price increases, is mainly driven by the good results achieved in the year. The 2022 results bring the DFN/EBITDA ratio to 1.11x, reinforcing and demonstrating the message that the Group maintains tight control of its debt and reflecting the good and healthy balance sheet position.

The Group's main consolidated financial figures are summarised in the table below:

### **Created Economic Value**

(thousands of euros)	2022	2021
Turnover	5.978.880	4.244.590
Financial revenue	9.346	3.171
Other revenue	24.825	23.578
> Total CEV	6.013.051	4.271.339

### **Distributed Economic Value**

(thousands of euros)	2022	2021
Operational costs	5.381.452	3.715.534
CAPEX	60.425	61.019
Payment to capital providers	17.719	17.939
Taxes	70.714	97.245
Personnel	239.529	180.950
Investments in the Community	381	369
> Total DEV	5.770.220	4.073.055

### **Retained Economic Value**

(thousands of euros)	2022	2021
> Total REV	242.831	198.284







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The municipalities or regions in which Gonvarri is present received a total of 75,389 thousand euros in taxes paid on company profits, which contribute to improving the quality of life and services of the inhabitants of the area. Their distribution by country is summarised in the table below:

### **Taxes 2022**

CONTENTS 201-4 AND 207-4

	miles de euros		miles de euros
Germany	1.570	Honduras	14
Argentina	704	Hungary	16
Austria	0	India	2.023
Belgica	55	Italia	0
Brazil	638	Могоссо	0
Chequia	25	Mexico	8.996
Chile	0	Norway	0
China	3.730	Poland	2.908
Colombia	185	Portugal	3.662
Denmark	24	UK	3.555
Slovakia	1.888	Romania	765
Spain	43.552	Russia	40
Finland	0	Sweden	447
Francia	38	Switzerland	17
Guatemala	0	Turkey	304
Netherlands	167	USA	70
		Total general	75.389

On the other hand, the company has received financial aid and equivalent subsidies amounting to 1,484 thousand euros, distributed mainly between Gonvarri Corporación Financiera and the factories in Burgos and Barcelona.

With regard to other accounting obligations, most of the companies that make up the Gonvarri Group are obliged to draw up annual audit reports on their individual annual accounts due to the total volume of their assets, turnover and average number of employees.

After approval by the corresponding body, these reports are filed in due time and form with the commercial register for each of the accounting years, the legalisation of official books and the filing of annual accounts. In addition, the Group companies are up to date with their payments to the Social Security Treasury and their tax obligations.

Finally, as stated in the Code of Ethics and Conduct, it does not provide financial support to governments (415-1).



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## Inversiones

The 2022 financial year shows a **net profit** of 231,086 thousand euros and a **CRPEX** executed in the financial year of 60,425 thousand euros.

Of particular note in this area were investments in the Asian market, linked to the expansion of Chinese production centres. The following is a breakdown of investments by country and in the accompanying chart by business unit:



### **CAPEX 2022**

Country	miles de euros
🛑 Germany	1.890
💿 Argentina	936
💿 Brazil	5.271
🦢 Czech Rep.	464
🎱 China	18.903
🗕 Colombia	842
🌗 Slovakia	874
💿 Spain	17.017
🔹 India	1.997
(*) Mexico	553
- Poland	1.418
Portugal	4.773
🕀 UK	555
🛑 Romania	1.489
🛑 Russia	657
🛟 Sweden	876
😲 Switzerland	832
📀 Turkey	641
🎂 USA	436
Total	60.425





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## **Ostainable financing**

In recent years, the number of financial actors incorporating ESG (Environmental, Social and Governance) criteria in their decision making is growing exponentially.

Gonvarri Industries, in addition to the financing line closed with the ICO for the period 2020-2024, signed the following operations in 2022: another sustainable loan with the ICO, a loan with the bank of Sabadell, as well as sustainable factoring for Gonvarri Solar Steel with BBVA.

Note that all ICO loans are subject to compliance with the Equator Principles, in addition to another new line of guarantees. The monitoring KPIs defined for these operations are published in the report (412-3).

### Sustainable credit policy with the Instituto de Crédito Oficial (ICO), for the period 2020-2024

Applicable to the Gonvarri Holding companies, GRI Renewable Industries and Gonvarri Industries, under the reference framework of the "Sustainability Linked Loan Principles" (SLLP) of the Loan Market Association.

The proposed objectives are related to self-consumption of own renewable sources (solar photovoltaic) and digitalisation. The result for Gonvarri Industries and Holding Gonvarri is shown below (the result of GRI Renewable Industries is included in its Sustainability Report). Sustainable loan with Banco Sabadell, for the period 2022-2024

The proposed objectives are related to the fight against climate change and are detailed in the Environment chapter. The degree of progress of the KPIs is summarised below.

### Gonvarri Solar Steel - Factoring with BBVA

To assess compliance, indicators have been established based on the number of solar trackers produced and the percentage increase in capacity contributing to solar photovoltaic renewable energy generation.

Financing. KPIs Monito	ring		
Gonvarri Industries at 31/12	2020	2021	2022
Digitisation: %Users using DWP tools	71,60%	71,96%	74,67%
% renewable electricity consumed	3,8%	6%	63%
New energy generated for self-consumption by own photovoltaic installations (GWh)			5,93
Energy savings achieved through the development of new energy efficiency projects (GWh)			1,95



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### Sustainable loan with the Instituto de Crédito Oficial (ICO), for the period 2022-2024

The proposed targets are related to the EcoVadis rating, considering the most recent score adjustment date (year 2022) and the increase of at least 1 point in the following years, compared to the previous year.

Gonvarri Industries completed the information required by Ecovadis for the entire group in 2022. It obtained its qualification at the beginning of 2023, as summarised below:





## Fiscalidad



## Fiscal approach and management

CONTENTS 207-1

The arowing concern for the management of tax matters by business groups, as well as the development of regulations by governments, contributes to the growing trend towards transparency of tax information. Within this framework, it is essential to manage tax information, both mandatory and voluntary, and to ensure that it meets the parameters required by the different stakeholders.

The Board of Directors, through its Chairman, Chief Executive Officer, its Directors and, in particular, through the tax area, promotes compliance with tax obligations and good tax practices through its Chief Executive Officer, its Executive Director and Management Teams, is responsible for approving and updating the GI Group's Tax Risk Management Policy and all relevant transactions that require it, and is ultimately responsible to the shareholders for the existence, operation and supervision of the Group's Tax Risk Management System.

The principles and guidelines in the tax area are aligned with the Group's long-term development strategy, as well as with its mission, vision and ethical values, in accordance with which all the professionals and entities that form part of the Group have the firm intention of advancing in the continuous improvement of all its areas by carrying out sustainable development.

Furthermore, in developing its Tax Strategy, the Group has taken into account the Organisation for Economic Co-operation and Development (OECD) guidelines for multinational enterprises in tax matters and its recommendations in relation to co-operative tax compliance, as well as national and international best practices in tax governance.

## Fiscal governance, control and risk management

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CONTENTS 207-2 AND 207-3

The **Tax Strategy** is applicable to all companies comprising the Group that are majority owned, directly or indirectly, by their parent company. In those Group companies in which it does not have a majority shareholding, but where there is a significant influence of its parent company, the Group shall promote principles and guidelines consistent with those established in the Tax Strategy and shall maintain the appropriate information channels to ensure adequate knowledge of them.

Likewise, this Strategy applies to all Group personnel in the exercise of their functions and responsibilities, and in all professional areas in which they represent the Group, meaning directors, managers, employees and collaborators, whatever their position, responsibility or geographical location.

On the other hand, it includes all tax obligations to which it is subject in the various countries and territories in which it operates.

Within this framework, the Tax Policy of the Gonvarri Industries Group aims to ensure compliance with the applicable tax regulations and to ensure adequate coordination of the policy followed by the Group's entities, all of which avoids tax risks and inefficiencies in the execution of business decisions.

The Tax Strategy is reviewed on an annual basis and, in the event of changes in the applicable regulations or circumstances that warrant a review, this document will be updated accordingly, in order to ensure that the Strategy fulfils its purpose. The Board of Directors shall be the body responsible for approving and updating it.

With regard to risk control and management, the GI Group's

Corporate **Tax Department**, among others, is responsible for analysing legislative, jurisprudential and doctrinal developments in tax matters and for identifying, analysing and assessing tax risks, monitoring possible tax contingencies by country.

It also participates with the Compliance Committee and the Internal Audit and Compliance Department, among others, in updating the Tax Risk Map. Updates are carried out on an annual basis or when significant changes so require.

Significant risks are reported directly to those responsible, in order to establish mechanisms to monitor, control and minimise these risks.

The whistle-blowing channels are used to handle concerns or complaints from employees and external personnel. With regard to actions in the event of potential litigation, requirements, inspections, sanctions, risks arising, etc., once detected, the process of communication and coordinated risk management is initiated in accordance with the Code of Ethics and Conduct.

The Tax Strategy is available to all Gonvarri Group employees through the corporate intranet and, in the 2023 financial year, it will be published on the Gonvarri Group website (https://www. aonvarri.com/).



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## Taxation vs Sustainability (ESG)

Taxation is set to play a leading role in achieving the Sustainable Development Goals (**SDGs**) in the framework of the 2030 Agenda, enhancing the adoption of environmental, social and governance (**ESG**) agreements in investments. This has recently been highlighted by the European Economic and Social Council, for which fiscal policies are key to meeting the SDGs, as they determine the economic environment in which investment, employment and innovation take place, while providing the government with revenues to finance public spending.

Gonvarri therefore has a team of tax experts who, in collaboration with the legal, financial and compliance departments, among others, update the Group's plans and policies in line with current and future requirements in the countries where it operates.

Currently, the tax system already provides for some instruments that can facilitate the achievement of the SDGs, notably those related to governance, climate change and efficiency, innovation and diversity. Some examples are summarised below:

- In line with the social action developed by the Gonvarri Group, the tax incentives for non-profit organisations and patronage stand out.
- In line with the Gonvarri Group's anti-fraud, anti-money laundering and anti-corruption policies and mechanisms, it is worth highlighting the non-deductibility in Corporate Income Tax (IS) of expenses arising from actions contrary to the legal system (bribes and other similar conduct that could encourage corruption).

- In line with the Group's Tax Strategy, and from the perspective of tax governance itself, the growing importance of good tax governance and tax compliance for tax risk management stands out.
- In line with diversity and equality policies, the Corporate Income Tax (IS) deduction for job creation for workers with disabilities stands out.
- In line with its innovation strategy and the minimisation of the environmental impact of the Gonvarri Group's activities, tax incentives for R&D&I activities stand out

We highlight two fiscal mechanisms that contribute directly to the achievement of Gonvarri's "Carbon Neutral 2030/50 Plan":

- In the area of sustainable mobility, the current IRPF regulations include measures aimed at promoting the use of public transport and energy-efficient vehicles by employees, which allow for the design of environmentally sustainable remuneration plans.
- Significant rebates for the promotion of renewable energies and collective transport plans in the field of local taxes (IBI, IAE and ICIO).

