



**Gonvarri**  
Industries

**Sustainability  
Report 2023**  
Executive Summary



**Gonvarri**  
Industries

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ecovadis





For yet another year, I would like to thank the professionals at Gonvarri Industries for their work and dedication.

Without them, the company's performance cannot be explained.

I would also like to thank our investors, shareholders, customers and suppliers for their commitment and long-term support, crucial to continue creating value for society as a whole.

**Jon Riberas**  
Executive Chairman



# Drive

Gonvarri Industries



## Purpose

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



## Vision

To offer  
**Metal Solutions**  
for a **safer and**  
**sustainable future.**



## Mision

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

# Gonvarri Industries

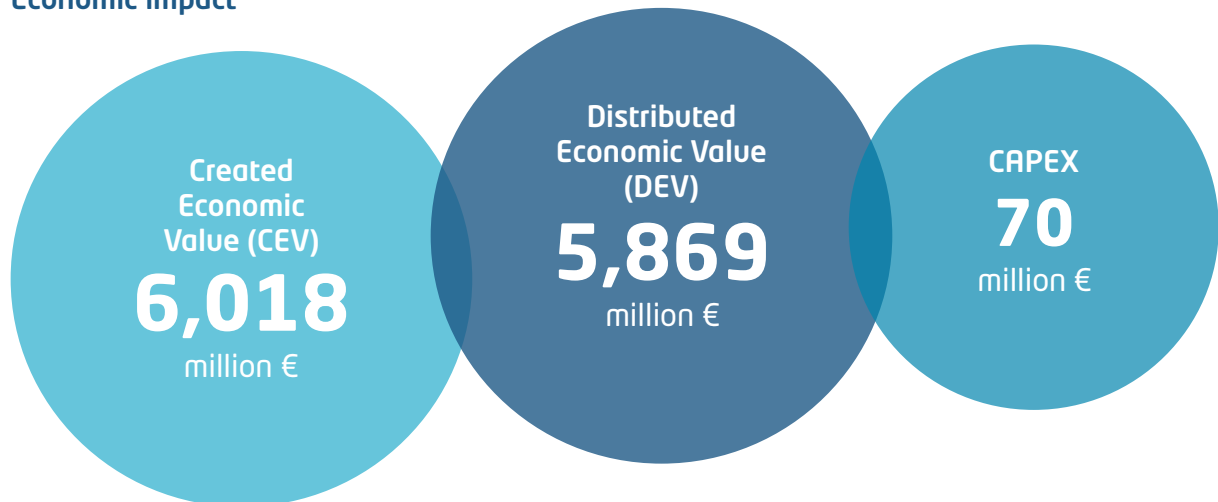
In business for more than 65 years, **Gonvarri Industries** is a world-leading group in the transformation of flat steel, aluminium and metal solutions. This is the result of a highly collaborative organization with global presence in 27 countries.

A strong **industrial culture** and **constant innovation** in all processes of design, manufacture, assembly, distribution and assembly of metal solutions characterise our DNA. We adapt to the needs of each client with a commitment based on excellence and continuous improvement.

We are committed to sustainability as part of our **management model**, focused on the objectives of safety, health, quality and respect for people and the environment around us, with the aspiration of building a more sustainable and emission-free future.

At Gonvarri we work to grow as a solid and responsible company, maintaining the values of **Honesty, Humility, Tenacity** and **Hard Work** that marked its founder. Our ethical and business values inspire our purpose: "Doing Well by Doing Good", convinced that only by acting correctly and coherently can we do things well.

## Economic impact



# Worldwide Presence



- **Factories**
- **Distribution centres and offices**
  - Gonvarri Steel Services
  - Gonvarri Metal Structures
  - Gonvarri Solar Steel
  - Gonvarri Material Handling
  - Gonvarri Precision Tubes
  - Gonvarri Laser
  - Asia
  - Miscellaneous

