

**Sustainability
Report 2022**
Executive Summary



Gonvarri
Industries



Gonvarri
Industries



Drive
Gonvarri Industries

Doing Well
by **Doing Good**
Gonvarri Industries 2030

Purpose

To offer
Metal Solutions
for a safer and
sustainable future.

Vision

To improve the
Performance of our
customers providing
Innovative and
Sustainable Metal
Solutions based
on a Worldwide
highly **Collaborative**
Organization.

Mision

Gonvarri Industries

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.

Gonvarri Industries' ethical and business values lead the way and inspire its **"Doing Well by Doing Good"** purpose. For only by acting in the right way; by believing in what you do; by acting honestly and consistently will you get things right.

Key figures
2022


893,224
Energy
consumption
(GJ)


81%
Certification
ISO 14001


Scope 1 & 2
31,717
tCO₂eq


Energy
efficiency
19.67
Gwh/year
Acumulated
savings


Circular
economy
>90%
of waste
valorised


Total own
employees
6,180
5,662 Perimeter
Report


Locally recruited
employees
98%

76%
Certification
ISO 45001


+171,360
Training
hours


5,770
EVD
Million €


46
Factories in
operation


5,979
Turnover
Million €


363
EBITDA
Million €


60
CAPEX
Million €

5 **Materiality
Study.**
new material
aspects

Worldwide Presence

GLOBAL PERIMETER
/PERIMETER OF THE
SUSTAINABILITY REPORT



America

- USA
 - **Gonvauto** South Carolina
- MEXICO
 - **Gonvauto** Puebla
 - **Off. GMS Baja California** Supports Mexico
- COLOMBIA
 - **Gonvarri** Colombia
- BRAZIL
 - **AMG** Campinas
 - **AMG** Resende*
 - **AMG** Paraná
 - **AMG** Glorinha Rio Grande
- ARGENTINA
 - **Gonvarri** Argentina

Europe

- SPAIN
 - **Headquarters**
 - **Gonvarri** Burgos
 - **Gonvarri** Barcelona
 - **Gonvarri** Tarragona
 - **Gonvarri** Valencia
 - **Gonvauto** Barcelona
 - **Gonvauto** Galicia
 - **Gonvauto** Navarra
- **Hiasa**
 - **Gonvauto** Asturias
 - **Laser** Barcelona
 - **Laser** Valencia
 - **Laser** Zaragoza
 - **Laser** Riera i Tutó Barcelona
 - **Laser** Riera i Tutó Valencia***
 - **Flinsa**
 - **Supports**
 - **Addimen**
 - **GMS** Bilbao Off.
 - **Road Steel Engineering**
 - **Gonvarri** Solar Steel
 - **Gonvarri** Vizcaya
 - **Sogeisa**
 - **Reca**
 - **Laser Boost**
 - **H2Green**
- PORTUGAL
 - **Gonvarri** Portugal
- UK
 - **Steel & Alloy** Popes Lane
 - **Steel & Alloy** Newton Aycliffe
 - **Steel & Alloy** Bridge Street
 - **Steel & Alloy** Union Street
 - **GMH** UK
 - **GMH** Complete Storage
 - **Interiors Ltd** (CSI)
- NETHERLANDS
 - **GMH** Holland
- GERMANY
 - **Gonvauto** Thüringen
 - **Gonvauto** Automotive
 - **Gonvarri** Aluminium
 - **GMH** Laubach
 - **GMH** Lampe Lagertechnik
 - **Gonvarri** GMS DT
- BELGIUM
 - **GMH** Belgium
- SLOVAKIA
 - **AMG** Senica
 - **Gonvauto** Nitra
 - **GMH** Slovakia
- DENMARK
 - **GMH** Denmark
- NORWAY
 - **GMH** Norway

Asia

- TURKEY
 - **Gonvarri** Turkey (Çepaş)
- INDIA
 - **GA IPL** Pune*
- CHINA
 - **Gonvvama** Shenyang
 - **Offices Gonvarri Asia**
 - **Gonvvama** Changshu
 - **GVS** Dangguan**
 - **Gonvvama** Loudi
 - **Gonvvama** Chongqing

Factories Distribution centres and offices

- **Gonvarri** Steel Services
- **Gonvarri** Metal Structures
- **Gonvarri** Material Handling
- **Gonvarri** Precision Tubes

* Not included in the scope of the report.
** Closed in 2022.
*** Factory under construction.

Materiality

In 2022 we have updated the materiality study, an exercise that is carried out on a biennial basis. Compared to the 2020 study, 5 new issues have emerged as material for stakeholders: Diversity, Flexibility, Risks, Innovation and Cybersecurity.