Likewise, notable advances and initiatives are expected in fiscal matters, such as the possible transformation of the tax system to align it with the SDGs, as well as the analysis of an optimal tax system that favours the internalisation of the environmental effects of economic activities, with two clear examples, in which Gonvarri is clearly positioned:

- In the fight against climate change, both in its negative approach (creation of new taxes) and in its positive approach (reduction of taxes and establishment of tax incentives). There are many opportunities in this area, provided that the measures adopted are correctly defined, integrated into the tax system as a whole and properly coordinated with environmental policies in each country.
- In the circular economy, as a key lever to achieve the SDGs, helping to preserve and enhance natural capital, optimise resource use, and foster system efficiency, revealing and eliminating negative externalities (market failures).

Gonvarri is clearly convinced of the need for an international framework that includes an environmental taxation that encompasses the real needs of the current situation, with environmental taxes that provide a permanent incentive towards more respectful behaviour, reducing the tax burden and providing an incentive for innovation with new forms of production, transport and consumption that are less polluting, putting into practice the "polluter pays" principle.

Well-defined environmental taxes, combined with an ambitious but realistic action plan, can make a real difference to the environment, contributing to the achievement of the SDGs.



## **Compliance Model**

# contents 2-23, 2-24 AND 3-3

The **"Compliance Model"**, aims to maintain the mechanisms for monitoring, measuring and controlling the risks identified. As part of this project, in 2018 the Compliance Committee was set up as a Delegate Body of the Board of Directors in charge of implementing this Model, updating it and managing the Ethical Channel.

The Compliance Programme is led by the Internal Audit area together with the Compliance Committee and the different areas of Gonvarri to update and prepare the Internal Regulations applicable to the Model. The Internal Audit Statute defines the functions, competence, responsibilities and principles of action of the Internal Audit and Compliance Department.

From the outset, an in-depth review of the Code of Ethics and Conduct was carried out, as well as various policies on anticorruption, risks, trade sanctions and information exchange, among others, all of which were approved by the Board of Directors.

Its implementation is carried out in phases. It started in 2018 and was completed in 2019, including the whole process of design and continuous improvement, dissemination, management, training and monitoring.

During 2020, we entered into a recurring process of detecting and managing compliance risks, as well as monitoring, updating and improving the Compliance Programme developed in 2018. We also proceeded to approve new rules mainly related to Human Resources management, reinforcing the controls associated with the processes of selection, training, payroll management, performance evaluation, and management of employee registrations and terminations.

During 2021, efforts in the compliance area focused on training activities to reinforce the values and behavioural guidelines set out in the Group's Code of Ethics and Conduct; work was carried out to ensure effective implementation of the Model in each location, with emphasis on integrating the compliance framework into the management systems of the Group's various companies. In addition, work was carried out to update the Compliance Programme and the content of some of the Policies was modified and updated, among others, the Protocol for the Prevention of Criminal Offences was issued and a new version of the Sustainability Policy was approved.

During 2022, the internal audit and compliance area carried out numerous monitoring activities as part of the "Model Monitoring Plan" approved by the Board of Directors, which establishes a plan for the review, evaluation and monitoring of the Compliance Model and the prevention of criminal offences in the Group's Companies.

This supervision work focused especially on the Iberia companies, and included a review of the controls aimed at preventing criminal offences, as well as the establishment of recommendations and action plans in all areas where areas for improvement were identified. In addition, work continued on the implementation of the Compliance Model in the rest of the foreign companies.

All aspects and risks arising from any form of corruption are implemented globally in the Gonvarri Group's offices, distribution centres and factories in accordance with the model and policies approved for this purpose (205-1). The Gonvarri Group's management is firmly committed to having the necessary policies and procedures in the areas of ethics, human rights and compliance based on the precautionary principle, which contribute to ensuring due diligence and control mechanisms in all relevant matters that could have an impact on the business, in order to contribute to mitigating potential risks.

These commitments apply to all business processes and commercial and other activities in which the Company is involved.

Likewise, all stakeholders (suppliers, customers, partners, employees, society in general, minority or vulnerable groups, etc.) can express their concerns, queries and report any breach of the legislation in force in each location or of the group's internal regulations through the Ethics Channel accessible on the intranet and on the corporate website.

In 2022, the Code of Ethics, the Ethics Channel and some compliance policies are available on the website. The Group's commitment for 2023 is to publish and publicise the main regulations and policies set out in the compliance programme, approved by senior management.

Policies related to transparency and good governance are formally approved by the Board of Directors and those with a more operational/functional impact are approved by the Compliance Committee within the framework of the compliance programme. The Group's formal policies and commitments include a description of the roles and responsibilities applicable in each case.





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## Orde of Ethics and Ethical Channel

The **Code of Ethics and Conduct** is an express statement of the values, principles and behavioural guidelines to be adopted by all persons of the Group in the performance of their professional activities, addressing issues such as relations with customers, employees, collaborators, suppliers and the community, and strengthening the trust existing between the Group and third parties.

It is mandatory for employees, collaborators, managers and directors of the Group to be familiar with the full content of the Code and, in particular, the principles and rules of conduct set out therein. They are also required to undergo training in this area and to pass a test on the principles and guidelines contained in the Code. The new Code of Ethics and Conduct was approved by the Board of Directors in September 2017.

In addition and together with the Code of Ethics, various internal regulations are developed that detail and deploy the values and principles in each of the areas of interest. These are updated and reported annually in successive sustainability reports. The **Compliance Committee**,through the Ethics Channels, is the guarantor of receiving and responding to any improper situations, doubts, queries or malpractice expressed and applying the appropriate legal or disciplinary measures. In addition, they will carry out an annual audit plan to verify adequate dissemination and compliance.

The **Ethics Channel** is available to all employees, managers, directors and collaborators of the Gonvarri Group and other external stakeholders, such as customers, suppliers or society in general, with the same objective of consulting any doubts regarding the application of the Code of Ethics and Conduct, as well as notifying possible irregularities corresponding to non-compliance with the Code.

The **Ethics Channel Regulations**, define the operating principles and conditions of use on which the Ethics Channel is based, and the functions and responsibilities of each of the bodies involved in the management and processing of queries/ complaints. The Compliance Committee is the managing body of the channel, which establishes the action protocols for analysing, investigating, concluding and communicating the results of the complaints received. It reports periodically to the Board of Directors and its members on its activity in the management of the ethics channel: number of queries and complaints received, complaints relating to serious situations, status of complaints, etc. It will also report on any relevant matter. The Ethics Channel Regulations were approved by the Board of Directors in January 2018.

The external provider is responsible for providing and maintaining an accessible channel, guaranteeing the confidentiality of the communications made and their management, safeguarding and archiving the data in compliance with the regulations in force, acting as an intermediary between the user and the Compliance Committee that guarantees confidentiality as a principle of operation.

There are different possible ways of accessing the ethical channel:

- Form via https://gonvarri.i2-ethics.com, also accessible from the Group's intranet, on the Group's website http://www.gonvarri.com and the other websites of the companies that make up the Group.
- E-mail: ethicschannel@gonvarri.com
- Ordinary mail with the address: Auditoría Interna y Cumplimiento C/Embajadores s/n. 28053 Madrid.
- Via Whatsapp WeChat or phone contact on +34 679 98 19 22

It is also accessible via the Call Back option on the https://gonvarri.i2ethics.com platform.

Once the query/complaint is communicated through the platform provided or the rest of the available means, the user will receive an email from the external provider (i2ethics) with the information that will allow him/her to confirm the communication sent to the channel and the start of its management.



## Awareness raising and training

In 2018, training began on the Code of Ethics and the Ethics Channel, as the main parts of the **Compliance Model**. To disseminate the Code and the Ethical Channel, an online course was developed, accessible from the intranet and the mobile application, which included videos, texts and results tests to facilitate understanding, with an estimated duration of between one and two hours. In addition, a major training effort was made throughout the year to disseminate the principles of the Code, which will be continued in subsequent years.

Within the framework of compliance policies, since 2021, various training sessions have been held on the management of conflicts of interest, the exchange of information with competitors, the management of privileged and confidential information, and the prevention of fraud and corruption in the Group's business processes. In addition, training was given on the conservation and registration of documentation; actions with public administrations or management of donations and sponsorships; and protocols for loading and unloading material (logistical protocol).

In addition to the above, training related to the following Group Policies was conducted in 2022:

- Standard 0, which describes how the standards are structured, as well as general and extended training on several model standards applicable in the Group's procurement processes, such as: the "Third Party Management Policy" and the "Policy for the Recruitment of External Advisors", relevant in the execution of the selection and approval processes of the Group's employees,
- the "Protocol for action with the Legal Department", which sets out the controls associated with the review and signature of contracts,
- the **"Supplier Master Data Management Procedure"**, for the correct identification of the origin of funds and partners.

Finally, plans have been put in place that include the renewal of the Code of Ethics and Conduct training, which is mandatory for all Group employees.

In order to cover training in human rights in the 2022 financial year, courses related to the Code of Ethics and Conduct are considered, with a participation of 3820 professionals since its inception, with more than 1300 hours of training (226 in 2022) and the Harassment Prevention Guide, with a participation of 2375 professionals and more than 350 hours of training (60.5 hours in 2022). Training was also provided in 2022 on the following subjects: Fraud and corruption (13h), Guidelines for behaviour when offering incentives, gifts or invitations (27h) and Conflict of interest management (15h).

This training was conducted in local languages. The tables summarise the percentage of participation in the different local languages.













# Complaints and ongoing litigation

Gonvarri's ethics channel is open both for internal use by employees and by any interested third party (suppliers, customers and others). Irregular or improper situations that violate the Code of Ethics can be reported through this channel. The Ethics Channel is available in 18 different languages, so that it is accessible to all potential users around the world.

During the period under analysis, 2,364 visits to the ethical channel were recorded, 3.5% more than the previous year (2,281 in 2021 and 2,217 in 2020).

### Evolution compared to the previous year -Sessions



Visits were received from 50 different countries, although the majority of accesses were from Spain (20%), followed by China (9%), Turkey (7%) and Germany (7%).

The web channel was the preferred channel for complainants with 60% of the total, followed by direct complaints received by processors with 22%. The time the channel was available and online (SLA - Service Level Agreement) during the year 2022 was 100%.

In 2022, thirty-nine complaints were received by Gonvarri's ethics channel from Spain (10), Turkey (25), Colombia (1), Mexico (1), Portugal (1) and Brazil (1), with nine pending resolution to date. Their breakdown by type is shown below:

Category	Current	%	Pending resolution
Harassment	2	5%	0
Discrimination (205-2)	9	23%	0
Fair competition	0	0%	0
Conflict of interest	0	0%	0
Fraud and Corruption	3	8%	1
Labour	9	23%	2
Health and safety	9	23%	2
Other	7	18%	4

The complaints received were resolved with disciplinary measures of varying severity, depending on the seriousness of the facts established after the investigation (205-3).

