



Gonvarri
Industries

**Sustainability
Report 2024**
Executive Summary



Gonvarri
Industries

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Purpose

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



Vision

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



Mission

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

About the company

Gonvarri Industries

With more than 65 years of market presence, Gonvarri Industries is a leading group in the transformation of flat steel, aluminum and metal solutions, the result of a highly collaborative organization with a global presence in 27 countries.

Our DNA is characterized by a deep-rooted **industrial culture and constant innovation** in all processes of design, manufacturing, assembly and distribution of metal solutions. We adapt to the needs of each customer with a commitment based on excellence and continuous improvement.

Sustainability is part of our **management model**, focused on the objectives of health, quality and safety, respect for people and the environment that surrounds us, with the aspiration of building a more sustainable and emission-free future.

Gonvarri works to grow as a solid and responsible company, maintaining the values of **Honesty, Humility, Tenacity and 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 consistently can we do things well.

Economic Impact

Created
Economic Value
(CEV)

5,935
million €

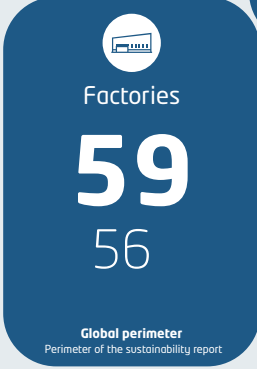
Distributed
Economic Value
(DEV)