Result of the 2022 Materiality Study:



ENVIRONMENTAL Issues - Topics covered		
Carbon Neutral Strategy	Commitments and Strategic Plan to move towards a “Carbon Neutral” future.	7. ENERGÍA LIMPIA Y CLIMATOLOGÍA 13. ACCIÓN POR EL CLIMA
Environmental Management	Public policy and environmental management mechanisms that contribute to continuous improvement and minimisation of the company’s environmental impact.	12. PRODUCCIÓN Y CONSUMO RESPONSABLES
Circular Economy	Sistema de control y medición de materias primas, la minimización de residuos y gestión sostenible, que fomente la Economía Circular	12. PRODUCCIÓN Y CONSUMO RESPONSABLES



SOCIAL Issues Topics covered		
Talent	Robust training, career development and performance appraisal programmes that contribute to attracting and retaining talent.	4. EDUCACIÓN Y FORMACIÓN 8. EMPRESAS Y COMUNIDADES ECONÓMICAS
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. SALUD Y BIENESTAR
Diversity	Diversity policies, strategy and initiatives (gender, age, origin, etc.).	5. GÉNERO
Flexibility	Policies, measures and initiatives that enable workers to adapt their needs to working hours and improve work-life balance (personal/professional)..	8. EMPRESAS Y COMUNIDADES ECONÓMICAS
Customers	Customer relations and collaborative projects that contribute to the development of more sustainable products.	8. EMPRESAS Y COMUNIDADES ECONÓMICAS 12. PRODUCCIÓN Y CONSUMO RESPONSABLES
Innovation	Projects and initiatives aimed at the improvement and efficiency of products and processes.	9. INDUSTRIA, INNOVACIÓN E INFRAESTRUCTURA
Cybersecurity	Policies, measures, training and risk control in cybersecurity, information security and data and asset protection..	9. INDUSTRIA, INNOVACIÓN E INFRAESTRUCTURA



GOVERNMENT Affairs Topics covered		
Ethics, compliance	Policies, measures, training and risk control in cybersecurity, information security and data and asset protection.	8. EMPRESAS Y COMUNIDADES ECONÓMICAS 16. PAZ, JUSTICIA Y FUERZAS DE SEGURIDAD
Risks	Framework for identification, monitoring, mitigation and control of potential risks.	8. EMPRESAS Y COMUNIDADES ECONÓMICAS 16. PAZ, JUSTICIA Y FUERZAS DE SEGURIDAD

Main brands and products

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



Gonvarri
Service Centers

Service Centres

Sectors

- Automotive
- Industry
- Household appliances

Processes

- Mechanical cutting
- Surface treatment
- Customised production



Gonvarri
Metal Structures

Metal Structures

Road Steel

Design, manufacture and installation of road safety



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



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 world's leading engineering and manufacturing suppliers of storage and handling systems offering a comprehensive service, for all industrial environments.



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 revolutionary solutions, such as highly efficient industrial systems that help protect the environment.



Precision Tubes

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



Laser

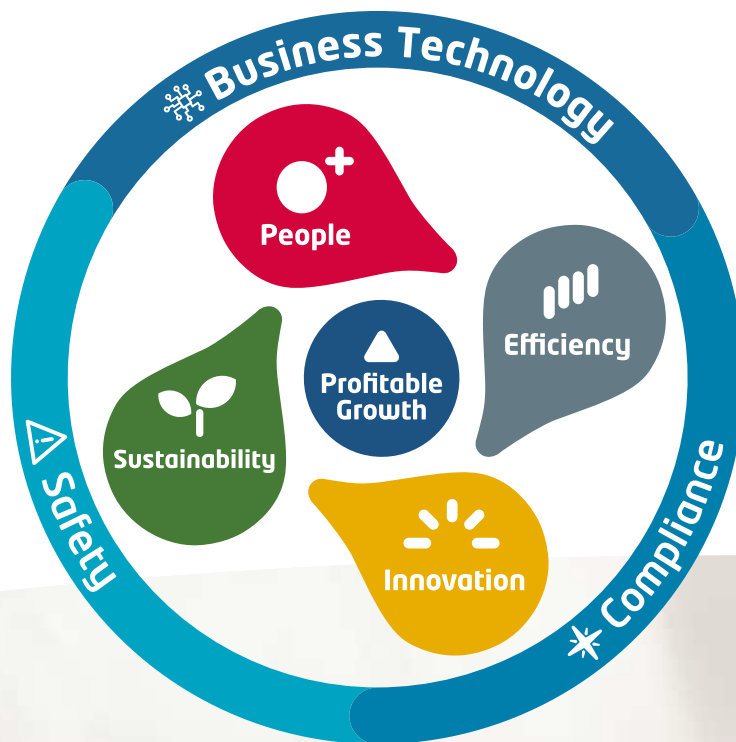
Handling, preparation, cutting and 3D industrial laser marking of all types of metal and plastic parts and materials used in all kinds of activities and industries, especially in the automotive sector. The laser process provides parts with minimum weight and maximum strength, which results in greater stability and lower consumption.