In labour matters, administrative penalties have been received for the two workplace accidents in Spain that took place in 2020. In the first, the criminal proceedings are still open and pending oral trial and the surcharge on benefits is final in administrative proceedings and has been appealed in the courts; and in the second, relating to a subcontractor, no criminal proceedings have been opened against the company and the surcharge on benefits in joint and several liability is still being processed.

In 2021, an occupational accident occurred which has been administratively sanctioned. Regarding the fatal accident of two employees of a contract, the criminal proceedings are not directed against Gonvarri, and the surcharge for benefits is still being processed and pending resolution. Finally, in 2022, a very serious accident occurred in a Spanish company, where preliminary criminal proceedings and the infraction report against the company have been initiated in administrative proceedings.

With regard to other proceedings instituted against the company, ongoing litigation and penalties, there are no significant proceedings that have a material economic impact on the Group, in terms of:

- Sensitive **activities** related to human rights, forced and child labour, which have a relevant impact on the company's different operations (408-1 and 409-1).
- Unfair **competition** and monopolistic and anti-competitive practices (206-1).
- Health and safety **impacts** of product and service categories (416-2).
- Substantiated **complaints** regarding breaches of customer privacy and loss of customer data (418-1).
- **Compliance** with laws and regulations in the social, environmental and economic fields (307-1 and 419-1).
- **Non-compliances** related to information and labelling of products and services (417-2).
- **Non-compliance** related to marketing communications (417-3).

With regard to the Protection of Personal Data in the Sphere of the European Union, 32 queries of varying nature and complexity have been received and all of them have been resolved. This year no requests have been recorded for the exercise of data subjects' rights. Finally, one security incident was recorded, which did not need to be reported to the Data Protection Agency. At year-end, no significant claims or fines were received related to social, environmental, economic, labour practices and/ or human rights aspects, exceeding €100,000 or which by their nature have a special impact on the Company.



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## **Risks and opportunities**

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## 

Gonvarri Industries is subject to various risks inherent to its activity arising from its commercial, financial and economic operations, as well as the legal obligations it must comply with in the countries in which it operates.

To manage these risks of all types and nature, the group has various mechanisms and systems for detecting, assessing and managing risks within its own business processes and operations.

In 2016, the "**Internal Rudit**" area was formally created in order to formalise in an integrated manner the various risk detection, assessment and management mechanisms and processes already present in all the Group's business processes.

This management system provides reasonable assurance that all significant strategic, operational, financial and compliance risks are prevented, identified, assessed and monitored on an ongoing basis.

In relation to the risks related to Regulatory Compliance and Criminal Compliance, the "**Compliance Model**" has been developed, with the aim of improving the monitoring, measurement and control mechanisms related to the related risks.

Following a diagnosis of the situation in 2017, its design began. The risks related to Gonvarri's activity were identified and assessed, and the controls required to mitigate them and the mechanisms for supervision and continuous improvement were defined. These controls are of various types and are contained in the Group's internal regulations. In this area, the "**Corporate risk control and management policy**" stands out, with the aim of establishing basic principles, as well as a framework for internal control and management of all types of risks faced by the Gonvarri Group.

In compliance with the Policy, the Group has a formal, verifiable and traceable process for the **identification and assessment of risks** at the level of each plant or location and at the corporate level. The process is recurrent and scalable and includes relevant personnel for each area. Risks are reassessed at least annually or when significant changes or circumstances require it.

In terms of methodology, Inherent Risk is calculated on the basis of impact and probability according to the variables defined by type of analysis (Compliance, Operational Processes, IT, ...etc.) and dimensions assessed.

**Controls/Control Activities** are defined for these risks, which are assessed in terms of their design and operability. In order to obtain the design rating, a series of parameters are established according to the type of analysis and the operability is evaluated according to the sample reviewed in the control.

One of the functions of the Internal Audit and Compliance Department is to provide advice and collaborate with Gonvarri Group management in the identification of risks and, in coordination with the entire organisation, to help establish the mechanisms and tools necessary to ensure adequate risk management in line with the Group's strategic objectives. In this regard, in the period 2021-2022, the Group's Internal Audit department has implemented a **"Continuous Audit"** system carried out remotely and managed through various tools:

- Skywind a system of automatic alerts defined and designed for the identification of risk events.
- Scorecards drawn up by process with key indicators

The objective of the continuous remote audit is the efficient identification of incidents for the early detection and improvement of business processes. We focus on indicators that show a deviation or non-compliance with the internal regulations applicable to the GI Group.

The Continuous Audit system involves a methodology based on the identification of incidents, analysis of the causes and the issuing of recommendations. The monitoring system itself allows continuous follow-up of compliance with the recommendations issued.

The scope of the reviews within the framework of the continuous audit system includes all Gonvarri Industries Group companies that have the SAP ERP system as their ERP system. The Group is designing additional monitoring and control systems for those companies with other management systems.

A total of 215 requests were made to the Group's various plants in 2022. Ninety per cent of the requests made were managed and closed at year-end.





CONTENTS 2-24

### Strategic and environmental risks

These include those arising from possible changes in the Group's strategic lines or the situation in the countries in which it operates (political and regulatory changes, currency depreciation, etc.).

In order to mitigate these risks, country and global risk analyses are carried out through the "Feasibility and Development Analysis Methodology" and external Due Diligences.

Furthermore, geographic and business diversification, as well as compliance policies, investment in innovation, financial currency hedging and insurance policies, minimise this risk.

In the year 2022, actions aimed at compliance with the regulation of sanctions programmes, which limit commercial operations against a country or territory, or against certain organisations, persons or entities, and specifically, in this period, those derived as a consequence of the sanctions imposed by the EU as a result of the war in Ukraine, stand out.

In this regard, in order to have up-to-date information, the Group has consultation tools that enable the identification and management, in a timely manner, of risks in this area, in compliance with the Corporate Policy on trade sanctions.

Among the opportunities, the impact of these changes on the local economy (new business opportunities, jobs, taxes, etc.) stands out.

### Riesgos operacionales y de infraestructura

These are considered to be those arising from technological or quality failures, management problems, etc. that imply quality failures in the product, in delivery times, among others.

Among the control mechanisms available to the Group for the identification of events with operational or process impact is the **"Continuous Audit**" system, carried out through various tools, where numerous alerts are available for the identification of errors and/or control weaknesses in operational and business processes.

In this way, processes such as warehouse management, materials management, order management or the correct application of approval flows in operational processes, among others, are monitored.

To **mitigate** this, risk policies are in place and numerous improvement, measurement and efficiency initiatives and projects (SPG, ISO 9000, IATF 16949, TQM, etc.), contingency plans, etc. are developed.

A clear **opportunity** derives from efficiency in products and processes, which reduces consumption, production times, waste, etc. and thus improves costs and profitability. Moreover, through innovation we adapt to the needs of the market.

### **Financial Risks**

ANNEXES

The Group's activities are exposed to various indefinable factors related to the current environment which are conditioning the ordinary behaviour of the financial markets.

Among others, they are being affected not only by normal market circumstances but also by global circumstances and political decisions whose consequences in each region and country are not always desirable.

The main financial risks (market, liquidity and credit) are summarised below:

### a) Market risk

**Price risk**, exposed to two types of price fluctuations: equity securities (not significant due to the low importance of these investments in relation to total assets and equity) and the price of raw materials, mainly steel, as these variations must be passed on to sales prices in order to remain competitive in the market.

To **minimise** this risk, among others, a retail network with a significant market share was developed to supply end customers, stabilising sales and maintaining a sufficient level of stock in warehouses to operate in the face of possible mismatches in market prices.





**Cash flow interest rate risk and fair value risk**, arising from floating rate euro-currency borrowings, which exposes the Group to cash flow interest rate risk.

To **minimise** this risk, various scenarios are simulated for significant transactions, considering refinancing, rollover of current positions, alternative financing and hedging, and the effect on earnings is calculated as a function of the interest rate for all currencies.

**Exchange rate risk**, arising from international operations and various currencies.

To minimise this risk, it applies an exchange rate management policy, whereby periodic reports detail credits and debits in currencies other than the euro in a given period. The result is used to analyse potential impacts and, if necessary, flexible financial instruments are temporarily applied to make the best possible decisions.

### b) Liquidity risk

Liquidity risk management involves the maintenance of sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.

To **minimise** this risk, due to the dynamic nature of the underlying business, the Treasury Department maintains flexible funding through the availability of committed credit facilities.

### c) Credit risk

The credit quality of financial assets is based on independent ratings or information on past defaults. Exposure to changes in the quality of debtors is managed on a group basis.

To **minimise** this risk, if customers have been independently rated, these ratings are used; if there are no independent ratings, credit control assesses their creditworthiness. Individual credit limits are then established in accordance with the limits set by the Group's risk committee. This is regularly monitored by commercial and general management.

The Group has also taken out insurance policies with several credit institutions to cover possible customer insolvencies that the Risk Department deems necessary.

These risks are detailed in the Annual Accounts Report 2022.

Within the **opportunities**, financial risk prevention mechanisms allow for better control over growth and investments, diversifying in other countries and compensating for any risks or incidents that may arise, for profitable and sustainable growth.

### Fiscal risks

These are considered to be those arising from non-compliance with its tax obligations and its relations with the tax authorities in all the countries in which it operates. These risks are detailed in the Annual Accounts Report.

For their **mitigation**, the Corporate Tax Risk Management Policy and the Transfer Pricing Manual establish the mechanisms for their control and the risk map is updated annually, assessing each risk according to its seriousness, establishing the necessary controls that contribute to their mitigation.

Among the **opportunities**, tax risk prevention mechanisms allow us to have better control over the value creation we contribute to generating in the countries in which we operate.





### Corporate Governance, Ethics, Corruption, Fraud and Compliance Risks

These are considered to be those arising from behaviour contrary to the guidelines set out in the human rights, ethics and anti-corruption policies, which entail significant economic and reputational risk.

To **mitigate** these risks, the risk and **control map is updated periodically**. In addition, the formal policies and codes that regulate these risks are available to all the group's professionals, and training is provided annually on each of the key aspects. For any incident, consultation channels and whistle-blowing mechanisms are in place.

In 2022, numerous actions have been implemented to detect and mitigate fraud and corruption. These actions have been carried out by the Group's Internal Audit and Compliance department, through the review and evaluation of the controls framed within the "**Compliance Programme**".

Among the controls reviewed were the implementation of available fraud and corruption training, as well as those related to:

- (i) the management of conflicts of interest and gift guidelines;
- the implementation of purchasing procedures and order approval flows;
- (iii) the management of donations and sponsorships;
- (iv) the management of supplier master data, or the segregation of duties and restriction of critical access in systems.

These reviews are supported by the identification of events obtained through the tools available for the work carried out under the "Continuous Audit" system.

In addition, all the complaints considered in this area have been dealt with.

**Opportunities** include numerous actions to strengthen the Group's ethical principles, minimise risks and boost the company's reputation.