6,007
million €

CAPEX

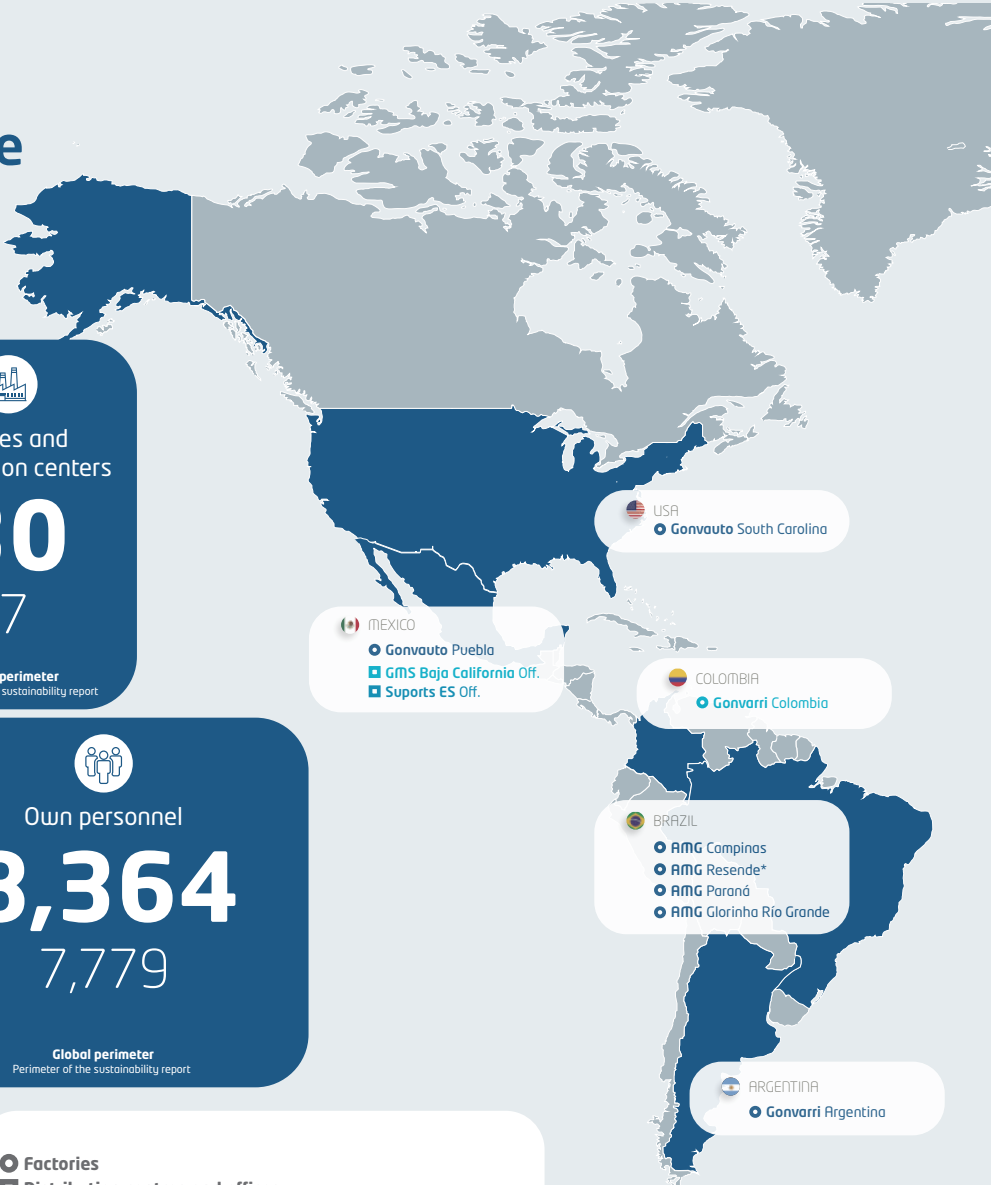
358
million €

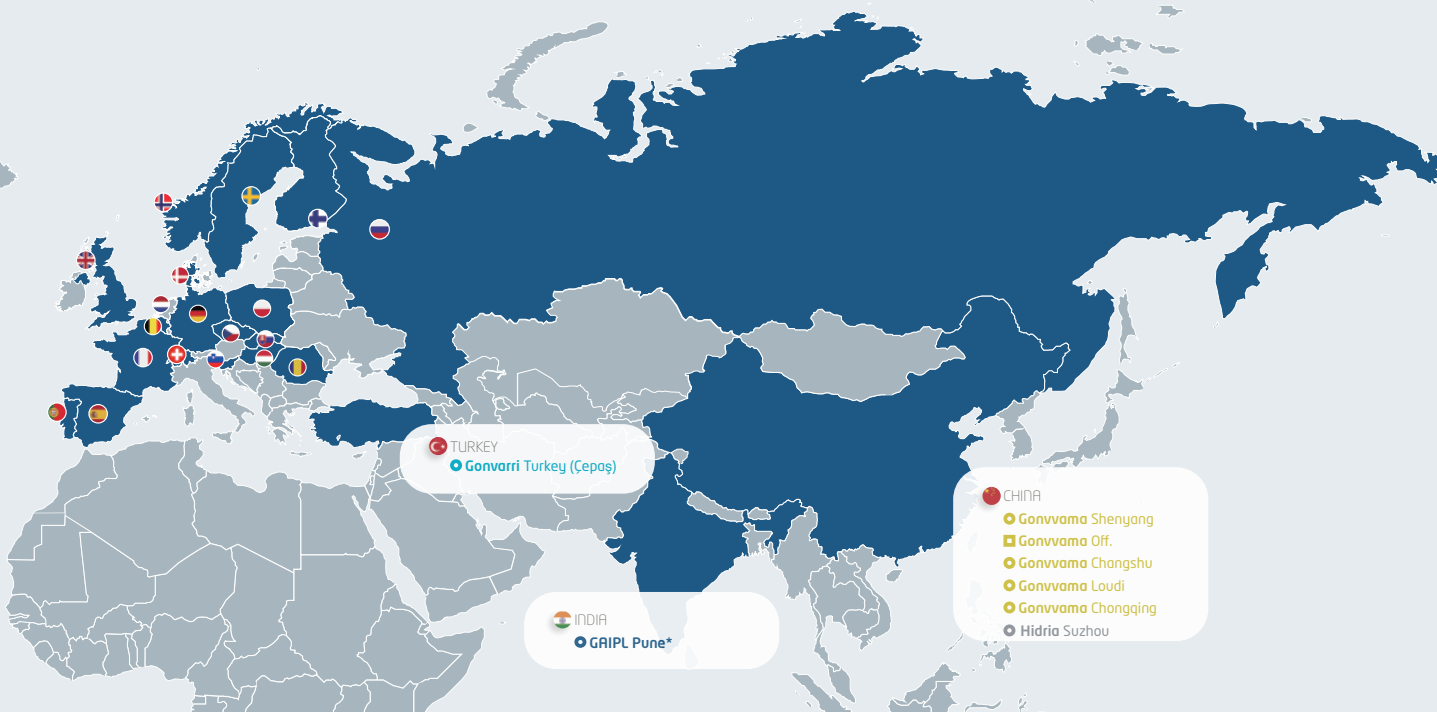
Global presence



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

*Not included in the scope of the Sustainability Report.