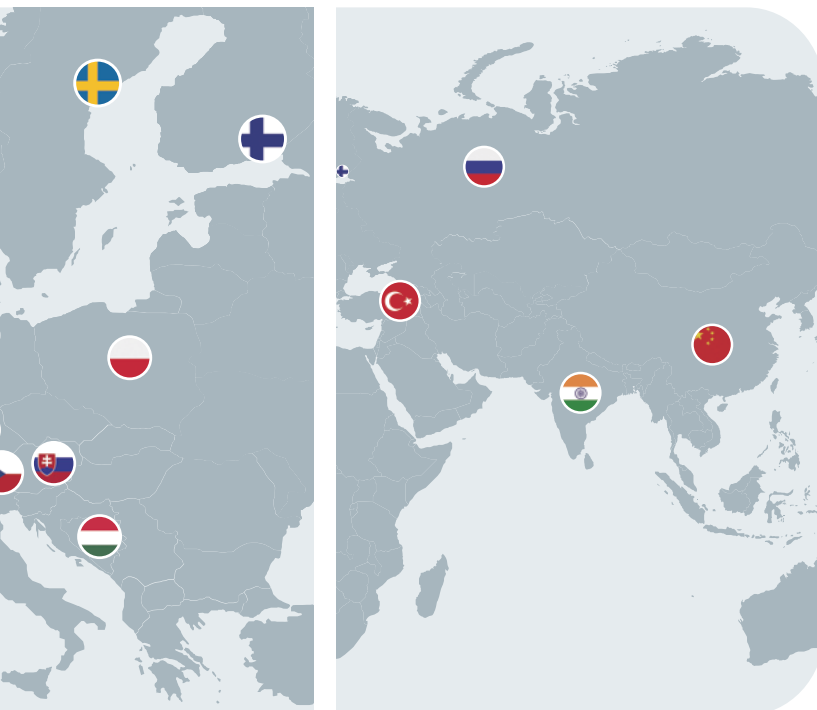
\*Not included in the scope of the Sustainability Report.

## America

- USA
  - Gonvauto South Carolina
- MEXICO
  - Gonvauto Puebla
  - GMG Baja California Off.
  - Suports ES Off.
- COLOMBIA
  - Gonvarri Colombia
- BRAZIL
  - AMG Campinas
  - AMG Resende\*
  - AMG Paraná
  - AMG Glorinha Río Grande
- ARGENTINA
  - Gonvarri Argentina

## Europe

- SPAIN
  - Headquarters
  - Gonvarri Burgos
  - Gonvarri Barcelona
  - Gonvarri Tarragona
  - Gonvarri Valencia
  - Gonvauto Barcelona
  - Gonvauto Galicia
  - Gonvauto Navarra
  - Gonvarri Asturias
  - Gonvarri Vizcaya Off.
  - Road Steel Engineering Off.
  - Laser Barcelona
  - Laser Valencia
  - Laser Zaragoza
  - Laser Riera i Tutó Barcelona
  - Laser Riera i Tutó Valencia
  - Laser Boost
- Suports Off.
  - Gonvauto Asturias
  - Flinsa
  - Addimen
  - Sogeisa Off.
  - Sogeisa Ávila
  - Sogeisa Arganda
  - Sogeisa Algete
  - Rejillas Calibradas Barcelona\*
  - Reca Lámina Perforada \*
  - Reca Performetal \*
  - Reca Sima \*
  - H2Green









 **27** / 25 Countries

 **59** / 48 Operational factories

 **30** / 27 Offices and distribution centres

 **+8,500**  
15,872 Own professionals

-  GERMANY
  -  Gonvauto Thüringen
  -  Laser Blanking
  -  GMH Laubach
  -  GMH Lampe Off.
  -  GMH Österreich Off.

-  BELGIUM
  -  GMH Belgium Off.

-  DENMARK
  -  GMH Denmark Off.

-  SLOVAKIA
  -  AMG Senica
  -  Gonvauto Nitra
  -  GMH Slovakia

-  FINLAND
  -  GMH Lohja
-  FRANCE
  -  GMS Francia SAS Off.

-  HOLLAND
  -  GMH Holland Off.

-  HUNGARY
  -  GMH Hungary

-  NORWAY
  -  GMH Norway Off.

-  POLAND
  -  Gonvarri Polska
  -  GMH Poland Off.

-  PORTUGAL
  -  Gonvarri Portugal

-  CZECH REP.
  -  GMH Kredit
  -  GMH Czech Off.

-  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) Off.

-  ROMANIA
  -  GMH Rasnov

-  RUSSIA
  -  GMH Kirovsk
  -  SG Kaluga

-  SWITZERLAND
  -  GMH Kaufmann Off.