### Regulatory compliance risks

Regulatory compliance risks

Consideration is given to those arising from regulatory changes affecting the Group's operations, with increasingly complex and demanding requirements in terms of the application of material and human resources.

To **mitigate** this, the compliance model based on the Code of Ethics and Conduct, policies, consultation and whistleblowing channels and continuous training contribute to its minimisation.

In addition, there are various control mechanisms in place to ensure that the Group is kept up to date with the different laws and legislation applicable in each of the locations.

As part of the review of the Compliance Programme carried out by Internal Audit and Compliance, these control mechanisms are verified in each of the areas of responsibility. All these measures are an **opportunity** to enhance the Group's reputation and avoid the risk of sanctions for non-compliance.

### Human rights risks

Today, society is increasingly aware of abusive and illegal behaviour related to poverty and human rights, especially in the most vulnerable countries.

To **mitigate** this, we have various policies in place to regulate employee selection and recruitment processes, including mandatory codes of conduct and whistleblowing channels. We also work in line with the Universal Principles of the Global Compact and the United Nations Sustainable Development Goals.

During 2022, as part of the audits of the Compliance Model, the review of **controls related to human resources** management was included, assessing the effectiveness of the controls and the risks associated with personnel management.

Likewise, 29 complaints received through the Ethics Channel were handled, related to situations of discrimination, harassment, health and safety, and various matters of a labour nature, applying the disciplinary measures determined in each case by the decision-making bodies.

Gonvarri's global presence is an **opportunity** that allows it to work with different cultures, enriching its knowledge and capacity to adapt to different countries. With this, it can improve from different approaches such as decision-making and values such as tolerance, boosting local development.





## IT security, process and data protection risks

CONTENTS 201-2

Today, systems are a critical element in the execution of processes and implementation of business strategy, even more so in a collaborative and innovative environment based on emerging technologies and in an increasingly turbulent business context. Moreover, cyber threats continue to grow in ingenuity and frequency, online fraud continues to evolve thanks to new social engineering techniques and are responsible for millions of dollars in losses for businesses around the world.

Aware that employee training and awareness is the main countermeasure to efficiently curb most of the entry vectors for this type of threat, we have an Annual Cyber Security Training Plan in which we lay the foundations for better detection and response to any type of incident.

To **mitigate** these risks, Gonvarri's IT department lives a challenging balance between the need for digital innovation across the Group and the need to maintain and operate on current systems and processes.

To this end, it integrates risk analysis from the design phase of each change and in the face of a pre-established catalogue of potential threats, always acting with a focus on continuous improvement, seeking operational excellence. It also establishes the necessary policies and mechanisms to safeguard the privacy of information and the protection of customer and supplier data, as well as to manage and treat documentation appropriately. By way of example, only related to Information Security, in 2022, more than 1,500 security risks were assessed in Gonvarri's services considered "critical".

To comply with information and data security and protection standards, it develops procedures and implements control mechanisms in accordance with international standards such as: ISO27001, CISA and NIST.

Furthermore, the training of Gonvarri's professionals plays a fundamental role in risk mitigation measures. In 2022, as in previous years, the "Information Security" course was updated and launched from the Academy platform, with a success rate of 85% of participants.

Periodic awareness-raising and refresher exercises are also conducted, such as the one on Ethical Phishing (in October and December) to detect suspicious emails and prevent any information theft. Due to the increase in these attacks, in 2023 these courses will be held on a quarterly basis.

These measures make it easier to respond to audits (internal and external) and to requests for information from major customers, suppliers, employees and other stakeholders.

From these important challenges, new **opportunities** arise, such as the development of new IT capabilities to increase productivity and efficiency. In addition, the IT area is actively involved in the various innovation initiatives, especially those related to the "Industry 4.0" paradigm, with the deployment and maintenance of the new MES system.

### Climate change risks

The current environment shows that the risks associated with environmental, social and governance (ESG) issues such as climate change are becoming increasingly relevant. It is therefore necessary to incorporate it into the company's decision-making, business strategy, management and performance.

To **mitigate** them, in 2020 the potential transversal risks that could affect the business were analysed at corporate level, with the aim of transferring and specifying these risks to the different countries and facilities over the next two years. To this end, the "Task Force on Climate related Financial Disclosures (TCFD) of the Financial Stability Board (FSB)" standard was used as a reference and integrated into the company's global risk map.

The Carbon Neutral 2030/50 Plan summarises the **opportunities** for improvement defined to minimise their impact, meet the expectations of customers and society, and improve the positioning of Gonvarri Industries in the market.

### CONTENTS 2-23 AND 3-3

The principle of precaution and continuous improvement is also incorporated through the Code of Ethics and Conduct, the Integrated Policy and the Sustainability Policy.



Corporate Governance

### 16 PAZ, JUSTICIA EINSTITUCIONES SOLIDAS

## Main risks in 2022

In 2022, Gonvarri continues to face the different risks arising from the market situation in the countries in which it operates, as well as all those arising from the situation generated as a result of the global pandemic of COVID 19 that has been hitting since the beginning of 2020. The effects of the pandemic have been multiple, affecting at some point, to a greater or lesser extent, all geographical areas. On the other hand, the war in Ukraine and the sanctions against Russia have generated tensions in the supply chain and different impacts at a global level.

Against this backdrop, the Group has been evaluating and implementing different measures and adjusting them to each situation and geographical area in order to reduce the impacts derived from the current economic and social context.

Most relevant risks identified:

• General economic and social instability as a consequence of the COVID19 pandemic and, from March 2022, the armed conflict over the Russian invasion of Ukraine, and its enormous social and economic impact on the entire European Union.

Supply chain impacts from the enforcement of restrictions on the import and export of goods to Russia and the application of trade sanctions by the European Union as a result of the Ukraine-Russia conflict.

• Growing concern about the conflict between China and Taiwan and the social and economic consequences of a possible armed conflict.

- Cyber threats and online fraud, which are increasingly present and with ever more sophisticated mechanisms that make it difficult to design and implement efficient controls to mitigate them.
- The growing legislative production, not only in Spain but also internationally, as well as the increasingly demanding requirements of customers. This makes legal compliance with all the regulations and requirements in the different areas of application more complex, also making it necessary to expand the organisation's structures.
- The situation of political polarisation in certain countries where the Group is present.
- Tension in supply chains as a result of logistical and production misalignments due to COVID19.
- Production stoppages in the Group's factories as a result of unplanned staff departures caused by COVID19.
- Volatility in the price of raw materials and, therefore, in the valuation of the stock available in factories.
- The risks arising from protectionist policies and the establishment of tariffs among the main players in international trade.

-Risks arising from various geopolitical changes involving trade restrictions, embargoes and sanctions.

- The notable increase in opinions with nationalist and Eurosceptic stances.
- Increasingly restrictive policies on vehicle emissions and the use of fossil fuels.

- Uncertainties from the consumer perspective in the automotive market, leading to falls in consumption and production.
- The growth of environmental, social and governance (ESG) awareness, as well as risks from climate change, natural disasters and disease.

-Internal risk to achieve operational excellence in some countries.

• The general economic crisis as a result of the various uncertainties described above, those arising from the continuous regulatory changes that require adaptation of the Group's processes, exacerbated by the long-term effects of COVID 19 and the need to adapt quickly to changes in markets and customers.

The effects of the Pandemic continue to have a significant impact on society. Furthermore, since March 2022, the armed conflict initiated by Russia's invasion of Ukraine has generated a huge social and economic impact across the European Union, with restrictions and huge price rises in raw materials and resources such as energy, generating various levels of uncertainty, tensions in the supply chain and effects on prolonged economic impacts that will affect future financial years in an unquantifiable way.





## Associations and organisations

### 

At Gonvarri Industries we work actively to promote all the divisions that make up the Group. To this end, we participate in organisations and associations of various kinds, both from a corporate point of view and in the different countries in which we operate.

These initiatives are focused on different areas such as economic, industrial, social (NGOs and Foundations) and business. The main associations and organisations with which we collaborate are summarised in Annex 4.

We also collaborate with public bodies and local administrations, establishing relationships in a disinterested and transparent manner, mainly related to matters affecting the sector. Gonvarri Industries does not make contributions to political parties or administrations, as established in the Code of Ethics and Conduct and the Group's mandatory Donations and Sponsorship Procedure (415-1).





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## ANNEX I Independent **Review Report**

Verification reports

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Ernst & Young, S.L. Calle de Raimundo Fernández Villaverde, 65 28003 Madrid

Tel: 902 365 456 Fax: 915 727 238 ev.com

## INDEPENDENT LIMITED ASSURANCE REPORT OF THE SUSTAINABILITY REPORT 2022 OF GONVARRI

To the Management of GONVARRI INDUSTRIES, S.L.:

### Scope

As commissioned by the Management of GONVARRI INDUSTRIES, S.L. (hereinafter, Gonvarri Industries), we have carried out the review of the "Sustainability Report 2022". This information has been prepared in accordance with GRI Sustainability Reporting Standards (GRI Standards), as detailed in "Methodology and

The scope considered by Gonvarri Industries for the preparation of the Report is defined in "Scope consolidation of Gonvarri Industries S.L. and subsidiaries".

The preparation of the "Sustainability Report 2022", as well as its content, is the responsibility of the Management of Gonvarri Industries, which is also responsible for defining, adapting and maintaining the management and internal control systems from which the information is obtained. Our responsibility is to issue an independent report based on the procedures applied in our

### Criteria

Our review was carried out based on:

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

### Applied procedures

Our review consisted in requesting information from the Sustainability Department and the various business units participating in the preparation of the "Sustainability Report 2022", applying processes and analytical procedures, and

- sampling review tests as described in the general terms below: Interviews with the staff in charge of the preparation of the
- sustainability information in order to gain a deep understanding of how the objectives and sustainability policies are considered, set into practice, and integrated within Gonvarri Industries' global strategy.
- Reviewing the processes for the compilation and validation of the information presented in the Report
- Checking the processes held by Gonvarri Industries in order to define the material aspects and stakeholder
- Reviewing the adaptation of the structure and content of the Report, as indicated in the GRI Standards sustainability

reporting framework of the Global Reporting Initiative.

Checking selected samples of the quantitative and qualitative information of the contents included in Annex "GRI Content Index", as well as their adequate compilation from data supplied by information sources. The review tests have been defined to provide the aforementioned

Checking that the financial information included in the Report has been audited by independent third parties.

These procedures have been applied to the contents in Annex "GRI Content Index", with the aforementioned scope.

The scope of our review is considerably lower than a reasonable assurance report. Therefore, the degree of assurance is also less extensive. This report in no case should be considered as an

### Independence and quality control

We have complied with the requirements of independence and the other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA, for its acronym in English). Our firm applies the International Standard on Quality Control 1 (ISOC 1) and maintains, as a result, a global quality control system that includes documented policies and procedures related to compliance with ethical requirements professional standards, and legal and regulatory provisions. Our work has been performed by a team of sustainability experts with a wide experience in reviewing this type of information. Conclusions

As a result of our limited review, we conclude that no matter came to our attention that would indicate that the contents included in the link "GRI Content Index" of the Report has not been prepared, in all material respects, according to the GRI Standards sustainability reporting framework, which includes the data reliability, the adequacy of the information presented and the absence of significant deviations and omissions. This report has been prepared solely for the management of Gonvarri Industries, in accordance with the terms set out in our

ERNST & YOUNG, S.L.

