



Gonvarri
Industries

Sustainability Report 2019



Gonvarri Industries Sustainability Report 2019

Gonvarri Industries

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Doing **Well** by doing **Good**

Gonvarri maintains the same values from its origin **“honesty, humility, tenacity and work”**, together with the principles and guidelines from the Code of Ethics and Conduct, a comprehensive and balance management, the collaborative of a team qualified professionals who are proud to work at Gonvarri Industries, have enable us to growth as a solid, profitable and sustainable company with a global presence.

This ethics and corporate values that have remarked the path, are what inspired the purpose of the company **“Doing Well by Doing Good”**.

Only acting correctly, believing in what it is doing, working honestly and consistently, things can be achieved correctly.



Letter from the Executive Chairman

Jon Riberas

102-14

For yet another year, I am pleased to present Gonvarri Industries' Sustainability Report for 2019. It shows the main milestones and achievements of the year, within the framework of a strategy aimed at a profitable and sustainable long-term business, in which the creation of value plays a special role.

The global environment showed signs of deceleration as early as the second half of 2019. The growth expectations were affected by trade tensions between the United States and China and the rise in tariffs, the slowdown in the Eurozone, the Brexit without an agreement in the United Kingdom, the devaluation of some currencies and, for the automotive sector, increasingly demanding environmental legislation.

Furthermore, we start the year 2020 with a rather uncertain outlook for the economy. Since the end of December, we have been witnessing a global COVID-19 pandemic that started in China and is affecting us indiscriminately, stopping production and distribution in most sectors around the world. The massive spread of the pandemic and the lack of information on its duration bring us to anticipate a very complicated macroeconomic scenario.

However, despite this complex environment, the diversification of our business model has achieved a remarkable compliance with the budget set for the year 2019, showing its strength and ability to adapt. In Gonvarri Industries, turnover reached 3,728 million euros, with an EBITDA of 194 million euros.

The 62 million euros in CAPEX must be mentioned. Among the investments, the acquisition of the "Kredit" plant in

the Czech Republic, which is part of the Gonvarri Material Handling division, and the start-up of the new "Gonvauto Nitra" plant in Slovakia stand out.

In addition, we have made significant investments to improve processes and the product portfolio, adding blanking lines for hot-stamping at Gonvauto Navarra and Gonvarri Valencia, hybrid blanking lines (steel and aluminium) at Gonvauto South Carolina, Gonvama Chungshu, Gonvama Shenyang and Gonvauto Nitra, as well as a new high thickness cutting line at Gonvarri Tarragona, among others.

This Report summarizes the most significant advances made in the first year of the 2019-2021 Strategic Plan, which incorporates and articulates the lines of action of the "Drive" Management Model in each axis: people, efficiency, sustainability, innovation and compliance. Performance objectives are based on a roadmap which aims to contribute to a more sustainable and efficient world, in line with the growth and profitability of the company, as well as the well-being of our professionals.

In this model, the United Nations' Sustainable Development Goals (SDG) are, for Gonvarri Industries, a clear model of collaboration between companies, governments and society, as well as an opportunity for growth and improvement in our business. For this reason, we are committed to contributing to achieve them on a global scale, mainly by integrating those objectives that are most related to our business. In addition, we reaffirm our commitment to the United Nations Global Compact.



Since 2014, through the “Emotional Driving” road safety project, we have strengthened our commitment to our employees and society, in line with **SDG 3.6**, to help halve the number of road traffic deaths and injuries worldwide by 2020.

Among the most remarkable activities of this year; we continue to promote road safety through education and early awareness through talks and conferences in schools and by collaborating in the motivational congresses of the What Really Matters Foundation.

Following the success of the study on young people and mobile phone use at the wheel in collaboration with Movistar, the second edition of the study “Spaniards at the wheel, distractions and mobile phone use” was published in 2019, gathering the views of more than 2,000 Spaniards, representing a wider audience, between 18 and 65 years of age, and we began a process of internationalisation with Argentina as the first milestone, where the study “Argentinians at the wheel, distractions and mobile phone use” was presented with great success.

In addition, and in collaboration with the Real Madrid Foundation, we are strengthening our program with people with different abilities. The purpose is to introduce complementary values to the practice of sports, which will be developed throughout the season in adapted and inclusive schools, where, with the collaboration of Emotional Driving, a further step is taken in road education adapted to this group, which improves their autonomy and level of social integration.



In environmental matters, our contribution to the fight against climate change stands out, in line with **SDG 7** and **SDG 13**, establishing plans to minimize our emissions. In this regard, 2019 is a period of analysis and reflection for Gonvarri Industries to define a new roadmap in accordance with current needs and trends, as well as the demands of our stakeholders, where the fight against climate change, the reduction of CO₂ emissions and a carbon-neutral future play a fundamental role. Likewise, social demands focus on “plastic” due to its massive use in society, its impact on the environment and the difficulty of its management. Gonvarri Industries participates in this initiative by launching the project “#Unplastic: Fight against plastic”, which will be gradually implemented in our facilities and offices in the 2020-2021 period.



Aligned with **SDG 16** and in order to contribute to more equitable societies, we are making progress in the approval, implementation and development of policies and standards that make up our “Compliance Model”, with the goal of optimizing the mechanisms for monitoring, measuring and controlling the risks identified, in order to grow as an ethical, integrated and transparent company.



We contribute to **SDG 8** by promoting decent employment and job security. In 2019, 730 new professionals joined the company, bringing our total headcount to 4,952, 89% of whom have permanent contracts. As part of our efforts to attract and retain talent, in February we launched the “Gonvarri Academy” platform, aimed at offering online training to all the company employees. This has already resulted in more than 4,500 people registered who have managed to complete more than 8,000 hours of training, with 7,823 logins in 2019.

We also continue to implement various initiatives to reinforce the “Doing Well by Doing Safe” Safety Plan, which contribute to creating safe working environments, aiming for “zero” accidents. This year, the efforts made by the Gonvauto Iberia Division (Gonvauto Barcelona, Galicia and Navarra) and the Dongguan plant in China should be highlighted, as they obtained certification under the new ISO 45001 standard before the internally established deadlines.



Within the innovation and digitalization processes aligned with the **SDG 9**, the deployment of the “Digital WorkPlace” (DWP) project throughout the group stands out. This project will transform the way the company operates and enhance the talent of the professionals working in it. In June, the global deployment of DWP began with the participation of more than 2,000 professionals who already work on this platform, 2,101 attendees to webinars and 1,400 participants in national and international workshops. Given all this, at Gonvarri Industries we aim to build a profitable and sustainable business model that is committed to creating value in the economic, social and environmental spheres.

Finally, I would like to invite you to read and share this Memory, hoping that it will be to your liking.

Letter from the CEO

Josu Calvo

102-14



For the seventh consecutive year, I am pleased to present Gonvarri Industries' Sustainability Report for 2019. It outlines our main commitments and achievements, as well as our expectations towards consolidating ourselves as a world-class industrial group.

This is the first year of our 2019-2021 Strategic Plan, which is aligned with the Drive Management Model, the evolution of which is summarized in the various chapters of the Report.

Numerous external aspects have influenced the course of this year, where, after a period of growth, a change in trend can be observed, primarily due to the decline in the automotive sector in the last half of the year, in addition to other factors such as the rise in tariffs and the devaluation of some currencies.

With all this in mind, our vision at the end of the year shows stable financial results in line with those of the previous year and a significant improvement in non-financial and sustainability objectives, particularly the progress made through the "Emotional Driving" road safety project, such as the successful "Ponle freno" initiative.

Adapting to the changes, challenges and opportunities in our environment is crucial for the sustainability and profitability of our business. In this context I would like to highlight two aspects which, due to their relevance, will be key to our future development: the digital transformation, through the Industry 4.0 project, and the fight against climate change, with a roadmap for an emissions neutral future. Both are aligned with our commitment to the Sustainable Development Goals, mainly SDG 9 "Industry, Innovation and Infrastructure" and SDG 13 "Climate Action", respectively.

Industry 4.0 and digitalization

Gonvarri 4.0, framed within our strategic axis of Innovation, represents our commitment to digital technologies. The objective of Gonvarri 4.0 is to seek efficiency in our operations and safety in our factories. To meet these objectives, we have a portfolio of 20 projects in different stages of execution, from those in the conceptualisation phase to others that are in the global deployment phase. In Gonvarri 4.0 we are developing projects that range from the digitalisation of our production lines through a production execution system, to the elimination of paper in the maintenance function or the incorporation of elements for handling goods with automatic detection of objects and people to increase security. In conclusion, Gonvarri 4.0 is a transversal and global project.

Through innovation and new technologies, we are more efficient in our processes and improve our products according to the customer needs. A clear example is the search for lighter and more resistant materials, such as high-strength steels and aluminium. Also, in this field, the advances in the design and production of metal parts through additive manufacturing, carried out in our facilities in Addimen, stand out.

In recent years we have seen the growing need to adapt to a world that is moving exponentially towards a digital and innovative way of working. This directly affects our business, both in the way we produce and in the way we relate to our employees, customers, suppliers and society at large.

We are experiencing a process of change through the deployment of the "Digital WorkPlace" (DWP) project, adopting Mi-

crosoft technology and Office 365 work tools throughout the group. This project is transforming the way that the company operates and empowering the talent of the professionals working within it.

A rigorous implementation and training plan was established for its development, with numerous initiatives and support materials, which helped to conclude the first phase of the DWP adoption project with great success.

Roadmap to a carbon-neutral future

This year the COP 25 met in Madrid where the situation and progress in the fight against climate change was presented, discussed and analysed. There, numerous reports from scientists and experts were presented, warning us of a complicated future, where the rise in temperatures and the increase in natural disasters continue, unless urgent action is taken by governments, businesses and society in general. Along these guidelines, the European Union's "New Green Deal" is beginning to define the main courses of action for the coming years, in order to achieve climate neutrality by 2050 as an opportunity to modernize, facilitate innovation and improve the competitiveness of the European economy and generate quality employment.

Therefore, evaluating the demands of the environment, the risks and the expectations of our stakeholders, this year represents for Gonvarri Industries a period of analysis and reflection in which a new roadmap can be defined in accordance with current needs and trends, where the fight against climate change, the reduction of CO₂ emissions and a future without carbon emissions play a fundamental role.

The plan will include improvements in reporting and control of information and data, energy efficiency measures, promotion of the use of renewable energy and the purchase of energy certified in origin, as well as other measures aimed at reducing and improving travel, and other compensatory projects such as reforestation. In the next report we will detail these plans and measures.

Gonvarri Industries and its four divisions

With regard to our business, to improve our services, we have rearranged all our activities and lines of work under the umbrella of four divisions:

- **Gonvarri Steel Center**, including "Automotive" where we are making progress in the use of new lighter and more resistant materials and "Industry and Household Appliances" focused on the supply of flat steel and high quality profiles for very diverse sectors (household appliances, construction, etc.).

- **Gonvarri Metal Structures**, including "Road Safety" which develops a very wide range of vehicle containment systems for roads and safe supports for lights; "Energy" aimed at designing and supplying innovative solar structures, fixed and mobile, with wireless communication and self-powering technology, as well as street lights and electrification towers, and "Mecano" for the development of cable carrier systems, buss enclosures and profiles, with their accessories, adapted to the needs of the clients.
- **Gonvarri Material Handling**, in charge of the design and manufacture of storage and handling systems for all industrial environments, offering a comprehensive service.
- **Gonvarri Precision Tubes**, dedicated to the manufacture of low carbon steel and stainless-steel pipes, which are adapted to the customer's requirements.

People, safety and talent

At Gonvarri, our people and the attraction and retention of talent are key aspects, which is why, among the different initiatives, we are committed to the training and qualification of young professionals, to give them an opportunity for development and growth. Through the programmes: "FP Dual" where the educational centre and the company are jointly responsible for the training provided, and "Young Engineers", focused on attracting young people with high potential to broaden their experience by assigning them to a certain region of the group in which they rotate through different companies, contributing to their employability.

Health and Safety training and awareness is also key to reducing the number of accidents and mishaps and creating a safe working environment. Therefore, the training provided by the plants to their own and external personnel has increased significantly this year. This year, the training of the "2nd State Collective Agreement for Industry, Technology and Services in the Metal Sector" for the plants and offices in Spain, given by approved suppliers and with a high level of participation, stands out.

I do not want to say goodbye without mentioning the serious crisis arising from the health, social and economic impact of COVID 19 throughout the world, which has affected us since nearly the beginning of 2020 and which has led to the enormous tragedy of this disease with the loss of so many lives.

The risk of infection for our professionals and society at large, the stoppage of non-essential activities for significant periods of time in almost every country and the severe crisis that will remain as a result of this pandemic, suggest a complex scenario for Gonvarri in the coming years, which forces us to rethink our plans and strategies, in a very uncertain environment.

GONVARRI INDUSTRIES

Gonvarri Industries is a global company, thanks to its commitment for the innovation and quality it has become a reference in the flat steel and aluminium transformation sector worldwide.

Global presence ▶

+5,000 employees in
43 plants and **24** countries



◀ **Diversification:**

4 lines of business:

Gonvarri Steel Center, Gonvarri Metal Structures,
Gonvarri Material Handling and Gonvarri Precision Tubes



Materiality ▶

10 material issues

Opinion of internal and external stakeholders



◀ **Social media**

+15,000 stakeholders
following corporate social media



SDG ▶

Sustainable Development Goals

Emotional Driving, Climate Change, Innovation, Training and Employment



Our Company

Gonvarri Corporacion Financiera, S.L. (henceforth Gonvarri) was founded in 1958, conducting business in manufacturing, processing and trading in steel products and metals related to the iron and steel industry.

From the beginning, Gonvarri Industries has experienced huge growth, diversifying itself to a global level, and it has a presence in 24 countries with 43 operating plants and 24 distribution centers.

The scope of the Sustainability Report includes all the information about 40 factories, 24 offices and distribution centers.

In 2019, the companies Gonvauto Nitra in Slovakia, GMH "Canrena" plant in Sweden and Laser Automotive Zaragoza plant in Spain were fully integrated into the business. Factories of Pune (India), Resende (Brazil) and the new acquisition of GMH Kredit are not included in the scope, at the end of the fiscal year.



Purpose

Doing **well** by doing **Good**
Doing **well** by doing **Gonvarri**

Vision

Gonvarri: Metal Solutions for a safer and sustainable future

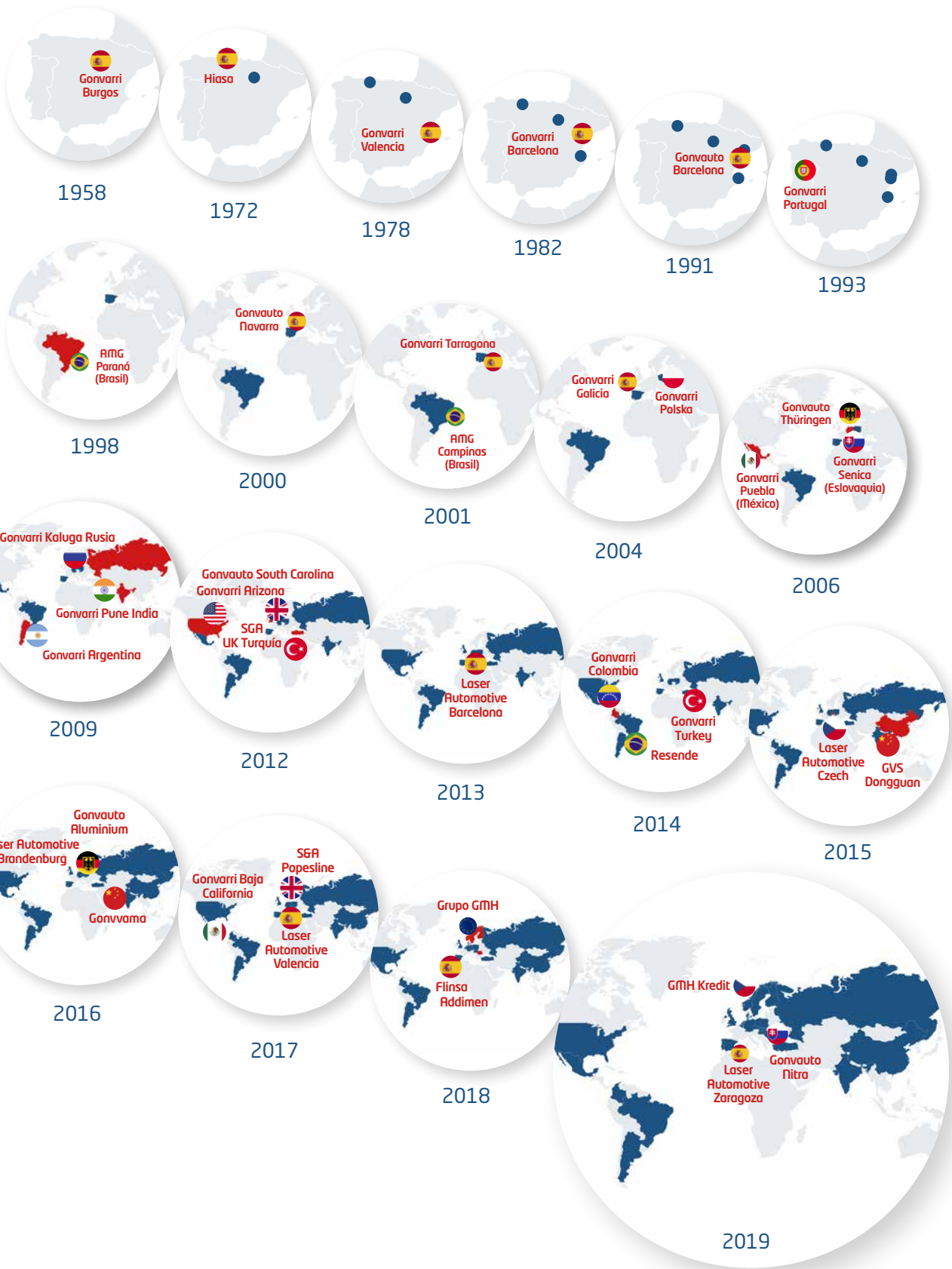
Mission

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



Milestones

Evolution since its beginning



2019 Gonvarri Industries in figures

102-7

Gonvarri Industries understands the Sustainability as a model that integrated responsible management and a commitment of ethics, transparency and collaboration with our stakehol-

ders, in order to enjoy a cleaner environment and with fewer inequalities that contributes to achieve the Sustainability Development Goals.

Below it is summarized the main figures in 2019:

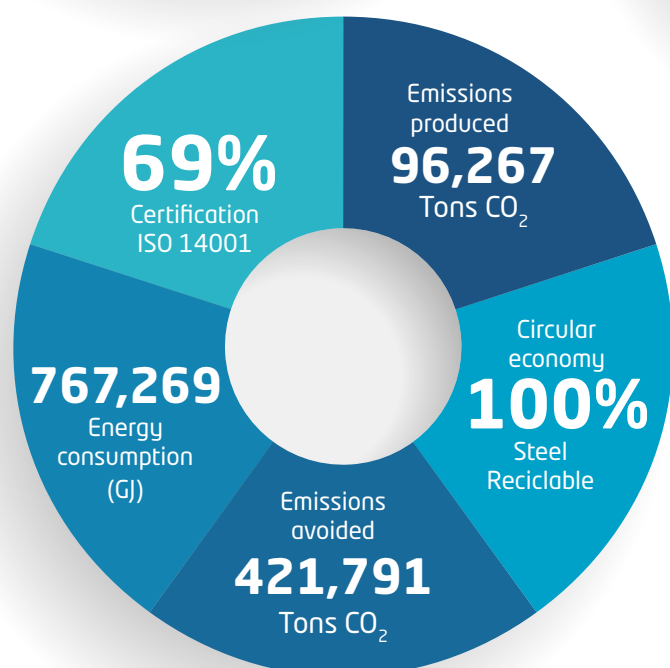
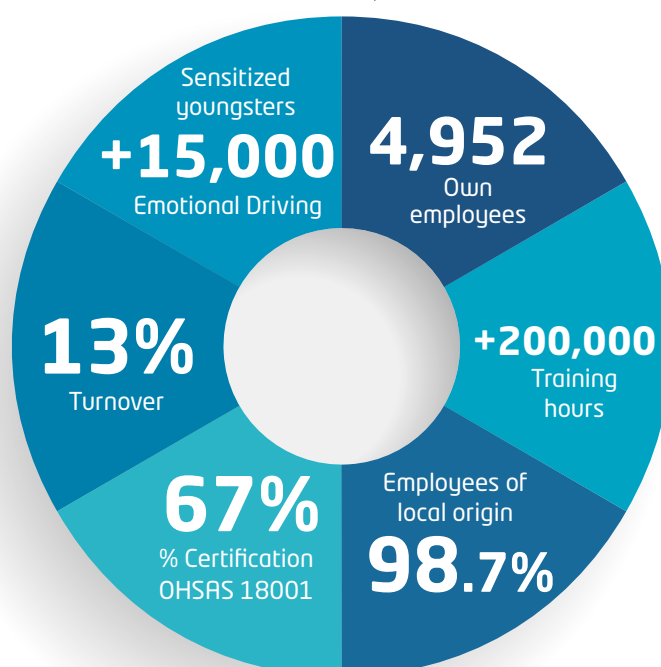
Economic Contribution

Our business activity generates numerous benefits in the society which we live. The company dynamize local development by nourishing employment in the region, the growth of new suppliers and businesses, as well as improvements of the infrastructure through the payment of local taxes and duties, among others.



Social Contribution

Our business activity requires the hiring of numerous local workers to whom we offer a stable employment, which increases the economy of the area and the purchasing power of families. In addition, the company carry out numerous social action activities to improve the environment.



Environmental Contribution

Our business activity is directly related to the reduction of vehicle emissions, through lighter and safer structures. Furthermore, the company plants are managed to minimize our environmental impact, in particular through the measures implemented in terms of energy efficiency.

Note: the economic data is related to Gonvarri's global scope. The rest of them are to the report's scope.

Worldwide Presence 102-4 AND 102-6

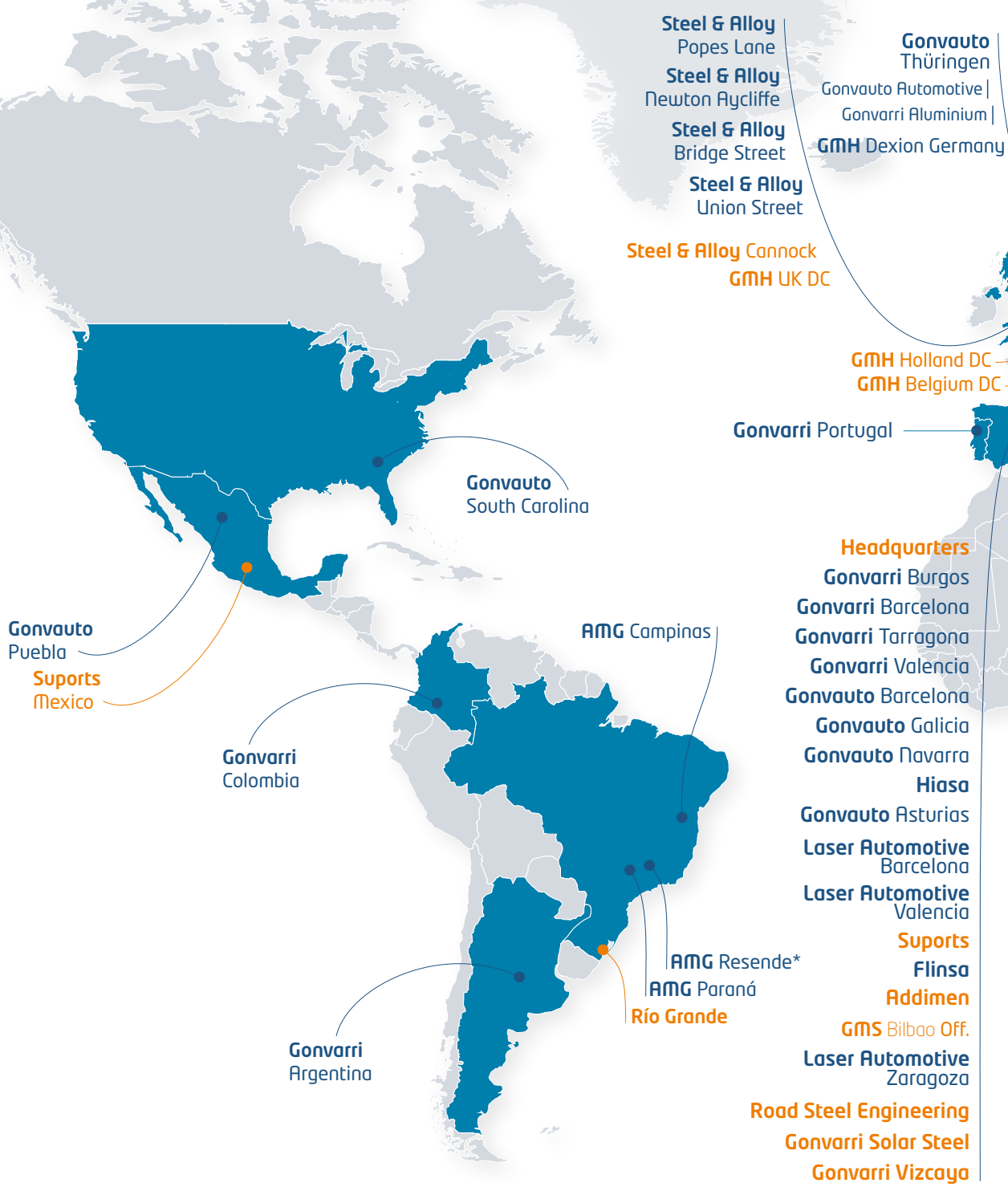
DATA AS AT 31 DECEMBER

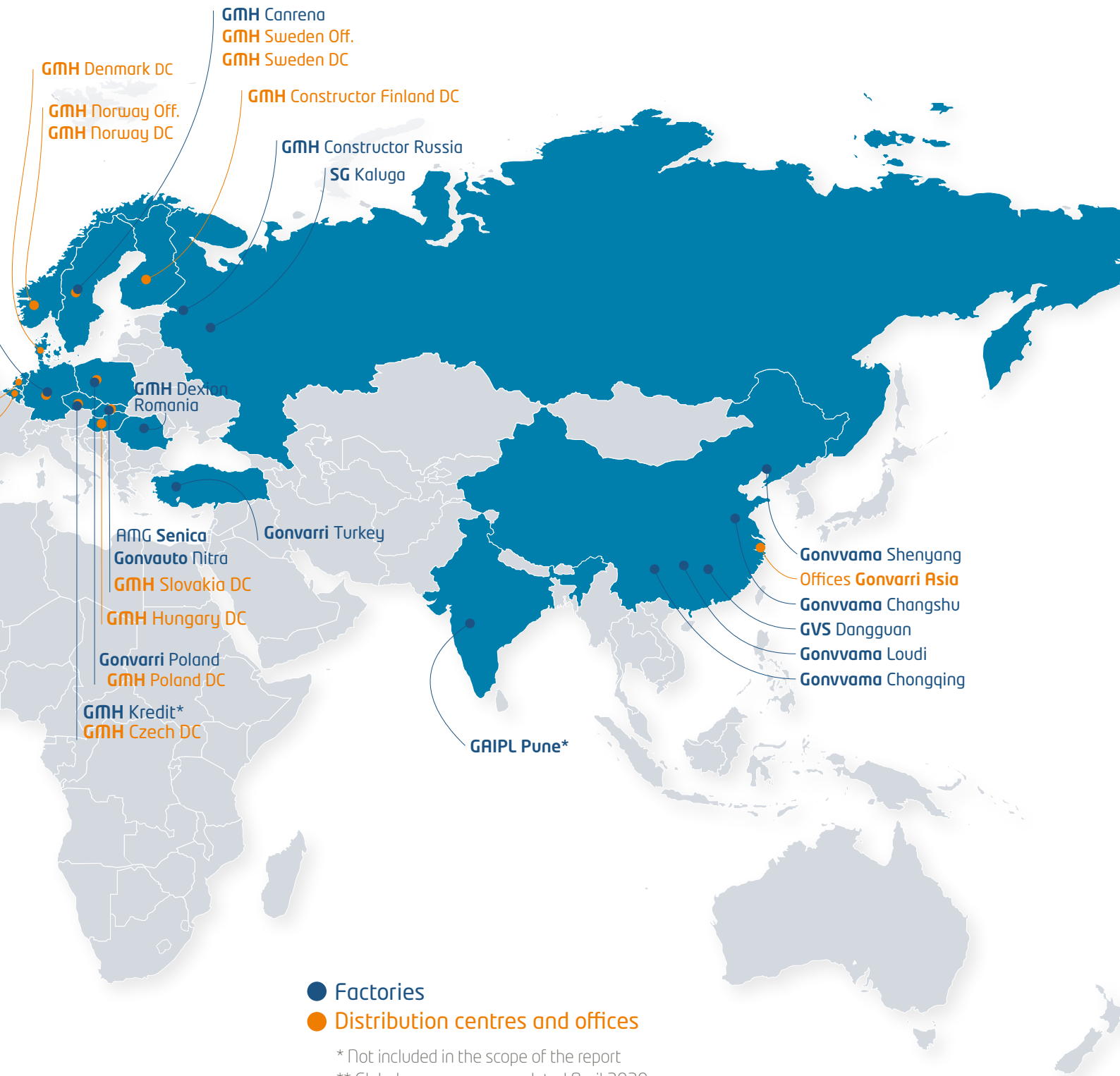
24
23
Countries

43
40
Operational facilities

24
24
Distribution centers and offices

5,252 GLOBAL
4,952 PERIMETER OF THE SUSTAINABILITY REPORT
Own Professionals





Main milestones in 2019

102-6

The company has a presence in 24 countries, which allows us to cover the entire global market in collaboration with our customers. The company continue to invest in service facilities, with new production lines subject to the increase in demand and internal initiatives, which allows us to strengthen our position in the global market.

January Gonvauto South Carolina

Gonvarri South Carolina: New Blanking Line and plant expansion



February

Gonvarri Valencia New Blanking Line for Hot-stamping

Gonvauto Navarra start-up of the new hot-stamping line 7



March Leadership Meeting Gonvarri

Gonvauto Navarra is certified under the energy efficiency standard 50001

II Conference "Women of Steel - Iberian Peninsula"



April Digital WorkPlace

was launched at Madrid Headquarters



May

Ponle Freno rewards Emotional Driving for its road safety program at work

First anniversary of the 4.0 Drive **Corporate Intranet**



June

First **Digital WorkPlace Day** in the factory

Gonvarri and Movistar present the **second study** "Emotional Driving 2019: Spaniards at the wheel, distractions and mobile use".



July

Gonvarri Valencia presents its **new Blanking line**

Road Steel is involved in the **construction of the Boekelose Bridge**



August

Suports presents its **new website**

Gonvarri Polska: Extension of the finished **product warehouse**



September

Welcome to **Gonvarri Industries' Brand Center**

Gonvarri Material Handling acquires 100% of **Kredit**



October

GVS successfully passes the IATF: 16949 2016, ISO 45001 and ISO 14001 **audits**

Gonvarri Tarragona: New high thickness cross **cutting line**



November

Gonvama Shenyang: **new blanking Hot Stamping line**

Gonvauto Nitra: **new plant** with hybrid blanking and **automatic roll storage**

Senica: **Expansion** of the finished product and raw material warehouses and new hot stamping blanking.

Çepas participates in the **Mobile World Congress** in Los Angeles with the new development of GSM towers



December

Jon Riberas received recognition from the **Juan XXIII Roncalli Foundation**

OneSAP: The new **SAP** model for the Group companies begins to take shape.



Main brands and products

102-2

Gonvarri Industries is a company with more than 60 years and with a remarkable growth from its origin.

This growth is linked to the development of metal components for the automotive, road safety, solar structures, storage solutions and industry sectors. Although steel continues to be our main raw material, aluminium is becoming more and more relevant.

We anticipate the future, maintaining the essence of our roots, with a set of universal values, "**Honesty, Humility, Tenacity and Work**", which represent the greatness of the company, its strength and the commitment of its workers, preserving our Mission, providing metal solutions for a safer and more sustainable future, adapted to our customers' needs.

Gonvarri Steel Center



Automotive

Leaders in the supply of flat steel, steel tubing and 3d laser cutting to the main automotive Tier 1s and OEMs as well as to important stamping companies.



Industry

Supplying flat steel for profiles and tube for different sectors (domestic appliances, construction, cable tray, metallic furniture, ...), of high quality and according to the needs of our customers.

Gonvarri Metal Structures



Road Safety

Develops a very wide range of road vehicle restraint systems and safe supports for luminaries, through innovative products, that rigorously comply with all quality and safety standards, as engineering services for its evaluation, application and implementation.



Energy

Designing and supplying innovative fixed and mobile solar structures, with wireless communication technology which are self-powered, as well as streetlights and electricity pylons.



Mecano

Develops cable tray, bus bar trunking and profile systems, with appropriate accessories in accordance with customer requirements, for sectors as mining, oil and energy.

Business brands

We are strengthening the diversification of the company's business by maintaining the unity of the "Gonvarri Industries" brand, consolidating our global leadership.

Under this scheme, our products are commercialized with its respective business brands.

Gonvarri Material Handling



Material Handling

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

Gonvarri Precision Tubes



Precision Tubes

The manufacturing of low carbon alloy steels encompasses a range from Ø8 up to Ø130 mm, and from Ø25 up to Ø104 mm in stainless steel. We can manufacture for both steel types, either round tube or its different derivatives sections, such as square, rectangular, oval and some other special shapes, with different cutting processes, as per customer requirements.

Our sustainability vision

Gonvarri Industries understands the Sustainability as a model that integrated responsible management and a commitment of ethics, transparency and collaboration with our stakeholders, in order to enjoy a cleaner environment and with fewer inequalities that contributes to achieve the Sustainability Development Goals.

Drive and the Sustainable Development Goals

Our way of integrating Sustainability

After the launch of the United Nations Sustainable Development Goals (SDG) in 2015, we started a road map aligned with the Agenda 2030 that it helps to the compliance of this goals, in particular those related with our main activities. Therefore, we integrate this goals in our Drive Management Model.



Drive is the Management Model that pushes Gonvarri Industries to reach its objectives for profitability and growth. This Model is based on people, efficiency, and the continuous improvement of its processes, on the particular effort in innovation, and always with a focus of sustainability and the Internal Audit&Compliance framework.

Our SDG impacts

Gonvarri Industries defined and integrated in its strategy important economic, social and environmental challenges for more profitable and sustainable future, firmly committed to the creation of a long-term value and care of the environment.

We have considered aspects related to our activity and strategy, the stakeholder's opinions (materiality) and the more relevant social demands.

As a result, we have defined the Sustainable Development Goals that we impact most directly on, setting targets with which to objectively measure our contribution. In all of them the "SGD 17. Strengthen the means of implementation and revitalize the global partnership for sustainable development" is a key for its consecution.



Gonvarri Industries and SGD

Emotional Driving and the SGD



In Spain, each year 400,000 deaths occur due to accidents at work, where 1 in 3 is related to traffic, the majority being accidents in itinere (when travelling to work).

(Source: Dirección General de Tráfico).

In this context, it should be noted that:

- Gonvarri Industries is a leading company in the auxiliary automotive sector and in the manufacturing of vehicle containment systems for highways which contribute to minimizing the impact of traffic accidents.
- The company analysed the movement of the staff, with a result make of more than five million trips per year, most of them by car. This indicates a high exposure to a traffic accident.

For this reason, our activity is directly aligned with **SDG 3/3.6**. "By 2020, halve the number of global deaths and injuries from road traffic accidents" and indirectly to the **SGD 11/11.2** "By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety".

Our contribution to road safety

This means that as agents involved in the road sector, we feel responsible for reinforcing safety and well-being, both within the company and in society, especially with the victims of traffic accidents.

For this reason, the "**Emotional Driving**" Program was launched in 2014, with the purpose of making drivers themselves the protagonists and main force in the road safety messages, by appealing to their beliefs, values and emotions for safe driving.

The balance of these five years could not be more positive. What began as a modest initiative for our employees in Madrid headquarters, today reaches thousands of people in our country at the national and international level, in countries where we have a presence like Argentina, Portugal, Germany, Colombia and soon Brazil. Employees have become the ambassadors of a safe drive, moreover the awareness campaign got into the schools and are experienced by youngsters and by professionals of the road.

Facing this reality, Gonvarri will continue working in order to increase Emotional Driving and its philosophy is applied day by day in all drivers, since preventing accidents (and therefore to save lives) is a constant activity.

Monitoring KPIs

I. Increase the volume of road safety awareness in the population by 2% a year until 2024.

In 2019 we continued to raise awareness among more than 15,000 youngsters through congress and talks, we impacted to all the employees in Argentina through a roadshow. Also, we impacted to 100 employees through a lecture about "in itinere" road safety coinciding with the Occupational Health and Safety Day.

II. Collaborate and develop new alliances for projects related to road safety and new NGO, foundation, or Public Body until the year 2024.

Two collaborative projects stand out:

With Real Madrid foundation we have extended the number of sessions to do in the adaptive schools with the aim to reinforce the knowledge among the youngsters with different capacities.

We made a campaign or announcement with What Really Matters foundation in order to commemorate the day of the victims of traffic accidents, showed in the most part of the congresses of the foundation and on Emotional Driving social networks.

III. Develop a relevant initiatives (roadshow, local studies, ...) in a new place, in order to achieve the 30% of the countries where we are presence in 2024.

In 2019 the study "Españoles al volante" was continued by increasing the number of the sample and the study "Argentinos al volante, distracciones y uso del móvil" was developed and published.

Gonvarri Industries and SGD

Climate Change and the SGD

7 AFFORDABLE AND CLEAN ENERGY



Since the approval of the historic Paris Agreement (COP 21) in 2015, many initiatives have been developed, such as the European Green Deal, which includes a Climate Roadmap for the coming years for a fair transition to a carbon-neutral economy.

The increase of societal, economic and political demands should also be mentioned, these require a shift in consumption patterns, a cleaner and emission-free environment, and towards a more just and equal society, enabling us to face the world's biggest challenge: climate change.

The Fight against Climate Change is directly aligned with SDG 13 "Climate Action" and indirectly with **SDG 7** "Ensure access to affordable, reliable, sustainable and modern energy for all" and "**SDG 12**. Ensure sustainable consumption and production patterns" by developing projects that contribute to reducing CO₂ emissions.

2019 represents a period of analysis and reflection for Gonvarri Industries in which a new roadmap must be defined in line with the current needs and trends, as well as the demands of our stakeholders, which will be published in the year 2020.



Our contribution to the fight against climate change

Energy is a key aspect in our business. The measures aimed at reducing these consumptions are extremely beneficial, in addition to reducing costs and improving production processes, these allow us to reduce CO₂ emissions and, by doing so, contribute to the fight against climate change.

To this effect, the ECO-ENERGY Project was initiated in 2015, through which we monitor consumption and obtain real segregated data. This allows us to detect points of improvement in the less efficient processes and to implement Energy Saving Measures (ESM) that revert and optimize this situation. This project is gradually being implemented in all of our plants.

Monitoring KPIs

- I. Monitor all our plants with the ECO-ENERGY methodology, in order to have data available on 80% of Gonvarri's total consumption by 2030 (electricity and natural gas).**

ECO-ENERGY was implemented in 18 plants of the group. In 2019 we have advanced with new lines and extensions to plants already monitored. This means that we have information on 67.5% of the electricity and natural gas consumed in Gonvarri

- II. Reach energy savings of 12 GWh/year by 2020.**

In 2019, 15 measures were implemented in different plants of the group, assuming an increase in the annual rate of energy savings by 3.21 GWh/year. The total energy savings amount to 13.97 GWh (natural gas 30% and electricity consumption 70%).

Gonvarri Industries and SGD Innovation and the SDG



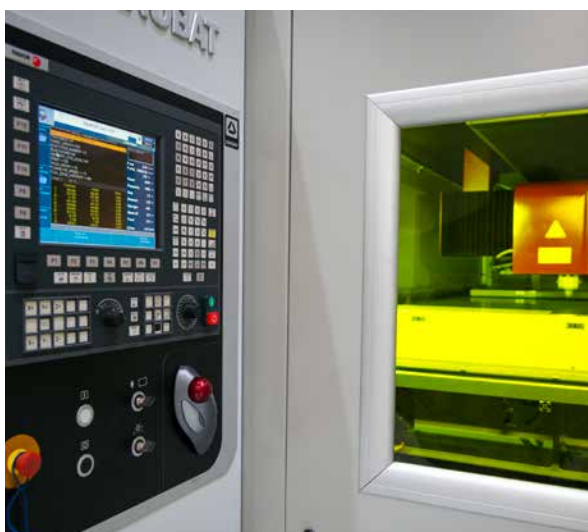
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



We understand innovation as a factor of change and adaptation to the new requirements of customers and markets, generating added value to the business and minimizing its environmental impact. Therefore, innovation is one of the strategic pillar of Gonvarri Industries, contributing to its sustainable and profitable growth.

Our innovation model is orientated to answer the requirements and necessities of our customers in the short, medium and long term.