TURKEY
 Gonvarri Turkey (Çepaş)

INDIA
 GIPL Pune*

CHINA
 Gonvama Shenyang
 Gonvama Off.
 Gonvama Changshu
 Gonvama Loudi
 Gonvama Chongqing
 Hidria Suzhou

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 y Tuto Barcelona
- Laser Riera y Tuto Valencia
- Laser Boost

- Supports Off.
- Gonvauto Asturias
- Flinsa
- Addimen
- Sogeisa Off.
- Sogeisa Ávila
- Sogeisa Arganda
- Sogeisa Algete
- Rejillas Calibradas Barcelona*
- Reca Lámina Perforada *
- Reca Performetal *
- Reca Sima *
- H2Green



GERMANY

- Gonvauto Thüringen
- Laser Blanking
- GMH Laubach
- GMH Lampe Off.
- GMH Österreich Off.
- Hidria Bausch GmbH



BELGIUM

- GMH Belgium Off.



DENMARK

- GMH Denmark Off.



SLOVAKIA

- AMG Senica
- Gonvauto Nitro
- GMH Slovakia



ESLOVENIA

- Spodnja Hidria
- Hidria Koper
- Hidria Jesenice
- Hidria Kranj
- Hidria Tolmin
- Hidria Ljubljana Off.



FINLAND

- GMH Lohja



FRANCE

- GMS Francia SAS Off.



HOLLAND

- GMH Holland Off.



HUNGARY

- GMH Hungary
- Hidria Bausch Kft



NORWAY

- GMH Norway Off.



POLAND

- Gonvarri Polska
- GMH Poland Off.



PORTUGAL

- Gonvarri Portugal



REP. CHECA

- GMH Kredit
- GMH Czech Off.



UK

- Steel & Alloy Popes Lane
- Steel & Alloy Newton Aycliffe
- Steel & Alloy Bridge Street
- Steel & Alloy Union Street



ROMANIA

- GMH Rasnov



RUSSIA

- GMH Kirovsk
- SG Kaluga



SWITZERLAND

- GMH Kaufmann Off.



SWEDEN

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



IMPACTS

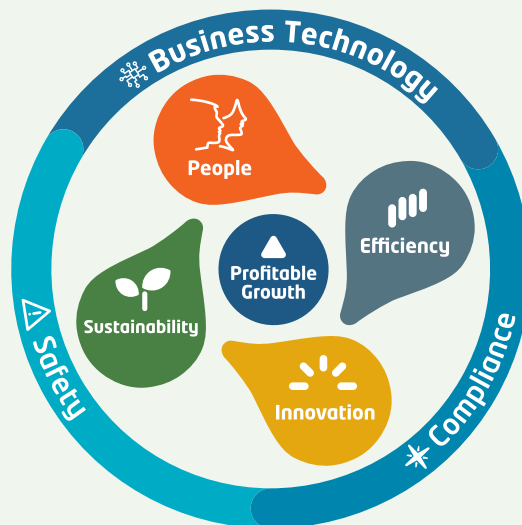
Gonvarri Industries is committed to creating **long-term value** and a more sustainable, prosperous and inclusive future in accordance with the United Nations Sustainable Development Goals.

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 objective is to enhance the positive impacts on the customer, the industry, the environment and society as a whole, and to take advantage of the growth opportunities 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 promote growth and social development based on industrial activity. Regulatory developments together with the interest of the markets in ESG aspects, or the possibilities around the improvement of competitiveness, make **sustainability a transversal 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 **307 GWh**.
- Scope 1 and 2 emissions **53,353 tCO₂ eq.**
- Electricity consumption from renewable sources **58%**.
- Emission intensity at the plant: **10.6 kgCO₂ /t delivered**.

Circular Economy

- Recyclable waste **99%** Non-hazardous Waste.
- Recycled steel content (Secondary Material) **14%***. *2024 purchase mix

Environmental Management

- Factories with ISO **14001 69%**.



SOCIAL



Health and safety

- One year without serious accidents among our own personnel
- Frequency Rate improves by **9%** vs. 2023.
- Severity Rate improves by **14%** vs. 2023.
- Factories with **ISO 45001 67%**.
- Employees covered over **ISO 45001 56%**.

Talent management, flexibility and diversity

- Development of the Success Factors platform for performance evaluation.
- Closing of the III edition of the Gonvarri Leadership Program.
- Training hours **+19%**. Hours per employee: **21**.

Customers

- Number of nonconformities, measured in ppm, **-16%** in SP22-24.

Innovation

- Hidria: registration of **3 patents** per year (on average).