(Free translation from the Original Report on Independent Review in Spanish dated April 11th, 2023. In the event of any discrepancy, the

Donaktio Stoat: C/ Rainzando Fendender, Valavende 65, 38003 Madid - Inscrite en el Registro Mercentil de Madrid; Iomo 8.364 general, 8.130 de la sección 3º del Libro de Sonestades, folio 68, hoja nº 87.690-1, Inscripcion 1º - Madrid 9 de Marzo de 1.993. A member firm vil Ernst & Young Global Limited.



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## ADDEX II Methodology and profile of the report

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The Sustainability Report is **published annually** (as is the financial information), including information from 1 January 2022 to 31 December 2022.

The objective is to communicate the most relevant performance, aspects and initiatives, with an approach aligned with the company's understanding of sustainability, its commitment to the SDGs and its impact on the company's management.

Gonvarri Industries has different corporate and non-corporate systems for collecting information, with two specific reporting platforms for Sustainability and Climate Change.

The **scope of the Report** includes the entire group except for the factories in India and Resende over which we do not have control, as well as some companies of a commercial nature, with no relevant entity.

The process of preparing this Annual Report has followed the **Global Reporting Initiative (GRI)** international standard as a reference for those requirements considered material and/or relevant to the group.

The **GRI Content** Index is annexed to this report, together with the independent external assurance report with EY.

### For general questions about this report, please contact:

## contents 2-6 Significant Changes

Compared to the previous year, the quantitative information on the Dongguan factory in China (not operational at year-end) and the R&D offices in Agromega (Israel), now outside Gonvarri's scope, have been eliminated from the Annual Report.

The new AMG Glorinha Rio Grande factory in Brazil, which came into operation in 2022, and the Riera i Tutó laser factory in Barcelona have been included in the scope of the Report. Only with qualitative information, the company H2Greem (Segovia-Spain).

### CONTENTS 2-4

Quantitative information

There has been no restatement of information with respect to the previous year. The content has been adapted to the materiality study and to the changes established in the reference guides: GRI 1: Fundamentals 2021, GRI2: General Contents 2021 and GRI 3: Material Issues 2021.

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# ANNEX III. Quantitative information

	I. OWN PERSONNEL																							
						M	EN											WO	MEN					
		MADA	IGERS		П	IDDLE M	ANAGER	S	Р	LANT PE	RSONNE	L		MANA	AGERS		М	IDDLE N	NANAGER	S	P	PLANT PERSONNEL		
	18-25	26-35	36-45	46	18-25	26-35	36-45	46	18-25	26-35	36-45	46	18-25	26-35	36-45	46	18-25	26-35	36-45	46	18-25	26-35	36-45	46
Germany	0	1	4	5	0	5	13	22	29	82	63	116	0	1	0	0	1	0	З	З	12	14	16	19
Argentina	0	0	1	0	0	2	5	4	10	9	15	1	0	0	1	0	0	1	З	1	2	0	4	0
Belgium	0	0	0	1	0	0	0	1	0	1	4	1	0	0	0	0	0	0	0	0	0	0	0	1
Brazil	0	0	1	З	0	4	18	10	51	146	107	49	0	1	0	0	0	3	4	З	17	23	27	7
China	0	З	17	З	0	8	22	1	23	224	107	15	0	1	2	1	0	2	9	1	1	33	17	0
Colombia	0	1	5	2	0	4	11	9	5	33	46	93	0	1	3	3	0	3	3	2	5	15	10	2
Denmark	0	0	1	1	0	0	0	2	0	0	1	7	0	0	0	0	0	0	0	1	0	0	0	3
Spain	0	1	21	63	1	14	64	139	33	192	352	748	0	2	З	6	1	5	9	19	4	34	62	64
USA	0	0	0	7	0	8	11	4	1	22	8	0	0	0	0	1	0	2	4	0	0	0	4	0
Slovakia	0	0	0	4	0	0	5	7	11	26	46	46	0	0	0	2	0	1	2	1	1	3	23	5
Finland	0	1	0	0	0	1	3	3	2	3	7	14	0	0	0	0	0	0	0	1	0	0	2	6
Netherlands	0	0	0	2	0	0	0	2	0	4	8	11	0	0	0	0	0	0	0	1	0	0	0	3
Hungary	0	0	0	1	0	0	0	0	1	0	3	2	0	0	0	0	0	0	0	0	0	1	1	1
Mexico	0	0	0	1	0	7	6	З	6	42	20	11	0	0	0	0	0	0	4	1	0	7	1	0
Norway	0	1	0	2	0	0	0	5	1	2	3	7	0	0	0	1	0	0	1	0	1	0	0	1
Poland	0	0	0	1	0	0	5	2	7	34	29	11	0	0	1	0	0	0	2	0	0	10	11	3
Portugal	0	0	0	0	0	0	4	6	2	13	23	23	0	0	0	1	0	0	2	2	1	2	5	9
UK	0	0	0	8	0	1	2	14	7	33	60	91	0	0	1	З	0	0	2	0	5	7	14	26
Czech Rep.	0	0	2	2	0	2	6	2	29	34	26	51	0	0	0	1	0	0	1	1	2	14	10	5
Romania	0	0	1	З	0	9	12	5	20	73	63	126	0	0	0	1	0	5	3	2	3	21	29	11
Russia	0	1	2	0	1	4	15	8	5	29	26	24	0	0	1	1	0	5	11	3	0	5	3	1
Sweden	0	1	0	З	0	1	3	7	3	13	18	38	0	0	0	1	0	0	0	1	0	2	4	6
Switzerland	0	0	0	2	1	1	2	4	2	1	З	0	0	0	0	0	0	1	0	1	0	0	1	0
Turkey	0	0	9	5	0	5	10	1	35	84	80	70	0	1	1	0	0	2	0	0	1	12	1	0
TOTAL	0	10	64	119	3	76	217	261	283	1.100	1.118	1.555	0	7	13	22	2	30	63	44	55	203	245	173



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	II. EXTERNAL	PERSONNEL	
SUBCO	ONTRACT	т	re´s
MEN	WOMEN	MEN	WOMEN
0	0	46	4
0	0	0	0
0	0	0	0
1	0	2	0
0	0	228	4
0	0	122	6
0	0	0	0
83	0	163	16
0	0	1	1
17	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
6	0	8	0
9	0	0	0
0	0	0	0
3	0	9	2
3	0	10	0
20	0	10	0
0	0	0	0
0	0	3	0
0	0	0	0
0	0	0	0
32	0	0	0
174	0	602	33
	MEN         0         0         0         1         0         <	SUBCONTRACT         MEN       WOMEN         0       0         0       0         0       0         0       0         0       0         1       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       0         0       0         0       0         0       0         0       0         0       0         3       0         0       0         0       0         0       0         0       0         0       0         0       0         0       0         0       0         0       0         0       0         0<	MENWOMENMEN004600000010200122001220012200163001630008301630001700000000000000000309301000000000030100030030000000000000000003200

		III HIRE																						
	MEN																	wor	пеп					
	П	AUN	AGER	RS	n		DLE AGER	S	PLF		i OFf	ICE	П	MANAGERS MIDDLE MANAGERS				s	F		ant Dnnei			
	18- 25	26- 35	36- 45	46	18- 25	26- 35	36- 45	46	18- 25	26- 35	36- 45	46	18- 25	26- 35	36- 45	46	18- 25	26- 35	36- 45	46	18- 25	26- 35	36- 45	46
Germany	0	0	2	0	0	0	4	1	14	10	11	9	0	0	0	0	0	0	0	0	З	2	З	1
Argentina	0	0	0	0	0	0	1	1	З	4	1	0	0	0	0	0	0	0	0	0	0	2	0	0
Belgium	0	0	0	0	0	0	0	0	0	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0
Brazil	0	0	0	0	0	0	2	3	21	34	23	8	0	0	0	0	0	0	1	0	11	6	11	1
China	0	1	1	0	0	4	З	0	11	56	33	2	0	0	0	0	0	2	1	0	0	З	2	0
Colombia	0	1	2	0	0	1	3	1	5	11	1	1	0	0	0	1	0	0	0	0	3	4	4	0
Denmark	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Spain	0	0	0	0	0	0	З	З	20	48	37	27	0	0	0	0	0	0	1	0	4	13	11	6
USA	0	0	1	0	0	0	0	0	0	1	6	3	0	0	0	0	0	0	0	0	0	0	3	0
Slovakia	0	0	1	0	0	0	0	0	8	7	10	9	0	0	0	0	0	1	0	0	2	2	6	0
Finland	0	0	0	0	0	1	0	0	0	1	0	1	0	0	0	0	0	0	0	0	0	0	0	0
Netherlands	0	0	0	0	0	0	0	0	0	1	1	1	0	0	0	0	0	0	0	0	0	0	0	1
Hungary	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	1	0	0
Mexico	0	0	0	0	0	0	0	0	5	6	2	1	0	0	0	0	0	0	0	0	0	0	0	0
Norway	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Poland	0	0	0	0	0	0	0	0	2	3	2	1	0	0	0	0	0	0	0	0	0	0	1	0
Portugal	0	0	0	0	0	0	0	0	2	2	1	0	0	0	0	0	0	0	0	0	1	1	0	0
ЦΚ	0	0	0	0	0	0	0	0	3	4	7	6	0	0	1	0	0	0	0	0	1	2	1	5
Czech Rep.	0	0	0	1	0	1	0	0	5	6	1	2	0	0	0	0	0	0	0	0	0	1	З	0
Romania	0	0	0	0	0	0	0	1	17	24	12	9	0	0	0	0	0	0	0	0	5	З	2	2
Russia	0	1	0	0	0	1	1	0	1	З	0	4	0	0	0	0	0	1	0	0	0	0	0	0
Sweden	0	0	0	0	0	0	0	0	1	1	1	З	0	0	0	0	0	0	0	0	0	1	1	1
Switzerland	0	0	0	0	0	0	З	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Turkey	0	0	4	2	0	0	0	0	73	68	53	29	0	0	0	0	0	0	0	0	0	0	1	0
TOTAL	0	З	11	З	0	8	20	10	191	292	204	116	0	0	1	1	0	4	З	0	30	41	49	17