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 long-term value creation. For this reason, it integrates and updates its strategy with a comprehensive ESG (Environmental, Social and Environmental) approach.

Government) generating a positive impact on the customer, industry, society and the environment.



The opportunity of environmental challenges

For Gonvarri Industries, addressing the challenges posed by sustainability represents an opportunity to create **economic growth** and **social development**.

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.

Environmental

- **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 the waste is recovered and 36% of the steel used is of recycled origin.
- 81% of factories certified under ISO **14001 standard**



Social

- Promoting stable and local **employment**.
- **Talent** retention, performance assessment, mobility and training.
- Objective: **Zero accidents: -37% accident rate** (vs. 2021)
- 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



Government

- **Sustainability, Ethics and Compliance** Policy.
- Ethics **channel** and ethics committee: 2,364 visits.
- **Carbon Neutral Committee**: monitoring of actions towards the Net Zero target in 2050.
- **Transparency and commitment. New materiality study.**
- Economic Value Distributed: **5,770** million.
- Investment in activities aligned with the **European Taxonomy**.
- Sustainability index reporting **CDP** and **Ecovadis**.



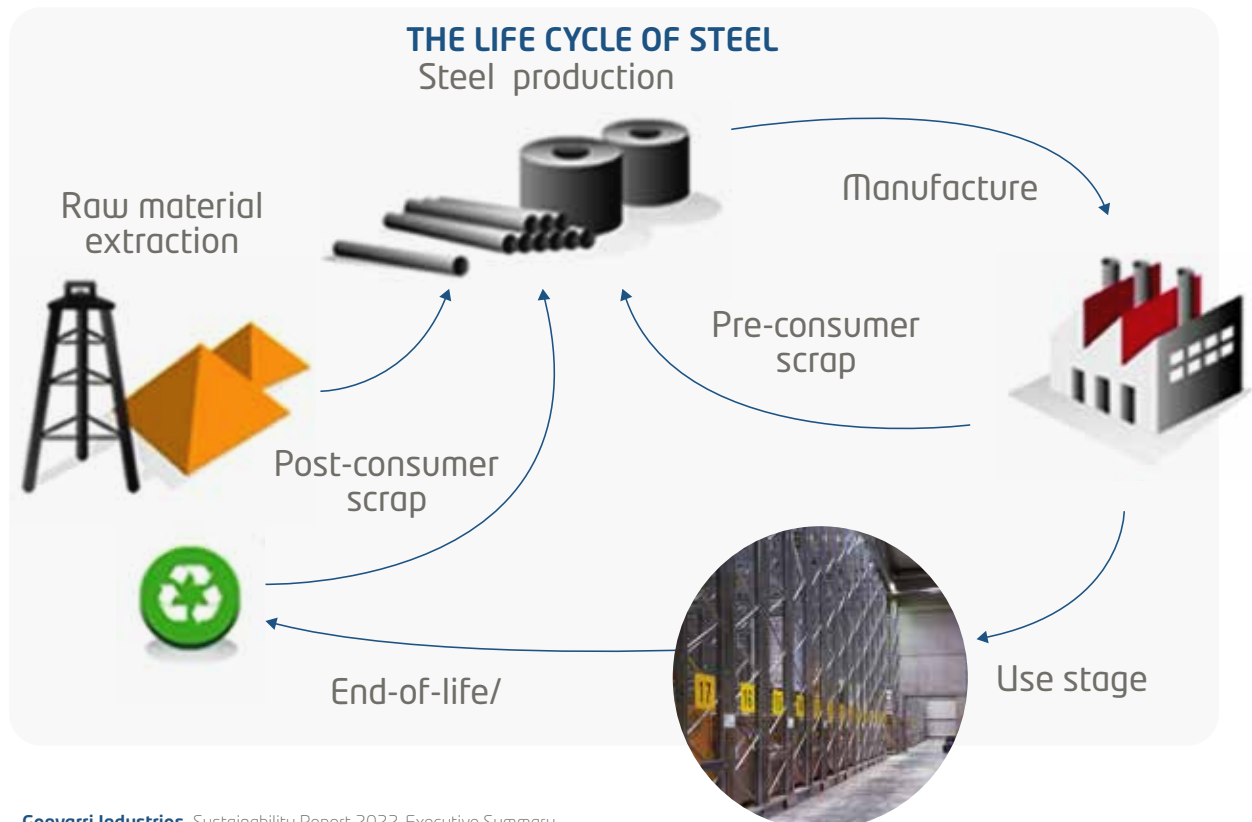
Responsible environmental management

Responsible environmental management is one of Gonvarri Industries' core values and a cross-cutting element of the company's strategy. **Decarbonisation** and **circularity** are the two cornerstones on which the company drives the transformation of its processes, achieving an efficient use of resources (energy, materials, etc.) and a reduction in the impact on the environment.