-  SWEDEN
  -  GMH Stålteknik I
  -  GMH Stålteknik II
  -  GMH Sweden Off.
  -  GMH Sverige

## Asia

-  TURKEY
  -  Gonvarri Turkey (Çeşas)

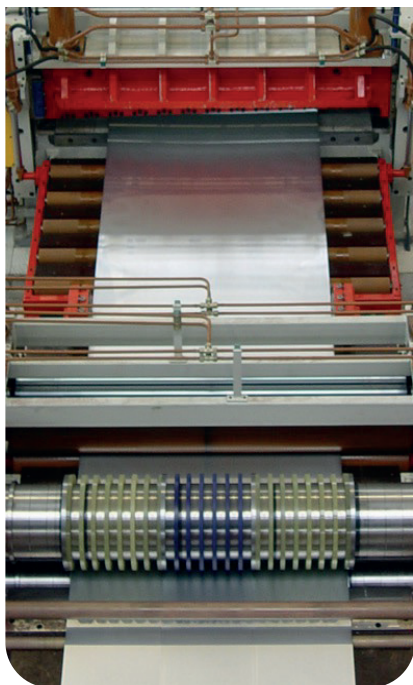
-  INDIA
  -  GAIPL Pune\*

-  CHINA
  -  Gonvvama Shenyang
  -  Gonvvama Off.
  -  Gonvvama Changshu
  -  Gonvvama Loudi
  -  Gonvvama Chongqing

# Solutions

Gonvarri Industries' solutions offer a complete service to meet customers' metal needs (steel, aluminium and other metals) through seven business units.

## Service Centres



### Sectors

- Automotive
- Industry
- Household appliances

### Processes

- Mechanical cutting
- Surface treatment
- Customised production

## 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.



### Lighting Poles

Lighting Poles specialises in polygonal and tubular pole projects according to national and international standards and specifications.



### AgroTech

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



### Lattice Towers

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



## 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.

# ESG impacts

Gonvarri Industries is committed to creating long-term value to help build a more sustainable, prosperous and inclusive future in line with the United Nations Sustainable Development Goals.

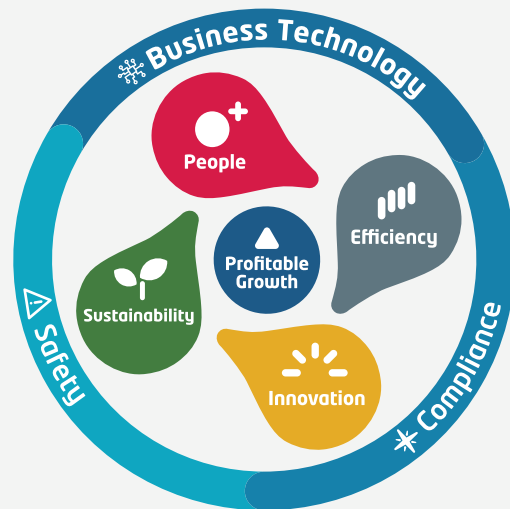
## Value creation and sustainable management model

Our value creation and sustainable management model is based on relationships of trust with all stakeholders and is structured around three pillars: **Environmental, Social and Corporate Governance (ESG)**. The aim is to enhance the positive impacts on customers, industry, the environment and society as a whole, and to take advantage of the opportunities for growth that this global framework offers us.

## The opportunity of environmental challenges

Gonvarri Industries has integrated sustainability into its **2022/24 Strategic Plan** as an opportunity to drive growth and social development based on industrial activity.

Regulatory developments together with the markets' interest in ESG aspects, or the possibilities around improving competitiveness, make sustainability a cross-cutting and strategic pillar within the company.



## DRIVE Management 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 focus on innovation and compliance, always within the framework of sustainability.



## Material issues

## Performance

### ENVIRONMENTAL



#### Carbon Neutral Strategy

- Energy consumption **232 GWh**.
- Scope 1 and 2 emissions **33,612 tCO<sub>2</sub> eq**.
- Electricity consumption from renewable sources **68%**.
- Emission intensity at plant level: **6 kgCO<sub>2</sub> / t delivered**.

#### Circular Economy

- Recyclable waste: **99%**.
- New annual declaration of **single-use packaging**.

#### Environmental Management

- Plants with ISO 14,001 **89%**.



### SOCIAL



#### Health and safety

- **Zero** accidents.
- A year without major accidents
- Plants with ISO 45,001 **79%**.
- Employees covered on ISO 45,001 **83%**.

#### Talent management, flexibility and diversity

- **Success Factors'** new platform for performance evaluation.
- New Corporate Policy on **Working Conditions**.
- Training hours **191,792 (+12%)**. Per employee **33 hours**.
- 3<sup>rd</sup> edition **GLP**. Gonvarri Leadership Program.

#### Customers

- Number of non-conformities, measured in ppm. **-24%**.

#### Innovation

- Frontline Workers: Implemented in **9 plants** and more than **1,000 users trained**.
- **"Solteco"** Barrier made from plastic waste.



### GOVERNMENT



#### Ethics, compliance and whistleblowing channels

- Number of complaints received **-26%**.
- New Corporate Policy on **Human Rights**.

#### Risks

- Continuous audit system. Requests for information from the group's factories **+85%**.