			III B. MEN'S LEAVES		III C. WOMEN'S LEAVES					
	DI	SMISSAL LEAVIN	IG	OTHER CAUSES	DISMISSAL LEAVING	5	OTHER CAUSES			
	MANAGERS	MIDDLE MANAGERS	PLANT PERSONNEL MANAGERS	MIDDLE PLANT MANAGERS PERSONNEL	MANAGERS MIDDLE MANAGERS		MANAGERS MIDDLE PLANT MANAGERS PERSONNEL			
	18- 26- 36- 25 35 45 46	18- 26- 36- 25 35 45 46	18-       26-       36-       46       18-       26-       36-       46         25       35       45       46       25       35       45       46	18- 26- 36- 25 35 45 46 18- 26- 36- 25 35 45 46	18-       26-       36-       46       18-       26-       36-       46       25-       35-       46	18- 26- 36- 25 35 45 46	18-       26-       36-       46       18-       26-       36-       46       18-       26-       36-       46         25-       35-       45       45       45       46       18-       26-       36-       46			
Germany	0 0 1 0	0 0 1 0	5 3 6 3 0 0 0 0	0 0 2 4 0 2 8 17	0 0 0 0 0 0 0	2 0 0 0	0 0 0 0 0 0 0 0 2 1 2 2			
Argentina	0 0 0 0	0 1 0 0	0 2 0 0 0 0 0	0 0 0 1 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			
Belgium	0 0 0 0	0 0 0 0	0 1 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 0 0 0 0 0 0 0			
Brozil	0 0 0 0	0 0 0 0	18 35 24 13 0 0 0 0	0 0 1 1 12 9 9 1	0 0 0 0 0 0 0	1 3 2 0	0 0 0 0 1 0 0 6 4 4 0			
China	0 0 0 0	0 1 0 0	0 0 1 0 0 0 1	0 3 4 0 10 41 25 7	0 0 0 0 0 0 0	0 1 0 0	0 0 0 0 0 0 1 0 0 2 1 0			
Colombia	0 0 0 1	0 0 0 1	1 0 4 0 0 0 0 0	0 1 0 0 1 5 5 1	0 0 0 0 0 0 0	0 0 0 0	0 0 0 0 0 1 0 0 6 0 2			
Denmark	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 0 0 0	0 0 0 0	0 0 0 0 0 0 0 0 0 0 0			
Spain	0 0 1 0	0 1 0 2	3 3 7 6 0 0 0 0	0 0 1 4 7 17 22 35	0 0 0 0 0 0 0	1 0 2 3	0 0 0 0 0 1 2 1 1 3 4 4			
USA	0 0 0 0	0 0 0 0	2 9 0 12 0 0 0 0	0 0 0 0 0 0 0 0	0 0 1 0 0 0 0 0	0 0 0 0	0 0 0 0 0 0 0 0 0 0 0			
Slovakia	0 0 0 0	0 0 1 0	1 2 0 3 0 0 0	0 0 1 0 4 3 3 3	0 0 0 0 0 0 0	0 0 0 0	0 0 0 0 0 0 0 1 0 3 2			
Finland	0 0 0 0	0 0 0 0	0 0 1 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 0 0 0 0 0			
Netherlands	0 0 0 0	0 0 0 0	0 0 0 0 0 0 0	0 0 0 0 0 0 1 1	0 0 0 0 0 0 0	0 0 0 0	0 0 0 0 0 0 0 0 1 1 0 0			
Hungary	0 0 0 0	0 0 0 0	0 0 1 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 0 0 0 0 0			
Mexico	0 0 0 0	0 0 0 1	0 0 0 1 0 0 0	0 0 0 0 0 7 0 0	0 0 0 0 0 0 0	0 0 0 0	0 0 0 0 0 0 0 0 1 0 0			
Norway	0 0 0 0	0 0 0 0	0 1 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 0 0 0 0 0 0			
Poland	0 0 0 0	0 0 0 0	0 0 1 0 0 0 0	0 0 0 0 0 0 0 1	0 0 0 0 0 0 0	0 0 1 0	0 0 0 0 0 0 0 0 0 0 0			
Portugal	0 0 0 0	0 0 0 0	0 0 0 0 0 0 0	0 0 0 1 1 3 2 1	0 0 0 0 0 0 0	0 0 0 0	0 0 0 0 0 0 0 0 0 0 0			
R. Unido	0 0 0 0	0 0 0 0	1 0 0 0 8 0 0 1	0 0 0 0 1 4 3 4	0 0 0 0 0 0 0	0 0 0 0	0 0 0 0 0 0 0 2 0 1 3			
Czech Rep.	0 0 0 0	0 0 0 0	0 0 0 1 0 0 0 1	0 1 0 0 5 11 2 5	0 0 0 0 0 0 0	0 0 0 0	0 0 0 0 0 0 0 0 1 0 2 0			
Romania	0 0 0 0	0 0 0 0	0 0 0 0 0 0 0	0 0 2 0 16 23 22 21	0 0 0 0 0 0 0	0 0 0 0	0 0 0 0 0 0 0 0 3 1 4 4			
Russia	0 0 0 0	0 0 0 0	0 0 0 0 0 0 0 0	0 2 1 0 3 5 8 2	0 0 0 0 0 0 0	0 0 0 0	0 0 0 0 0 1 1 0 0 1 0 0			
Sweden	0 0 0 0	0 0 0 0	0 1 2 0 0 0 0	0 0 0 0 0 2 2 0	0 0 0 0 0 0 0	0 0 0 1	0 0 0 0 0 0 0 0 0 0 1			
Switzerland	0 0 0 0	0 0 0 0	0 1 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 0 0 0 0 0 0 0 0 0			
Turkey	0 0 0 2	0 0 0 0	6 10 10 8 0 3 3 4	0 0 0 0 51 49 28 11	0 0 0 0 0 0 0	0 0 0 0	0 1 0 0 0 0 0 0 0 0 0 0			
TOTAL	0 0 2 3	0 3 2 4	37 68 57 47 8 3 3 7	0 7 12 11 111 181 140 110	0 0 1 0 0 0 0 0	4 4 5 4	0 1 0 0 0 3 5 1 17 22 21 18			



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	IV. DIS	TRIBUTION	OF PERS	SONNEL BY	COUNTRY	Y, GENDER,	ТҮРЕ АГ	ID DURATI		V. TRAINING BY CATEGORY AND COUNTRY										
			TYPE OF	CONTRACT			DI	JRATION O	F CONTR	ACT		MEN		WOMEN           G         MANAGERS         MIDDLE MANAGERS         PLANT (OFFICE)           399         810         1.244           0         58         54           0         0         0           3         403         2.326           53         404         802           99         449         2.026           0         0         6						
	PERM	ANENT	темр	PORARY	SCHOL	ARSHIP	FUL	-TIME	PAR	T-TIME	MANAGERS	MIDDLE	PLANT &	MODOCEDS	MIDDLE	PLANT &				
	MEN	<b>ΜΟΨΕ</b> Ν	MEN	MOWEN	MEN	ΨΟΜΕΝ	ΜΕΠ	ΨΟΜΕΝ	MEN	ΨΟΜΕΝ	IIIHIIHUCKS	MANAGERS	OFFICE	IIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIII	MANAGERS	OFFICE				
Germany	261	54	66	8	13	6	340	64	0	4	283	4.335	7.277	399	810	1.244				
Argentina	47	12	0	0	0	0	47	12	0	0	50	74	471	0	58	54				
Belgium	8	1	0	0	0	0	8	1	0	0	0	0	0	0	0	0				
Brazil	384	76	2	0	3	9	314	59	75	26	3	1.137	15.625	3	403	2.326				
China	391	64	32	3	0	0	415	66	8	1	484	881	3.357	53	404	802				
Colombia	198	47	8	0	3	0	209	47	0	0	431	878	4.208	99	449	2.026				
Denmark	12	4	0	0	0	0	12	4	0	0	3	0	3	0	0	6				
Spain	1.586	200	38	8	4	1	1.598	192	30	17	691	5.501	37.912	504	981	4.989				
USA	61	11	0	0	0	0	61	11	0	0	1.169	3.841	5.177	167	1.002	668				
Slovakia	100	27	45	11	0	0	145	38	0	0	125	601	3.136	16	6	141				
Finland	34	9	0	0	0	0	33	9	1	0	6	20	165	0	8	0				
Netherlands	23	3	4	1	0	0	24	1	3	3	0	0	200	0	16	16				
Hungary	7	3	0	0	0	0	7	3	0	0	20	0	55	0	0	140				
Пехісо	96	13	0	0	0	0	96	13	0	0	37	555	3.256	0	185	296				
Norway	21	3	0	1	0	0	21	3	0	1	5	15	132	0	0	10				
Poland	79	22	10	5	0	0	89	27	0	0	16	1.699	8.104	161	268	2.628				
Portugal	64	20	7	2	0	0	71	22	0	0	0	157	813	16	90	170				
ЦК	199	56	17	2	0	0	214	46	2	12	100	875	7.548	20	161	1.658				
Czech Rep.	142	29	11	5	1	0	153	32	1	2	102	313	1.117	65	140	422				
Romania	277	71	35	4	0	0	277	75	35	0	72	972	9.528	12	120	1.162				
Russia	115	28	0	2	0	0	115	28	0	2	168	1.560	3.252	54	1.164	1.345				
Sweden	87	14	0	0	0	0	85	14	2	0	10	22	395	8	9	50				
Switzerland	14	3	2	0	0	0	16	З	0	0	0	0	0	0	0	0				
Turkey	299	18	0	0	0	0	299	18	0	0	20	600	3.800	0	0	0				
TOTAL	4.505	788	277	52	24	16	4.649	788	157	68	3.794	24.035	115.529	1.576	6.273	20.153				



	VI. NON-HAZARDOUS WASTE (TONNES)									
	Scrap		Packaging					Construction		
_	Scrap	Wood	Tablex	Paper and cardboard	Recyclable plastic	Non-recyclable plastic	Mixed	Other	Construction	Polvo granallado
Germany	32.834	140,00	0,00	54,00	0,00	0,00	124,00	66,35	5,90	0,00
Argentina	3.750	0,0	0,0	34,7	112,0	0,0	0,0	22,0	0,0	0,0
Brazil	25.288	188,4	0,0	35,0	300,5	0,0	12,1	60,4	29,6	0,0
China	60.605	193,6	0,0	16,5	10,2	0,0	0,0	0,0	0,0	0,9
Colombia	1.606	0,0	0,0	9,9	4,4	0,0	0,0	138,0	21,1	0,0
Spain	115.369	466,9	374,6	118,8	39,4	172,2	167,7	407,8	1.462,2	0,0
USA	16.129	98,4	0,0	122,4	1,1	0,0	0,0	0,0	0,0	0,0
Slovakia	20.233	189,3	0,0	5,1	2,0	0,0	29,0	0,0	0,0	0,0
Finland	-	6,8	0,0	18,4	0,6	0,0	0,0	1,8	0,0	0,0
Netherlands	-	0,0	0,0	2,9	0,2	0,0	0,0	4,7	0,0	0,0
Mexico	14.306	9,0	0,0	199,1	56,9	0,0	888,0	6,3	0,0	0,0
Poland	8.012	34,8	0,0	66,4	35,1	0,0	0,0	0,0	0,0	0,0
Portugal	2.987	132,8	0,0	25,1	21,6	35,2	0,0	0,0	0,0	0,0
ЦК	10.922	124,6	0,0	0,5	11,2	0,0	0,0	260,7	0,0	0,0
Czech Rep.	642	9,7	0,0	10,1	0,0	2,9	0,0	36,4	0,0	0,0
Romania	1.984	50,0	0,0	13,3	0,0	16,2	0,0	65,4	8,6	1,3
Russia	2.908	43,0	0,0	202,6	38,7	0,0	1,7	1,0	0,0	0,0
Sweden	-	9,0	0,0	4,0	1,3	0,0	0,0	9,1	0,0	0,6
Turkey	2.223	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
TOTAL	319.797	1.696	375	939	635	226	1.223	1.080	1.527	3