Circular Economy

Steel, the main component of Gonvarri's processes, is one of the main materials used by the world economy. Steel is 100% recyclable, saving energy and emissions compared to steel made from iron ore.

This characteristic makes it the circular material par excellence and is in turn driving the integral transformation of the steel manufacturing sector.



Purchases of recycled steel

The steel industry is 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 CO₂ 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.

Non-hazardous waste

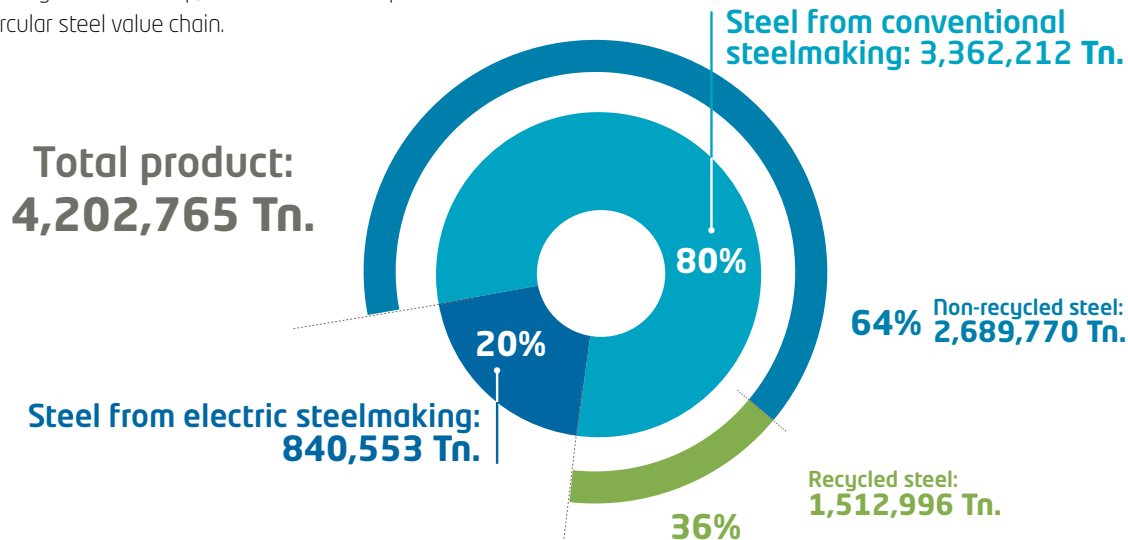
A total of 328,501 tonnes were produced. Scrap stands out with 97% of the total. The remaining 3% is made up of plastic packaging, cardboard, tablex, wood, organic and construction waste, among others.

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.

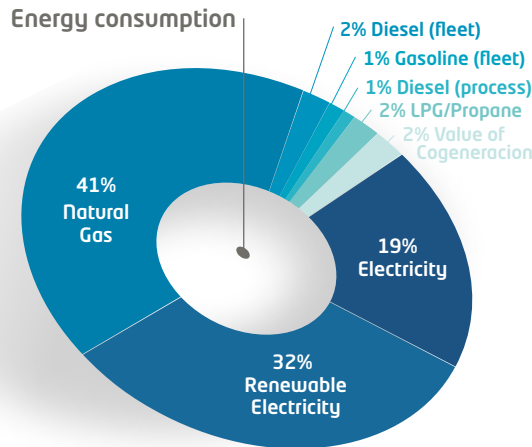


Energy

La monitorización, el control y la reducción del consumo energético son aspectos muy importantes dentro de la gestión de la compañía.

Internal energy consumption

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%.



Purchase of electricity from renewable sources

At the end of 2022, the purchase of electricity from renewable sources amounted to 74 GWh, representing 58% of total electricity consumption.

Photovoltaic power generation for self-consumption

At the end of 2022, self-consumption was 6 GWh, representing 5% of total electricity consumption.