#### Cyber security, information security and data protection

- Update of **risks** in critical technologies and services.
- Implementation of **double authentication** throughout the group.



# Environmental impact

## Responsible environmental management

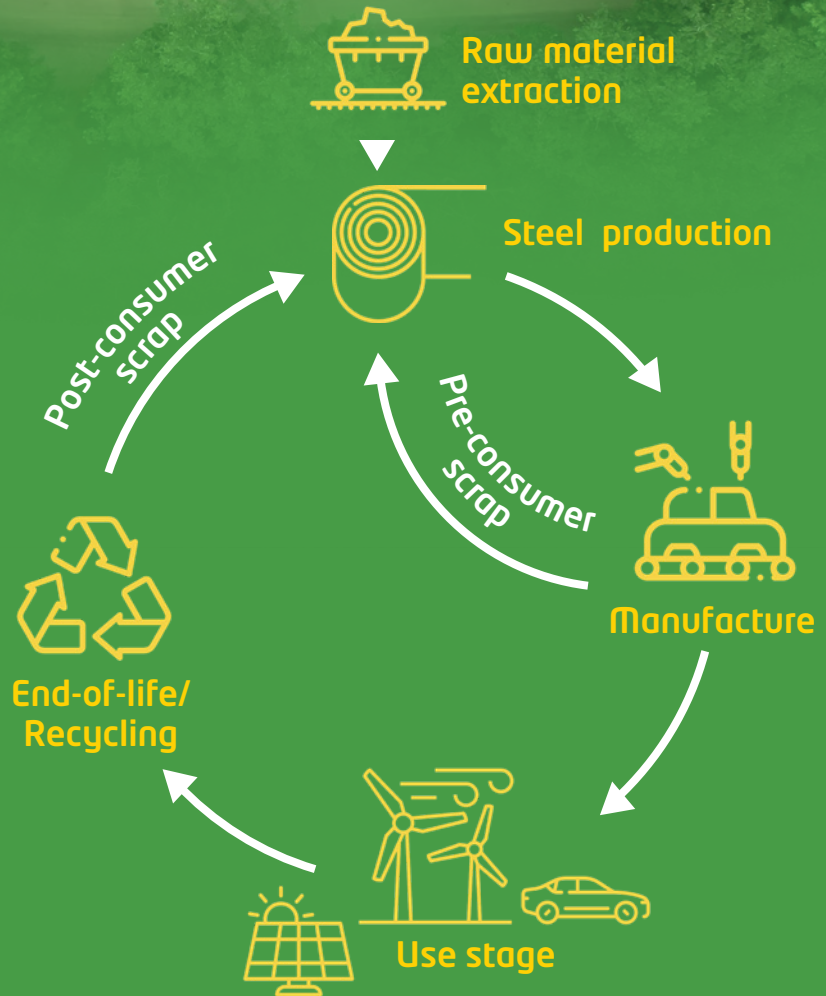
### THE LIFE CYCLE OF STEEL

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 pillars on which the company drives the transformation of its processes, achieving an efficient use of resources (energy, materials, etc.) and a reduced impact on the environment.

#### Circular Economy

In 2023, Gonvarri Industries includes a circular economy **KPI** among the company's basic management indicators, also including a mandatory annual improvement target of 5%.

**KPI E05 Circular Economy:** Amount of waste recycled per total waste generation.



## Recycled steel

Steel is the most recycled material in the world, being used in the manufacture of all new steel. The recyclability of steel is present throughout Gonvarri's value chain, with two processes being particularly visible.

At the beginning of our activity is the steel purchasing process. All steels have a fraction of recycled material in their composition, with the manufacturing route (mostly blast furnace or electric furnace) determining the amount of recycled material. **The average % of recycled material in the 2023 purchases mix was 22%.**

In 2023, the first purchases of steel with reduced CO<sub>2</sub> emissions were made, which can be obtained by means of different techniques, all of them included in the process commonly known as "green steel". The material purchased obtains the reduction in CO<sub>2</sub> emissions thanks to manufacture in an electric furnace with renewable electricity sources and a high percentage of recycled material at source, achieving a 75% reduction in CO<sub>2</sub> emissions compared to conventional steel.

On the other hand, **100%** of the metallic waste generated in the processes is **recycled**, i.e. it is reintroduced into the steelmaking process. This waste is called **pre-consumer scrap**. In 2023, more than **346 kt** of this material was generated.

## Non-hazardous waste

A total of **358 kt** were produced in 2023. Scrap metal accounts for 98% and the remaining 2% consists mainly of plastic packaging, cardboard, tablex, wood waste, organic and construction and demolition waste. In addition, around 99% of non-hazardous waste is **recyclable** (steel, aluminium, wood, paper, recyclable plastic and construction materials).

## Hazardous waste

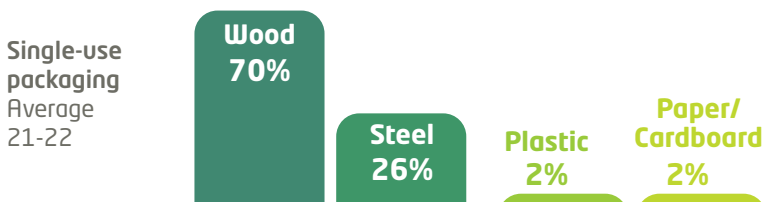
A total of **21 kt** were produced, mostly from factories with galvanising, pickling and painting processes, where ferrous chloride from pickling is the main hazardous waste.

The **DECAPALUE** RGD&I project for the revaluation of spent acids from pickling and galvanising lines ended in 2023. This project, financed by the CDTI in Gonvarri Asturias, obtained 100% of the aid granted at the start. The project focused on two objectives; the recovery of zinc salts in galvanic acids and an integrated recovery of spent acids from carbon steel. These objectives were transferred into two sub-projects called Ferricvalue and Galvanicvalue, which obtained positive results and their economic viability is being studied for their future industrialisation.

100% of the management and disposal of this waste is carried out by authorised managers and transporters within each country.

## Packaging Spain

**Single-use.** In accordance with Royal Decree 1055/2022 of 27 December on packaging, an **annual declaration** has been made by company, detailing the composition of the packaging placed on the market.



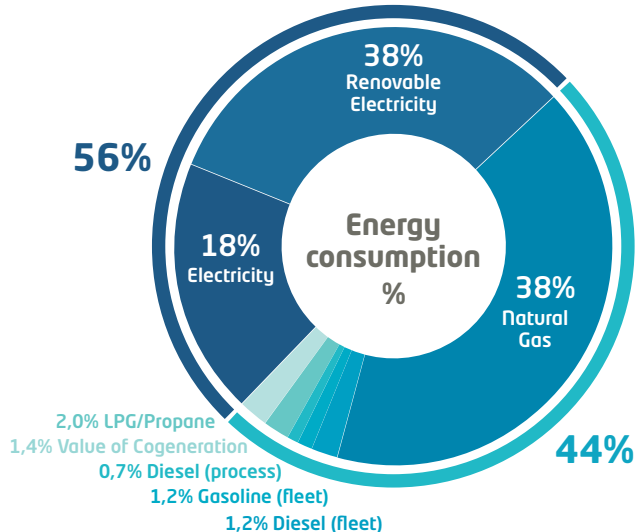
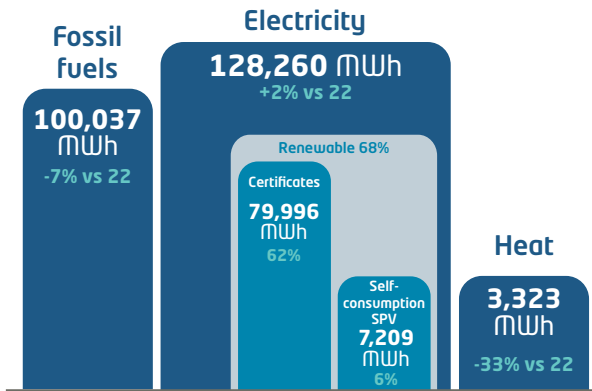
96% of the materials that make up the packaging, steel and wood, are completely separable. In the case of steel, it is also 100% recyclable, while wood is a reusable and/or recoverable material.

**Returnable.** Gonvarri is working to increase the percentage of returnable packaging, with the main objective of reducing wood consumption.

# Energy

The monitoring, follow-up and reduction of energy consumption are key elements in the management of Gonvarri Industries.

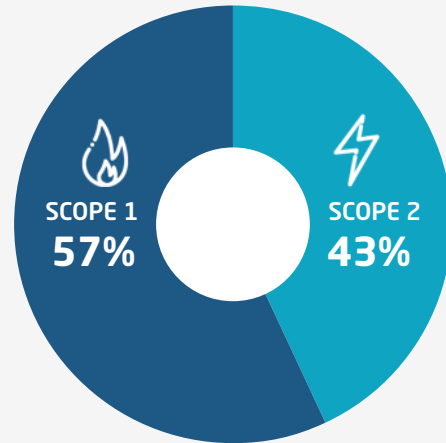
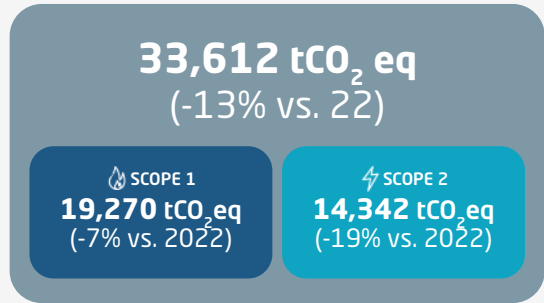
## Energy consumption 231,620 MWh (-3% vs. 22)



# Emissions

## 2023 Emissions

### Absolute emissions



### Relative emissions

- Emission Intensity Scope 1+ Scope 2 per delivered tonne  
**6 kgCO<sub>2</sub> / t delivered** (-18% vs. 2022)

# GHG emissions progress

## 2023 vs 2022

### 13% reduction (Scope1+Scope2)

- **Direct emissions** are reduced by 7%. Fossil fuel consumption is reduced by 6%. The effect of savings and efficiency measures have prevented a 10% increase in natural gas consumption\*.
- **Emissions from electricity consumption** are reduced by 19% despite a 2% increase in electricity consumption. The % of Renewable Energy in electricity consumption rises from 64% to 68%, due to:
  - **SPV Self-consumption** increases from 5% to 6%.
  - The **purchase of energy certificates** rises from 59% to 62%.
  - An improvement of the **electricity consumption mix** and country emission factors applied. **Average electricity emission factor** improved by 21%.
  - Energy savings and efficiency measures have prevented a 12% increase in electricity consumption\*.

\* Accumulated Eco-Energy. Estimated.

## Period 2021-2023

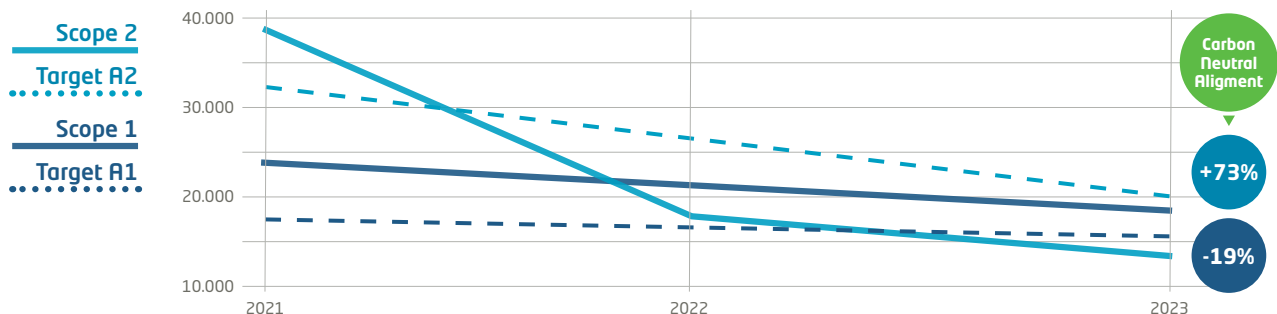
### There is a cumulative reduction of 45% (Scope 1 + Scope 2)

Peak emissions in 2021. From this year onwards, progressive reduction of emissions.

- Direct emissions are reduced by 17%, accompanied by a 16% reduction in fossil fuel consumption.
- Emissions from electricity consumption are reduced by 62% despite a 3% increase in electricity consumption, for the following reasons:
  - The **purchase of certificates** in the period increases from 4% to 62%.
  - **SPV Self-consumption** in the period rises from 1% to 6%.
  - **Country/supplier emission factors** improve due to the effect of decarbonisation of the electricity sector.



## Monitoring of the Carbon Neutral Plan Emissions 2021-23





# Social Impact

## People Growing Together

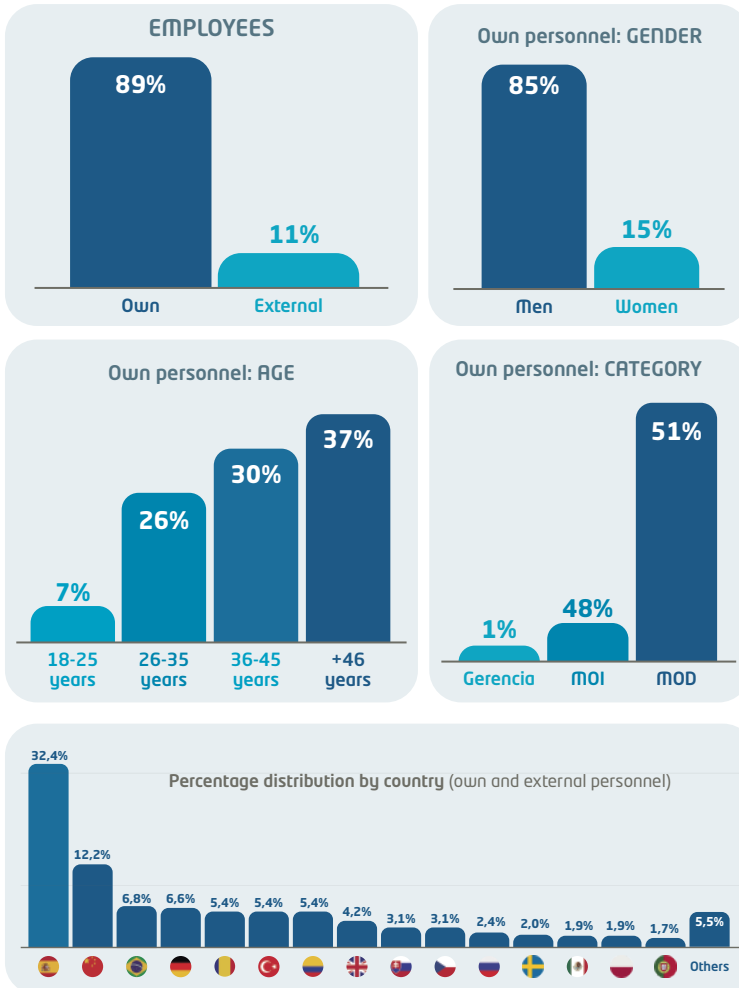
Our people model, integrated with the company's Strategic Plan, is a fundamental pillar of our organisation. Throughout the employee lifecycle, People Growing Together focuses **on nine key areas** where talent management is essential. Although this model is already in place, we continue to strive to improve and adapt to new demands and challenges.





**85%** of the professionals are employed on a permanent basis and **97%** on a full-time basis. **88%** of employees are local. In 2023, more than **1,065** new hires have been made, with a turnover of **15%**.

## Headcount



## Health and safety

In 2023, the Group achieved the objective of **zero accidents** with particularly serious consequences at its sites. Despite this, the relative accident rate (severity index) rose by 11% compared to the previous year.

The **“Doing Well by Doing Safe”** Safety Plan promotes the implementation of ISO 45,001 at sites to establish a culture of prevention in Health and Safety.

In 2023, **79% of the factories** (with 100% participation) had this certification, with coverage reaching **83% of professionals**. 60,800 hours of Health and Safety training were provided.

**Doing well by doing Safe**

## Training & Talent management

In 2023:

- **191,792 training hours** (+12% compared to 2022).
- **33 hours** of training per employee.
- **3<sup>rd</sup> edition** **Gonvarri Leadership Program**.

# Value creation Frontline Workers

Gonvarri's Front Line Workers project, launched in 2023 in Valencia and Navarra, is a milestone in industrial digitalisation. With tools such as O365 and Teams, it has closed the digital divide, allowing all workers, especially front-line workers, to access digital applications.

This system is already in place in **9 plants**, with more than **1,000 trained users**, has increased efficiency and productivity, improved communication and collaboration, enhanced workplace safety and facilitated employee training and development. The project plans to expand internationally by 2024.



# Clients

Quality is at the heart of all Gonvarri Industries' operations in its relations with its customers. 100% of the factories serving the automotive sector are ISO 9,001 and IATF (International Automotive Task Force) certified.

The main indicator of quality and customer satisfaction, obtained by the number of non-conformities, measured in ppm (parts per million), has improved by 24.4% compared to the previous year.

# Innovation

Innovation, meanwhile, is key to integrating sustainability in meeting our customers' demands. In 2023, the **Road Steel** division, dedicated to road safety, is making efforts to incorporate sustainability into its range of solutions.

- In 2023, the division made progress in the certification of the **product carbon footprint** for the different containment systems, where the largest contribution to CO<sub>2</sub> emissions is found in the steel used as raw material. Work is currently underway to promote and integrate low carbon footprint steel containment barriers.
- In line with innovation and circularity, the **"Solteco Barrier"** is being developed from non-recyclable plastic waste, obtaining a double benefit: reduction of waste disposal on landfill and decarbonisation due to the substitution of steel for plastic waste. CE certification is expected to be obtained in 2024.
- Finally, at an early stage of work are containment barriers made of high yield strength steels that would allow them to recover their original conditions after an impact, encouraging their reuse.



# Supply chain

Gonvarri Industries' suppliers are an essential asset in the value chain, which is why the company requires all its suppliers to comply with regulatory compliance standards in the areas of human rights and labour standards, ethics, transparency and compliance, environmental protection and responsible purchasing. These criteria are defined in the **Supplier Code of Conduct** implemented in 2023 and are essential in the approval of a new supplier, as well as the maintenance and retention of an existing supplier. The Code is based on the defence of **Human Rights**, the commitment to the **Sustainable Development Goals** and the standards of the International Labour Organisation (ILO). Cases of non-compliance can be reported through the company's Ethics Channel.

## Steel purchases

It is considered a key process due to its high economic impact. Through the "**KP01 Steel Purchasing**" procedure, Gonvarri Industries ensures compliance with its sustainability policy in the supply chain.

**75%** Suppliers with **ISO 14001** certificate

**63%** Suppliers with **ISO 45001** certificate

## Non-steel purchases

Focused on purchases of other raw materials, materials and services.

The non-steel purchasing department plays a key role in the decarbonisation of the company through centralised management of energy supplies. Renewable energy contracts, Power Purchase Agreements (PPAs) and the purchase of renewable energy certificates accounted for **62%** of the group's electricity consumption.

In 2023, the supply of electricity from renewable sources began at the Gonvarri Colombia, Changsú and Riera Tutó plants, adding **8 GWh** to the group's renewable electricity consumption.

Energy purchases in 2023 accounted for **5%** of operational expenditure.



# Community

## Local contribution

Gonvarri Industries invests in the local communities where it operates by creating jobs, developing education and training programmes for local workers and supporting community projects.

In 2023, the company promoted 7 projects with an impact on the community, with more than **128,500 beneficiaries**. The total investment in these projects amounted to 455,000 euros, with the collaboration of 7 partners.

In the beneficiary profile, **youth and/or students** constitute approximately 98% of the total, emphasising the strong focus on education and youth development. Children represent about 0.4%, while **vulnerable groups** make up approximately 1.6%.

The projects have been distributed in several areas of action: health and social welfare, education, development cooperation, social and territorial cohesion and emergencies.

## Emotional Driving

Since 2014, Gonvarri Industries has been promoting a corporate road safety programme called “Emotional Driving” to raise awareness among its professionals and society as a whole of the importance of driving safely and responsibly. This project, which celebrates its **tenth anniversary** in 2024, is supported by the Road Steel division, a world leader in road safety with innovative and environmentally friendly protection products.

The project’s target audience is divided into the following groups: Our Drivers, Motivated Drivers, Future Drivers, Road Hauliers and the Disabled. Up to 2023, the programme has reached more than **12,000** people related to the company, has visited more than **100** schools or training centres, has raised awareness among more than **50,000** high school and university students and more than **950** students with different abilities.

Emotional Driving is aligned with SDG 3 on Health and Wellbeing.



## Collaborating entities

In 2023, Gonvarri Industries collaborated with the following institutions:





# Government

## Sustainability Policy

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

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

### Compliance model

In order to maintain the mechanisms for monitoring, measuring and controlling the risks identified.



## Code of Ethics and Conduct

The **Code of Ethics and Conduct** is a framework for decision-making for all employees and partners of Gonvarri Industries. The updated version of the Code of Ethics and Conduct was implemented on 21 January 2020.

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

+ **3,600 professionals** have completed the course. The Ethics Channel received **1,599** visits, 32% less than last year, and 29 complaints were registered, a **reduction of 26%**.



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](mailto: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

## Risks and Opportunities

Gonvarri Industries is subject to various risks inherent to its activity arising from its operations, as well as from the legal obligations in the countries in which it operates. To manage these risks, it has various detection, assessment and management mechanisms and systems within its own business processes and operations.

During 2023, more than 400 requests were made to the Group's various plants (215 requests in 2022). Of the requests made, 98% were managed and closed at year-end. Through the continuous audit system, numerous actions and improvements were implemented in the different business processes in order to mitigate risks of various kinds.



Strategic and environmental risks.



Tax risks.



Human rights risks.



Operational and infrastructure risks.



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



IT security, process and data protection risks.



Financial Risks.



Regulatory compliance risks.



Climate change risks.

## Transparency

### Sustainability ratings

As part of its commitment to transparency, Gonvarri Industries actively collaborates with two internationally renowned sustainability rating agencies:



**CDP**, a leading climate change impact measurement agency, has awarded Gonvarri Industries a **B** rating for its good performance and the quality of the information reported,



**EcoVadis** rater for sustainability risk in supply chains. Gonvarri participates for the second consecutive year in this rating, and in 2024 has been recognised with a **silver medal**, which places it among the **Top 15%** most responsible companies globally.



**Gonvarri**  
Industries



[www.gonvarri.com](http://www.gonvarri.com)