	VII. HAZARDOUS WASTE (TONNES)								
	Mo	oterial	Packaging	Galvanising			Pickling	Painting	
-	Oil	Absorbent	Contaminated	Ashes	Mattes	Matas filtro	Ferrous Chloride with Zinc	FeCl <sub>2</sub>	Electrostatic
Germany	0,01	11	0	0	0	0	0	0	0
Argentino	0,00	8	0	0	0	0	0	0	0
Brazil	0,02	72	0	0	0	0	0	4.444	0
China	0,01	0	0	0	0	0	0	0	0
Colombia	0,00	7	0	55	37	0	0	176	3
Spain	0,07	55	10	268	157	40	1.431	12.353	19
USA	0,02	0	0	0	0	0	0	0	0
Slovakia	0,00	19	5	0	0	0	0	0	0
Mexico	0,00	5	0	0	0	0	0	0	0
Portugal	0,00	11	0	0	0	0	0	0	0
ИК	0,01	27	0	0	0	0	0	0	0
Czech Rep.	0,00	2	1	0	0	0	0	0	0
Romania	0,01	0	1	0	0	0	0	0	64
Russia	0,00	2	0	0	0	0	0	0	6
Sweden	0,00	2	0	0	0	0	0	0	0
TOTAL	0,2	220,3	18,7	323,4	194,9	40,5	1.431,1	16.973,6	91,0



# GRI Content Index

Verification reports

There has been no restatement of information with respect to the previous year. The content has been adapted to the materiality study and to the changes established in the reference guides: GRI 1: Fundamentals 2021, GRI2: General Contents 2021 and GRI 3: Material Issues 2021.

## General

GRI 2	GENERAL CONTENTS	Material Yes / No	Page
Contents 2-1	Details of the organisation	Πο	9, 10 & 112
Contents 2-2	Entities included in sustainability reporting	Πο	10
Contents 2-3	Reporting period, frequency and contact	Πο	138
Contents 2-4	Restatement of information	Πο	138
Contents 2-5	External verification	Πο	137 & 138
Contents 2-6	Activities, value chain and other business relationships	Πο	11, 12, 13, 14, 15, 16, 85, 87 y 138
Contents 2-7	Employees	Yes	42
Contents 2-8	Non-employee workers	Πο	ΠA

## Governance (ESG)

GRI 2	GENERAL CONTENTS	Material Yes / No	Page
Contents 2-9	Governance structure and composition	Yes	113
Contents 2-10	Nomination and selection of the highest governing body	Yes	114
Contents 2-11	Chairman of the highest governing body	Yes	114
Contents 2-12	Role of the highest governance body in overseeing impact manage- ment	Πο	114
Contents 2-13	Delegation of responsibility for impact management	Πο	114
Contents 2-14	Role of the highest governance body in sustainability reporting	По	114
Contents 2-15	Conflicts of interest	Yes	115
Contents 2-16	Communicating critical concerns	Yes	115
Contents 2-17	Collective knowledge of the highest governance body	По	115
Contents 2-18	Performance evaluation of the highest governance body	Πο	115
Contents 2-19	Remuneration policies	По	116
Contents 2-20	Process for determining remuneration	По	116
Contents 2-21	Total annual compensation ratio	По	ND



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## Governance (ESG)

GRI 2	GENERAL CONTENTS	Material Yes / No	Page
Contents 2-22	Sustainable Development Strategy Statement	По	3 y 5
Contents 2-23	Policies and commitments	Yes	9, 125, 126 & 133
Contents 2-24	Mainstreaming political commitments	Yes	125, 126 & 130
Contents 2-25	Processes to remedy negative impacts	Yes	116 & 126
Contents 2-26	Advisory mechanisms and ethical concerns	Yes	126 &128
Contents 2-27	Compliance with laws and regulations	Yes	128
Contents 2-28	Membership of associations	По	135
Contents 2-29	Approach to Stakeholder Engagement	По	17
Contents 2-30	Collective bargaining agreements	По	43
Contents 3-3	Risk Management	Yes	129

GRI 3	TOPICS MATERIALS	Material Yes / No	Page
Contents 3-1	Process of determining the material issues	Yes	18
Contents 3-2	List of material items	Yes	19 y 38
Contents 3-3	Management of material issues	Yes	33, 125, 126, 133

GRI 201	ECONOMIC PERFORMANCE	Material Yes / No	Page
201-1	Direct economic value generated and distributed	По	117 y 118
201-2	Financial implications and other risks and opportunities arising from climate change	Yes	133
201-3	Defined benefit and other pension plan obligations	По	54 <del>&amp;</del> 55
201-4	Financial assistance received from the government	Πο	119
GRI 202	MARKET PRESENCE	Material Yes / No	Page
202-2	Proportion of senior executives recruited from the local community	По	
GRI 204	MARKET PRESENCE	Material Yes / No	Page
204-1	Proportion of expenditure on local suppliers	По	88
GRI 205	ANTI-CORRUPTION	Material Yes / No	Page
205-1	Operations assessed for corruption-related risks	Πο	125
205-2	Communication and training on anti-corruption policies and procedures	Yes	127
205-3	Confirmed incidents of corruption and measures taken	По	128
GRI 206	UNFAIR COMPETITION	Material Yes / No	Page
206-1	Legal actions relating to unfair competition and monopolistic and anti-competitive practices	Πο	128
GRI 207	ΤΑΧΑΤΙΟΝ	Material Yes / No	Page
207-1	Fiscal approach	По	123
207-2	Fiscal governance, control and risk management	Yes	123
207-3	Stakeholder engagement and management of stakeholder concerns on tax issues	По	123
207-4	Country-by-country reporting	По	119



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## **Environment (ESG)**

GRI 301	MATERIALS	Material Yes / No	Page
301-1	Materials used by weight or volume	Yes	34
301-2	Recycled inputs used	Yes	34
301-3	Recovered products and packaging materials	Yes	35

GRI 302	ENERGY	Material Yes / No	Page
302-1	Energy consumption within the organisation	Yes	25
302-2	Energy consumption outside the organisation	Yes	26
302-3	Energy intensity	Sí	26
302-4	Reduction of energy consumption	Yes	27
302-5	Reducing the energy requirements of products and services	Yes	27, 33 & Note A

GRI 303	WATER AND EFFLUENTS	Material Yes / No	Page
303-1	Interaction with water as a shared resource	Πο	38
303-2	Management of impacts related to water discharges	Πο	38
303-3	Water abstraction	Πο	38
303-4	Water discharge	Πο	38
303-5	Water consumption	Πο	38

GRI 305	EMISSIONS	Material Yes / No	Page
305-1	Direct GHG emissions (Scope 1)	Yes	28 <del>6</del> 29
305-2	Indirect GHG emissions associated with energy (scope 2)	Yes	28 <del>6</del> 29
305-5	Reduction of GHG emissions	Yes	30
305-6	Emissions of ozone depleting substances (ODS)	Yes	30
305-7	Nitrogen oxides (NOx), sulphur oxides (SOx) and other significant emissions to air	Yes	30

Perimeter

GRI 306	WASTE	Material Yes / No	Page
306-1	Waste generation and significant waste-related impacts	Yes	35
306-2	Management of significant waste-related impacts	Yes	35 <del>&amp;</del> 36
306-3	Waste generated	Yes	35 <del>6</del> 39
306-4	Wastes not destined for disposal	Yes	35
306-5	Waste for disposal	Yes	35 <del>6</del> 38



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## Social (ESG)

GRI 401	EMPLOYMENT	Material Yes / No	Page
401-1	Recruitment of new employees and staff turnover	Yes	51
401-2	Benefits for full-time employees that are not provided to part-time or temporary employees.	Yes	54
401-3	Parental leave	Yes	53 & 54
GRI 403	HEALTH AND SAFETY AT WORK	Material Yes / No	Page
403-1	Occupational health and safety management system	Yes	62 y 78
403-2	Hazard identification, risk assessment and incident investigation	Yes	65 y 68
403-3	Occupational health services	Yes	64, 67 <del>ፍ</del> 70
403-4	Worker participation, consultation and communication on occupational health and safety at work	Yes	65 y 78
403-5	Training of workers on occupational health and safety at work	Yes	76
403-6	Promoting workers' health	Yes	56
403-7	Prevention and mitigation of occupational health and safety impacts directly linked through business relationships	Yes	65
403-8	Coverage of the occupational health and safety management system	Yes	62
403-9	Injuries due to accidents at work	Yes	65
403-10	Occupational diseases and illnesses	Yes	70

GRI 404	TRAINING AND EDUCATION	Material Yes / No	Page
401-1	Recruitment of new employees and staff turnover	Yes	51
401-2	Benefits for full-time employees that are not provided to part-time or temporary employees.	Yes	54
401-3	Parental leave	Yes	53 & 54
GRI 405	DIVERSITY AND EQUAL OPPORTUNITIES	Material Yes / No	Page
405-1	Diversity of governing bodies and employees	Yes	42, 58 & 112
GRI 406	NON-DISCRIMINATION	Material Yes / No	Page
406-1	Cases of discrimination and remedial action taken	Yes	128
GRI 407	FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING	Material Yes / No	Page
407-1	Operations and suppliers where the right to freedom of association and collective bargaining may be at risk	Πο	43



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## Social (ESG)

GRI 408	CHILD LABOUR	Material Yes / No	Page
408-1	Operations and suppliers with significant risk of child labour cases	Πο	128
GRI 409	FORCED OR COMPULSORY LABOUR	Material Yes / No	Page
409-1	Operations and suppliers with significant risk of cases of forced or compulsory labour	Πο	128
GRI 415		Material Yes / No	Page
415-1	Contribution to political parties and/or representatives	Yes	135 & 119
GRI 416	CLIENT HEALTH AND SAFETY	Material Yes / No	Page
416-1	Assessing the health and safety impacts of product and service categories	Yes	Note B
416-2	Cases of non-compliance concerning health and safety impacts of product and service categories	Yes	128

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GRI 417	MARKETING AND LABELLING	Material Yes / No	Page
417-1	Requirements for information and labelling of products and services	Yes	
417-2	Cases of non-compliance related to product and service information and labelling	Yes	128
417-3	Cases of non-compliance related to marketing communications	Yes	128
GRI 418	CUSTOMER PRIVACY	Material Yes / No	Page
<b>GRI 418</b> 418-1	CUSTOMER PRIVACY substantiated complaints regarding breaches of customer privacy and loss of customer data		<b>Page</b> 128
	substantiated complaints regarding breaches of customer privacy and	Yes / No	

Perimeter

Note A (302-5): Not Applicable. Products follow customer specifications, so there is little ability to influence.