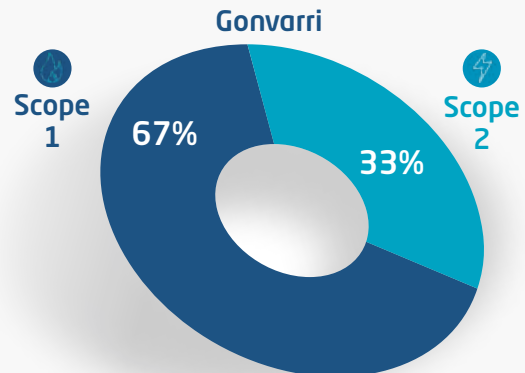
Emissions

Scope 1 and 2

In 2022, Gonvarri Industries emitted **31,717 tCO₂ eq** into the atmosphere, corresponding to direct emissions (Scope 1) and indirect emissions due to electricity consumption (Scope 2). In 2022, direct emissions were **21,280 tCO₂ eq**.

In 2022, the indirect emissions from electricity consumption and steam purchases (Scope 2) amount to a **10.437 tCO₂ eq**.

tCO ₂ 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	



Follow-up of the plan in 2022

Conclusions



Emissions Scope 1

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

The level of compliance with the decarbonisation pathway, or carbon budget, was **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.

The sum of Scope 1 + Scope 2 emissions have been reduced by **40%** compared to 2021.

Emissions Scope 2

Emissions have been reduced by **65%** compared to 2021.

The level of compliance with the decarbonisation pathway, or carbon budget, was **234%** compliance.

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 photovoltaic solar self-consumption that has accounted for 3.4% of electricity consumption (factories within the perimeter of the Carbon Footprint).

2020

Establishment of emission reduction targets for 2030.

2024

Scope 3: Reporting and targeting.



2030

Short-term objectives

SBTi objectives::

- 50% reduction of Scope 1 emissions (base year 2019).
- 100% reduction of Scope 2 emissions (base year 2019).



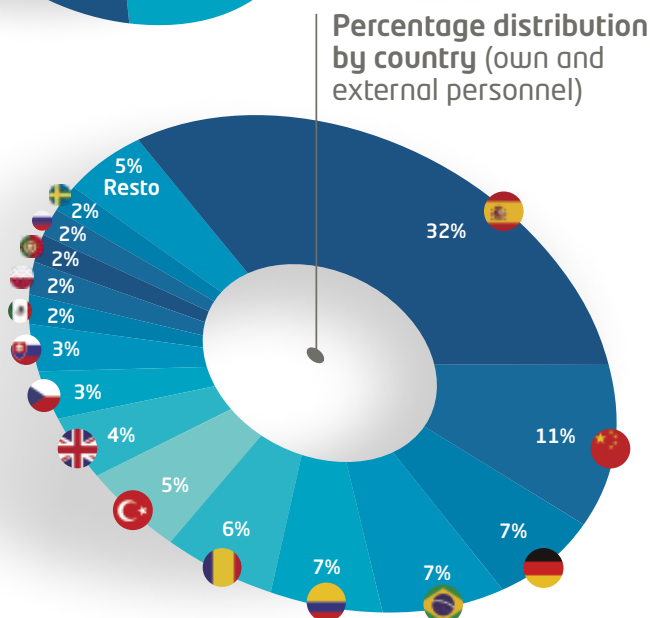
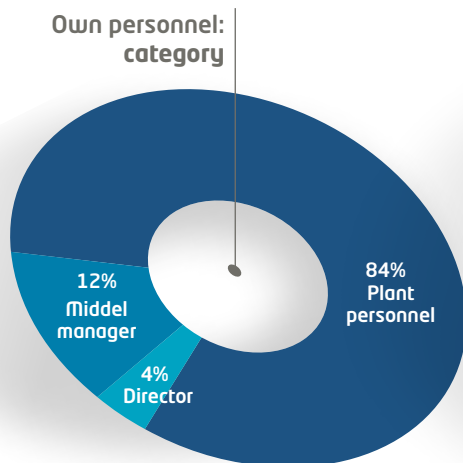
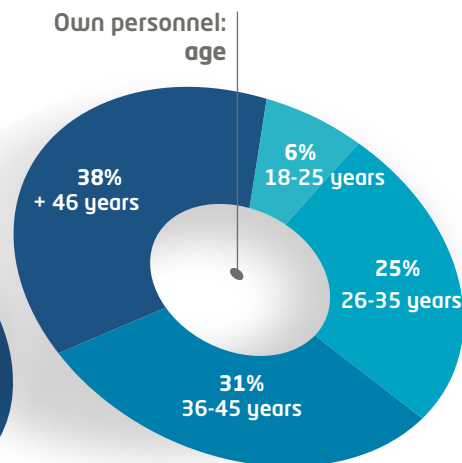
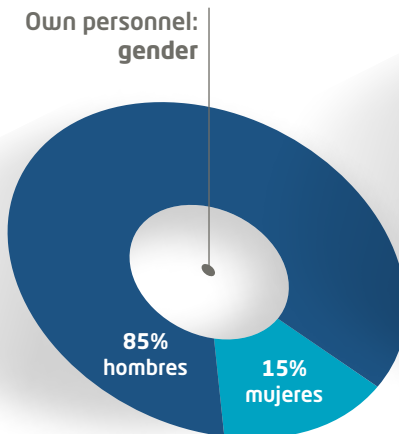
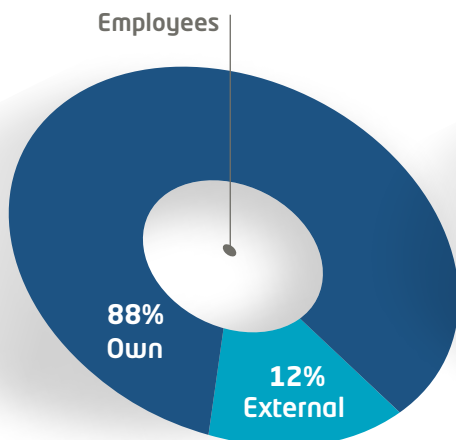
2050