This commitment is embodied in the R&D+i team, with an increasing number of qualified professionals and in the constant search for opportunities and improvement projects, which allow us to anticipate the market, offering differential and more efficient products, in line with the new technological trends.



Our contribution to innovation

Our initiatives are aligned with **SDG 9 / 9.4**. "By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities", through two tracks:

- Road safety division where the improvements in the guardrails are conducted directly to reduce the mortality and, in this case, to minimize its impact.
- Automotive division and its contribution to the development of safer and lighter cars.

Also, we develop different projects in order to improve our products and processes, as well as transforming the way we work through digitalization, to be more efficient and minimize our impact, and indirectly contributing to the **SGD 12** "Ensure sustainable consumption and production patterns".

Monitoring KPIs

- I. To communicate and disseminate among our employees the importance and participation of innovation in the company through the innovation workshops, with the aim of reaching 2,000 hours in the period of the Strategic Plan 2019-2021.

In 2019, 7 workshops were held with a total of 1,398 hours (69% achieved).

Gonvarri Industries and SGD Education and the SDG



According to the ILO report "World Employment and Social Prospects: Trends 2019", the evolution in the reduction of unemployment at a global level is not accompanied by improvements in the quality of work, where millions of people are forced to accept poor working conditions, complicating the attainment of SDG 8 "Decent work".

In 2018, the majority of the 3.3 billion employed people in the world did not enjoy sufficient levels of economic security, material well-being and equal opportunities. Currently, 700 million people live in extreme or moderate poverty despite being employed.

The report highlights the lack of progress on the gender gap. The female labour force participation rate was 48% compared to 75% for men. Another concern is the persistence of informal employment with 2 billion workers (61% of the world's workforce) and one in five young people (under 25) not working, studying or receiving training, thus compromising their job prospects.

It also emphasizes that, should the global economy succeed in avoiding a major slowdown, unemployment is expected to continue to fall and training to improve in many countries



Our contribution to decent work

At Gonvarri we believe that global change is required to move towards formal, diverse, secure and stable employment that complies with human and labour rights, improving education, reducing pay gaps and inequalities, paving the way for a more fair and equal society.

Therefore, as a global company with a presence in 24 countries and with over 4,500 direct employees, we contribute to the improvement of this environment through providing stable, lasting quality employment, which allows us to create local wealth in the communities that we operate in, and so contribute to the achievement of **SDG 4** "Quality education" and **SDG 8** "Decent work and economic growth".

Monitoring KPIs

- I. **In order to create local wealth in the countries we operate in, through stable local hiring, paying living wages, with legal working hours. Gonvarri has a double objective: to maintain the average of local employment and permanent contracts >80%.**

In 2019 local employment reached 99% and 89.4% of our professionals are on permanent contracts.

- II. **Incorporate 3 new annual courses in the online platform "Academy" in the 2020-2025 period.**

Academy platform started in 2019. In the next fiscal year, we will summarize the new courses scheduled.

Materiality

Identification and communication with stakeholders

102-40, 102-42 AND 102-43



At Gonvarri Industries we believe that taking care and improving the relationship we have with our stakeholders is a key aspect to improve our performance. Within this context, we consider any collective that may hold a substantial influence, and that is or may be affected by our activity.

Since 2013 we have updated our stakeholders to improve their coverage and communication, to know their expectations better and to focus the contents of the Report on their main economic, social and environmental requirements. We have different specific communication channels available for each of the identified stakeholders, as is outlined next:





Results 2019	Twitter	YouTube	LinkedIn	TOTAL
Followers	2,080	303	12,683	15,066
Total number of contents posted in 2019	86	61	52	199
Visits to our profiles/impressions	6,216	---	16,500	22,716

We highlight the internal and external communication with the stakeholders through social networks, the website and the intranet, with contents that allows to measure the positive impact of the messages, where our presence is increasing.

In 2019, social networking activity was very focused on diffusing campaigns related to driving safety, with contents that allow us to measure the positive impact of the messages. This is reinforced through our Emotional Driving webpage.

Relevant aspects: Materiality study

102-44, 102-46, 102-47, 102-49, 103-1, 103-2 AND 103-3

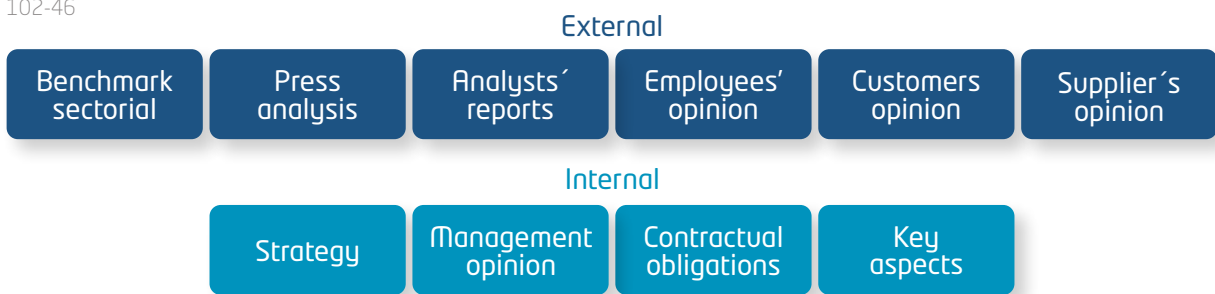
Over the last few years we have been working on our materiality analysis, in order to detect and update the relevant matters regarding sustainability. Since 2018, the study has been carried out every two years, so the next materiality study will be updated in 2020.

trends, issues treated by our competitors and analysts), and on the other, the policies and programs developed by Gonvarri Industries, as well as our appearances in the communication media. This allows us to group the relevant information into 19 matters. Those matters were pondered by the stakeholders to identify those most relevant from an internal and external perspective.

For the "identification of material matters" we consider, on one hand, the matters that affect our environment (current

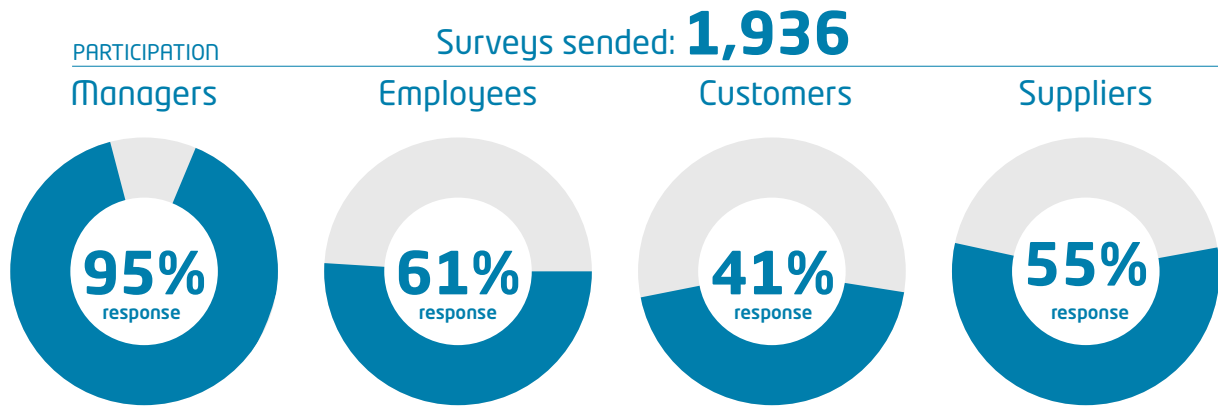
External and internal coverage

102-46



For this identification, we have conducted an extensive consultation with our main stakeholders including: management, employees, suppliers and customers. The survey is done through

a technological data and information analysis tool that assesses the importance and perception of the identified matters. The average engagement of each stakeholder group is summarized below:



After this analysis, its weighing and revision, a global total of 9 material matters were defined for all stakeholders. It should be noted that with respect to last year, this year we have incorporated the "Fight against of Climate Change" as material aspect.

This, as summarized in the Report, it is very important for the society, for our customers and to management, as well as increasingly regulated. Therefore, we are designing a roadmap with the aim to moving towards a carbon neutral company. In the table the 10 material matters and the chapter in which they are elaborated on are outlined:

Material Matters 102-47	Chapter
1 Sustainable financial profitability	Drive: profitable growth
2 Risk control	Drive: profitable growth
3 Data protection	Drive: profitable growth
4 Compliance	Drive: Internal Auditing & Compliance
5 Customer relations	Drive: efficiency
6 Innovation	Drive: innovation
7 Health and safety	Drive: efficiency
8 Management of environmental impacts	Drive: efficiency
9 Promotion of the Circular Economy	Drive: efficiency
10 Fight against Climate Change	Drive: sustainability

In addition, were material from the internal approach: the attraction and retention of talent, and from the external approach: the homologation of suppliers and climate change.

Governance

Gonvarri Corporación Financiera, S.L. (henceforth Gonvarri Industries or Gonvarri) was founded in 1958, conducting business in manufacturing, processing and trading in steel products and metals related to the iron and steel industry (102-1).

The corporate structure of the Gonvarri Corporación Financiera is 99.99% owned by HOLDING GONVARRI S.R.L. (102-5)

The headquarters are located in (102-3):
St. Embajadores, 482. 28053 Madrid - Spain

Governance Structure

102-18

The governing bodies of the society are the General Shareholders' Meeting and the Board of Directors, which is the highest governing, supervision, decision and control body of Gonvarri.

In the Statutes of Gonvarri, the functioning of the Board of Directors and the requirements and deadlines for convening the General Shareholders' Meeting are reflected.

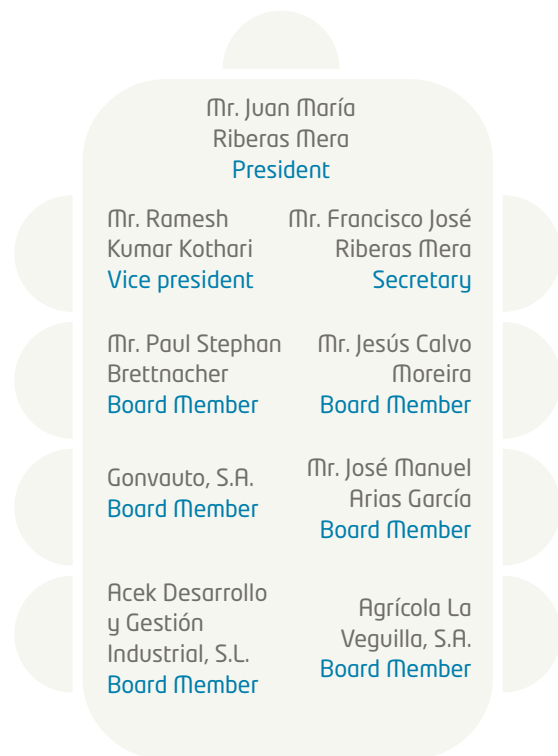
Gonvarri is a non-quoted company, whose members of the Board of Directors represent all shareholders, and therefore there is no legal imperative to have representatives from other stakeholders, nor to take other factors related to diversity, minorities, etc. into consideration (102-22 and 102-24). The President of Gonvarri hold an executive position (102-23).

The performance of the Board of Directors is not reviewed, since some of the members are the owners of the company through their shares and represent all partners. This year there have not been any changes to the members or the organizational practices (102-28).

The Board of Directors makes relevant decisions in plenary session and delegates, when applicable, the execution of these. Additionally, special powers of attorney can be agreed by the Board of Direction in favour of employees of the company to carry out specific elements in those operations previously approved by this body (102-19).

The powers for the designation of the Board Directors correspond exclusively to the General Shareholders' Meeting, which constitutes the interest of all the company partners (102-24). For either a natural or legal person to be appointed as administrator, being a partner, it is not required. Likewise, the conditions that prohibit such function are established in the Statutes.

As of December 31st 2019, the Board of Directors is formed by:



The company ACEK DESARROLLO Y GESTIÓN INDUSTRIAL, S.L. represented by Mr. Juan María Riberas Mera held the position of Managing Director at 31 December 2019, vested with each and every one of the powers attributed to the Board itself, except those that according to the Law or the Articles of Association may not be delegated.



The partner will not be able to exercise his voting right associated with their participations when in one of the conflict of interest cases established in article 190 of the Royal Legislative Decree 1/2010, of the July 2, in which the Consolidated Text of the Corporate Law was approved (102-25).

Regarding the information and consultation mechanisms (102-21), these are done through the different administrations that act as a conduit between the Board of Directors and the different stakeholders. Furthermore, the General Manager holds biannual meetings with all the corporate staff. In these meetings, the relevant elements related to the management and the company's situation are outlined and the feedback from the staff on these matters and other matters of interest is received, with all the corporate staff in Madrid available for direct consultation.

Concerning the governing members, 89% are over 46 years old, and the remaining 11% are between 36 and 45 years old. Similarly, 78% of the governing members have the local nationality and all are men (405-1).

The responsibilities, functions, communication and knowledge of the highest governing body in relation to sustainability

Through our parent company, we count with a global corporate culture that retains the very same values and principles from our origin, but which are tailored to the local needs of each country, to the current market conditions and to the stakeholders' demands.

The Board of Directors is responsible for the approval and commitment to complying with the Code of Ethics, the Sustainability Policy, as well as the compliance policies. Moreover, company employees can be expressly empowered to carry out specific elements of operations previously approved by this body (102-20 y 102-26).



Specifically, the following corporate policies were approved in 2019: In the procurement area, the Corporate Purchasing Policy and Code of Conduct for Suppliers, and in the accounting and financial area, Consolidation Corporate Procedure, Corporate Chart of Accounts Management Procedure in SAP GCF, Accounting Policies Manual and Corporate Protocol for Cash Management. In addition to the Corporate Environmental Crisis Policy, Code of Conduct for customers, the Code of Conduct for stakeholders & collaborators, Corporate Protocol for Logistics, Corporate Intellectual Property Management Protocol, the Corporate Disciplinary Regime, Harassment Prevention Guide (V2), the Corporate Insider Trading and Confidentiality Policy, and Protocol for Relations with Legal Counsel.

The heads of the different administrations keep a permanent and fluent communication with the General Manager of the company. Any important worry is immediately conveyed by the heads of the different areas to the General Manager, who, if necessary, will convey this to the Board of Directors (102-33).

The company participates and integrates its economic, social and environmental responsibilities into the different managements, whose highest managers bring any decisions to be taken to the General Manager and, where appropriate, to the Board of Directors. Additionally, they are permanently informed of economic, social and environmental matters, through different internal communication mechanisms, such as: periodical meetings with the directors of the different areas, the biannual meetings of the General Manager with the staff, the development and approval of the Sustainability Report and different communication mechanisms like the intranet "Leading the Change" (102-27).

In regard with the Sustainability Report, this is coordinated through the Corporate Management of Communication and Sustainability. A materiality study is performed every two years in which key points for its stakeholders are gathered and implemented throughout the Report. Its function is transversal within the organization, as it covers the different societies within the Group (102-32).

The Report follows a supervision and revision process, to finally be approved by the General Manager. Additionally, to ensure the trustworthiness of the information, it is externally verified by an independent body.

Risk Management Functions of the highest governing body

For the development and execution of new projects, a thorough study is performed in which all the quantitative and qualitative aspects of the project are analysed and weighted, just as the investment, financing and potentials risks for the different administrations of the company and the Management Committee, prior to its presentation and subsequent approval to the Board of Directors.

All these activities and the possible risks derived from these are continuously analysed by the management and the Gonvarri teams, which allows for risk detection and the implementation of the necessary correcting measures in a fast and agile way. In the Risk Management section, the risk management and identification methodology are described (102-29, 102-30 y 102-31).



Nature and amount of aspects raised in the Board of Directors

102-34

The General Shareholders' Meeting will be invoked by the administrators and, when applicable, by the liquidators of the Society, within the 6 first months of each year, to ratify the corporate management, to approve, when applicable, the financial statements of the previous year and to determine on the use of the result.

The administrators will convene the General Shareholders' Meeting this way when they deem it necessary or convenient and, in any event, when one or various partners that represent at least 5 percent of the share capital request so. When the Management and representation of the Society are entrusted to a Board of Directors the established guidelines for that purpose will be followed.

It will gather at least 4 times a year, and additionally when its President or Vice-President deem it appropriate. The announcement will always be made in writing, directed to each Counsellor, minimally five days in advance of the meeting.

The Board of Directors can designate an Executive Commission or one or more Managing Directors among themselves, determining the people who must perform said roles and their course of action, it may delegate, totally or partially, temporarily or permanently, all the powers which are subject to delegation pursuant to Law.

All debates and agreements of the Board shall be recorded in the Minutes Book, which shall be signed by the President and the Secretary or by the Vice-President and the Vice secretary when applicable.

In regard with the most relevant topics which were dealt with, the annual accounts of the previous year were designed and in all meetings the projects, investments, budgets, sales and market situation were followed up on, just as the on the issues most relevant to each administration.

Remuneration of the Board of Directors

The remuneration of the Administrative Body consists of a fixed pecuniary amount that will be set in a General Shareholders' Meeting prior to the end of the year. This will be compatible with other professional or payments that, when applicable, correspond to the administrator for any executive or advisory function they perform in the Society and will determine standards for their corresponding payment.

In the case that the Administrative Body takes the form of the Board of Directors, it will determine the amount each of its members has to receive, in function of their dedication to the direction of the Society. If the Administrative Body takes another form, it will correspond to the General Shareholders' Meeting to decide if, in function to said parameters, the remuneration of each administrator will be the same or will vary. (102-35).

The remuneration of the Board of Directors and Senior Management is available under "(c) "Compensation of key management personnel and directors" in the Audit Report, Consolidate Financial Statements and Consolidate Management Report at 31 December 2019.

To calculate the remuneration stakeholders shall not be considered nor consulted (102-36 y 102-37).

DRIVE. MANAGEMENT MODEL

Beyond the financial and business results, we are committed to promoting the Sustainable Development Goals (SDG), integrating them in our "Drive" Management Model.



◀ **Distributed economic value**
3,691 € million

Professionals ▶

4,952 direct professionals
and **715** external professionals



◀ **Training**

216,861 hours of training
44 hours per employee

Expenditure on local suppliers ▶
69% (2,504 € million)



◀ **Goal: 0 accidents**

New Health and Safety Plan

Doing Well by Doing Safe

CO₂ balance ▶

325,524 tons of CO₂
avoided indirectly



Profitable growth

Gonvarri Industries was founded in 1958, has experienced huge growth, diversifying itself to a global level, with factories and distribution centers in 24 countries and a wide range of products and services for the manufacture, transformation and trading in steel products and metals related to the iron and steel industry.



Current framework

Raw steel production increased by approximately 2.1% from January 2019 to January 2020, according to the 64 countries reporting to WorldSteel, amounting to a total of 154.4 million tonnes.

China remains the largest producer with 84.3 Mt, which is an increase of 7.2%. In contrast, India, Japan and South Korea reduced their production by 3.2%, 1.3% and 8.0% respectively. In the EU, France stands out with an increase of 4.5% compared to Italy with a reduction of 4.9%. The production in the United States increased by 2.5%, while Brazil decreased its production by 11.1%.

Performance varied in other countries, with Turkey showing a significant increase of 17.3% and Ukraine 0.4% less.

Global steel demand is projected to continue its very moderate growth in 2020, this is in line with the slowdown in the global economy, as it will suffer from uncertainty in the business environment, volatility in financial markets and the political situation in many regions, which indicate a possible dampening of business confidence and investment (Source: WorldSteel).

The global shift in momentum is largely due to lower expectations in the automotive industry, which will impact on growth.

WORLD STEEL CONSUMPTION Millions of tons				
	2019	var.%	2020*	var.%
Asia and Oceania	1,248	6.2	1,270	1.8
European Union	166.8	-1.2	168.6	1.1
NAFTA	141.5	0.6	142.6	0.8
Middle East	47.9	-4.6	48.0	0.2
CEI**	58.0	4.8	59.2	2.0
Central and South America	43.8	-0.4	45.5	3.9
Africa	36.0	-1.4	37.2	3.2
Other European countries	32.9	-12.1	34.5	5.0
TOTAL	1,775	3.9	1,806	1.7

*Forecast to 2020/** Commonwealth of Independent States
Source: World Steel Association. Chart: EE:Staff

In addition, since the end of 2019 when the pandemic caused by the new strain of Coronavirus COVID-19 began, global economic activity has been significantly affected, leaving a very uncertain outlook for 2020.

The whole industrial sector is affected as it has reduced or ceased activity due to the virus affecting workers, to the prohibitions of the different governments and to the lack of supply of raw materials and resources necessary for the adequate development of its activity.

This global problem will negatively impact and slow down production and growth prospects, which leads us to assume that the macroeconomic scenario will be very complicated.

Growth

Since its beginnings, Gonvarri Industries has experienced notable growth, and has diversified worldwide culminating in a presence in 24 countries, 43 operating factories and 24 distribution centres and/or offices.

The company made numerous investments in 2019 to improve technology, increase production and efficiency and to expand its product portfolio. The most relevant are shown below:



- **Gonvauto Navarra:** the new blanking line for hot-stamping came into operation in February.
- **Gonvarri Valencia:** the new blanking line for hot-stamping began operating in March.
- **Gonvauto South Carolina:** Its premises completed the expansion of a new steel and aluminium hybrid blanking line, which began production in January.
- **Gonvvama Chungshu:** increased its capacity with a new hybrid (steel and aluminium) blanking line, which has been in operation since November.



- **Gonvarri Polska** the expansion of its finished product warehouse (2,880 m²) was completed in August.
- **Gonvvama Shenyang** expanded its capacity with a new hybrid blanking line (steel and aluminium), which is expected to begin operating at the end of the year.



- **Gonvarri Tarragona** a high thickness cross-cutting line was acquired, for thicknesses of up to 25mm, which came into operation in October.
- **Gonvarri Senica** expanded the finished product and raw material warehouses and installed a new blanking line for hot-stamping in November.



- **Gonvauto Nitra** the raw material warehouse was automated (coils) and a new hybrid blanking line was installed in November.

In addition to all these expansions and improvements we are further strengthening our position in several countries, and we are diversifying our product into new markets through new acquisitions.



GMH Kredit

At the end of 2019, Gonvarri Industries, through the Gonvarri Material Handling (GMH) division, acquired 100% of the shares of Obchodní společnost Kredit, a 28-year-old Czech company in the storage sector.

The plant covers a total area of 32,000 m² (12,000 m² built) and employs approximately 200 people. It produces and sells mobile racking bases, as well as cantilever racks and vertical storage towers.

Kredit has been integrated into the GMH framework as an independent company with its own products, brand, and distribution channels.

The Steel&Alloy Popes Lane (UK), GMH Carrena (Sweden) and Gonvauto Nitra plants are now fully integrated and operational, as is the Addimen (Bilbao) facility which focuses on the design and production of metal parts through additive manufacturing.

○ Balance sheet

201-1

In 2019, Gonvarri Industries Group concluded a complicated financial year amidst great market uncertainty, particularly in the automobile market, which was largely due to the political situation and instability in some of the regions where the GI Group is present. These variables have resulted in a decrease in sales volumes against budgeted estimates, and in greater pressure on margins.

Despite this market instability, the GI Group has managed to attain 88% of the budget set for 2019, obtaining an EBITDA of 194.2 million euros. We should highlight the result of our "Western Europe Division" which, although it continues to be the division which contributes the most, has been affected by this decline in volume of the automotive market. The Asian market, on the other hand, has seen an increase in activity which has resulted in our "ASIA" division exceeding the forecasts for 2019. Likewise, the "Metal Structures" and "Material Handling" divisions, which are dedicated to the metal structures business in different markets, despite narrowly missing the agreed budgets recorded a great improvement with respect to the figures provided in 2018.



The automotive world, which continues to be the main customer of many of our plants and the Group's worldwide benchmark, has seen a slight decline compared to 2018. The demonization of and policies against diesel engines have had a great impact on this market since the technological change and replacement of these engines is not immediate.

Within this context, the GI Group used 2019 to strengthen and consolidate relations with the large car producers, managing to increase the volume of tons sold from 4,875 thousand tons in 2018 to 5,006 thousand tons in 2019 (representing a growth of 2.68%), and to enter into the treatment of more complex materials with higher margins, such as aluminium.

At the same time, the GI Group is increasing its production for other markets like metal structures, to which it brings its state-of-the-art technology in the manufacture of road safety elements and structures for photovoltaic plants, and it is also increasing production for the industrial market, after making a strong commercial effort.

In 2019, the construction of the Gonvauto Nitra factory in Slovakia was completed, a joint venture with the Arcelor Group. This new plant began operations in November.

In the area of the Group's inorganic growth, of special note is the acquisition of the company Kredit SRO (Czech Republic), dedicated to the manufacture of industrial storage solutions, which is part of the Gonvarri Material Handling (GMH) Division. This acquisition forms part of the GI Group's development and diversification strategy.

At the end of the year we reached an EBITDA of 194,184 thousand euros, and a consolidated result for the year of 104,927 thousand euros, which is a slight decrease in EBITDA levels and results compared to 2018, despite the downturn experienced in the automotive market this year.

The main consolidated economic figures of the Group are summarized in the attached table:

ECONOMIC VALUE CREATED (thousand €)		
	2019	2018
Turnover	3,728,164	3,575,180
Financial Income	2,684	3,335
Other income	26,904	38,851
Total EVC	3,757,752	3,617,366

ECONOMIC VALUE DISTRIBUTED (thousand €)		
	2019	2018
Operational Costs	3,371,846	3,216,691
CAPEX	61,781	251,198
Payments to capital providers	47,818	47,086
Taxes	48,324	69,366
Personnel	160,157	156,634
Investments in the Community	1,373	1,763
Total EVD	3,691,299	3,742,738

ECONOMIC VALUE RETAINED (thousand €)		
	2019	2018
Total EVR	66,453	-125,372

The municipalities or regions in which Gonvarri has a presence received a total of 51,702 thousand euros in tariffs, fees and taxes, which have contributed to the improvement of the standard of living and the services for the inhabitants of the area. Its distribution by country is outlined in the attached table.

TAXES	
Country	Thousand €
Germany	3,856
Argentina	1,553
Brazil	4,707
China	486
Colombia	291
Spain	23,759
France	54
Honduras	34
Italy	155
Morocco	110
Mexico	3,007
Norway	99
Poland	2,847
Portugal	3,189
Czech Republic	213
Russia	1,593
Turkey	252
UK	1,609
USA	359
Finland	472
Sweden	676
Belgium	59
Romania	1,484
Denmark	194
Slovakia	28
Netherlands	435
Hungary	183
TOTAL	51,702

Additionally, the company received financial aid and subsidies equivalent to 534 thousand euros, distributed between the factories in Hiasa and Addimen to finance RGD projects (201-4).

Regarding the other accounting obligations, the companies that make up the Gonvarri Group are, for the majority, obliged to prepare annual audit reports on their individual annual accounts due to the total volume of their assets, the turnover and the average number of employees.

After approval by the corresponding body, these reports are presented in due time and form to the commercial register for each of their accounting periods, the legalization of their official Books and the deposits of the annual Accounts. Furthermore, 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 aid to Governments (415-1).

Investments

A net profit of 113,238 thousand euros was presented in 2019 and a CAPEX of 61,781 thousand euros.

In this area, the investments made in Kredit, Senica, Flinsa and Gonvauto Navarra in Spain and the finalization of the new plant in Nitra (Slovakia) with a total of 31,139 thousand euros invested.

INVESTMENTS	
REGIÓN	EXECUTED 2019
Western Europe	8,120
Iberia Gonvauto	6,426
Metal Structure	4,600
GI Corporate	2,308
Central Europe	13,179
NAFTA	1,714
LATAM	1,292
Asia	4,579
Gonvarri Material Handling	2,753
Precision Tubes & Addimen	4,869
New Projects	11,942
TOTAL	61,781



○ Main effects, risks and opportunities 102-15

Gonvarri Industries is subject to various risks inherent to its activity as a result of its commercial, financial and economic operations, as well as the legal obligations it must fulfil in the countries in which it operates.

To manage all 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 Audit Area was formally created in order to formalize in an integrated manner the various mechanisms and processes for the detection, assessment and management of risks already present in all business processes and operations.

This risk management system provides reasonable assurance that all meaningful risks: strategic, operational, financial, and of compliance; are prevented, identified, evaluated, and

are subject to continuous supervision. With regard to this risk related to Regulatory Compliance and of a criminal nature, to the "Compliance Model" has been developed, with the aim of improving the mechanisms for monitoring, measuring and controlling the related risks.

Its design began in 2017 after finalizing a situation diagnosis. The risks associated with our activity were identified and assessed, and the mitigation controls and the mechanisms for continuous improvement and supervision were defined. These controls are various in nature and they are included in the Groups internal regulation.

The "Corporate policy for risk control and management" stands out in this area and aims to establish the basic principles, the framework for internal controls and for the management of all the kinds of risks that Gonvarri Group faces.



Strategic and environmental risks

RISKS

Derived from possible changes in the Group's strategic lines or the country's situation which it operates (political and regulatory changes, currency depreciation, trade restrictions, product or process obsolescence, supply chain management and assurance, digitalization, disruptive technology and innovation, etc.)

MITIGATION

- Country and global risk analysis.
- Country risk analysis. Application of the "Methodology for the development and viability analysis" and external Due Diligences in the processes of inorganic growth or in the opening of new businesses in new geographical areas.
- Strategy of profitable growth, geographical and business diversification. Global presence.
- Third party management policies and compliance with international trade sanctions.
- Currency coverage instruments.
- Strategy for innovation and detection of disruptive technologies.
- Insurance policies with companies of the first order.

OPPORTUNITIES

Important local economic impact through the generation of new business opportunities (local suppliers and services), new employment opportunities, economic resources for public administrations (taxes), etc.



Financial Risks

RISKS

Market Risks: derived from exchange rates and interest rates.

Credit Risks: Derived from cash and cash equivalents, from derivative financial instruments and deposits and receivables.

Liquidity risk: derived from sustaining sufficient cash and marketable securities, availability of financing and capacity to settle market positions.

With respect to project financing, compliance clauses or commitments in labour, environmental and human rights matters, directly related to compliance with international treaties and/or the Equator Principles, have been required in 6 contracts in 2019 (412-3).

MITIGATION

- Simulation of scenarios considering refinancing, roll-overs, alternative financing and hedging.
- Use of hedging in purchase-sale transactions to avoid exchange rate fluctuations taking the Dollar as a reference.
- Liquidity Policy and credit limits periodically revised by the Board of Directors.
- Flexibility in financing and tracking of the liquidity reserves.
- Insurance to ensure collection for clients considered to have a risk of default.

OPPORTUNITIES

The prevention mechanisms for financial risks serve us to control growth and investments better by diversifying to other countries and by offsetting those risks or potential incidences, so that our growth is profitable and sustainable.



Environmental risks and Climate change

RISKS

The actual environment clearly shows us the risks associated with environmental, social and governance (ESG) issues as the Climate Change, water scarcity and Human Rights, are increasingly relevant. Therefore, it's necessary to incorporate them into the company's decision making, business strategy, performance and management.

Good management of these aspects minimizes risk to reputation, regulation, labour, access to capital and credit, among others.

Among these risks, the one derivate of "Climate Change" stands out. To combat this risk various initiatives have been implemented as the "New Green Deal" from the European Union, the more restrictive regulations in many countries and the demands of all the main customers of the company and the society. All of them provide a clear roadmap towards a carbon-neutral future at two key milestones 2030 and 2050.

MITIGATION

Gonvarri Industries incorporates these demands adapting its strategy and developing a roadmap that allows us to advance along this path, in accordance with the demands of the governments, customers and society.

Likewise, it will include innovation and efficiency measures, reforestation, promotion of renewable energies, purchase of energy certificated in origin and sustainability mobility, among others, and it will be published during 2020.

Likewise, precautionary and continuous improvement principles through the Code of Ethics and Conduct, the Integrated Policy and the Sustainability Policy (102-11).

OPPORTUNITIES

By establishing control and improvement mechanisms, contributing to the mitigation of Climate Change, the Circular Economy and the Sustainable Development Goals. This allows us to position ourselves in the market and anticipate the regulations, which are increasingly restrictive in this area.



Health and safety risks

RISKS

Derived from incorrect behaviour or errors in the protection and safety mechanisms, which may lead to workplace accidents and even death.

MITIGATION

- Integrated Policy, its requirements and obligations are set in the ISO 45001 management system.
- Communication, training and awareness-raising.
- Plans and programs aimed at improving security. "Doing Well by Doing Safe".
- High level of involvement of management and employees. Tracking and control measures.
- Technological investment and innovation.

OPPORTUNITIES

Improving health and safety at work increases productivity and pride of belonging, and it also reduces personal, economic and reputational risks, as well as potential sanctions.



Governance, ethical, corruption, fraud, and compliance risks

RISKS

These derive from behaviour that goes against the guidelines established in the human rights, ethics and anti-corruption policies, which gives rise to important economic and reputational risks.

MITIGATION

- Updating the risks and controls map. Audit processes.
- Having official Policies and Codes in place to regulate these risks.
- Specific training on each of the key aspects.
- Consultation channels and complaint mechanisms.

OPPORTUNITIES

Through analysis and diagnosis, audit conclusions, revision and continuous improvement mechanisms and investigations into complaints, numerous improvement activities are detected which serve to strengthen the Groups ethic principles, to minimize our risks and improve our reputation.



Operational and Infrastructure risks

RISKS

Risks derived from technological or quality defects, management problems, etc. that develop into problems in product quality, delivery times, among others.

MITIGATION

- Project and initiatives to improve, track, measure and increase efficiency (SPG, ISO 9000, ISO/TS-IATF, TQM, and others), contingency plans, etc.
- Continuous training.
- Innovation and development projects to adapt to the market needs. Gonvarri 4.0
- Broad-ranging insurance policies

OPPORTUNITIES

Through efficiency and improvement in products and processes, we can reduce consumptions, production time, waste, etc. and, this way we can improve our costs and profitability.

Furthermore, innovation allows us to grow, adjust to the customer requirements and improve our sales.



Risks associated with regulatory compliance

RISKS

Risks arising from regulatory changes affecting to the Group's operations and from the demand for regulatory compliance, with increasingly complex, heterogeneous and demanding requirements in terms of the application of material and human resources.

MITIGATION

- Education, awareness and continuous training
- Code of Ethics and Conduct
- Ethic Channel. Channels for consultation and reporting
- Management of Regulatory Compliance Model, improvement, monitoring and updating
- Internal policies related to the Regulatory Compliance

OPPORTUNITIES

Compliance with standards of a sustainable social development, Fight against poverty and the defense of human right, fight against climate change and protection of environment, among other dimensions. All this contributes to improve the reputation of the Group and minimize the risk of sanctions for non-compliance.



Cybersecurity risks, data protection and Information confidentiality

RISKS

Systems are a key element for the execution of business processes and for implementing strategy, even more in a context of collaboration and innovation based on emerging technologies and in an increasingly turbulent business environment. The systems and the "IT" organization are essential to take advantage of the most powerful wave of digital transformation. Cyberthreats keep growing, online fraud is constantly evolving and is responsible for millions in losses in companies around the world.

This makes necessary to revise and reinforce our systems with security policies, so that these are less vulnerable and are adapted to changes in personal data protection regulations.

MITIGATION

In 2019, in order to improve our security policies, among other, we are doing the following:

- Periodic system scans in order to identify and correct vulnerabilities
- Information security and information risk diagnostic (ISO 27001).
- Raising awareness to employees of the group
- Installations of new versions of software anti-ransomware, new tools to catalogue and protect the corporate information and to protect smartphones and tablets
- Improvements to adapt to the European data privacy Regulations (GDPR).

OPPORTUNITIES

In Gonvarri we are convinced that information is a strategic value for the company to guarantee its security.

For this reason, we implemented prevention, communication and improvement measures, mitigating economics, personal and reputation risks. These improvements allow us to work in a agile, fast, comfortable, safe and efficient way.



Risks concerning Human Rights and diversity

RISKS

The forecasts indicate that the world population will exceed 10 billion (UN) over the coming decades, primarily in developing countries. At the same time, our society is becoming increasingly aware of abusive and illegal behaviour, going against human rights, primarily in the most vulnerable countries.

Our society is currently immersed in a period in which women and diversity play a more important role, and in which inequalities, wage gaps, etc. are an increasingly significant risk in companies.

MITIGATION

- Compliance Policies, Code of Ethics and Conduct, and the Sustainability Policy.
- Sustainable Development Goals and the Global Compact.

- Handbooks for harassment protection.
- Third Party Management Policies and Codes of Conduct for third parties.
- Human Resources Management Policies. Diversity and equality plans and programmes.
- Reporting Channels.
- Training and awareness.

OPPORTUNITIES

Our global presence gives us the opportunity to work with different cultures and therefore enrich our knowledge and increase our capacity to adapt to different countries. This way we can improve our decision-making and values, like tolerance, from different perspectives and so foment local development.

Most relevant risks in 2019

In 2019, Gonvarri faced different risks which derived from the situation of the market in the countries it operates in, which have not had a significant global impact on the yearly results due to its diversification over different markets.

Most relevant identified risks:

- The economic and social situation in some countries where we have a presence, such as Turkey or Argentina, together with the volatility of some currencies in countries where we have a specific gravity (Turkish lira, Argentinean peso, yuan).
- The volatility of raw materials and consequently of the valuation of the stock available at the factories, together with the greater pressure from customers with respect to price, which results in a narrowing of margins at each step of the supply chain
- The risks arising from protectionist policies and the establishment of tariffs between the main actors in international trade.
- Risks that derive from geopolitical changes that imply trade restrictions, embargoes and sanctions, as well as changes in tariff policies.
- The notable increase in opinions with nationalist and Eurosceptics positions and the abandonment of the UK from the European Union make it foreseeable, among other impacts, the appearance of uncertainties as the consequences of negotiations with potential introduction of tariffs to certain industries, loss of economic activity or its relocation.

- The increasingly restrictive policies on vehicle emissions and the use of fossil fuels.
- The uncertainties from the consumer perspective in the automotive market, generates falls in consumption and production.
- Cyberthreats and online fraud
- The growth of environmental, social and governance awareness, also the risk derived from climate change, natural disasters and disease.
- Risks that derive from the continuous regulatory changes that require changes in the Group's processes.
- Internal risk to achieve the operational excellence in some countries
- The general economic slowdown because of the various uncertainties described above and the necessity of a fast adaptation to changes produced in the markets and customers.

It is important to remark the enormous risk that we are facing derive from the Covid-19 pandemic of global dimensions. Therefore, we started this financial year 2020 with a very uncertain situation for the economy, after its start in China paralyzing all the country, we witness its expansion to the world affecting the population indiscriminately, which produces a standstill in the economy, closing the production and distribution of the most sectors and affecting employment. The enormous expansion of the pandemic and the lack of information about its duration, make us foresee a very complicated macroeconomic landscape.

Customer

Proximity to the customer

Gonvarri is committed to personalization and constant improvement of our service, for which it has sales teams that are specialized and adjusted to the type of business and product, through which more specific coverage is provided.



Auto

For Gonvarri, the Automotive sector generates the main turnover. Its main customers are the OEM's, stamping companies and Tier1 and Tier2 integrators.

The Corporate Area of Global Auto Sales has a highly qualified team of professionals all over the world.

The deployment of the Key Process "Management of Offers" in 2018 means standardization of this process at Group level, a crucial pillar to guarantee efficiency and sustainability within the organization.

The auto sector has clearly evolved towards vehicles with more efficient, technological equipment and a lower environmental impact, such as the electric vehicle. For this reason, we are collaborating with our customers in the development of new solutions, processes and products, focused, among

others, on the use of the new materials such as high strength steel and Aluminium, which are lighter, safer and which have less CO₂ emissions.

In 2019 the processing of materials for Hot Stamping processes increased, incorporating projects, mainly in Europe and Nafta, from new OEMs and Tier1s to our portfolio.

Likewise, Gonvarri continues to win projects for exterior and interior aluminium components in all the geographical perimeters in which it is established.

The launch in Gonvarri Valencia in 2018 of the new facility for cutting of 2D blanks from coils, with the advantages in terms of flexibility that this implies for the cutting of small series in Steel and Aluminium, has been a complete success and is being very well accepted by our clients throughout 2019.



Road Steel

At Road Steel we develop, design, manufacture and install all kinds of vehicle containment systems, which allows us to offer our customers an integral tailor-made service.

Our engineering team develops the most novel containment systems, which are always state-of-the-art. Our main achievements in 2019 include the following:

- Development of the P-4 terminal.
- Development of the H3 containment system for roadsides.
- Development of tri round H2 containment systems for roadsides and bridges edges.
- Development of transition from H2 containment systems to concrete barrier.



Industry

Most of the Industry business activity is done in Spain and Portugal. This year we have enhanced our presence in exports from both countries.

In 2019, this business line has continued its significantly growing trend, partly due to the continuation of initiatives which were started in recent years, such as:

- Expansion of the action plan initiated in 2016, which contributed to increasing our market share in the distribution sector and reaching historic sales quotas for Gonvarri. 2019 has been a record year for export distribution sales.
- Regarding the SPOT (non-programmed) over scheduled sales remain high during 2019, which balances the overall sales mix.
- The continued growth of foreign trade, through the creation of new sales delegations in different geographic areas in which we had little presence.