GOVERNANCE



Ethics, compliance and whistleblowing channels

- **+26%** visits to the ethical channel vs. 2023
- Policy updates: management of conflicts of interest, fraud and corruption, conflict minerals and hiring of external advisors.

Risks

- Geopolitical and regulatory risks, persistent inflation (ETP Annual).

Cyber security, information security and data protection

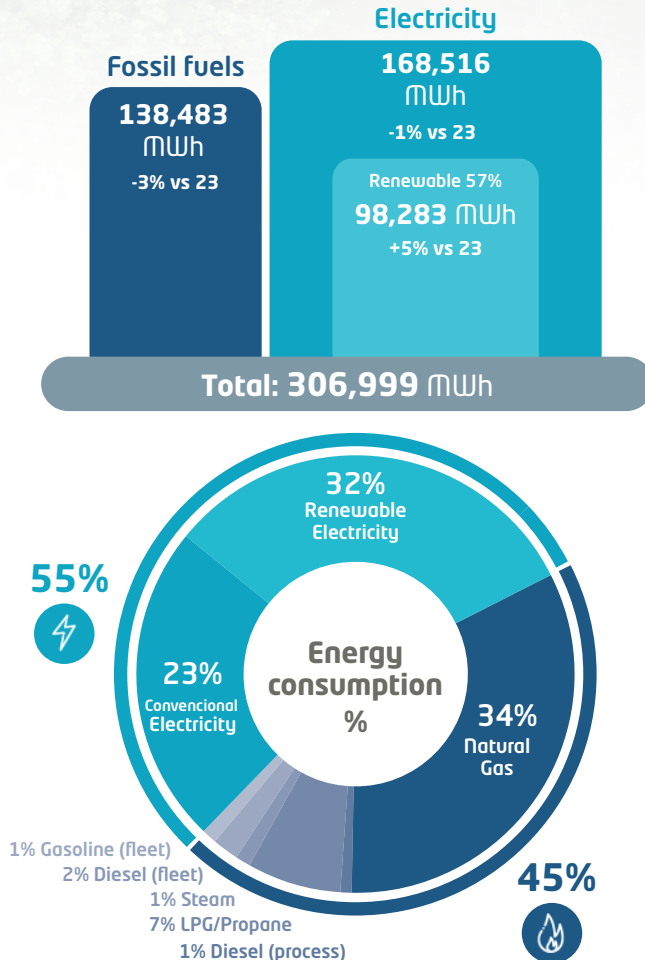
- Continuous cybersecurity training
- Follow-up of international standards such as **ISO 27001**, **CISA** and **NIST**.
- **"A"** score in the "Security Scorecard" tool. Bands from A (highest) to F (lowest).



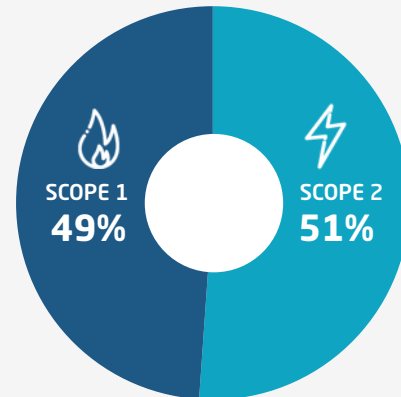
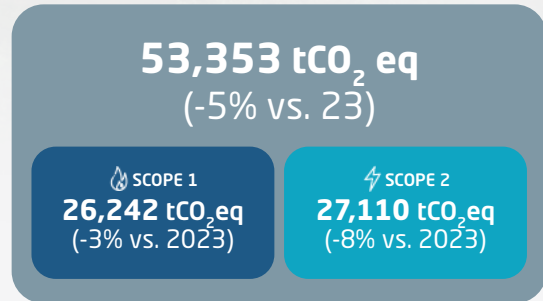
Environmental impact

Energy consumption

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



Absolute Emissions 2024



Intensity Emissions

- Emission Intensity S1+S2 per ton delivered
10.6 kg CO₂ /t delivered

Carbon Neutral Plan Evolution of GHG emissions

ALL MARKETS - ALL COUNTRIES



SCOPE 1

-50%
by 2030



SCOPE 2

100%
Renewable Electricity by 2030

PERFORMANCE Strategic Plan 2022-2024



SCOPE 1

- 8%

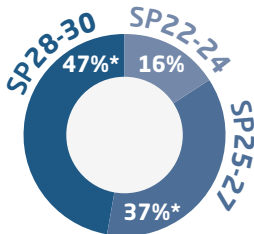


SCOPE 2

58% Renewable Electricity

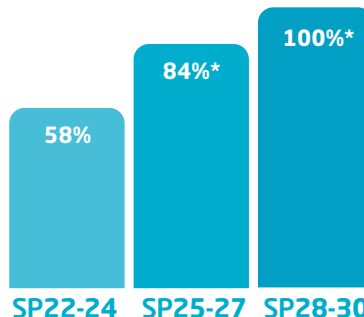
- **26/56 factories** with renewable energy certified. All factories in Spain, UK, Brazil, Colombia.
- **16 SPV plants** in operation. New plants in 2020-2024:
 - Gonvarri Polska
 - Gonvarri Barcelona
 - Gonvauto Galicia
 - Tolmin
 - Spodna Idrija

Target fulfilment



*Estimated according investment plan.

Share of renewable electricity



Green Steel and Circular Economy

OBJECTIVE: to develop a strong position as a group for Reduced CO₂ Steel

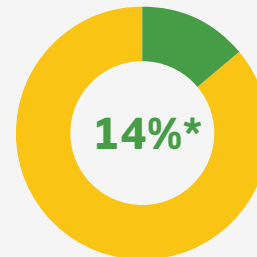
Green Steel roadmap

- To deepen insight into green steel development: **5 MoU signed** so far (AM, Thyssen, H2 GS, Hydnum and Vulcan).
- Based in Clients and Supplier contracts behind.
- Scope 3 Target on green steel purchases. Science aligned.
- Gonvarri's Product Certification (Environmental Product Declaration).

Green steel will have a higher share of secondary materials (recycled steel), reducing the consumption of natural resources and eventually mitigating climate change and waste production.

Non-hazardous waste. A total of 385 tonnes was produced in 2024. Scrap metal accounts for **97%**.

Current share of secondary material (recycled steel) in Gonvarri's steel purchases in 2024



*Estimated figure based on World Steel Association LCA eco-profiles June 2024.

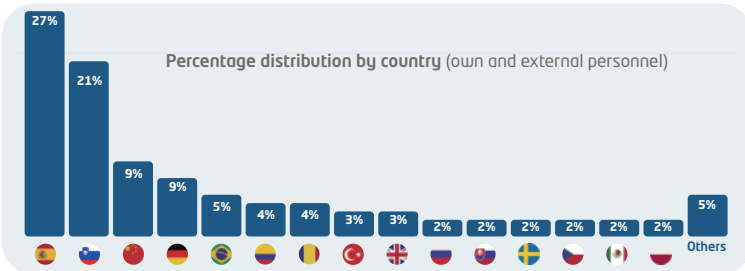
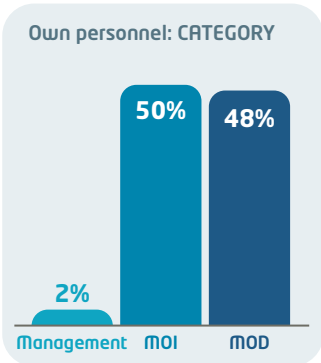
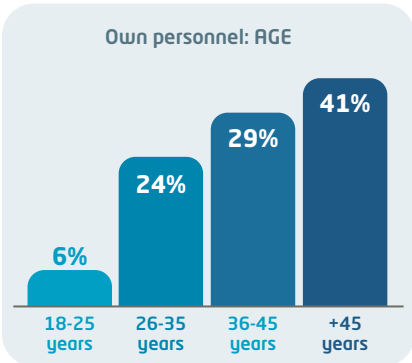
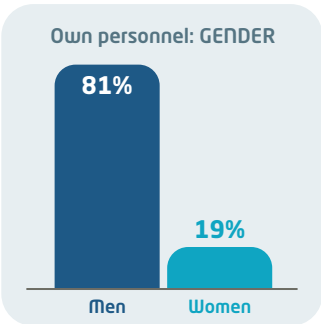
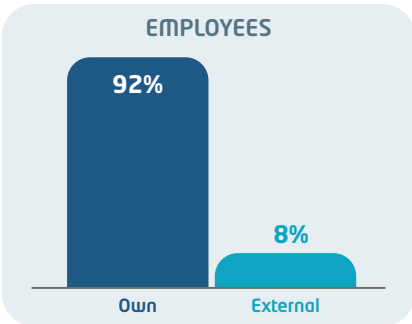
Social Impact

Our people model, integrated with the company's Strategic Plan, is a fundamental pillar of our organization. Throughout the employee life cycle, "**People Growing Together**" focuses on all 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.



88% of the professionals are employed on a permanent basis and **96%** on a full-time basis.
89% of employees are local. In 2024, there were **1,219** hires, with a turnover of **14%**.

Headcount



Health and safety

- By 2024, the group has achieved the goal of **zero accidents** with serious consequences at its sites.
- The group's aggregate frequency index increased from **6.8** in 2023 to **6.2** in 2024, improving by **9%**.
- The group's aggregate severity index went from **0.21** in 2023 to **0.18** in 2024, improving by **14%**.
- Factories with ISO 45001: **67%**.
- Employees covered on ISO 45001: **56%**.
- Health and safety training hours: **62,000**.

Doing well by doing Safe

Training & Talent management

In 2024:

- **160,677 training hours** (+19% compared to 2023).
- **21 hours** of training per employee.

Customers

The main quality and customer satisfaction indicator, obtained by the number of non-conformities, measured in ppm, **has improved by 16%** with respect to the start of the Strategic Plan in 2022.

Innovation

The innovation model in 2024 has been complemented by the incorporation of Hidria, which has several R&D initiatives integrated into its business philosophy, as evidenced by the fact that they file an average of **3 patents per year**.



Pioneering Sustainable Solutions

Hidria leads the integration of advanced processes and technologies to create sustainable solutions. From manufacturing plants to product innovations, Hidria is committed to reducing its environmental impact and improving efficiency.

- **HIDRIA EV Plant:** Sustainable Manufacturing
- **HIDRIA LIFE HIDAQUA Water Treatment Plant:** Water Management
- **3D Printing of Tooling Metals. HPDC:** Die Casting Innovation
- **Synthetic Mica:** A Sustainable Alternative
- **Cryogenic Machining:** Clean and Efficient
- **High Temperature Exhaust Gas Sensor**
- **R18 Axial Fan with Electronic Communication:** Energy Efficiency

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** 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.

76% Suppliers with **ISO 14001** certificate

75% Suppliers with **ISO 45001** / **OSHAS 18001** certificate



Non-steel purchases

Focused on purchases of other raw materials and services.

The non-steel purchasing department plays a key role in the company's decarbonization through centralized management of energy supplies. Renewable energy contracts, Power Purchase Agreements (PPAs) and the purchase of renewable energy certificates accounted for **52%** of the group's electricity consumption.

In 2024, new supply of renewable electricity started in Laubac and in GTH Norway, adding **2 GWh** to the group's renewable electricity consumption.



Community

Local contribution

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

In 2024, the company promoted 7 **community impact projects**, with more than **100,000 beneficiaries**. The total investment in these projects amounted to **367,000 euros**, with the collaboration of 7 partners.

In the beneficiary profile, youth and/or students make up approximately 98% of the total, emphasizing 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.



The **Real Madrid Foundation**, in collaboration with Gonvarri and the Concívica Foundation, inaugurated a new socio-sports school in the municipality of Itagüí (Antioquia, Colombia).

The initiative takes place within the framework of the tenth anniversary of Gonvarri's arrival in Colombia, reaffirming the company's commitment to social responsibility and its desire to contribute to the well-being of local communities.

Collaborating entities

In 2024, Gonvarri Industries collaborated with the following institutions:





Governance

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

Compliance model

Its purpose is to maintain the mechanisms for monitoring, measuring and controlling the identified risks.

In the year 2024, the Internal Audit area carried out the supervision and control work foreseen in the annual plan and included in our internal policies. Likewise, we have worked on the establishment of action plans agreed with the management of each Company to facilitate their monitoring and control.

During the year 2024, the continued to Group update its internal regulations that make up the **Compliance Model**, as well as training and awareness-raising activities for employees through monthly communications to employees throughout the Group.

Code of Ethics and Conduct

The Code of Ethics and Conduct is a reference framework for decision-making by all employees and collaborators of Gonvarri Industries.

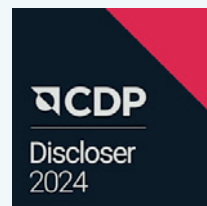
The Ethics Channel is available to all employees, managers, administrators and collaborators, as well as to other external stakeholders: customers, suppliers or society in general.

In 2024, +4,500 professionals completed the course. The Ethics Channel received **2,010 visits**, **26 %** more than the previous year.

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 it’s good performance and the quality of the information reported”.



EcoVadis is a rating agency for sustainability risk in supply chains. Gonvarri participates for the second consecutive year in this rating, and in 2024 has been recognized with a silver medal, which places it in the **most responsible** companies globally.



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