Long-term objectives

SBTi objectives: Net-Zero.

Gonvarri Industries is aware that people are its main asset, as it has excellent professionals in all business areas and countries.

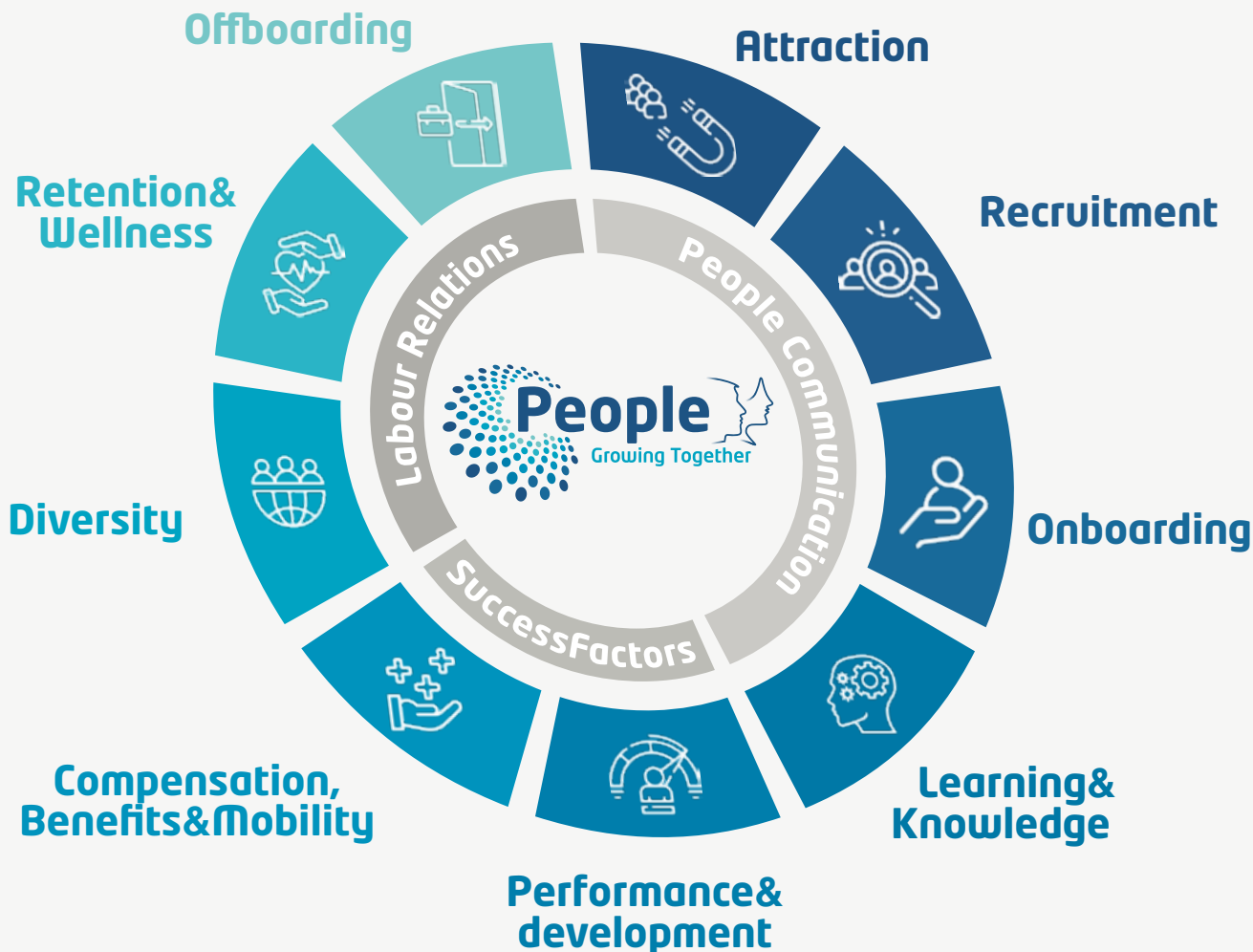
Characteristics of the template



People Growing Together

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.



Customer



Gonvarri's success is based on its ability to identify and satisfy the **needs of its customers**, which is why all the companies are certified in IATF 16949 (Auto) or ISO 9001 (Metal Structures and Material Handling).

Customer proximity

- **Specialised** sales teams adapted to the type of business and product, through which more specific coverage is provided.



AUTO Solutions



INDUSTRY Solutions



WAREHOUSING Solutions

- Periodic personalised surveys to measure **your satisfaction** and improve the service.

Supply chain

Gonvarri Industries promotes among its suppliers compliance with standards related to human and labour rights, occupational health and safety of its workers, respect for the environment and ethical behaviour. The purchasing process is considered a **"key process"** at Gonvarri due to its high economic impact.

In 2022, spending on total local suppliers accounted for 67%.

This year's highlights:

- The renewal of the **"Suppliers' Code of Ethics"**, with the aim of adapting it to the new demands of the market and of stakeholders, mainly customers.
- Approval of the **"Corporate Conflict Mining Policy"**, also applicable to Gonvarri's suppliers.

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 renewables 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".



Health and Safety

Security Plan

Doing well by doing Safe

Promoting a Culture of Prevention

- 76% of St. ISO 45001 certified factories