Also, to new initiatives such as:

- Plan to promote the marketing and sale of each company's own products.
- Development of work teams with our main customers in order to research product and logistics improvements.
- Investment in a new transverse thick plate line in Gonvarri Tarragona.

Among the initiatives set in motion over the past year, we should highlight our continuing active presence in the forums that the customer associations of the distribution sector organize in France and Spain.

We have maintained a calendar of visits, in all companies on the Iberian Peninsula, for the teams of our main customers that visited our plants and vice versa, our teams that visited the facilities of our customers.



Energy

Solar Steel's main customers are companies involved in the development and construction (EPC) of solar parks. After 2019, we provide this service mainly from Gonvarri Solar Steel, SL, which is the entity created in Gonvarri to ring together all the resources allocated to the solar business.

In respond to a globalization of solar sector, Solar Steel has developed a global Supply Chain that is supported by the factories as Hiasa, Gonvarri Turkey and Gonvarri Colombia, as well as the international external suppliers.

The development of innovative products that are self-powered and equipped with wireless communication technology stands out. Similarly, Solar Steel participated as an exhibitor in the fairs of: Intersolar Europe (Germany), Genera Madrid (Spain), Solarex (Turkey), ExpoSolar (Colombia) and the FISE

fair (Colombia). In these fairs the company was presented, particularly the Solar Steel line, in addition to monographic meetings with customers and potential customers.

In addition, we participated in congresses and fairs like: World Future Energy Summit (Abu Dhabi), MIREC Week (Mexico), CI-REC Week (Chile), in the RecamWeek (Panama) and the Foro Energyyear (Panama).

On the other hand, Suports, an engineering company for the design and development of solar structures for rooftops, parking shelters and fixed structures included within the Solar Steel scope, experienced a spectacular growth of more than 150% in 2019, favoured by the competitiveness of its aluminium solutions.



Gonvarri Material Handling

Gonvarri Material Handling Group is one of Europe's leading suppliers for engineering and manufacturing of storage and handling systems for all industrial environments. Our main solutions include: pallet racking, shelving, vertical storage machines and storage systems for automated warehouses.

Our professionals combine a high level of knowledge, guidance and practical assistance. Our solid sales and marketing networks allow us to reach our customers through multiple channels with sales offices in 15 European countries and global coverage through our renowned brands Dexion, Constructor, Kasten, Ståltechnik and Kredit.

GMH brings together all phases of the process including: planification, design, supply and installation of storage systems, including aftersales service. All of this through a notable service capacity, which allows us to attend thousands of customers annually, where 80% of them are recurrent.

Our solutions cover a wide range of customers; from small local companies to large international corporations, covering multiple sectors: automotive workshops and tyre storage, food and drink companies, cold storage, construction, eCommerce, 3PL, among others.

In 2019 we have participated in the LogiMAT fair in Stuttgart, which attracted over 60,000 industry professionals from around the world.

The GMS division, **Gonvarri Colombia**, developed the Warehouse business line, which covers the Latin American and Caribbean market.

It is oriented towards the industrial and commercial sectors, companies in the logistics sector and large supermarkets, with important storage and logistics management needs. Our management model is based on the development of innovative products and on providing specialized technical advice to clients, mainly in Latin America.



Precision tubes

Gonvarri's tubes division has a production capacity of 150,000 tons/year in the Flinsa and Gonvauto Asturias factories. The manufacturing of low carbon alloy steels encompasses a range from Ø8 up to Ø130 mm, and from Ø25 up to Ø104 mm in stainless steel. We can manufacture for both steel types, either round tube or its different derivatives sections, such as square, rectangular, oval and some other special shapes, with different cutting processes, as per customer requirements.

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

In its permanent goal of continuous improvement, important R&D+i projects are carried out for the development of new solutions and products, where the use of Advance High Resistance Steel (AHSS) of the largest generation takes on special importance.

A clear example is the improvement made in the tubes of the headrests in cars, during their processing they showed certain difficulties due to their limited plasticity. After a long research process and with new use of "extra ductile" steels we defined a new type of high-quality tube, which exceeds the requirements of current standards. Also, important improvement was made in the "Finetubes", significantly improving the surface finish, as in many cases they required high quality aesthetic components, as chrome plating, metal paints, ...

Customer satisfaction

At Gonvarri we consider customer surveys to be an important support tool to assess their level of satisfaction, identify points for improvement, build loyalty and increase our market share. For this reason, we periodically conduct personalized surveys, based on the type of product and/or geographic area.

Solar Steel

Solar Steel sends a simple survey to its main national and international customers each year to assess different factors (price, product and service quality, technical support, terms, responsiveness and sales team) based on two parameters: importance and satisfaction.

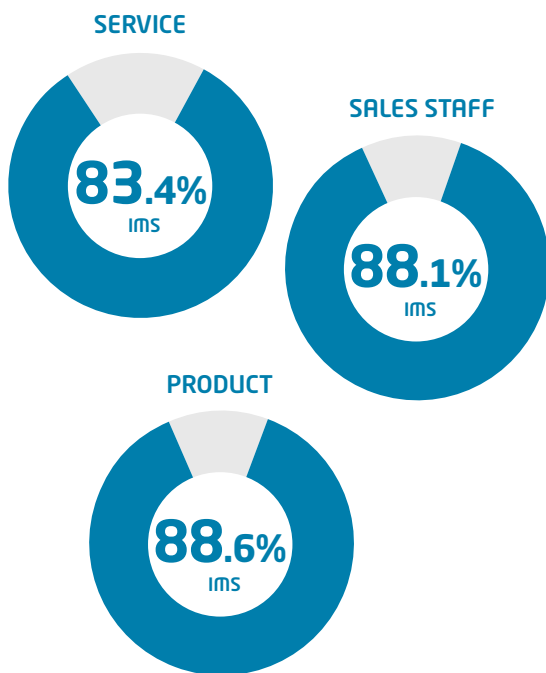
This year's results show a slight improvement compared to the year before, with an average score of 3.8 out of 5.

As part of the solar business division's policy of continuous improvement, the new entity Gonvarri Solar Steel was awarded ISO-9001 certification in 2019.

Almaceno

In Gonvarri Colombia, surveys are carried out every two years in order to plan and implement improvement measures.

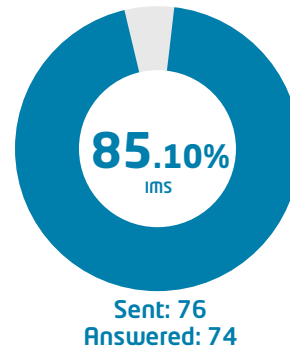
Therefore, the 2018 survey is still valid, based mainly on three aspects: service, sales personnel and product, with an average consolidated result (IMS) of 86.9%. The obtained results were as follows:



Hiasa and Gonvauto Asturias

Hiasa and Gonvauto Asturias jointly sent a questionnaire to the main customers of the cutting line (flat product) and tube line. In 2019, the survey was sent to 76 customers, 97.4% of these customers submitted the survey which represent 95.23% of the invoicing of this year.

The average Global Satisfaction Index was 85.10% (82.5% for the flat product and 86.7% for the tube) with an average of 4.23 (on a scale of 1 to 5), meeting the proposed target.

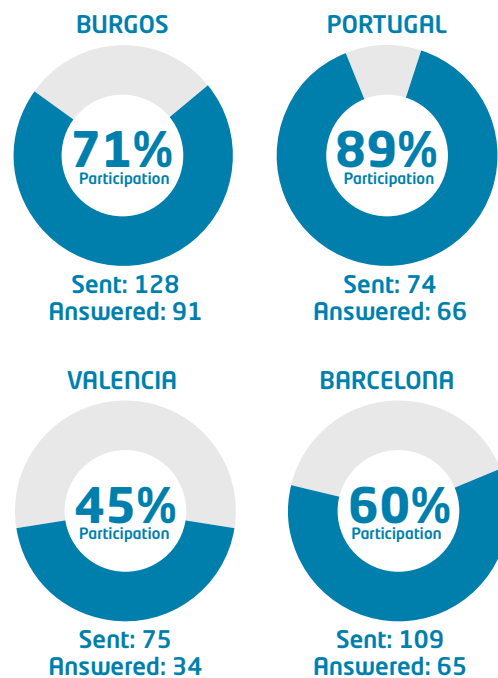


Gonvarri Iberia

Gonvarri Iberia carries out an annual online survey for its main customers, from Gonvarri's factories in Burgos, Valencia, Barcelona and Portugal.

Once again, we have requested our customers for their opinion on the products and service provided. The response rate was higher than last year, with the customers of Burgos and Portugal having the highest participation rates.

Even though there is a satisfactory average valuation, in which quality, the wide range of products, logistics and commercial attention (know-how), delivery times and prices are maintained as points of improvement.



Supply Chain

102-9

At Gonvarri, the process for purchasing are carried out in a differentiated manner which depends on the buying rate and volume.

Steel purchases

The purchasing activity constitutes one of the key functions of the company due to its high economic impact, where not only aspects related to price, quality and delivery time are considered, but also those related to behaviour in terms of ethics, compliance, sustainability, human rights, environment and health and safety.

Maintaining its commitment to responsible business management and contribution to sustainable development, the purchasing function and the relationship with the supply chain, is also configured as an area in which the values, principles and guidelines of conduct for the development of the professional activity must be materialized.

The selection, homologation and re-evaluation processes for suppliers are conducted based on impartiality and objectivity. Taking into consideration the assumption of the principles of behaviour and the management of Gonvarri Industries, thus facilitating and promoting the fulfilment of common goals in the supply chain.

For all these reasons, purchasing management is based on and harmonizes with the following principles:

- To ensure the standards and commitments acquired with our customers by guaranteeing the mechanisms that allow for continuous improvement.
- Create space for dialogue with the different suppliers to transmit the company's commitments to sustainability, as well as the collaboration of its supply chain.
- Negotiate ethically, responsibly and competitively, according to business expectations.
- Promote compliance to basic standards or criteria among suppliers with regard to human and labour rights, occupational health and safety, respect for the environment and ethical behaviour.
- Guarantee the supply through adequate risk management of the suppliers we work with.

For the approval of suppliers, Gonvarri Industries' Code of Ethics and Conduct, as well as its CSR purchasing policy, is sent to all suppliers (100%). Information on their dispatch, reception and signature or acceptance is properly monitored and filed.

Non-steel purchases

Focused on the purchases of other auxiliary raw materials (oil, lubricants, chemicals, etc.), other materials (packaging, spare parts, etc.) and services (cleaning, transport, trips, etc.) that require a structured negotiation process and the application of a specified methodology due to the volume they represent.

As part of the negotiation process, the obligation to read and accept a series of policies and procedures is made, among which the Code of Ethics and Conduct is included, to transfer our values, principles and our commitment to respecting Human Rights to our suppliers.

Similarly, suppliers that provide products and/or services on a regular or potential basis to the Gonvarri plants, and that, due to the nature or criticality of the product/service, may have influence on the quality of the final product Gonvarri supplies to its customers, will be subject to a homologation process and a posterior re-evaluation, in order to ensure their ability to supply in accordance with the specified requirements and to verify compliance with those requirements over time. For that matter, it is an indispensable requirement for the supplier to have the ISO - 9001 certification.

Local purchases

102-10

In this section the minor, non-centralized purchases made in plants are included.

These are normally carried out through local suppliers and the homologation criteria are not homogeneous to the different plants, with the environmental and health and safety criteria being more frequently applied than social or human rights criteria.

Expenditure in local suppliers ²⁰⁴⁻¹

In 2019, the total expenditure in suppliers rose to 3,637,028 thousand euros, from which 69% (2,504,406 thousand euros) corresponds to local suppliers.

EXPENDITURE IN LOCAL SUPPLIERS		
	Expenditure in local suppliers (thousand €)	% Expenditure in local suppliers
Germany	252,047	64%
Argentina	10,490	30%
China	25,783	99%
Spain	1,792,577	84%
USA	89,598	84%
Mexico	74,690	22%
Poland	15,831	9%
Portugal	76,547	56%
Czech Republic	11,496	96%
Russia	80,524	85%
Slovakia	15,329	61%
Turkey	4,850	76%
Romania	15,200	57%
Sweden	12,615	33%
Finland	7,768	52%
Norway	1,891	17%
Denmark	2,534	29%
Britain	8,373	32%
Netherlands	1,081	9%
Belgium	2,016	29%
Hungary	3,165	30%
TOTAL	2,504,406	69%

IT security and process support

Business process support

At Gonvarri we firmly believe that information has become a strategic asset for the company and that guaranteeing information security is one of the Group's greatest challenges.

Systems are a fundamental element for the execution of business processes and for the implementation of our strategy, even more so in this innovative and collaborative environment that relies on emerging technologies in an increasingly turbulent business environment. Systems and IT organization are essential to harness the most powerful wave of digital transformation.

Gonvarri's IT department faces a challenging balance between the need for digital innovation on a company-wide scale and the need to maintain and operate with today's most advanced systems and processes in order to maintain operational excellence. 2019 has been a very challenging year in this regard: The Group's centralised ERP SAP system, infrastructure services and communications were both maintained and improved, with a focus on business support, efficiency, and profitability. At the same time, transformation projects have been launched to align our business and systems strategy and move forward on the journey towards digital transformation.

In order to guarantee optimal alignment between the business and systems strategy, Gonvarri has worked to finalise the definition and launch of a strategic systems plan in 2019, which, based on an analysis of the current situation and the needs of the business areas, seeks to respond both to the business and technological context and to our customers' and suppliers' requirements.

The IT department, in collaboration with the Communication and Sustainability department, has been responsible for the incorporation of new companies (Gonvarri Turquía, Nitra) into the Group's ERP systems. At the same time, and in a coordinated manner, it has worked on the new challenges the organization faces, which include creating new IT capabilities to increase productivity and efficiency. The department has been actively involved in Innovation initiatives, in collaboration with the Communication and Sustainability Department, especially those within the new "Industry 4.0" paradigm, and has transformed the workplace through the Digital Workplace initiative, a cultural change that embraces technology to improve the way employees work and interact with customers and suppliers, enhancing experience, satisfaction and productivity through collaboration.

Simultaneously, and with the aim of eliminating the innovation "latency", i.e., to enable and accelerate the adoption of initiatives in this area, work has been done on adopting new technologies to add IT capabilities and new operating models, such as the so-called "hyper-convergence", which makes it possible to close the gap between the traditional infrastructure and public cloud services and production lines. Hyper-convergence provides a "hybrid cloud" approach in an industrial environment,

which keeps critical infrastructure and data under Gonvarri's control, but allows for their integration with machines at the plants and with applications and data in the cloud. It is an enabler for data collection and process automation, one of the pillars of the digital transformation strategy.

In some cases, in order to manage the scalability of IT capacities, it may be necessary to collaborate with third parties, which are selected through an impartial process of publishing specifications, receiving and evaluating bids and making the final selection based on the quality criteria for business support and system efficiency.



Information Security

Currently, cyberthreats continue to grow in ingenuity and frequency, online fraud keeps evolving due to new social engineering techniques and these are responsible for millions in losses in companies around the world.

The fast proliferation of smart devices and the connectivity given through the internet of things (IoT), paired with the lack of global security standards makes that many of these devices have significant vulnerabilities which leaves personal and business information exposed.

Proof of this trend is the increase in the hijacking of business computing equipment by hackers, in order to "mine" cryptocurrencies, by using modern malware designed to go after business networks, which can cause these to collapse or even damage the hardware.

Attempts at fraud through impersonation (phishing) are also increasing, which makes it even more important to adjust information security policies and devices to protect both the assets and people's security.

Therefore, we establish the necessary mechanisms to safeguard the privacy of information and the protection of customer and supplier data, and to manage and treat documentation in accordance with its level of relevance. In order to strengthen security, information security procedures are periodically revised, and the security systems are continuously tested to ensure their rigorosity.

In the year 2019, the following steps, among others, have been taken to improve security policies:

- Periodic system scan to detect external and internal vulnerabilities and their correction according to the level of criticality.
- Diagnosis of the information security and its risks based on the ISO 27000 standard.

During 2019 we have continued to support and improve the relevant measures in order to adapt to the new European data privacy regulations (GDPR) that came into force in May 2018. This implies a transversal level of supervision on the protection of person data information.

To reinforce awareness and training of the group's employees, campaigns and training sessions were held.

Afterwards, training sessions were held to learn about prevention and protection techniques, both in corporate offices as in the plants, to mitigate the risk to people and assets that this new type of crime brings.

Furthermore, new versions of anti-ransomware software were installed and are analysed through pilot tests, new tools for cataloguing and protection of corporate information (IRM – Information Rights Management) and for the protection of smartphones and tablets (MDM – Mobile Device Management).

Associations and organizations

102-13

Corporate level

- Fundación SERES
- Fundación Consejo España - China

Europe

- 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
- Instituto Empresa Familiar
- Asociación española de compliance
- Instituto de auditores internos

Gonvarri Barcelona

- AIPN - Associació Industrial per a la Producció Neta

Gonvauto Barcelona

- Clúster de Automoció de Catalunya
- Asociación de Empresarios de Castellbisbal
- Unió Empresarial Metalúrgica
- Consell d'usuaris del Transport de Catalunya
- Patronal multisectorial de Empresas Catalanas (CECOT)

Gonvarri Valencia

- Asociación Valenciana de la Industria de Automóvil (AVIA)
- Asociación Empresarios Camp de Morvedre (ASECAM)
- Federación del Metal de Valencia
- Unión de almacenistas del hierro de España (UAHE)

Gonvauto Galicia

- Asociación de Industriales Metalúrgicas de Galicia (ASIME)
- Clúster del Automóvil de Galicia (CEAGA)

Gonvauto Navarra

- Asociación de Empresarios del Metal (ANEM)

Gonvarri Burgos

- Federación Empresarial del Metal (FEMEBUR)
- Federación de asociaciones empresariales de Burgos (FAE)
- Red de recursos humanos y Red de prevención de riesgos laborales de Castilla y León.

Hiasa and Gonvauto Asturias

- Federación de Empresarios del Metal y Afines del Principado de Asturias (FEMETAL)

Gonvarri Tarragona

- Asociación Provincial de Empresas del Metal de Tarragona (APEMTA)

Flinsa

- Federación de Empresarios del Metal de la provincia de Alicante (FEMPA)
- AIJU Instituto Tecnológico
- Asociación de Empresarios de Ibi y Comarca (IBIAE)

Gonvarri Germany

- Initiative Erfurter Kreuz
- IHK Südthüringen
- Initiative Erfurt Cross

GMH Germany

- European Racking Federation (ERF)
- Verband für Lagertechnik Betriebs-einrichtung (LBE)
- Gütegemeinschaft (RAL)

Gonvarri Portugal

- Associação Nacional das Empresas Metalúrgicas e Electromecânicas (ANEME)

Steel&Alloy

- Confederation of British Metal Forming

GMH Romania

- Federation Europain de Manutention (FEM)

GMH Russia

- St. Petersburg International Business Association (SPIBA)

Gonvarri Turkey

- 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 Chamber of Commerce.

Gonvarri Colombia

- Asociación Nacional de Industriales de Colombia (ANDI)
- Ser Colombia
- Corporación Colombiana Internacional (CCI)

Gonvauto Puebla

- Camara Nacional de la Industria de Transformación (Canacindra)
- Relaciones Industriales de Puebla y Tlaxcala A.C. (Riptac)

Gonvarri Argentina

- Asociación de Recursos Humanos de Argentina (ADRHA)



People

People Axis is what places Gonvarri at the heart of its employees, meanwhile promoting a sense of pride, team and wellbeing of its employees.

HR develops initiatives to attract and retain talent.

Our team

102-8

In 2019, the Gonvarri team is made up of 5,252 internal and 757 external employees distributed over 24 countries.

The scope of the report includes a total of 4,952 own professionals and 715 external professionals in 23 countries, representing 94% of the total (are not included in the scope Resende (Brazil), Pune (India) or GMH Kredit as it was acquired at year-end) (405-1).

Compared to the previous year, information of GMH Canrena (Sweden) is included, acquired at the end of 2018, as well as Gonvauto Nitra (Slovakia) and Laser Automotive Zaragoza (Spain), which was newly built.

The plants of Laser Automotive Brandenburg and the Czech Republic, and the distribution centers of SGA Darlstone and Arizona are not included in the scope of consolidation. In addition, Gonvarri Baja California began to cease activity in 2019.

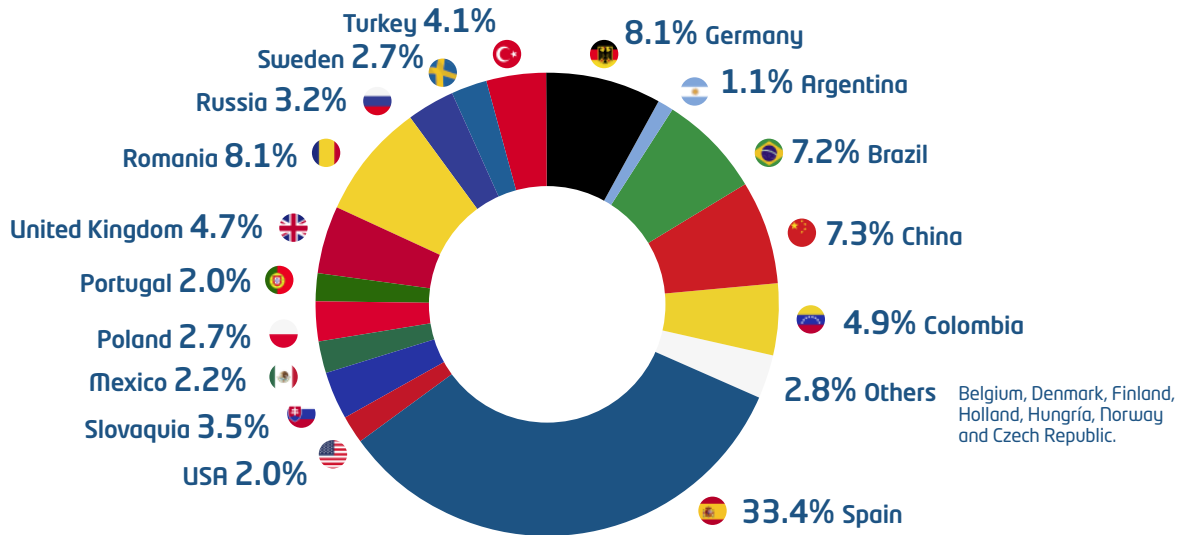


It is not included in the scope Resende (Brazil) with 57 own employees, Pune (India) with 243 own employees and 42 external employees, and GMH Kredit as it was acquired at the end of the year, making a total of 300 own employees and 42 external employees.

Own Personnel

Regarding the distribution of personnel, 85% are men and 15% women. By age, the majority are between 36-45 years old (32%) and over 46 years old (35%). By professional category, 84% are administrative and plant personnel.

Percentage distribution of the workforce by country



	OWN PERSONNEL	
	MEN	WOMEN
Germany	339	63
Argentina	43	9
Belgium	7	2
Brazil	294	64
China	304	58
Colombia	209	35
Denmark	13	4
Spain	1,474	179
USA	88	9
Slovakia	140	34
Finland	36	9
Netherlands	23	6
Hungary	7	3
Mexico	98	12
Norway	23	6
Poland	101	34
Portugal	78	20
United Kingdom	193	40
Czech Republic	3	2
Romania	330	69
Russia	124	32
Sweden	111	21
Turkey	191	12
TOTAL	4,229	723

	PERSONNEL BY AGE	
	MEN	WOMEN
18-25	286	47
26-35	1,064	243
36-45	1,319	257
46	1,560	176
TOTAL	4,229	723

	PERSONNEL BY CATEGORY	
	MEN	WOMEN
Manager	147	25
Middle manager	497	122
Plant personnel	3,585	576
TOTAL	4,229	723

External personnel

In 2019, we have 715 external collaborators (685 Men and 30 Women), 28% of which are subcontractors and 72% of which are temporary employment agencies (TEA's).

	EXTERNAL PERSONNEL	
	Subcontractors	TEA's
Men	195	490
Women	2	28
TOTAL	197	518

Annex 3: Table 1 includes the breakdown of staff by country, gender and age.

Annex 3: Table 2 includes details of external staff by country, gender and type.

Talent attraction and retention

At Gonvarri, we are aware that people are our main asset, as we have excellent professionals in all business areas and countries.

Having a strategy that allows us to rely on trained, qualified and motivated experts in a pleasant work environment is a key aspect to grow as a competitive, solid and sustainable company, as the development and future of the company depends on the work of its team. Therefore, attracting and retaining talent is a key factor for the Human Resources Management in all the different phases.



1 Recruitment and turnover 4 5

401-1

We look for employees that fit the requirements for 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.

In 2019, 730 new employees were hired (611 men and 119 women) and 666 employees left the company (564 men and 102 women). Regarding leaves, 36% were dismissals and 64% voluntary leaves.

The hiring by country, 21% was in Spain, followed by 12% in Brazil and 10% in Romania. Dismissals followed the same tendency with 19% in Spain, 14% in Brazil and 13% in Romania.

The “average turnover rate” (considering the number of leaves among the total staff) is 13% for the whole staff (13% men and 14% women).

	HIRES AND LEAVES		
	Men	Women	TOTAL
HIRES	611	119	730
Leaves dismissal	204	36	240
Voluntary leaves	360	66	426
LEAVES	564	102	666

In Annex 3: Table 3, information on hires and leaves (dismissal and voluntary) by country, gender and age is detailed.

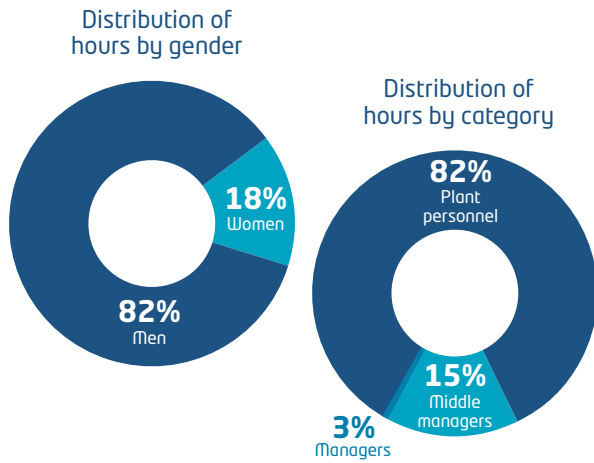
Training and skills development

404-1 AND 404-2

Gonvarri continues to grow and increase its presence in different countries. For this reason, having trained and qualified young people available, to whom we offer opportunities and stable and paid work, is fundamental for sustainable growth.

Thus, the number of hours of overall training was 216,861, which corresponds to 44 hours per employee (average of 42 hours for men and 55 hours for women).

In terms of compliance, since its launch in 2018, a total of 2,432 employees have completed online training on the Code of Ethics, of which 5.2% correspond to the financial year 2019 (205-2 and 412-2).



TRAINING	
	Hours
Germany	14,314
Argentina	3,891
Belgium	76
Brazil	12,314
China	9,320
Colombia	23,877
Denmark	0
Spain	69,621
USA	16,445
Slovakia	4,436
Finland	94
Netherlands	84
Hungary	16
Mexico	7,466
Norway	101
Poland	11,231
Portugal	3,629
United Kingdom	8,117
Czech Republic	64
Romania	17,790
Russia	3,645
Sweden	739
Turkey	9,592
TOTAL	216,861

In Annex 3: Table 4, information on training hours by country, gender and category.

Gonvarri Polska awarded the "Good Employer 2019" prize

Gonvarri Poland was awarded with "Good Employer 2019" prize in a unanimous decision by the "National Social Responsibility Leaders Program" in its 12th edition.

This certificate shows the good relationship with employees, ensuring their development and well-being at work, as well as offering them the best health and safety conditions in the work environment.

The judges of the program evaluated positively the activities regarding the implementation of the principles of Corporate Responsibility, highlighting its good relationship with the company's employees.



Gonvarri Academy: A new approach to learning and improvement

Our priority is to have mechanisms and plans to meet and train all the staff, adapted to the different levels and profiles of the company. Through the Gonvarri Academy platform, we develop continuous and personalized training plans.

On February 28, 2019, the Gonvarri Academy platform was launched, aimed at offering online training to all the company's employees. Thanks to this, there are already more than 4,500 people registered who have completed more than 8,000 hours of training, with 7,823 accesses in 2019.

This new multi-language platform has training courses adapted to the different training profiles:

- Management Team
- Office / Plant Supervisor
- Collaborator Office / Plant
- Sales Team
- Talent
- New employees
- Start-Up Teams



Gonvarri Academy offers the possibility of accessing courses and itineraries, which can be of three types:

- Obligatory: for all the people who are members of the company
- Important: associated with each training profile
- Recommended: open for voluntary work.

In addition, it has a Knowledge Center where the documentation regarding different processes, business lines and products of the company is gathered.

Some of the training courses are already available at Gonvarri Academy: online languages, introduction to agile methodologies, Gonvarri's competencies within the "Growing Yourself" itinerary, among others.

In order to improve the internal management and employability of the youngest people, we have implemented many programs for their development, under the so-called "Gonvarri Young Talent", as summarised below:

Dual FP Program

The project is conducted through a new modality of Professional Training (FP) in which the educational centre and company are jointly responsible for the training of the apprentice.

The training is done alternating between the educational centre and the company, so that the apprentice can put what they have learned into practice at work.

Through this program, Gonvarri gets involved in the training of its future employees and they will be more committed to the company. The goal is to hire these young people after completing the program and make them part of our teams. Two people were incorporated into Gonvauto Barcelona as part of this program during 2019.

Young engineers' program

The goal of this program is to attract high-potential young people, who will be assigned a certain region of the Group in which they will rotate through the different companies. The purpose of the project is to improve their training and development so that these people can hold positions of responsibility in the future.

Club Benefits

The company has a "Benefits Club" tool which every employee can access to offers and discounts applied to both online and physical purchases.

Access is via Leading the Change or from the LTC Mobile APP, on Android and IOS. Its use is very easy, intuitive and customizable. This platform is available 24 hours a day, 365 days a year.



Effective Feedback

The training in "Effective Feedback", aims to deepen the importance of knowing how to give and receive feedback by practicing communication. In addition, this session allowed us to generate a Feedback Guide applicable to the whole company, available at Gonvarri Academy.



Plant Supervisors School

Between 25th and 29th November the 4th edition of the School of Supervisors was held in Gonvarri Tarragona, in which the participants were able to learn more about aspects such as:

- Leadership and management of work teams
- Security
- GSP
- Environment
- Quality
- Safari
- Maintenance
- Innovation

On this opportunity, 25 professionals from the plants of Gonvarri Argentina, Gonvauto Puebla, Gonvarri Colombia, Gonvarri Tarragona, Gonvauto Galicia, Gonvauto Navarra, Gonvarri Barcelona, Gonvarri Portugal, Gonvarri Valencia, FLINSA, Gonvarri Burgos, Gonvauto Barcelona and Hiasa attended.

3

Job stability

102-8

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Job stability is a way to show trust in the team and in long-term relations.

As a result, 89.4% of our professionals are employed on a permanent basis. We also encourage local employment, where 98.7% of employees have local nationality.

	Permanent	Temporary	Practice
Men	76.9%	8.4%	0.5%
Women	12.5%	1.4%	0.3%
TOTAL	89.4%	9.8%	0.8%

In Annex 3: Table 5, the information is detailed by type of contract and duration of contract, gender and country.

4

8

Performance Assessment

At Gonvarri we have a performance evaluation system by objectives which is centralized at corporate level on the "ETWeb" platform. The system provides our employees with information regarding their annual objectives, and they can monitor their progress and know their degree of compliance, through the performance and competence evaluations (404-3).

In 2019, a total of 386 evaluations were initiated, distributed among 13 countries and, at year-end, a total of 170 (136 men and 34 women) were completed, as shown in the following graphic.

PERFORMANCE EVALUATION "ETweb"	
	People
Germany	15
Argentina	9
China	3
Spain	108
Mexico	14
Poland	6
Portugal	8
Russia	7
TOTAL	170

At the same time, some plants have their own evaluation systems implemented that include the plant personnel, and which generally covers 100% of the staff, with a methodology that is adjusted to their business activity and which measures criteria such as polyvalence at the workstation.

A total of 2,807 evaluations were carried out for middle management and plant personnel, the distribution of which is summarised below:

Nº. OF EVALUATIONS	
Germany	164
Argentina	52
Brazil	311
China	307
Colombia	315
Spain	472
USA	93
Slovakia	142
Finland	44
Polonia	125
Portugal	89
U.K.	227
Romania	404
Russia	57
Turkey	5
TOTAL	2,807

5

8

Internal promotion and mobility

The "Internal Promotion" process enables our employees to acquire new responsibilities and challenges to improve their performance and motivation.

At Gonvarri, we contribute to our employees' development and growth through job offers, internal promotion and mobility. Whenever a vacancy is not covered by any of these mechanisms, external hiring processes are initiated, for which we make use of media such as LinkedIn, InfoJobs or external headhunting agencies, depending on the position in question.

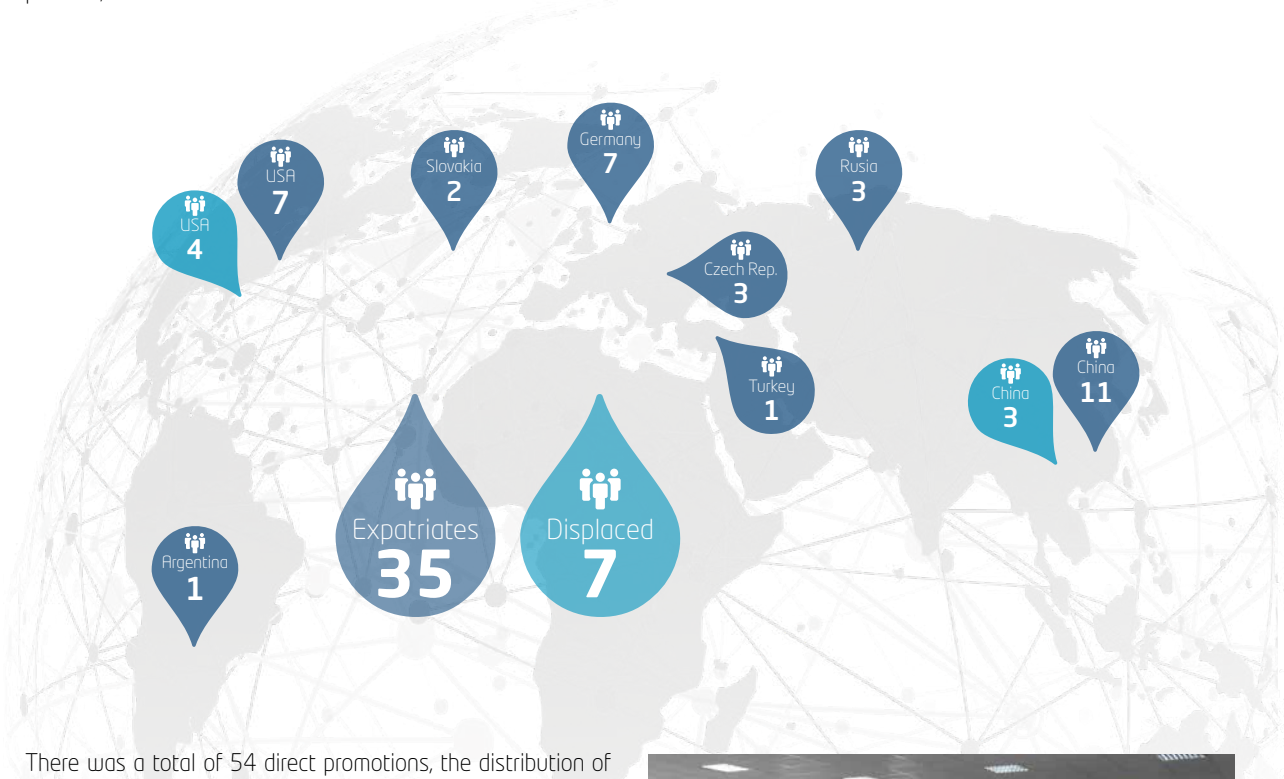
We periodically publish job offers through the "Job Posting" tab on the corporate intranet or via other media such as the announcement boards, which allow us to cover specific internal positions. Interested candidates go through an interview process with Human Resources and with the area requiring the position, so that the most ideal candidate can be selected.

Mobility

At Gonvarri, we are in constant growth which makes it necessary to cover vacancies outside of Spain and transfer certain employees as "expatriates", for which we have efficient "Mobility" mechanisms in place.

Opportunities are also offered to other employees for 1-4-month displacements, as is the case with the "Start-Up Teams", who are responsible for transferring experience, knowledge and the corporate culture to the new centres in the different countries and training the new employees.

In 2019, 35 employees were moved as "expatriates" and 7 as "start-up teams".



There was a total of 54 direct promotions, the distribution of which is summarized in the following table:

	PROMOTIONS
Germany	7
Argentina	7
China	3
Colombia	5
Spain	17
USA	3
Mexico	2
Poland	1
Czech Republic	1
Russia	2
Turkey	6
TOTAL	54



Work environment

In order to retain our employees, knowing their opinion, their level of satisfaction and motivation is essential, for this reason we conduct a "Work Environment" survey biannually.

In 2019, the corresponding survey was carried out in which 52 facilities (factories, offices and services center) sending a total of 4,438 surveys with a 74.22% response.

The new survey improved the quality and accuracy of the data provided by the online platform for the analysis of the results, offering information with ponderate data by the number of employees and segmentation of groups.

From the analysis of each factor that influences the global perception of work environment, each company design and implements specific improvements action plans and also that can be cross-cutting to other companies.

The best rated issues were Health and Safety conditions and aspects related with the commitment with the company. The lowest rated issues were remuneration and training plans.

Therefore, we contribute to improve the commitment and well-being through "**Growing Together**" program. As part of the initiatives developed, we emphasize the improvement of flexibility in vacation days, intensive days in summer and schedules, ... In factories, where the work I conditionate to the customer necessities and is worked by determinate shifts, flexibility and the adjustments are made individually.



- Gonvarri Colombia celebrated **Family Day** and invited all the families of employees who wanted to attend the water park to have fun, eat and spent a very pleasant day.

Also, it provided school kits to the children of employees at the factories to benefit 139 employees and more than students 200 in kinder, primary, high school and university, with the aim of helping them in the studies and can to achieve their dreams.



"Growing Together"

To improve teamwork and pride of belonging, we develop diverse activities for employees and their families, among other:

- In June it held the **School Day Off** in which Gonvarri employees and their sons, between 3 and 12 years old, took part. Boys and girls had the chance to enjoy and have fun with several activities. Also, in March the **I Family Day** was held in collaboration with the "Ingeniera Soy" Association, focused on promoting STEM (Science, Technologies, Engineering, Maths) areas among children. In addition, the first Smart City Gonvarri was built, with the invaluable help of Pepper robot.



- Gonvarri supports the culture and local traditions in countries where has presence, in Mexico, the **Day of the Dead** celebration is a very important holiday where families create offerings to honour their departed family members that have passed.

In order to preserve this Mexican tradition an promote integration in Gonvauto Puebla, on October 30th the first offerings contest was held with the participation of 8 teams, all the offerings were characterized by their creativity, originality and preservation of tradition.

Diversity

405-1

Diversity Management is a commitment to the people who make up the organization. Diverse talent improves business results, corporate reputation, job stability, and investor and customer relations.

At Gonvarri we believe that the heterogeneity of the people and their distinctive contribution give us an unquestionable competitive advantage. The perspective and way of thinking that professionals from different origins have helps us to achieve positive change in the organization, in the working methods and to increase our innovation capacity and our capacity to respond to this demanding market.

That's why we launched "Projecto Diversity", in order to foment diverse talent and inclusive leadership in the organization. The Program incorporates and coordinates this variable within the organization through policies, processes and dissemination and awareness measures.

In relation to gender diversity, in 2017, the "Women of Steel" project was launched, with the objective to sensitize and raise awareness about equality between women and men, and the need to break with old sexist paradigms.

In commemoration of "International Women's day" on the 8th of March, different activities took place in our centers and all women in the group were given a gift. One of the activities was the II Women of Steel Day that took part in Madrid with the aim of continuing to develop the necessary actions within the frameworks of our commitment to equality.

As for our professionals with different capacities, we currently have 59 employees (52 men and 7 women) distributed among Spain (54%), Germany (25%), Brazil (8%), Turkey (7%) and 2% Slovakia, United Kingdom and Romania respectively.

	PROFESSIONALS WITH DIFFERENT ABILITIES	
	men	women
Germany	14	1
Brazil	3	2
Spain	28	4
Slovakia	1	0
United Kingdom	1	0
Romania	1	0
Turkey	4	0
TOTAL	52	7

With regard to people with different abilities, in addition to the people employed at the different plants, we have hired one person in the Madrid offices in collaboration with the Juan XXIII Foundation, by purchasing fresh fruit, renting rooms for different events, etc. as well as conducted sensitization workshops on this subject.

On December 3rd, "International Day of Disabled Persons", we carried out an internal communication campaign with the aim of continuing to raise awareness of the importance of diversity. Likewise, Juan XXIII Roncalli Foundation awarded Gonvarri for helping to spread its message of inclusion and to promote its video on social networks and internal communication channels, where the actors were the Foundation own employees and workers.

All of this allows us to contribute to the integration of people with different abilities and/or in risk of social exclusion.

We also promote local employment to create value in the countries where we are present. 98.7% of the workforce is of local origin.

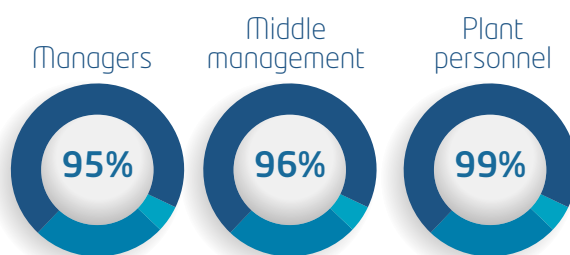
Gender



Different abilities



Local nationality by category



Integration Event in Gonvauto Puebla

Gonvauto Puebla held an integration event with all the plant personnel. During the event, numerous dynamics were carried out to reinforce skills such as communication, integration, assertiveness and empathy, with the aim of generating reflection, coexistence and companionship.

The participation was very high, and the day turned out to be a success due to the skills and experience acquired by the attendees.

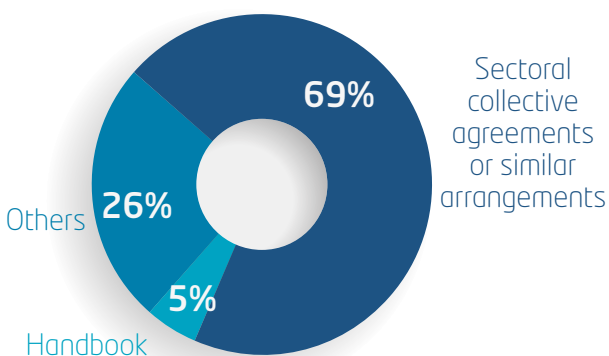


Work relationships: Freedom of association

102-41

Gonvarri supports the rights to association, union representation and collective bargaining of all its employees, always with regard for the legal and cultural characteristics in each country it operates in. In all cases, the right to freedom of association and union representation is respected and the labour requirements and obligations in each country are always met (102-41).

Through collective bargaining agreements or similar agreements, work conditions are regulated (salaries, working hours, vacations, etc.) and so is the relationship between the company and the unions. In some countries, in which the collective bargaining agreements are not applicable, working conditions are compiled in so-called "Handbooks".



No centres nor significant providers were detected in the operating facilities in which the freedom to association, and the right to reach collective agreements could be violated or threatened.

VII Edition of the HR Meeting

On November, Gonvarri Industries Human Resources teams met at the VII Edition of the HR Meeting in which they defined the challenges to face in the coming years.

They worked on the latest developments that have been launched from the Corporate area to meet the needs of our plants, focusing on Development and Training as fundamental building blocks for the growth of our teams.

Added to the previous challenges, they were determined to reach the Space with the help of Conkistadores, in their particular Space Race. They built the ships, deciphered the hidden messages coming from other planets, and ultimately, passed the test as a team working towards a common goal, to be drivers of change.

Subsequently, they all worked together on the first Learning Day of Gonvarri with the guidance of TAK, Esperta,



Bizpills and Speexx, transforming their vision of learning. They also had the assistance of Solutia and Sergi Riau on how to run management and other key aspects of absenteeism.

Health and lifestyle habits

The overall well-being of our employees is fundamental to having healthy, happy, committed and more competitive teams. At Gonvarri, we incorporate the business line "Healthy Company" in the "People" axis of Drive, in order to contribute to living a happy, healthy and full life.



We conduct awareness and prevention campaigns in favour of healthy eating habits for the general well-being and prevention of illnesses. Moreover, we strengthen our medical services, through personalized consultations for nutrition, health and fitness programs.

Among other initiatives we would like to highlight the following:

Gonvarri Tarragona, Gonvarri Portugal y Gonvarri Kaluga (Russia) provide fruit in the canteens for all employees of the factories with the aim to acquire healthier habits in their diet.

Gonvarri Madrid, in collaboration with Viena Capellanes, organized visits of a nutritionist with the aim to give orientation to people interested with the healthy eating habits.

This is part of our shared values and culture, and we want to offer a broad range of programs and opportunities. Among these the following should be noted:

GMH Germany offers weekly fresh fruit to its employees, counts with the presence of regular doctor and offers health checks ups and flu vaccinations. According to the program about "Addictions" applicable mainly to employees with alcoholism problems, which includes informative presentations on addiction in general and communication with ex addicts and their families, showing their own experiences..

Gonvauto Galicia, continues developing Healthy Lifestyle Campaign: Eat Right, Live Better that promotes the acquisition of good habits of alimentation. One of their initiatives is buying boxes of varied fruit the first week of each month to consume by employees.

Gonvarri Colombia, where 20 employees participated in a "Screening with a nutritionist" to identify food or nutritional problems and 15 employees received a master class to prepare healthy food. In addition, 20 employees participated in a project to prevent heart problems in three phases: cardiovascular evaluation, body mass index and hair glycemia. After the assessment, they were given nutritional and healthy lifestyle recommendations for the prevention of heart problems.



People with very high well-being are satisfied and committed to their lives and work.

We evaluate aspects such as ergonomics, light, noise, temperature, humidity and air quality as well as all aspects regarding the health and safety of our employees in all of our plants.

Within this context, physical exercise contributes to good health. The workplace, where we spend most of the day, presents an excellent opportunity to encourage this activity. Among the initiatives carried out by Gonvarri we highlight the following:

- The "**Gonvarri Running Challenge**", with the aim of reaching 10,000 kilometres run in 21 days among all runners, of fighting sedentarism through sporting activity. Finally, thanks to the efforts of the 675 runners from the 50 participating factories, the figure reached 25,000kms.

- **Corporate** (Madrid) where 14 employees participated in the Madrid Rock 'n' Roll 2019 race, which includes three modalities: 10 km, half marathon (21 km) and the marathon (42 km). It also sponsored the Africa Direct Solidarity Golf Tournament.



- **Gonvarri Valencia** sponsored the races carried out by the members of the "Club Running", such as the "steel race".
- **Gonvauto Barcelona** took part in the 24-hour cycling competition at the Catalonia Circuit.
- **Gonvarri Tarragona** has full passes for the Estival Park sports centre.
- **Gonvarri Burgos** participated in the fourth edition of the Solidarity Paddle Tournament.



- In December **Gonvarri** participated in the "XX Race for Companies" and counted with runners from GMS, HIASA, Gonvarri Valencia, Gonvarri Burgos, Gonvarri y Gonvauto Barcelona, Gonvarri Madrid and Gonvauto Navarra.
- **Gonvauto Galicia** subsidized the equipment of several workers for the development of their favourite sports, prioritizing those joint activities with their co-workers. In addition, it runs a theoretical and practical training workshop on healthy lifestyle habits, focusing on "watch your back" postural hygiene.



- **Gonvarri Metal Structures** (GMS) as part of its Healthy Challenges programme, directed different actions and messages to its employees related to the importance of physical exercise to encourage healthy lifestyles, handing out fruit and carrying out sporting activities such as indoor football, pilates and a paddle tennis tournament.



- **Gonvarri Puebla** participated in the 3rd Yakult race in the 5 and 10 km categories, obtaining excellent results and sharing this event with their families.

- **Gonvarri Polska** organizes a canoe trip for employees who want to attend as part of an integration and sports promotion event. In addition, 10 employees participated in the Polish Indoor Football Championship for Companies and Institutions.



- **Gonvarri Kaluga** (Russia), participated in sports competitions against other plants in the area. In addition, 10 factory employees climbed the peak on Mount Elbrus, 5,642 meters above sea level, the highest peak in Europe. The mountaineers raised the company flag on the top of the mountain where they could enjoy beautiful views.



- **Gonvarri Colombia**, carried out numerous activities aimed at the well-being of its professionals. For example, 17 workers participated in an aerobics and cardiovascular work class, improving their physical condition, coordination and motor skills.

- **Gonvauto Barcelona**, in order to promote the sport, subsidizes the clothes for the cycling, athletics and paddle teams, as well as the tracks where the matches are played.

Social Benefits

Gonvarri is a diverse company, where social benefits are not homogeneous but adapted to the characteristics of the different plants and countries.

In any case, there are no significant differences between benefits offered to part-time workers and those offered to full-time workers.

The social benefits in the different facilities and countries are outlined next (401-2):

- **Health Insurance**, this Benefit is available to the factories of AMG Brazil, AMG Slovakia, Gonvarri Argentina, Gonvarri Barcelona (for permanent employees), GMH Russia (for employees with full time contract), Gonvarri Kaluga (except temporary employees), Gonvarri South Carolina, Gonvarri Portugal (for employees and their families, and for manager only covers their child), Gonvauto Puebla, Gonvarri Baja California, Gonvarri Turkey, Gonvarri Germany, Steel&Alloy UK (for white collar employees). Also, the distribution centers and offices of GMH in Denmark, Netherlands and Norway and the GMS Bilbao office.
- **Life Insurance**, this Benefit is available to all factories in Spain, AMG Brazil, GMH Canrena, GMH Germany, Gonvarri Kaluga (except temporary), Gonvarri Polska, Gonvauto Puebla, Gonvarri Baja California, Gonvarri South Carolina (Full time employees) and Steel&Alloy UK. Also, the distribution centers and offices of GMH in Denmark, Netherlands, Belgium, Sweden and Denmark and UK.
- **Disability insurance**, it is available this Benefit to all factories in Spain (with the health insurance) Gonvarri Kaluga (except temporary), Gonvarri Polska, Gonvarri South Carolina (Full time employees), Gonvauto Nitra, Steel&Alloy UK (managers and middle managers) and GMH Belgium distribution center.
- **Ticket restaurant and canteen service**, It is available this benefit to the factories of AMG Brazil, AMG Slovakia, GMH Russia, GMH Germany, Gonvarri Argentina, Gonvarri Kaluga, Gonvarri Polska, Gonvarri Portugal, Gonvarri Colombia, Gonvauto Puebla, Gonvarri Baja California, Gonvarri Turkey, Gonvarri Germany, Gonvauto Nitra and Steel&Alloy UK. Also, The distribution center and office of GMH in Finland, Netherlands, Sweden and UK.
- **Transport Service** is available to the factories of AMG Brazil, GMH Romania, Gonvarri Burgos, Gonvarri Kaluga, Gonvarri Portugal (transport allowance), Gonvauto Puebla, Gonvarri Baja California, Gonvarri Turkey y Gonvauto Nitra. Also, the distribution center of GMH in Netherlands and Sweden.
- **Maternity/Paternity leave**, this benefit is available to factories of Gonvauto Puebla, Gonvarri Baja California, Hiasa, Gonvauto Asturias and its engineering's.

In addition, the factories have other own benefits, for example:

Germany, the factories of Gonvarri and GMH give checks and annual vaccination possibility against the flu. Also, Gonvarri Thüringen gives economic bonus named "health bonus" for employees that don't get the flue every 3 month, a coupon for "Baby things" for each birth and bonus for childcare, private pension subsidies, seniority benefits and employee discounts.

Argentina has medical insurance and canteen service. Also, it gives presents for each birth, Women Day, and in the Christmas Lunch, includes the Christmas box and participation in raffles.

China, GVS factory has housing for the workers who so wish or contributes to housing and expenses (water, electricity, etc.) for those residing outside the facilities. Moreover, benefits are included for relatives that visit employees during the weekend (free transport, etc.) and one-off contributions when they get married, births, bereavement, gifts at certain dates, annual bonuses, etc.

Colombia has established a "Labour Well-being Plan", with a total of 74 initiatives in 2019 focused on promoting healthy environments.

These initiatives include communication activities to maintain relationship flows, with assertive information that allows employees to be updated and aware of organizational changes and movements. In addition, campaigns and tournaments were held to strengthen the ties between the areas, for example: the internal soccer tournament, birthday celebrations, farewells for retirees, the Christmas party, and the lustrums of services, among others, and to celebrate family day a visit to the water park was organized.

The "Gonvarri Treasures" stand out as an immaterial source of compensation of great value; during 2019 108 treasures were exchanged, highlighting: "choose your working hours" (53%) and "work from home" (41%).

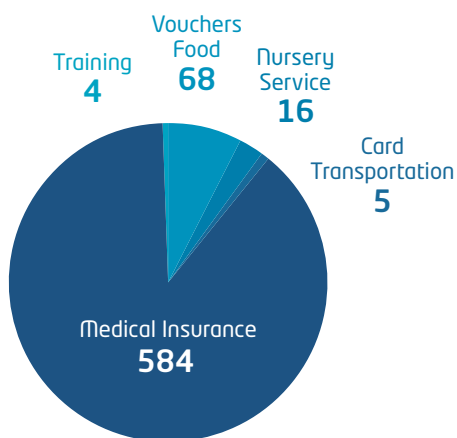
USA, voluntary life insurance for employees and children was included in 2019 at a significant discount and production employees have a bonus for mealtime.

Slovakia, AMG Senica offers free coffee and tea, Christmas party and massages. Gonvauto Nitra celebrates the Christmas party with gifts for employees.

Finland, has sports and culture cards with an amount of 200 euros per year, to be used, for example, in the payment of the gym fee or to go to the museum.

Mexico, In Puebla, social benefits are collected in the "Employee Pension Plan", in which various initiatives are incorporated, such as: food vouchers, major medical expenses insurance, saving funds, in-kind paternity/maternity assistance, scholarships, minor medical expenses insurance, accident insurance, marriage or death grants.

Spain The medical insurance, canteen contributions, nursery and transportation contributions can be issued through private coverage through the Flexible Retribution Plan (FRP), with which the tax benefits established by the Law can be accessed. Its distribution in 2019 is summarized below.



Gifts are also given for different reasons, such as births, Christmas baskets and a Christmas lunch in which a raffle with various prizes is included.

Burgos has a company bus, Tarragona provides its workers with the possibility to enjoy the installation of the "Estival Park"; Gonvarri Barcelona concluded an offer with a tyre company located near the factory that will allow all employees to solve any type of incident in a short period of time, with the corresponding discounts.

In **Baja California**, different social-family events are held and there is a monthly incentive system and in-kind scholarships are given for primary-, secondary- and high- schools.

Poland, has a company social benefit fund, in addition to cash benefits for holidays and other occasions.

Portugal, gifts/presents are given for different reasons such as; birth, Christmas meal including a raffle with prizes, Christmas boxes, a gift for children under 12 and a gift for Easter.

United Kingdom, participates and finances the "Cycle to work & Lifestyle Scheme" for sustainable mobility.

Romania, has aid for birth, death and Easter and Christmas gift tickets

Russia, Gonvarri Kaluga finances 50% of the employee gym. GMH Russia has benefits for relocation and for the use of own transport.

Sweden, GMH Sweden subsidizes the gym for employees and GMH Canrena offers massages to improve conditions for production personnel.

Turkey, has a rest area with free coffee and tea.

Pension Funds and/or retirement plans

201-3

These are only available in some countries, or because of local legal requirements or because of past commitments.

In particular, pension funds are provided in the United Kingdom, Germany, Norway, Sweden, the Netherlands, Denmark, Slovakia and South Carolina. Retirement plans are available on a voluntary basis, in the United Kingdom. Gonvauto Barcelona has a partial retirement plan included in the 2017 - 2022 Company Pact.

Either way, these are very specific situations of little relevance to the company as a whole

Settlement

401-3

The maternity and paternity leaves in 2019 corresponded to 107 Men and 38 Women, of whom 96% of the Men and 84% of the Women have already been reincorporated.

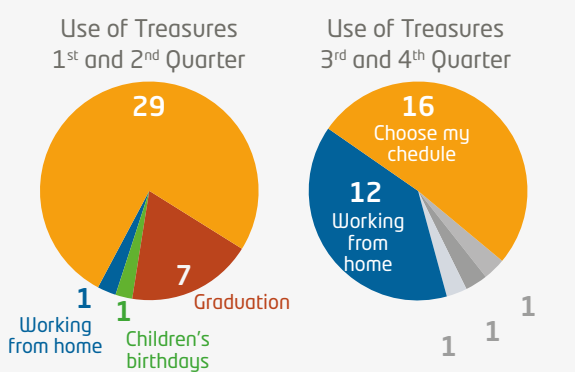
Gonvarri Treasures

This strategy was defined in 2019 and based on exchangeable bonus which administrative employees can use them depending in their own necessities.

The treasures are divided in seven categories:

- 1 Your family is the most important thing: half a day to celebrate their children birthday (1 bonus)
- 2 Enjoy your degree (1 bonus)
- 3 For your health: annual occupational check up
- 4 You are our greatest treasure: Half a day off when you have a certain amount of time in the company (1 Bonus)
- 5 Work from home (4 bonuses)
- 6 School kit (4 bonuses)
- 7 I choose my work schedule (4 bonuses)

The results obtained will then be presented. In both semesters the category "choose your work schedule" stands out, followed by working from home and with a smaller percentage, your child's birthday and enjoying your degree. A total of 69 treasures were exchanged and more than 136 administrative people participated.





Efficiency

Gonvarri Industries Efficiency Model is focused on increasing our capacity to achieve a desired effect with minimum resources and impacts on the environment.

In an increasingly complex and competitive world, only by doing thing even better can we ensure the profitable and sustainable growth of our company.

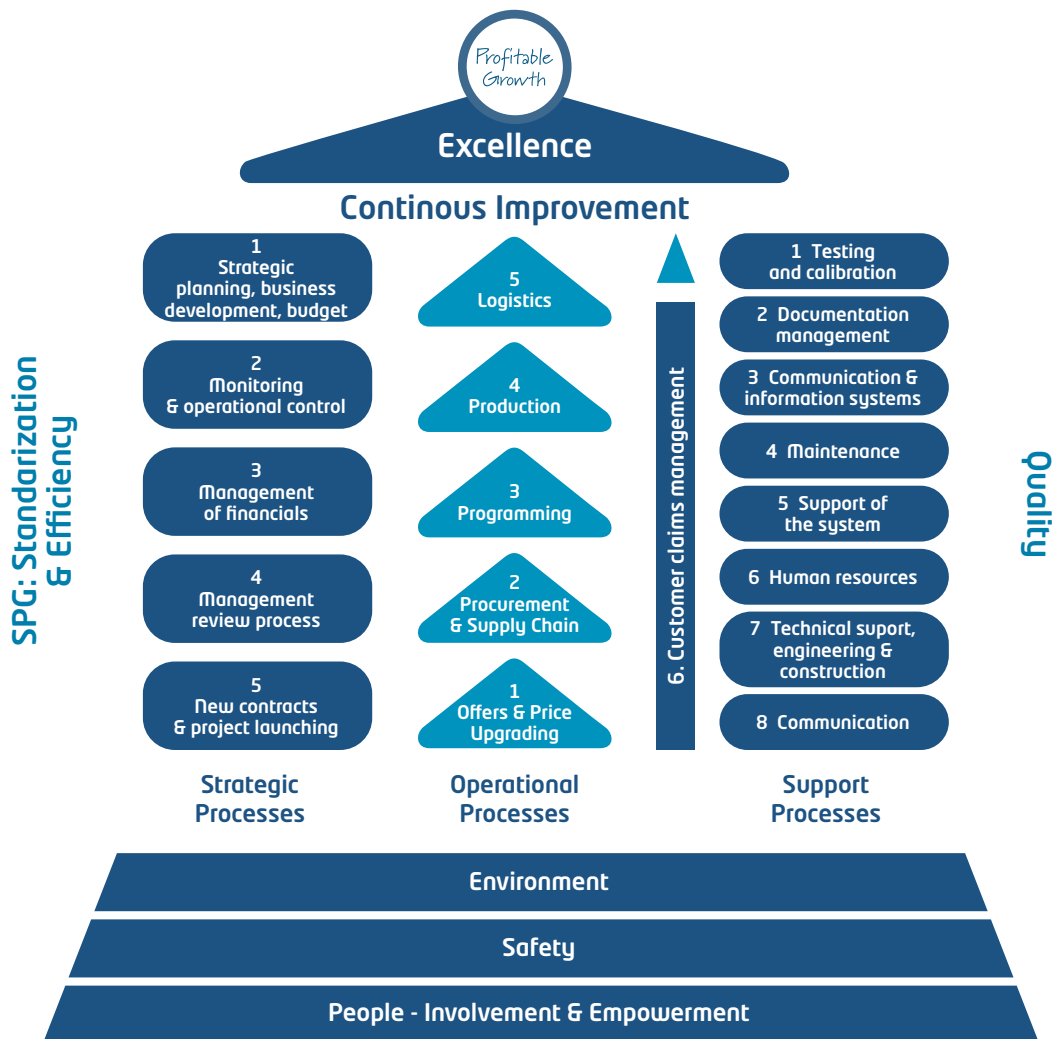


Efficiency model

Within the framework of the current Strategic Plan 2019-2021 Gonvarri Industries, Efficiency axis is reinforcing its systems of continuous improvement systems and its Core knowledge management through actions coordinated by SGI (Integrated Management System, the result of the merger of the Health and Safety, Environment, Quality and SPG/Lean Manufacturing areas) and BTM (Business Technology Management). The final objective is two objectives:

1. Establish sound work systematics to avoid the loss or dispersion of this culture and know-how and make it available to the company as a whole.
2. Guarantee future continuous improvement, by providing our employees with a framework that is safe, respecting the environment and professionally enriching.

The model is described throughout this chapter.



Control mechanisms: Integrated SGI Audit

Gonvarri Industries has two Efficiency control systems.

One of them is the certification of all its centers according to the most rigorous international standards: ISO 9001, IATF 16949, ISO 14001 and OHSAS 18001 (now replaced by ISO 45001).

In addition, there is an Integrated Audit of the SGI (Integrated Management System) which all the companies of the Group must to pass annually.

Created in 2017, the Integrated SGI Audit replaces all partial system audits, providing a comprehensive vision of the situation of each audited centre compared to international standards (OHSAS 18001, ISO 14001, IATF 16949, ISO 9001) as well as against internal standards (Health and Safety systematics, Environmental Behaviour Index, TQM methodology and the SPG model).

The audit as such takes place in a single week, during which the audit team reviews 4,000 items. The quantitative assessment, segmented from lower to higher compliance into 4 levels for each of the 364 questions, turns the reference into a real roadmap to achieve Excellence in all areas related to Efficiency (Health and Safety, Environment, Quality and SPG).

In order to promote the mainstreaming of good practices and increase the homogenization of our operating methods, Gonvarri is immersed in a process of regionalizing the auditors: factories are audited by certificated technician from other companies, who are able to propose improvements to those audited and learn more efficient methods. In 2019, the regionalización degree achieved was 68%.

Region	Rank
Western Europe	88%
Gonvauto Iberia	100%
Metal Structures	19%
Central Europe	63%
NAFTA	88%
LATAM	83%
Asia	0%
Precision Tubes	0%
Material Handling	0%

During 2019, 27 centres were audited based on this methodology, existing a ranking.

Region	Rank	Region	Rank
Gonvauto Iberia	1	Galicia	72.5%
Central Europe	2	Polska	71.9%
Gonvauto Iberia	3	Navarra	67.8%
NAFTA	4	Puebla	58.1%
Western Europe	5	Portugal	57.2%
Gonvauto Iberia	6	Gonvauto	56.6%
LATAM	7	Argentina	54.8%
Central Europe	8	Kaluga	54.4%
LATAM	9	Campinas	53.9%
Western Europe	10	Tarragona	53.4%
Western Europe	11	Barcelona	53.3%
Western Europe	12	Burgos	53.2%
Western Europe	13	Valencia	52.4%
LATAM	14	Paraná	49.9%
Metal Structures	15	Gonvauto Asturias	48.2%
Metal Structures	16	Hiasa	45.8%
Metal Structures	17	Colombia	45.4%
Central Europe	18	Thüringen	37.6%
Western Europe	19	SGA Bridge Street	37.1%
Western Europe	20	SGA Newton Aycliffe	37.0%
Western Europe	21	SGA Union Street	36.8%
Western Europe	22	SGA Popes Lane	36.5%
Asia	23	Dongguan	35.1%
Metal Structures	24	Çepas	32.2%
Miscellaneous	25	GCF	26.2%
Central Europe	26	Czech	22.6%
NAFTA	27	South Carolina	17.6%

BTM Key processes

8 Key Business Processes have been deployed at the end of 2019 (Steel Purchasing, Management of Offers, Scrap Management, Approval Flows, Commercial Risk, Greenfields, People Development and Operational Notifications), and another 2 (Stock Management and Customer Relations) were in the process of being launched under review. The total number of planned Key Processes is 16.

Our differential knowledge is concentrated in these Processes, and non-compliance could result in economic, operational or reputational damage to the company. (102-15). We may already consider them to be part of the Gonvarri Industries Culture.

For their elaboration, 16 working groups have been created with the participation of the approximately 150 Gonvarri employees who best know the business, representatives from all countries, companies and functions of the organization. Furthermore, BTM also leads the IT alignment with this new scheme.

The deployment process consists of onsite training conducted by the BTM Corporate team, in which all the employees concerned of each company participate. At the beginning of 2021, once the launch phase is complete, the degree implementation will begin to be audited. A planification exists which this process will be integrated into the SGI Integrated Audit mentioned above.

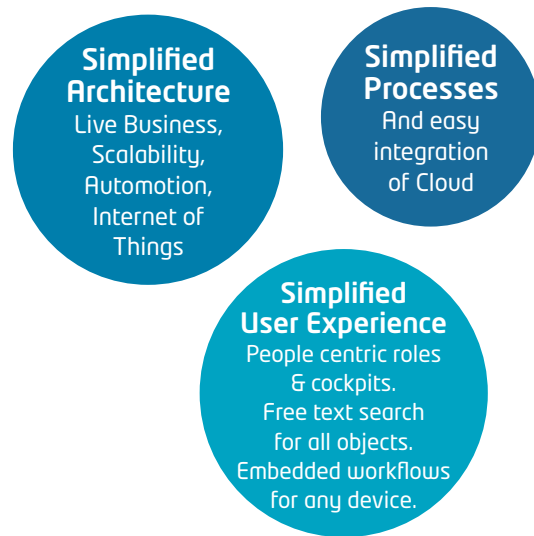
The 2020 goal is to finish deploying the remaining Key Processes, improve those processes that have been outdated due to the development of the business and extend the application scope to newly incorporated companies (Gonvarri Material Handling, Flinsa, etc.).

- 1 Steel Purchasing
- 9 Map of Audits
- 2 Management of offers
- 10 Integration of Brownfields
- 3 Scrap Management
- 11 Establishment of Greenfields
- 4 Inventories Management
- 12 Development of People
- 5 Customer Satisfaction
- 13 People Management
- 6 Approval flows
- 14 Roles & Responsibilities
- 7 Cash Management
- 15 Business Risk Management
- 8 Commercial Risk Management
- 16 Operational Notifications

BTM OneSAP

Since 1999, Gonvarri Industries has been using SAP/R3 as ERP (Enterprise Resource Planning) in the most of the organization. The fast growth of the company has meant that there are plants with different ERP's, as Navision or J.D. Edwards.

In 2019, the Group has embarked a new ambitious project of renovation through a 5 years program to replace all current ERP's by SAP/S4 HANA complemented with other tools (MES, ...). This evolution will be used to take advantage of what this new system has to offer:



The first phases are being led by the BTM team in its role of interpreting of the business lines, which needs definitions are being organized which staff from all the company has been participated:

Order to Cash	Source to Pay	Operations	Record to report
Quotation	Supplier management	Stock management	Finance
Order Management	Sourcing	Production Planning and sequencing	Investments management
Logistic Execution	Contract management	Production execution	Product costing
Invoicing	Replenishment Planning	Quality	Cost controlling and profitability analysis
Collaboration Portal	Request to Pay	Assets Management	Collaboration Portal

During 2020, the Template definition will finish, and the Model will be implemented in a pilot factory where the proposed solutions will be tested and validated.

Health and Safety Management model

The Health and Safety model at Gonvarri Industries is based on the principle of integrating Safety throughout the organisation, by dividing the responsibilities among all participants in the organizational structure, in all the decisions that are made, and in all the new processes and projects that are taken on.

Our initiatives and measures have evolved over the years, since 2007, when the Health and Safety policy was announced by the President of the company, the first policies and tracking indicators for its minimum compliance were defined, as the first policies to ensure a minimum compliance in the matter. This commitment was reinforced in 2011 when the CEO launched the "One Step ahead" plan, and in 2014 with the inclusion of a specific axis for Health and Safety in the global Strategic Plan of Gonvarri Industries and in 2017 the "Doing Well by Doing Safe" Safety Plan.



67% of our factories are certified under international health and safety standards (ISO 45001/OHSAS 18001). The factories of Laser Automotive (Barcelona, Zaragoza and Valencia), Flinsa, the GMH plants in Germany, Russia and Canrena (Sweden), Gonvarri South Carolina, Gonvauto Nitro and the Gonvama factories in China are still pending.

During 2019 and 2020, the companies now certificated in OHSAS 18001 are proceeding to be certified under the new ISO 45001 standard. Gonvauto Iberia Division (Gonvauto Bacerlona, Galicia and Navarra) and Dongguan factory in China have been certified ahead of schedule.

Safety Gonvarri Model did not just settle for complying to these international Standards and the different local legislations that apply to each plant, but we have opted to go further, by implementing a range of global systems and policies that aim to create our very own preventive culture, which is much more demanding than the mentioned standards, with Safety as its main focus.

Gonvauto Iberia. ISO 45001 Certification

In 2019, the transition process from OHSAS 18001 to the new ISO 45001 standard was carried out at Gonvauto Iberia's plants.



The three plants of the Division (Gonvauto Barcelona, Navarra and Galicia) achieved individually the ISO 45001 certification by the accredited body Bureau Veritas, before the OHSAS 18001 ends the validation period, in March 2021. Therefore, Gonvauto Iberia is the first Division of Gonvarri Industries to be fully certified in this standard.

During 2019 fiscal year, Gonvauto Iberia has been working to improve the Occupational Health and Safety Management System in order to optimize its efficiency and contribute to a better H&S risk management, enabling a greater prevision for its employees and the organization.

One of the best evaluated points by the audit was the participation of all employees as key factor in the improvement process in the factories as one of most relevant aspects that brings this new Norm.

The collective work of the Factory Direction and Gonvauto Iberia Division has been essential to reach this successful milestone, with the multi-disciplinary teams of the respective factories and with the support of the Direction of the plants and the regional Director itself. This is ahead of the company's objective for the certification of all the group's factories by 2020.

Responsibilities and tasks

These are integrated throughout the whole organizational structure, with the plant Management being the highest level responsible for compliance with standards, working conditions and the state of the workstations, compliance with the regulation and, generally speaking, the protection of Health and Safety regarding the people present at the plants.

At each plant there are workers designated to manage Health and Safety, with regulated training in this area. Based on the size and needs of the plant, these employees either work exclusively in occupational Health and Safety management or they share this activity with others.

On-site control of risks in operations and workplaces relies on supervisors and department managers as the direct superiors of the employees and people at the plant.

The monitoring and controlling of the health of workers is outsourced, relying on medical services as required by local legislation.

In 2019, it is highlighted the participation of the Managers in "One to One" project, maintaining numerous meetings with the workers to know their concerns, that allows them to expose their commitment to the Health and Safety of the employees and to gather their demands in a direct and personalized way.

This Project tries to foster the consultation and participation of the workers in the activity and the preventive improvement, but above it is a tool where the intention of the Managers to show a **VISIBLE** commitment with the safety and health of all their employees where are the plants.

New Health and Safety Plan "Doing Well by Doing Safe"

After several years that saw a significant reduction in accident rates and improvements of the workspaces, in which the risk level has been reduced substantially, Gonvarri decided in 2017 to speed up the sensitization regarding Health and Safety for all its employees, raising awareness of the binding nature of the measures transmitted in the training actions.



The Safety Plan "Doing Well by Doing Safe" defines the new measures that concern our Safety culture, but it also contributes to strengthen the concept of "Stop > Think > Act", which expresses the concept of "Shared Security" in which each employee not only worries about his own security but also about that of his colleagues, transferring our common concern for the security of all, advising them and even helping

them in their training processes.

Several initiatives were developed for its implementation and dissemination, among which the following stand out:

- **New management systematics** aimed at aspects such as, for example, the supervised monitoring of the practical part of the training process for new employees, the periodic safety performance evaluation for each employee by their superior, the treatment and internal cascade dissemination of the weekly "Incident Notifications" transversalized by corporate (both in Top Management and Top 5 Plant meetings), etc.
- **"Safety Tips"**: series of interactive awareness videos about the main risks present in our activity.
- **"Chasing risks"**: creates workshops in specific lines and areas, with the purpose of involving the workers in the risk identification and the definition of preventive measures from the real players of security that are the employees..
- **CCTV** closed-circuit television, focusing on the use of recorded images only for security purposes, assisting in the investigation of accidents and incidents, and enriching the training of personnel by showing accomplished facts that occur more or less frequently through images that explain more than just the explanation of those facts..
- **"One to one"**: to improve the commitment of Plant Managers and department managers, with a focus on visualising behaviour and an approach that is always assertive, interactive and motivating, and never coercive.
- **External diagnosis of the preventive culture:** mandatory for all plants. It was carried out in Burgos and Colombia in 2019.

CCTV Gonvauto Navarra Project

Gonvauto Navarra developed with great success the installation project of the tracking and control system through cameras, lead by the IT Department in collaboration of other departments, within the Gonvarri 4.0 project.

The Project counted with the collaboration and support of all the employees and representatives' figures and allows them **to have covered in a real time any circumstance affecting the safety of people and facilities.** It is necessary to stand out that Gonvauto Navarra by its great performance, remained for almost 365 days without having any accidents (with or without leaves).

As a result of the project and the work carried out, practical lessons were drawn that are cross-cutting, since they have implications from the legal, data protection, labour relations, technical and, of course, preventive points of view. For this reason, and in order to compile all these experiences and cover all the requirements that these areas demand, a docu-



ment (SGI-DOC-130) was drawn up establishing the premises, guidelines and requirements that will have to be met by future projects developed in the rest of the Group's plants.



- **Increase in the participation** of department managers in safety inspections, investigation of accidents, monthly safety meetings and in the definition of risk evaluations and safety instructions.
- **Inclusion of Safety projects within Industry 4.0 initiatives**, in particular the design of a prototype forklift with sensors and a screen for detecting the proximity of people and objects in order to prevent collisions. The project was successfully designed and developed by the Industry 4.0 team.
- **New Personal Protection Equipment matrix** for the minimum equipment to be used in the plant depending on the activities or positions performed.
- **Advanced training for Managers:** with the collaboration of Dupont Sustainable Solutions, the members of the Management Committees of the Western Europe divisions and Gonvauto Iberia were given specialized trainings in Leadership and Safety Culture Development.

- **Safety Stewards:** initiative created by Steel & Alloy and extended to other plants of the Group.
- **Schools of Supervisors** training them on the importance of their position in order to achieve the "0 injuries" goal, explain the tasks and responsibilities that are required by the company in terms of establishing and complying with regulations, notifying events and anomalies that occur in work areas, and protecting the safety of their own and other personnel present in the plant.



Likewise, some factories have already completed the design and implementation process of the Loc Out-Tag Out systems focused on developing in a safety way the maintenance, revision and adjustments works, Inside the lines by means of consignment stops, energy release and signalling of hazardous mobile elements.

Monitoring and measurements

We have two monitoring and measurement platforms available for all our workers and subcontractors' Health and Safety issues:



Platform "Sygris- Health&Safety"

For the comparative monitoring where the investigation of incidents and accidents that occur in the plants, the proactive indicators of performance and compliance with the Group's policies, and the monitoring of continuous improvement in all the Group's plants (including Joint Ventures) are consolidated.

This platform enables a large number of the company's employees (including all management and any person managing aspects related to health and safety) to have updated data from the plants, both absolute and relative, on the accident rate and other management ratios compared to previous periods and to 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 to improvement.

Monitoring and measuring of subcontracts: CTAIMA 2.0

At Gonvarri, measures, controls and obligations established for our employees are equally applicable to all external companies that access our work centres, whether these are subcontractors, TEA staff, contractors who carry out work unrelated to our activity, transporters or visitors.

In order to ensure that before any activity is begun, the training, experience and qualifications of any worker of the external company is adequate and also to contrast the level of compliance with the legislation by these companies, we have the CTAIMA tool, currently applicable to plants in Spain and Portugal.

In 2019, the platform was updated with the new version 2.0. Its goal is to coordinate and exchange documentation with external companies, to guarantee compliance to information and control requirements, and subsequently to allow these companies and their workers access to the plant based on their compliance with our corporate policies and with the local legislation by these companies and their workers.

Evaluation of occupational risks

The "Evaluation of Occupational Risks", which identifies and measures the different risks our workers are exposed to, is updated and revised whenever changes in working conditions or the conclusions of the investigations of incidents and accidents require so.

In 2019, 26 jobs were identified among Gonvarri Colombia, Turkey, South Carolina and China. None of the identified risks have caused any occupational disease (403-3).

Additionally, emergency drills are held annually at the plants to prepare for possible incidents that may arise, such as, fires, spills, rescue operations for staff stuck at heights, first aid, use of defibrillators, and efficient evacuations of work centres.



Fire prevention and defense

The consortium of insurance companies Chubb, RSA and ZÜRICH, through Willis the insurance broker, cover any contingencies that may occur in any of Gonvarri Industries' plants.

For this reason, in 2019 they presented the plan of visits that includes the factories of Gonvarri Burgos, Gonvarri Barcelona, Gonvauto Barcelona, Hiasa, Gonvauto Thüringen, Gonvauto Puebla, Gonvarri Argentina, AMG Paraná and AMG Campinas, to verify the state and conditions of prevention and defense against fires.

The goal is to minimize the level of risk of fire in terms of existing measures and systems for its prevention, the means of protecting facilities in the event of an incident, and the resources and organization to mitigate its consequences.

After a visit, a report was presented assessing the existing level of risk considering human and technical factors and making recommendations. The results are classified into different levels according to the final weighted result of the different factors evaluated.

No relevant incidents have occurred and the recommendations are implemented by each of the affected factories, reporting to the company the Action Plans arising from the reports issued.

Main indicators

403-2

In 2019, for the first time, it has been possible to lower the Frequency Index to a single figure, leaving it at 8.6. A total of 102 accidents with leave and 422 accidents without leave occurred during the year.

	N° ACCIDENTS WITH LEAVE		N° ACCIDENTS WITHOUT LEAVE	
	Men	Women	Men	Women
Own Personnel	69	6	283	19
External Personnel	27	0	112	8
TOTAL	96	6	395	27

The increasing presence of subcontractors and personnel from temporary employment agencies (without the same safety awareness and culture as our own employees) has led some of the plants to worsen their accident levels, with the degree of incidence of this accident being greater among external companies, with 28% of the accidents. In other words, these external subcontractors, which are used to carry out their own activities, and the employees from temporary employment agencies, although they work for fewer hours, have a much higher relative accident rate, which leads to better overall results among their own staff.

The fact that the plants have been able to identify, report and analyse over 1,040 incidents without personal harm should be noted as a positive point, as this data has been very useful for future learning and the continuous improvement.

The severity of accidents (quantified as the total relative working days lost due to work accidents) has been reduced over the last year, no particularly serious accidents have occurred. Moreover, working conditions are not usually the cause of accidents in our Group, and it is the behaviour that we must try to monitor and educate.

It should be pointed out that an analysis of the quantitative data on accidents with leave in four companies accounts for more than half of all accidents with total leave in the Group.

The global qualitative statistical studies carried out over the years (and reported quarterly to the plants) allow us to have a standard accident profile at Gonvarri, with accidents to the hand due to cuts and blows caused by carelessness or misdirection making up the majority of accidents.



The accident rates for each of the countries the company is present in are detailed below:

	RATE OF ACCIDENTS WITH LEAVE			
	Own Personnel		External Personnel	
	Men	Women	Men	Women
Germany	27	28	45	0
Argentina	19	0	0	0
Brazil	4	0	0	0
Colombia	5	0	4	0
Spain	10	3	20	0
USA	15	0	0	0
Finland	15	59	0	0
Mexico	6	0	0	0
Poland	0	18	0	0
Portugal	32	0	0	0
U.K.	2	0	0	0
Romania	2	0	0	0
Russia	5	0	95	0
Sweden	0	0	119	0
Turkey	22	0	17	0
TOTAL	9	5	17	0

Rate: No. of accidents with medical leave x 1,000,000 / No. of hours worked. Accidents with leave are 0 in Belgium, China, Denmark, Slovakia, the Netherlands, Hungary, Norway and the Czech Republic.

	RATE OF ACCIDENTS WITHOUT LEAVE			
	OWN PERSONNEL		EXTERNAL PERSONNEL	
	Men	Women	Men	Women
Germany	61	56	101	385
Brazil	11	0	0	1,353
China	3	0	0	0
Colombia	11	0	28	0
Spain	76	35	96	256
USA	44	0	0	0
Slovakia	6	0	0	0
Mexico	12	0	49	0
Poland	6	0	0	0
Portugal	111	0	134	0
UK	37	17	103	0
Russia	9	0	0	0
Sweden	6	0	0	0
Turkey	7	0	0	0
TOTAL	37	15	71	137

Rate: No. of accidents without medical leave x 1,000,000 / No. of hours worked. The accidents without leave are 0 in Argentina, Belgium, Denmark, Finland, Holland, Hungary, Norway, Czech Republic and Romania.

Regarding to occupational disease, during 2019, (403-3), one occupational disease was registered in our own staff in Spain, which amounts to an average rate of 0.02, by gender is 0.03 in men and 0.0 in women (no. of illnesses/no. of hours worked by own staff*200,000). In the rest of the countries, no illnesses have occurred.

Days lost due to accidents

The registered accidents have led to a loss of 2,064 working days per accident, of which 90% correspond to male and 10% to female. Four companies account for half of the total number of working days lost, and it should be noted that 40% of accidents resulting in leave result in less than four working days lost (60% less than 10).

	RATE OF DAYS LOST PER ACCIDENT	
	MEN	WOMEN
Germany	0.6	0.2
Argentina	0.7	0.0
Brazil	0.3	0.0
Colombia	0.1	0.0
Spain	0.2	0.0
USA	0.2	0.0
Finland	0.7	10.3
Mexico	0.3	0.0
Poland	0.0	0.1
Portugal	2.1	0.0
U.K.	0.2	0.0
Romania	0.3	0.0
Russia	0.2	0.0
Turkey	0.2	0.0
TOTAL	0.2	0.2

Rate: No. of days lost due to occupational accidents x 1,000 / No. of hours worked.

In the rest of the countries the rate is "0" (Belgium, China, Denmark, Slovakia, The Netherlands, Hungary, Norway, the Czech Republic and Sweden).

Days lost due to other causes

In 2019, a total of 53,871 days were lost due to unplanned absenteeism, of which 89% correspond to male and 11% to female.

	RATE OF DAYS LOST DUE TO OTHER CAUSES	
	MEN	WOMEN
Germany	11	6
Brazil	1	1
China	1	1
Colombia	3	2
Denmark	2	2
Spain	10	10
USA	19	0
Holland	7	7
Norway	19	33
Poland	5	5
Portugal	13	10
U.K.	2	1
Romania	5	7
Russia	6	3
Sweden	5	1
TOTAL	6	4

Rate: No. of days lost due to other causes / No. of hours worked x 1,000. In the remaining countries the rate is "0" (Argentina, Belgium, Czech Republic, Finland, Hungary, Mexico, Slovakia and Turkey).

Training and communication

Training

Training and awareness are a key part of our Safety culture. The organization has identified the training needs for each position so that each worker can complete a full training itinerary that guarantees comprehensive knowledge concerning the position. This itinerary has to be revised every three years.

In 2019, total Health and Safety training hours amounted to 67,385 hours for our own staff, meaning over 13 hours per employee. In addition, a total of 12,525 training hours were given to external personnel.



The effort made by the plant to train its staff and the staff from TEAs has increased this year, which leads to them knowing all the risks and regulations applicable to the discharge of their duties, as well as making them aware of the importance of this aspect.

For several years now, we have involved not only employees but also their families in Safety sensitization, through different activities such as: guided visits, drawing contests for children, family workshops with different activities, etc.

The practical training in the plant supported by the supervisors and colleagues must also complement the theoretical teaching, following the guideline that excellence in safety does not consist of specific acts but in a work habit.

This is a key aspect in safety management that not only results in the 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 the awareness that our company demands to work safely.

Training: II Metal Agreement

This year we have focused on compliance with the II Metal Collective Agreement on Industry, Technology and Services in the Metal sector (CEM) for the plants in Spain that incorporates as main novelty the establishment of the minimum training in a prevention labor risk and recycling and includes training for both production and/or maintenance workers and directors, administrative personnel.

To this end, the plants (including the central offices in Madrid) resorted to contracting training courses with approved suppliers.

In the case of management and office staff, these courses (of 6 hours, where appropriate) could be carried out online through platforms designed for this purpose, which cover the regulatory agenda:

AGENDA OF THE TRAINING PROGRAMS

Managers

A. Integration of the prevention in the management of the company

- Security of the product
- Handbook (policies, procurements, plans, ...)
- Integration with different systems (Quality and environment). Total management.
- Internal audits

B. Obligations and responsibilities

- Functions, obligations and responsibilities.

C. Organization and planification

- Occupational risk prevention plan.
- Risk evaluation.
- Planification of the prevention.
- Control systems about current risks
- Preventives approaches
- Type of risk. Psychosocial factors.

D. Costs of accidents and cost effectiveness of prevention

- The costs of accidents at work.
- Methods of calculating accident costs

E. Basic prevention legislation and regulations

- Introduction to the legal field
- Basic and development legislation.

F. Road Safety

Plant personnel

A. Definition of jobs

B. Preventive technics

- Display screens
- Emergency measures. Basic knowledge.
- First aid, first aid kit maintenance, etc.

C. Auxiliary resources, equipment and tools

- Adequate furniture against postural and ergonomic risks, etc.
- Verification, identification and monitoring of the workplace and its environment.
- Observing and knowing the risks and the necessary preventive measures.
- Knowledge of the workplace environment, lighting, work environment.

D. Rights and obligations

- General and specific regulatory framework.
- Dissemination and participation.

E. Road Safety

Training for office staff will address, among other things, the risks arising from the use of data display screens (DSPs), incorrect posture, mental and visual fatigue, fire hazards, and electrical contacts, as well as the corresponding preventive measures.

Likewise, emphasis will be placed on road safety aspects, particularly if the training action is aimed at employees from the company's commercial area.

The plants are in compliance with the provisions of this Agreement, following the deadlines established therein in an uneven manner.

Communication and advice

Different communication channels have been created in Gonvarri Industries to facilitate a bidirectional flow which allows for direct information and participation of all the internal and external staff with regard to Health and Safety.

Every month the Management of each plant meets monthly with the Management Committee to monitor the System (objectives, Programs, Plans, investments, indicators, etc.) and prioritize the most important issues in a swift, transparent and integrated manner. Likewise, daily 5-minute meetings of the working groups are held, where the first topic to be dealt with is always Safety.

Furthermore, participation channels are created for workers that bring their knowledge of the tasks to plan and implement improvements in safety and ergonomics to the work places and facilities, such as Ideas for Safety Improvements, Chasing Risks, etc.

Based on the characteristics and culture of each country, periodic monitoring meetings are held with the workers' representatives. The Health and Safety Committee meetings are held quarterly at the Spanish plants. The constitution and the number of Prevention Delegates in Spain is constituted in accordance with the applicable legislation (Chapter V of Law 31/1995 of PRL), being a joint committee and composed equally by the social part and by persons designated by the company.

In the rest of the countries, as this is not a legal requirement everywhere, its characteristics meet local requirements, although, in all cases, their objective is to treat health and safety issues and to mitigate potential risks or work-related accidents for any person present at the work centres, including 100% of the workers (403-4).

All plants have prevention delegates, with the following composition (403-1):

REPRESENTATIVE			
Germany	28	Netherlands	2
Argentina	10	Mexico	8
Brazil	30	Poland	7
China	39	Portugal	8
Colombia	8	UK	35
Denmark	2	Romania	8
Spain	58	Russia	5
USA	6	Sweden	6
Slovakia	6	Turkey	11
		TOTAL	277

Due to their importance and/or activity (distribution centres), these committees are not applicable in Belgium, Finland, Hungary, Norway, and the Czech Republic.

Health & Safety workshop in Barcelona



During July 2 to 4, the Health & Safety Workshop has taken place in Barcelona, with the following topics:

- Training by an external consultant about the new International ISO 45001 Regulation, with the aim to certify the factories in 2020. This training was complemented by the Gonvauto Iberia Working Team presentation of its experience and certification of compliance of this standard in its plants.
- Review of the key points of the Doing Well by Doing Safe Plan, as well as the Non-Conformities and other recurrent aspects detected in the internal audits carried out in the plants in recent years.

- Presentation of the Good Practices for the improvement of the Health and Safety culture implemented in each plant, as well as other aspects that may be of interest both in relation to the System and to the improvement of the facilities.

Group work is included through the celebration of a disruptive Workshop developed by the Project Manager of the Industry 4.0, with ideas focused on mitigating and diminishing the existing risks in the facilities, making the dangers we have cease to be so in the medium term, and maintaining the focus on the most pressing dangers (bridge cranes, forklifts, machines, etc.).

- To visit Gonvarri Barcelona and Gonvauto Barcelona factories.

Environmental Management approach

Gonvarri's commitment to the environment starts with the certification of the Environmental Management System under the ISO 14001 standard, which 69% of our plants currently hold. The plants of Laser Automotive (Barcelona, Zaragoza and Valencia), the GMH plants in Germany, Russia and Canrena (Sweden), Gonvarri South Carolina, Gonvauto Nitro and the Gonvama factories in China are pending of certification.

In order to cover the materialisation of possible environmental risks, at Gonvarri Industries we make financial provisions and have guarantees to cover the occurrence of environmental risks in the insurance policies it has taken out:

- Environmental Responsibility Insurance
- Sudden and Accidental Pollution Liability coverage in the General Liability policy.

During 2019, it was not necessary to activate the guarantees of the Environmental Responsibility Policy that the Group has contracted.

Environmental risk análisis at Hiasa

In accordance with Law 26/2007, of 23 October, on Environmental Responsibility and Orders ARM/1783/2011 and APM/1040/2017 deriving therefrom, it is compulsory to submit an environmental risk analysis (ARM) for activities classified as priority level 2, before 30 October 2019.

In Spain, only the Hiasa factory is classified in this category, and its management is carried out in accordance with the guidelines established in its certified Environmental Management System.

In order to present the corresponding MRA, a specialized external company was contracted, which after a detailed analysis of its facilities, the corresponding environmental risk assessment and the primary and compensatory repair measures, concluded that "the amount of the obligatory guarantee would be 1,154,743.95 euros, an amount that is between 300,000 and 2,000,000 euros, so as the operator is certified by the UNE-EN ISO 14001 environmental management system, he is exempt from providing this obligatory financial guarantee".

In addition, as part of our commitment to correctly measuring and minimizing the impact of our activities, initiatives are being developed with two main lines of action: advanced environmental risk management and a life cycle approach.

Advanced Environmental Risk Management

In order adopt a proactive and preventive position against environmental impacts, Gonvarri began to deploy a new environmental reporting methodology in 2017, based on the "Sygris-Environment" software, which has the following components:

- **Incident Reports:** environmental incidents parameterized by origin, nature, specific location by machine and relevant area have begun to be reported. A subsequent objective analysis of the specific recurrence in the machine or region allows us to adopt preventive measures to mitigate or eliminate its impact.
- **Water and air emissions:** all values of the analytics are monitored and compared to equivalent discharges and/or emissions in other plants of the group, which serves to identify trends and mainstream the best practices internally available.
- **Relationship between consumables and waste as a risk control:** the ratios generated by these consumables serve to determine if the reported incidents were the only ones that occurred.
- **Centralized report of the legal requirement for the waste register:** this register does not only provide us with information on the quantity of waste generated but also allows us to know the total cost of its management.

Environment Performance Indicators

Gonvarri monitors environmental impacts that derive from our activity through different indicators that measure our environmental performance, which lets us quantify our evolution and identify opportunities for improvement.

• Water and discharges

Except for some specific processes, our business activity does not require water for its operation, which is why we have low consumptions. However, as water is an essential and increasingly scarce natural resource, it is monitored for its sustainable use.

Total consumption in 2019 was 331,677m³. 85% of the consumed water originated from the water system and 15% from groundwater sources. The consumption was primarily industrial (86%), followed by sanitary use (9%) and the watering of green areas (5%).

It should be noted that no source of water was significantly affected by the water collection activities of the company (306-5).

Regarding discharges, it is estimated that total discharges amounted to 243,004 m³, of which 86% were discharged in the sewage system, 13% in water courses (river, sea, etc.) and 1% in septic tanks (306-1).

In addition, a total of 47 non-significant spills occurred in 2019, all of which were properly managed and did not cause any damage to the environment (306-3).

- Waste
306-2



Waste produced in our facilities is adequately segregated, monitored, identified, stored and managed through certified managers.

Gonvarri Industries produces a total of 335,876 tonnes of waste, most of which is non-hazardous (93%).

	WASTE TONS
Non-hazardous waste	312,230
Hazardous waste	23,646
TOTAL	335,876

From the total **non-hazardous waste** produced, scrap stands out with 97.6% of the total, followed by wood, plastic and paper and cardboard together with 1.8% and the remaining 0.6% with mixed, tablex, organic and construction waste, among others.

Regarding the removal and disposal of non-hazardous waste, practically 100% is managed through authorized waste managers for recycling (except organic waste, which accounts for 0.1%).



Hazardous waste accounts for 7% of the total and, with the exception of oil, comes mainly from factories that use galvanizing, pickling and painting processes, where the ferrous chloride from pickling accounts for 80%, followed by ferrous chloride with zinc from galvanizing, with 15% and 5% respectively, made up of ashes and galvanizing mats, absorbent material, packaging and paint residues.

In addition, a total of 4,891 m³ of oil were produced.

Regarding the elimination of hazardous waste, 100% is managed through certified agents for its treatment and/or its landfill.

Competition for the promotion of environmental education



In Gonvauto Barcelona and Navarre factories, the **"Create in the Family"** competition was held, in which the youngest children participated with the aim of promoting environmental education and creativity linked to family work.

The work consisted of designing a campaign using a poster and a drawing that included a slogan or written message related to "what we can do to take care of the environment", or to make my parents work more safely.

A 10-inch tablet and a Nintendo New Switch system were raffled off on each floor, and all participants were given a surprise gift of a personalized mug with each participant's drawing.

The drawings were published in the company's annual calendar and two of them were selected to be included in paper cups for the Gonvauto Iberia plants.

Lifecycle Approach: Circular Economy

Part 1: The role of our products in the circular economy

Steel is a key material in our company and is the main component for all processes, making up 99% of all consumptions. At Gonvarri we believe in the decisive contribution of steel to global socio-economic growth and the development of more sustainable production models, such as the "Circular Economy", a concept that is destined to gain importance in the coming years. This is confirmed by the latest signals sent from international institutions, in particular from the European Union.



Design and innovation: reducing the weight and quantity of the material used

The new high-strength steels have enabled weight reductions of between 25% and 40% over the last three decades, with corresponding savings in energy and emissions.



The steel may be reutilized or reconverted in different ways. It's the most recycled material in the world

The reutilization ratios have a great potential for growth due to the eco-design, recycling and the increase in efficiency, as it will not lose its properties.

Our steel and aluminium products are almost 100% recyclable and the scrap metal has a significant value in the market.

For every tonne of steel recycled, the steel industry saves around one and a half tonnes of iron ore, 85% of water, 80% of energy and 95% of coal and all their associated emissions (Source: UNESID).

The economic system needs to move from the current linear model, in which products are made from raw materials and are disposed of after use, to circular models in which products can be repaired, reused, returned and recycled.

The steel industry has been working in this direction for some time and we believe at Gonvarri that steel is becoming a material with a high circularity potential, showing great advantages over other materials:

STEEL AND ALUMINIUM CONSUMPTION (301-1)		
	STEEL TONS	ALUMINIUM TONS
Germany	327,508	939
Argentina	42,167	0
Brazil	581,496	0
China	148,288	280
Colombia	18,150	0
Spain	2,784,418	1,273
USA	160,259	1,879
Slovakia	301,536	273
Mexico	280,479	452
Poland	214,142	6
Portugal	182,686	5
UK	287,009	82
Czech Rep.	7,811	-
Romania	16,747	-
Russia	96,496	-
Sweden	2,869	0
Turkey	48,256	-
TOTAL	5,500,316	5,188

Part 2: A transition based on 5 transversal elements

In addition to developing and spreading a circular vision throughout the organization, 5 concrete elements were identified which underpin Gonvarri's intent to make a progressive transition towards a circular economy.



Systemic thinking and design

Design processes need to be based on circular concepts, integrating the whole lifecycle of the materials and products in order to extend their useful life and to facilitate their future reuse.



Prioritizing the use of renewable energies and resources

Encourage the efficient use of renewable and non-toxic materials and energies.



Exploit the full potential of the generated waste and extend useful life

Maximize the useful life of resources and try to take advantage of waste as a source to generate secondary products.



Rely on digital technology

Incorporate new technologies that allow the measurement, monitoring and optimization of the use of resources and connectivity between the different parts of the organization and the different actors in the value chain.



Collaborate

Identify possible synergies and collaborations with other companies or institutions that allow us to find solutions to foster economic growth while also reducing environmental impacts.

Part 3: Circularity in Gonvarri Industries

At Gonvarri we want to use the Circular Economy as a tool to guide us towards the continuous improvement of our production processes and greater environmental responsibility, rather than having this concept as our final goal. The proposals

entail the whole lifecycle, from production and consumption to the waste management, which includes the secondary raw material market.

1 Integrated scrap management

Gonvarri has an integrated system in all the plants of the group for the centralized collection and recovery of steel discarded in the production process.

The amount of discarded steel varies greatly depending on the type of plant and the manufactured product.

Due to an efficient centralized system, 100% of the scrap discarded in the production process is collected and valorised, and subsequently introduced to the value chain, so fomenting steel production from recycled materials which gives rise to substantial savings in raw materials and emissions.

In 2019, a total of 304,744 tons of scrap were processed.

2 Purchases of recycled steel

The steel industry has been going through significant changes in recent years. The expected scarcity of raw materials and the growing availability of scrap, together with other economic reasons, are encouraging greater use of electric furnaces to manufacture steel from old steel. A large part of the steel used in Gonvarri's processes comes from recycled steel.

By extrapolating the data analysed at two of our main plants in Spain, we estimate that approximately 20% of the steel used in the group comes from electric steelmaking and the remainder from conventional steelmaking. On the other hand, when considering the origin of the steel, it is estimated that 100% of the steel made in electric steelmaking comes from scrap against 20% in conventional steelmaking.

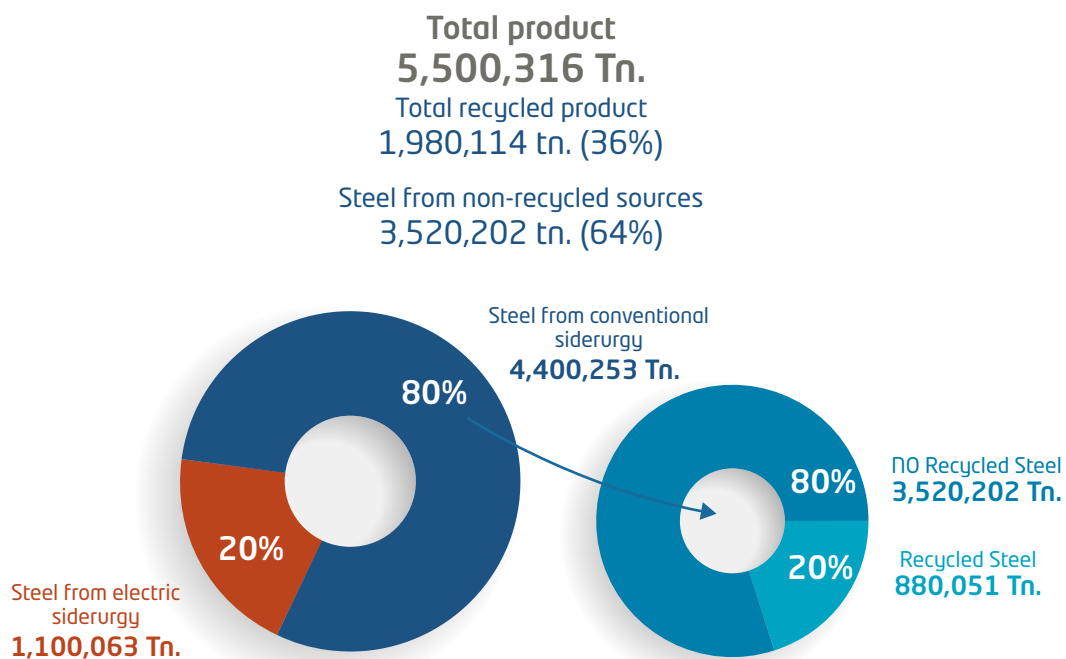
All in all, we estimate that 36% of the steel used in the group has recycled origins which, in addition to our efficient scrap management, favours the development of a more circular steel value chain.

3 Reuse of secondary external products

After several months of analysis, collaboration began between Gonvarri Tarragona, Gonvarri Burgos and Hiasa with the company Dupont Ibérica, to reuse the residual hydrochloric acid that Dupont generates in its processes and use it for the pickling and galvanizing processes of Gonvarri.

In 2019, after complex compatibility testing, this collaboration was set in motion, and it has brought substantial reductions in costs and environmental impacts for both companies.

According to the available data on the pickling and galvanizing process, since its implementation last year, it is estimated that there has been a 51% reduction in the cost of acid in euros per ton of steel processed compared to 2018. On the other hand, expenditure on the treatment of ferrous (waste) in euro/Tn of steel processed increased by 9%, as double acid is required due to its higher concentration (17%) and lower yield than commercial acid (32%).



4 ACV: Our products

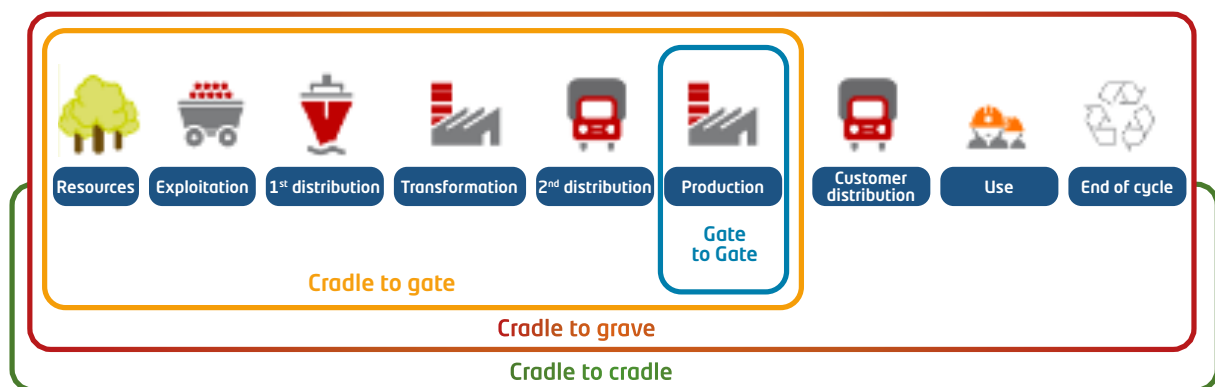
The European Union, through the “NewGreen Deal”, establishes the main lines of action in the coming years, to be Carbon Neutral by 2050.

The European Union Emissions Trading Scheme (EU ETS) was the first major (GHG) Greenhouse Gas Protocol emissions trading scheme in the world, in which emission allowances are auctioned or allocated for free, and can be traded subsequently. If emissions exceed the allowances, they are purchased from third parties. Conversely, if an installation has performed well in reducing its emissions, it can sell its surplus credits. This allows the system to find the most cost-effective ways to reduce emissions without significant government intervention. Last year, emission allowances were increased to 600% of their value. If industry exhausts its CO₂ quotas,

the price of steel could rise by more than 60 euros per ton in Europe (Source: EU ETS).

To provide complete and rigorous information on the impact of our products, two complex Product Carbon Footprint (CFP) studies have been carried out in 2019 for the Road and Solar divisions.

In these studies, the entire product life cycle was analysed, including its final recycling stage completing the cradle-to-cradle approach with the ISO/TS 14067 & GHG methodology that specifies the principles, requirements and guidelines for the quantification and communication of a product’s carbon footprint (CFP) based on the International Life Cycle Assessment Standards (ISO 14040 and ISO 14044) for its quantification.



Terminology related to the scope of a LCA

This study is particularly interesting as it shows the lower impact of the steel road fence compared to our main competitor, the concrete safety fence.

- **Concrete fence:**

Depending on its dimensions the concrete fence requires almost 2 m³ of concrete to build a block covering 6 linear meters of road (waste during the production process is not included) and about 30 Kg. of steel rebar per m³. With this information and according to the data extracted from the construction’s carbon footprint reports, the carbon footprint per m³ of HA-35 Concrete for prestressed in-situ slabs is 274 Kg. of CO₂ and the kilogram of B-500 Steel in rebar is 3.04 Kg. of CO₂ (O. Liébana, 2015). This shows that the carbon footprint of the 6-metre concrete fence is 730.4 Kg. of CO₂ which is equivalent to 122 Kg. of CO₂ per linear metre (not including waste).

- **Steel fence:**

Road Steel Engineering’s steel fence weighs about 30 or 40 kg per linear meter depending on whether it is a bionda or a trionda, this means that for every linear meter of steel fence the CO₂ emission is between 38 and 51 kg.

With this comparison we can say that the carbon footprint (CFP) of the **steel fence is 3 times lower than that of the concrete fence.**

This calculation can also be used for decision making in industry and in governmental or non-governmental organizations (e.g. strategic planning, priority setting, design or redesign of products and processes).



5 Plastic reduction/elimination project

Plastic is constantly present in our lives and due to its characteristics, it presents multiple benefits since it is very versatile, light, with high resistance to corrosion, low cost, etc., so it has multiple applications.

As for their production, around 40% are single-use articles. Likewise, only 14% of plastics are estimated to be effectively recycled, which means that the remaining 86% remain on the planet. It is a material that the planet cannot digest.

Plastic waste is a global problem that pollutes our oceans, clogs up landfills, enters the fish food chain and, through this, damages human health.

In 2018, the EU also presented its new Strategy for Plastics in Europe, which lays the foundations for a new, more sustainable plastics economy. Its objectives include eliminating single-use plastics, converting all plastic packaging on the EU market by 2030 into recyclable or reusable packaging, reducing consumption of disposable plastics and restricting the deliberate use of microplastics.

This will encourage innovation in plastic packaging, increase the demand for recycled plastic or its replacement by other materials and encourage proper recycling.

Therefore, Gonvarri Industries is committed to gradually eliminating/substituting plastic in its work centres and improving its management, through the project “#Unplastic: Fight against plastic 2020-2021”.

To this end, a series of specific actions were defined in 2019, including plastic in offices and factories, based on three lines of action:

- **Purchasing:** replacement at source where easy and economically viable alternatives are available.
- **Management:** correct management of 100% of non-substituted plastics for recycling.

- **Communication, volunteering and good practices:** to contribute to raising awareness among all employees and collaborators through an internal and external communication programme, the design and delivery of good practice manuals, and volunteer actions, which contribute to the cleanliness of the planet (beaches, rivers, etc.).

For its launch, a pilot has been defined in the Gonvauto Iberia division (the factories of Gonvauto Navarra, Barcelona and Galicia), to be later extended to the rest of the Group.

During the first four months of 2020, the necessary actions will be implemented:

- Eliminate 100% of single-use plastic in offices (cups, bottles, etc.).
- Improve the selective management of those plastic office materials (writing materials, folders, etc.) whose replacement cannot be undertaken at present.
- Eliminate plastic from catering services.
- Initiate communication and dialogue with the main suppliers in order to replace plastic packaging with other materials that are more easily recyclable and have less impact, as this is the most relevant plastic waste.
- Initiate communication and dialogue with the main clients to eliminate, where possible (depending on the type of format, distance, etc.), the plastic packaging used in the shipment of finished products.
- Improve the segregation of plastic according to its recyclability and the availability of authorized managers for its collection.

In the next Report we will communicate the result of this project.



Disposal of plastic at Gonvauto Navarra

Gonvauto Navarra is fully aware of minimising its environmental impact. Along these lines, among the best practices aimed at reducing plastics, we would highlight the one carried out with its main customer, Volkswagen Navarra.

VW Navarra is located close to Gonvauto, which means that formats are delivered directly by lorry, requiring no other additional means of transport, thus simplifying transport.

At first, all the material supplied to VW Navarra was packed with plastic. In collaboration with the customer, a series of tests and analyses were carried out for their elimination, with a very positive result, as there was no increase in the number of defective parts, despite the initial uncertainty.

Therefore, Gonvauto Navarra supplied VW with all the external parts, all the frames of the mobile elements and other internal parts, until their capacity was completed, without any type of packaging.

Since the end of 2001, this has allowed us to benefit from each other. On the one hand, Gonvauto Navarra reduced the use of plastics for the formats delivered by around 94% and, on the other, Volkswagen Navarra saves the cost of recycling them, reducing the environmental impact on both companies.

Quality and customers

Gonvarri's success is based on our capacity to identify and meet our customers' needs. The keystone is the certification of all our companies in the quality management systems IATF 16949 (Auto and Industry) or ISO 9001 (Metallic Structures). During 2018, the certification was completed for the Gonvarri centres (except for Metal Structures and Gonvarri Material Handling) under the new standard Auto IATF 16949, which is much more demanding in the identification and mitigation of risks.

With regard to the labelling of products (steel and aluminium blanks), our obligations are centred on being able to provide the necessary data to ensure adequate traceability and a correct definition of its characteristics (thickness, coating, et.). In any case, our products do not feature any chemical or environmental risk (417-1).



But Gonvarri goes further in order to improve the level of its service. To this end, during 2019 a series of initiatives have been launched to create a proactive culture of quality:

- Start of the deployment of TQM (Total Quality Management) in Auto plants, promoting Advanced Product Quality Planning (APQP) for new projects, strengthening process quality control and standardizing the best practices to respond to incidents.
- Project Control Plan, through the creation of 5 standard plans for slitting, cut-to-length, blanking, reception and shipping.
- Project standard FMEA, starting from the tasks of a multidisciplinary group.

In 2019, a Quality Protocol was signed with our main client that will serve as a reference framework for relations between Gonvarri's centres and those of the client. During 2020, joint presentations and workshops will be held throughout the world so that the local teams understand the agreement and adopt its operation in a climate of stability and transparency.



SPG Gonvarri Production Systems

Based on the Toyota Production System (TPS), the Gonvarri Production System (SPG) is the Lean Manufacturing program of Gonvarri.

In this sense, it is not only a range of tools or a structured method to reach our objective, but it is a philosophy, a culture of continuous improvement that is based on the implication of all the teams, as well as on the fluid communication between them. Within this framework, it is the very same operators, organized in GAP (Autonomous Production Groups), that take most of the operational decisions in a proactive and autonomous way, but in harmony with the rest of the organization.

Like any other Lean Manufacturing system, SPG entails all the processes, products, activities and people of Gonvarri. Its methodology for achieving operational excellence is founded on the integral elimination of all kinds of muda (=inefficiency, waste): defects, overproduction, transport, waiting time, stocks, useless movements of people, unnecessary processes and wasted creativity.

SPG comprises of around thirty tools (SMED, Standard Work, 5S, Value Stream Mapping, Communication Boards, GAP, Top meetings at all levels, etc.), which are organized in 4 modules: Staff implication, Means Efficiency, Flow Efficiency and Lean Office (adaptation of the administrative area).

The working method is that each Gonvarri's interiorize the most efficient way to carry out their work, improving day by day, within a framework of full communication with their co-workers.

This means that the trainers (a specialist technician at each plant, together with a corporate team) directly work with all the staff: operators, administrative workers, technicians and managers.

Activities carried out in 2019:

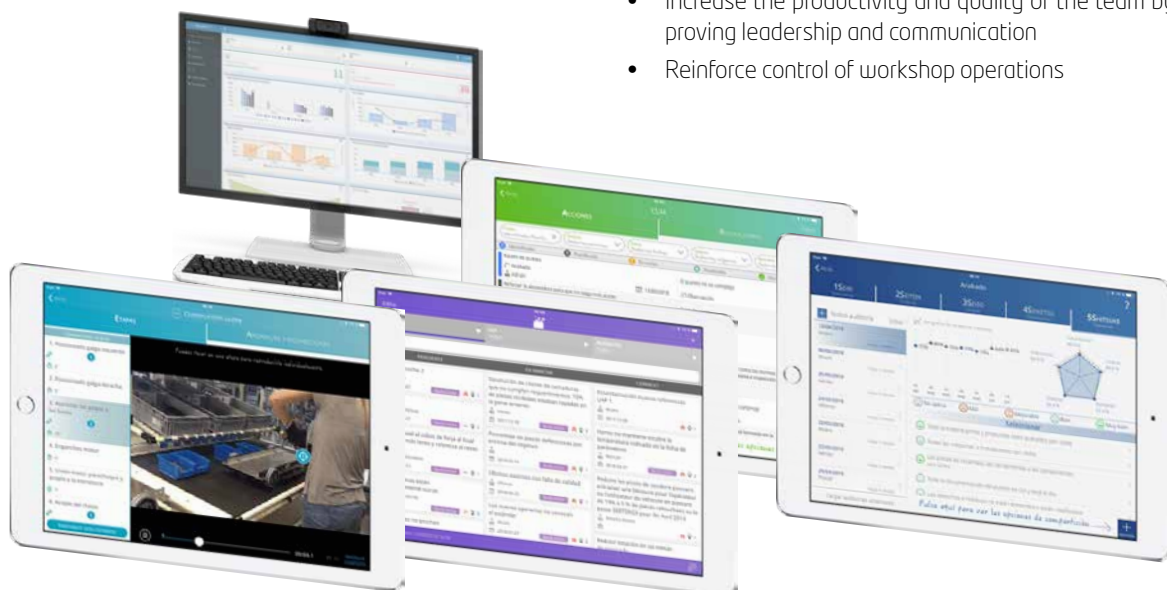
- Around **3,630 employees** participated in SPG measures, 488 GAPs (Autonomous Production Groups) working under SPG standards
- **21,212 hours** in SPG training
- **854 workshops** were done (5S, standardized work STDW, SMED, Value Stream Mapping, Total Productive Maintenance, Lean Office...)
- **252 GRPs** (Problem Solving Groups) were started. Of all SPG tools the most important are focussed on improving involvement, by strengthening the communication channels within the organization.

Furthermore, each GAP has specific communication areas, which are managed by the same operators, in which the indicators and information that affect their performance and kept and revised.

After almost a decade of implementation, in 2019 SPG has worked especially on the digitization of its tools (Digital Leaflet, Digital Dashboard), participation in the MES project (Manufacturing Execution System) and other Industry 4.0 projects, among which the Digital Supervisor project stands out.

The figure of the Supervisor is considered in Gonvarri to be one of the keys to achieving excellence in our operations. Given that his area of work should not be the office, for some time now we have been working on mobility tools that facilitate leadership in and from the workshop. The expected benefits of this important project are

- Reducing your travel
- Facilitate your administrative tasks
- Freeing up your time so that you can devote itself to value-added tasks
- Improving training by optimizing the use of audio-visual media
- Increase the productivity and quality of the team by improving leadership and communication
- Reinforce control of workshop operations



Social action

102-12 AND 413-1



Contribution from Corporate

One of the Gonvarri priorities is to support local development in those areas where we are present. Therefore, we have established collaboration agreement with non-profit organizations which we carry out various local and corporate activities.



Foundation What Really Matters. Since 2014, we have supported the Foundation What Really Matters with disseminating universal, moral and ethical human values through the development of motivational conferences.

In 2019 we have been present at the following congresses Madrid, Oviedo, Valencia, Malaga, A Coruna, Bilbao, Seville and Palma de Mallorca.



Real Madrid Foundation. We have supported the Foundation since 2018, with the aim to educate in road safety to people with different capabilities.

This year we develop the "Road safety education: a great value" in the schools of the Foundation, those where the students can practice football and basketball. Also, we increase the number of sessions.



Aesleme. We have supported the Foundation since 2013. with the aim of preventing traffic accidents through training and social awareness, as well as offering psychological and legal support to those affected by road accidents.

In 2019 we have specifically supported the promotion of road safety in schools in the Community of Madrid, in addition to collaborating with sports events.



United Nations Global Compact. We have supported the Foundation since 2013, to contribute to the dissemination and compliance of the 10 Principles and the Sustainable Development Goals.

In 2019 we participated in various conferences to improve our contribution to these objectives, among others, participated in the campaign #AlliesoftheSGD promoted by the Spanish Network of the UN Global Compact on the reason of its fourth anniversary and the anniversary of the Sustainable Development Goals (SDG), presented a dossier of Good Practices in which it included the training program "Emotional Driving".



WCK. We have supported the Foundation since 2013. Its mission is to end food insecurity and malnutrition in areas of humanitarian catastrophes. In 2019, we made a special contribution that helped provide 10,000 basic meals in places where there have been natural disasters.



Foundation Juan XXIII Roncalli. We have supported the Foundation since 2007, apart from being its Trustee. Its mission is to improve the lives of people with intellectual disabilities and to foment their social integration.

This year the company has supported the Foundation with the rent of its spaces and utilities.



Seres Foundation. We have supported the Foundation since 2016, to contribute to the joint construction of a stronger society and with competitive companies lasting over time.

In 2019 we collaborated as Trustee of the foundation and participated in projects aimed at improving communication.

In addition, from the corporate level we carry out specific collaborations with the following foundations/NGOs:

Education and youth

- ASTI Talent and Technology Foundation, Gonvarri provided support to the "Asti Robotics Challenge" for the implementation of a competition focused on identifying opportunities and innovative solutions in the area of collaborative mobile robotics.
- Princess of Girona Foundation, to support the professional development of young people without any resources.

Economic development

- Polo Positivo, where through the union of different companies of Burgos, it contributes to the development of the R+D+i network in the region, providing its support to Star Ups.

Social Well-Being

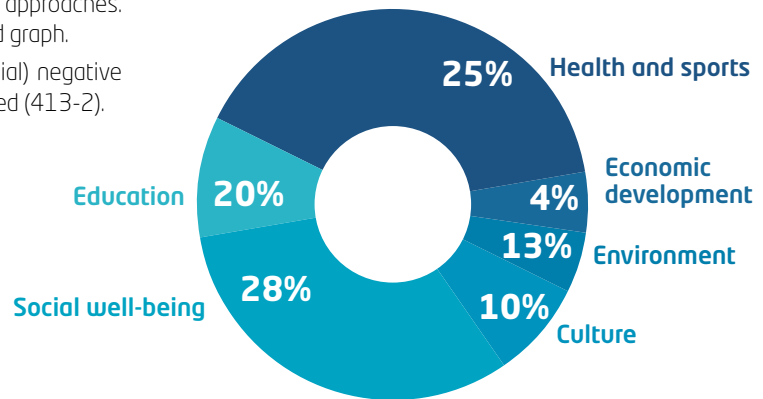
- Soñar Despierto Foundation, to support children to give them the same opportunities as other children at their ages.
- Emalaikat Foundation, FUNDEBE Foundation and Africa Direct, to support development in Africa.
- African Medical and Research Foundation (AMREF), an annual solidarity dinner collects funds for aid in Africa.
- CESAL, focused on promoting the human development of the world's most disadvantaged people.

Local Contribution

We create measures and programs to develop the local community in different countries and with different approaches. Their contribution is summarized in the attached graph.

No operations with significant (real and potential) negative impacts on local communities have been detected (413-2).

Distribution by action



Health and Sports

Within the initiatives related to health and sport that have a social component, we highlight the following:



AMG Brazil (Paraná y Campinas)

Provided donations to different projects, as summarized below:

- "Projeto Nívea" contributing to the practice of volleyball for children and youngster in a vulnerability situation in partnership with the Associação dos Servidores da Prefeitura do Município of Araucária.
- Project "Pela Vida do Idoso em Tratamento com Câncer", contributing to the improve the reception of cancer treatment in elderly people without resources, in partnership with the Liga Paranaense de Combate ao Câncer and Mantenedora do Hospital Erasto Gaertner.
- Project "Exercício e saúde na oncologia" contributing to finance the wellbeing and improvement in the treatment of children with neoplasia through a structured program of supervised physical activities, in partnership with the Associação dos Servidores da Prefeitura do Município de Araucária.
- Project "Atendimento Terapeutico na Primeira Infancia" contributing to provide clinic and therapeutic care through a multidisciplinary team for children with intellectual disabilities and /or multiple disabilities from 0 to 6 years old attended at the School os estimulation and Development (CEDAE)m in partnership with Associação de Pais e Amigos dos Excepcionais.
- Project "Oficina do Gesso" where Paraná employees participated in a voluntarily way in the development of manual activities with plaster with the hospitalized children and their families at the Pequeno Príncipe Children's Hospital.

Gonvarri Puebla

Held a collection of plastic caps to collect money for the Association "Una Nueva Esperanza A.B.P." which helps children and low-income youths with cancer.

Gonvauto South Carolina

Contributed through a donation to the sponsored "Union Country Little League" for softball and baseball where children of employees participate.

Steel & Alloy

Actively collaborated with health and sport through various campaigns, such as:

- Fight against cancer through a variety of fundraising campaigns for the "Cancer Support Centre", in addition to donating the badminton championship prize.
- Funding a fundraiser with the charity "Barclays Bank for Minds", to help people with mental health problems.
- Employee Siobhan Harkess participated with a group touring the Andes (Peru) to collect funds for pancreatic cancer.
- Company employees attended the EBC charity race to collect money for "Staffordshire Air Ambulance".

Hiasa

Has collaborated with the Association of Families of children with cancer (Galbán) from the Principado de Asturias to contribute to the needs of parents of children with cancer, who receive treatment in the "Central Universitario de Asturias (HUCA) hospital"

Gonvarri Burgos

Held the 4th edition of the Solidary Paddle to raise money for the Spanish Association Against Cancer (AECC) with the participation of 14 pairs.

In addition, he collaborated with the Tizona Basketball Club and donated toys at Christmas Ed.



Gonvarri Germany

Made a donation for the acquisition of equipment for a soccer team (children from 5 to 10 years old), in collaboration with the Soccerteam Plaue.

Gonvarri Valencia

Participated in different sport events such as:

- "IV Carrera Amuhcanma" organized by the Fisabio Foundation, which guarantees research on women with triple negative cancer at the Sagunto Hospital.
- Solidarity Race "Con otra Mirada" organized by the "Espiga Group Association", and the projects: Solidarity Toys and School Support. 25% of the money raised is for the Spanish Association Against Cancer in Sagunto.

Hiasa and Tarragona

Collected bottle lids for a solidarity project, aimed at providing underprivileged children with unregulated medical treatment in the health system and/or materials that will enable them to alleviate the physical problems they suffer from, treatments they would otherwise not be able to obtain.



Environment



GMH Romania

Staff involved in a journey of cleaning up green areas around Zarnesti.

Gonvauto Puebla

Annually donates uncontaminated wood to the African Safari Zoo (21,798 kg), in support for the protected "Parque Nacional Izta Popo" in Mexico. The wood is used for the construction and reparation of the recreation area of the animals, as well as for building toys and food storage. In addition, in its commitment to environmental conservation, it donated 114 white cedar (*Cupressus lusitánica*) trees to Flor del Bosque State Park.

GVS Dongguan

Carried out a small reforestation around the factory to improve its environment and contribute to the CO₂ emissions absorption. The workers are in charge of its maintenance.

Gonvvama Shenyang

Organized a voluntary activity for the cleaning (garbage collection) of urban parks, in which 19 employees participated.

Gonvama Changshu

Made a donation of recycled materials for children's in a kindergarten. The delivery were made by an employee who explained the importance of recycling, to raise awareness about the protection and care of the environment.



Gonvarri Turkey

Close to the plant numerous abandoned pets, mainly dogs and cats, were by themselves and getting inside the factory facilities. In order to help these animals, employee of Gonvarri Turkey have developed numerous initiatives to improve the quality of life and find them new families.

Among other, voluntary financial donations were made to cover food and veterinary expenses, some pets were adopted by the workers and pictures were disseminated through social networks to find them a new home and the city council was informed to try to care of them until they found a new home.



Culture



AMG Brazil

Supports cultural development in its region through different projects:

- “Oficinas Culturais”, helping to finance workshops and free shows of theatre, dance, capoeira, circus and music for about 300 students from public schools and NGOs in any Brazilian municipality in partnership with the Direção Cultura.



- The “Musica no hospital” project, which brings to the Pequeno Principe Children’s Hospital a whole year of smiles full of different rhythms and sounds, with 18 musical performances and 40 music workshops all free of charge, aimed at children and adolescents in hospital.

- The “Meu Amigo Grande Project” lasts 6 months, where employees and children from the CPTI Institution exchange letters to stimulate writing, humor and interaction with the lyrics.

- Project “FUNCRIFA - SocioE-ducational Project”, contributing to assist needy children living in a vulnerable area with social and educational activities at CPTI.



Gonvauto South Carolina

Contributed through donations in the lighting of the lake for the “Annual Independence Day Celebration” in collaboration with the Union County Chamber of Commerce, and also for the “UCHS Bass Fishing Team” for the celebration of local fishing tournaments.

HIASA

Supports the “What Really Matters” foundation to communicate universal values through financial contributions and by diffusing the actions it carries out among its employees.

Gonvarri Barcelona

Donated to the “Gegants de Castellbisbal”, to contribute to maintaining this tradition.



Social Well-Being



Steel & Alloy

Raised funds to be donated to different charities. In total tal €2123.30.

GMH Romania

Collaborated with the Bucuria Darului Association to provide daily meals to 450 people without resources.

GVS Dongguan

The workforce donated blood to “Dongguan Redcross Center” and made a financial and food donation to elderly people without resources in Baihuai.

Gonvama Loudi

An employee visited the home for disabled veterans to deliver a donation to help improve their nutrition and quality of life.

Gonvama Chongqing

Collected clothes, shoes, books and toys among its employees for the primary school in Gansu province. The school has 8 classes and 66 students, for whom they delivered 2 boxes of clothes, 1 box of toys and 30 children’s books.

AMG Brazil

Carried out two campaigns for donations to charities: collection of warm clothes (708 garments) and collection of food, books, toys.

Gonvarri Portugal

Organized the collection of solidary bottle lids, as well as clothes, toys, books, etc. in collaboration with the associations “Associação Meninos de Ouro” and “Centro de Apoio ao Sem Abrigo” to defend the rights of children and help provide a home to this vulnerable group.

Hiasa, Gonvarri Valencia and Gonvarri Argentina

Organized a food collection among the plant staff in favour of the “Virgin Mary” Children’s Dining Room and the Food Bank Foundation of Asturias and Sagunto respectively.

Gonvauto Galicia

All employees collaborated with Caritas Marin by providing clothes, toys and food for the Christmas period.

Gonvarri Valencia

Made a donation for the printing of a calendar illustrated. The calendar will be sold to fund the “Asociación de Discapacitados Camp de Morvedre”.

Gonvarri Germany

Made a donation for the purchase of a new children’s game at the “Pusteblyume” nursery school in Arnstadt.

Gonvarri Burgos

Attended a solidarity dinner to raise funds for different NGOs.



Education



Gonvauto Galicia

Created the “Excellent Scholarships” program for the 2018-2019 academic year, with the objective of rewarding the efforts of the youngest and helping them to fulfil their dreams. These scholarships are intended for the children of workers who attend 6th Primary, ESO, Bachillerato or Vocational Training and pass the entire Academic Year in June, obtaining an average grade in their academic record equal to or greater than 8.

Flinsa

Collaborated with the secondary school Navarro Santa Fé de Villena with the students of FP of mechanical manufacture in the project “Nasa Buga Meteor Gro”, for the design and construction of a hybrid automotive vehicle driven by a stirling engine type “alpha”, through the donation of materials for its construction (safety tubes and regulation of carbon steel, stainless steel, etc.). In addition, it donated a prize to the winner of the best final work of the “University Master in Engineering, processing and characterization of materials 2018-19” of the Polytechnic University of Valencia - Alcoy Campus.

Hiasa

Contributed to the informative project “Klikers Congress”, designed to complement those training aspects that are not always taught in schools (emotional intelligence, empathy, assertiveness, strategies against harassment and talent). It provides material for young people between 14 and 16 years of age, parents and teachers to work on.

AMG Brasil

Through the Marist solidarity network, participated in the projects “Projeto Conviver Marista” and “Projeto Cotidianidades” financing programs destined to the care of children. Food was provided to 750 children and socio-educational programs were developed in which at least 50% of the families participated, ensuring a minimum of 75% attendance at these programs.

Gonvarri Turkey

Through donations from employees, collaborated with Hamdi Elementary School Eriş in Ankara-Kazan by participating in the spring festival, as well as supporting the Parent Teacher Association in the expenses of the students and the school with a small contribution.

Madrid

Within the Emotional Driving project, there are many training steps carried out in schools to educate on Road Safety.

Gonvauto Barcelona

Held the “Francisco Riberas Scholarship” program, in order to support the studies of the children of employees with special needs and the children of deceased workers.

GMH Romania

Collaborated in various activities to improve the education and integration of disadvantaged children and youth, as summarized below:

- Donation and volunteering with the “Libra Foundation” for the improvement of the life of disadvantaged children and young people in Romania.
- Implementation of projects and activities for the economic, social, educational and cultural development of persons belonging to minorities at risk of social exclusion, persons with disabilities or special abilities, with the association ELTERA.
- Donation for the “Festivalul Brazilor de Craciun - 2019” organized by Save the Children Romania, in order to collect funds to contribute to the reintegration of young people and children who work or want to leave their education.



Gonvarri Colombia

Delivered the 2019 SCHOOL KITS, benefiting 139 employees and more than 200 students from kindergarten, primary, secondary and university. It also donated computer equipment to help train and provide psychosocial support to children in vulnerable situations, in collaboration with the LifebyLife Foundation.



Economic development



GVS Dongguan

Employees and their families participated in the cleaning and adaptation of a public park in the area.

Gonvarri Burgos

Collaborated through a donation to the project DIHBU 4.0 ITCL.HUB technological for the transition of companies to the new industrial revolution.



Emotional Driving

The Emotional Driving program was created in 2014 with the objective of raising awareness on the importance of road safety, both inside the company and in society as a whole.

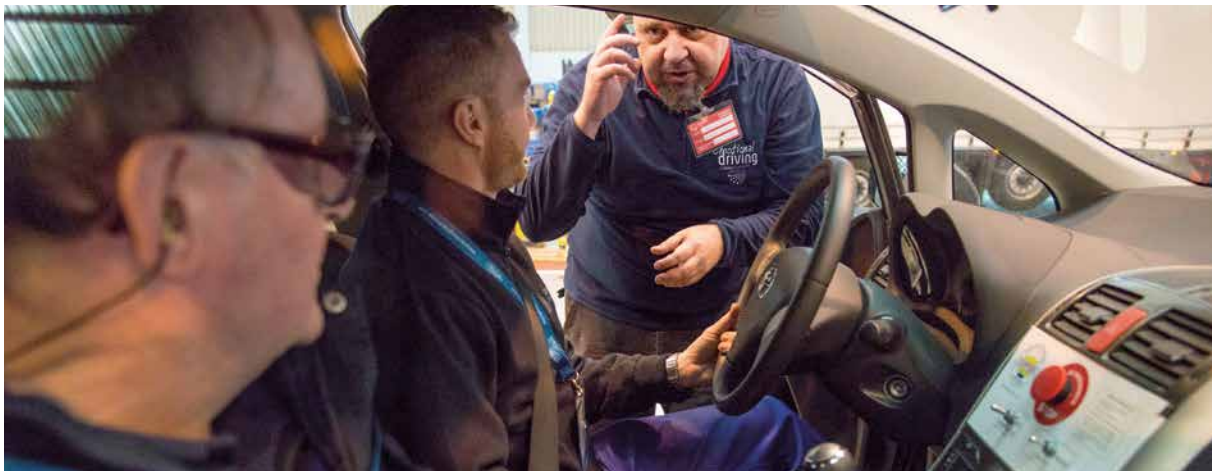
The differentiating factor of this program lies in the transmission of positive and motivational stimuli and messages to encourage responsible and respectful habits on the road.

The project contributes to the Sustainable Development Goals, primarily to Goal 3.6: "by 2020, halve the number of global deaths and injuries from road traffic accidents", while it also has a positive impact on goals 11.2, "by 2030, provide access to safe, affordable, accessible and sustainable transport systems for all and improve road safety" and 17, "partnerships to reach the goals".

On the occasion of the "International Day of People with Disabilities" held in December, the United Nations Global Compact presented a dossier for "good practice" in the SDG 10, Reduced inequalities, including the program developed by Emotional Driving and Real Madrid Foundation to educate people with disabilities in values and road safety.

Furthermore, over the past year Emotional Driving joined the Fifth United Nations Global Road Safety Week under the slogan "Leadership for road safety" aiming to strengthen leadership and commitment worldwide.

Emotional Driving Program and Stakeholders Employees. Our drivers - Preventive driving



What motivates you to drive safely?


12,000
employees, family members and customers


+10
million trips
per year


+20
roadshows in plants


5
countries: Spain, Portugal,
Germany, Colombia and Argentina

Partnership with


Since its inception, the Emotional Driving program's main action has been holding roadshows. This action, undertaken in different plants of the, both at nationally and internationally, distinguishes three stages: testimonial, experiential and training. Its aims to sensitize employees and their relatives in road safety.

In 2019, on the occasion of its tenth anniversary, employees of Gonvarri Argentina and their relatives attended the Emotional Driving roadshow. The event gathered around 100 people, mainly employees of the company, but also people of other companies of the Group, as well as customers and suppliers.

Argentina has high road accident rates due to its overloaded traffic system and the lack of road safety education. And Buenos Aires, city where Gonvarri factory is located is one of the main examples of this problem. The Emotional Driving presentation raised awareness on road safety and on the traffic accident rates that take hundreds of Argentinian lives. They shared moving testimonies on behalf of the victims of traffic accidents and there were conferences from a fireman and a road trainer, that showed worrying statistics on the traffic accident rates in the Argentinian region, as well as their commitment to minimizing these figures. Still moved by the testimonies they witnessed, the attendees to the roadshow

recorded their thoughts on what motivates them to drive safely, by writing them on Post-It notes. These messages covered a damaged car providing evidence that positive emotions can provide us from reckless behaviors at the wheel resulting in road accidents.

Furthermore, by the end of 2019 Emotional Driving and Michelin joined forces to check the tyre conditions of Gonvarri Madrid employees and improve their road safety. For such purpose, a check&go arch was placed at Embajadores parking and, at the time employees passed through as they do every day, a scanner analyzed the status of the tires and automatically sent a detailed report to the employees' emails.

Primary and Highschool students

Motivated drivers - Influencing parents



Road safety is also a matter for children



18,000
children aged 9 to 16



+100
schools and
educational centers



+15,000
participations:
messages, drawings...



+1,000
beneficiaries with
different capacities

Partnership with



The ED School project, together with AESLEME, launched in 2016 at the beginning of the school year. This project aims to educate the youngest about the importance of driving safely and responsibly through presentations.

We visited 150 schools and study centers in the Madrid Community, reaching over 8,000 students with our message. Similarly, participation in the ED School challenge was high, in which the students wrote handwritten messages on Post-It notes to their parents to ask them to drive more responsibly and safely.

Their work does no end here. Students become Emotional Driving's best ambassadors and bring this message home, favoring reflections regarding behaviors at the wheel and sharing thoughts about our daily road safety and the importance of getting home safe and sound.

The third edition of this project finished in 2019, and in September, taking advantage of the start of the new school year, we will recommence our commitment to this collective through the fourth edition of ED School.

University students

Future drivers – Responsible use of mobile phones



The best message, like the best driver, is the one that arrives



35,000

young people aged 16 to 18



10

cities



+1,700

participations



+1,000

experiences in road safety

Partnership with



movistar

Emotional Driving, in alliance with Movistar, participated in 8 national congresses of the WRM Foundation, in which more than 10,000 young people were educated about responsibility on the road and, particularly, about the danger of using a mobile phone while driving. These congresses were held in Madrid, Oviedo, Valencia, Malaga, La Coruña, Bilbao, Sevilla and Palma de Mallorca.

It was the third year in which both companies develop such action. In 2019, the message of the campaign was transmitted by Frida, a human robot, who raised awareness on road safety among thousands of youngsters around Spain. Frida emphasized the importance of not distracting when driving and using all five senses on the road as part a responsible behavior at the wheel. In addition, she called upon feeling that differentiate humans from robots, to remember somebody we love in order to motivate us to drive safe. Frida concluded

her appearance by stating "the best message, as the best driver, is the one that reaches its destination".

Complementary to this, Emotional Driving provided the youths with a rollover simulator and invited them to reflect by writing a message to their relatives and loved ones encouraging them to drive safely and responsibly.

The 2019 edition brought an important innovation. Emotional Driving supported and had a significant presence in the App developed by WRM Foundation. Youngsters had access to all Emotional Driving projects, its sensitizing audiovisual campaigns and even a competition in which thousands of youngsters told us what they would say to their relatives and loved ones to motivate them to drive safe. At the end of each congress, two winners were selected and awarded for the moodiness and power of their messages

People with disabilities

Intellectual disability – Road safety and the value of Autonomy in favor of social inclusion



An innovative road safety project to promote the autonomy of the most vulnerable groups


+700
recipients


2
sporting disciplines inclusive
football and adapted basketball


2
editions

milestones
Value of Autonomy
Adapted materials
Points-based card

Partnership with
 Real Madrid

2019 has consolidated a pioneering and innovative project, a unique program in Spain that brings road safety closer to people with disabilities.

This project aims to educate in road safety and values through sports practice and it took part all year long at adapted and inclusive schools.

One of the Foundation's main goals is the all-round training of beneficiaries through sports that, in collaboration with Emotional Driving, takes a further step in road safety adapted to people with disabilities, improving their autonomy and degree of social integration.

The trainees took part in inclusive football and adapted basketball sessions and got to know the different road signs, learnt how to cross the road properly and showed that they are capable of helping people in need. Over 300 people with different disabilities were benefited from this program supported and cheered by Valorcito and Valorgol, pets in charge as well of transmitting values and raising awareness in the field of values and road safety.

All along 2019, a number of constituents of Gonvarri directorship, amongst them Josu Calvo, CEO Gonvarri, witnessed first-hand the development and implementation of this project.

Road haulers

Value chain – One more minute behind me, a whole life ahead of you



In 2019, Emotional Driving has perpetuated its action focused on Gonvarri's value chain: road haulers. They have been the target of our actions for the spend a lot of hours on the road and

they are often exposed to great risks mainly caused by exhaustion. We have sensitized and motivated this collective aiming to encourage a preventive and safe behavior at the wheel.

Communication

Digitized society – Global sensitization

Emotional Driving seizes cutting-edge technologies to put across its sensitization message to society through different channels in an effective and direct way.

Among its activities, the publication of the new website stands out. A meeting point in which our road safety program gathers all the information, its different action lines, audiovisual materials, its commitment to the SDG or our latest developments.

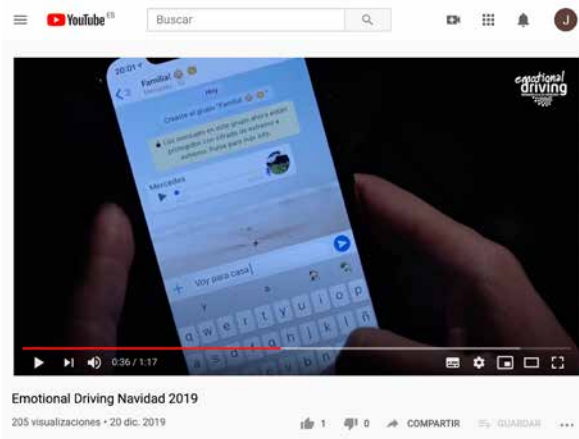


Down below, the main campaigns undertaken in 2019 are summarized:

- In Easter, Emotional Driving presented **"These dates, make a responsible use of mobile phones"**, started by employees of the department of Communications and Sustainability. In 2019, the company embarked on a path leading to the digitalization of the employees' workplace, called Digital WorkPlace, boosting top-notch technology for the performance of their duties. Applied to the field of Emotional Driving, the company also wanted to send a message of responsibility presenting the "Disconnection Box" so that all employees and the society as a whole may keep their mobile phones inside to avoid distractions when driving.



- In summer, Emotional Driving presented in collaboration with Movistar the study **"Emotional Driving" Spanish at the wheel, distraction and use of the mobile phone** at Telefónica Building in Madrid's Gran Vía. The study gathers the opinion of over 2,000 Spaniards of ages between 18 and 65 years old. The presentation was a complete success. Different mass media representatives attended the presentation and published about it in newspapers, TV and online platforms.
- The third Sunday in November **World Day of Remembrance for Road Traffic Victims**. Emotional Driving showed its commitment and paid tribute to this collective with a video in collaboration with What Really Matters Foundation and the participation of the speakers that represented Emotional Driving for the last three years in the congresses. We all have become a united voice which preaches responsibility through positive messages in favor of road safety and the reduction of road fatalities.



- The year ended with the presentation of a new edition of **“In Christmas, do not make use of the phone when driving”** that aimed to prevent the use of mobile phones behind the wheel and, subsequently, avoid road fatalities. The video shows is starred by an actor playing the role of a senior executive who after a long day at the office goes back home to meet his family. He sets the mobile flight mode and start his journey. On the road, he witnesses inappropriate behaviors he disapproves but finally he arrives home safe and sound.

Moreover, we have experienced augmented reality and video mapping technologies and we have had an active role in social network: Twitter, LinkedIn, YouTube or Facebook.

Awards and recognitions

In 2019 Emotional Driving received one of the most important awards in the field of Road Safety, Ponle Freno Award to the Best Occupational Road Safety Award. The jury placed significant emphasis on Emotional Driving’s trajectory in this category, as well as the celebration of roadshows undertaken at factories, its commitment to innovation and technologies (Mobile App, turnaround simulator...) to send its positive message to the employees of the company or the materials used for such purpose: speeches, training, the book “Reflections for an optimistic understanding of road safety”, the web series... All these actions have the same common denominator, to raise awareness through positive and emotional messages. Josu Calvo, Gonvarri CEO, received the award from hands of Carlos Sáinz, president of the jury and general counsel of Ponle Freno.



EMOTIONAL DRIVING STUDIES

To see first-hand the society's Driving habits – Social Observatory



Spanish at the wheel, distractions and use of mobile phones

As a follow-up to the study presented in 2018, “Emotional Driving: young people at the wheel, distractions and use of the mobile phone”, Gonvarri and Movistar developed a new road safety survey, on this occasion broadening the sample and gathering the whole of Spanish society. The study, called “Emotional Driving: Spanish at the wheel, distractions and use of the mobile phone”, was presented in June 2019 and gathered the opinions of over 2,000 Spanish citizens between 18 and 65 years old.

GOAL

To determine distractions in general and mobile phone use in particular while driving, as well as road safety awareness and motivation.

DATA

Autonomous regions
Socio-demographic profile



CONCLUSIONS

Distractions at the wheel and use of the mobile phone

More than three out of four Spanish drivers (76.98%) state that tend to distract when driving.

Out of this percentage, 60% assures it hardly ever happens to them, 17% admit experiencing it usually. The number of people who never get distracted barely reaches 23%.

The study reflects the main distractions causes of the Spanish citizens when driving: mobile phones 90%, fatigue 65%, aggressive driving 57% and using the GPS 38%.

What actions with the mobile phone do distract us?

Searching for information 86%, typing a sms or WhatsApps 85%, reading news 84% or taking photos 83% and recording videos 82% are the main distraction causes of the Spaniards. 2 every 10 respondents (20.19%) say that once in a while a third person has drawn their attention when driving telling them to stop using the mobile phone.

2.37 seconds is the maximum average time Spanish citizens believe they can be using their phones and watching out the road at the same time without any danger, rising up to 3.55 seconds in case of youngsters between 18 and 24 years, equivalent to covering more than 100m (100 km/h) using their phones without paying attention to the road.



Goal
 To determine **distractions in general** and **mobile phone use in particular** while driving, as well as **road safety awareness and motivation**.

CONCLUSIONS

Road Safety Motivation

Our motivations

Having an accident 82%, the responsibility for chauffer-driving people 75% and thinking of family 72% are the main motivations that make us drive more responsibly.

Arriving is what matters

Over 6 every 10 surveyed people (63.59%) ensure that they have taken their foot off the accelerator when thinking of certain person (parents, couples, sons & daughters, friends...) considering that arriving is what matters.

Is there enough information and road education in Spain?

A high percentage of respondents, over 80%, have never received any information or training regarding road safety after getting their driving license (82.59%).

CONCLUSIONS

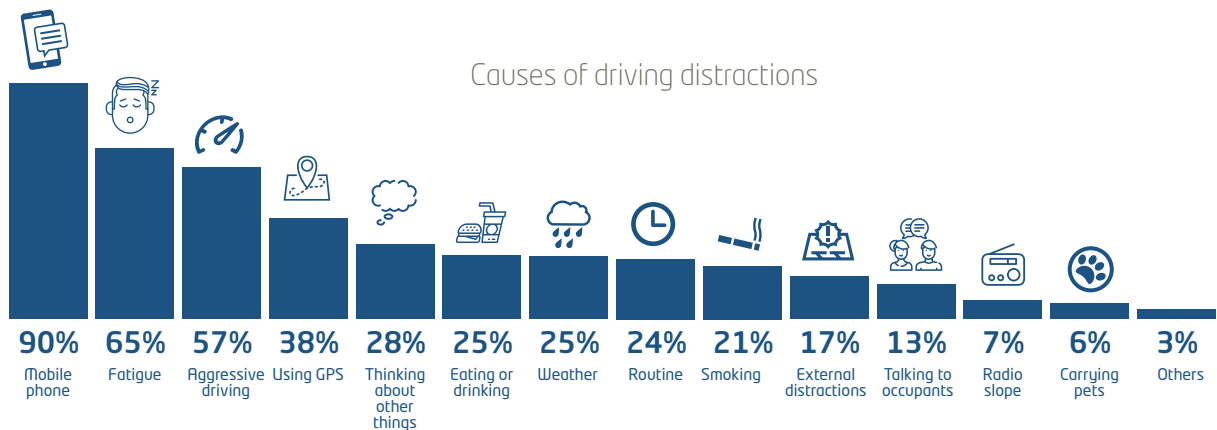
Reduction of road fatalities. Road Safety

Responsible Driving

Over half of the Spanish polled, (54.46%) consider that people do not drive responsibly and safe in Spain. However, 9 every 10 (91.27%) ensure they do drive responsibly and safe.

Responsibility and technology

With responsibility and technology road fatalities would halve. The vast majority of Spanish drivers think that road fatalities would halve if we were more responsible (95.63%), if technology avoided drink-driving, drugs or fatigue (90.58%) and if technology prevented us from using the mobile phone at the wheel (84.13%). Over 80% of respondents think that technology might help them drive safer (85.71%).





Emotional Driving 2019: Argentinians at the wheel, distractions and use of cell phones

Gonvarri and Movistar, with a significant presence in Argentina, decided to broaden the survey to new geographies and learn about the opinions and thoughts of the Argentinians in road safety. The study “Emotional Driving 2019: Argentinians at the wheel, distractions and use of cell phones”, gathered the answers of 1,018 people of ages between 18 and 65, selected by gender, age and region rates out of 5,000 people invited to participate, registering a response rate of 20.4%.

GOAL

To determine distractions in general and cell phone use in particular while driving, as well as road safety awareness and motivation.

DETAILS

Autonomous regions
Socio-demographic profile



CONCLUSIONS

Distractions at the wheel and use of the mobile phone

Over 3 every 4 Argentinian drivers (81.2%) state that get distracted when Driving. Main distraction causes:

Amongst them, 56% ensures that hardly ever gets distracted, 26% admits getting distracted sometimes. Those who never get distracted behind the wheel rise amounts to 18%.

The distraction causes of Argentinians are: cell phones 94%, fatigue 68%, el reckless driving 57% or eating and drinking 39%.

Cell phones, main distraction cause

9 every 10 distractions behind the wheel are related to cell phones. WhatsApping 83%, reading news 83%, searching for information 82% or checking a sms or WhatsApp 79% are the main distraction causes for Argentinians when driving as a result of using cell phones.

4.69 seconds is the maximum average time Argentinian citizens believe they can be using their phones and watching out the road at the same time without any danger, rising up to (in case of youngsters 7.82 second and high-class people 6.17).

More than 1 in 3 respondents claimed that they have sometimes been told to stop using the cell phone behind the wheel (37.72%).



Goal

To determine **distractions in general and cell phone use in particular** while driving, as well as **road safety awareness and motivation**.

CONCLUSIONS

Motivation concerning Road Safety

Our motivations

The responsibility for chauffer-driving people 83%, thinking of family 81% and having an accident 80% are the main motivations that make us drive more responsibly.

Arriving is what matters

Over 7 every 10 polled Argentinians (73.08%) ensure that they have taken their foot off the accelerator when thinking of certain person (parents, couples, sons & daughters, friends...) considering that arriving is what matters.

Is there enough information and road education in Argentina?

Over half of the respondents, (54.52%) state they have been trained and received information in the field of road safety after getting their driving license.

CONCLUSIONS

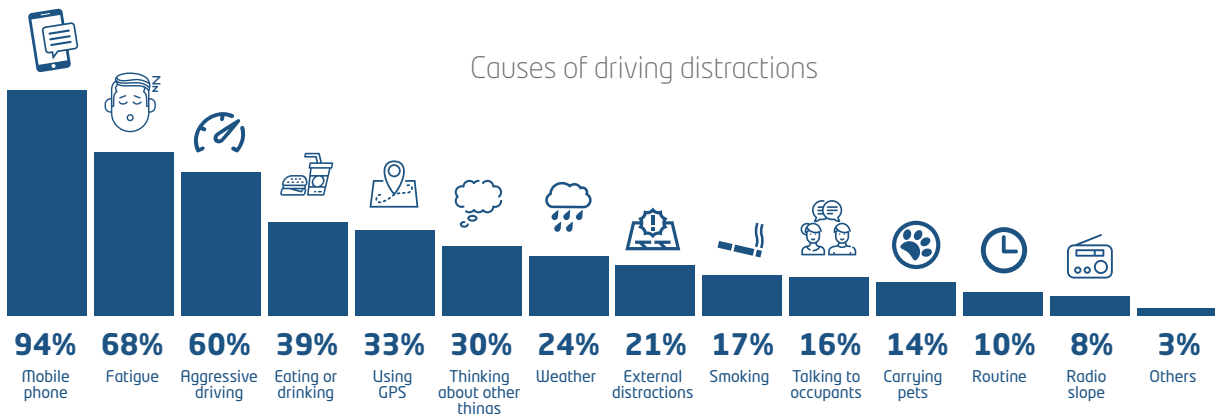
Reduction of road fatalities. Road Safety

Responsible Driving

More than 8 every 10 Argentinians consider people do not drive responsibly and safe in Argentina (84.58%). However, more than 8 every 10 (82.32%) ensure they do drive responsibly and safe.

Responsibility and technology

With responsibility and technology road fatalities would halve. The vast majority of Argentinians drivers think that road fatalities would halve if drivers were more responsible (96.66%), if technology avoided drink-driving, drugs or fatigue (89.88%) and if technology prevented us from using the mobile phone at the wheel (77.11%). Over 80% of respondents think that technology might help them drive safer (85.71%).



Energy and Climate Change



Energy Energy Consumption

The production process of Gonvarri has an intensive energy consumption, mainly in the plants that have galvanic and electro-galvanizing coating processes. For this reason, the main points in the environmental management system are the monitoring, reduction and control of the energy consumption.

Internal energy consumption

302-1

In 2019, Gonvarri used a total of 767,269 GJ of energy, not originating from renewable sources, of which 435,532 GJ come from electrical consumption (scope 2) and 331,737 GJ from LPG, natural gas, propane and diesel (scope 1).

Practically all electric energy consumption is committed to production. Only around 6% of the total amount is used in air conditioning.

The table included shows the distribution as a function of the consumption type and country:



	ENERGY				
	Electricity GJ	LPG GJ	Natural Gas GJ	Propane GJ	Diesel GJ
Germany	17,637	0	10,982	0	1,185
Argentina	2,958	0	0	0	0
Brazil	26,087	4,527	33,065	0	0
China	30,264	0	14,939	0	882
Colombia	7,037	621	18,692	0	75
Denmark	255	0	0	0	0
Spain	249,799	69	165,131	2,192	4,876
USA	19,448	0	115	2,514	0
Slovakia	10,448	0	2,402	0	22
Finland	832	0	900	139	0
Netherlands	111	0	310	0	0
Mexico	5,726	2,528	0	0	12
Norway	75	0	0	0	0
Poland	7,217	0	2,708	0	587
Portugal	7,341	0	0	83	269
UK	13,546	250	16,357	10	0
Romania	10,241	0	30,943	1,898	0
Russia	10,457	1,048	9,727	1,053	272
Sweden	6,665	0	0	0	0
Turkey	9,391	0	29	0	323
TOTAL	435,532	9,042	306,301	7,889	8,505

External energy consumption

Gonvarri manufactures different products/formats, with different finishes. Moreover, depending on the geographical location, the usual transport type is also variable (ship, train, truck, etc.). This makes the calculation and availability of data for the scope 3 estimation complex.

Currently we are working on a methodology to calculate this energy consumption and, therefore, we expect to be able to report this information by the year 2030 (302-2).

Renewable Energy

A photovoltaic installation was put into operation in Gonvauto Navarra in 2010 (capacity 1.9 GJ), and in 2011 the installations of Gonvauto Barcelona (capacity 2.5 GJ) and Gonvarri Barcelona (capacity 2.0 GJ) followed. Annual production in 2019 amounts to 6,686 GJ (fully sold to third parties) and 59 GJ for consumption at the same installation. Through this activity we estimate a total of 530 tons of CO₂ emissions were avoided.

Energy intensity

302-3

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

The resulting annual ratio is calculated by dividing energy consumption by the total weight of products sold in each country.

The calculation takes both electricity and fuel, only relative to their internal use, into consideration.

ENERGY INTENSITY (GJ/tons of product sold)	
Germany	0.09
Argentina	0.07
Brazil	0.11
China	0.31
Colombia	1.46
Spain	0.15
USA	0.14
Slovakia	0.04
Mexico	0.03
Poland	0.05
Portugal	0.04
UK	0.11
Romania	2.57
Russia	0.23
Sweden	2.32
Turkey	0.20
TOTAL	0.14

Photovoltaic energy in Gonvauto Puebla

Climate change represents a growing threat to the planet's natural and human capital. Therefore, mitigating this impact is a key aspect for Gonvarri Industries.

Among the initiatives carried out in 2019, the project to install photovoltaic solar energy panels for self-consumption in Gonvauto Puebla factory, called Gonvauto 1 and 2 by their location in the different production areas was implemented.

With both facilities, it is estimated to cover 42.7% of the energy used in Gonvauto 1 and the 68% in Gonvauto 2. The installation was full operational by August 2019.



The main characteristics of the installations are summarised below:

	GONVAUTO 1	GONVAUTO 2
Peak power	397.98 KWp	297 KWp
Area	2,412 m ²	1,800 m ²
N° of modules	1,206	900
Modules power	330 Wp	330 Wp
Inverters power	110 KW	40 KW
PV Energy produced	684 Mwh/year	518 Mwh/year
% of total consumption	42.7 %	68 %
Tons CO ₂ avoided*	398	301.7

* considering a factor that 0.582 tons of CO₂/Mwh, according to the National Electricity System Emission Factor for 2017 published by the Energy Regulatory Commission.

Energy Efficiency

302-4



In our commitment to sustainability, Gonvarri continues to work on maintaining our highly efficient production through optimizing energy consumption in all our processes, production lines and auxiliary equipment, striving at all times to achieve maximum production rates with the lowest energy cost possible, whilst always maintaining high-quality standards.

In order to meet this objective, the ECO-ENERGY project has been under development since 2015. This project has the following main targets:

- The implementation of an energy management and monitoring system in the different plants.
- The search for and execution of measures to improve energy savings, which can primarily reduce gas, electricity and water consumptions.

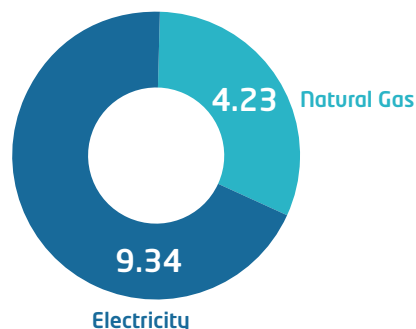
Currently we have 18 plants which are monitored, with the objective continuing to expand the number of plants monitored over the next year.

The control and monitoring of the general gas, electricity and water consumptions, as well as the consumptions of all the production lines, compressors, lighting, heaters, air conditioning, etc., is focused to:

- Conduct a detailed follow-up on the specific consumptions of our lines and auxiliary equipment that serves to detect possible deviations in our base lines.
- Analyse and assess the consumptions of our installations in order to identify opportunities for improvement and energy optimization that will allow us to reduce our energy costs.

With regard to energy saving measures and the reduction of tons of CO₂ emitted into the atmosphere, we continue to work year after year and exceed the objectives set at the beginning of the project.




Annual Energy Saving (Gwh/year)



Among the measures taken in 2019, especially significant are those that aim to optimize boilers and steam networks, compressed air systems, air conditioning, heating and heat exchange processes and water pumping or gas extraction systems.

It is also important to highlight the reduction in the water and chemical product consumption necessary for its adaptation in the production processes, achieved through some of the improvements implemented in 2019.

The strong value that Gonvarri places on its commitment to sustainability and the environment means that the company is always looking for and investing in the most efficient solutions and technologies for its processes that allow it to reduce its energy consumption as much as possible.

Savings Account		
		
Electricity	Natural Gas	Water
9.74 Gwh/year	4.23 Gwh/year	7,125 m³/year
779 ton CO₂		-

In 2019, 15 energy saving measures (ESMs) were implemented in different plants. This allowed us to increase Gonvarri's energy savings by 3.21 Gwh, which, added to the savings obtained in previously implemented measures (68 ESMs since the start of the project), amount to annual savings of 13.97 Gwh, of which 30% correspond to natural gas consumptions and 70% to electricity.



Climate Change

Risks and opportunities associated with climate change 201-2

Global situation

In spite of the economic downturn and the decline in the use of coal, carbon dioxide emissions have increased to new records, with a growth of 0.6% compared to last year (in 2018 and 2017 this increase was of 2.1% and 1.5% respectively), according to the last Global Carbon Project report. As the World Meteorological Organization has highlighted, 2019 is the final year in the hottest decade ever recorded.

The scientific community warns that, with the present projections and measures, the temperature increase may exceed three degrees by the end of the century, which directly points to the production of polluting gases: If the report's forecasts are indeed met, CO₂ emissions will be 4% higher than in 2015, when the Paris Agreement was signed.

Although the use of coal (the main pollutant, accounting for 40% of total fossil fuel emissions) is declining, this will be offset by increased use of natural gas and oil worldwide.

The scenario envisaged by the four most polluting regions in 2019 is quite diverse. China, which continues at the top, is expected to grow by 2.6%, the United States and European Union (second and third places) are expected to decrease by about 1.7% and India, the fourth most polluting country, is expected to grow by 1.8%.

Regulatory framework

Following the commitment of the Paris Agreement (COP 21), all countries were required to agree on measures to reduce global greenhouse gas emissions to levels which are consistent with climate security, as outlined in the reports of the Intergovernmental Panel on Climate Change (IPCC).

The objective is to limit the increase of the average global temperature to 1.5°C with respect to pre-industrial levels, which requires an accelerated change in the development model in the coming decades.

Little progress has been made at the annual meetings held from 2015 onwards, mainly on Article 6 which defines the rules for the carbon market. The latest meeting, COP 25 in Madrid, has succeeded in giving visibility to the problem and in disseminating the scientific and expert reports which guarantee a complicated future if no urgent action is taken. Moreover, the demonstrations and demands of civil society have been remarkable.

Within this voluntary framework, the Sustainable Development Goals, mainly those directly related to climate, such as SDG 13 "climate action" and SDG 7 "affordable and clean energy", cannot be overlooked.

The European Union positioned themselves as leaders in the face of the problem, presenting the "New Green Deal", which establishes the main lines of action for the coming years to achieve climate neutrality by 2050, as an opportunity to modernize, promote innovation and improve the competitiveness of the European economy and generate quality jobs. The pact calls for a 100-billion-euro commitment between 2021 and 2027 to achieve this goal.

However, it is the year 2020 in which real and tangible commitments and plans will have to be presented to reduce carbon emissions and respond to this emergency, which is why we must wait for COP 26 in Glasgow, Scotland and hope that countries such as the USA, China and India will form part of this commitment.

In Spain, the Integrated National Energy and Climate Plan 2021-2030 (PNIEC) sets out the guidelines for electricity generation to be 100% renewable by 2050, with intermediate milestones such as in 2030, with a reduction of one third in greenhouse gas emissions, 42% renewable energy in the electricity system and 74% in electricity generation, in line with the commitments made in Agenda 2030.

Stakeholders' expectations

There has been a significant increase in social mobilization over recent years, prompting governments to take urgent action to curb the rise of global average temperatures, which is documented in numerous rather pessimistic scientific reports.

The position of our main customers with plans and policies focused on the reduction of emissions in the medium/long term stands out. For Gonvarri Industries, meeting their expectations is a strategic aspect, which is why we work in line with their commitments to reach a common goal.

In this context, the financial sector has also taken a step forward. Many institutions have already committed significant amounts to finance investments related to reducing emissions over the next 10 years, acting as a Climate Bank, with a commitment to reducing the carbon dioxide (CO₂) footprint of their credit portfolios pursuant to internationally recognized criteria, and to channel savings and financial resources towards sustainable investments in the future.

Our position

Gonvarri Industries is aware that it faces various risks arising from climate change, which include:

- Regulatory risks. Through the increasingly restrictive emission requirements.
- Business risks. To adapt to the requirements and the demands of our customers.
- Financial risks. Derived from financing requirements, which increasingly value these issues and consider them in their customer portfolios.
- Risks in the environment. Derived from climate change (increase in storms, floods, etc.) at our suppliers' facilities, which would cause supply problems.
- Reputational and image risks. Derived from globalization and the social awareness on these issues.

In that regard, in 2015, after the approval of the Sustainable Development Goals, we changed our way of integrating and communicating sustainability, aligned with our main initiatives to the fulfilment of the SDG most directly related to our business.

Therefore, taking the environment, the risks and the expectations of our stakeholders into consideration, 2019 represents a period of analysis and reflection for Gonvarri Industries in which a new roadmap must be defined in line with the current needs and trends, as well as the demands of our stakeholders, in which the fight against climate change, for the reduction of CO₂ emissions and a carbon-neutral future, play a fundamental role.

We are currently defining a roadmap with the commitment to move towards a long-term carbon-neutral model, based on different lines of action:

- To have a complete measurement of emissions from all three scopes.
- To have KPIs that allow us to objectively measure the reductions achieved in the various projects underway.
- To promote the use of renewable energy in our facilities and the purchase of energy from renewable sources (PPA's).
- Definition of investments for projects that contribute to minimising emissions (ECMs and technology), as well as more precise monitoring and measurement systems.
- Lighter and more efficient products.
- Others: reforestation, sustainable mobility, training and awareness, etc.

In the next Report a detailed plan will be published for the long-term goal of becoming carbon neutral.

Steel in the automotive sector

The global transport industry contributes significantly to greenhouse gas emissions and accounts for about 24% of total emissions (International Energy Agency, CO₂ Emissions from Fuel Combustion Highlights, 2018 Ed., p 13).

To minimize this impact, increasingly restrictive regulations are established for emissions, for which the availability of lighter vehicles is key, and for lower emission fuels.

The steel composition of a typical vehicle is summarised below:

- 34% is used in the body, panels, doors and trunk locks for high strength and energy absorption in case of an accident
- 23% is used in the drive train, which consists of cast iron for the engine block and carbon steel for the gears to make these more resistant to wear.
- 12% is found in the suspension, which uses high-strength rolled steel tape.
- The remainder is in the wheels, tyres, fuel tank, steering and braking systems.



Today, advanced high-strength steels (AHSS) are used in almost all new vehicle designs, making up almost 60% of their body structure. These make it possible to reduce the weight of vehicles by 25-39% compared to conventional steel, making them lighter, safer and more fuel-efficient.

For example, when AHSS steel is applied to a five-passenger type family car, the overall weight of the vehicle is reduced by 170 to 270 kg, which corresponds to a saving of 3 to 4.5 tonnes of greenhouse gases over the total life cycle of the vehicle. This saving in emissions is greater than the CO₂ emitted during the production of all the steel in the vehicle (Source: WorldAutoSteel).

Source: WorldAutoSteel

Greenhouse gas emissions

305-1 AND 305-2

SDG 13 “Climate Action” requires urgent action to combat climate change and its impacts. Greenhouse gas emissions caused by human activities are increasing this threat. In fact, emissions have never been so high.

By measuring its carbon dioxide (CO₂) emissions, Gonvarri contributes to improving the communication of its impact and to the collection of specific data with the aim of setting possible improvement targets.

Regarding the calculation of the CO₂ emissions, these are reported as directed by the Green House Gas Protocol (GHG Protocol) standard, taking as a reference the emission factors provided by the IEA 2019 (2017 figures).




The direct emission of greenhouse gases (scope 1) come from the combustion of fuel in the production process (natural gas, propane, and diesel) and amount to 18,882 tons of CO₂.

The indirect emissions (scope 2) are those generated in electric power generation plants as a result of the electric consumption in plants and offices, which amounts to 38,929 tons of CO₂, and raise the total to 57,811 tons of CO₂.

	ENERGY				
	Electricity Ton CO ₂	LPG Ton CO ₂	Natural Gas Ton CO ₂	Propane Ton CO ₂	Diesel Ton CO ₂
Germany	2,043	0	616	0	88
Argentina	288	0	0	0	0
Brazil	848	286	1,855	0	0
China	5,237	0	838	0	65
Colombia	262	39	1,049	0	6
Denmark	11	0	0	0	0
Spain	19,984	4	9,264	138	361
USA	2,274	0	6	159	0
Slovakia	464	0	135	0	2
Finland	24	0	50	9	0
Netherlands	13	0	17	0	0
Mexico	759	160	0	0	1
Norway	0	0	0	0	0
Poland	1,421	0	152	0	43
Portugal	732	0	0	5	20
UK	922	16	918	1	0
Romania	1,422	0	1,736	120	0
Russia	996	66	546	66	20
Sweden	24	0	0	0	0
Turkey	1,203	0	2	0	24
TOTAL	38,929	571	17,183	498	630

With regard to indirect emissions from other sources, in this scope we consider emissions that derive from business trips made and emissions that derive from employee commutes. Their distribution is shown next (305-3):

OTHER EMISSIONS (TONS CO ₂)	
Corporate Trips	4,499
Transportation employees	33,957
SCOPE 3 TOTAL	38,456

 Corporate Trips Rental car 206 tons CO ₂ /year	 Travel by plane 4,274 tons CO ₂ /year	 Travel by train 19 tons CO ₂ /year
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Emission intensity 305-4

Gonvarri also takes note of the emission intensity to measure the efficiency and impact of its processes. The resulting yearly ratio is calculated by dividing the sum of its direct and indirect emission (305-1 and 305-2) by the total weight of all the products sold in each country. In the following table the obtained results are specified:

EMISSIONS INTENSITY			
(tons CO ₂ /tons of sold product)			
Germany	0.008	Mexico	0.003
Argentina	0.007	Poland	0.008
Brazil	0.005	Portugal	0.004
China	0.049	UK	0.009
Colombia	0.075	Romania	0.211
Spain	0.011	Russia	0.021
USA	0.015	Sweden	0.014
Slovakia	0.002	Turkey	0.025
		TOTAL	0.01

Avoided indirect emissions

305-5

The company is very aware of the possible negative effects that can induce climate change and against this real risk, Gonvarri contributes to its mitigation through the Solar Steel division.

The main activity of this division is the manufacturing and provision of solar structures, mainly fixed structures with a single-axis tracker, that are part of photovoltaic plants which are built to generate renewable energy without greenhouse gas emissions.

In 2019, solar structures for the installation of a total of 2,357 MW were provided, distributed over 19 countries.

By calculating, among others, the net sun radiation hours per project, as well as the percentage of the total cost of the project that these structures and the conversion ratio in each country, we estimate to have contributed to the avoidance of a total of 420,933 tons of CO₂ in 2019.

Similarly, concerning the energy savings that derive from the ESMs, these amount to 779 tons of CO₂ avoided and a total of 75 tons of CO₂ deriving from renewable energy installations and 4 tons of CO₂ derived from the reforestation of Mexico.

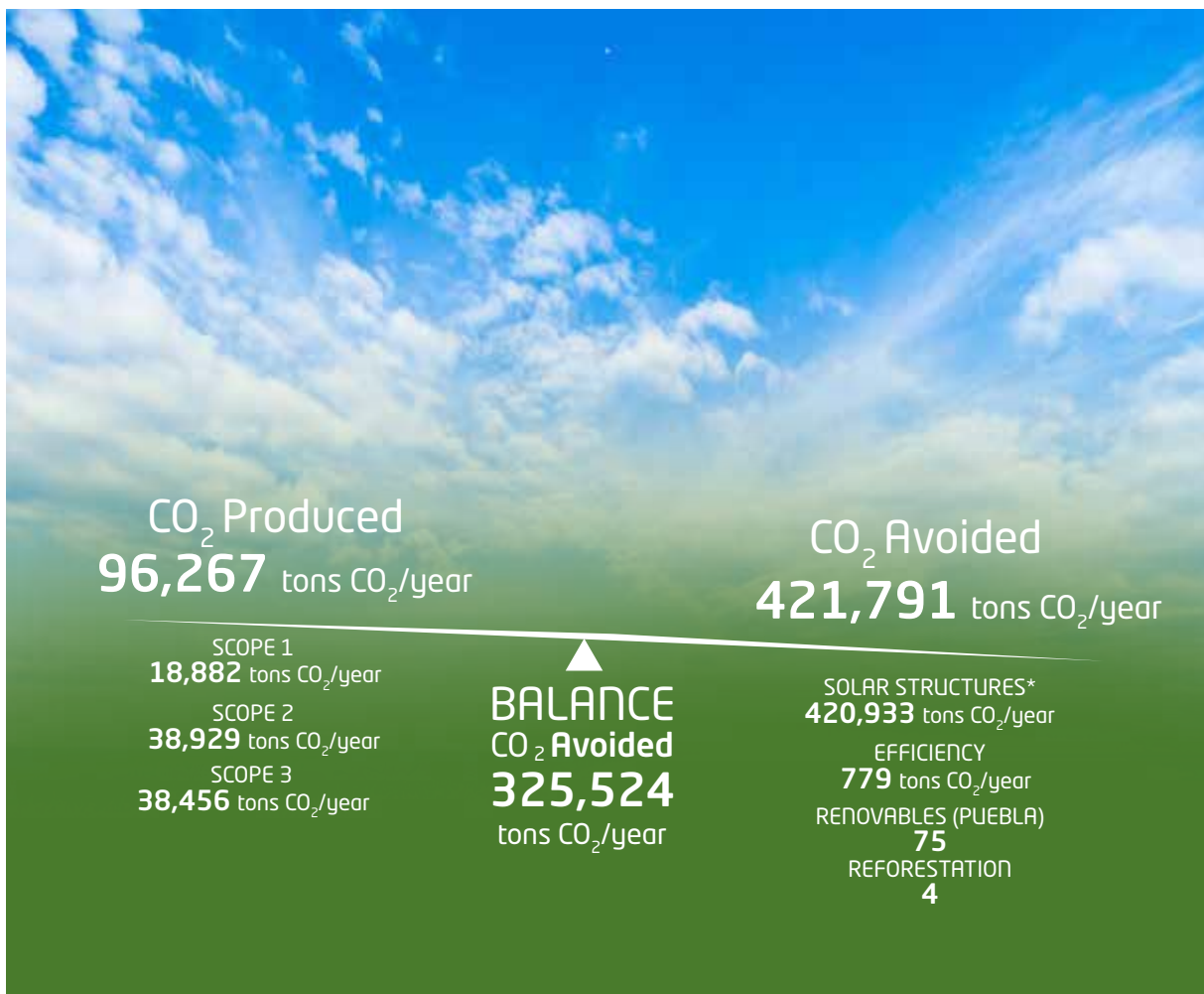
Emissions derived from other sources

305-7

Regarding emissions derived from other sources, these are few and isolated in our business, as the majority of the plants are not submitted to regulatory controls. The plants that perform special treatments (galvanization, electro-galvanizing coating, etc.), where controls are carried out by a certified body with the periodicity established in the corresponding licenses and legal requirements, are affected.

Next, we summarize the main emissions:

EMISSIONS				
Emissions	Burgos	Hiasa	Barcelona	Tarragona
NOx (Kg)	2,125	2,307	629	316
SO2 (Kg)	0	32	106	3
CO (Kg)	355	3,386	52	4
NH3 (Kg)	0	0	403	0
CO ₂ (Kg)	887,356	0	0	0
Particles (Kg)	65	584	12	0
HCl (Kg)	2	2,219	516	30
Zn (Kg)	0	0	51	0
COT (Kg)	0	0	430	0



*Indirect contribution, calculated on the basis of structures manufactured for solar parks that we do not own.



Reforestation in Gonvauto Puebla

Gonvauto Puebla is committed to climate change mitigation. For this reason, it made a donation of 114 trees of the white cedar species (*Cupresus lusitánica*) to the protected reserve of the Flor del Bosque State Park.

With this, it is estimated that it contributes to the absorption of 3.9 tons of CO₂/year.

Gonvarri Colombia: Sustainable Mobility Plan 2019

In Gonvarri Colombia, a sustainable mobility plan, “Plan MES”, was implemented to reduce the emissions derived from the displacement of employees by 20% by 2022.

According to Resolution 1379 of 2017, all public and private organizations in the jurisdiction of the Aburrá Valley Metropolitan Area with more than 200 workers (direct and indirect) must implement a “MES Plan”. These plans aim to reduce emissions from mobility by 10% in the first year.

Through this plan, the involved companies can identify the environmental impacts of their employees’ travel to and from their workplace and, thus, define mobility strategies that reduce their impact on air quality.

In 2018 the project began with a survey that enabled us to gather all the necessary information regarding the movement of our employees and collaborators and, with this information define and formalize the commitment and strategy to achieve the objectives set.

The information resulting from the survey is integrated into the portal provided by the metropolitan area, in order to meet all the requirements.

In 2019, the measures defined in the “MES Plan” were implemented in order to mitigate the impacts produced by travel, defining “peak and plate” measures with restrictions depending on the type of vehicle, license plate, fuel, etc., which become more restrictive during the dry season or on important dates (e.g., International Earth Day). In addition, the availability of the certificate of the technical-mechanical review and the compulsory SOAT insurance was required.

For its follow-up, detailed control and monthly tracking was carried out at each stage, which included messages, communications, etc. The monitoring is reflected in monthly graphs in which the evolution of the project is shown.

It should be noted that the 10% target was achieved, and bicycle use increased among Gonvarri Colombia’s workers.

Furthermore, in order to promote the MES Plan, Gonvarri Colombia defined the “Gonvarri Treasures” program where different social benefits can be obtained through exchangeable bonds.

These include the option of teleworking which helps to reduce emissions by avoiding travel. This treasure was the second most requested.



Cultural Change & Digital WorkPlace 2019-2021

"Digital WorkPlace" project began in 2019 aiming to embrace Microsoft technology and provide employees with the Office 365 tools to continue advancing in the company's digital transformation.

It is a process that demands an important management of the cultural change of the whole company, in a collaborative environment that allows to approach successfully this challenge of incorporating the new digital technologies, but another piece of an ambitious project throughout the company in these 3 areas:

- Digital Competences: increase digital competences, knowledge and skills to adapt to a constantly changing market and environment.
- Digital Workplace: define how new technologies may improve the way of working in all aspects.
- Digital Experience: boost digital agility in all work aspects.

The main change derives from the integration of Outlook, OneDrive and SharePoint tools in the Office 365 platform. The project is aligned with SDG 9 and our innovation and digitalization strategies.

It's been implemented based in two approaches:

On the one hand, transfer all the information to the new platforms, where:

- Migration of all information hosted in the document manager into the new SharePoint platform, updating admin profiles and adapting the access to each group to the new available profile options.
- Each user migrated its personal information into OneDrive.

On the other hand, all employees were encouraged and trained to use this new technology. To this effect, a thorough implementation and training program was developed, including a number of initiatives and training materials, enabling to conclude with great success the first stage of the DWP adoption project. The main milestones are shown below:



"Digital Champion" campaign

The implementation of the project began in March with the "Digital Champion" campaign. This aims to identify collaborators in each area and country where the company is present; based on an active, open, constructive, and motivated profile of employees who do not fear technology.

Once identified these profiles, it was formed a group of 210 Digital Champions spread through all the countries in which Gonvarri is present. This group became a very active asset of the project, playing a key role of functional support and assistance to final users during the transition process.

During their apprenticeship, the group received specific training to provide them with the necessary knowledge and tools to enable the identification and problem resolution, feedback compilation on the identification of the main resistance to change.

With the support of these team of Champions, the following training stage in the usage of DWP tools began. To this effect, a number of activities were developed, to mention some:



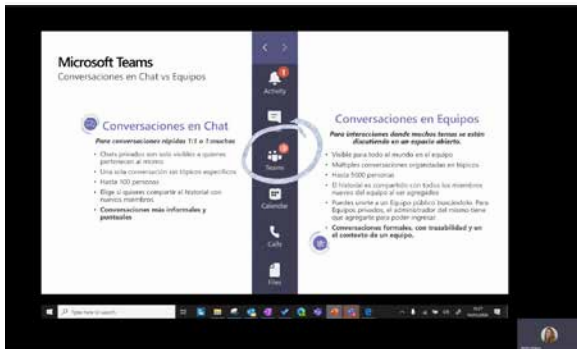
Training

On site: developed by experts during the different stages of the project, aimed at different target (managers, champions, employees, and so on). They were shown and explained the use of the tools and had the chance to actively test them.



Online training - webinars: online live training for multiple groups of employees. This training consisted of a brief description of the tools and its advantages, as well as a detailed description of its usage and a wide range of possibilities they offer.

Videos: Videos presenting and summarizing DWP project.



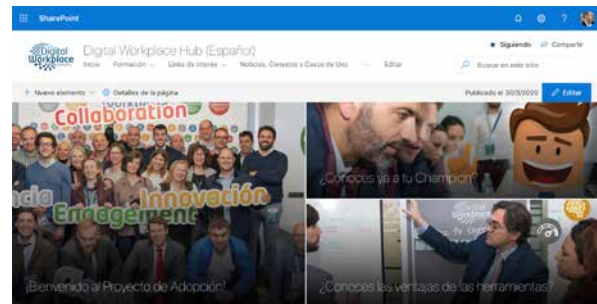
Videos - training pills: short videos in the shape of case studies to explain specific aspects and advantages of the new tools.



Gonvarri Academy: platform that offers training of the different tools of the Digital Workplace, its features, benefits, tips, etc.

Digital Workplace Hub

The Digital Workplace Hub is a SharePoint site That gathers all the information with regard to the DWB project. There all employees can access to DWP training materials, FAQs documents, webinars, training courses hosted in Gonvarri Academy, tips, calendars, the Digital Champions network, feedback, and so on.



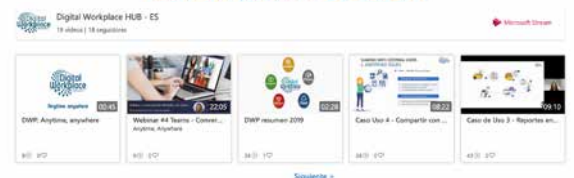
Microsoft Tools



Useful Links



News, Tips and Use cases



Other

Referential training guides for Outlook, OneDrive and SharePoint: these materials include manuals that cover all the usage instructions and the different functionalities of Office 365 tools in a very simple and graphic way.

Frequent asked questions (FAQs): documents that gather the most common queries about these tools, general tips regarding their usage and questions that other colleagues have made which are every bit as useful.

Tips for the tools: Tips to get the most out of the Outlook, OneDrive, SharePoint and Office Suite tools.

Satisfaction Survey: Surveys to know the opinion off the employees about the materials and actions performed.

Workshops in offices and factories

A series of workshops were designed and developed in offices and factories between April and December aiming to motivate and train employees in a fun, easy and comfortable way. 2019 workshops were held in our offices in Bilbao and Madrid and factories of Barcelona, Navarra, Galicia, Valencia, Asturias, Argentina, Brazil, UK, Mexico and Thüringen.

All of them consisted in an introductory speech explaining the corporate history in the adoption and technological evolution processes and the development of playful dynamics on DWP. Afterwards, attendees took part in a tour with five experiences based in the five pillars of the project: Collaboration, Innovation, Efficiency, Commitment and Cloud.

- organized in groups by departments they discovered the voice-interaction technology and the different concepts and features of the DWP at the Innovation stand;
- they made suggestions of the features they would like to find with regard to the new digital tools at the Efficiency stand;
- they experienced the coedition at the Collaboration stand;
- they took selfies and learnt about the new features of the mobile App at the Commitment stand.
- and they addressed the new Intranet and the vision "Work anytime, anywhere" at the Cloud stand.

April 23, 24
and 25
MADRID



June 11
**HIASA
ASTURIAS**



June 15
GALICIA



June 17
NAVARRA



October
17/18
**STEEL &
ALLOY**



September 17
VALENCIA



October
24/24
**SOUTH
CAROLINA**





1,400
N° of attendees
to the Workshops



2,101
N° participants in
the webinars



8
N° of training
hours per person
Audiovisual
Materials
(all languages)



5
N° of training
hours per
person
Presencial



3,200
N° of video
displays



300
N° of migrated
group works

210
*Digital
Champion*



April 4
BARCELONA



April 9
**SOLAR STEEL
BILBAO**



September 25
BRAZIL



September 12
MADRID



November
5 and 6
**PUEBLA
(MEXICO)**



September 17
ARGENTINA





Innovation



Innovation is the pillar that will allow us to develop competitive products, access new markets, and increase the value contribution to our customers.

The line of innovation in 2019 will be piloted mainly on 5 axes, as summarized throughout the chapter.



Innovation model

Collaborative innovation within the group, the foundation of the digital transformation

The model tries to favour the transformation and continuous improvement of the company through innovation, as a fundamental and transversal pillar of growth.

Therefore, the training and education of new profiles involved in the coordination and implementation of innovation and new transforming ideas has been reinforced.

A clear example is the "GATE Training Program", developed with the aim of creating future Innovation Coordinators who can support projects in the scope of Industry 4.0.



Culture of innovation

The technological training of emerging talents has allowed us to put creativity at the service of innovative objectives

Strengthening the culture of innovation is a key aspect for the development of new ideas and projects. To this end, the participation of diverse teams, with different skills, allows for more and better innovative ideas that contribute to the growth of the company.

Reinforcing this culture through the Communication Plan is essential to encourage innovative, entrepreneurial and creative behaviour, transforming new ideas into results. For this reason, in 2019 we have increased the number of initiatives in the area of communication, as summarised below.

Inspiring innovation-Engineering Meeting

We are committed to intra-enterprise, which began with the INSPIRING INNOVATION initiative. In this line, the GMS Division developed the first edition of the "Engineering Meeting". During this meeting, the knowledge and experiences of the different Engineers of the Division were shared, always keeping the Strategic Plan of Innovation as a reference.



Technology-Innovation

We intensified communication, by combining our own communication activities in Innovation with the "Roadshow" of the Digital Workplace project, with the aim of advancing the digital transformation of the whole Group.

GATE Training Program

This programme, developed in 2019, is integrated by 30 employees with different profiles and skills, both from the plants and from the corporation, who received training on new enabling technologies within the framework of Industry 4.0.

To this end, three face-to-face sessions were held, in addition to several online tutorials led by external trainers from the industrial sector and with the support of some members of Gonvarri as teachers. To conclude the programme, several projects will be carried out based on real Use cases, which will be evaluated for their subsequent implementation.

Innovation Days

We continue with the initiative "Innovation Days" by the Department of Innovation, allowing to know in more detail, information on different actions that are being carried out and promoting the possibility of identifying new cases of use.



Product Innovation

Improvements and new designs focused on reducing raw material consumption, while maintaining a commitment to environmental protection.

After the success of the previous year, we continue to study new applications in the steel sector, as well as alternative materials aimed at improving the properties and reducing the weight of vehicles in the automotive sector..

Addimen

In the field of Additive Manufacturing, we have acquired specific skills and knowledge through which we have been able to establish ourselves as one of the leading companies in the design and manufacture of mold inserts with optimized cooling through conformal channels.

Solar Steel

After the success of the TracSmarT+ tracker, our teams continue to innovate and improve its design and began the development of a new tracker in the TS5.0 project

In addition, digitalization, big data and artificial intelligence technologies are incorporated into our products, in line with the new trends in innovation.



Mecano

In this sector, we started the design and industrialization of the straight sections of a staircase type cable carrier system in graphed aluminium. This new connection system between rail and step makes it possible to reduce costs while maintaining high quality standards.

Aligned with our customers' requirements, we design ladder-type cable carrier systems that are suited to the special specifications of the shipbuilding market.

We also developed an augmented reality mobile application oriented to the commercial area. Among other benefits, this application allows for easy presentation and organization of information, more innovative and impactful adaptation to customer needs, and improved access to installation instructions. It also includes links to the website and YouTube channel, and is downloadable on Android under the name Mecano RA Logo.



Road Steel

This year, the strategic projects that were initiated in 2016 with the Institute for Business Competitiveness were completed successfully, which involve developments adapted to the new standards, as summarised below:

- Analysis and development of predictive models against breakage of metallic materials and their joints for safety applications.
- Advanced methodological systems for testing, simulation and validation to optimally design new road safety infrastructure products.
- Standard EN-1317-4, focused on the development of safe transitions in case of vehicle impact. Resulting in the new transition model TR-Π2LCON which joins concrete with a steel barrier.
- Application of the future standard EN-1317-7, with research into new concepts and energy absorption mechanisms for application to safe terminals This has resulted in the P-4 Terminal.



Steel Construction

The engineering team developed a pole maintenance system at ground level.

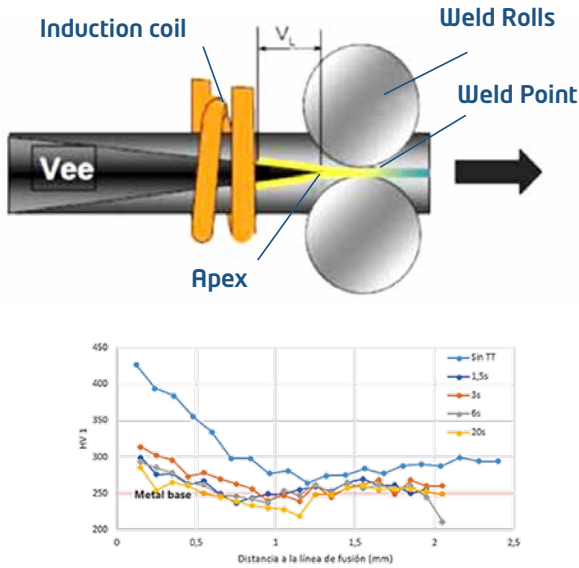
This mechanical system allows the lighting fixture to be moved along the length of the lamp post, improving the range as required and allowing for other uses.



Automotive

Gonvauto Asturias completed the "MANZANA" R+D project, aimed at identifying the effects of welding on the final material in the profiling process of high strength steels. To this end, new temperature measurement elements were added, among others.

The ensuing success has driven a new line for research and improvement, through the "ADVANCED TUBES" project which goes one step further, acting on the welding line to mitigate the heterogeneities detected in the previous phase of the project.



GMH

GMH Canrena, has recently introduced a new battery powered electric pull-out unit. The pull-out units ensure an ergonomic picking process thanks to the loading surface being easily accessible from three sides. An economic return can also be obtained due to a higher picking levels, which offer additional locations for the pallets. This is possible as the removable units can free up the extra separation space required above the pallets.

With the battery-powered electric model, no muscle power is required to pull or push the removable unit, and no plugs are required in the vicinity, which facilitates optimal and ergonomic handling even for the heaviest loads.



Innovation in progress

The road to sustainability by reducing consumption and waste

Additive Manufacturing is now a part of the Lean Manufacturing system. For this reason, we are moving forward with research to improve its tools and get maximum performance from the technology and processes.

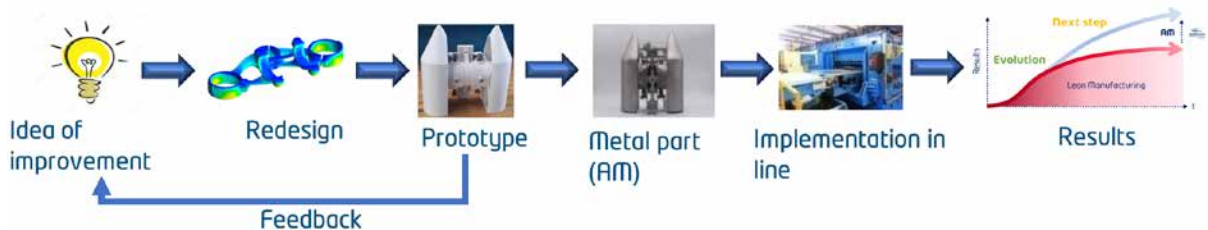
In line with the improvement of the capacities of the additive manufacturing process, we are immersed in two projects:

- A new research and development project for new materials, focused on 3D metal printing. This project, under the name ADDIMOLD, deepens the knowledge of the different stages of the production process chain, ranging from

the design to the simulation of the thermal distortions of the parts.

- The RECLADDING project includes the development of new metallic powder materials for high temperature applications.

This initiative is proposed as a continuation of the LEAN System implemented in all our automotive plants, which optimizes the performance and durability of blanking press tools, always oriented towards sustainability in terms of reducing rejects and scrap.



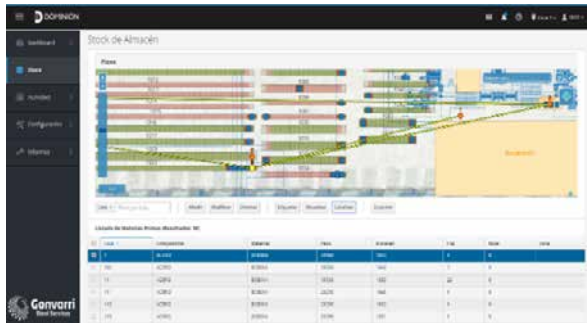


Gonvarri Innovation 4.0

During this period, we continue with the implementation of various "Use Cases" initiated previously, in addition to starting new ones. Among them, the following stand out:

Gonvarri 4.0 Digitalization of the Bridge Crane

Focused on the digitalization of the bridge cranes that are responsible for the reception and management of raw materials in the plant. The system, based on laser technology, is designed to geo-position the coils and dies, and to identify these automatically and in real time.



Gonvarri 4.0 Asset and Maintenance Management

The project is built on the development of a maintenance and asset management SW system built on the current SAP-PM module.

The main objectives of this initiative:

- Move towards a new maintenance management strategy based on "asset health" and real-time line information.
- Optimization and simplification of the current maintenance processes
- Access to simple, reliable, and accurate information.
- Significant improvements for the user: friendly, agile, simple, and intuitive system.

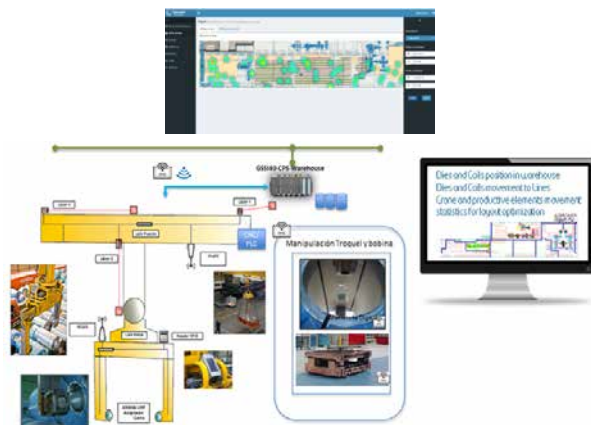
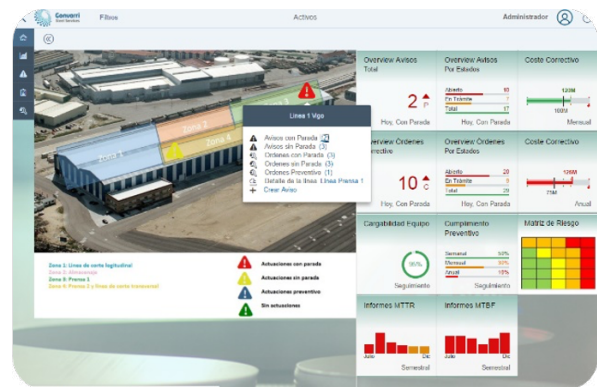
Through digitalization it is easier to concentrate maintenance activities towards tasks of higher importance, which has an impact on work optimization.

Gonvarri 4.0 On-site Truck Management

This project consisted of the development of a mobile and web solution to optimize the planning, control and management of the intra-plant trucks, based on real-time data analysis.

The objective is to increase the efficiency of the expedition process and the safety of Gonvarri's truckers and personnel involved in this process.

The solution consists of several modules that cover the truck flows before and during their stay in the plant, improvements to the logistics process of shipments, improvements in the manoeuvrability of trucks in the plant and optimization of the loading process, thereby reducing waiting time.



Orden	Tipo	Estado	Ubicación Teórica	Pedido de Inicio / Pedido Fin	Parada	Coste	Válidos / Causa Falta
✓ 529582	Orden mantenimiento lábrico	Activos	238 PRCO-1350-0023	2017-08-07 2017-08-09	NO	1300€	
• 529585	Orden mantenimiento lábrico	Activos	238 PRCO-1350-0023	2017-08-07 2017-08-07	SI	1300€	
✓ 529583	Orden mantenimiento lábrico	Activos	AFK ANDOSORA 1536 238 PRCO-1350-0013	2017-08-07 2017-08-07	SI	1300€	
✓ 529584	Orden mantenimiento lábrico	Activos	AFK ANDOSORA 1536 238 PRCO-1350-0012	2017-08-05 2017-08-05	NO	1300€	
✓ 529584	Orden mantenimiento lábrico	Activos	AFK ANDOSORA 1536 238 PRCO-1350-0012	2017-08-07 2017-08-07	NO	1300€	
✓ 529584	Orden mantenimiento lábrico	Activos	AFK ANDOSORA 1536 238 PRCO-1350-0012	2017-08-07 2017-08-07	NO	1300€	
✓ 529583	Mantenimiento preventivo	Activos	AFK ANDOSORA 1536 238 PRCO-1350-0013	2017-08-07 2017-08-07	NO	1300€	
✓ 529583	Mantenimiento preventivo	Activos	AFK ANDOSORA 1536 238 PRCO-1350-0013	2017-08-06 2017-08-06	NO	1300€	
✓ 529582	Mantenimiento preventivo	Activos	AFK ANDOSORA 1536 238 PRCO-1350-0012	2017-08-05 2017-08-05	NO	1300€	

Internal audit and compliance

205-1 AND 205-2

The development of the new “**Compliance Model**” is aimed at improving the tracking, measurements and control mechanisms for the identified risks. In 2018, as a part of this project, the Compliance Committee was established as the Delegate Body of the Board of Directors responsible for the Model’s application and revision and for the Management of the Ethics Channel.

The project is jointly led by the Internal Audit area, the Compliance Committee and the different areas of Gonvarri to update and prepare the Internal Regulation applicable to the Model. In the Internal Audit Statute, the functions, competences, responsibilities and acting principles of the Internal Audit and Compliance Management are defined.

At its beginning, a deep revision of the Code of Ethics and Conduct was conducted, just as the revision of various anti-corruption, risk, commercial sanctions and information exchange policies, among others, which were all 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 supervision. From 2020 onwards we entered into a recurrent process of detection and management of regulatory compliance risks and the monitoring, supervision, updating and improvement of the implemented Compliance

Model. In addition, we are continuing with the efforts to disseminate, train and communicate the Compliance Model and the policies that comprise it, which will be maintained on an ongoing basis as a basic part of the Model itself.

Some of the norms that make up the Compliance Model are summarized next:

The Code of Ethics and Conduct is applicable to all Group Companies, as well as to investee companies that are under effective control. In the investee companies where the Code is not applicable, principles and guidelines consistent to this Code are promoted.

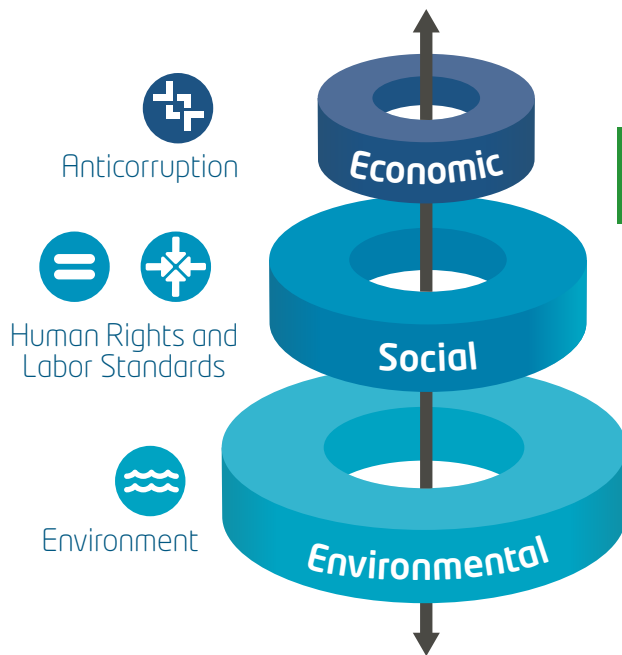
At the same time, the **Ethics Channel** and the **Regulation** that contains the operating principles and terms of use on which this Channel is based were redefined. This includes the functions and responsibilities of each of the bodies involved in the management and processing of queries/complaints. Throughout the Report, the code of ethics and complaint channels will be further elaborated upon.

The Statute of the compliance committee, the supervision Policy and Plan of the compliance model define the scope, responsibilities, roles and powers of each Gonvarri member and of the Compliance Committee in order to control, supervise, evaluate and improve the “Compliance Model”.





The Global Compact Principles



Sustainable Development Goals



The **“Rule zero”** is directly related, which describes the production, approval and publishing of the internal regulation devised by Gonvarri and is designated to the people that are in its structure or related to it in any of their own areas of activity.

In the **anti-fraud and corruption Policy** the commitment of the Group to the corporate values and behavioural guidelines set out in its “Code of Ethics and Conduct” is established, explicitly expressing the objection of the Gonvarri Group to committing any type of conduct that implies or might imply an act of fraud or corruption.

In line with the foregoing, the **Corporate Competitive Information Exchange Policy** establishes the rules and standards that guide the exchange of information between employees and the personnel of competing companies, and the **Corporate Trade Sanctions Policy** complements the general provisions established in the Group’s Code of Ethics and Conduct and Compliance Policy in relation to compliance with all laws and regulations on international trade sanctions and restrictions. It encompasses broad economic sanctions against a country or territory; as well as the particular economic sanctions based on lists, in which certain entities, people and organizations are included.

Finally, the **Corporate policy for risk control and management and the Corporate policy for tax risk management** have determining basic principles, such as an internal control framework and the management of any type of risk that the Group Gonvarri, as their goal.

In addition and together with these, various internal regulations are issued that detail and deploy our principles, defined in the Code of Ethics, in each of the areas of interest, among others: Management of relations with third parties, Acceptance and delivery of gifts, invitations and incentives, Health and safety standards, Safety in transport, Recruitment and training of personnel, Performance evaluation, Code of Conduct for suppliers, Code against harassment, Protection of the environment, Management of conflicts of interest, privileged information, Purchasing and Investment Policy, Security of Systems and information, Transparent Relations with Public Administrations, etc.

Regarding the **Protection of Personal Data in the European Union**, 19 consultations of different matters and complex were received. No security incidents or request for rights management have been received or detected from the data subjects. During 2019, the Group has started to adapt the procedures related with the Protection of Personal Data to the various local regulations that are being developed in different countries where the Group is present. In 2020, the good practices implemented in the Group will continue to be transferred to the rest of the locations where Gonvarri is present, adapted to local requirements where appropriate.

Once the compliance model is updated and these internal rules are issued, an ambitious plan for the diffusion, communication and training for 2020, with continuity in future years, has been developed.

Code of Ethics

102-16 AND 102-17

The Code comprises of an express declaration of the values, principles and behavioural guidelines that must be adopted by the people of the Group in their professional role, regarding topics such as relations with customers, employees, collaborators, providers and the community, and so consolidating the existing trust between the Group and third parties.

It is mandatory for employees, collaborators, directors and the managers of the Group know the full content of the Code and especially the principles and behavioural guidelines in it. It is also mandatory to have training inherent to this material and to pass an exam concerning the principles and directives the Code contains.

Furthermore, the Compliance Committee and the Ethics Channels have been redefined to bring any of the undue situations, doubts, queries or shown malpractices, as well as legal or disciplinary measures to their attention. An audit plan will be made annually to verify its adequate dissemination and compliance.

Ethics Channel

The **Ethics Channel** is made available to all employees, directors, managers and collaborators in the Gonvarri Group and also to other external stakeholders, such as customers, providers or the society in general. This with the same objective of consulting doubts about the application of the Code of Ethics and Conduct, just as notifying the possible misconducts that correspond to the breach thereof.

The **Ethical Channel Regulation** define the operating principles and the terms 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 this channel that establishes the action protocols to analyse, investigate, conclude and communicate the outcomes of the complaints received. It will periodically report on activity managing the Ethics Channel: the number of queries and complaints received, complaints concerning critical situations, state of complaints, etc. to the Board of Directors and its members. Similarly, any relevant issue will also be reported if necessary.

The external provider is in charge of providing and maintaining an accessible channel, guaranteeing the confidentiality of the communications made and their management, safeguarding and filing the data according to the applicable regulations, and acting as an intermediary between the user and the Compliance Committee to guarantee confidentiality as an operating principle.

There are different possible ways to access the Ethics Channel:

- Form through <https://gonvarri.i2ethics.com>, also accessible on the Group's website <http://www.gonvarri.com>
- Email: ethicschannel@gonvarri.com
- Ordinary mail with the address: Internal Audit and Compliance C/Embajadores s/n. 28053 Madrid.

In addition, it is accessible through the Call Back option available on the platform <https://gonvarristeelsservices.i2ethics.com>



Once the query/complaint has been communicated through the given platform or through one of the other available media, the user will receive an email from the external provider (i2ethics) with information to confirm the information sent to the Channel and start of their operation.

A new Code of Ethics and Conduct was approved by the Board of Directors in September 2017 and so were the Action Protocols of the Ethics Channel in January 2018.

Awareness and training

In 2018, training began on the Code of Ethics and the Ethical Channel as the main parts of the Compliance Model, which was completed in 2019.

For the dissemination of the Code and the Ethical Channel, an online course was developed, accessible from the intranet and the mobile application, in which videos, texts and results tests were incorporated to facilitate comprehension, 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 continue in successive years.

Around 200 hours total were invested in its elaboration, 3,034 employees were enrolled, of which 2,640 have completed the course. This amounts to 3,960 training hours for employees who have completed the course. Employees of companies with shared control where independent compliance models exist are not included. During 2020, training will be completed for the employees of the companies that have joined the group in 2018 and 2019.

From 2020, the development of the comprehensive individualized compliance training plan will begin. Therefore, depending on the position, department and tasks that each employee develops, a specific training itinerary for individual compliance will be defined. This training is mandatory for all employees of the group. The training itineraries are based on online courses through Gonvarri Group training platform. These itineraries also include recurrent ad reminders.

Complaints and ongoing disputes

Gonvarri Ethic Channel is open both for internal use of employees as for any interested third party (supplier, customers and others). Through the channel, irregular or improper situation that violate the Group's Code of Ethics may be reported.

Ethic channel is currently available in 18 different languages, in order to make it accessible to all potential users around the world.

In the year 2020, the Ethical Channel platform will be updated, which will benefit the users of the Channel, while increasing security and usability, as well as due compliance with current regulations.

During the period under analysis, 754 visits to the ethical channel were recorded, 39% fewer than in the year the channel was launched (1,228 visits in 2018). Almost all the accesses were from Spain (64%), with visits from 25 different countries.

In 2019, 12 valid complaints were received on the Gonvarri Ethical Channel, none of which are pending resolution to date.

The following is a breakdown of the complaints received according to the nature of the behaviour reported:

	RECEIVED COMPLAINTS
Harassment	4
Conflict of interest	1
Corruption and bribery	2
Discrimination	2
Fraud	1
Others	2
TOTAL	12

Four of the complaints were resolved with disciplinary measures of varying degrees of severity, depending on the seriousness of the facts established after the investigation (205-3).

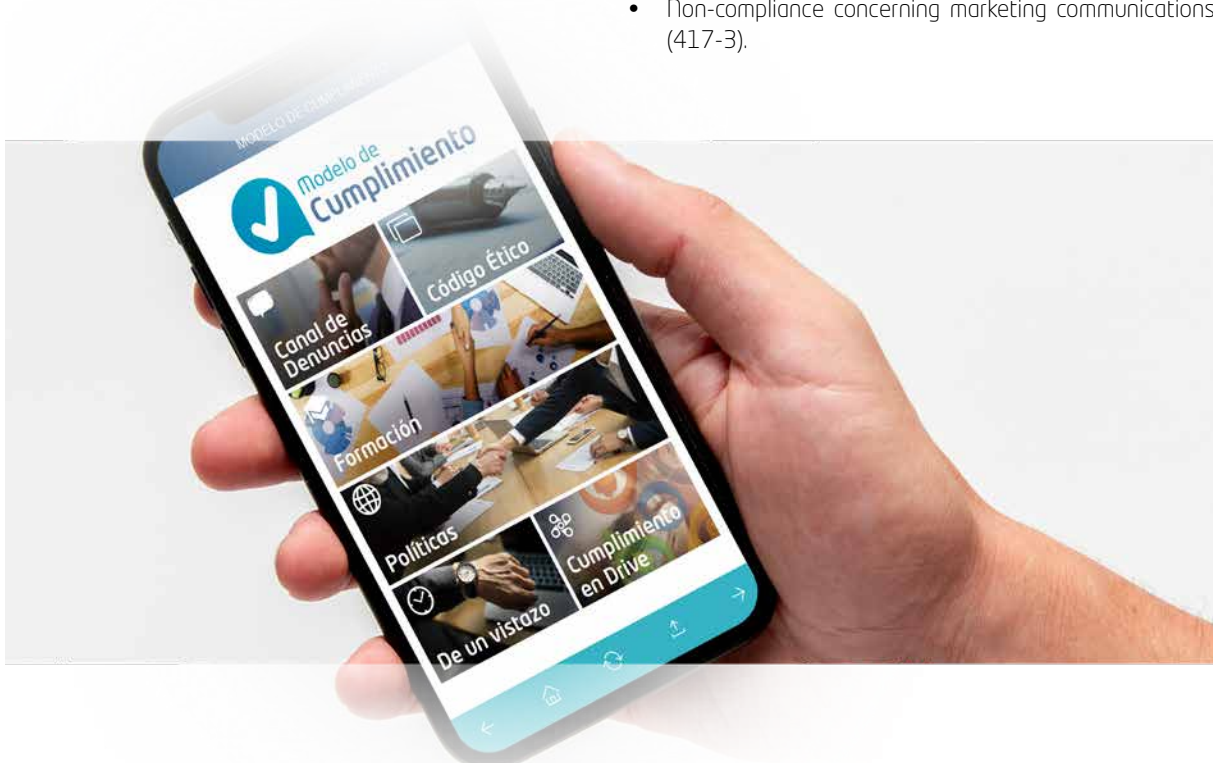
Two cases of discrimination have been identified, one complaint by a third party and one anonymous complaint (406-1). No sensitive activities related to human rights, forced labour and child labour have been identified that would have a significant impact on the company's different operations (408-1 and 409-1).

With regard to the management of personal data protection, no communications have been registered or received regarding security incidents or data management of those concerned.

In 2019, no proceedings have been initiated as a result of accidents at work that could result in penalties for surcharging benefits. Of the two procedures initiated in 2017, have already been unresolved and no new administrative sanction has been received during 2019 as a result of occupational accidents (403-2).

Regarding other procedures initiated against the society, ongoing disputes and sanctions, there are no other meaningful instances that have a relevant economic impact on the Company with regard to:

- Unfair competition, monopolistic practices and practices against free competition (206-1).
- Health and safety impacts of products and services (416-2).
- Justified complaints related to customer privacy violations or to customer data losses (418-1).
- Non-compliance to the laws and legislation in the social, environmental and economic areas (307-1 and 419-1).
- Non-compliance concerning information and labelling of products and services (417-2).
- Non-compliance concerning marketing communications (417-3).



ANNEXES

The content of the Sustainability Report follows the guidelines of the "GRI Standards" reference guide, the Materiality Study result and the Sustainable Development Goals. Its content has been verified by the independent company EY.

ANNEX I ►

External verification report



◀ ANNEX II
Report Profile



ANNEX III ►

Quantitative Information



◀ ANNEX VI
GRI Content Index



ANNEX V - VI ►

Global Compact Principles
Scope





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 Fax: 915 727 238
 ey.com

INDEPENDENT LIMITED ASSURANCE REPORT OF THE SUSTAINABILITY REPORT 2019
 OF GONVARRI CORPORACIÓN FINANCIERA, S.L.

To the Management of GONVARRI CORPORACIÓN FINANCIERA,
 S.L.:

Scope

As commissioned by the Management of GONVARRI CORPORACIÓN FINANCIERA, S.L. and subsidiaries (hereinafter, Gonvarri Industries), we have carried out the review of the "Sustainability Report 2019". This information has been prepared in accordance with GRI Sustainability Reporting Standards (GRI Standards) comprehensive option, as detailed in "Report Profile".

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 2019", 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 review.

Criteria

Our review was carried out based on:

- The guidelines for reviewing Corporate Responsibility Reports, issued by the Spanish Official Register of Auditors of Accounts (ICJCE).
- 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 2019", 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 participation.
- 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, in accordance with the comprehensive option.

- Checking selected samples of the quantitative and qualitative information of the contents included in the "Sustainability Report 2019", as well as their adequate compilation from data supplied by information sources. The review tests have been defined to provide the aforementioned assurance levels.
- 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 audit report.

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 (ISQC 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 "Sustainability Report 2019" 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 engagement letter.

ERNST & YOUNG, S.L.

(Free translation from the Original Report on Independent Review in Spanish dated May 29th, 2020. In the event of any discrepancy, the Spanish version always prevails.)

ANNEX II

Report Profile

The Sustainability Report has been made in accordance with the information and indicators established in the reference guidebook "GRI Standards", comprehensive option, (102-54) and the relevant factors that derive from our Materiality Study, as an integral part of our Management Model "Drive" and our commitment to the Sustainable Development Goals. The GRI table of Contents is annexed to this report, together with the independent external verification report from the Company EY (102-56).

The purpose of this report is to communicate the most important initiatives and issues, through an approach aligned with our understanding of sustainability and its impact on the management of the Company.

Presentation cycle

As in previous years, the Report has an annual periodicity (102-52), and covers the information from January 1st 2019 and December 31st 2019, the last report being that from 2018 (102-51).

Significant Changes

In comparison to the previous year, the scope of the Report now also includes the quantitative and qualitative data concerning the following installations: GMH Canrena, Gonvauto Nitra, L.A. Zaragoza and all distribution centres and offices of Gonvarri Material Handling with less than 15 employees (not included in the 2018Report) (102-49).

Only with qualitative information the plant of GMH Kredit, acquired at the end of the year.

The minor changes are indicated in their corresponding sections.

There has not been any restatement of information regarding the previous financial year (102-48), nor any changes to the supply chain (102-10).

Contact of the report

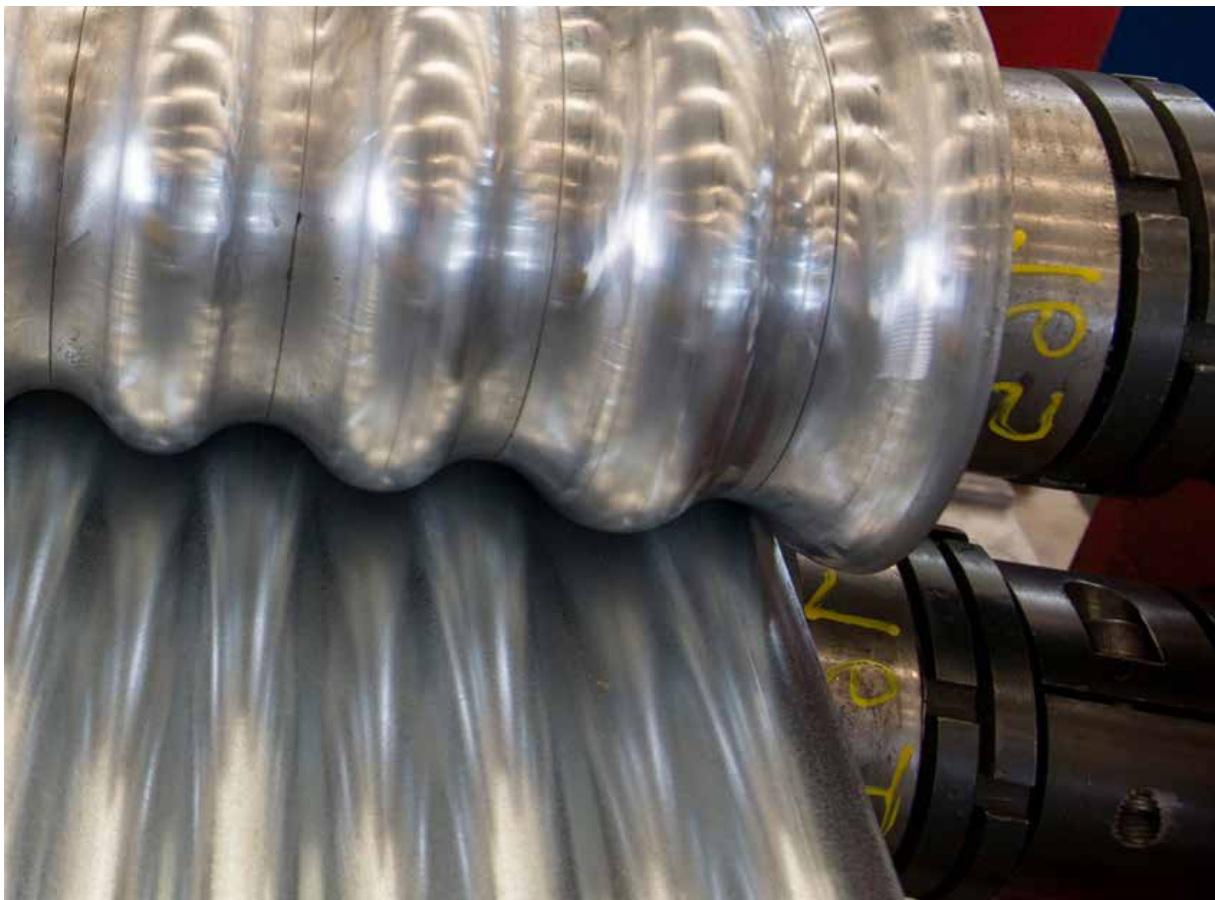
General questions about this report can be addressed to (102-53):

rsc@gonvarri.com

+34 91 379 10 00

St. Ombú 3, floor 1.

28045 Madrid. Spain



ANNEX III. Quantitative information Human Resources

OWN PERSONNEL												
MEN												
	MANAGER				MIDDLE MANAGER				PLANT PERSONNEL			
	18-25	26-35	36-45	46	18-25	26-35	36-45	46	18-25	26-35	36-45	46
Germany	0	0	4	3	0	2	5	24	26	66	85	124
Argentina	0	0	1	0	0	7	3	1	5	13	10	3
Belgium	0	0	0	1	0	0	0	0	0	0	2	4
Brazil	0	0	0	1	0	4	14	9	57	106	74	29
China	0	2	12	3	0	11	19	2	30	170	52	3
Colombia	0	0	3	1	0	7	12	9	4	39	34	100
Denmark	0	0	0	1	0	0	0	2	0	1	1	8
Spain	0	4	15	39	1	20	87	114	35	164	409	586
USA	1	2	3	1	0	2	1	2	7	41	20	8
Slovakia	0	0	1	2	0	3	8	1	18	50	29	28
Finland	0	0	0	1	0	1	4	3	2	4	8	13
Netherlands	0	0	0	2	0	0	0	2	1	6	5	7
Hungary	0	0	1	0	0	0	0	0	0	1	4	1
Mexico	0	0	0	1	1	14	12	3	12	26	22	7
Norway	0	0	0	4	0	0	0	5	0	0	6	8
Poland	0	0	1	1	0	0	4	2	14	33	34	12
Portugal	0	0	0	1	0	0	5	8	7	20	19	18
UK	0	0	1	6	0	0	4	8	9	29	51	85
Czech Rep.	0	0	1	0	0	0	1	1	0	0	0	0
Romania	0	0	2	2	0	1	4	0	34	79	79	129
Russia	0	0	3	0	0	9	12	3	8	34	29	26
Sweden	0	0	2	6	0	2	3	4	4	17	28	45
Turkey	0	3	5	4	0	4	7	0	10	67	58	33
TOTAL	1	11	55	80	2	87	205	203	283	966	1,059	1,277

WOMEN												
	MANAGER				MIDDLE MANAGER				PLANT PERSONNEL			
	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	1	2	12	19	11	16
Argentina	0	0	0	0	0	0	4	0	1	1	3	0
Belgium	0	0	0	0	0	0	0	0	0	1	0	1
Brazil	0	0	0	0	0	6	2	3	14	21	12	6
China	0	1	2	0	0	3	8	0	0	37	7	0
Colombia	0	1	0	1	0	1	6	4	0	12	7	3
Denmark	0	0	0	0	0	0	0	1	0	0	1	2
Spain	0	2	4	4	0	6	11	8	8	29	65	42
USA	0	0	0	1	0	2	1	0	1	2	2	0
Slovakia	0	0	1	1	0	0	3	1	0	6	19	3
Finland	0	0	0	0	0	0	0	0	0	1	1	7
Netherlands	0	0	0	0	0	0	0	1	0	0	2	3
Hungary	0	0	0	0	0	0	2	0	0	0	0	1
Mexico	0	0	0	0	0	1	2	1	0	8	0	0
Norway	0	0	0	1	0	0	1	1	1	0	1	1
Poland	0	0	0	0	0	0	3	0	2	19	6	4
Portugal	0	0	1	0	0	0	4	1	0	2	6	6
UK	0	0	0	0	0	0	1	0	2	6	16	15
Czech Rep.	0	0	0	0	0	0	1	1	0	0	0	0
Romania	0	0	0	1	0	1	2	1	4	27	18	15
Russia	0	0	0	0	0	7	7	3	1	8	3	3
Sweden	0	0	0	2	0	1	2	2	0	3	4	7
Turkey	0	0	0	0	0	2	1	0	1	7	1	0
TOTAL	0	4	10	11	0	30	62	30	47	209	185	135

EXTERNAL PERSONNEL						
SUBCONTRACTORS				TEA's		
	MEN		WOMEN			
					MEN	WOMEN
Germany	7		0		28	1
Brazil	1		0		0	1
China	2		0		18	3
Colombia	0		0		100	5
Spain	129		0		275	9
USA	0		2		1	4
Mexico	10		0		39	4
Portugal	2		0		10	1
UK	1		0		14	0
Russia	1		0		5	0
Sweden	1		0		0	0
Turkey	41		0		0	0
TOTAL	195		2		490	28

HIRES																								
MEN												WOMEN												
	MANAGER				MIDDLE MANAGER				PLANT PERSONNEL				MANAGER				MIDDLE MANAGER				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				
Germany	0	0	2	1	0	1	2	1	6	6	17	5	0	0	0	0	0	0	1	0	8	2	4	1
Argentina	0	0	1	0	0	1	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0
Belgium	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Brazil	0	0	0	0	0	0	2	1	26	28	14	2	0	0	0	0	0	0	1	0	8	2	4	1
China	0	0	1	1	0	3	4	0	5	17	7	0	0	0	0	0	0	0	1	0	0	8	2	0
Colombia	0	0	0	0	0	3	1	0	2	12	3	0	0	0	0	0	0	0	1	0	0	5	2	0
Denmark	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0
Spain	0	1	0	0	0	7	5	2	9	58	42	9	0	1	0	0	0	1	0	0	1	8	7	4
USA	0	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	1	0	0
Slovakia	0	0	0	1	0	1	3	0	7	20	10	5	0	0	0	0	0	0	0	0	0	2	1	0
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
Netherlands	0	0	0	0	0	0	0	0	1	1	1	0	0	0	0	0	0	0	0	0	0	0	0	1
Hungary	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	0	5	5	0	0	0	0	0	0	0	0	0	0	0	3	0	0
Norway	0	0	0	0	0	0	0	0	0	1	0	1	0	0	0	0	0	0	0	0	0	0	0	0
Poland	0	0	0	0	0	0	0	0	4	6	5	6	0	0	0	0	0	0	0	0	2	2	1	3
Portugal	0	0	0	0	0	0	1	0	5	6	3	0	0	0	0	0	0	0	0	1	0	1	1	0
UK	0	0	0	0	0	0	0	0	4	10	9	12	0	0	0	0	0	0	0	0	1	2	0	2
Czech Rep.	0	0	0	0	0	1	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Romania	0	0	0	0	0	0	0	0	12	21	16	16	0	0	0	0	0	0	0	0	1	3	1	4
Russia	0	0	0	0	0	7	0	1	6	9	6	6	0	0	0	0	0	2	0	1	1	0	0	1
Sweden	0	0	0	0	0	0	0	0	2	1	2	3	0	0	0	1	0	0	0	0	0	0	0	0
Turkey	0	0	0	1	0	0	2	1	5	24	14	7	0	0	0	0	0	0	0	0	1	2	2	0
TOTAL	0	3	4	4	0	24	21	8	99	225	150	73	0	1	0	1	0	3	4	2	24	41	26	17

MEN'S LEAVES																								
DISMISSAL LEAVING										VOLUNTARY LEAVING														
MANAGER				MIDDLE MANAGER				PLANT PERSONNEL				MANAGER				MIDDLE MANAGER				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	0	1	0	0	0	0	5	4	7	4	0	0	0	0	0	0	0	2	3	4	1	
Argentina	0	0	0	0	1	0	0	1	0	0	0	0	0	0	0	0	0	0	0	4	3	0	0	
Belgium	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Brazil	0	0	0	0	0	1	4	2	12	17	17	5	0	0	0	0	0	0	0	4	15	4	0	
China	0	0	1	0	0	1	2	0	0	3	0	0	0	0	0	1	0	0	10	6	5	0		
Colombia	0	0	1	0	0	1	1	0	0	2	1	0	0	0	1	0	0	0	1	3	2	6		
Denmark	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0		
Spain	0	0	1	1	0	1	2	0	0	2	6	6	0	0	0	3	0	0	0	14	34	19	25	
USA	0	0	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	0	0	3	1	2	0	0	0	0	1	0	0	3	4	3	1		
Finland	0	0	0	0	0	0	0	1	0	0	0	1	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	0		
Hungary	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	3	4	1	0	0	0	0	0	4	4	1	4	4		
Norway	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0		
Poland	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3	3	4	2		
Portugal	0	0	0	0	0	0	0	1	1	0	1	1	0	0	0	0	0	1	1	0	0	2		
UK	0	0	0	0	0	0	0	0	0	2	1	3	0	0	1	1	0	0	2	11	12	8		
Czech Rep.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Romania	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	17	18	19	22		
Russia	0	0	0	0	0	2	1	0	1	5	11	9	0	0	2	0	1	0	0	2	1	1		
Sweden	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	2	0	1		
Turkey	0	0	1	1	0	0	0	0	1	11	11	8	0	0	0	0	2	0	2	7	7	4		
TOTAL	0	1	4	3	1	6	10	6	23	50	61	39	0	0	4	5	0	8	5	1	64	115	85	73

WOMEN'S LEAVES																								
DISMISSAL LEAVING										VOLUNTARY LEAVING														
MANAGER				MIDDLE MANAGER				PLANT PERSONNEL				MANAGER				MIDDLE MANAGER				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	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	2	0	1	1	0	0	0	
Argentina	0	0	0	0	0	1	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	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Brazil	0	0	0	0	0	0	0	0	2	6	1	1	0	0	0	0	0	0	0	2	0	0	0	
China	0	0	0	0	0	0	0	0	0	1	2	0	0	0	0	0	0	0	0	1	2	0	0	
Colombia	0	0	0	0	0	1	0	0	1	1	2	0	0	0	0	0	0	0	1	2	1	0		
Denmark	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	0	0	0	0	0	0	0	0	0	0	0	0	0	5	6	2		
USA	0	0	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	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0		
Finland	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	1	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		
Hungary	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	0	0	1	0	0	0	0	0	0	1	1	0	0	3	2		
Norway	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	0	0	0	0	0	0	0	0	0	3	2	0		
Portugal	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	1	0	0	0		
UK	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2	3	0	1		
Czech Rep.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Romania	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	5	3	2	4		
Russia	0	0	0	0	0	1	0	2	0	0	0	3	0	0	0	0	0	0	0	1	0	0		
Sweden	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0		
Turkey	0	0	1	0	0	0	1	0	0	1	2	0	0	0	0	0	1	0	1	2	0	0		
TOTAL	0	0	2	0	0	3	1	2	3	11	8	6	0	0	0	0	3	2	1	2	9	26	15	8

TRAINING BY GENDER AND CATEGORY

	MEN			WOMEN		
	MANAGER	MIDDLE MANAGER	PLANT PERSONNEL	MANAGER	MIDDLE MANAGER	PLANT PERSONNEL
Germany	365	2,036	5,367	311	4,077	2,158
Argentina	86	1,029	1,918	0	429	429
Belgium	0	0	0	0	0	76
Brazil	6	1,431	8,698	0	458	1,723
China	402	1,525	5,808	72	505	1,008
Colombia	589	720	16,780	2,700	68	3,020
Denmark	0	0	0	0	0	0
Spain	1,192	9,206	48,293	141	1,957	8,833
USA	0	0	16,445	0	0	0
Slovakia	245	637	1,774	60	240	1,480
Finland	16	16	32	0	22	8
Netherlands	0	0	52	0	12	20
Hungary	0	0	0	0	0	16
Mexico	49	835	5,797	0	195	590
Norway	3	33	65	0	0	0
Poland	90	901	6,118	0	90	4,032
Portugal	0	346	2,671	15	125	472
UK	144	360	7,012	0	10	592
Czech Rep.	32	32	0	0	0	0
Romania	8	521	15,679	0	86	1,496
Russia	183	1,042	1,784	0	195	441
Sweden	82	124	453	31	0	50
Turkey	10	1,370	6,900	0	502	810
TOTAL	3,500	22,162	151,645	3,329	8,970	27,254

PERSONNEL BY TYPE OF CONTRACT AND DURATION OF CONTRACT, GENDER AND COUNTRY

	TYPE OF CONTRACT						CONTRACT DURATION			
	PERMANENT		TEMPORARY		SCHOLARSHIP		FULL-TIME		PART TIME	
	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN
Germany	277	43	49	11	13	9	339	54	0	9
Argentina	43	9	0	0	0	0	43	9	0	0
Belgium	7	2	0	0	0	0	7	2	0	0
Brazil	288	58	1	1	5	5	218	49	76	15
China	258	49	46	9	0	0	291	57	13	1
Colombia	192	16	34	1	1	0	209	35	0	0
Denmark	13	4	0	0	0	0	13	4	0	0
Spain	1,396	164	76	12	2	3	1,425	167	49	12
USA	88	9	0	0	0	0	88	9	0	0
Slovakia	101	30	39	4	0	0	140	34	0	0
Finland	35	8	1	1	0	0	36	9	0	0
Netherlands	21	5	2	1	0	0	21	3	2	3
Hungary	6	3	1	0	0	0	7	3	0	0
Mexico	98	12	0	0	0	0	98	12	0	0
Norway	22	6	1	0	0	0	23	5	0	1
Poland	65	23	36	11	0	0	100	34	1	0
Portugal	54	16	24	4	0	0	78	20	0	0
UK	162	38	29	2	2	0	190	26	3	14
Czech Rep.	3	0	2	0	0	0	3	2	0	0
Romania	260	61	70	8	0	0	329	68	1	1
Russia	123	31	1	1	0	0	124	32	0	0
Sweden	105	19	6	2	0	0	107	18	4	3
Turkey	191	12	0	0	0	0	191	12	0	0
TOTAL	3,808	618	418	68	23	17	4,080	664	149	59

GRI Content Index

102-55

The contents of this index have been externally verified by the independent entity EY. The related independent review report for verification can be found in the Annex of this document. Information omissions are included as a note in italics on appropriate indicators.

GRI Standards	Content	Page/ Omission	Review
GRI 101: Foundation			
GRI 102: General Content			
Organizational profile	102-1 Name of the organization	26	✓
	102-2 Activities, brands, products, and services	16 y 17	✓
	102-3 Location of headquarters	26	✓
	102-4 Location of operations	12	✓
	102-5 Ownership and legal form	26	✓
	102-6 Markets served	12, 14	✓
	102-7 Scale of the organization	11	✓
	102-8 Information on employees and other workers	46, 47, Anx III	✓
	102-9 Supply chain	43	✓
	102-10 Significant changes to the organization and its supply chain	43, 115	✓
	102-11 Precautionary Principle or approach	36	✓
	102-12 External initiatives	79	✓
	102-13 Membership of associations	45	✓
Strategy	102-14 Statement from senior decision-maker	4-7	✓
	102-15 Key impacts, risks, and opportunities	35-38	✓
Ethics and integrity	102-16 Values, principles, standards, and norms of behavior	112	✓
	102-17 Mechanisms for advice and concerns about ethics	112	✓
Governance	102-18 Governance structure	26	✓
	102-19 Delegating authority	26	✓
	102-20 Executive-level responsibility for economic, environmental, and social topics.	27	✓
	102-21 Consulting stakeholders on economic, environmental, and social topics.	27	✓
	102-22 Composition of the highest governance body and its committees	26	✓
	102-23 Chair of the highest governance body	26	✓
	102-24 Nominating and selecting the highest governance body	26	✓
	102-25 Conflicts of interest	27	✓
	102-26 Role of highest governance body in setting purpose, values, and strategy	27	✓
	102-27 Collective knowledge of highest governance body	28	✓
	102-28 Evaluating the highest governance body's performance	26	✓
	102-29 Identifying and managing economic, environmental, and social impacts.	28, 35-38	✓
	102-30 Effectiveness of risk management processes	28	✓
	102-31 Review of economic, environmental, and social topics	28	✓
	102-32 Highest governance body's role in sustainability reporting	28	✓
	102-33 Communicating critical concerns	28	✓
	102-34 Nature and total number of critical concerns	29	✓
	102-35 Remuneration policies	29	✓
	102-36 Process for determining remuneration	29	✓
	102-37 Stakeholders' involvement in remuneration	29	✓
	102-38 Annual total compensation ratio	NA. Confidential Information	✓
102-39 Percentage increase in annual total compensation ratio	NA. Confidential Information	✓	
Stakeholder engagement	102-40 List of stakeholder groups	23	✓
	102-41 Collective bargaining agreements	55	✓
	102-42 Identifying and selecting stakeholders	23	✓
	102-43 Approach to stakeholder engagement	23	✓
	102-44 Key topics and concerns raised	24	✓

GRI Standards	Content	Page/ Omission	Review
Prácticas para la elaboración de informes	102-45 Entities included in the consolidated financial statements	127	√
	102-46 Defining report content and topic Boundaries	24	√
	102-47 List of material topics	24-25	√
	102-48 Restatements of information	116	√
	102-49 Changes in reporting	24, 116	√
	102-50 Reporting period	116	√
	102-51 Date of most recent report	116	√
	102-52 Reporting cycle	116	√
	102-53 Contact point for questions regarding the report	116	√
	102-54 Claims of reporting in accordance with the GRI Standards	116	√
	102-55 GRI content index	121-125	√
102-56 External assurance	116	√	

GRI Standards	Content	Page/ Omission	Review
Temas materiales			
Economic Performance			
Materility topics			
GRI 103: Management Approach. It is applicable to all indicators reported in this section Economic Dimension.	103-1 Explanation of the material topic and its Boundary	24	√
	103-2 The management approach and its components	24	√
	103-3 Evaluation of the management approach	24	√
Economic Performance			
GRI 201: Economic Performance	201-1 Direct economic value generated and distributed	33	√
	201-2 Financial implications and other risk and opportunities due to climate change	97-98	√
	201-3 Defined benefit plan obligations and other retirement plans	59	√
	201-4 Financial assistance received from government	34	√
Procurement Practices			
GRI 204: Procurement Practices	204-1: Proportion of spending on local suppliers	43	√
Anticorrupción			
GRI 205: Anti corruption	205-1: Operations assessed for risks related to corruption	110	√
	205-2: Communication and training about anti-corruption policies and procedures	49, 110	√
	205-3: Confirmed incidents of corruption and actions taken	113	√
Anti-competitive Behavior			
GRI 206: Anti-competitive Behavior	206-1: Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	113	√

Environmental performance			
Management Approach			
GRI 103: Management Approach. It is applicable to all indicators reported in this section Environmental Dimension.	103-1 Explanation of the material topic and its Boundary	24	√
	103-2 The management approach and its components	24	√
	103-3 Evaluation of the management approach	24	√
Evaluation of the management approach			
GRI 301: Materials	301-1: Materials used by weight or volume.	73	√

GRI Standards	Content	Page/ Omission	Review
Materiality topics			
Environmental performance			
Energy			
GRI 302: Energy	302-1: Energy consumption within the organization	94	✓
	302-2: Energy consumption outside of the organization	95, Note A	✓
	302-3: Energy intensity	95	✓
	302-4: Reduction of energy consumption	96	✓
	302-5: Reduction in energy requirements of products and services	Note B	✓
Emissions			
GRI 305: Emissions	305-1: Direct (Scope 1) GHG emissions	99	✓
	305-2: Energy indirect (Scope 2) GHG emissions	99	✓
	305-3: Other indirect (Scope 3) GHG emissions	99	✓
	305-4: GHG emissions intensity	99	✓
	305-5: Reduction of GHG emissions	100	✓
	305-6: Emissions of ozone-depleting substances (ODS)	ND	✓
	305-7: Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions.	100	✓
Effluents and Waste			
GRI 306: Effluents and Waste	306-1: Water discharge by quality and destination.	71	✓
	306-2: Waste by type and disposal method	72	✓
	306-3: Significant spills	71	✓
	306-4: Transport of hazardous waste	Note C	✓
	306-5: Water bodies affected by water discharges and/or runoff	71, Note D	✓
Environmental Compliance			
GRI 307: Environmental Compliance	307-1: Non-compliance with environmental laws and regulations	113	✓

Social Performance

Management Approach

GRI 103: Management Approach. It is applicable to all indicators reported in this section Social Dimension.	103-1 Explanation of the material topic and its Boundary	24	✓
	103-2 The management approach and its components	24	✓
	103-3 Evaluation of the management approach	24	✓

Employment

GRI 401: Employment	401-1: New employee hires and employee turnover	48, Annex III	✓
	401-2: Benefits provided to full-time employees that are not provided to temporary or part-time employees	58	✓
	401-3: Parental leave	59	✓

Occupational Health and Safety

GRI 403: Occupational Health and Safety	403-1: Workers representation in formal joint management-worker health and safety committees	70	✓
	403-2: Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	67, 68	✓
	403-3: Workers with high incidence or high risk of diseases related to their occupation	66	✓
	403-4: Health and safety topics covered in formal agreements with trade unions	70	✓

GRI Standards	Content	Page/ Omission	Review
Materiality topics			
Social Performance			
Training and Education			
	404-1: Average hours of training per year per employee	48, 49, Anx III	✓
GRI 404: Training and Education	404-2: Programs for upgrading employee skills and transition assistance programs	49-51	✓
	404-3: Percentage of employees receiving regular performance and career development reviews	51	✓
Diversity and Equal Opportunity (not material)			
GRI 405: Diversity and Equal Opportunity	405-1: Diversity of governance bodies and employees	27, 54	✓
Non-discrimination			
GRI 406: Non-discrimination	406-1: Incidents of discrimination and corrective actions taken	113	✓
Child Labor			
GRI 408: Child Labor	408-1: Operations and suppliers at significant risk for incidents of child labor	113	✓
Forced or Compulsory Labor			
GRI 409: Forced or Compulsory Labor	409-1: Operations and suppliers at significant risk for incidents of forced or compulsory labor	113	✓
Human Rights Assessment (not material)			
GRI 412: Human rights assessment	412-2: Employee training on human rights policies or procedures	49	✓
	412-3: Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	35	✓
Local Communities			
GRI 413: Local Communities	413-1: Operations with local community engagement, impact assessments, and development programs	79	✓
	413-2: Operations with significant actual and potential negative impacts on local communities	80	✓
Public Policy			
GRI 415: Public Policy	415-1: Political contributions	34	✓
Customer Health and Safety			
GRI 416: Customer Health and Safety	416-1: Assessment of the health and safety impacts of product and service categories	Nota E	✓
	416-2: Incidents of non-compliance concerning the health and safety impacts of products and services	113	✓
Marketing and Labeling			
GRI 417: Marketing and Labeling	417-1: Requirements for product and service information and labeling	77	✓
	417-2: Incidents of non-compliance concerning product and service information and labeling	113	✓
	417-3: Incidents of non-compliance concerning marketing communications	113	✓
Customer Privacy			
GRI 418: Customer Privacy	418-1: Substantiated complaints concerning breaches of customer privacy and losses of customer data	113	✓
Socioeconomic Compliance			
GRI 419: Socioeconomic Compliance	419-1: Non-compliance with laws and regulations in the social and economic area	113	✓

Note A: The calculation methodology will be implemented gradually and is expected to have all the energy information and the carbon footprint in 2022.

NOTE B: Does not apply. The products follow the customers' specifications, so the company has little influence.

NOTE C: Due to our type of activity we do not transport of hazardous waste

NOTE D: Do not affect water bodies

Note E: Does not apply due to the type of product of our company.

The Global Compact



Contents in relation to the Global Compact Principles

The following table shows the chapters of this report that provide the most relevant information regarding the 10 principles of the Global Compact, in addition to the one included on the management approaches of every GRI aspect. Each stakeholder can evaluate Gonvarri Industries' progress concerning these principles by the following this table:

Aspect	UN Global Compact Principles	Progress included in chapter
Human Rights	Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights.	Drive: Sustainability
	Principle 2: Make sure that they are not complicit in human rights abuses.	Drive: Sustainability Drive: Efficiency Drive: Profitable growth
	Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	Drive: People
Labour Rights	Principle 4: The elimination of all forms of forced and compulsory labour.	Drive: Profitable growth
	Principle 5: The effective abolition of child labour.	Drive: Profitable growth
	Principle 6: The elimination of discrimination in respect of employment and occupation.	Drive: People
Environmental	Principle 7: Businesses should support a precautionary approach to environmental challenges.	Drive: Sustainability Drive: Eficiencia
	Principle 8: Undertake initiatives to promote greater environmental responsibility.	Drive: Sustainability Drive: Efficiency
	Principle 9: Encourage the development and diffusion of environmentally friendly technologies.	Drive: Sustainability Drive: Efficiency Drive: Innovation
Anti-corruption	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.	Our business Drive: Internal Auditing & Compliance

Scope consolidation of Gonvarri Industries S.L. and subsidiaries

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Scope consolidation. The group was composed by the following companies at the end of 2019.

Subsidiary / Associated company	Country	Subsidiary / Associated company	Country
Gonvauto Thüringen, GMBH	Germany	Laser Automotive Zaragoza, S.I.	Spain
Gonvarri Automotive GMBH	Germany	Flejes Industriales, S.A.	Spain
Gonvarri Aluminium, GMBH	Germany	Suports Desarrollo y Soluciones, S.L.	Spain
Laser Automotive Branderburgo, GMBH	Germany	Addimen Bizkaia, S.L.	Spain
Laser Automotive Thuringen, GMBH	Germany	Gonvarri Material Handling, S.L.	Spain
Dexion GMBH	Germany	Sogei S.A.	Spain
Gonvarri Argentina	Germany	Gonvarri Portfolio Brasil, S.L.	Spain
Dexion Österreich GmbH	Austria	Gonvarri Portfolio Internacional, S.L.	Spain
Dexion Nv/Sa Belgium	Belgium	Hierros Villaverde, S.A.	Spain
AMG Brasil Prod. Siderúrgicos S.A.	Brazil	GMS Francia Sas	France
MAG Aliança Auto. Do Brasil	Brasil	Constructor Finland Oy	Finland
Gonvarri Chile Estructuras Metálicas, LTDA.	Chile	Hiasa Montajes Guatemala, S.L.	Guatemala
Dongguan Gonvarri Suhomitomo	China	Constructor Dexion Holland BV	Netherlands
Vama Gonvarri Aass Changshu	China	Hiasa Montajes Honduras, S.A.	Honduras
Vama Gonvarri Aass Shenyang	China	Dexion Kft Hungary	Hungary
Vama Gonvarri Aass Chongqing	China	Gestamp Automotive India Private Ltd	India
Vama Gonvarri Aass Loudi	China	Gonvarri Italia, S.P.A	Italy
Vama Gonvarri Automotive Solutions CO. LTD	China	Gonvarri Industrial Maroc, S.A.	Morocco
Gonvarri Ms Colombia Sas	Colombia	Gonvauto Puebla S.A. De C.V.	Mexico
Constructor Danmark A/S Denmark	Denmark	Gonvarri Baja California	Mexico
Arcerlomittal Gonvarri Nitra S.R.O	Slovakia	Suports Energia Sustentable México S.A.P.I. De C.V	Mexico
Arcerlomittal Gonvarri SSC Slovakia, S.R.O	Slovakia	Gonvarri Material Handling As (Constructor Group)	Norway
Dexion Spol Sro Slovakia	Slovakia	Constructor Norge As Norway	Norway
Gonvauto South Carolina	USA	Gonvarri Polonia	Poland
Gonvarri Steel Services Us, Inc	USA	Dexion Polska Sp. Z.O.O Poland	Poland
Gestamp Solar Steel Us, Inc	USA	Gonvarri Productos Siderurgicos, S.A.	Portugal
Gonvarri I.centro De Servicios SL	Spain	Steel & Alloy Procesing	UK
Gonvarri Valencia, S.A.	Spain	Steel & Alloy Holding LTD	UK
Gonvauto, S.A.	Spain	Constructor Group UK LTD	UK
Gonvauto Navarra, S.A.	Spain	Hi- Lo Storage Systems LTD	UK
Hierros Y Aplanaciones, S.A.	Spain	Gonvarri Czech, S.R.O.	Czech Rep.
Gonvarri Tarragona, SL.	Spain	Dexion SRO Czech Republic	Czech Rep.
Gonvauto Galicia, S.A.	Spain	Kredit SRO Czech Republic	Czech Rep.
Gonvarri Vizcaya, S.L.	Spain	Dexion Storage Solutions SRL, Romania	Romania
Severstal Gonvarri Holding, S.I.	Spain	Severstal Gonvarri Kaluga	Russia
Gonvarri Ms Corporate, S.I.	Spain	Constructor Rus	Russia
Gonvasolar S.L.	Spain	Constructor Sverige As Sweden	Sweden
Gonvauto Asturias, S.L.	Spain	Constructor Shared Services Ab Sweden	Sweden
Laser Automotive Barcelona, S.L.	Spain	Canrena System Aktiebolag	Sweden
Gonvarri Solar Steel,S.L.	Spain	Cepas Galvaniz, Sanayi Anomin Sirketi	Turkey
Road Steel Engineering	Spain	Bikostar International, S.A.	Uruguay
Laser Automotive Valencia, S.L.	Spain		



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