Note B (416-1). Not Applicable due to the company's product typology.



ANNEXES

### ANNEX V

# Associations and organisations 102-13

Gonvarri Barcelona

**Gonvauto Barcelona** 

Llobregat

Cataluña

Gonvarri Valencia

Verification reports

### Corporate Level

- Pacto Mundial de Naciones Unidas
- Eundación SERES

### Еигоре

 European Steel Association (EUROFER)

### Spain

- Confederación Española de Organizaciones Empresariales del Metal (CONFEMETAL)
- Unión de Empresas Siderúrgicas (UNESID)
- Asociación Española de Contabilidad y Administración de Empresas
- AMCHAMSPAIN
- Asociación Innovación en Prevención.
- Asociación Española para la Calidad (AEC).
- Instituto Empresa Familiar
- Fundación Alzheimer Spain
- Asociación Catalana de Empresas de Moldes y Matrices (ASCAMM).
- Asociación Española de Tecnologías de Fabricación Aditiva y 3D (ADDIMAT).
- Asociación Española de Proveedores de Automoción (SERNAUTO).

- Asociación para el Proareso de la Gonvauto Navarra Dirección (A.P.D.). Asociación de Empresarios del
- Asociación Instituto de Auditores Internos.

Associació Industrial per a la

Producció Neta (AIPN)

• Unió Patronal Metallúrgica

Associacio Industrial per a

• Unió Patronal Metalúrgica

Clúster de Automoción de

• Unio de Magatzemistes de

Asociación Valenciana de la

Valencia (FEMEVAL)

• Unión de almacenistas del

hierro de Spain (UAHE)

• Asociación de Industriales

Metalúrgicos de Galicia (ASIME)

• Clúster del Automóvil de Galicia

**Gonvauto Galicia** 

Ferros de Catalunya y Balears

Industria de Automóvil (AVIA)

la Produccio Neta i Delta del

- Metal (ANEM)
  - Club de Marketina
  - Clúster de Automoción

### Gonvarri Burgos

- Federación Empresarial del Metal (FEMEBUR)
- Asociación para la calidad
- Asociación Empresarial Polígono Gamonal

Quantitative information

- Center for the Development of Excellence, S.L.
- Digital HUB Burgos

### Hiasa and Gonvauto Asturias

- Federación de Empresarios del Metal u Afines del Principado de Asturias (FEMETAL)
- FADE ASTURIAS

### Gonvarri Tarragona

 Asociación Provincial de Empresarios del Metal de Tarragona (APEMTA)

- Federación de Empresarios del Metal de la provincia de Alicante (FEMPA)
- AIJU Instituto Tecnológico
- Asociación de Empresarios de Ibi y Comarca (IBIAE)

### Gonvarri Portuaal

• Associação Nacional das Empresas Metalúraicas e Electromecânicas (ANEME)

### **Gonvarri Poland**

 Unión Polaca de Distribuidores de Acero (PUDS).

### Gonvarri Germany

- Initiative Erfurter Kreuz
- IHK Südthüringen
- Initiative Erfurt Cross

### GMH Germany

- European Racking Federation (ERF)
- Verband für Lagertechnik Betriebseinrichtung (LBE)

- Formina
- (ARILOG)

### GMH Russia

- St. Petersburg International Business Association (SPIBA)
- **Gonvauto Puebla** Camara Nacional de la Industria
- Relaciones Industriales de Puebla y Tlaxcala A.C. (Riptac)

### GMH Kredit

 Hospodářská komora ČR/Czech Chamber of commerce

### Gonvarri Turkeu

- Kahramankazan Industrialists' and Businessmen's Association (KASIAD)
- General Galvanizers Association (GALDER)
- Turkey Section of the International Solar Energy Society (GÜNDER)
- Steel Guardrail and Road Safety Systems Association (TOD)

### **Gonvauto South Carolina**

 HR Association Union Chamber of Commerce.

### Gonvarri Argentina

 Asociación de Recursos Humanos de Argentina (ADRHA)

Industriales de Colombia (ANDI)

### Gonvarri Colombia • Asociación Nacional de

 Corporación Colombiana Internacional (CCI)

### de Transformación (Canacintra)

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 Asociación Empresarios Camp de Morvedre (ASECAM) • Federación del Metal de

Flinsa

- Güteaemeinschaft (RAL)
- Steel&Allou • Confederation of British Metal

### GMH Romania

• Asociatia Romana de Logistica



## Annex VI Scope consolidation of Gonvarri Industries S.L. and subsidiaries

% share in the head

of the erous Cl

Scope consolidation. The group was composed by the following companies at the end of 2022 (102-45).

Verification reports

		of the group Gl		
	Address	Direct	Indirect	
Gonvarri MS Corporate, S.L.	Bilbao	100%		
Gonvarri MS Colombia, S.A.S, S.L.	Colombia		100%	
GMS Francia SAS *	Francia		100%	
Çepas Galvaniz, Sanayi Anomin Sirketi	Turkey		100%	
Gonvarri Chile Estructuras Metálicas, Ltda.	Chile		100%	
Hierros y Aplanaciones, S.A.	Asturias		100%	
Road Steel Engineering, SL	Valladolid		100%	
Suports Desarrollo y Soluciones, SL	Valencia		100%	
Suports Energia Sustentable Mexico S.A.P.I. de C.V	Mexico		100%	
Gonvarri MS Baja California S.A	Mexico		100%	
Gonvarri MS Deustchland. GMBH	Germany		100%	
Gonvarri MS Perú, S.A.C. *	Perú *		100%	
Gonvarri MS R&D, SL	Madrid		100%	
Gonvarri Agrotech, S.L.	Asturias		100%	
Gonvarri Solar Steel, S.L	Asturias		100%	
Obratel *	Spain		100%	
Gonvarri Solar Steel US, Inc	USA		100%	
Gonvauto Asturias, SL	Madrid	100%		
Addimen Bizkaia, SL	Bilbao	93%		
Arcerlomittal Gonvarri SSC Slovakia, S.R.O	Slovakia	50%		
Arcerlomittal Gonvarri Nitra S.R.O	Slovakia		50%	

	Address	% share in the head of the group GI	
		Direct	Indirect
Flejes Industriales, SA	Alicante	100%	
Sogei S.A	Madrid	70%	
Gonvarri Argentina S.A.	Argentina	100%	
ArcelorMittal Gonvarri Brazil, Pdtos. Siderúrg. S.A	Brazil	50%	
MAG Aliança Automóveis do Brazil SSC S.A. *	Brazil *		25%
Gonvarri Aluminium, GMBH.	Germany	100%	
Gonvauto Thüringen, GMBH	Germany	100%	
Laser Blanking Germany, GMBH	Germany	100%	
Gestamp Automotive India Private Ltd *	India *	50%	
Gonvarri Polska, SP, ZO O.	Poland	100%	
Gonvarri Czech, S.R.O.	Czech Rep.	100%	
Gonvauto Galicia, S.A.	Galicia	100%	
Gonvauto, S.A.	Barcelona	100%	
Gonvauto Puebla, S.A. de C.V.	Mexico		100%
Gonvarri I.Centro de Servicios, S.L.	Madrid	100%	
Gonvarri Industrial Maroc, S.A. *	Marruecos *	100%	
Gonvarri Italia, S.p.A. *	Italia *	100%	
Gonvarri I. Trading, S.L.	Madrid	100%	
Gonvarri Ptos. Siderúrgicos, S.A.	Portugal	100%	
Gonvarri Steel Services US, INC *	(Delaware) EE.UU *	100%	

Perimeter



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Quantitative information

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ns Perimeter

% share in the head

			n the head group Gl
	Address	Direct	Indirect
Gonvauto South Carolina LLC.	(South Carolina) USA		100%
Gonvarri Valencia, S.A	Valencia	100%	
Gonvarri Tarragona, S.L.	Tarragona	100%	
Láser Automotive Barcelona, S.L.	Barcelona	51%	
Láser Automotive Valencia, S.L.	Valencia	51%	
Láser Automotive Zaragoza, S.L.	Zaragoza	51%	
Gonvarri Vizcaya, S.L	Bilbao	100%	
Gonvasolar, S.L.	Madrid	100%	
Gonvauto Navarra, S.A.	Navarra	100%	
Joint SGH, S.L	Madrid	50%	
SGK LLC	Russia		50%
Steel & Alloy Holding LTD.	(Birmingham) UK	100%	
Steel & Alloy Procesing LTD	(Birmingham) UK		100%
Dongguan Gonvarri Summit Automotive Steel Processing Center CO. LTD	China	100%	
Vama Gonvarri Automotive Solutions CO. LTD	China	50%	
Vama Gonvarri Automotive Solutions (Shenyang) CO. LTD	China		50%
Vama Gonvarri Automotive Solutions (Changshu) CO. LTD	China		50%
Vama Gonvarri Automotive Solutions (Chongqing) CO. LTD	China		50%
Vama Gonvarri Automotive Solutions (Loudi) CO. LTD	China		50%
Laserboost	Spain	90%	
Riera Tutó, S.L.	Barcelona	51%	
Riera Tutó Valencia, S.L.	Valencia	51%	

		of the group GI	
	Address	Direct	Indirect
Rejillas Calibradas S.L.	Barcelona	20%	
H2Greem Global Solutions, S.L.	Madrid	51%	
Gonvarri Material Handling AS	Oslo, Norway	100%	
Constructor Finland OY	Finland		100%
Constructor Rus	Russia		100%
Dexion GMBH	Germany		100%
Dexion KFT Hungary	Hungary		100%
Dexion Nv/SA Belgium	Belgica		100%
Constructor Norge AS Norway	Norway		100%
Dexion Storage Solutions SRL, Romania	Romania		100%
Constructor Sverige AS Sweden	Sweden		100%
Constructor Shared Services AB Sweden	Sweden		100%
Dexion Polska SP. Z.o.o Poland	Poland		100%
Dexion Sro Czech Republic	Czech Rep.		100%
Constructor Danmark A/S Denmark	Denmark		100%
Dexion Spol Sro Slovakia	Slovakia		100%
Constructor Group UK Ltd	UK		100%
Constructor Dexion Holland BV	Netherlands		100%
Dexion Österreich GmbH	Austria		100%
Gonvarri Stålteknik AB	Sweden		100%
Kredit SRO Czech Republic	Czech Rep.		100%
Kaufmann Systems AG	Switzerland		80%
Complete Storage & Interiors LTD	UK		100%
Lampe Lagertechnik GmbH	Germany		100%
Dexion Storage Solution Unipessoal LDA	Portugal		100%
Gonvarri Material Handling, S.L.	Madrid		100%