- 86% of employees covered by St. ISO 45001

Platforms for monitoring and measurement

sygris.
Sygris health and safety

CTAIMACAE
CTAIMA 2.0.

KPIs

In 2022, the relative accident rate of the group fell by 37% compared to the previous year, with no accidents with particularly serious consequences at our sites.



Shared security

Stop · Think · Act

- >54,600 hours of training in 2022
- Celebration of the milestone “One year without accidents”.
- Implementation of initiatives: For you, for me.

for you, for me
Doing Well by Doing Safe
Gonvarri Valencia



Value creation

Business-oriented innovation

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 electro-mobility sectors, as well as the definition of the **"Venture Corporate"** model, which will be implemented

Innovation model

Market Intelligence as a basis for defining innovation priorities.

Culture of innovation

Technological training and openness to external talent as drivers of innovative thinking.

Product innovation

New materials are improving the properties of key industrial applications.

Innovation in process

Innovation and sustainability combined for process improvement.

Venture Capital

Open innovation, a key player in the acquisition of new emerging businesses.



Value creation Enhancing Progress Tour

Enhancing Progress TOUR



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

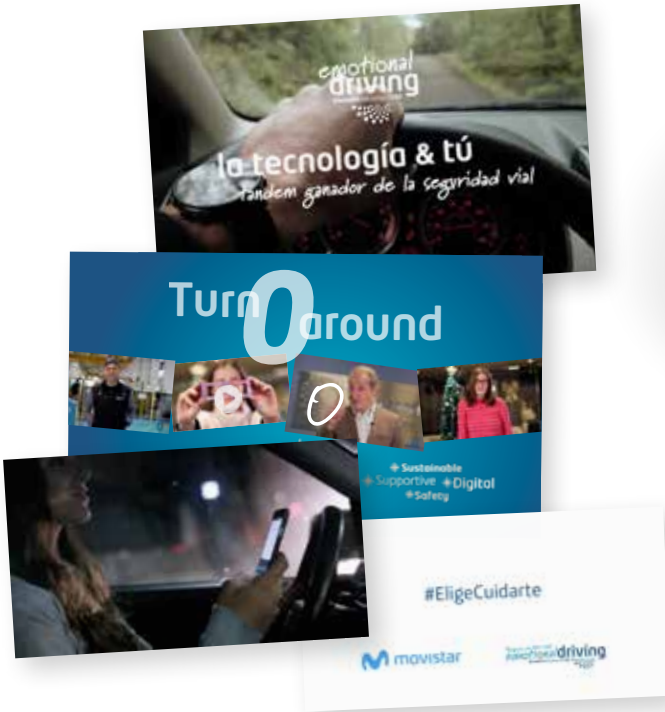
Enhancing Progress Tour is a face-to-face and itinerant event that is touring Gonvarri's factories and offices around the world. So far, 14 stages have been held in 6 different countries (Spain, United Kingdom, United States, Mexico and Colombia) and it has been attended by more than 1,700 professionals,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



Social action

Emotional Driving

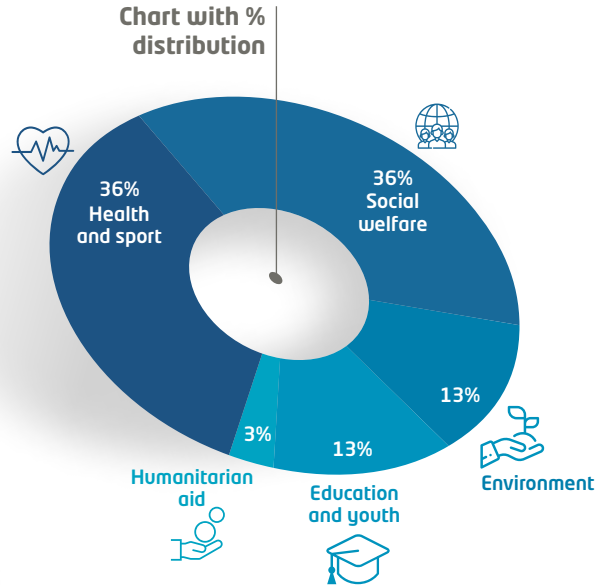
In 2022, Emotional Driving focused on disseminating the use of the Emotional Driving 5th anniversary app, “A Road Safety Commitment Trajectory”, which summarises all the project’s developments over the past five years.



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).

Local contribution

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



Partnership agreements



Aladina foundation

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.



LQDVI

Since 2014 it has been collaborating in the diffusion of human, ethical and moral values



AESLEME

Since 2013, it has been collaborating in road safety training and awareness-



FUNDACIÓN
Realmadrid

Real Madrid Foundation

Since 2018, it has been collaborating to educate differently ability young people of school age in road safety.



WCK

Since 2013, it has been working to mitigate food insecurity and malnutrition in areas affected by humanitarian disasters.



Juan XXIII Roncalli Foundation

Since 2007, it has been collaborating to contribute to improving the lives of people with intellectual disabilities and promoting their social integration.



Seres. Since 2016, it has been working together to build a stronger society with competitive and sustainable companies.



Governance

Sustainability Policy

The governance bodies at Gonvarri Industries integrate environmental, social and governance (ESG) criteria into their decision making to grow as a profitable and sustainable company.

On 4 March 2021, the Board of Directors approved the new **Sustainability Policy**, in line with the Sustainable Development Goals and the fight against Climate Change.

Compliance model

In order to maintain the monitoring, measurement and control mechanisms for and control of the identified risks.

Code of Ethics and Conduct

The **Code of Ethics and Conduct** is a reference for decision-making by all employees and collaborators of Gonvarri Industries. The new version of the Code of Ethics and Conduct came into force on 21 January 2020.

The **Ethics Channel** is available to all employees, managers, directors and collaborators, as well as other external stakeholders: customers, suppliers or society in general.

+ **3,600 professionals** have completed the course.



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 to the following **address**:
Att/ Auditoría Interna y Cumplimiento
C/ Embajadores 458. 28053 Madrid.



Via **Whatsapp WeChat** or phone contact
on +34 679 98 19 22



APP Gonvarri. iOS&Android

The **Ethics Channel** received **2,364** visits and there were **39** complaints..



Balance sheet

All Gonvarri Industries' divisions have met expectations in terms of results, although the Europe & Americas Division is the one with the highest contribution to the Consolidated result, and the Gonvauto and ASIA Divisions as the divisions with the highest growth, due to the increase in activity and material prices in the automotive sector.

Risks and opportunities

Gonvarri Industries is subject to various risks inherent to its activity arising from its operations, as well as the legal obligations in the countries in which it operates. In order to manage these has various mechanisms and systems for detecting, assessing and managing risks within its own business processes and operations.



Strategic and environmental risks.



Operational and infrastructure risks.



Financial Risks.



Tax risks.



Corporate Governance, Ethics, Corruption, Fraud and Compliance Risks.



Regulatory compliance risks.



Human rights risks.



IT security, process and data protection risks.



Climate change risks.

Economic performance

Economic Value Created (EVC)
with a total of
6,013 million €

Economic Value Distributed (EVD)
with a total of
5,770 million €

Economic Value Retained (ERV)
with a total of
243 million €

CAPEX
60 million €



Check out the full
Sustainability Report:

