

**Gonvarri**  
Industries

## Sustainability Report 2020

Doing Well



by doing **Good**





- 4 Letter from the President
- 6 Letter from the CEO
- 9 Our company
- 14 Drive and the Sustainable Development Goals
- 18 Materiality
- 21 Governance

## Profitable growth

- 27 Current framework
- 29 Balance
- 33 Taxation
- 35 Risks and opportunities
- 40 Customers
- 45 Supply chain

## People

- 47 Our team
- 49 Talent attraction and retention
- 53 Work environment
- 53 Diversity
- 54 Work relationships
- 54 Health and lifestyle habits
- 55 Social benefits

## Efficiency

- 57 Efficiency Model
- 58 Control mechanisms: Integrated SGI
- 59 BTM Key processes
- 60 Health and Safety
- 68 Environmental
- 73 Quality and customers
- 75 SPG Gonvarri Production System

## Sustainability

- 77 Social action
- 84 Emotional Driving
- 90 Energy
- 94 Climate change
- 99 Digital WorkPlace

## Innovation

- 103 Innovation model
- 104 Culture of innovation
- 105 Product Innovation
- 108 Innovation in progress
- 109 Innovation Gonvarri 4.0

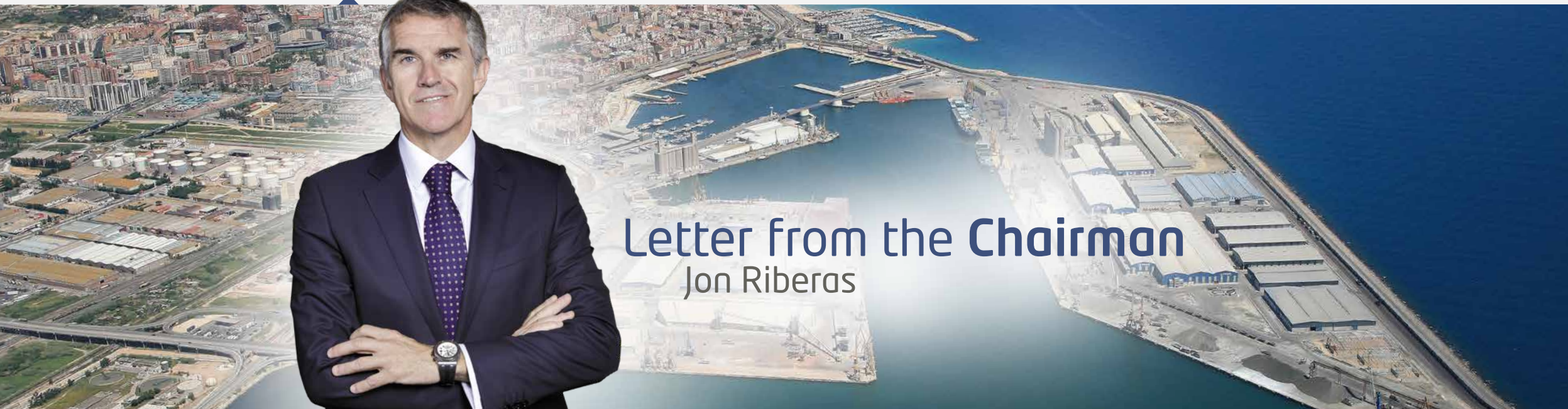
## Compliance model

- 110 Internal audit and compliance
- 111 Code of Ethics
- 113 Complaints and ongoing disputes

- 116 External verification report
- 117 Report Profile
- 118 Quantitative Information
- 124 Associations and organizations
- 125 GRI Content Index
- 131 Global Compact Principles
- 132 Perimeter considered







# Letter from the Chairman

Jon Riberas

102-14

2020 will be sadly remembered for the unprecedented health crisis we have experienced due to the COVID-19 virus pandemic, declared by the World Health Organization in March 2020. Its enormous impact on people's health, on the labor market, businesses, and the world economy have impacted and altered every forecast. Within such a complex framework, I would nevertheless like to present the Sustainability Report for 2020.

Firstly, I want to express my support for all those affected by the pandemic, with a special mention to our dear departed colleague from Gonvarri Colombia and to his loved ones in such difficult times.

At Gonvarri Industries we have suffered the impact intermittently in the different countries where we operate, being more prominent in the first half of the year, with a direct effect on sales and growth forecasts. A significant rebound in the automotive

sector at the end of the year contributed to counteract such impact, with final results below the expected budget but achieving reasonable levels of sales.

This year, investments have been reduced and we have focused our efforts on maintaining and strengthening the existing business.

This pandemic has been especially harmful to the most vulnerable groups. The progress made since 2015 towards achieving Sustainable Development Goals (SDGs) have clearly been affected, since success depends largely on sustained economic growth and globalization, both of which have been shaken up by the crisis. This year, more than ever, we are renewing our commitment to the Global Compact, promoting compliance with the 10 Universal Principles and with Sustainable Development Goals.

We have intensified our commitment to Sustainability and the Sustainable Development Goals, working hard to minimize the effect of this crisis on the business, on workers, and on the environment, reinforcing our commitment to 4 main headings: climate change, health and safety, digitization, and social action.

**Fighting climate change.** For Gonvarri Industries, being a carbon-neutral company implies an important commitment in this struggle, adopting a series of actions to promote and help mitigate its impact.

In FY2020, after a period of analysis and deliberation, we defined a "Carbon Neutral Plan 2030/2050" setting a roadmap in line with current needs and trends and with the ultimate goal of "being carbon neutral by 2050".





*We have intensified our commitment to Sustainability and the Sustainable Development Goals, working hard to minimize the effect of this crisis on the business, on workers, and on the environment.*

At Gonvarri Industries we are committed to reducing and offsetting scope 1, CO<sub>2</sub> emissions by 50%, and scope 2, emissions by 100%, by the year 2030.

To achieve the "Carbon Neutral 2050" target, we are working on different lines such as implementing renewable energy in factories, the purchase of energy from renewable sources (PPAs), energy efficiency, and investing in new technology, among others.

A "Governance Model" was established to meet the targets, one led by a Carbon Neutral Committee and an Operational Team, with which to measure and communicate how the project progresses.

**Staff Health and Safety at Gonvarri Industries.** Our priority is to protect the health of all company staff and their families, especially in the face of the COVID-19 pandemic.

For this reason, we have reorganized the way we work by designing action and communication protocols, which have been gradually adapted to the different governments' flexibility measures so we can safely return to our workplaces. Among other measures, we are carrying out immunological tests, measuring temperatures, increasing cleaning and disinfection, dividing

workspaces, limiting the use of common areas, making personnel entries and exits more flexible, restricting travel, and delivering safety equipment with a mandatory use of face masks.

**Digitization.** In 2020 we reinforced the company's cultural change and its digital transformation through the "Digital Workplace" project.

Lockdown measures have significantly increased the use of technology among Gonvarri staff, which has allowed us to manage workloads and stay active via agile and safe communications between professionals in the different areas and countries where we operate.

**Social action.** This complex financial year also affected social action initiatives scheduled, since volunteer activities were limited to prioritize people's safety.

However, we should also highlight positive aspects such as the rapid reaction of our companies to help those hardest hit by the pandemic, often putting our activity at the service of priority health and safety protocols to attend those affected.

At Gonvarri, we consider that this year it is especially necessary to reinforce our commitment to the most vulnerable groups. For

this reason, we have maintained our support with financial and in-kind donations, supplying first aid and food to NGOs and foundations with which we have collaborated over time. In addition, through Addimen we have put our activity at the service of the pandemic, manufacturing and distributing oxygen bifurcators for hospitals, thus doubling the capacity of oxygen supply to patients in the same room.

Despite the difficult situation caused by the pandemic, 2020 was a special year in our commitment to road safety. Emotional Driving celebrated its 5<sup>th</sup> anniversary by presenting the book "5 years on the road" that outlines the main initiatives, collaborations and emotions: "Five years of work, awareness, motivation and emotions, recognition and smiles. Five years of road safety."

We started 2021 with some uncertainty due to the evolution of markets and how the pandemic was progressing, but also with the hope that vaccines and the measures taken to prevent spreading will allow us all to move towards a safer and more sustainable future.

I do not want to miss the opportunity to thank all employees and collaborators for your work and commitment, especially those who have lost a loved one or who are struggling to overcome the disease and its consequences.



# Letter from the CEO

Josu Calvo

102-14

Dear readers,

The 2020 financial year was clearly marked by the COVID-19 pandemic, bringing about an unprecedented deep health, economic and social crisis, affecting millions of people all over the world.

We have been directly impacted by its consequences. At Gonvarri we are mourning the death of a professional in Colombia, in addition to numerous employees hit by the disease. I would therefore like to express my solidarity to all those affected and their families, as well as the hope of an early recovery for those who are facing this harsh disease and its effects.

Since the beginning of the pandemic, our priority was to deal with these consequences, taking care of the health of our employees and their families, preserving employment, and making some adjustments in expenses and investments. This allowed us to minimize the impact of the pandemic and ensure business continuity.

In this scenario, we present the Sustainability Report for the year 2020, summarizing the most relevant events that took place this year within the different axes that make up the Drive Management model.

Global passenger car manufacturing in 2020 was down 16% compared to 2019. In Gonvarri Industries, the European, NAFTA and Gonvauto Iberia divisions were the most affected

by the production stoppage in the automotive market during the second and third quarters. On the other hand, the increase in production activity in the Asian market was noteworthy, exceeding expectations.

In addition, the situation resulting from the pandemic and the uncertainty in the immediate future was reflected in the adjustment and cost containment policies adapted to each of the scenarios experienced in the different countries, by means of various measures such as temporary layoff plans, thus avoiding permanent staff reductions, the renegotiation of contracts with suppliers and the re-sizing of planned investments, among others.



*Since the beginning of the pandemic, our priority was to deal with these consequences, taking care of the health of our employees and their families, preserving employment, and making some adjustments in expenses and investments*

In this global context, Gonvarri Industries met 85% of the objectives set, obtaining an EBITDA of 182.2 million euros, a net profit of 74 million euros and a CAPEX of 67 million euros for the year.

The commitment to growth and diversification established within the framework of the 2018/21 Strategic Plan has been ratified by our shareholders in such a difficult situation as the one we are currently facing. During 2020, the construction of the Nitra (Slovakia) plant was completed in a joint venture with the Arcelor Group. Following its diversification strategy, the Gonvarri Material Handling Division (GMH) acquired the companies Lampe GmbH (Germany), Complete Storage & Interiors (UK) and Kaufmann (Switzerland). In addition, several investments in machinery and enlargements were made in Brazil, Germany, China, and India.

I am pleased to mention the signing of the first sustainable financing line with the Instituto de Crédito Oficial (ICO), for the period 2020-2024, under the reference framework of the "Sustainability Linked Loan Principles" (SLLP) of the Loan Market Association, now that financial institutions are incorporating ESG criteria in their decision making.

In recent years, innovation has played a key role at Gonvarri Industries in a variety of projects, among which the following stand out:

- The company's digitalization process through the Digital WorkPlace project, whose expectations were exceeded by the restrictions resulting from the pandemic. The increase in teleworking in the mandatory lockdown phases and the significant reduction in business trips accelerated the use of new digitalization technologies to communicate and maintain the pace of work.
- Following a thorough analysis, we initiated an improvement process in order to enhance the company's management and efficiency, which also enables us to simplify and incorporate the best practices learned in recent years as well as the new requirements in terms of digitization and Industry 4.0. The OneSAP renovation project to replace all current ERPs for SAP/S4 HANA complemented by other tools (MES, etc.) is part of this process, with the aim of making the most of new technologies to improve performance indicators and provide value to our customers.

The remarkable growth of Gonvarri Industries in recent years has made document management sometimes complex. For this reason, I would like to point out the "Gonvarri Library" project, a unique repository of all official corporate documentation, where you can find all the rules, standards, controls, procedures, guides, etc., applicable to the entire organization and necessary for the efficiency and better functioning of the company.

During this year characterized by severe restrictions, the transversal online training platform "Gonvarri Academy", where all Gonvarri Industries employees have been able to complete various training courses from anywhere and at any time, has become especially relevant. There are currently 4,500 people registered, having completed more than 18,464 hours of training.

Gonvarri Industries aspires to play an active role in the fight against climate change and in accelerating the transition to a green economy. To this end, a Carbon Neutral 2030/50 Plan was defined with ambitious short-, medium- and long-term objectives, which will allow us to be carbon neutral by 2050.

With regard to the Health and Safety of Gonvarri's professionals, and despite the difficulties caused by the pandemic, we have managed to lower the Frequency Rate with respect to the previous year and maintain the training effort as part of our culture, by means of the possibilities offered by digitalization and online training. In this context, the efforts and actions aimed at minimizing the effects of the pandemic at a global level and contributing to the protection of workers are noteworthy.

Finally, I would like to emphasize that at Gonvarri Industries we work every day in accordance with the Sustainable Development Goals, with the aim of generating a positive impact on our business, the environment, people, and society, leaving a footprint that will allow us to grow in a profitable and sustainable way in the long term.







# 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.



# Our Company

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.



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 becoming a reference to the flat steel and aluminium transformation sector worldwide (102-1).

From the beginning, Gonvarri Industries has experienced huge growth, diversifying itself to a global level, and it has a presence in 25 countries with 44 operating plants and 26 distribution centers and offices.

Sustainability is an essential element in the company's culture. From the very beginning, Gonvarri has worked to grow as a solid

and responsible company, where the global corporate culture preserves the same values -Honesty, Humility, Tenacity and Work that its founder set forth. Along with them, sustainability is integrated as a key aspect in all the countries where Gonvarri is present, becoming a pathway to the fulfilment of the company's mission and to face the expectations of its stakeholders and the Sustainable Development Goals (102-6).

All of this is in line with the company's purpose in mind: "Doing Well by Doing Good". Only by acting well do we manage to do things right; by believing in what we do, acting honestly and coherently

## Purpose

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

## Vision

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

## Mission

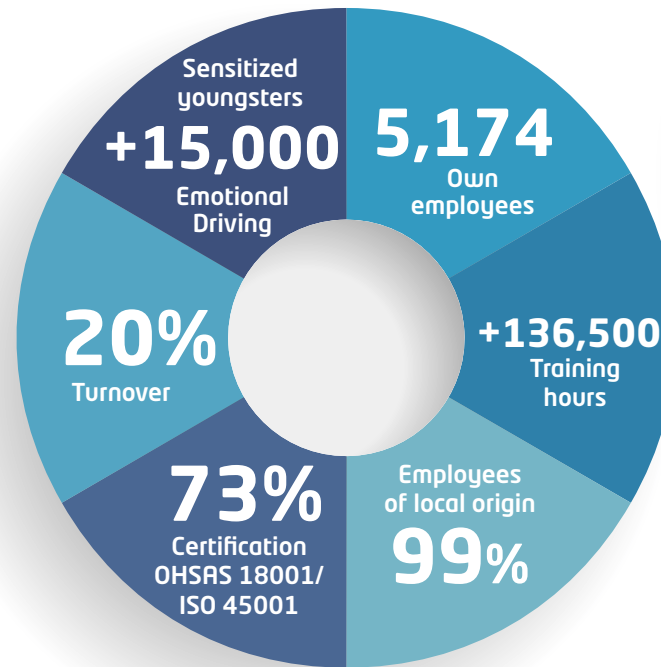
To improve the **Performance** of our customers providing **Innovative** and **Sustainable Metal Solutions** based on a World Wide highly **Collaborative Organization**



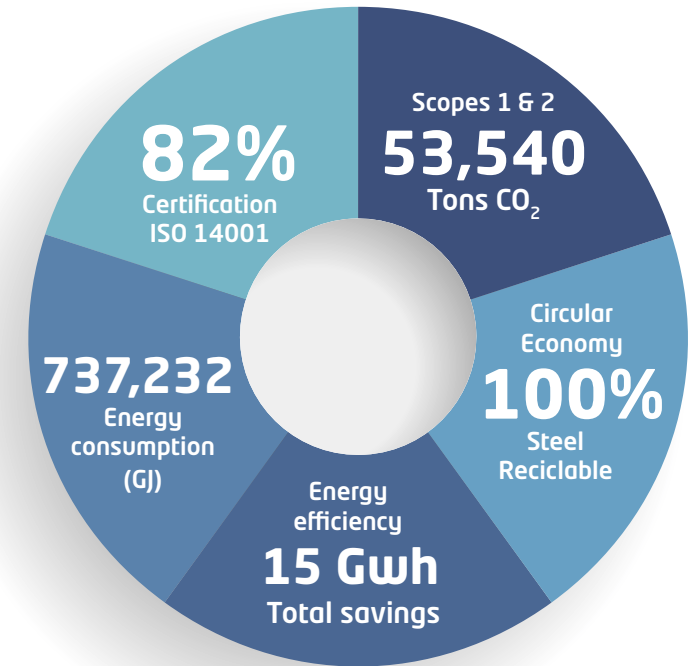
Below it is summarized the main figures in 2020 (102-7):



Economic Contribution



Social Contribution



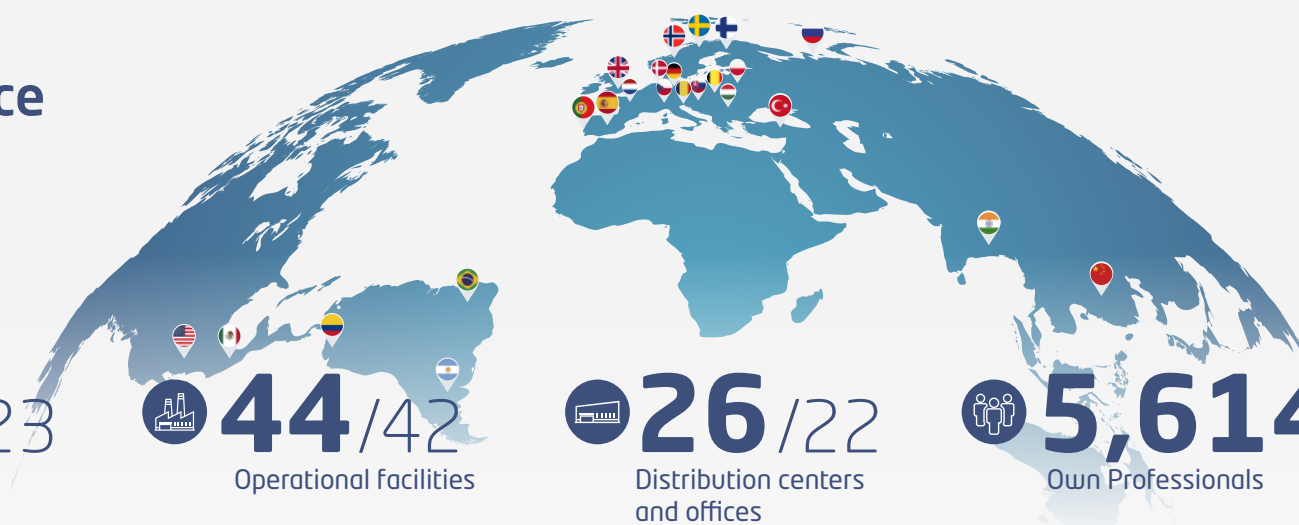
Environmental Contribution





# Worldwide Presence

Data as at 31 December 2020  
102-4 AND 102-6



GLOBAL  
PERIMETER OF THE  
SUSTAINABILITY  
REPORT

**25** / 23  
Countries

**44** / 42  
Operational facilities

**26** / 22  
Distribution centers  
and offices

**5,614** / 5,174  
Own Professionals

### Factories Distribution centres and offices

- Gonvarri Service Centers
- Gonvarri Metal Structures
- Gonvarri Material Handling
- Gonvarri Precision Tubes

\* Not included in the scope of the report.

### AMERICA

- USA
  - Gonvauto South Carolina
- MEXICO
  - Gonvauto Puebla
  - Suports Mexico
- COLOMBIA
  - Gonvarri Colombia
- BRAZIL
  - AMG Campinas
  - AMG Resende\*
  - AMG Paraná
  - Río Grande
- ARGENTINA
  - Gonvarri Argentina

### EUROPE

- SPAIN
  - Headquarters
  - Gonvarri Burgos
  - Gonvarri Barcelona
  - Gonvarri Tarragona
  - Gonvarri Valencia
  - Gonvauto Barcelona
  - Gonvauto Galicia
  - Gonvauto Navarra
  - Hiasa
    - Gonvauto Asturias
    - Laser Automotive Barcelona
    - Laser Automotive Valencia
    - Laser Automotive Zaragoza
    - Flinsa
  - Suports
  - Addimen
  - GMS Bilbao Off.
  - Road Steel Engineering
  - Gonvarri Solar Steel
  - Gonvarri Vizcaya
  - Sogeisa\*
- PORTUGAL
  - Gonvarri Portugal
- UK
  - Steel & Alloy Popes Lane
  - Steel & Alloy Newton Aycliffe
  - Steel & Alloy Bridge Street
  - Steel & Alloy Union Street
  - Steel & Alloy Cannock
  - GMH UK DC
  - GMH Complete Storage & Interiors Ltd (CSI)\*
- GERMANY
  - Gonvauto Thüringen
  - Gonvauto Automotive
  - Gonvarri Aluminium
  - GMH Dexion Germany
  - GMH Lampe Lagertechnik\*
- NETHERLANDS
  - GMH Holland DC
- BELGIUM
  - GMH Belgium DC
- SLOVAKIA
  - AMG Senica
  - Gonvauto Nitra
  - GMH Slovakia DC
- DENMARK
  - GMH Denmark DC

- NORWAY
  - GMH Norway Off.
  - GMH Norway DC
- SWEDEN
  - GMH Canrena I y II
  - GMH Sweden Off.
  - GMH Sweden DC
- SWITZERLAND
  - GMH Kaufmann Systems
- FINLAND
  - GMH Constructor Finland DC
- RUSSIA
  - GMH Constructor Russia
  - SG Kaluga
- ROMANIA
  - GMH Dexion Romania
- CZECH REPUBLIC
  - GMH Kredit
  - GMH Czech DC
- POLAND
  - Gonvarri Poland
  - GMH Poland DC
- HUNGARY
  - GMH Hungary DC

### ASIA

- TURKEY
  - Gonvarri Turkey
- INDIA
  - GAIPL Pune\*
- CHINA
  - Gonvvama Shenyang
  - Offices Gonvarri Asia
  - Gonvvama Changshu
  - GVS Dangguan
  - Gonvvama Loudi
  - Gonvvama Chongqing



# Main milestones in 2020

102-6

Gonvarri Industries has a presence in 26 countries, which allows us to cover the entire global market. 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.

The main activity in 2020 will be outlined hereunder:

## January

- **Gonvauto Nitra** completes the construction in **Slovakia**.
- **GMH UK** celebrates its **DWP** roadshow.
- **GMH** acquires **Lampe Lagertechnik**.



## February

- Success in **DWP's in Artificial Intelligence** implementation project at Gonvarri.
- Emotional Driving renews its collaboration with the **Real Madrid Foundations** and **What Really Matter Foundation**.
- **Addimen** acquires its third additive manufacturing equipment.



## March

- **Hiasa** upgrades its galvanizing facility with new cooling and passivation tanks.
- **DWP's** roadshow at **Steel & Alloy Newton Aycliffe**.
- **Women of Steel** Gonvarri.

## April

- **#Gracias Camioneros**, la nueva campaña de Emotional Driving.
- **Addimen** helps fight COVID-19 by designing and manufacturing oxygen splitters.



## May

- **Shenyang** installs its second Hot Stamping line.
- **Solar Steel** in the top 10 of the world's largest suppliers of solar trackers.



## November

- New **Teams Room** in Gonvarri Madrid.
- Emotional Driving, **good practices** in **Sernauto** book.



## December

- Gonvarri's Management Committee approved the **Carbon Neutral Plan 2030/50**.
- **Gonvauto Thuringen** acquires a new **2D laser** cutting machine to install at the end of 2021.

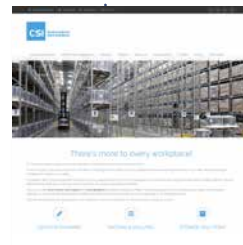
## July

- **GMH** acquires **Kaufmann Systems AG** in **Switzerland**.
- **Steel Construction** presents its new **website**.



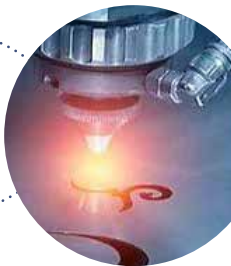
## June

- Gonvarri Industries publishes its **2019 Sustainability Report**.
- **GMH** acquires **Complete Storage & Interiors Ltd (CSI)** in **UK**.



## October

- **AMG Senica** installed **2 rotating robots** in the blanking line for the hot stamping (**L6**)
- **Laser Barcelona** installed a **2D laser** cutting machine (**Laser Boost**)



## September

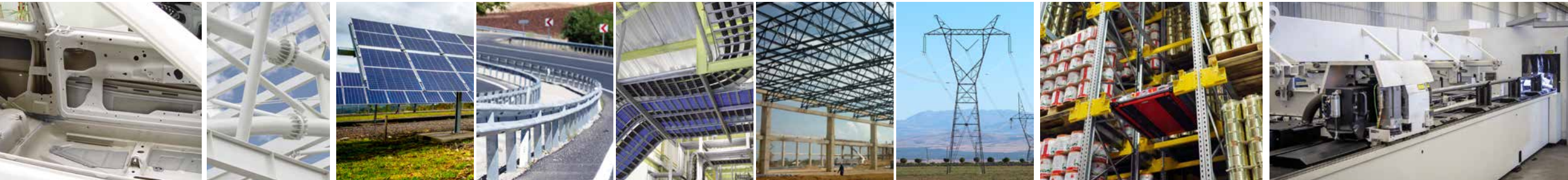
- **GMH** develops a state-of-the-art **3D design** tool of las generation for the suppliers.
- Reinforcement of Gonvarri Industries' **Ethical Channel**.





# Main business lines 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.



## Services centers

### 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 and household

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.

## Metal Structures



Design, development, supply and installation of solar trackers and fixed tilt structures for the PV market.



Design, manufacture and install road safety products.



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



Design, manufactures and assembly of metal structures for the industrial buildings, electric towers,...



Design and engineering of electrical towers with state-of-the-art standards and software.

## Material Handling



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



## 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.





# Drive and the Sustainable Development Goals

The Sustainable Development Goals are an integral part of the company's strategy

## Our way of integrating Sustainability

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, where the UN Sustainable Development Goals (SDGs) are an integral part.

Gonvarri Industries is fully committed to creating long-term value and caring for the environment.

Therefore, the company defined and integrated in its strategy important environmental, social and governance (ESG) challenges aligned with the SDGs that have the greatest impact on the business, firmly committed to the creation of a long-term value and care of the environment. The impact of the COVID-19 pandemic limited the development of some of the foreseen initiatives, due to the high risk of transmission involved in its implementation.

The following is a summary of the most relevant milestones and the updated indicators to measure its performance are summarised below.





## Emotional Driving and the SGD

“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. This project is described in more detail in the Sustainability chapter.

Emotional Driving 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.”



1

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

As a result of COVID-19, we adapted the way we transmit the Road Safety message to different stakeholders online.

In 2020, we raised awareness among more than 15,000 young people through streaming congresses, reaching more target audiences thanks to this technology. The conferences were broadcast throughout Spain and Spanish-speaking countries. At the Madrid congress, in addition to the young people connected virtually, 500 people were impacted in person, surpassing the 2% target.



2

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

In 2020, a new agreement was established with the What Really Matters Foundation to sponsor the congress in Portugal and raise awareness of road safety among more young people outside Spain.

In addition, we were present virtually at the online congress #Especialtodosencasa where around 40,000 people participated.



3

Develop **relevant initiatives** (roadshow, local studies, ...) in a new place, in order to achieve the 50% of the countries where we are presence in 2030

In 2020, a new study, “Brazilians behind the wheel” was initiated, adding one more country to the list, with a total of 6 countries, although due to the pandemic it has not yet been possible to finalize the project, and a roadshow was held in the United Kingdom.

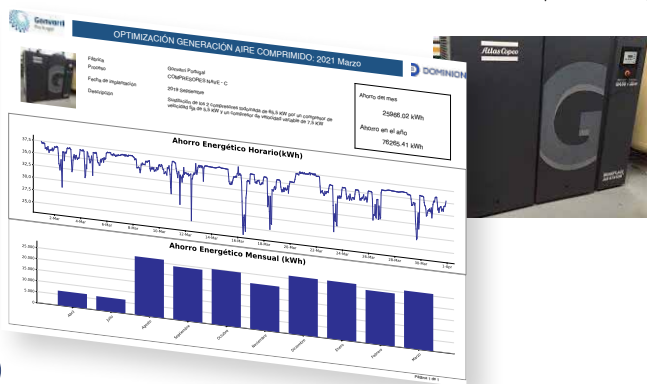


# Climate Change and the SGD

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. After a period of reflection, in 2020 Gonvarri Industries approves and publishes the "Carbon Neutral 2030/50 Plan", an ambitious roadmap, with important reduction targets through energy efficiency

projects, promotion of solar energy and purchase of energy from renewable sources, among others, as summarized in the sustainability chapter.

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".



1

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 2020 the software was upgraded and changed, giving it greater functionality. This means that we have information on 67.5% of the electricity and natural gas consumed in Gonvarri



2

Reach **energy savings** of 12 GWh/year by 2020

In 2020, 10 energy saving measures (ESMs) were implemented in different plants of the group, assuming an increase in the annual rate of energy savings by 1.16 GWh/year. The total energy savings amount to 15.13 GWh, so the target has been achieved and exceeded.



3

Achieve 100% of electricity from **renewable energy** sources by 2030

According to the information and data analysed, in 2020 a total of 3.8% will come from solar energy produced by our own sources, from the purchase of certified energy from renewable sources, among others.





## Innovation and the SDG

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 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"* and indirectly contributing to the SDG 12 *"Ensure sustainable consumption and production patterns"*

1

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 2019-2021 period

In 2020, due to the pandemic, it was not possible to develop more than 2 workshops, to which a total of 104 hours were dedicated, which, added to the 1,398 hours in 2019, is a total of 1,502. This represents 75.1% of the Total Objective for the period of the Strategic Plan 2019-2021.



## Education and the SDGs

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.

Our initiatives are aligned with SDG 4 "Quality education" and SDG 8 "Decent work and economic growth".

1

In order to **create local wealth** in the countries we operate in, Gonvarri has a double objective: to maintain the average of local employment and permanent contracts >80%

In 2020 local employment reached 99% and 91% of our professionals are on permanent contracts, which exceeds the target.

2

Incorporate 5 new annual courses in the online platform "**Academy**" in the 2020-2025 period

In 2020, the following training programs were incorporated into the Academy platform: Harassment Prevention Guide, Guide to behavior when offering incentives, gifts or invitations, DWP Outlook 365, COVID-19: keys to managing teams, anti-coronavirus pill, steelmaking process, increase your resilience in the face of changes and problems, among others.





# Materiality



102-40, 102-42, 102-43, 102-44, 102-47, 102-49, 103-1, 103-2 AND 103-3

Relationships with different stakeholders are key at Gonvarri Industries. For this reason, we analyze and update their status since 2013 to improve coverage, to have a better understanding of their expectations and to guide the content of our Annual Report to their main requirements in terms of ESG (Environmental, Social and Governance).

We have different specific communication channels for each identified stakeholder. Such communication goes both ways and there is no set frequency, since each stakeholder's requirements are different:



The company has an increasing presence in **social network**, which allows us to access to a much wider target audience.



Followers: **2,141**

Total number of contents posted in 2020: **35**

Visits to our profiles: **17,610**



Subscribers: **346**

Total number of contents posted in 2020: **35**



Followers: **68,330**

Total number of contents posted in 2020: **72**

Visits to our profiles: **13,152**

*Includes: Gonvarri Industries, Solar Steel, Road Steel, Almaceno, Mecano, Steel Construction, Precision Tubes, Lattice Towers, Service Centers and Emotional Driving.*

Gonvarri Industries identifies its material issues through a Materiality Study carried out in collaboration with an independent external company and by means of a tool for data analysis to assess the importance and perception of each identified issue. In order to conduct this study, we refer to internal sources (policies, strategy, etc.) and to external ones (news, competitors,

trends, etc.) as well as conferring with different stakeholders such as senior management, staff, customers, and suppliers. This process allows us to identify environmental, social and governance (ESG) issues that are most relevant to Gonvarri Industries and its stakeholders.

### External and internal coverage

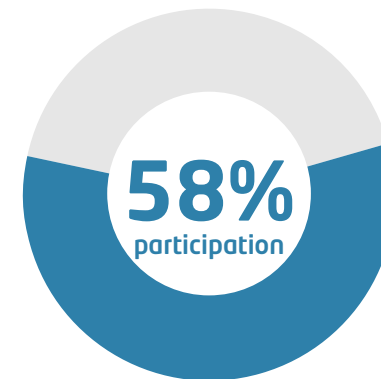
102-46



A total of 2,056 surveys were sent to management, employees, customers and suppliers with an average group response rate of 58%. Participation was high among management (95%), suppliers (76%), employees (58%) and, to a lower participation, customers.



**Managers**  
73 submitted  
69 responded



**Employees**  
1,869 submitted  
1,089 responded





After such analysis, deliberation and review, a total of 7 material issues were defined for all stakeholders, as outlined in the table below (102-44):

Topics	Issues covered	SDG	Chapter
Ethics, compliance, and whistleblowing channels	Ethical, anti-corruption and compliance framework. Whistleblowing channels.		 Drive internal audit and compliance
Client and product relationships	Relationships with clients and joint projects that contribute to developing more sustainable products with a more sustainable life cycle.	 	 Drive profitable growth
Talent management	Solid training, professional development, and performance evaluation programs to help attract and retain talent.	 	 Drive people
Health and security	Availability of a policy and a health and safety management system for employees and subcontractors, to help creating a good work environment and reducing accidents and work incidents. COVID prevention measures are included.		 Drive efficiency
Managing environmental impact	A formal policy and a management system that contributes to ongoing improvement and to minimizing our environmental impact.		 Drive efficiency
Circular Economy	A system to control and measure raw materials and to manage and minimize waste in its processes, thus enabling a Circular Economy		 efficiency Eficiencia
Climate change	A strategic plan to move towards a "Carbon Neutral" future.	 	 Drive sustainability

In addition, each stakeholder's responses were analyzed to obtain information on material issues not covered globally. The result of such analysis shows that:

For **internal stakeholders**, there are additional material issues:

- 1 **Communication**
- 2 **Risk management**
- 3 **Social action and community dialogue**

For **external stakeholders**, there is an additional material issue

- 1 **Supplier homologation**
- 2 **Innovation and digitization**

All material issues reported are also identified in Gonvarri's content index and in each corresponding section of the report.

The study also measures stakeholders' internal and external perception of Gonvarri approach and development on each of the issues.

Within this scope, **internal** stakeholders show a keen **perception** in matters related to: strategy and sustainable governance, ethics and whistleblowing channels, health and safety and, for **external** stakeholders, ethics and whistleblowing channels, health and safety, and managing environmental impact.



# 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.**

## Governance Structure

102-1

The corporate structure of the Gonvarri Corporacion 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

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).

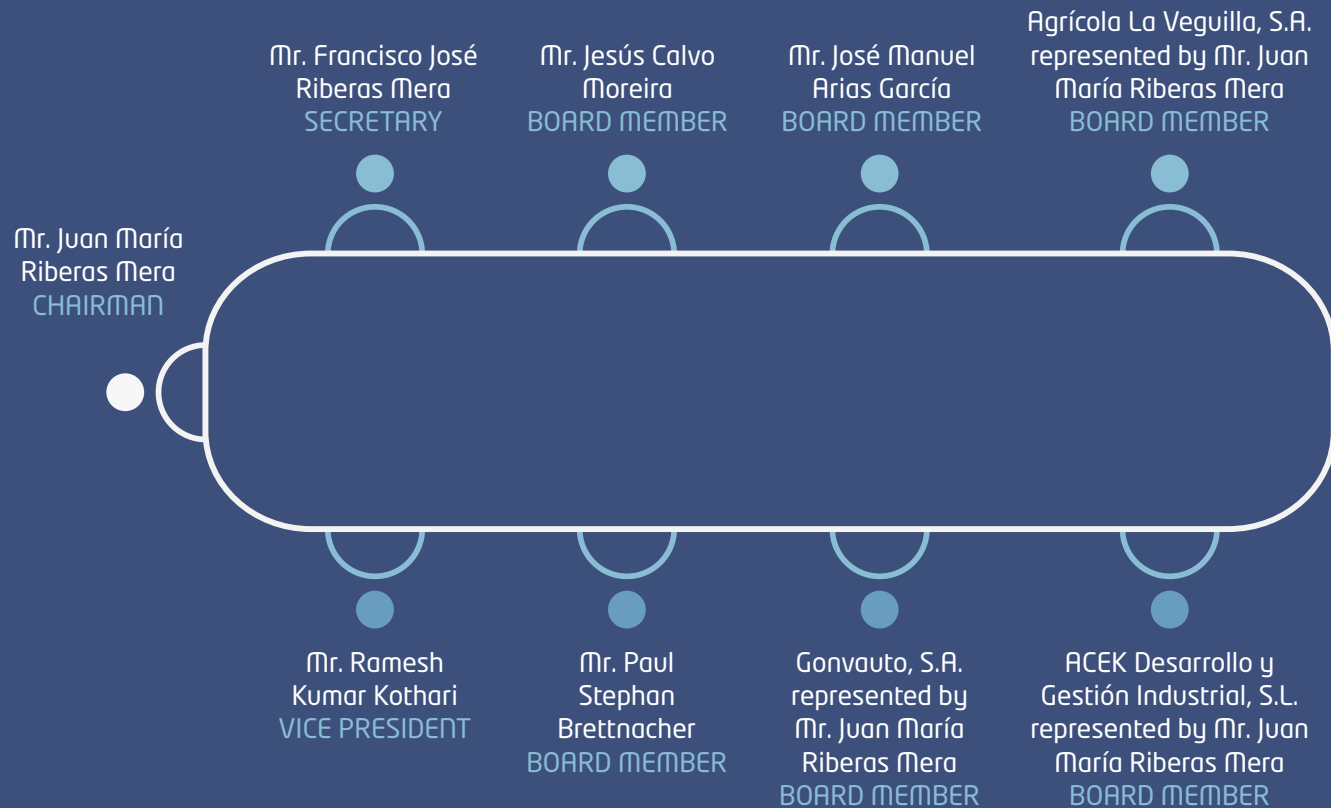
The performance of the Board of Directors is not reviewed, since some of the members are the owners of the company through their shares and represent all partners. This year there have not been any changes to the members or the organizational practices (102-28).





# Board of Directors 102-18

As of December 31<sup>st</sup> 2020, the Board of Directors is formed by:



The Chairman Mr. Juan María Riberas Mera and the company ACEK DESARROLLO Y GESTIÓN INDUSTRIAL, S.L. represented by Mr. Juan María Riberas Mera, held the position of Solidary Managing Director at 31 December 2020, 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 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. The Board of Directors is the highest body responsible for the company's economic, environmental and social matters (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.

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 2020: Induction Policy, Training Policy, Corporate Recruitment and Selection Policy, Procedure for Recruitment, Dismissals and Internal Transfers, Payroll Management Policy, Performance Management Policy and Transfer Price Corporate Manual.

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 y 102-31).

In line with the sustainability goals, in December 2020 the "Carbon Neutral Strategic Plan 2030/50" was approved. For its monitoring and measurement, a carbon neutral government was defined, formed by:

- **Carbon Neutral Committee**, formed by the CEO, the Sustainability Manager, Technical Director, Strategy Director and Financial Director. The committee will include the General Managers of the different divisions.
- **Operational team**, coordinated by finance, with the participation of sustainability, energy efficiency and strategy managers, in addition to the managers of the different plants.

In addition, at the beginning of fiscal year 2021, a new **Sustainability Policy** was approved, aligned with the Sustainable Development Goals and Climate Change.

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

Respecting to the reporting of information, in addition to the economic, environmental and social matters that apply in each case, in accordance with the Internal Audit Charter, the economic, environmental and social risks defined at least once a year are reported to the Chairman and Chief Executive Officer, and through them to the Board of Directors (102-29, 102-30 and 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 2020.

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.





**Professionals** ▶  
**5,174** direct professionals  
 and **751** external professionals



▶ **Distributed economic value**  
**3,157** million €



**Training** ▶  
**137,331** hours of training  
**27** hours per employee



◀ **Goal: 0 accidents**  
 New Health and Safety Plan  
**Doing Well by Doing Safe**



**CO<sub>2</sub> balance** ▶  
 103,916 tons of CO<sub>2</sub>  
 avoided indirectly



▶ **Expenditure on local suppliers**  
**64%** (2,028 million €)





# ○ Profitable Growth

Gonvarri Industries, founded in 1958, has experienced **sustainable growth, diversifying globally**, with factories and distribution centers in 25 countries and a wide range of products and services for the manufacturing, transformation and marketing of steel products and metals related to the steel industry.

## ○ Current framework

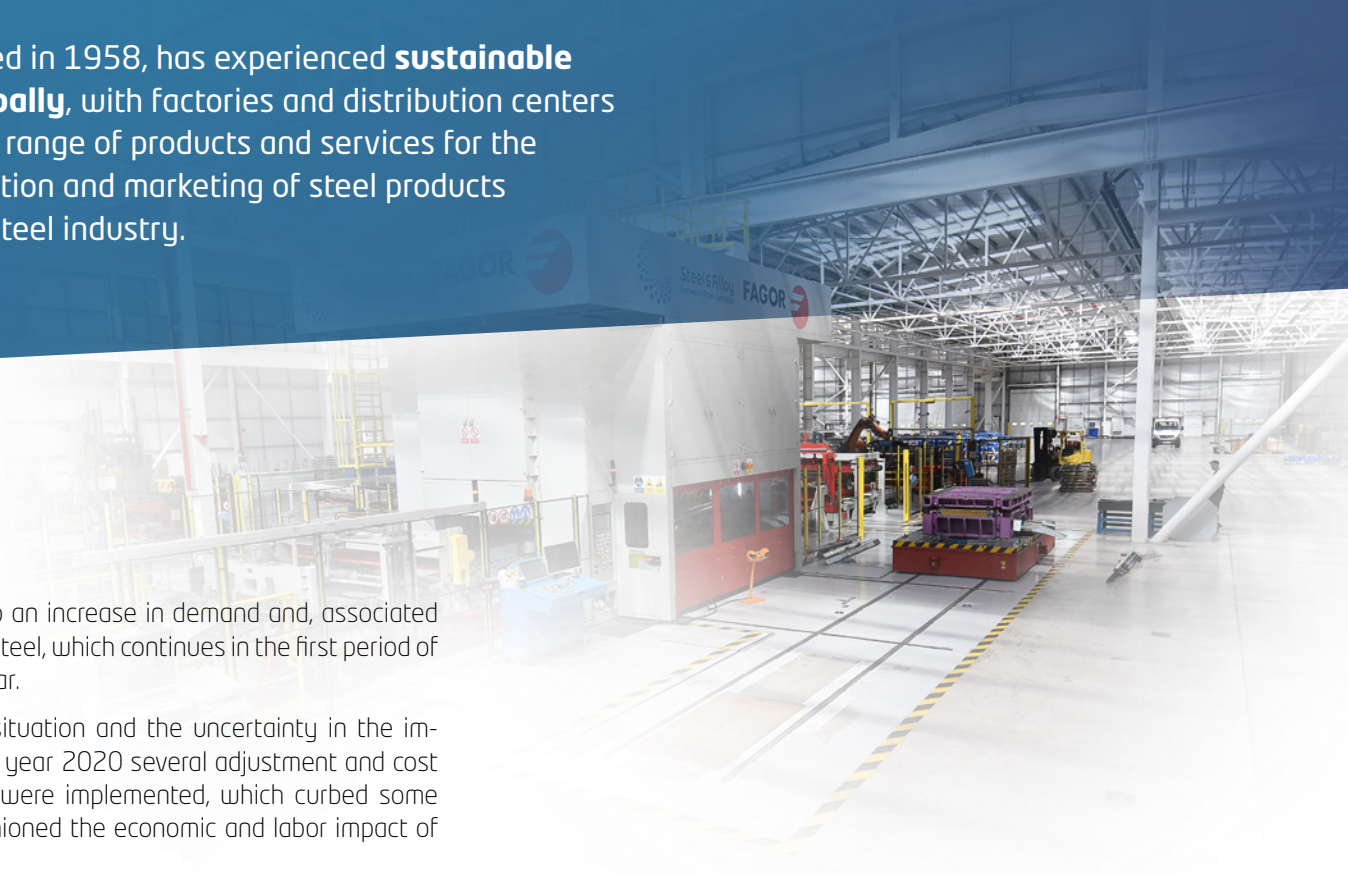
In 2020, the world and the market were significantly influenced by the effects of the COVID-19 pandemic, which affected many non-core activities, including many blast furnaces, with prolonged stoppages of different durations.

However, once the first wave of COVID passed, there was a clear revival of the domestic steel market, mainly in the United States and China.

Europe was also influenced by the reactivation of economic and industrial activity, with an unexpected peak in demand in the automotive sector.

All this translates into an increase in demand and, associated with it, in the price of steel, which continues in the first period of the 2021 financial year.

Due to the existing situation and the uncertainty in the immediate future, in the year 2020 several adjustment and cost containment policies were implemented, which curbed some investments, but cushioned the economic and labor impact of the pandemic.







The following is a summary of the main acquisitions and investments made by Gonvarri Industries during the year:

**China: Gonvama Shenyang**

Expanded its production capacity with the commissioning of the second Hot Stamping line.



**Slovakia: AMG SENICA**

Improved its production equipment with the installation of two rotating robots in the blanking line for hot stamping (L6).



**Spain: Laser Automotive Barcelona**

Installed a new business line with 2D laser cutting (LASER BOOST) in hall 3.

**Spain: HIASA**

Upgraded its phase 1 galvanising line with new cooling and passivation tanks.



In addition, the Gonvarri Material Handling (GMH) division has acquired three new engineering companies in Europe, and Gonvarri a new warehouse in Madrid, as summarized below:



**GMH Kaufmann Systems AG**

A Swiss engineering company which offers a wide variety of storage equipment systems & solutions for automation projects.

**GMH Complete Storage & Interiors Ltd (CSI)**

The acquisition of CSI enables to enter the B2B e-commerce marketplace, increasing digital capabilities and reach in both the UK and EU territories.

**GMH Lampe Lagertechnik ne**

A German engineering company offering market expertise in sales, design and project management of automation projects by providing Mini Load, Mini Shuttle and Crane Racking solutions to system integrators.

**Sogeisa**

Warehouses for steel and metal products located in Madrid and the central area.





## Balance

103-1, 103-2 AND 103-3

2020 has been an overly complicated year for Gonvarri Industries Group (GI), marked by the malady caused by the SARS-CoV-2 virus, which was declared a global pandemic by the World Health Organization (WHO), in March 2020, due to the high number of infected people and deaths that it was causing and continues to cause around the world.

Hence, in the first half of 2020 the spread of the virus forced Gonvarri Group to temporarily close most of its production plants. The periods of plant inactivity ranged from a minimum of 2 to 3 weeks to 6 or 8 weeks at the most.

The effect on the Group's activity was negative, although the impact was offset during the last quarter of 2020, mainly due to a stronger restart of the Automotive sector than was previously expected. With such a final boost, indicators such as EBITDA or Sales reached highly satisfactory levels, although below the budget and previous year's figures.

Due to that situation and an uncertainty in the near future, it was necessary to implement adjustment and spending containment policies adapted to each country's particular circumstances, which involved implementing very different measures, ranging from temporary lay-offs (to avoid permanently reducing the workforce) and renegotiating supplier contracts, or, to a lesser extent, postponing efficiency initiatives and cancelling programmed investments.

All such proactive management measures had a great result and buffered the impact of a sales reduction in the Group's results.

Despite the global situation, GI Group achieved 85% compliance

with objectives set for the 2020 financial year (FY20), obtaining an EBITDA of 182.2 million euros and 94% compliance compared to the previous year.

In terms of results, it should be noted that the Europe and Gonvauto Iberia Divisions, which are the ones which contribute most to results (close to 62% of the Group's EBITDA), were the most directly affected by the production standstill in the automotive market during the second and part of the third trimester.

On the other hand, and once the pandemic effects were largely overcome, there was an increase in productive activity in the Asian market, which caused the ASIA division to exceed its 2020 expectations.

It should also be noted that both the Metal Structures division and the Material Handling division, dedicated to the business of metal structures in different markets, were also affected by market closures and slowdowns in the global economy and, more particularly, in Europe, and although they did not reach the agreed budget, they improved greatly in contrast with 2019 figures.

The 2020 global production of passenger cars was directly affected by the COVID-19 pandemic, reaching a total of 74.5 million manufactured units (88.7 million units in 2019), a decrease of 16.04% compared to 2019. Once again, Spain was ranked eighth in the world for vehicle manufacturing, ahead of Brazil, and second in Europe after Germany, reaching a total of 2.25 million units. This figure represents a decrease of 20.2% in production units compared to the previous year.

A recent forecast for 2021 signals a recovery in the automobile market, nearly reaching 2019 levels, with 84.7 million units manufactured worldwide and 2.63 million units manufactured in Spain.

During 2020, GI Group increased its activity in other markets such as metal structures (as a high-tech provider) by manufacturing road safety features and structures for photovoltaic parks, in addition to the industrial market in general after carrying out a powerful commercial effort.





### Group performance

Regarding GI Group’s evolution, the construction of a new Steel Service Center, located in Nitra (Slovakia) in JV with Arcelor Group, was completed in early 2020 mainly to provide support to the new Jaguar Land Rover plant located there. With the completion of this plant, plus new 2020 acquisitions dedicated to metal structures businesses within the European

market, the Group now has 45 Steel Service Centers in 19 countries and 26 Offices or Distribution Centers in another 6 countries worldwide.

In terms of the Group’s inorganic growth, it is worth highlighting acquisitions made within the European market for its division Gonvarri Material Handling (GMH), dedicated to manufacturing solutions for industrial storage, such as Lampe GmbH (Germany), Complete Storage & Interiors (UK) and Kaufmann (Switzerland), and for its division Metal Structures (MS), dedicated to projects to manufacture and assemble metal structures such as Obratel (Spain) and Agromega (Israel). All these acquisitions are part of GI Group’s development and diversification strategy.

At year-end, we reached an EBITDA of € 182.2 million with € 97.3 million in consolidated profit, which marks a slight decrease in EBITDA levels and results for 2019 despite the period’s market slowdown mainly due to the COVID-19 pandemic.

### Financial results

At a financial level, the decrease in GI Group’s NFD is highly noteworthy, going from €316.9 million at the end of 2019 to €201.3 million at the close of FY20 (including IFRS 16 in both cases).

This €115.6 million decrease is mainly motivated by two factors: a reduction in inorganic growth by not having incurred in big investments, and a reduction in working capital (one of GI Group’s main priorities during FY20) involving a renegotiation of supplier payment policies implemented by the Group to manage the risks derived from the pandemic and which had a significant effect on such decrease

The NFD/Ebitda ratio was 1.1, proof of GI Group’s financial health.

The main consolidated economic figures of the Group are summarized in the attached table (201-1):

#### Economic Value Created

(thousand €)	2020	2019
Turnover	3,147,624	3,728,164
Financial Income	22,455	2,684
Other income	24,142	26,904
<b>&gt; Total EVC</b>	<b>3,194,221</b>	<b>3,757,752</b>

#### Economic Value Distributed

(thousand €)	2020	2019
Operational Costs	2,822,720	3,371,846
CAPEX	66,713	61,781
Payments to capital providers	42,612	47,818
Taxes	63,618	48,324
Personnel	160,260	160,157
Investments in the Community	597	1,373
<b>&gt; Total EVD</b>	<b>3,156,520</b>	<b>3,691,299</b>

#### Economic Value Retained

(thousand €)	2020	2019
<b>&gt; Total EVR</b>	<b>37,701</b>	<b>66,453</b>

## Taxes

The municipalities or regions in which Gonvarri is present received a total of 61,817 thousand euros in fees, tariffs, and taxes, which contribute to improving the quality of life and services of the inhabitants of the area. Their distribution by country is summarized in the following table.

Country	Thousand €	Country	Thousand €
Germany	2,512	Norway	64
Argentina	347	Poland	1,835
Brazil	15,939	Portugal	2,828
Colombia	436	Russia	1,141
China	336	Turkey	579
USA	284	UK	1,300
Slovakia	1,642	Finland	497
Spain	27,434	Romania	823
France	72	Belgium	36
Honduras	1	Sweden	771
Italy	195	Czech Rep.	610
Morocco	112	Denmark	84
Mexico	927	Netherlands	353
		Switzerland	659
		<b>TOTAL</b>	<b>61,817</b>

Gonvarri Industries is immersed in a new reporting process of certain financial and tax magnitudes. The "Country by Country" (CbC) reports of each of the Group's foreign companies are made during the month of October for the December report to the Tax Agency (207-4).

For future years, the CbC report will be requested in advance from the plants (during the month of February), in order to have the information ready for the annual report and the Sustainability Report.

Considering that, as a non-listed company and until these changes are effective, the fiscal information for the year 2020 will be reported with the same criteria as in previous years and in 2021 it will be reported according to the new CbC criteria.

## Financial aid

Additionally, the company received financial aid and subsidies equivalent to 1,413 thousand euros, distributed mainly between the factories in Galicia, Valencia, Barcelona, y Asturias to finance R&D projects (201-4).

## Other accounting obligations

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

The 2020 fiscal year shows a net income of 74,356 thousand euros and a CAPEX executed in the fiscal year of 66,713 thousand euros.

In this area, investments in Kaufmann, CSI and Lampe, newly acquired companies, new investments in machinery and plant expansions in Brazil, Germany, China and India, and the start of the implementation of new corporate software, with a total of 66,713 thousand euros invested, stand out.

Region	Executed 2020
Asia	20,822
Central Europe	11,080
Gonvarri Material Handling	3,602
GSS Corporate	4,380
Iberia Gonvauto	1,369
Latam	576
Metal Structure	2,206
NAFTA	356
Precision Tubes & Addimen	365
Western Europe	4,180
New Projects	17,777
<b>&gt; Total</b>	<b>66,713</b>



## Sustainable funding 412-3

In recent years, the number of financial agents that incorporate ESG (Environmental, Social and Governance) criteria in their decision making is growing exponentially.

In line with this trend, in 2020 we signed the **first sustainable financing line** with the Official Credit Institute (ICO), for the period 2020-2024. The financing applies to the Gonvarri Holding companies, GRI Renewable Industries and Gonvarri Industries.

For the establishment of sustainable objectives and indicators, the reference framework of the "Sustainability Linked Loan Principles" (SLLP) of the Loan Market Association is followed.

G-Advisory, as "Second Party Opinion" and EY as "Sustainability Rating Agency" were involved in the definition of the SLLP.

EY is also in charge of verifying compliance with the annual objectives proposed for the 2020-2024 period through the corresponding Sustainability Reports. For the parent company Holding Gonvarri, which consolidates Gonvarri Industries and GRI Renewable Industries, the information is included in this Report.

The following is a summary of the proposed objectives and their outcome:

### SLLP CATEGORY: RENEWABLE ENERGY

**Goal** 10% of electricity consumption from renewable energy sources

**Period** 2020-2024 (FY 2019)

**Related SDGs** SDG 13 "Climate Action" and indirectly with SDG 7 "Ensure access to affordable, reliable, sustainable and modern energy for all" and SDG 17 "Alliances"

### Consumption of renewable sources of energy

Regarding the targets proposed for the 2020 financial year, the result is summarized below:

Gonvarri Industries	2020	2021	2022	2023	2024
Goal suggested	1,5%	1,8%	7,4%	9%	>10%

After analyzing the information and data corresponding to the 2020 fiscal year within the defined scope, it is evident that the established goal has been met, reaching 3.8% of the group's total (China is not included in the perimeter).

Renewable energy sources are described in the corresponding chapter on energy and climate change.

### SLLP CATEGORY: GLOBAL ESG ASSESSMENT

**Goal** 70% (weighted average) of users with a license use the DWP tools.

**Period** 2020-2024 (FY 2018)

**Related SDGs** SDG 9. "Industry, Innovation and Infrastructure", SDG 8. "Decent work and economic growth", SDG 13 "Climate Action" and SDG 17 "Alliances".

### Digitalization

To reach the target of 70% weighted average of licensed users using the DWP tool by 2024. For quantification, partial objectives are included for each application with a scope of 65% in OneDrive, 70% in SharePoint and 75% in Teams, as summarized below:

Gonvarri Industries	2020	2021	2022	2023	2024
Goal suggested	50%	55%	60%	65%	70%

After analyzing the information and data corresponding to fiscal year 2020 in the defined scope, it is evident that the established goal has been met. A weighted average of 71.6 % has been achieved, much higher than the planned target due to the long duration of the COVID 19 pandemic and the significant reduction in travel and face-to-face meetings.

### HOLDING GONVARRI

The following is a summary of the results of the objectives established for the parent company Holding Gonvarri.

Holding Gonvarri	2020	2021	2022	2023	2024
Renewable energy	1,0%	2,0 %	8,5 %	12%	15%
Digitalization	50%	55%	60%	65%	70%

Following an analysis of the information and data corresponding to the companies GRI Renewable Industries and Gonvarri Industries, which consolidate in Holding Gonvarri, it is evident that the established targets have been met.

A weighted average of 68.7 % has been achieved in terms of digitalisation and 2.3% of energy from renewable sources, both higher than the planned target for the financial year 2020.





# Taxation

## Tax approach and management

207-1 AND 207-3

The growing concern for the management of tax matters by business groups, as well as the development of regulations by governments, contributes to the development of the growing trend in relation to the transparency of tax information. In this context, it is essential to manage tax information, both mandatory and voluntary, and to ensure that it meets the parameters required by the various stakeholders.

The **Board of Directors** through its President, Chief Executive Officer, its Managers and, especially through the corporate tax and the internal control divisions, promotes compliance with obligations and good tax practices, being responsible for the approval and updating of the group's tax policies and all relevant operations that require so; in addition, it is ultimately responsible to shareholders for the occurrence, operation, and supervision of proper tax risk management.

Principles and guidelines related to taxation are aligned with the Group's long-term development strategy, as well as with its mission, vision, and ethical values, according to which all Group professionals and entities have a firm purpose to pursue an ongoing improvement in all its areas by carrying out sustainable development.

Likewise, when developing its Tax Strategy, the Group has considered guidelines from the Organization for Economic Cooperation and Development (OECD) for multinational companies in tax matters and its recommendations with regards to cooperative tax compliance, as well as the best national and international practices in matters of tax governance.



## Tax governance, control, and risk management

207-2

The aforementioned Tax Strategy is applicable to all the companies comprising the GI Group, directly or indirectly holds a majority stake. With regard to those GI Group companies in which the parent company does not hold a majority stake but does exert a significant influence, the Group shall promote principles and guidelines coherent with those established in the Tax Strategy and shall retain proper information channels to ensure proper awareness of those principles and guidelines.

Likewise, Tax Strategy applies to all Group personnel in the exercise of their duties and responsibilities, and in all professional areas in which they represent the Group, meaning the Group's directors, executives, employees and collaborators, regardless of their functions, responsibilities or location.

In addition, Tax Strategy includes all tax obligations to which the Group is subject in the different countries and territories in which it operates.

**Gonvarri Industries Group's Tax Policy** aims to ensure compliance with the applicable tax regulations and to ensure adequate coordination of the policy followed by the entities belonging to the Group, all of this avoiding tax risks and inefficiencies in the execution of business decisions.



Compliance by the Group with its tax obligations and its relationships with Tax Authorities shall be governed by the following principles:

- a Compliance with tax legislation in the different countries and territories in which the Group operates, paying the required taxes according to the respective tax laws.

In this regard, making of tax decisions based on a reasonable interpretation of the applicable legislation.

- b Ensuring that there is a proper relationship between taxable income and the structure and location of activities, human and material resources.

- c Compliance with the principle of transparency, fostering a loyal relationship with the tax authorities based on respect for the law, trust, professionalism, collaboration, reciprocity and good faith.

- d Establishing tax risk control and management procedures. The Group, through its Corporate Tax Risk Management Policy, approved by the Board of Directors, establishes principles and good practices, the different levels of approval and the roles and responsibilities in relation to controlling and managing Group tax risks.

- e The Group avoids using opaque entities for tax purposes, meaning entities whose owners cannot be held accountable by Tax Authorities because they have been designed via instrumental companies, in tax havens, in territories that do not cooperate with tax authorities, or in territories with low or no taxation. Therefore, when a Group company has its headquarters in a territory classified as a tax haven, it shall only be due to industrial or commercial strategies.

- f Carrying out transactions between related entities according to their market value, following the principle of full concurrence, and complying with their obligation to document transfer pricing as required by applicable regulations and in line with OECD guidelines.

The Group will periodically review its transfer pricing policy with the advice of top-level experts, to update and adapt it to regulations in force and the reality of its business.

- g Making use of technology in terms of taxation to offer stakeholders and the Tax Administration a guarantee that tax returns contain quality information that is complete and truthful.



- h Before preparing annual accounts and presenting the Corporate Tax return, the Group's Corporate Tax Department will inform the Board of Directors of policies followed during the year, as well as the evolution of significant tax risks.

- i Avoiding the use and generation of intangible assets purely for tax purposes.

With regard to **Risk control and management**, the Corporate Tax Management of the GI Group, among others, is responsible for identification, analysis and assessment of tax risks, and monitoring of all the quantified and classified tax contingencies by country.

Update of the Tax Risks Map in collaboration with the Corporate Tax Management and the Department of Internal Audit and Compliance, among others.

Concerns or complaints from employees and external personnel can be managed through enabled complaint channels. Regarding actions in the face of potential litigation, requirements, inspections, penalties, unforeseen risks, etc., once they have detected, a process of communication and coordinated risk management starts up.

Gonvarri has a **Risk Management and Control System** that includes "Tax Risks", whose main objective is to guarantee that the Group's actions and operations comply with requirements established by the Code of Ethics, the Tax Policy, and applicable regulations.

The **Risk Map** is updated annually or when there are significant changes that require so, in collaboration with the Group's Corporate Tax Department, and the financial and legal departments, among others. Significant risks are reported directly to those responsible, to establish ways to monitor, control and minimize them.



# 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.

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.

The main types of risks are summarised below:



## Strategic and environmental risks

Are considered derived from possible changes in the Group’s strategic lines or the country’s situation which it operates (political and regulatory changes, currency depreciation, etc.).

In order to **mitigate** these risks, country and global risk analyses are carried out through the “Methodology for the development and viability analysis” and external Due Diligences.

Furthermore, geographic and business diversification, as well as compliance policies, investment in innovation, currency coverage instruments and insurance policies, minimise this risk.

Within the **opportunities**, the impact of these changes on the local economy (new business opportunities and employment opportunities, taxes, etc.) stands out.



## Health and Safety risks

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

To **mitigate** the risk, the company shows a high level of involvement by management and all professionals working within the framework of the management system (ISO 45001), developing training programmes and plans to improve safety conditions. In 2020, due to the COVID 19 pandemic, safety measures were increased exponentially to protect the health of Gonvarri professionals in all countries. This information is detailed in the Health and Safety section.

The **opportunities** include the improvement in the safety and well-being of Gonvarri’s professionals, the reduction/elimination of possible accidents and the reduced economic and reputational impact.



## Operational and infrastructure risks

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

In order to **mitigate**, risks policies are available and many project and initiatives to improve, track, measure and increase efficiency (SPG, ISO 9000, IATF, TQM, etc.), contingency plans, etc.

A real **opportunity** derives from 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.

## Financial Risks

These are mainly related to

- **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.

These risks are detailed in the Annual Accounts Report.

To **mitigate** the risk, simulation of scenarios considering refinancing, roll-overs, alternative financing and hedging through various instruments and policies aligned with the risk determined.

Within the **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.

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 4 contracts, in addition to sustainable financing from the ICO, in 2020 (412-3).

## Governance, ethical, corruption, fraud, and compliance risks

Derived 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.

To **mitigate** the risks, updating the risks and controls map. In addition, official Policies and Codes in place to regulate these risks are available to all the group's professionals, and specific training is provided on each of the key aspects. For any incident, consultation channels and whistle-blowing mechanisms are in place.

**Opportunities** involve many actions that enable us to strengthen the Group's ethical principles to minimize our risks and improve our reputation.

## Tax Risks

These are considered to be those arising from non-compliance with its tax obligations and its relations with the Tax Authorities in all the countries in which it operates. These risks are detailed in the Annual Accounts Report (207-2).

For their **mitigation**, the Corporate Tax Risk Management Policy and the Transfer Pricing Manual establish the mechanisms for their control and the risk map is updated annually, assessing each risk according to its seriousness, establishing the necessary controls that contribute to their mitigation.

Among the **opportunities**, the tax risk prevention mechanisms allow us to have better control over the creation of value that we contribute to generate in the countries in which we operate.

## Risks associated with regulatory compliance

Considered to arise 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.

To **mitigate** this, the compliance model based on the Code of Ethics and Conduct, policies, channels for consultation and reporting, awareness and continuous training contribute to its minimisation.

All these measures are an **opportunity** to improve the reputation of the Group and minimize the risk of sanctions for non-compliance.

## Human Rights risk

Today's society is increasingly aware of abusive and illegal behaviour related to poverty and human rights, especially in the most vulnerable countries.

In order to **mitigate**, we have mandatory policies and codes of conduct and whistleblowing channels. In addition, we work in line with the Universal Principles of the Global Compact and the United Nations Sustainable Development Goals.

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.





### Climate change risks 201-2

Today's atmosphere shows us that risks related to environmental, social and governance (ESG) issues, such as climate change, water scarcity and human rights, are increasingly relevant. It is therefore necessary to incorporate them into the company's decision-making process, its business strategy, management, and performance.

Proper management in such issues plays down many risks: reputational, regulatory, labor, access to capital and credit risks, among others. Likewise, principles of precaution and continuous improvement are enabled via the Code of Ethics and Conduct, the Integrated Policy and the Sustainability Policy (102-11).

Among such risks, "climate change" stands out. Several initiatives have been put into effect, such as the EU's "New Green Deal" as well as more restrictive regulations responding to civil society demands.

For Gonvarri, FY20 has been a period of reflection to define a roadmap towards a climate-neutral future through the "2030/50 Carbon Neutral Plan".

Hence, it is essential to know our risks facing climate change and what measures will help mitigate such risks.

In 2020, corporate analyzed potential cross-cutting risks that could affect the business with the aim of transferring and specifying such risks, in the next two years, to the different countries and facilities.

Risks are identified by taking as a reference the recommendations and categorizations of the Task Force on Climate related Financial Disclosures (TCFD) standard by the Financial Stability Board (FSB). Such an analysis was carried out in collaboration with the different corporate departments which are part of the carbon neutral project, together with the Internal Audit area.

The result of such process was integrated into Gonvarri Industries' global risk map, within the scope of ethics and sustainability risks. The result shows that Gonvarri Industries has the appropriate processes in place to manage emerging risks and climate change risks in the medium and long-term, so its final impact is considered to be low or very low. Likewise, mitigation measures have been defined and opportunities for business improvement, growth and development have been identified.

The Internal Audit and Compliance area controls, updates and supervises all identified risks.



TYPE OF RISK: PHYSICAL	IMPACT
Acute risks	<ul style="list-style-type: none"> <li>• Damage to factories and facilities (production problems).</li> <li>• Damage to processes/logistics and delivery delays (supply chain).</li> <li>• Product damage or delivery logistics problems (customer).</li> </ul>
Chronic risks	<ul style="list-style-type: none"> <li>• Factories and facilities (water shortages, restrictions, price increases, etc.).</li> <li>• Upstream and downstream (lack of supply, price increases, offshoring, etc.).</li> </ul>
TYPE OF RISK: TRANSITION	IMPACT
Regulatory and legal risks	<ul style="list-style-type: none"> <li>• Current and emerging regulations (vehicle emissions, climate change, carbon pricing, etc.).</li> <li>• Legal (non-compliance)</li> </ul>
Technological risks	<ul style="list-style-type: none"> <li>• Loss of value of equipment</li> <li>• Technological investments</li> <li>• Product adaptation</li> </ul>
Market risk	<ul style="list-style-type: none"> <li>• Scarcity and price of raw materials and natural resources</li> <li>• Product and process adaptation</li> <li>• Changes in consumer and government trends</li> </ul>
Reputational risk	<ul style="list-style-type: none"> <li>• Image and brand damage</li> </ul>



## IT security, process and data protection risks

### Business process support

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. 2020 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.

The scenario created by the COVID19 pandemic has put to the test the IT services previously provided to provide everyone in the organization with capabilities for flexible and secure access to company resources, as well as interaction with customers and suppliers, not only increasing productivity and user experience, but also guaranteeing business process continuity in lockdown scenarios.

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, especially those within the new "Industry 4.0" paradigm.

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.

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.

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.

### 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.

In this aspect, the scenario created by the COVID19 pandemic, if on the one hand has boosted the use of digital tools for work and collaboration, on the other hand has expanded the surface of exposure to possible attacks, including techniques that have even used people's sensitivity to everything inherent to the pandemic and in general their health as an entry point for possible attacks.

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 rigorousness.

In the year 2020, 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.
- Campaigns and training actions to reinforce the awareness and training of the group's employees..

In addition, we have continued to support and improve the relevant measures in order to adapt to the new European data privacy regulations (GDPR). This implies a transversal level of supervision on the protection of person data information.



## Most relevant risks in 2020

In 2020, Gonvarri faced, in addition to the different risks which derived from the situation of the market in the countries it operates in, all those derived from the situation generated as a result of the global pandemic of COVID 19. The effects of the pandemic have been multiple, affecting at some point, to a greater or lesser extent, all geographical areas.

Most relevant identified risks:

- The worsening of the general economic and social situation as a result of the COVID19 pandemic.
- The situation of political polarization in certain countries where the Group is present.
- Tension in supply chains as a result of the logistical and production disruptions caused by COVID19.
- 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.
- The notable increase in opinions with nationalist and Eurosceptics positions, in addition to the BREXIT effect finally implemented.
- 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 (ASG), 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, increased by the effects of COVID19.
- Internal risk to achieve the operational excellence in some countries.
- The general economic slowdown because of the various uncertainties described above, the long-term effects of COVID 19 and the necessity of a fast adaptation to changes produced in the markets and customers.

The Pandemic has generated various levels of uncertainty and prolonged economic effects, which will affect future fiscal years in an unquantifiable manner.







# ○ Customers

## 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.

### Automotive

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 CO<sub>2</sub> emissions.

In 2020 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 has exceeded our expectations. In fact, Gonvarri has acquired a new 2D laser cutting line to be installed at Gonvauto Thuringen by the end of 2021.

### 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 2020, 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 and 2020 has been a year of consolidation of Gonvarri's market share in this sector.
- 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:

- Continuation of the plan to strengthen the marketing and sale of each company's own products.
- Strengthening the development of work teams with the main customers in order to investigate product and logistics improvements.
- Creation of more specialized sales departments for Industry customers.
- Development and implementation of on-line sales channels via marketplace and own online portal.

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



## 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.

GMH 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, Stålteknik 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.

The solutions of GMH 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.

The GMH 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+S+i project are carried out of 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, ...



## 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 2020 include the following:

- Development of parapet to be placed on existing bridges with H2 containment level and motorcyclist protection system.
- Development of H2 parapet with reduced working width.
- Development of TL4 restraint system according to NCHRP-350 standards.
- Development of transition from N2 containment system to concrete barrier.







### Solar Steel

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.

In its activity, it highlights the development of innovative products with wireless communication technology and self-powering, as well as the incorporation of services that provide added value to the customer during the different stages in the life of the photovoltaic project: detailed engineering, foundation analysis, installation, O&M, etc.

Solar Steel was the leader in the solar tracker segment in Europe during 2019, expanding its product portfolio in 2020, where the incorporation of its “TracSmarT+ 1V” product stands out. This new design brings notable competitive improvements in terms of its supply, installation, and operating costs, as well as its high adaptability to new lines of photovoltaic panels with larger sizes.

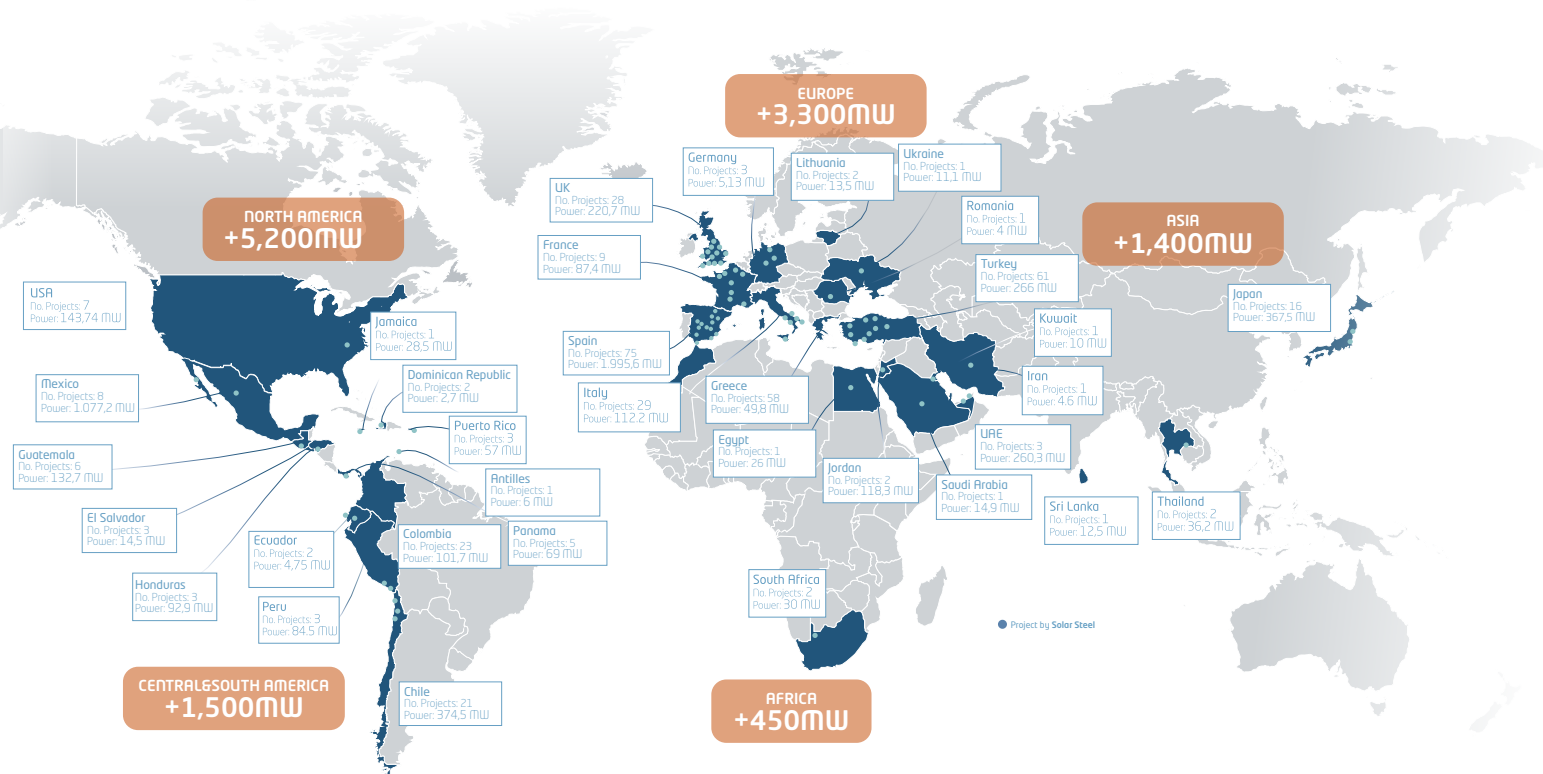
As a result of the pandemic, numerous on-site events and trade fairs were postponed or cancelled in 2020, in which Solar Steel regularly participated as an exhibitor (e.g. Intersolar Europe (Germany), Solarex (Turkey), CISOLAR (Ukraine), World Future Energy Summit (Abu Dhabi), MIREC Week (Mexico), etc.), as well as holding one-on-one meetings with customers and potential customers.

Within the scope of Solar Steel, **Suports** as an engineering company for the design, development and supply of solar structures for roofs, parking canopies and ground structures in the field of distributed generation, experienced a spectacular growth since 2019 propitiated, among others, by its highly competitive aluminum solutions.

**Our steel is in +11.8GW of projects worldwide**

**Our design +5.8GW total installed power**

Solar Steel have manufactured and supplied steel components for PV, CSP and CPV in five continents.







# 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.

## 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 their opinion on the products and service provided. In 2020 the rate of response has been lower, mainly due to pandemic-related closures and ERTES.

Although the average rating is satisfactory, highlighting the quality, the wide range of products, logistics and commercial attention (know-how), delivery times and prices remain as points for improvement. In 2020, COVID-19 affected the delay of supplies from some steel mills due to closures and lack of some products.

## 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 4.1 out of 5.

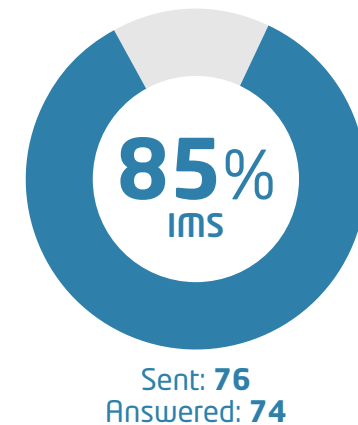
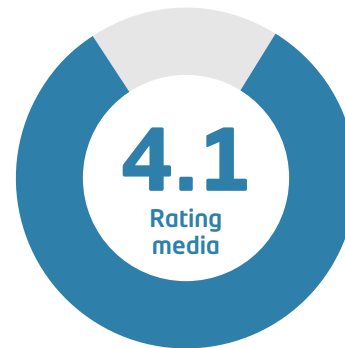
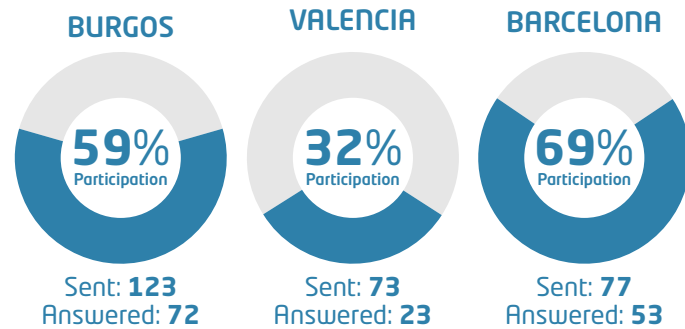
As part of the solar business division's policy of continuous improvement, the new entity Gonvarri Solar Steel was renewed ISO-9001 certification in 2020 and the improvements identified in the different organisational processes were implemented.

## Hiasa and Golvauto Asturias

Hiasa and Golvauto Asturias jointly sent a questionnaire to the main customers of the cutting and tube line. In 2020, the survey was sent to 76 customers, 97.4% (74 customers) submitted the survey which represent 96% of the invoicing of this year.

The average Global Satisfaction Index was 84.6% with an average of 4.23 (on a scale of 1 to 5), meeting the proposed target. Looking at the table above, it is worth noting that, despite the severe crisis experienced this year, the percentages are very similar to those of the previous year. We suffered a drop of only 0.49% in the global index for flat products and 0.01% for tubes.

The objective for 2021 is to maintain a Global Satisfaction Index of over 85% and not to fall below 83%, which would mean an average index of no less than 4 points in each of the sections.





# Supply Chain 102-9 AND 102-10

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 process is considered a "key process" at Gonvarri due to its high economic impact. The "KP01.00 Steel Purchasing" procedure summarizes the purchasing methodology, with its different variables, the responsibilities at each stage of the process and the records.

This process comprises not only a vision of purchasing in the strict sense, but also presents a broader view of its function, conceptualizing the definition of rules and good practices in the 5 major sub-processes in continuous interaction.

In this area, the sub-process of supplier selection and approval stands out, where the guidelines to be followed to be classified as "suitable" are described, provided that the products that can be supplied are validated by the Organization.

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

The issues to be evaluated are concerned, among others, to the following aspects:

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

- Financial information and corporate organisation of the supplier, enabling the risk of non-continuity of its activity to be measured.
- Screening and compliance with third parties/international trade sanctions.

Only compliant suppliers will move on to the next phase, which includes financial and corporate requirements.

In addition, in order to reinforce their commitment to sustainability, all suppliers (100%) are sent the Gonvarri Industries Code of Ethics and Conduct, as well as the CSR Purchasing Policy. Information on their dispatch, receipt and signature or acceptance are adequately monitored and filed.

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



- 1 Purchasing strategy and budget
- 2 Suppliers: selection, development, evaluation and approval of products
- 3 Contracts
- 4 Inputs and outputs. Purchasing - Sales
- 5 Purchasing process

## 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.



## 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.

Gonvarri Industries requires its suppliers to comply with all their obligations and with regulatory compliance standards in all areas: health and safety, human rights, anti-corruption and environmental protection, among others. In addition, we invite them to collaborate so that we can jointly develop improvements in the management of these areas.

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, and Environmental (ISO 14001) and Health and Safety (ISO 45001) certifications are also valued.

## Expenditure on local suppliers 204-1

In 2020, the total expenditure in suppliers rose to 3,159,980 thousand euros, from which 64% (2,028,267 thousand euros) corresponds to local suppliers.

	No Local	Local	Local (%)
Germany	138,979,958	166,543,441	55%
Argentina	9,683,188	3,440,129	26%
China	131,554	24,296,160	99%
Spain	233,546,752	1,415,383,388	86%
USA	3,267,100	58,983,344	95%
Mexico	157,507,313	53,363,360	25%
Poland	128,929,479	18,067,891	12%
Portugal	65,518,925	50,180,437	43%
Czech Rep	3,178,097	10,665,039	77%
Russia	5,819,591	43,228,176	88%
Turkey	3,806,986	7,827,575	67%
Slovakia	233,424,229	2,200,635	1%
Romania	2,127,556	15,142,769	88%
Sweden	19,130,607	14,982,967	44%
Finland	8,838,777	7,604,657	46%
Norway	7,624,553	2,351,143	24%
Denmark	5,685,220	3,056,155	35%
Netherlands	8,545,007	4,513,222	35%
UK	84,503,973	99,941,570	54%
Belgium	2,390,115	1,979,895	45%
Colombia	2,463,604	15,834,632	87%
Hungary	2,517,429	1,080,755	30%
Switzerland	4,092,286	7,599,960	65%
<b>TOTAL</b>	<b>1,131,712,298</b>	<b>2,028,267,299</b>	<b>64%</b>

## Local purchases

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.

## Associations and organizations

102-13 AND 415-1

At Gonvarri Industries we work actively to promote all the divisions that make up the Group. To this end, we participate in organizations and associations of various kinds, both from a corporate point of view and in the different countries in which we operate.

These initiatives are focused on different areas such as economic, industrial, social (NGOs and Foundations) and business. Appendix 4. summarizes the main associations and organizations with which we collaborate.

Likewise, Gonvarri establishes relations with local public authorities on an altruistic basis with complete transparency, mainly regarding matters that affect the sector. The company does not make any economic or in-kind contributions to political parties, nor through sponsorships or donations, which are against the law.

In 2020, such actions have been significantly reduced due to the pandemic and containment measures.



# People

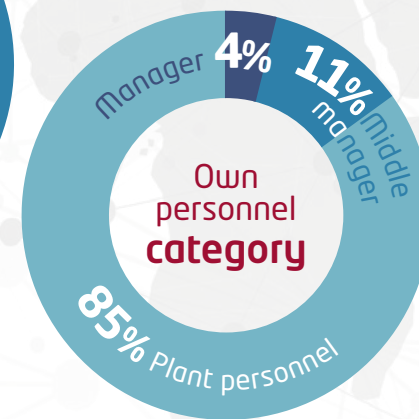
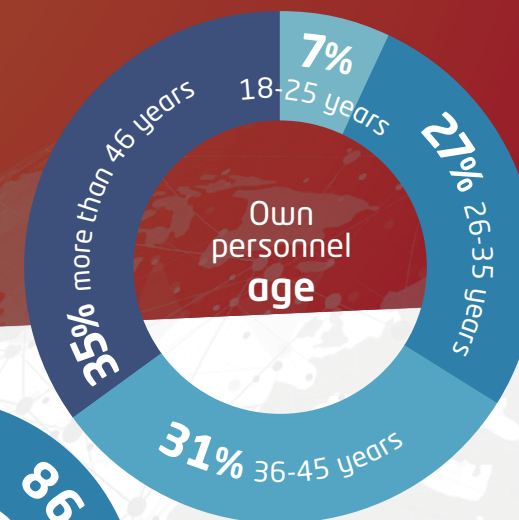
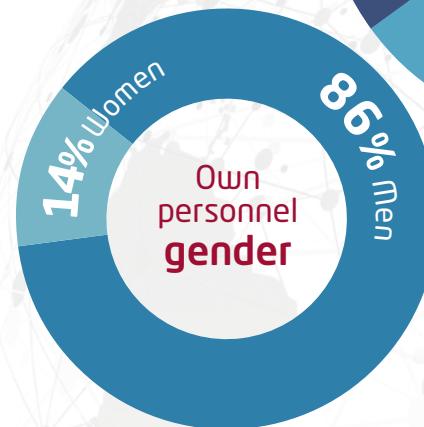
People Axis is what places Gonvarri at the heart of its **employees**, meanwhile promoting a sense of pride, team and wellbeing of its employees.

## Our team

103-1, 103-2, 103-3 AND 102-8

In 2020, the Gonvarri team is made up of 6,450 professionals, 5,614 own and 836 externals distributed over 25 countries.

The scope of the report includes a total of 5,926 professionals, 5,174 own and 751 externals in 23 countries, representing 92% of the total.

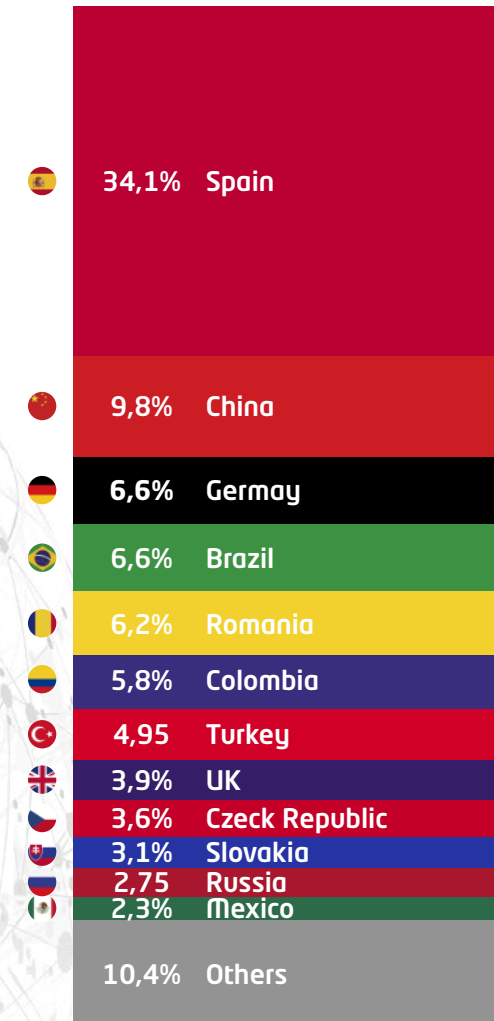
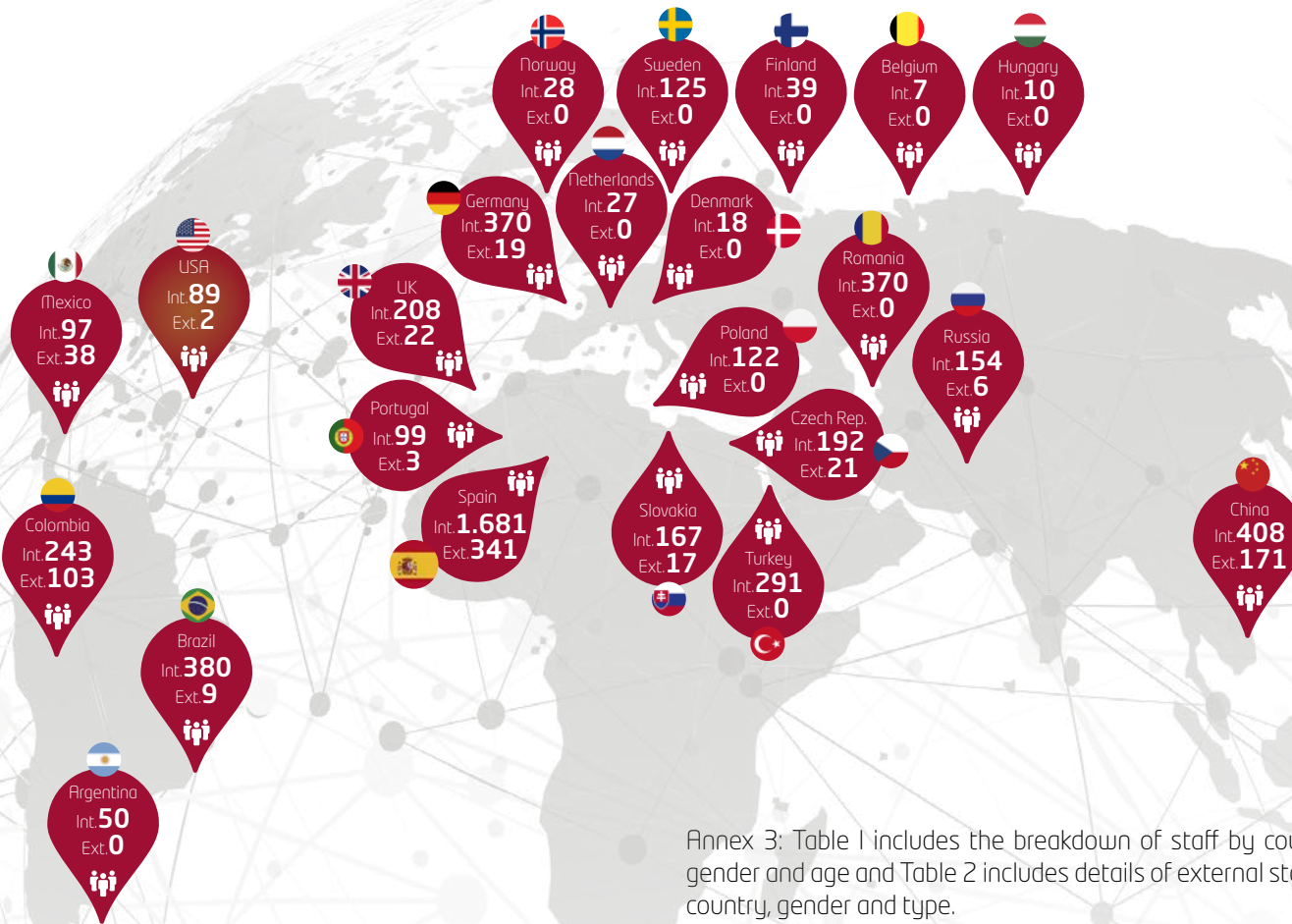






It is not included in the scope Resende (Brazil) with 59 own employees, Pune (India) with 291 own employees and 85 external employees, as these are controlled and managed by our partners, as well as the new engineering companies and companies acquired in 2020 with a total of 88 own employees, which will be reported in the next Annual Report (405-1).

### Percentage distribution of the workforce by country (own and external personnel)



Annex 3: Table 1 includes the breakdown of staff by country, gender and age and 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 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 2020, 1,039 new employees were hired (933 men and 106 women) and 1,012 employees left the company (893 men and 119 women). Regarding leaves, 36% were dismissals and 64% voluntary leaves.

	Men	Women	Total
<b>HIRES</b>	<b>933</b>	<b>106</b>	<b>1,039</b>
Leaves dismissal	315	48	363
Voluntary leaves	578	71	649
<b>LEAVES</b>	<b>893</b>	<b>119</b>	<b>1,012</b>

The hiring's and dismissals were mainly in Turkey (29.6% of hiring's and 24.2% of dismissals), Spain (16.4% of hiring's and 15.9% of dismissals) and Brazil (15.1% of hiring's and 12.3% of dismissals). The "average turnover rate" (considering the number of leaves among the total staff) is 20% for the whole staff (20% men and 16% women). In terms of own personnel, the most relevant growth has been in the factories of Burgos, Turkey, Brazil and China.

The pandemic-related restrictions on the perimeter have led to significant decreases in external personnel (subcontractors and temporary employment agencies). Although the reduction has been fairly across the board, those of Gonvarri Thuringen, Gonvarri Portugal, Gonvarri Turkey, Gonvauto Puebla and Gonvarri Burgos, Solar Steel and Hiasa stand out. On the other hand, it has grown in the factories of Flinsa, China and Brazil.

Annex 3 provides further information in tables III, IV.a. and IV.b.

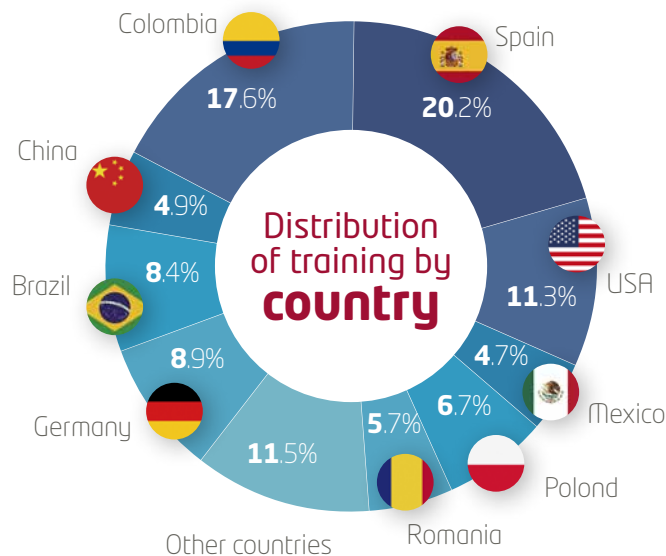
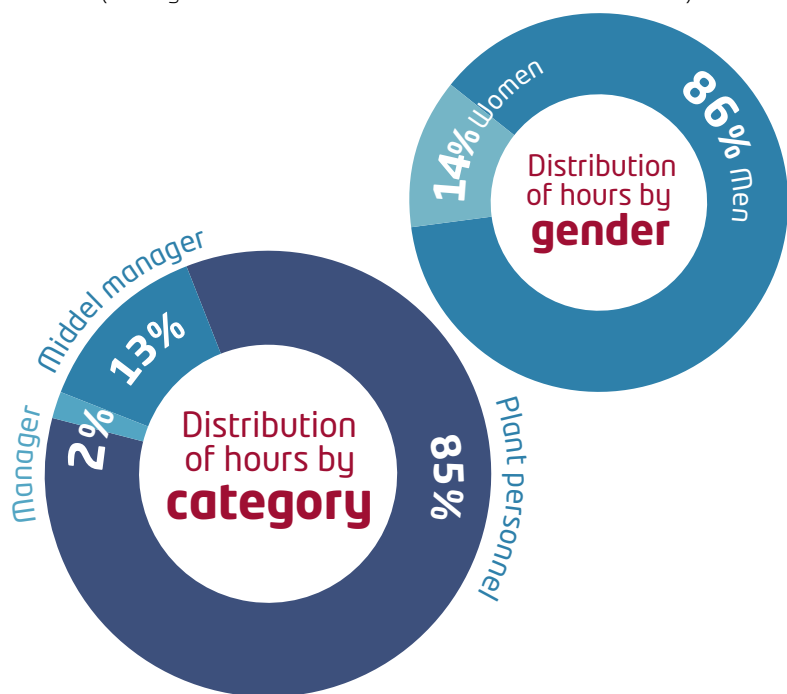


## 2 Training and skills development

404-1 AND 404-2

Training is a key aspect in order to promote talent and grow as an innovative and efficient company. For this reason, it is essential to have trained and qualified young people, to whom opportunities and stable and remunerated employment should be provided.

In 2020, there was a substantial reduction in training hours (37% less) as a result of the COVID pandemic, which made it necessary to remove or reconsider all face-to-face training in order to avoid the risk of contagion and to ensure the health of professionals. Thus, the number of hours of overall training was 136,562, which corresponds to 26 hours per employee (average of 26 hours for men and 27 hours for women).



Annex 3: Table V information on training hours by country, gender and category is detailed.

Throughout 2020, Gonvarri Industries has continued to focus on training as a strategic axis through which to add value to the different areas and plants that are part of the company. Thus, it has opted for a global model that combines the implementation of actions aimed at strengthening soft skills and those related to more technical aspects.

With the outbreak of the COVID-19 pandemic, the company has consolidated its commitment to online training through the **Academy** platform, since it has become a transversal vehicle aimed at reaching all employees, who can complete their training from anywhere and at any time.

To this end, communication has been increased so that everyone can know their training profile and the mandatory and important training courses associated with each of them. In this way, we have sought to promote a specific training model to guarantee a better performance of people in their daily work.

In addition, we have worked with the Corporate Departments and with the Plants in the development of specific training and programs aimed at increasing the knowledge of particular groups of people with practically individual training needs and designed and edited from the Training area. Examples of this type of training are the E-Gate program launched in November 2020 or the training courses launched for members of the AUTO Sales Department.

Finally, in order to ensure individual self-development, training courses have been opened and are accessible to anyone interested in accessing them.

Two indicators that show the evolution of the Academy since its start-up are related to:

  
**Number of people currently registered**  
**4,500 people**

  
**Number of hours of training**  
**18,464 hours**

Looking to the future, the objective is to continue expanding the number of courses and programs available, increasing the number of languages and the range of training available to each professional.



The following is a summary of some of the most important initiatives implemented during 2020:

### Obtaining learning performance institute certification



With this international certification, the Training Department has been accredited as an important actor when carrying out different training actions to add value to the business areas and to measure through indicators the evolution and quality of the training implemented.

### Languages online

Through this training in which professionals from up to 11 plants participate, who can enhance their language skills to enhance the skills required in their job.



### COVID-19 training courses

Due to the pandemic situation, we worked on the search for alternatives in different directions, taking the Academy platform as a reference. On the one hand, two training courses were launched in the Spanish plants with the aim of making known the main measures to avoid Coronavirus infections, not only in the workplace but also in the private sphere.

Training courses were also published to enable middle management to manage situations of uncertainty and to promote team networking.



Lastly, in July, a training course was launched on Resilience as a key element in the face of change and problems.

### Steelmaking process

This Academy training, available in Spanish and English, was launched to learn a little more in detail about the steel generation process.



### 3 Job stability

401-1

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

As a result, 91% of our professionals are employed on a permanent basis. We also encourage local employment, where 99% of employees have local nationality.

	Permanet	Temporary	Internship
Men	4,043	385	16
Women	656	62	13
<b>TOTAL</b>	<b>4,698</b>	<b>447</b>	<b>29</b>

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



## 4 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 2020, a total of 394 evaluations were initiated, distributed among 8 countries and, at year-end, a total of 203 were completed, as shown in the following graphic.

	Evaluation "ETWeb"
Germany	20
Argentina	9
Spain	117
Mexico	14
Poland	9
Portugal	9
UK	12
Russia	13
<b>TOTAL</b>	<b>203</b>

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.

The distribution of **DPOs** by country is summarised below:

	Managers		Middle manager		Plant personnel	
	Men	Women	Men	Women	Men	Women
Argentina	1	1	10	5	32	4
Brazil	0	0	26	9	0	0
China	17	3	38	10	308	38
Colombia	8	5	25	7	46	22
USA	5	1	2	1	89	1
Slovakia	4	1	10	4	124	29
Spain	17	2	183	31	456	47
Finland	1	0	7	2	24	5
Hungary	1	0	0	0	6	2
Mexico	1	0	7	4	2	0
Poland	0	1	6	2	78	28
Portugal	1	1	13	5	62	14
UK	6	0	15	2	77	25
Romania	0	0	42	9	272	59
Russia	2	0	8	4	34	8
<b>TOTAL</b>	<b>64</b>	<b>15</b>	<b>392</b>	<b>95</b>	<b>1,610</b>	<b>282</b>

## 5 Internal promotion

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.

The company 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.

There was a total of 22 direct promotions, with 14 men and 8 women.

### 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.

However, in 2020, due to the restrictions and risks arising from the COVID-19 pandemic, there were no deployments by the start-up teams, nor are there any new expatriates.



# 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.

The last survey was conducted in 2019, so we will update the results in 2021. The 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.



## "Growing Together"

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.



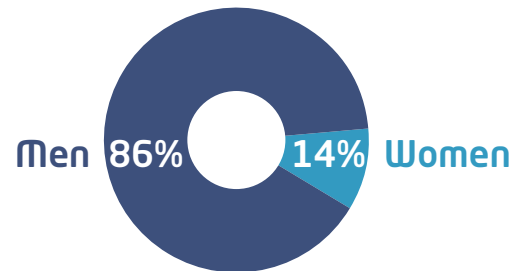
# Diversity

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 to respond to this demanding market.

In 2020, we are continuing with the "Proyecto 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, due to the pandemic, the annual meeting could not be

held. However, a limited of small commemorations were conducted in some factories and offices, such as a breakfast at the headquarters in Madrid with the women who work there.

As for our professionals with **different capacities**, we currently have 71 employees (64 men and 7 women) distributed among Spain (44%), Germany (28%), Czech Republic (15%) and Turkey (7%).

At Gonvarri Industries we maintain a fluid collaboration and develop numerous initiatives with Special Employment Centres, such as, for example, with the Juan XXIII Foundation, by purchasing fresh fruit, renting rooms for different events, etc. as well as conducted sensitization workshops on this subject.

December 3<sup>rd</sup> "International Day of Disability", Gonvarri carried out a volunteer action in which company employees and members of the Foundation jointly wrote a road safety story conveying concepts such as the importance of looking after our own safety and that of others, the transmission of positive messages to motivate responsible and safe driving, and the commitment of each and every one of us to tackle the COVID-19 pandemic.

We also promote **local employment** to create value in the countries where we are present. 99% of the workforce is of local origin.

Category	Percentage of local nationality
Manager	96.4%
Middle manager	98.7%
Plant personnel	99.4%



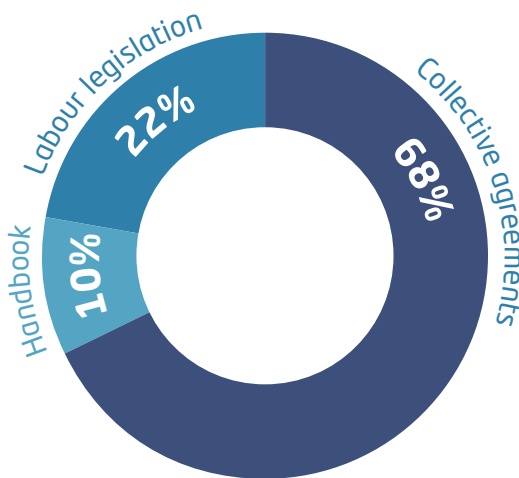
# Work relationships

401-2

Gonvarri supports the rights to association, union representation and collective bargaining. 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).

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.

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".



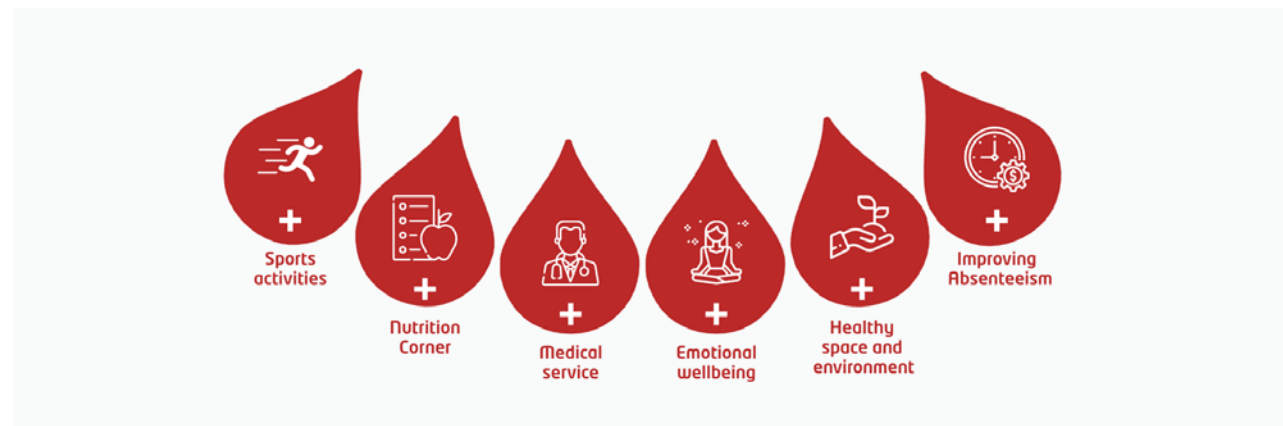
# Sports and healthy spaces

403-6

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, wide range of programmes and opportunities focused on nutrition and sport, as regular physical activity contributes to good health.

The restrictions imposed by the COVID pandemic have significantly reduced the number of initiatives.

By example, Gonvauto Tarragona has continued with its "Healthy eating habits" programme by providing fresh fruit daily in all the company's canteens and encouraging sport through the availability of full passes for the Estival Park sports centre, Aquum and the Tarragona basketball club, GMH Germany offers health check-ups and flu vaccinations and Gonvarri Valencia encourages sport and health through its own running and bike club.





# 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 at the factories of AMG Brazil, GMH Finland, GMH Russia (for employees with full time contract), Gonvarri Kaluga, Gonvarri SouthCarolina, Gonvarri Portugal (for employees and their families, and for manager only covers their child), Gonvauto Puebla, Gonvarri Colombia (management), the Dongguan and Govvama factories in China, Gonvarri Turkey, Steel&Alloy UK (for white collar employees) and GMH Romania, has bonus aid for private health insurance, as does Southcarolina which offers bonus health, vision and dental insurance and GMH Germany which offers check-ups and the possibility of annual flu vaccinations. Also, the distribution centers and offices of GMH in Denmark, the Netherlands and Norway.

**Life insurance**, is available to all factories in Spain, GMH Germany, AMG Brazil, GMH Canrena, GMH Finland, Gonvarri Kaluga (except temporary), the Dongguan and Govvama plants in China, Gonvarri Poland, Gonvarri Argentina, Gonvauto Puebla, Gonvarri SouthCarolina (full-time employees) and Steel&Alloy UK. Also, the distribution centers and offices of GMH in Belgium, Denmark, Norway, Sweden and the UK.

**Disability insurance**, it is available this benefit to all factories in Spain (with life insurance), the Dongguan and Govvama factories in China, Gonvarri Poland, Gonvarri SouthCarolina (full-time employees) and Steel&Alloy UK (managers and middle managers).

**Ticket restaurant and canteen service**, is available to the factories of AMG Brazil, AMG Slovakia, GMH Russia, GMH Kredit, GMH Romania, Gonvarri Argentina, Gonvarri Kaluga, Gonvarri Poland, Gonvarri Portugal, Gonvarri Colombia, Gonvauto Puebla, Gonvarri Turkey, Gonvarri Germany, GMH Finland, the Dongguan and Govvama factories in China and Steel&Alloy UK. Also, the distribution centers and offices of GMH in Netherlands, Sweden and Norway.

**Transport service**, this benefit is available to the factories of Burgos and Tarragona in Spain, Gonvarri and GMH in Germany, Gonvarri Portugal, Gonvauto Puebla, Gonvarri Kaluga, Gonvarri Colombia, Gonvarri Argentina, AMG Brazil, GMH Romania, GMH Russia, the Dongguan and Govvama factories in China and Gonvarri Turkey. In addition, GMH's distribution centres in Norway and Sweden. In addition, several facilities provide company cars mainly to the sales department.

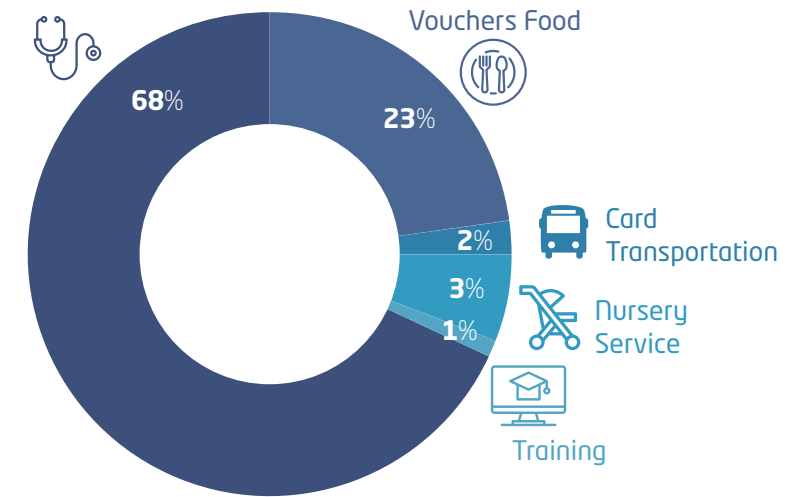
**Maternity/paternity leave**, this benefit is available to the factories of Gonvauto Puebla, Gonvarri Turkey, the factories of Dongguan and Govvama in China and in Spain the factories of Hiasa, Gonvauto Asturias and its engineering's.

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

**In Iberia**, Gonvauto Portugal gives gifts/presents for different reasons such as; nativity, Christmas boxes, a gift for children under 12 and a gift for Easter and in the factories in Spain gifts/presents are given for different reasons such as; nativity, Christmas baskets and Gonvarri Tarragona provides its workers with the possibility to enjoy the installation of the "Estival Park".

In 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 2020 is summarized below.

Medical Insurance\*







In the rest of **Europe**, Gonvarri Poland has a company social benefit fund, in addition to cash benefits for holidays and other occasions, Steel&Alloy (UK) participates and finances the "Cycle to work & Lifestyle Scheme" for sustainable mobility and Gonvarri Thuringen (Germany) provides a "Babythings" voucher for every birth and bonuses for childcare, length of service benefits, birthday cards and a barbecue once a year. In Slovakia, AMG Senica and Gonvarri Nitra offer free coffee and tea as well as massages for plant employees. In addition, they have a social fund that includes food allowances and prizes for the "Best Employee of the Year".

In **Latin America**, the Gonvauto Puebla factory (Mexico) social benefits are included in the "Employee Welfare Plan" in which various initiatives are incorporated, such as: food vouchers, major health expenses insurance, savings funds, help in kind for paternity/maternity, scholarships and school aid, minor medical expenses insurance, accident and life insurance, help for marriage and death, Gonvarri Colombia also has a "Labour Welfare Plan" with various initiatives and covers first aid attention and Gonvarri Argentina gives presents for birth, "Women's Day and a Christmas basket.

Regarding the **GMH** division, the factory in Kredit (Czech Rep.) offers a work anniversary recognition and improved telephone tariffs, GMH Finland has sport and culture cards with a value of 200€/year to be used, for example, for gym membership or museum visits, and in Finland and Sweden, GMH subsidises the gym for its employees and GMH Canrena offers massages to improve the conditions for production staff.

In **Asia**, the Dongguan factory in China has a benefit plan that includes marriage benefits, death benefits, housing, utilities such as water and electricity, working in adverse weather conditions, transport for employees and families, medical reimbursement and insurance, birth, breastfeeding and pregnancy benefits for women only, hospitalisation, food for evening and night shifts, annual bonus, safety incentives and improvement proposals, psychological examination, New Year financial aid, distribution of goods, tea for employees in the warmer months and dormitory&food for factory residents.

Gonvama's factories distribute financial support for various employee benefits, including birthdays, marriages, births, hospitalisations, landmark dates such as the "Dragon Boat Festival" and the "Mid-Autumn Festival", transport subsidies, accommodation (in offices, and the Changshu, Shenyang and Chongqing factories), medical check-ups, and team building.

Gonvarri Kaluga (Russia) finances 50% of the gym for employees and Gonvarri Turkey, provides a relaxation 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, Norway, Sweden, the Netherlands, Denmark, Slovakia and South Carolina. Retirement plans are available on a voluntary basis, in UK.

In Spain, only Gonvauto Barcelona has a partial retirement plan included in the 2017 - 2022 Company Pact and it is available in UK. 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 2020 corresponded to 101 men and 35 women, of whom 95% of the men and 80% of the women have already been reincorporated.



# 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), with a double objective:

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:

- The certification of all its centers according to the most rigorous international standards: ISO 9001, IATF 16949, ISO 14001 and ISO 45001.
- 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 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 SGI Integrated Audit. As a result, factories were audited by certificated technician from other companies, who are able to propose improvements to those audited and learn more efficient methods. This process has been affected by the travel restriction caused by COVID-19.

Nevertheless, by using local resources and, in some cases, new technologies such as Smart Glasses, it has been possible to comply with each and every one of the audits with the following result:

Region	Rank	Site	2020	2019	var
● <b>Gonvauto Iberia</b>	1	<b>Galicia</b>	75.1%	72.5%	+2.6
● <b>Gonvauto Iberia</b>	2	<b>Navarra</b>	68.7%	67.8%	+0.9
● <b>Europe</b>	3	<b>Barcelona</b>	67.3%	53.3%	+13.9
● <b>Asia</b>	4	<b>Dongguan</b>	65.2%	35.1%	+30.1
● <b>Europe</b>	5	<b>Polska</b>	65.1%	71.9%	-6.8
● <b>Gonvauto Iberia</b>	6	<b>Portugal</b>	62.9%	57.2%	+5.8
● <b>Europe</b>	7	<b>Kaluga</b>	61.9%	54.4%	+7.5
● <b>NAFTA</b>	8	<b>Puebla</b>	59.2%	58.1%	+1.1
● <b>Gonvauto Iberia</b>	9	<b>Gonvauto</b>	59.2%	56.6%	+2.6
● <b>LATAM</b>	10	<b>Argentina</b>	59.0%	54.8%	+4.1
● <b>Europe</b>	11	<b>Tarragona</b>	58.8%	53.4%	+5.4
● <b>Europe</b>	12	<b>Burgos</b>	58.4%	53.2%	+5.2
● <b>LATAM</b>	13	<b>Paraná</b>	55.5%	49.9%	+5.6
● <b>Europe</b>	14	<b>Valencia</b>	55.5%	52.4%	+3.1
● <b>LATAM</b>	15	<b>Campinas</b>	51.5%	53.9%	-2.5
● <b>Metal Structures</b>	16	<b>Gonvauto Asturias</b>	49.4%	48.2%	+1.2
● <b>Metal Structures</b>	17	<b>Colombia</b>	47.9%	45.4%	+2.4
● <b>Metal Structures</b>	18	<b>Hiasa</b>	47.2%	45.8%	+1.4
● <b>Europe</b>	20	<b>S&amp;A Newton Aycliffe</b>	43.3%	37.0%	+6.2
● <b>Europe</b>	21	<b>S&amp;A Bridge Street</b>	42.7%	37.1%	+5.6
● <b>Europe</b>	22	<b>S&amp;A Union Street</b>	42.2%	36.8%	+5.5
● <b>Europe</b>	23	<b>S&amp;A Popes Lane</b>	41.4%	36.5%	+4.9
● <b>Europe</b>	24	<b>Thüringen</b>	38.8%	37.6%	+1.3
● <b>Metal Structures</b>	25	<b>Çepaş</b>	36.3%	32.2%	+4.1
● <b>Miscellaneous</b>	26	<b>GCF</b>	27.8%	26.2%	+1.7
● <b>NAFTA</b>	27	<b>South Carolina</b>	25.4%	17.6%	+7.8
		<b>Total</b>	<b>51.3%</b>	<b>46.9%</b>	<b>+4.4</b>



# BTM Key processes

Gonvarri considers "Key Processes" to be processes in which its differentiating knowledge is concentrated, and where a possible infringement could result in economic, operational or reputational damage for the company.

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.

In 2020, two new Processes were published: KP04 "Stock Management" and KP05 "Customer Relationship Framework". These make a total of 10 Key Processes that have now been launched and form part of the culture of Gonvarri Industries, providing a solid basis for the design of the new business support systems within the OneSAP Project:

### Key Processes

KP01	Steel Purchasing
KP02	Management of offers
KP03	Scrap Management
KP04	Stock Management
KP05	Customer relationship framework
KP06	Approval flows
KP08	Commercial Risk Management
KP011	Establishment of Greenfields
KP012	Development of People
KP016	Operational Notifications

We are also immersed in the development of a benchmark that will allow us to self-assess and audit the degree of implementation of the "Key Processes" in the different work centers, within the framework of the SGI Integrated Audit as of January 1, 2022.

Next year 2021, it is planned to define the Key Process 10 "Establishment of Brownfields" and the support work to the companies for its adoption, for which training courses will be developed in the on-line platform Gonvarri Academy, improve those that are considered to be surpassed by the evolution of the business and extend the perimeter of application to the recently incorporated companies (Gonvarri Material Handling, Flinsa, etc.).



## BTM OneSAP

Since 1999, Gonvarri Industries has been using SAP/R3 as ERP (Enterprise Resource Planning) in 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,...). Gonvarri's objective is to make the most of new technologies to improve performance indicators and provide value to our clients:

In 2020, the BTM team in its role of interpreting of the business lines, led the development of the Template for this system, which will be gradually implemented in all the Group's companies. To this end, using the collaborative potential of digital tools, it successfully organised several interactive workshops with more than 50 managers from across the organisation to define the Company's needs:

In addition, a second **OneSAP Gonvarri Session** was organised, in which the different functionalities foreseen in the project were discussed over two days with the Group's main managers.

A double objective is set for 2021: on the one hand, to implement the system in a pilot plant (Gonvarri Portugal) to validate the suitability of the proposed solutions and, on the other hand, to start the roll-out during the second half of the year in at least 3 companies.





# Health and Safety

## Management model

103-1, 103-2 AND 103-3

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.

The company 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, already focused on improving the company's preventive culture.

Most of the factories (73%) are certified under the new international health and safety standards (ISO 45001), which establishes September 2021 as the date for adapting the Management Systems previously certified under the old OHSAS 18001 standard to this new standard. The Laser Automotive plants (Barcelona, Zaragoza and Valencia), Flinsa, the GMH plants, Gonvarri South Carolina and Gonvauto Nitra (403-1) are still pending.

In consideration of these certifications, 81% of factory employees are covered in the management system under the ISO 45001 or OHSAS 18001 (403-8) standards.

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.

The external perception by the certifying bodies of the existing tools have been favorably evaluated.

### 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 organisation encourages and promotes the wellbeing of all employees through different health care services, adapted to the different countries where we operate.

Newly hired employees must undergo mandatory medical examinations designed in accordance with specific protocols according to the job position to be performed and which declare the

medical "aptitude" for such positions. In addition, all employees are entitled to periodic medical examinations by the medical services in accordance with these protocols, after which an update of such "aptitude" is issued.

In general, the task of monitoring and controlling the health of workers is outsourced, relying on authorized medical services in accordance with local legislation. Some notable examples are having a medical service at the workplace or having private medical insurance (social benefit) in some countries and training to improve health care (403-3).

In 2020, it is highlighted the participation of the plant managers and members of the management committees in "One to One" project.

This tool tries to make visible the commitment of the members of the Management Committees to safety by means of behavioral observations and personal and direct dialogues with the employees in order to get their opinion about the existing working conditions, the management tools that allow their continuous training and information, the content of the rules, and the proposals for improvement on the part of the employees to eliminate the possible existing risks.

This project also seeks to encourage and promote the consultation and participation of workers in the activity and in preventive improvement, verbalizing their problems and proposals to the people with more responsibility in the organization, who have first-hand knowledge of these concerns.

Supervisors are a key link in this integration, although by no means the only one. These supervisors must be fully aware of the regulations, monitor compliance and enforce them, carry out periodic safety inspections, identify and report incidents and accidents and, in short, integrate employee and facility safety as a key part of their area of responsibility (403-2).



## 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 (at all levels of the organisation), raising awareness of the obligation to apply what is passed on to them in terms of roles and responsibilities appropriate to their hierarchical level.

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 the 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 (403-4 and 403-7):

- **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 the Gonvarri 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, exposed to the hazards and risks arising from their activity.
- **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, standardising in “Technical Specifications” the premises, guidelines and requirements to be met by future projects to be developed in the rest of the Group’s plants.
- **External diagnosis of the preventive culture,** drawing up action plans based on the results obtained about the level of penetration of the preventive culture in the organisations and the employees’ perception of this culture.
- **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.
- **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.
- **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
- **Safety Stewards:** initiative created by Steel & Alloy and extended to other plants of the Group.

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 403-2

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 to the work centres (sub-contractors, temporary employment agencies, transporters, etc.).

The CTAIMA platform, currently applicable to plants in Spain and Portugal, is used to record the information provided to external companies that access their workplaces. It includes strict control of the adequate documentation that these companies are obliged to report, both in relation to the companies themselves, their activities and the workers and equipment they provide to the plant.

During the last two years, 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.

## COVID-19 Management



During 2020, actions have been developed for the minimization of the effects of the pandemic worldwide, for the protection of workers, such as:

- Global acquisition of protection and control equipment for all plants.
- Elaboration and updating of action protocols for the prevention of the pandemic and its impact, as well as for the control and follow-up of possible affected people.
- Deployment to plant managements of updated legal information, recommendations, etc. on the pandemic.
- Development of informative and training actions and updates to plants.
- Follow-up meetings with plants and Regional Managers.



## Evaluation of occupational risks 403-10

The “**Evaluation of Occupational Risks**”, which identifies and measures the different risks our workers are exposed as a result of the different hazards existing in their jobs and activities, as well as to establish the necessary and sufficient preventive measures to eliminate or reduce the level of these risks by means of technical or organisational actions or by informing and training workers about the residual risks that remain after having adopted other types of risk prevention measures at source.

These evaluations are updated and revised whenever changes in working conditions or the conclusions of the investigations of incidents and accidents require so, and these changes are communicated to employees.

The Safety Instructions compile all the information that employees must know in order to avoid risks, and are the first derivative of the previous evaluations and are decisive in the content of the training given to employees in the event of any modification in the activities, for their immediate updating.

Likewise, in the investigations of accidents and incidents that have occurred, it is internally questioned whether the content of the instructions of the activities involved in the accident/incident effectively included all the rules and precautions of which the employee should be warned so that such an event would not have occurred.

## 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.

Therefore, in the last two years, a plan of visits was presented, which included the plants 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.

Based on these reports, “**Action Plans**” have been established by each plant depending on the viability and impact of the proposed measures. Among them is the obligation to implement a system based on the issuance of work permits, in which the work to be performed is previously analyzed and how this work will be carried out in a safe manner is planned, taking into account the information to be provided to the worker, the preparation of the environment, the availability of extinguishing equipment, etc.

No relevant incidents have occurred in this period.

In 2020, 27 jobs were identified among Gonvarri Colombia, Turkey 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.





# Main indicators 403-2

Despite hardship caused by the pandemic, in 2020 the Frequency Index was lowered (16%) in comparison to the previous year. Throughout the year there were a total of 81 accidents with sick leave and 306 accidents without sick leave (in this case, a decrease in the absolute total number of accidents was not only due to improvements but also to less activity because of the pandemic).

	Accidents with leave		Accidents without leave	
	Men	Women	Men	Women
Own Personnel	67	5	238	5
External Personnel	8	1	59	4
<b>Total</b>	<b>75</b>	<b>6</b>	<b>297</b>	<b>9</b>

Results, however, are very uneven and not homogeneous; looking into quantitative data on accidents with sick leave, 6 companies throughout the Group accounted for two thirds of the total in 2020: Gonvarri Burgos, GMH Germany, GMH Kredit, Gonvauto Thüringen, Gonvarri Barcelona and Gonvarri Turkey. A plan of special actions will roll out in 2021 to solve the issue. The presence of subcontractors and Temporary Employment Agencies (without the level of awareness and safety culture at Gonvarri) has led some of the plants to worsen their accident

rates, since accident rates are higher at external companies. In effect, such external companies add up much fewer hours of assistance but their relative accident rate is considerably higher, so they drag down overall results which are usually better among the Group’s own personnel.

After a few years with stagnant data, it is worth noting that the relative accident rate (considering accidents with and without sick leave) has fallen significantly.

Global qualitative research, reported quarterly to the plants for years, provide us with a profile for typical accidents at Gonvarri, mostly hand injuries (cuts) and other impacts due to careless handling or distractions (403-9).

In the past year, the severity of accidents (quantified as the total relative working hours lost due to work accidents) has stabilized. 2 serious accidents took place: one involving a female staff employee and the other involving a cleaning contractor’s external employee (not accounted for since it wasn’t subcontracted personnel carrying out their own activities), who must be equally considered when implementing information, surveillance, and control policies as with any other company providing personnel. It should be noted that in neither of these two cases (as in most accidents that occur) were the working conditions the cause of events; it is behaviours that might require educating, monitoring and reprimanding.

Therefore, serious injury indicators in 2020 include one suffered by a female worker in Spain. The rate of injuries due to work-related accidents with major consequences (non-fatal) is globally 0.11 (0.0 for men and 0.85 for women).

Likewise, the global rate for recordable occupational injuries is 8.96 (9.68 for men and 4.26 for women). Research in both cases counted 1,000,000 hours worked.

Plants continue to improve at identifying, reporting, and analyzing “incidents” which have not caused personal injuries but might do so in other circumstances, and their research is especially useful for future learning and continuous improvement.





The accident rates are detailed below.

**Rate of accidents with leave**

	Own Personnel		External Personnel	
	Men	Women	Men	Women
Germany	24	9	24	0
Brazil	2	0	0	0
Colombia	4	0	6	0
Spain	9	11	9	42
USA	22	0	0	0
Finland	48	0	0	0
Poland	6	0	0	0
Portugal	17	33	0	0
United Kingdom	3	0	0	0
Czech Republic	33	0	0	0
Russia	5	0	0	0
Turkey	13	0	0	0
<b>TOTAL</b>	<b>9</b>	<b>4</b>	<b>7</b>	<b>17</b>

Rate: No. of accidents with medical leave x 1,000,000 / No. of hours worked.

**Rate of accidents without leave**

	Own Personnel		External Personnel	
	Men	Women	Men	Women
Germany	67	18	61	465
Brazil	26	0	0	0
China	12	0	7	0
Colombia	4	0	75	0
Spain	59	4	70	42
USA	69	0	0	351
Slovakia	21	0	0	0
Finland	16	0	0	0
Mexico	0	0	19	0
Portugal	26	0	0	0
United Kingdom	28	0	0	0
Russia	0	0	138	0
Sweden	13	0	0	0
Turkey	17	0	0	0
<b>TOTAL</b>	<b>31</b>	<b>4</b>	<b>51</b>	<b>66</b>

Rate: No. of accidents without medical leave x 1,000,000 / No. of hours worked.

**Days lost due to accidents**

The registered accidents have caused more than 2,000 working days lost per accident. The countries with the highest number of working days are Spain, the Czech Republic and Germany. It should be noted that 40% of accidents resulting in sick leave cause less than 4 working days lost (60% less than 10).

**Days lost due to accidents**

	Own Personnel	
	Men	Women
Germany	0.4	0.0
Colombia	0.10	0.0
Spain	0.25	1.5
USA	0.25	0.0
Finland	0.5	0.0
Poland	0.3	0.0
Portugal	0.4	2.9
Czech Republic	1.4	0.0
Russia	0.2	0.0
<b>TOTAL</b>	<b>0.2</b>	<b>0.4</b>

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



## Days lost due to other causes

In 2020, more than 126,000 equivalent days have been lost due to unplanned absenteeism, of which 85% correspond to male and 15% to female.

### Days lost due to other causes

	Own Personnel	
	Men	Women
Germany	5	3
Argentina	0	2
Brazil	1	0
Colombia	4	0
Denmark	2	3
Spain	39	53
USA	10	0
Slovakia	0	29
Finland	2	2
Netherlands	13	29
Mexico	0	3
Norway	29	175
Poland	3	6
Portugal	10	3
Czech Republic	18	18
Romania	6	4
Russia	6	7
Sweden	4	13
<b>TOTAL</b>	<b>14</b>	<b>16</b>

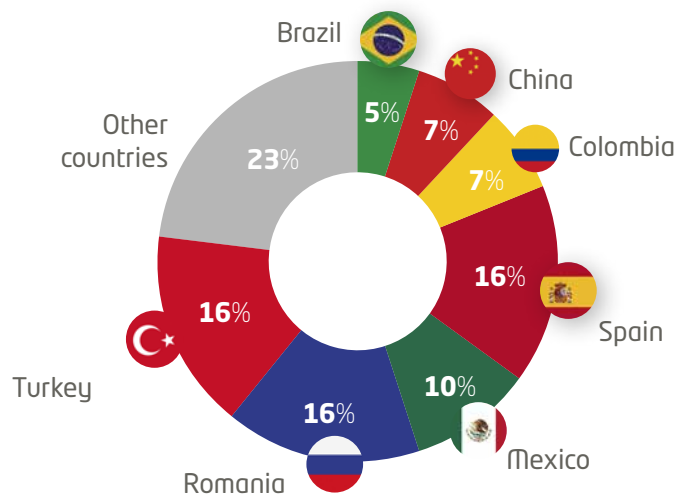
Rate: No of days lost due to other causes / No of hours worked x 1,000.

## Training and communication

### Training <sup>403-5</sup>

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 (risks and standards to be taken into account in the plant and in the job performed and activities carried out, measures to be taken into account in the event of an emergency, job functions and responsibilities, etc.) must be revised every three years.

In 2020, total Health and Safety training hours amounted to 44,080 hours for our own staff, meaning over 8.5 hours per employee. In addition, a total of 3,000 training hours were given to external personnel, as these staff also need to be trained internally in accordance with corporate policies.



The absolute training effort made by the plants in the training of their personnel and that coming from temporary employment agencies has decreased significantly this year, which is normal given the circumstances. However, the relative training effort indicator of training hours per thousand hours worked has also fallen, which should not have fallen so much. It should be remembered that this is a basic aspect of safety management in that it results in the knowledge on their part of all the risks and rules applicable to their usual performance, but also in raising awareness of the importance of this aspect.

For several years, Gonvarri has 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.

Thus, each new employee, either in-house or from a temporary employment agency, incorporated into the plant must be identified as such and assigned a tutor who carries out a monthly follow-up on the progress in the assimilation and respect of the rules explained, validating the effectiveness of the theoretical-practical training received after four months in the plant.

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.



## Communication and advice 403-4

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 (accidents or incidents occurring the previous day, problems encountered in the course of work, weekly corporate communications, results of inspections carried out, etc.). 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 workplaces 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 is-

suess 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
Argentina	10
Brazil	30
China	47
Colombia	8
Denmark	2
Spain	51
USA	6
Slovakia	7
Finland	1
Netherlands	2
Mexico	18
Poland	7
Portugal	8
United Kingdom	35
Romania	8
Russia	6
Sweden	6
Turkey	13
<b>TOTAL</b>	<b>293</b>

## Chasing Risks



During 2020, "Chasing Risks" workshops are gradually being consolidated in companies, working with groups of people who, after appropriate training on what these workshops aim to achieve, are made to observe the activities carried out in a line outside their own in order to be able to analyze objectively and with a safety vision what improvements could be made both in the organization of work and in the equipment, tools, etc. used to make it safer.





# Environmental Management focus

103-1, 103-2, 103-3 AND 102-29

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

Currently, 82% of the group's factories are certified, as the four Gonvama factories in China were certified in 2020. The plants of Laser Automotive (Barcelona, Zaragoza and Valencia), which have very low environmental impact due to their activity, the GMH plants in Germany, Russia and Canrena (Sweden), Gonvarri South Carolina and Gonvauto Nitra.

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, with a coverage of up to €20m:

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

During 2020, it was not necessary to activate the guarantees of the Environmental Responsibility Policy that the Group has contracted.

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

## 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 303-1, 303-2, 303-3, 303-4 & 303-5

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 2020 was 263,922m<sup>3</sup>, 20% less than in 2019 because of lower production due to the pandemic. 85% of the consumed water originated from the water system network, 14% from groundwater sources and 1% from rainwater reuse in Brazil.

The consumption was primarily industrial (65%), followed by sanitary use (30%) 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.

Regarding discharges, it is estimated that total discharges amounted to 165,650m<sup>3</sup>, of which 97% were discharged in the sewage system, 2% in septic tanks and 1% in water courses (river, sea, etc.).

Furthermore, in 2020 there were a total of 48 non-significant spills, all of which were adequately managed, and which caused no damage to the environment.

### Waste 306-1, 306-2, 306-3, 306-4 AND 306-5

Waste produced in our facilities is adequately segregated, monitored, identified, stored and managed through certified managers, as set out in the management system procedures and instructions.

From the total **non-hazardous waste** produced, scrap stands out with 95.3% of the total, followed by aluminium scrap with 1.8% and the remaining 0.6% with plastic packaging, cardboard, tablex, wood, organic and construction waste, among others.

Regarding the removal and disposal of non-hazardous waste, 98.3% is managed through authorized waste managers for recycling, excluding 1.7% for mixed waste, non-recyclable plastic and tablex.

**Hazardous waste** accounts for 6% of the total. 98.8% comes from factories that use galvanizing, pickling and painting processes, where ferrous chloride from pickling accounts for 81%. In addition, a total of 106 m<sup>3</sup> of oil were produced.

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

All the waste generated by its characteristics has been transferred by authorised transporters and managers within the country.

Annex 3 provides further information in the tables for hazardous and non-hazardous waste.



### Soils

In the process of acquiring the GMH factory in Germany, a potential soil contamination by Chlorinated Hydrocarbons from the old solvent degreasing process was detected.

Therefore, in 2019, studies were conducted to determine the contamination of the land, confirming its existence, and in 2020, pilot tests were conducted to identify the best decontamination alternative, always in communication with the corresponding body.

With the available results, in 2021 we will start an "Enhanced natural attenuation" (ENA) project, which will allow us to significantly improve the conditions of the site.

### Materials 301-1

Gonvarri Industries uses a range of materials to manufacture its products. The consumption of steel and aluminium accounts for more than 99% of the total, which is why in this chapter we will focus on these raw materials.

The most relevant consumption figures are summarised below:

MATERIALS (tons)	Steel	Aluminium	Zinc and zinc oxide	Hydrochloric acid
Germany	244,030	14,439	0	0
Argentina	21,299	0	0	0
Brazil	461,729	0	0	1,707
China	212,147	21,267	0	0
Colombia	17,590	0	659	157
Spain	2,105,415	18,709	4,102	11,640
USA	101,797	27,386	0	0
Slovakia	281,571	11,697	0	0
Mexico	184,196	6,174	0	0
Poland	164,761	90	0	0
Portugal	161,501	101	0	0
United Kingdom	201,140	0	0	0
Romania	12,542	0	0	0
Russia	75,619	0	0	0
Turkey	34,629	0	1,755	720
<b>TOTAL</b>	<b>4,279,966</b>	<b>99,862</b>	<b>6,516</b>	<b>14,224</b>



# Circular Economy

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

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

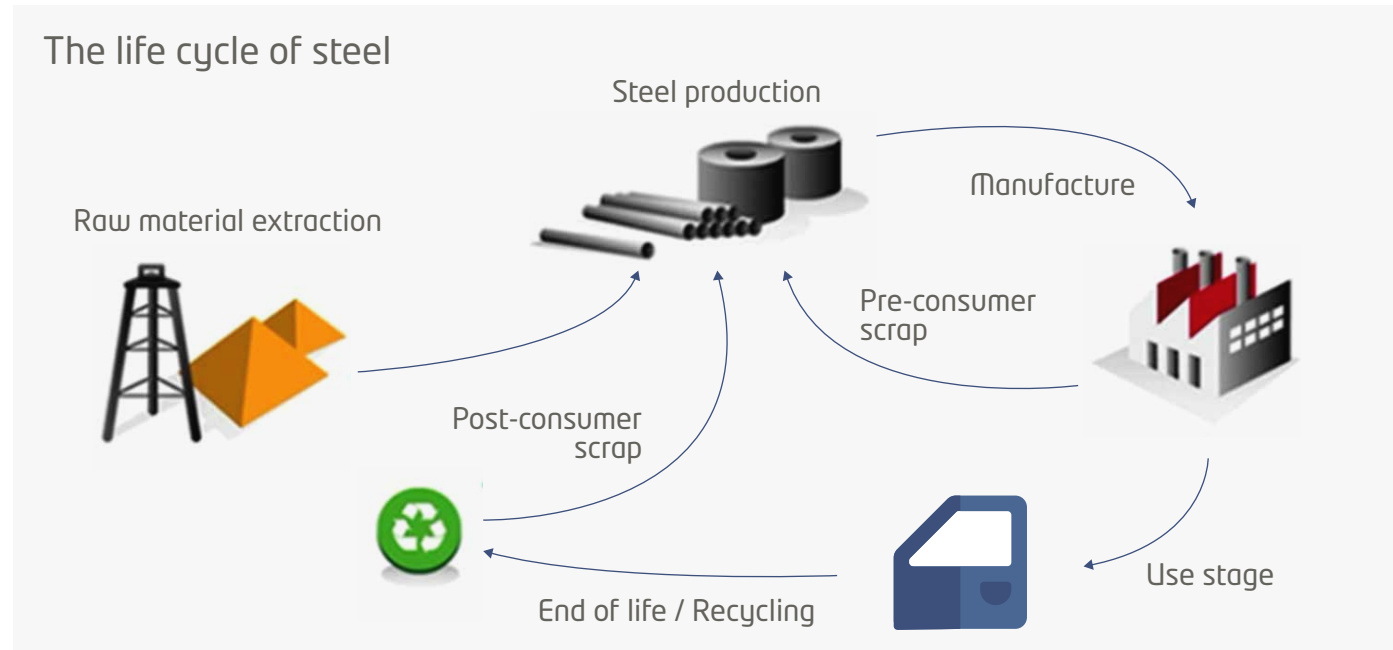
Steel is infinitely reused, melted and reshaped; iron and the other metals used to produce it have inherent chemical and physical properties that are not altered when they are recycled. It's the most recycled material in the world

In addition, life cycle analyses show that the use of recycled steel considerably reduces the consumption of natural resources and raw materials. For every tons of steel recycled, the steel industry saves around one and a half tons of iron ore, 85% of water, 80% of energy and 95% of coal and all their associated emissions (Source: UNESID).

## Circular Economy projects at 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.



## Integrated scrap management

301-3, 306-2 AND 306-4

Scrap is the main waste generated at Gonvarri and is also 100% recyclable. The Company 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 2020 a total of 269,920 tons of scrap were processed (98.2% steel and 1.8% aluminium).



### Purchases of recycled steel 301-1 AND 301-2

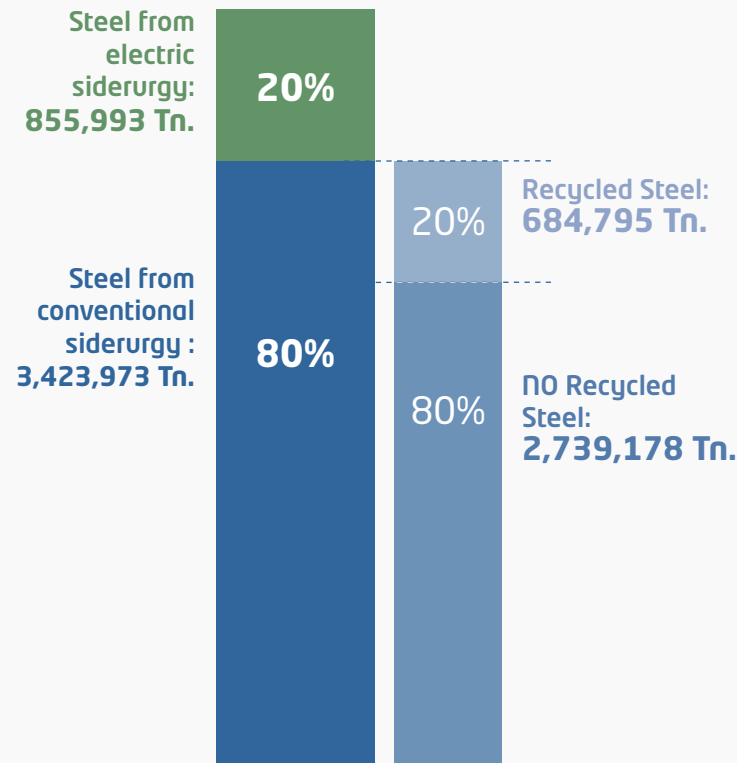
The steel industry has been going through significant changes in recent years. The expected scarcity of raw materials and the growing availability of scrap, the requirements of steel mills to meet the CO<sub>2</sub> emission obligations, as well as the demands of customers and society, are encouraging greater use of electric furnaces to manufacture steel from old steel. At Gonvarri, a significant part of the steel used in the processes is made from recycled material.

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.

**Total product: 4,279,966 Tn.**  
**Total recycled product 1,540,788 tn. (36%)**  
**Steel from non-recycled sources 2,739,178 tn. (64%)**



### Abstract Project V SAQA V4 306-2

At Gonvarri, among the waste with the greatest environmental impact are spent acids, which are generated in the carbon steel pickling and dip galvanizing processes, each of which involves different characteristics.

Spent acids from steel pickling are a compound of ferrous chloride and free acid that has not reacted. However, spent acids from galvanizing contain traces of zinc that pollute waters and do not allow a circular economy.

The objective of the pickling spent acids project is to recover ferrous salts through a new profitable and sustainable industrial process guaranteeing their commercialization. In addition, it will allow a reuse of the resulting hydrochloric acid (minimizing the use of commercial acids) which is currently used to produce ferric chloride in wastewater treatment plants.

A second part of the project focuses on the revaluation of spent acids from galvanizing, which not only contain ferrous ions, but also other metallic ions such as zinc from the fasteners and storage units during immersion. The objective is to separate ferrous salts and the zinc salts, in order to create value for waste that is currently sent to landfills.

This new technology will also require other measures affecting the pickling and galvanizing processes, in order to set the maximum iron content whilst guaranteeing very high purity levels.

The project is developed under an agreement between Gonvarri Industries and the National Center for Metallurgical Research (CENIM-CSIC), in collaboration with the Physics Department at the Complutense University of Madrid and the Rocasolano Institute of Physical Chemistry (IQFR).





## Circular Economy Projects at Gonvarri Industries

### ACV: Our products

The European Union, through the “New Green 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.

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 division, completed and reported in the 2019 Sustainability Report and for the Solar division, the result of which is summarised below.

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.

### The carbon footprint project: Solar Structures

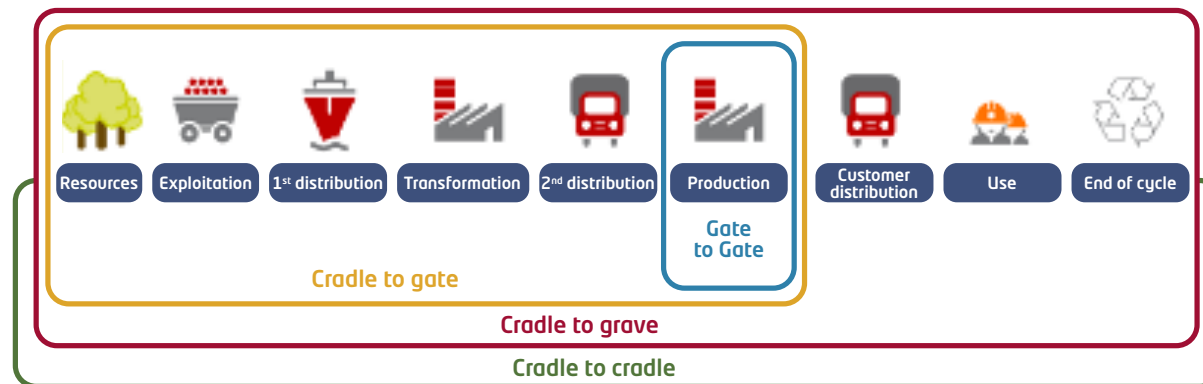
The manufacturing process for solar structures is grouped into different stages: the first is raw materials, the second is transportation, the third is Gonvarri’s Solar Steel production process, the fourth is transportation to clients and the fifth is waste treatment (reuse, recovery and/or recycling).

Regarding the third stage, during the manufacturing process structures undergo a series of high-tech processes which allow materials to be tailored to client needs. Gonvarri’s Solar Steel production processes include Longitudinal Cutting, Profile and Tube Lamination, Welding, Laser Cutting, Pickling and Galvanizing.

Through this “cradle to cradle” analysis, we’ve identified opportunities to improve environmental aspects of products at various stages of their life cycle.

Our main conclusions are:

- Raw materials are the main source of CO<sub>2</sub> emissions, followed by the galvanizing process.
- Considering processes at Gonvarri Solar Steel, on the one hand are the general production processes (cutting, welding and profiling) which only account for 1.5 - 1.6% of the total and, on the other, the galvanizing and paint processes which are estimated to have 12 times the impact of general processes.
- The carbon footprint of transporting raw materials is much lower than customer transport since most of the steel is purchased locally or in Europe and travels mainly by sea and rail. However, customer transport frequently reaches more remote locations and relies heavily on road travel.



Terminology related to the scope of a LCA



# 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) or ISO 9001 (Metallic Structures).



The latest versions of these standards include **risk analysis** as a new feature, which has meant a demanding adaptation of the equipment.

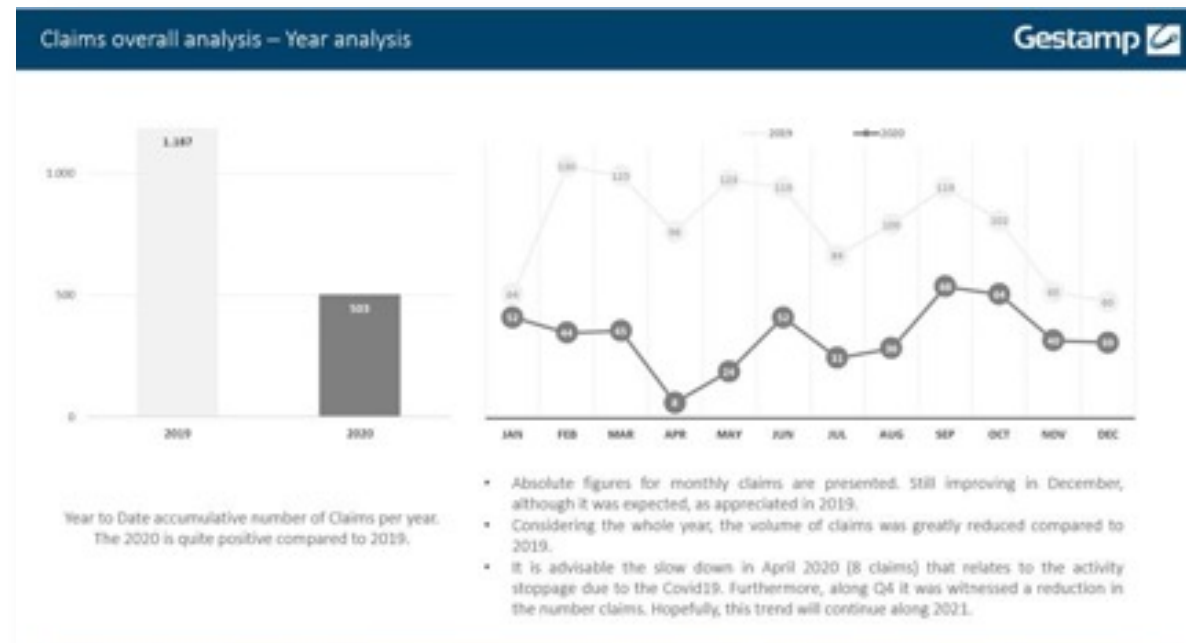
The idea of this assessment is to identify all possible problems that could arise in the product or process, identify the overall criticality of the risk and decide what to do about it. This sounds simple enough, but it presents significant challenges to the organization.

The various certification/recertification or follow-up audits carried out during 2020 have been affected by the various confinements and travel restrictions, requiring extraordinary measures to maintain the certificates: extensions of certifications, specific audits of the documentary and remote part, etc. Thanks to this and to the involvement of the teams, there have been no significant incidents.

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).

The pandemic has not been an obstacle for all the Quality indicators, which have improved with respect to 2019, especially those affecting the company's main client.

During 2020, the deployment of the **Quality Protocol** signed the previous year with the main client has continued, thus providing us with a stable reference framework for relations between Gonvarri's Centers and those of this client. COVID-19 has slowed down the planned global joint presentations and workshops, in order for the local teams to understand the agreement and adopt its operation in a climate of stability and transparency. This planning will resume as soon as normality returns.





### Gonvarri Library

Gonvarri Industries grows daily, and we are generating ever more documentation coming from different channels, all of which can make us waste time in the search for something specific, with an added risk when the documentation that eventually arrives is not the right one, or is not up to date, with duplications, or it might even contain contradictions.

Gonvarri Library was set up in 2020, as a DRIVE Document Channel, the only repository of all official Corporate documentation, where one can find all the rules, standards, controls, procedures, guides, etc., defined by Main Headquarters and applicable to the entire organization so the Group may operate properly.

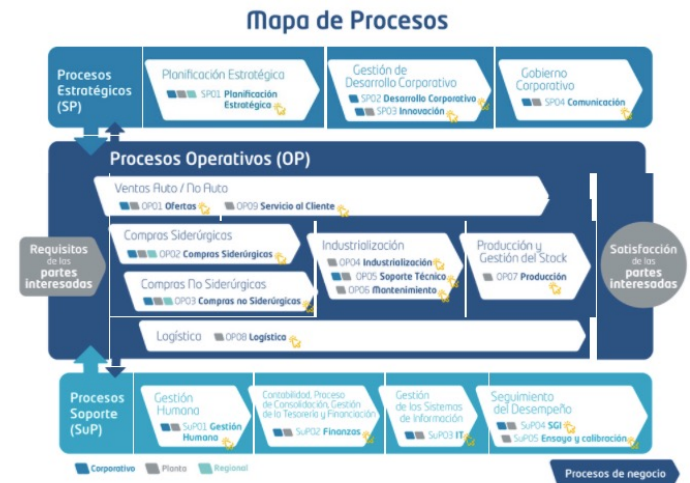
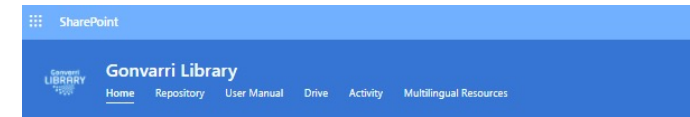
Some of the advantages provided by Gonvarri Library are:

- **Central location:** centralizing information puts an end to endless searches for documents through the organization's folders, thus improving the general pace of work.
- **Fast information search:** Gonvarri Library is designed with SharePoint, from the Digital Workplace project, providing us with the power of a collaborative tool and also a means to index all content, which speeds information searches and helps saves time.
- **Improved workflow:** thanks to SharePoint automated functions, editing, reviewing and approval of documents will be faster, more efficient and traceable.
- **Information security:** the organization now works with the certainty that all its information is securely located within the same system, which includes, among other features, data recovery in the event of a disaster.



- **Document sharing:** through links or by assembling Teams, another tool of the Digital Workplace project, documents can be distributed both internally and externally. This feature avoids emails with heavy attachments.
- **Version control:** we will always know we are working with the documentation's latest version.

Access to Gonvarri Library, that is, to all the organization's corporate documentation, may be done in a simple and intuitive way through several channels with Gonvarri Industries' APP Leading the Change and by synchronizing SharePoint in individual browsers.





# 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.

In addition, each SPM has specific communication areas, managed by the operators themselves, where they maintain and periodically review the indicators and information affecting their performance.

Of all the SPG tools, the most important focus on improving involvement by reinforcing communication channels within the organization.

The year 2020 was inevitably marked by the pandemic, also in terms of PGS deployment: production stoppages, low activity, incomplete teams...

Thanks to everyone's efforts, the number of activities remained close to plan:

- Around 3,400 employees **participated**
- 521 **GAPs** (Autonomous Production Groups) working under SPG standards
- 14,911 hours in **SPG training**
- 653 **workshops** were done (5S, standardized work STDW, SMED, Value Stream Mapping, Total Productive Maintenance, Lean Office...)
- 182 **GRPs** (Problem Solving Groups) were started.
- 3,279 **improvement ideas** submitted

## 3.2 Action "5S"



BEFORE



AFTER

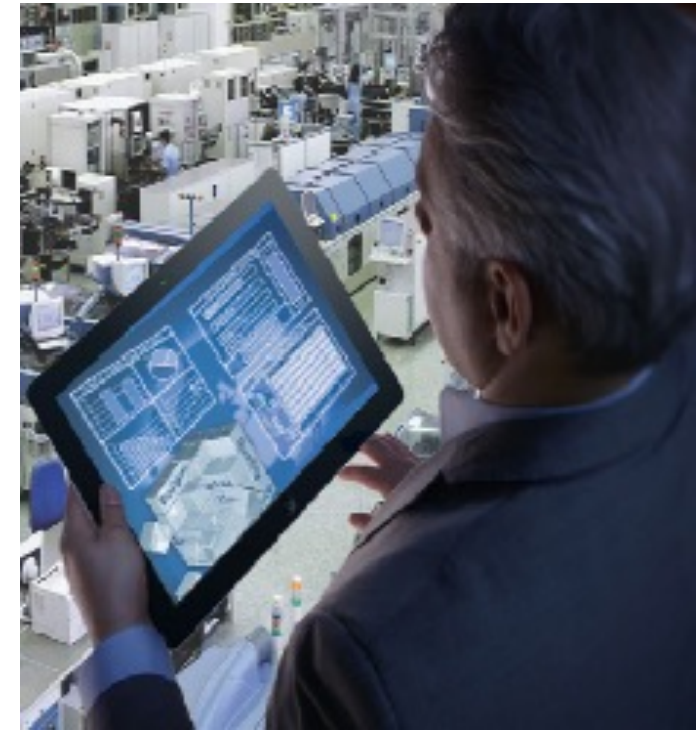
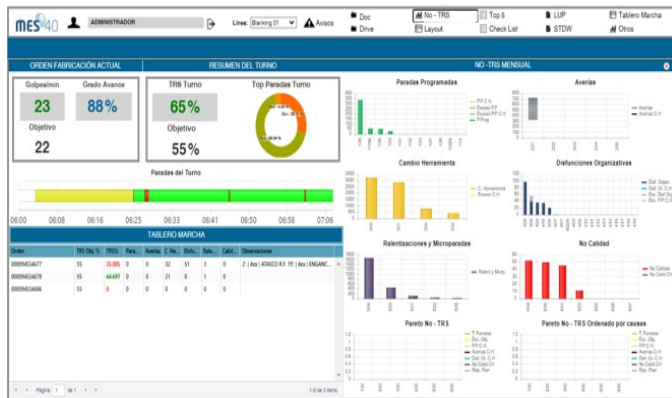
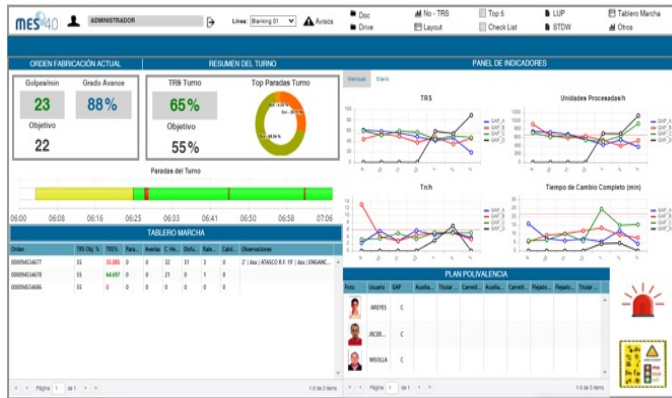






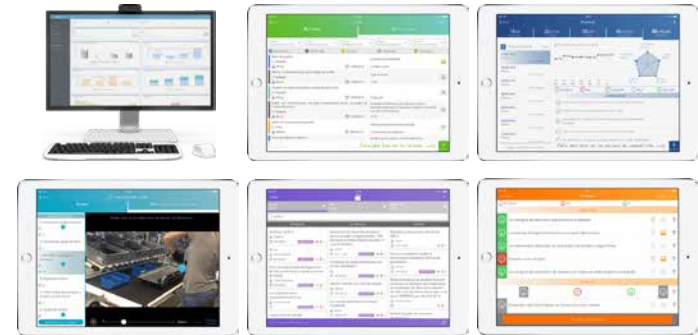
After almost a decade of implementation, in 2020 SPG has worked especially on the digitization of its tools (Digital Trip-tych, Digital Dashboard), participation in the MES project (Manufacturing Execution System) and other Industry 4.0 projects, among which the **Digital Supervisor** project stands out.

The figure of the Supervisor is considered in Gonvarri to be one of the keys to achieving excellence in our operations. Therefore, a system has been designed to help analyse the supervisor's functions, in order to subsequently provide the necessary tools to contribute to fulfilling the role defined by the company.



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





# Sustainability

## Social action

103-1, 103-2 AND 103-3

### Contribution from Corporate

102-12

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.

In the 2020 financial year, many of the planned activities could not be carried out due to the restrictions resulting from the COVID pandemic, with the safety of people being a priority.



### WRM

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

Throughout 2020 we have supported the on-site congresses in A Coruña and Madrid, and virtually for the cities of Oviedo, Valencia, Malaga, A Coruña, Bilbao and Seville. For the first time, Gonvarri and Emotional Driving had an international presence at the Lisbon Congress. In addition, in March, a special virtual congress was held with a global scope to help, encourage and transmit to society in times of confinement.



### 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 2020 we have specifically supported the promotion of road safety in schools in the Community of Madrid, as well as collaborating in the commemorative events of its 30<sup>th</sup> anniversary.



### WCK

We have supported the Foundation since 2013. Its mission is to end food insecurity and malnutrition in areas of humanitarian catastrophes.

In 2020, the efforts and donations have been entirely allocated to Spain, serving the most disadvantaged Spanish families in times of pandemic.



### 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 developed the project "road safety education: a great value" in the Foundation's adapted soccer and basketball social-sports schools, extending the project to social-sports schools in the alevin and benjamin categories.



### 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

In 2020, on the occasion of the International Day of Persons with Disabilities, Gonvarri carried out a volunteering action in which company employees and members of the Foundation jointly wrote a road safety story conveying concepts such as the importance of looking after our safety and that of others, the transmission of positive messages to motivate responsible and safe driving, and the commitment of each and every one of us to tackle the COVID-19 pandemic. In addition, we have contributed through the Foundation's services.



### 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 2020 we collaborated as Trustees of the Foundation and promoted the "Manifesto for Road Safety", which includes the commitment to the Sustainable Development Goals (SDGs) of the UN Agenda 2030, specifically SDG3, target 3.6, SDG11, target 11.2 and SDG17. Gonvarri was also included in the "VII Corporate Social Impact Report", which measures the real impact and contribution of companies to society through an analysis model based on five axes (economic, organizational, relational, social and personal), aggregating their social contribution to GDP.

We also participate in projects aimed at improving the communication and measurement of sustainability actions. These include participation in the "Responsible Leaders" senior management dialogue and the ProjectaRSE conference.



### 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 2020, on the occasion of the fifth anniversary of the United Nations Sustainable Development Goals (SDGs), the Global Compact presented a dossier of Good Practices in which it included Emotional Driving by Gonvarri Industries, for its active contribution to reducing deaths and injuries from traffic accidents (SDG 3.6) and for its work on the availability of safer transport (SDG 11.2).

Gonvarri participated in various events to improve its contribution to these objectives, including the #TiemposdeAlianza campaign promoted by the Spanish Global Compact Network and Forética to promote sustainable development and the 2030 Agenda as fundamental pillars of post COVID-19 reconstruction.

In addition, in the face of the global crisis resulting from the HIV/AIDS pandemic, in line with SDG 16, we signed the "Declaration for a renewed global partnership" to achieve a more sustainable future for all.

### COVID 19 Initiatives

The year 2020 is clearly marked by the effects of the pandemic derived from COVID19, which also affects initiatives in the field of social action, where volunteer actions have been minimized in order to avoid risks of contagion, prioritizing people's safety.

From a positive point of view, the rapid reaction by companies to help those groups hardest hit by the pandemic is noteworthy, in many cases placing their activity at the service of the health and protection mechanisms necessary to attend to those affected.



At Gonvarri Industries, we have contributed through the company Addimen, which specializes in additive manufacturing, to the development, manufacture and distribution of oxygen bifurcators for hospitals. These parts, manufactured in biocompatible material, 316L stainless steel, allow doubling the oxygen supply capacity to patients in the same room.

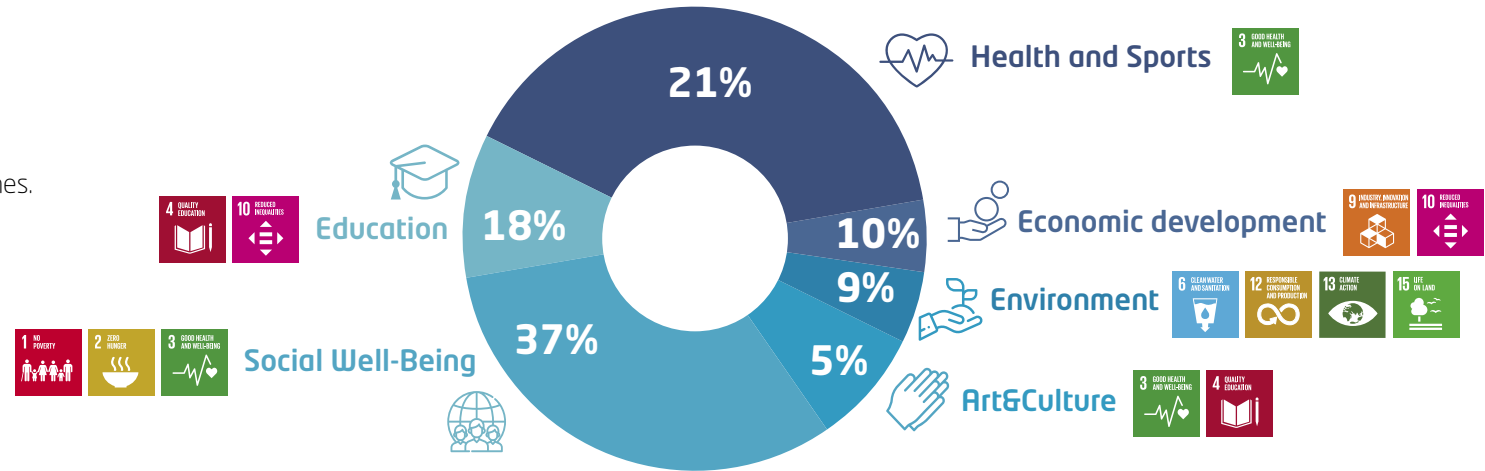


# Local Contribution

413-1 AND 413-2

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.



## Health and Sports



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

**GMH Russia**, contributed locally and in collaboration with other companies in the area to the purchase of a suitable vehicle to enable the doctors of the referral hospital to improve direct care of the sick at home and mitigate the adverse effects of COVID.

**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.



**AMG Senica**, since the beginning of the pandemic in March, provided COVID protection kits to employees and immediate family members containing surgical and washable masks, hydroalcoholic gel, soap and hand cream.

**AMG Brazil (Paraná and Campinas)**, contributed to projects such as: "Projeto Nívea" which encourages 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 and 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.

**Gonvama Loudi**, participated in an outdoor charity run that advocates health and a positive attitude, reinforcing the fight against COVID.





**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**, sponsored the local girls' youth football team "Wyrley Panthers".

**GMH Germany**, offers free vaccinations to all employees.

**Hiasa, Tarragona and Portugal** 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.

**Gonvarri Burgos**, participated in a charity golf tournament to raise funds for the Comedor Social Paris 365

**Gonvarri Argentina**, donated sanitary material to the Municipality of Escobar to help in the renovation of the primary health care centres in the area.

**Madrid**, donated 200 units of masks for children aged 6 to 9 to the Real Madrid and Aladina Foundations.

**Gonvauto Barcelona**, donated personal protective equipment to the Hospital de L'Espirit Sant, helping health workers in the fight against COVID.



### Environment



**GVS Dongguan**, carried out a small reforestation around the factory to improve its environment and contribute to the CO<sub>2</sub> emissions absorption. The workers are in charge of its maintenance.



**Gonvama Shenyang**, organized a "Clean Up the World" volunteer activity in which 30 employees participated, as well as a day dedicated to planting trees to mitigate climate change.

**Gonvama Chongqing**, organized a voluntary activity for the cleaning (garbage collection) and keeping areas clean of waste.



**Gonvarri Turkey**, through a project with the Ministry of Agriculture, sponsored 100 trees in order to care for the environment and improve the future.

In addition, COVID also affected the closure of many animal shelters, with a consequent increase in the number of animals on the streets. 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.

**AMG Senica** participated in Earth Day where young local students joined together to pick up trash and leave a cleaner planet. In addition, it donated "Eco friendly" bags with fruit and vegetables, garbage bags, pens and protection kits.



## Social Well-Being



**Madrid**, through the iHelp Foundation, supported four projects related to children: Casa hogar Los Corales (Venezuela), Soñar Despierto (Madrid), Fundación Emalakat (Ethiopia) and Fundebe (Benin).

In addition, with the CESAL Foundation, money was donated to finance menus for Christmas dinners for underprivileged people, and through an annual solidarity dinner organized by the African Medical and Research Foundation (AMREF), funds are raised for aid in Africa.

**Steel & Alloy**, collected funds for the purchase of toys to provide low-income families with a Christmas present for their children.

**GMH Russia**, donated an economic item from its marketing budget to orphanages in the area to help those most in need.

**Gonvarri Kaluga**, participated and helped in the "Myata" solidarity raffle in favor of children with disabilities. The raffle prizes included gifts made by the NGO's own children. Both employees and factory management donated money for the purchase of gifts for Christmas.

**Gonvarri Tarragona, Valencia, Burgos and Hiasa**, donated the money planned for the Caritas and Food Bank Christmas dinner, helping the families most affected by the health and social crisis resulting from the COVID pandemic. In addition, Hiasa and Gonvarri Valencia organized a food collection among factory personnel for the Food Bank Foundation of Asturias and Sagunto respectively.



**GMH Romania**, made a donation to the #SHIELD-FORHOSPITALS project to contribute to the delivery of PPE to the country's hospitals.

**GVS Dongguan**, the staff donated blood for the "Dongguan Redcross Center" and made a financial contribution to alleviate the effects of COVID.

**Gonvama Loudi and Changsu** collected funds from their employees to help alleviate the pandemic in the Hubei and Wuhan areas, which are most affected by COVID.

**Gonvama Chongqing**, organized a charity market among employees where clothes, shoes, books and toys were sold to raise funds for public welfare activities.

**Gonvarri Portugal**, organized the collection of solidarity 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.

**Gonvauto Galicia**, all employees collaborated with Caritas Marin by providing clothes, toys and food for the Christmas period.



**Gonvarri Burgos**, donated sanitary material to the Junta de Castilla y León, for nursing homes in the area.

**AMG Sénica**, participated in #GivingTuesday, a global movement that aims to encourage and multiply people's good deeds.





### Education



**Madrid**, cooperated with the Princess of Girona Foundation, to support the professional development of young people without any resources and within the Emotional Driving project, there are many training steps carried out in schools to educate on Road Safety.

In addition, Gonvarri provided support to the ASTI Talent and Technology Foundation 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.

**Gonvauto South Carolina**, contributed in the delivery of more than 350 books for children in the community where values such as respect, kindness and self-esteem are promoted.

**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's in engineering, processing and characterization of materials" of the Polytechnic University of Valencia - Alcoy Campus.

**Gonvauto Galicia**, created the "Excellent Scholarships" program for the 2019-2020 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. In this school year, 6 children of employees have benefited.



**Gonvarri Colombia** delivered the 2020 SCHOOL KITS, benefiting 140 employees and more than 220 students from kindergarten, primary, secondary and university.

**Gonvarri Germany**, made a donation to the school "Regelschule Ludwig Bechstein in Arnstadt" in order to build an access ramp for students with reduced mobility.

**AMG Brazil**, 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.

**Gonvvama Loudi** organized a volunteer action with the elementary school near the factory. The employees donated and delivered books to the pupils and facilitated some extracurricular classes to help the pupils who were lagging behind in education.





### Economic development



**Gonvarri Burgos**, collaborated with the Petroleum Museum in order to continue the work of teaching schools and citizens of the area about the important work that this industry has had and continues to have in general, and contributes to the development of the R+D+i network in the region, providing its support to Star Ups.

**Gonvauto South Carolina**, contributed with the purchase and placement of digital signs for the inclusion in schools of important messages.

**Gonvarri Valencia**, collaborated in the ASECAM forum in order to promote economic development, employment, sustainability, digitalization, collaborative economy, etc. in the factory's business environment.

**Gonvvama**, through a representative of one of its factories, visited the poorest areas near the town of Loudi in order to see in situ the precarious situation in which the inhabitants live and to be able to help them. Following this visit, a financial contribution was made to help with basic needs.



**Gonvvama Changsu**, through a group of volunteers, organized a visit to the home for the elderly in the area to bring them gifts for the Dragon holiday to cheer them up, as they have been isolated due to the pandemic and have not been able to see their relatives.

**Gonvarri Colombia**, at Christmas, delivered objects for the children of employees through a supplier, to favor the economy of the families.



### Culture



**AMG Paraná** contributed to the creation of a library at the "PEQUENO PRINCÍPE" Hospital to promote reading among the hospital's internal public and the local community. In addition, it developed 30 joint reading sessions for patients and their families.



**AMG Campinas** supported the construction of rooms in Capoira so that at-risk youths have recreational activities to learn and enjoy.





# Emotional Driving

The Emotional Driving road safety program was created at the end of 2014 with the aim of raising awareness and motivating both the company and society as a whole about the importance of road safety.

The differential factor of this program lies in the transmission of stimuli and positive and motivating messages to encourage responsible and safe habits on the road.

The project contributes to the fulfillment of the Sustainable Development Goals, mainly Goal 3.6: "halve the number of deaths and injuries caused by road traffic crashes worldwide by 2020", in addition to generating positive impacts on goals: 11.2: "provide access to safe, affordable, accessible and sustainable transport systems for all and improve road safety, by 2030" and 17: "partnerships to achieve the goals".

In this context, the United Nations Sustainable Development Goals (SDGs) celebrated their fifth anniversary in September and, as part of the activities organized for their celebration, the Global Compact presented a dossier of Good Practices in which Emotional Driving by Gonvarri Industries was included for its active contribution to reducing deaths and injuries from traffic accidents (SDG 3.6) and for its work on the availability of safer transport (SDG 11.2).

## Emotional Driving 5<sup>th</sup> anniversary

Despite the complex situation caused by the COVID-19 pandemic, 2020 was a very special year for Emotional Driving. Gonvarri Industries' road safety program celebrated **five years** of raising awareness among the company's employees and society as a whole through positive messages to drive responsibly.

Throughout these five years, Emotional Driving has deeply touched thousands of people in Spain and other countries, raising awareness of road safety and responsibility at the wheel and helping to save lives on the road.

On the occasion of its anniversary, Emotional Driving published its book "**Trayectoria de un compromiso con la sociedad**", a publication that reviews its different actions, the main milestones of the program and its most outstanding campaigns, as well as the testimony of those entities without which the success of Emotional Driving would not have been possible or the most important recognitions. The book begins with a reference to the company's legacy, on which Gonvarri's commitment to sustainability is based, and develops Emotional Driving's differential story in the field of road safety.

All the company's employees, as well as the entities and organizations with which Emotional Driving works, received a copy of the book and were moved to recall Emotional Driving's trajectory and their active and direct participation during this time. The publication is also available in digital format on the Corporate App and can be downloaded through the Emotional Driving website.

Emotional Driving's long history has also been recognized from a marketing perspective. Emotional Driving was selected in 2020 as a case study at the Faculty of Economics and Business of the University of Oviedo, with the collaboration of the Ramón Areces Foundation and the CEGGLA (Chair for the Study of Global Food Governance).

The case, written by José María Cubillo, CEO of MESÍAS, Inteligencia Marca España and professor at the CEU San Pablo University, is entitled "Innovative Teaching Experiences in Public and Non-Profit Marketing in the era of the Collaborative Economy".

This is a major milestone for the company. Emotional Driving serves as an example, not only to educate and train in road safety, but also as a CSR program that takes advantage of the paradigms of technologies to create a story and transmit it to its target audience with a single objective: to save lives by reducing traffic accidents.





# Emotional Driving Programme and stakeholders

## Employees

### Preventive driving

#### *Our drivers*

In the current context and with the restrictions derived from the COVID-19 pandemic, Gonvarri’s road safety program made available to its employees, both nationally and internationally, the **Emotional Driving Challenge**, a gamification tool to inform and learn, in a fun and entertaining way, about the “new normal” in terms of health and road safety, accessible through the Corporate App.

The program includes a question and answer format in which participants had the opportunity to discover different contents, among others, to tune up their car after several months of disuse, maximize personal hygiene and prevent contagions in the use of personal vehicles or urban transport; to have information of interest to drive safely again; to rediscover the 5th anniversary book “Trayectoria de un compromiso con la seguridad vial”; and to expand their knowledge on sustainability and social action.

After three weeks of the campaign, the Emotional Driving Challenge registered 11 winners, more than 44 hours of play, during which time nearly 15,000 questions were answered, more than 330 challenges were played and almost 4,000,000 points were earned, with a diverse participation among all the company’s centers. Among the prizes awarded was a visit to the Road Steel test track in Dueñas, Palencia.

On the other hand, on the occasion of the World Day of Remembrance for Traffic Accident Victims and the Day of People with Disabilities, Gonvarri carried out a volunteer action in

which company employees and members of the Foundation jointly wrote a road safety story conveying concepts such as the importance of looking after our safety and that of others, the transmission of positive messages to motivate responsible and safe driving, and the commitment to tackle the COVID-19 pandemic.

The story was later recorded in the radio room of the Juan XXIII Foundation. Roberto Chinchilla, ambassador of the Foundation, and a member of the Emotional Driving team read the story and conveyed the values contributed by the participants in the volunteer action.



## Primary and Highschool students

### Motivated drivers

#### *Influencing parents*

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

Despite the pandemic, when the situation allowed it, they continued to visit schools and study centers in the Community of Madrid, delivering our message to hundreds of students. ED School also has an emotional aspect that seeks to bring out the best in these young people. After the training conferences, the young people write on a post-it note a message addressed to their parents, relatives and closest environment in which they transmit touching and motivating messages to improve their driving and be more responsible at the wheel.

These students become the best ambassadors of Emotional Driving as they take this message home, encouraging reflection on driving behavior and sharing something as relevant in our daily lives as driving safety and the importance of arriving home safe and sound.

In 2020 we completed the fourth edition of this project and in September, taking advantage of the start of the new school year, we resumed our commitment to this group by launching the fifth edition of ED School.



## University students Future drivers

### *Responsible use of mobile phones*

Emotional Driving, in alliance with Movistar, participated in 9 national congresses throughout the Iberian Peninsula (8 in Spain and 1 in Portugal), of the WRM Foundation, in which more than 110,000 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, Sevilla, Valencia, Malaga, La Coruña, Bilbao, Granada and Lisbon.

This is the fourth edition and on this occasion, due to the online format of the Congresses, the message was conveyed through an audiovisual entitled **"Choose to take care of yourself"**, a metaphor of the absurd and a clear message: what really matters is our life. We spend a lot of time taking care of our cell phones, but it is at the wheel where we really have to take care of ourselves. The use of cell phones at the wheel is the main cause of distracted driving accidents.

The thousands of young people who received the message had the opportunity to participate in a contest through the LQDVI Foundation's App, telling what they would tell their families and loved ones so that they drive safely and responsibly. At the end of each congress, two winners were selected and received prizes for the emotionality of their messages.

In addition, they had direct access to the presentations of previous editions of LQDVI, to the different projects and lines of action of Emotional Driving and even to the contents of its 5<sup>th</sup> anniversary.

## Road haulers Value chain

### *Recognition of the invaluable work of truck drivers*

This exercise, clearly marked by the coronavirus, has shown us the importance of some groups of professionals for their contribution to society, such as truck drivers or road haulers.

During the state of alarm, they continued to carry out their activity and travel the roads to deliver products to supermarkets or pharmacies, supplying basic necessities to the rest of society. Furthermore, for Gonvarri, truck drivers are a very important part of its value chain, as they ensure that our products reach our customers on time.

We can only show our gratitude for their great work and advance our message of awareness in terms of prevention at the wheel and road safety for this group that spends many hours on the road every day and is exposed to great road risks caused mainly by fatigue.

In 2020, we presented the Easter campaign, **#Thanks Truck Drivers**, and the new episode of the web-series, **"The Wolf"** (explained in detail in the "Audiovisual Campaigns" section).

## People with disabilities Intellectual disability

### *Road safety and the value of Autonomy in favor of social inclusion*

2020 has consolidated a pioneering and innovative project between the Foundation and Emotional Driving, 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.

The integral training of the beneficiaries through sport 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

In addition, during the year 2020, Emotional Driving actively collaborated in the development of the sixth edition of the Adapted Basketball Campus of the Real Madrid Foundation, in which nearly 50 boys and girls with cognitive disabilities enjoyed the practice of sports for a week and were trained in fundamental values for their social integration, such as autonomy, self-esteem, road safety education, adapted companionship, respect and equality.

## Communication

### Digitized society

#### Global sensitization

Emotional Driving makes use of the most advanced technologies to transmit its message to society through different channels, in an effective and direct way.

It is worth highlighting the development of informative and training campaigns through gamification in the Corporate App, a meeting place where the road safety program trained its employees in health matters and to tune up their vehicles after the stoppage caused by COVID-19.

Emotional Driving also took advantage of the functionalities of the Digital Workplace tools to digitize, transform and adapt its motivational message to its employees. To this end, it developed an audiovisual hub with training content, audiovisual campaigns, stakeholder initiatives and volunteer actions for consumption, thanks to the benefits of "anytime, anywhere". This tool made it possible for employees to take home and share Emotional Driving's motivational messages and values with their friends and loved ones.

Emotional Driving presented its new profile on the social network Instagram, the photo and story network par excellence worldwide. Through this account, it makes available to its already more than 100 followers' graphic content and images about the project and the latest news.

In addition, it continued to play an active role in social networks such as Twitter, LinkedIn, YouTube and Facebook and developed augmented reality and video mapping.

Down below, the main campaigns undertaken in 2020 are summarized:

- At Easter, motivated by the recently decreed state of alarm as a result of the COVID-19 pandemic, Emotional Driving presented the road safety campaign "#Thanks Truck Drivers", focused on this collective that continues to perform their professional work and circulating on the roads. We are referring to those who supply supermarkets with food and pharmacies with medicines and get essential goods to their destinations. **#Thanks Truck Drivers** was a thank you to those who worked for us, the truck drivers.

The campaign was a success on social media. The posts made on LinkedIn had a great impact, registering more than 20,000 impressions on the corporate profiles and garnered more than 200 reactions. Renowned entities in the road safety sector such as the DGT (Dirección General de Tráfico), the PONS Foundation for road safety, AESLEME or Seguridad Vital, also wanted to participate in this recognition and shared the Emotional Driving campaign on their profiles.

- In the summer season and after the COVID-19 break, Emotional Driving presented its campaign "**This summer we want to be your seat belt**", in which it reminded its employees and society as a whole of the importance of being prudent and responsible at the wheel in order to enjoy a holiday period without surprises or unforeseen events.

- To close the year, the campaign "**For a Safer 2021**" was presented with the aim of raising awareness among employees and society as a whole so that they take the same caution at the wheel as they did during the COVID-19 pandemic. The campaign appealed to feelings to motivate drivers to check the condition of their vehicle before setting off, to fasten their seat belts and to put their cell phones aside. One in three accidents is caused by the use of cell phones.



- Emotional Driving presented a new episode of its webseries "**The Wolf**". This new episode is starred by truck drivers, who in their daily work face an enemy "The Wolf". It is not an animal, but refers to sleep, a danger that is always lurking and attacks without warning, in a moment of weakness, mainly due to monotony, fatigue and darkness, becoming one of the main causes of road accidents.





## Partnerships for road safety

The COVID-19 pandemic has brought with it an acceleration of digitization and a greater drive for collaboration and partnerships between entities at national and global level. This new scenario reinforces **Gonvarri's commitment** to SDG 17 "Partnerships", responding to the call made by the United Nations to governments, companies, NGOs and citizens around the world to join forces to achieve the 17 Sustainable Development Goals (SDGs) by 2030.



### New audiovisual campaign "Alliances"

Emotional Driving presented a new line of audiovisual content called **"Alliances"** with the aim of reinforcing SDG 17 and highlighting the work of the friendly entities that have accompanied us during our trajectory. With them we share values, experiences, lessons learned and, above all, a firm commitment to road safety.

We began this process with the What Really Matters Foundation. María Franco, general manager of the WRM Foundation,

reviews the collaboration between the two organizations, the added value and differential that Emotional Driving brings to the Foundation's Congresses and the different presentations, among other contents.

Emotional Driving has contributed to the creation and strengthening of an ecosystem of collaboration between organizations and entities through the following actions:

### SERES Foundation

We promote the **"Manifesto for Road Safety"** developed by Fundación SERES, with the support of the Directorate General of Traffic (DGT) and Boston Consulting Group (BCG), which includes the commitment to the Sustainable Development Goals (SDGs) of the UN Agenda 2030, specifically SDG 3/3, 6, SDG 11/11.2 and SDG 17. By ratifying the manifesto, we express our commitment to Road Safety within and outside our organization to promote different initiatives with the common goal of achieving zero road accident victims.



### Mapfre Foundation

At the beginning of 2020, Fundación Mapfre held the **"Road Safety and SDGs: Applying the SDGs to improve road safety"**, with the participation of Gonvarri as a speaker. The purpose of this conference was to present and discuss the document prepared by the Foundation, in collaboration with several prestigious entities, and to give an overview of the opportunities in the area of road safety, through the Sustainable Development Goals of the United Nations.



### European Mobility Week 2020

As a result of its commitment to road safety and sustainable car use, Emotional Driving joined this program once again this year in order to raise awareness among its employees and society as a whole about such important values as respectful, safe and responsible driving.

### Fraternidad Muprespa

Participated in the III Occupational Road Safety Day **“Safety saves lives”** organized by Fraternidad Muprespa whose objective was to reaffirm the contribution in favor of the creation and establishment of alliances in the territory of road safety and to share good practices that are being carried out to reduce road accidents.

Emotional Driving took part in the online webinar entitled **“Communication and awareness in Occupational Road Safety”**, explaining its road safety program, emphasizing the importance of SDG 17 and providing its differential value, reviewing the program’s path and its main achievements.

### Sernauto

Emotional Driving was included as a good practice in sustainability and road safety in the White Paper **‘Contribution of the automotive components industry to sustainable development. Levers to promote the 2030 Agenda’** by Sernauto. This publication highlights the good practices and initiatives with which automotive component manufacturers contribute to sustainable development and the United Nations 2030 Agenda.

### EY

Emotional Driving participó en la jornada de **“onboarding”** de EY en calidad de ponente en un stand virtual. En varias sesiones de entre 15 y 20 minutos, nuevos empleados de reciente incorporación en la **“Big Four”** tuvieron la ocasión de conocer el programa Emotional Driving.

## Awards and recognitions

During 2020, Emotional Driving has continued to receive recognition for its work in road safety.

As part of the European Mobility Week, the Subdirector General for Air Quality and Industrial Environment, belonging to the Ministry for Ecological Transition, awarded the Emotional Driving project a diploma in recognition of its involvement in promoting sustainable mobility.



It has also been distinguished at a local level by the Automotive Cluster of the Valencian Community, AVIA, cataloging the program as an **“outstanding project”** of the companies associated with the Valencian entity. AVIA highlighted its commitment to the safety of its employees with respect to personal and professional vehicle travel, emphasizing the motivational and positive nature of the Emotional Driving messages and campaigns.



# Energy

## Energy Consumption

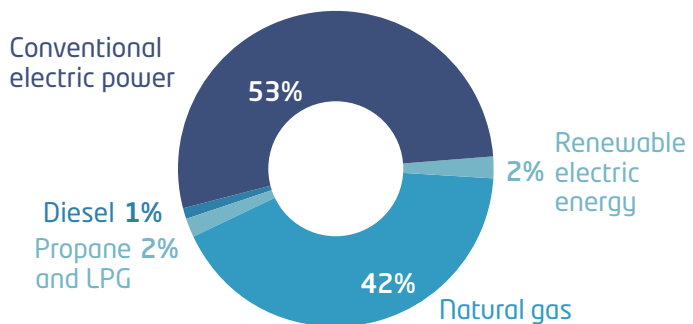
The production process of Gonvarri has an intensive energy consumption, mainly in the plants that have galvanic and electro-galvanizing coating processes. For this reason, the main points in the environmental management system are the monitoring, reduction and control of the energy consumption.

### Internal energy consumption

302-1

In 2020 Gonvarri consumed a total of 737,232 GJ of energy. Of which, 389,030 GJ came from conventional electricity consumption and 13,137 GJ came from certified renewable energy sources and self-consumption of solar energy (Scope 2). The 5,293 GJ of renewable energy generated at the Navarre and Barcelona facilities are not included, as they are destined for network sale.

In addition, fossil fuel consumption amounted to 335,066 GJ of LPG, natural gas, propane and diesel (Scope 1).



	Electricity GJ	Renovable Electricity GJ	Natural Gas GJ	GLP/propane GJ	Diesel GJ
Germany	15,532	3,075	19,268	0	921
Argentina	1,910	0	0	1	0
Brazil	17,369	0	22,145	4,065	0
China	41,219	0	19,999	0	1,973
Colombia	6,495	0	19,863	592	17
Denmark	252	0	0	0	0
Spain	220,020	0	130,991	1,423	3,993
USA	20,291	0	2,452	4,347	0
Slovakia	11,597	0	3,035	837	240
Finland	0	835	958	143	0
Netherlands	128	0	295	0	0
Mexico	3,386	3,735	0	1,947	1
Norway	65	0	0	0	0
Poland	4,971	0	3,346	0	414
Portugal	6,041	0	0	72	201
United Kingdom	10,341	0	16,158	969	0
Czech Rep.	3,224	127	3,570	0	0
Romania	9,726	0	29,222	1,838	0
Russia	8,348	0	10,505	969	282
Sweden	0	5,365	0	0	0
Turkey	8,117	0	28,122	0	231
<b>TOTAL</b>	<b>389,030</b>	<b>13,137</b>	<b>309,928</b>	<b>16,865</b>	<b>8,273</b>

Almost all electricity consumption at the facilities is used for production. Only around 6% of the total is consumed for air conditioning.





## 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 2025 (302-2).



## Renewable energy sources

The main renewable energy sources are summarized below:

- In 2020, plants in **Finland**, as well as the **GMH Canrena** factory and the **GMH** distribution center (both located in **Sweden**), purchased 100% of their energy with a certificate of renewable origin, for a total of 6,200 Gj.
- Factories in **Germany (Thuringen)** and **Mexico** have photovoltaic solar installations for self-consumption.
  - **Germany (Thuringen)** has a photovoltaic installation with an installed power of 756 Kwp which in 2020 generated 854,233 KWh of renewable energy for consumption within the installation.
  - **Mexico (Puebla)** has two photovoltaic installations with an installed power of 695 Kwp (398 Gonvauto-1 and 297 Gonvauto-2) which in 2020 generated 1,037,390 KWh of renewable energy.

In addition, there are photovoltaic installations to sell renewable energy in Navarra and Barcelona. In 2010, Gonvauto Navarra's photovoltaic installation started up with a power capacity of 541 Kwp and in 2011 Gonvauto Barcelona and Gonvarri Barcelona installations were built with power capacities of 713 Kwp and 562 Kwp respectively. Annual production sold to third parties reached 5,293 Gj.

## 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/ton sold)
<b>Germany</b>	0.15
<b>Argentina</b>	0.09
<b>Brazil</b>	0.09
<b>China</b>	0.27
<b>Colombia</b>	1.53
<b>Spain</b>	0.17
<b>USA</b>	0.21
<b>Slovakia</b>	0.05
<b>Mexico</b>	0.05
<b>Poland</b>	0.05
<b>Portugal</b>	0.04
<b>UK</b>	0.14
<b>Romania</b>	3.25
<b>Russia</b>	0.26
<b>Turkey</b>	1.05
<b>TOTAL</b>	<b>0.17</b>





# 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:

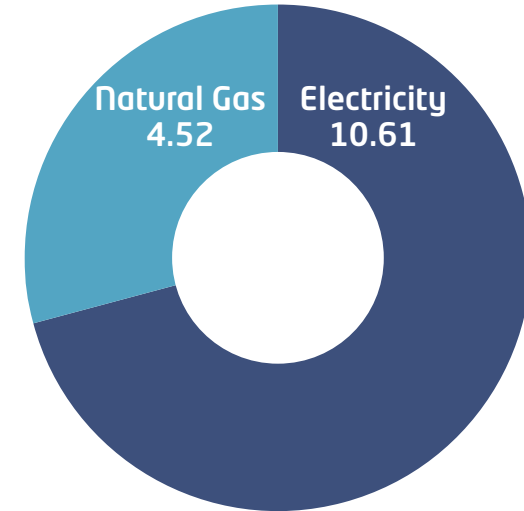
- Conduct a detailed follow-up on the specific consumptions of our lines and auxiliary equipment that serves to detect possible deviations in our base lines.
- Analyse and assess the consumptions of our installations in order to identify opportunities for improvement and energy optimization that will allow us to reduce our energy costs.

With regard to energy saving measures and the reduction of tons of CO<sub>2</sub> emitted into the atmosphere, we continue to work year after year and exceed the objectives set at the beginning of the project.

Savings Account		
		
Electricity	Natural Gas	Water
9.74 Gwh/year	4.23 Gwh/year	7,125 m <sup>3</sup> /year
779 ton CO <sub>2</sub>		-

In 2020, 10 energy saving measures (ESMs) were implemented in different plants. This allowed us to increase Gonvarri's energy savings by 1.16 Gwh/year, which, added to the savings obtained in previously implemented measures (78 ESMs since the start of the project), amount to annual savings of 15.13 Gwh/year, which means a reduction in Gonvarri's energy consumption of more than 7.5%.

Of the total energy savings achieved, 30% correspond to natural gas consumptions and 70% to electricity.



Among the measures carried out in 2020, those aimed at reducing residual consumption in process lines and auxiliary equipment, mainly compressors, lighting and air conditioning, should be highlighted.

In addition, we have optimized drying, painting and air conditioning and DHW heating equipment.

It is also worth mentioning the performance of energy audits in all plants in Spain for compliance with RD56/2016, which have involved the study and analysis of numerous possibilities for the implementation of energy saving measures in the coming years.

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.



### Other projects: reduction of diesel consumption

In addition to natural gas, Gonvarri is developing various initiatives that contribute to reducing other scope 1 emissions, such as those derived from diesel consumption. The following is a summary of two initiatives in the Valencia and Colombia factories, with notable reductions in diesel consumption.

In 2017, **Gonvarri Colombia** began a project to gradually replace the 1966 Pettibone and 1979 Pirh Omega cranes, both of which had high diesel consumption. To this end, it acquired natural gas bridge cranes and LPG forklifts (owned and rented). The use of these cranes is already exceptional. Diesel consumption data in recent years show these reductions:

Consumption	2017	2018	2019	2020
<b>Total KWh</b>	46,314	25,436	19,704	4,278

This means avoiding the emission of 4 tons of CO<sub>2</sub> compared to 2019 and 11 tons of CO<sub>2</sub> since the start of the project.

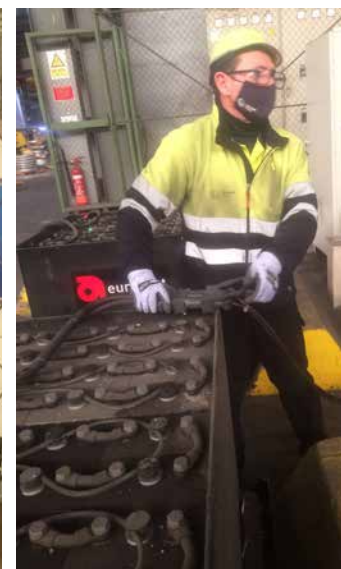


**Gonvarri Valencia** started a project to gradually replace diesel forklifts with electric forklifts, which significantly reduces diesel consumption.

The reduction in 2020 compared to 2019 is estimated at 23%, reaching 81% since the start of the project (2014).

Consumption	2014	2015	2016	2017	2018	2019	2020
<b>Total KWh</b>	402,351	291,904	276,225	237,976	190,506	98,038	75,105

This means avoiding the emission of 6 tons of CO<sub>2</sub> compared to 2019 and 87 tons of CO<sub>2</sub> since the start of the project.





# Climate change Carbon Neutral Project

Nowadays, the problems derived from climate change, water scarcity and biodiversity are increasingly relevant. At Gonvarri Industries, we aspire to meet the demands of the current market and stakeholders, especially those coming from our main customers.

The analysis of the environment and the requirements of customers and companies in the sector show a roadmap with a final objective "to be carbon neutral" focusing on the period 2030-2050.

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

To achieve the "Carbon Neutral" objective, it is necessary to balance different actions to reduce and offset those emissions that we cannot eliminate.

These measures are diverse, as they include training and awareness, innovation and efficiency, environment and resource and waste management, business development, among others, always with the support of top management.

Therefore, this project should not be seen as an isolated initiative, but should be integrated into the sustainability efforts in a transversal manner, through a work team in which those responsible for the different corporate and factory areas involved in each case participate.

For its monitoring and measurement, the figure of "Carbon Neutral Governance" is created, establishing a "CN Governance Model" formed by a carbon neutral committee and an operational team, with various professionals representing the different areas of the company with responsibility in this project. Communication between the committee, the operational team and the managers is carried out periodically and in a bidirectional manner for the adequate monitoring and measurement of the project.

The main objectives of the project are summarized below:

## Goals 2030

- **Scope 1:** Reduce CO<sub>2</sub> emissions from fossil fuels by 50%.
- **Scope 2:** Use 100% renewable electricity in our own operations.
- **Scope 3:** Commit to have information and data available in all applicable categories and establish an overall reduction target.
- **Supply chain:** Actively promote the prioritization of supplies with a carbon neutral policy.
- **Product:** Report on the impact of major products.
- Certify reductions achieved (own and in the supply chain) according to **Science Based Targets** - SBTi.
- Communicate results according to the **Carbon Disclosure Project** - CoP.

## Goals 2050

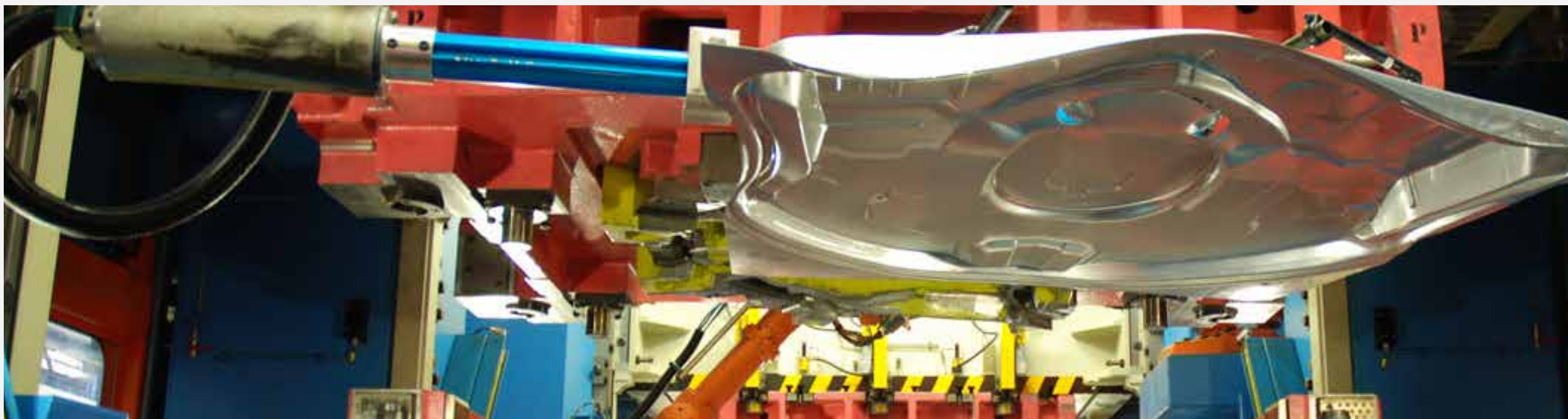
- To be carbon neutral in **Scope 1 and 2**.
- Reduce and offset **Scope 3** emissions.







## Steel in the automotive sector 302-5



The global transport industry contributes significantly to greenhouse gas emissions and accounts for about 24% of total emissions (International Energy Agency, CO<sub>2</sub> 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 CO<sub>2</sub> emitted during the production of all the steel in the vehicle.

(Source: WorldAutoSteel).





# Greenhouse gas emissions

305-1 AND 305-2

ODS 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.

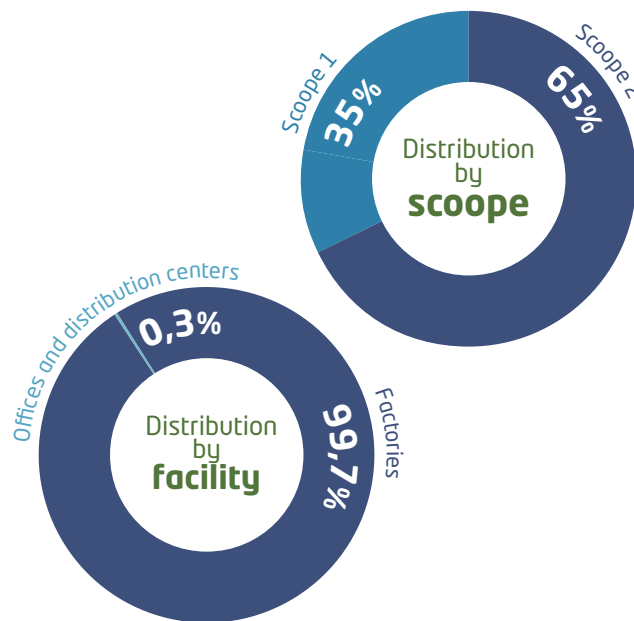
By measuring its carbon dioxide (CO<sub>2</sub>) emissions, Gonvarri contributes to improving the communication of its impact and to the collection of specific data with the aim of setting possible improvement targets.

Regarding the calculation of the CO<sub>2</sub> 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), and in some countries more up-to-date ratios.

Through its activities, Gonvarri Industries emits 53,535 tonnes of CO<sub>2</sub> into the atmosphere, corresponding to scopes 1 and 2.

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 19,070 tons of CO<sub>2</sub>.

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 34,471 tonnes of CO<sub>2</sub>.



With regard to indirect emissions from other sources, we consider in this scope those derived from corporate travel, which amount to a total of 1,818 tonnes of CO<sub>2</sub>, and emissions derived from employee travel, which amount to 25,609 tonnes of CO<sub>2</sub>, for a total of 27,428 tonnes of CO<sub>2</sub>. Its distribution is shown below (305-3):



	Electricity tons CO <sub>2</sub> /year	Natural Gas tons CO <sub>2</sub> /year	GLP/ Propane tons CO <sub>2</sub> /year	Diesel tons CO <sub>2</sub> /year
Germany	1,040	1,081	0	68
Argentina	186	0	0	0
Brazil	492	1,242	256	0
China	7,133	1,122	0	146
Colombia	242	1,114	37	1
Denmark	11	0	0	0
Spain	16,501	7,349	90	296
USA	2,373	138	274	0
Slovakia	515	170	53	18
Finland	0	54	9	0
Netherlands	16	17	0	0
Mexico	449	0	123	0
Norway	0	0	0	0
Poland	979	188	0	31
Portugal	602	0	5	15
UK	704	906	61	0
Czech Rep.	448	200	0	0
Romania	927	1,639	116	0
Russia	814	589	40	21
Sweden	0	0	0	0
Turkey	1,039	1,578	0	17
<b>TOTAL</b>	<b>34,471</b>	<b>17,387</b>	<b>1,064</b>	<b>613</b>



## Avoided indirect emissions

305-5

### Solar structures

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 total, solar structures were provided for the installation of 954MW, distributed over 10 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 indirectly to the avoidance of a total of 98,873 tons of CO<sub>2</sub> in 2020.



### Energy efficiency

In 2020, 10 energy conservation measures (ECMs) were implemented in different Group plants, prompting a 1.16 Gwh increase in the annual rate of energy savings.

78 of such ECMs have been implemented since the project began, reaching an annual energy saving rate of 15.13 Gwh, which represents a reduction in Gonvarri's energy consumption of more than 7.5%. Hence, an estimated reduction of 937 tons of CO<sub>2</sub> per year in scope 1 and 2,947 tons of CO<sub>2</sub> per year in scope 2.

### Purchase of renewable energy sources and PPAs

Facilities in Sweden and plants in Finland and Canrena (Sweden) purchase 100% of their energy from renewable sources. Hence, 44 tons of CO<sub>2</sub> emissions per year were avoided.

### Renewable energy sources (self-consumption)

Through self-consumed solar energy in Puebla (Mexico) and Thuringen (Germany) factories, 701 tons of CO<sub>2</sub> emissions were avoided (206 tons of CO<sub>2</sub> per year in Germany and 495 tons of CO<sub>2</sub> per year in Mexico).

### Others (aerothermal)

GMH Kredit installed a system of "aerothermal" water-air pumps in areas IX and X in their factory, to provide heating and hot water in offices and social areas (changing rooms, showers), which is considered a renewable source.

Renewable energy consumption in the reference year was 10,585 kWh in area IX and 24,710 kWh in area X, that is a total of 35,295 kWh. Hence, 18 tons of CO<sub>2</sub> emissions per year were avoided.

### Renewable energy generation (sale to third parties)

Solar energy generated and sold at Gonvauto Navarra, Gonvauto Barcelona and Gonvarri Barcelona facilities represents 397 tons of CO<sub>2</sub> emissions avoided indirectly.



## Emission intensity <sup>305-4</sup>

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:

	Emission intensity (tons CO <sub>2</sub> /ton sold)
Germany	0.008
Argentina	0.009
Brazil	0.004
China	0.036
Colombia	0.079
Spain	0.011
USA	0.022
Slovakia	0.003
Mexico	0.003
Poland	0.007
Portugal	0.004
UK	0.008
Romania	0.214
Russia	0.019
Turkey	0.076
<b>TOTAL</b>	<b>0.01</b>

## Emissions from other sources <sup>305-7</sup>

<sup>305-7</sup>

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:

	Burgos	Hiasa	Tarragona	China
NOx (Kg)	1,706	1,311	316.25	186.00
SO <sub>2</sub> (Kg)	-	-	9.49	9.20
CO (Kg)	534	1,414	4.43	-
CO <sub>2</sub> (Kg)	758,033	-	-	-
Partículas (MP) (Kg)	38	1,857	-	-
HCl (Kg)	1.72	1,317	30.41	-

Regarding the information on emissions of ozone-depleting substances (305-6), it should be noted that this is not a significant impact since it is only present in the offices of some factories. In 2020, a refill of 3 kilograms of R22 was recorded in Gonvauto Puebla (Mexico), which is equivalent to the emission of 5 tons of CO<sub>2</sub>.



# 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. The project is aligned with SDG 9 and our innovation and digitalization strategies.

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,

In the first phase in 2019, the Outlook, OneDrive and Share-Point tools were integrated in the Office 365 platform, enabling the company’s employees to work in a much more agile, fast, convenient and efficient way. In 2020, the new tools Teams, Planner, Stream and Forms were introduced and integrated.

All these Digital WorkPlace initiatives enabled office-based professionals to carry out their work in the difficult context of social isolation resulting from the COVID-19 pandemic. Thus, these tools enhanced digitalization and connectivity among employees.

The difficulty of meeting and moving around made it difficult to modify some of the planned activities, adapting them to the new circumstances, in order to continue advancing in the digitization project. Among the actions carried out in 2020, we highlight the following:

## New Teams Room Gonvarri Madrid



Taking advantage of the benefits of Office 365 tools and reinforcing the adoption of Digital WorkPlace, Gonvarri set up a space in the corporate offices in Madrid that has become its new remote training and meeting center.

It has a central camera and microphones located on the ceiling, which clearly record the interventions of speakers and attendees from the room, broadcasting from Teams for participants who join remotely from their own devices. In addition, the room has two 82” monitors located on the wall capable of simultaneously displaying presentations, remote speakers and other

content, thus creating a collaborative and digital environment, and boosting efficiency and teamwork.

The inauguration was attended by the president of Microsoft Spain, accompanied by part of her team, who enjoyed a pleasant day with several representatives of the management of Gonvarri Industries. The Communication and Systems teams participated via Teams in this celebration and had the opportunity to share the challenges they have faced in the Digital WorkPlace adoption project and the benefits they have obtained from the new Office 365 tools.





## Workshops in offices and factories

During the first quarter of 2020, prior to the confinement caused by COVID-19, workshops were held in the offices and factories in the United Kingdom (Gonvarri) to motivate and train employees in a fun, entertaining and relaxed way.

After an introductory talk on the company's trajectory in the process of technological adoption and evolution and the development of some playful dynamics on DWP, the attendees completed a tour with five different experiences based on the five pillars of the project: Collaboration, Innovation, Efficiency, Commitment and Cloud.

1. organized in groups by departments they discovered the voice-interaction technology and the different concepts and features of the DWP at the **Innovation stand**;
2. they made suggestions of the features they would like to find with regard to the new digital tools at the **Efficiency stand**;
3. they experienced the coedition at the **Collaboration stand**;
4. they took selfies and learnt about the new features of the mobile App at the **Commitment stand**.
5. and they addressed the new Intranet and the vision "Work anytime, anywhere" at the **Cloud stand**.





# Training

## On site

Developed by experts during the different stages of the project, aimed at different target (managers, champions, employees, etc.). 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 on its advantages, as well as a detailed description of its usage and a wide range of possibilities they offer.

## Vídeos

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.

## Training courses

E-learning courses on the new tools presented, including descriptions, details of their functions and advantages.

## Gamificación

Mobile App - DWP Challenge: an open platform for the organization's professionals, both nationally and internationally, which promoted training in Office 365 tools in a playful quiz format: question-answer and multiple choice. With this, employees learned by competing against each other and challenging each other through the corporate App.



### Highlights

- + knowledge
- +15 participating countries
- + 300 participating employees
- + training
- + 3.5M points earned
- + 44h of play
- + digitalization
- + 35,000 responses



## Teams - Digital Champions League

Champions from the different corporate departments and factories of the company participated in a training initiative through the Microsoft Teams application TeamsChamp. This tool helps to introduce gamification in Office 365 adoption processes and improves its use and activation.

The action did not require the participating Champions any additional effort beyond the daily use of the Office 365 tools presented from the beginning of the adoption project.

### Highlights

- + efficiency
- + motivation
- + 15 participating countries
- + digitalization
- + collaboration
- + 100 participating employees
- + 110,000 chat messages in Teams
- + 640,000 shares in SharePoint and OneDrive
- + 11,000 participants in Teams calls





## 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.



## Others

### Referential training guides for Teams, Planner, Stream and Forms

These materials include manuals that cover all the usage instructions and the different functionalities 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 Teams, Planner, Stream and Forms.

### Satisfaction Survey

Surveys to know the opinion off the employees about the materials and actions performed on Teams, Planner, Stream y Forms.

## Digital WorkPlace a key element in tackling the COVID-19 pandemic

The satisfactory and effective response capacity of Gonvarri Industries' professionals to the COVID-19 pandemic in terms of connectivity and work performance, confirmed the company's firm commitment to digital transformation and the adoption of the new Office 365 tools.



**Teams**  
A tool introduced in Q1 2020 records a monthly average of 13,500 video calls and around 350,000 chat messages, both with internal and external parties (information for the months of October to December 2020).



**SharePoint**  
An enterprise collaboration platform used in the company since 2019, has seen its use by employees multiply in 2020 compared to 2019.



**OneDrive**  
A file hosting service used by the company since 2019, has seen its use by employees multiply in 2020 compared to 2019.

- 2019**
- 9 files shared with external / month
  - 198.33 files shared with internal / month
  - 50,129 files synchronized
  - 30,064 files viewed/modified

- 2020**
- 18 files shared with external / month (x2 compared to 2019)
  - 613.83 files shared with internal / month (x3 compared to 2019)
  - 247,041 files synchronized (x5 compared to 2019)
  - 98,960 files viewed/modified (more than x3 compared to 2019)

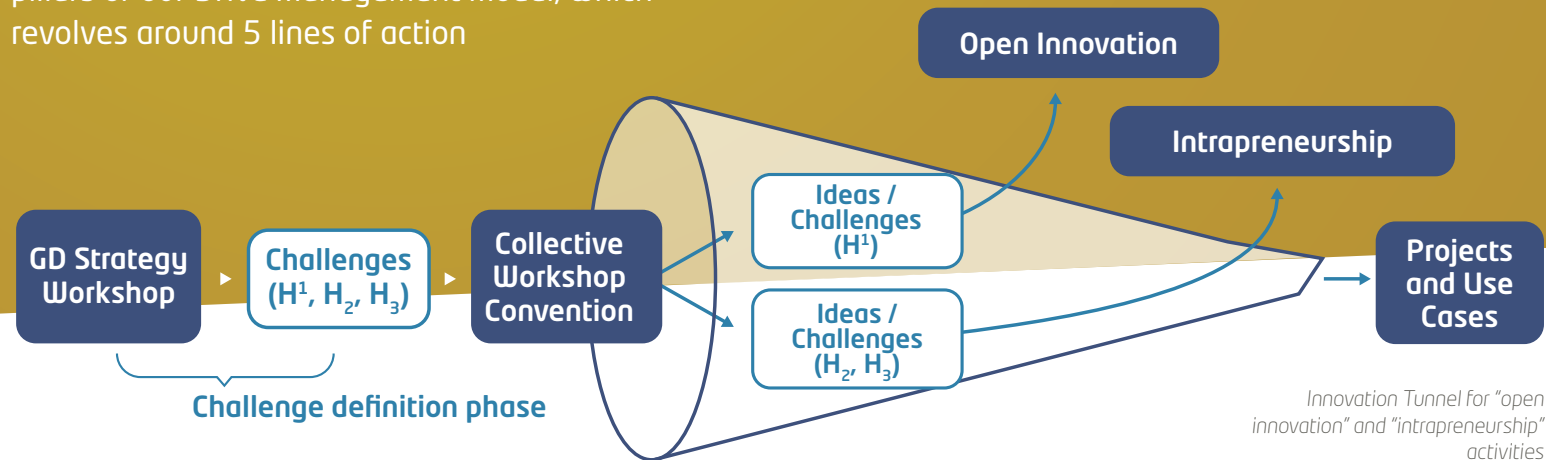
- 2019**
- 719 accesses per document owner and third parties / month
  - 22.8 files shared with external / month
  - 444.44 files shared with internal / month
  - 426,405.8 files synchronized
  - 60,321.44 files viewed/modified

- 2020**
- 1,810 document owner and third-party accesses / month (more than x2 compared to 2019)
  - 63 files shared with interns / month (almost x3 compared to 2019)
  - 1,238 files shared with external parties / month (almost x3 compared to 2019)
  - 386,797 files synchronized (slightly less than in 2019)
  - 92,854 files viewed/modified (x1.5 compared to 2019)



# Innovation

Innovation is a key aspect and one of the pillars of our Drive management model, which revolves around 5 lines of action



## Innovation model

### Standardizing the Model enhances the results of innovative ideas

During 2020, the idea of a more inclusive Innovation Model was reinforced, one in which all areas got involved in proposing innovative ideas.

To this effect, there was a consolidation in how the flow of ideas, initiatives and innovation projects are to be managed, thus defining and standardizing the way in which ideas are conceptualized, as well as the responsibilities in the development of associated projects.

Likewise, a model for "intrapreneurship" and "open innovation" was defined, one which encourages the participation of members of the Strategy Board as well as Gonvarri's Management Team, becoming part of the Leadership Meeting 2020 based on the Innovation Funnel Model.





# Innovation culture

## Communication and empowering our creative staff as a key to the Company's cultural change

In a year in which the pandemic has influenced both our outlook on life and our way of working, digital tools (DWP) signify a qualitative leap in digital transformation.

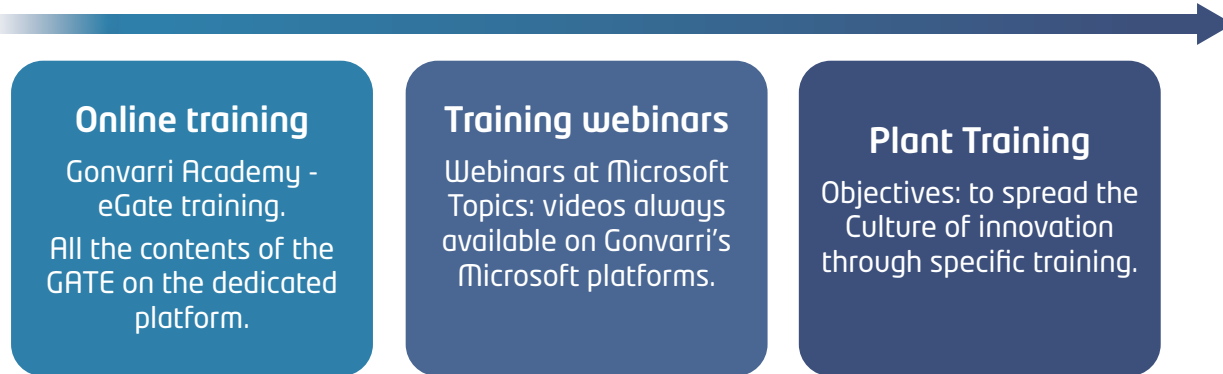
Developing and implementing the Communication Plan has been vital to conduct such a transformation via different initiatives.

### e-GATE

Harnessing the didactic materials developed within our 2019 GATE Program (Gonvarri Advanced Technologies) and based on Gonvarri's Academy digital platform, the e-GATE training itinerary was developed and made accessible to all the Company's tech staff, including GATE courses such as IOT, Cybersecurity, Agile Project Management, etc.

### Webinars

The Plan considers developing tech webinars in which the Innovation Department explains Use Cases related to the Gonvarri 4.0 project and its outcomes. Said webinars are recorded and made available to the entire Gonvarri group.



Esquema de las iniciativas de comunicación de innovación

### Innovation Days

Due to the pandemic, only some of the Innovation Days scheduled were carried out, in isolation, such as Additive Manufacturing, or Carbon Fiber Composites.

### LTC Innovation Blog

One of this year's initiatives was the "Innovation Blog" thanks to a remarkably high connectivity rate of the entire Gonvarri team due to the pandemic.



Blog news about participation in the Innovation Roundtable

### INGGUMA Technology Surveillance System

In order to ease access to data and technical and market documentation, during 2020 we started using a Technological Surveillance System (INGGUMA), one which allows the Innovation Department to be up-to-date on new technologies, and to centralize Group access to relevant tech news.



Newsletters of the INGGUMA Technology Surveillance Platform



# Product innovation

Focusing on sustainable product development makes us more competitive, and allows us access to new markets

Among other motivations for product innovation, apart from sustainability, are adding value to final products based on sensors and new services associated with the product.

## Solar Steel

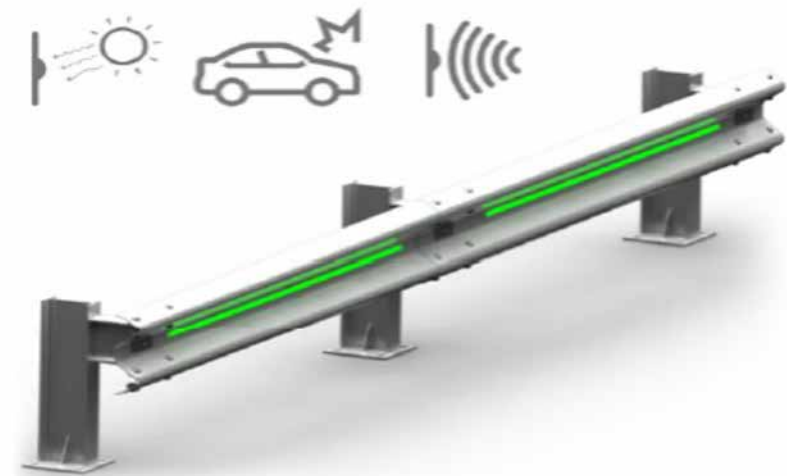
One of the pillars of our new offer of products/services in the field of solar is developing a system to monitor the condition of our clients' solar structures by incorporating sensors and digitization which provide them with information for decision making.



Solar structure control system scheme based on IoT elements

## Road Steel

Having developed high-performance products aimed at increasing safety standards in road barriers, such as the Trionda S4-TL4Π or the Smart Rail H2 and H2R, innovation efforts have focused on adding new sensors to the infrastructure. Hence, proposals such as the connected mobile barrier or the digital reflector.



Example of sensorized and connected barrier



### Steel Construction

In collaboration with tech providers specialized in sensors, FY20 saw the development of solutions in the field of smart cities, such as the "smart pool", adding new features such as light intensity adaptation, traffic monitoring or air quality control.



### Automotive

Gonvauto Asturias, in collaboration with Flinsa, continues to develop projects such as TAARSA, intended to improve welding conditions and homogenize steel quality in each manufactured tube.



## FLINSA, beneficiary of an R&d grant by CDTI



Under Gonvarri's Precision Tubes business line, Flinsa has been awarded a partially refundable grant by the Center for Industrial Technological Development (CDTI) of up to € 273K, representing a total of 65.95% of a total budget of € 414.5 K, valid until 12/31/21.

This aid is intended for the project called "Developing new stainless-steel tubes with high technological value for the automotive sector using CO<sub>2</sub> laser-welding technology".

The project's strategic objective is to increase the current market share of exhaust system pipes, through the development of a new range high-tech pipes, thus strengthening Flinsa's presence in the automotive sector, both at a national and international level.



## R+D+I project: introducing AHSS steels in shock absorbers. AHSS - shock absorber



This is a project in collaboration with 3 companies: a multinational specialist in emission control and suspension systems for automobiles; FLINSA (Ibi, Alicante), producer of cold-rolled strip and high-precision welded tube from strip; and an SME manufacturer of automotive parts who also services stamping, embossing and welding.

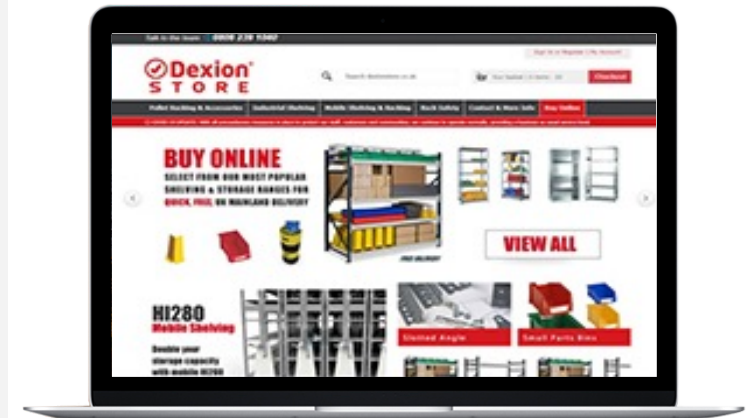
The project's overall purpose is to develop a new range of shock absorbers using Advanced High Strength Steels (AHSS) to lighten their weight by 10% (20% in project components: outer tube, spring seat and clamps), and increase their resistance, all at a competitive cost and complying with present and

future technical specifications of major manufacturers in the sector.

FLINSA contributes its know-how in the field of Advanced High-Strength Steels (AHSS) for the automotive sector. In this project, FLINSA contributed to further research on the behavior of AHSS materials in vehicle structure elements, and more specifically for shock absorber structural elements. The results of this project will provide us greater scope within the automotive sector.

The 24-month project ended in 2020.

## Gonvarri Material Handling (GMH) is proud to announce the acquisition of the UK company Complete Storage & Interiors Ltd (CSI)



Following the Company's digitization process, with this year's acquisition of "GMH Complete Storage & Interiors Ltd" (CSI), our commercial capabilities are increased through innovative channels based on e-commerce tools. CSI provides an innovative business model, based on a digital fast delivery service and is one of the pillars to develop an e-commerce platform serving the Group's different business lines in the future.





# Process innovation

Efficiency and quality as key drivers of the Innovation under way

## Additive manufacturing

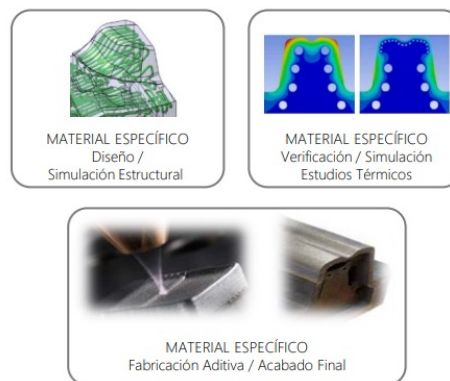
In 2020, Addimen acquired a new 3D printer, of the Italian brand 3NTR, to processes technical plastics.

Thanks to this line, Addimen supplements its offer of products and services by manufacturing parts and tools with rigid materials, such as ABS and Nylon (with or without carbon reinforcement), and by processing flexible materials such as thermoplastic polyurethane (TPU).

The 3NTR model A2 handles enormous volumes of work, making it possible to handle large parts or dozens of small elements.



Regarding 3D metal printing activity, the ADDIMOLD project continues to garner a deeper understanding of the different stages of the production process, from design to simulating thermal distortions.



On the other hand, new capabilities have given us access to plastic injection clients, hence expanding our scope of engineering services.



Polymer 3D Printer

## Unit traceability

During 2020, we started a co-development project with Gestamp aimed at achieving traceability per unit.

The aim of this project is to obtain process information and associate it with each part (specifically, mechanical properties), allowing clients to precisely adjust process parameters in their production lines.



Control system for thickness, mechanical properties and laser marking



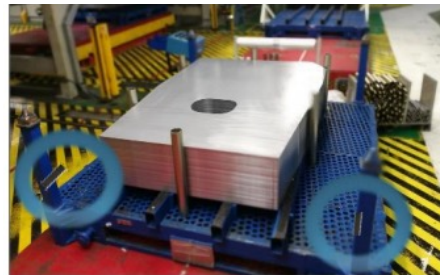
# Gonvarri 4.0 Innovation

Digitization of production means is the basis for improvement in process control and product quality

During this period, different use cases continue to proceed as a reference for future implementation in Group plants.

## Finished product digital warehouse

This technological initiative, whose proof of concept was developed during 2020, aims to facilitate control and management of the inventory process, as well as to know the availability and geolocate metal platforms in the plant via "RFID tags".



Description of the forklift alert system

## Forklift safety alerts

With the aim of improving plant safety, a driving assistance system was developed for forklifts which alerts forklift drivers of situations of danger to people or objects, by incorporating sensors and developing ad-hoc software.



Description of the forklift alert system



# Compliance Model

In today's globalised environment, the identification, classification, monitoring, management and control of the risks we confront is essential for sustainable growth.

## 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-corrup-

tion, 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.

Since its implementation, 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.







All aspects and risks arising from any form of corruption are implemented globally in the Gonvarri Group's offices, distribution centers and factories in accordance with the model and policies approved for this purpose.

In this area, 87% of the group analyzes its corruption risks, where 75% use the Gonvarri model and the remaining 12% use a proprietary model (Brazil and Gonvama). The facilities acquired in 2020 are in the implementation period (6%) and the remaining 7% are still pending (205-1).

In 2020, new rules were approved, mainly concerning HR management, such as: Induction Policy, Training Policy, Corporate Recruitment and Selection Policy, Procedure for Recruitment, Dismissals and Internal Transfers, Payroll Management Policy, Performance Management Policy. In addition, the Transfer Price Corporate Manual was updated.

I would like to mention that a new version of the Sustainability Policy was approved in the first quarter of 2021, in line with the Sustainable Development Goals.

Regarding the Protection of Personal Data in the European Union, 40 consultations of different matters and complex were received. No security incidents or request have been received or detected and 2 rights management requests have been received from stakeholders.

Once the procedures related to Personal Data Protection have been implemented and adapted to the various local regulations being developed in the different countries in which the Group operates, the recurring management process continues.

Once the compliance model is updated and these internal rules are issued, an ambitious plan for the diffusion, communication and training is continued.

## 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.

In addition, and together with the Code of Ethics, various internal regulations are developed that detail and deploy our values and principles in each of the areas of interest. These are updated and reported annually in successive sustainability reports.

The Compliance Committee, through the Ethics Channels, are the guarantors of receiving and responding to any improper situations, doubts, queries or bad practices expressed and applying the appropriate legal or disciplinary measures.

Furthermore, 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 **Ethics Channel Regulations** define the operating principles and conditions of use on which the Ethics Channel is based, and the roles and responsibilities of each of the bodies involved in the management and processing of queries/complaints. The Compliance Committee is the managing body of the channel, which establishes the action protocols for analyzing, investigating, concluding and communicating the results of the complaints received. It reports periodically to the Board of Directors and its members on its activity in the management of the ethics channel: number of queries and complaints received, complaints regarding serious situations, status of complaints, etc. It will also report on any other relevant matter.

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.

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:



**WhatsApp**  
+34 679 981 922



**APP**  
APP Gonvarri. IOs & Android



**Web**  
<https://gonvarri.i2ethics.com>



**Email**  
[ethicschannel@gonvarri.com](mailto:ethicschannel@gonvarri.com)



**Ordinary mail**  
Att./ Comité de Cumplimiento  
C. Embajadores, 458. 28053 Madrid

- Form through <https://gonvarri.i2ethics.com>, also accessible on the Group's website <http://www.gonvarri.com>
- Email: [ethicschannel@gonvarri.com](mailto:ethicschannel@gonvarri.com)
- Ordinary mail with the address: Internal Audit and Compliance C/ Embajadores s/n. 28053 Madrid.
- A través de Whatsapp Wechat o contacto telefónico en el número +34 679 98 19 22
- Via Whatsapp Wechat or phone contact on +34 679 98 19 22

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.

## Awareness and training <sup>412-2</sup>

In 2018, training began on the Code of Ethics and the Ethical Channel as the main parts of the Compliance Model.

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.

Since its beginning, 3,680 active professionals have enrolled (646 more than in 2019), of which 3,009 have completed the course (577 more than in 2019). This represents around 50,000 hours of training since its inception and a total of 865 hours estimated in 2020. This does not include employees of those companies with shared control where separate compliance models exist.

In 2020, two new mandatory online trainings were launched, developing the harassment prevention guide and the gift and commitment acceptance guide. A total of 1,698 employees (1,132 and 566 employees respectively) completed the training, representing an additional 330 hours of training.

This training includes general aspects of human rights and anti-corruption. In order to strengthen training in these areas, a mandatory course on "**Fraud and Corruption**" was approved in 2021 for all employees (205-2).

In addition, this year a comprehensive individualized Compliance training plan was initiated, depending on the position, department and tasks performed by each employee, through a specific individualized compliance training itinerary.



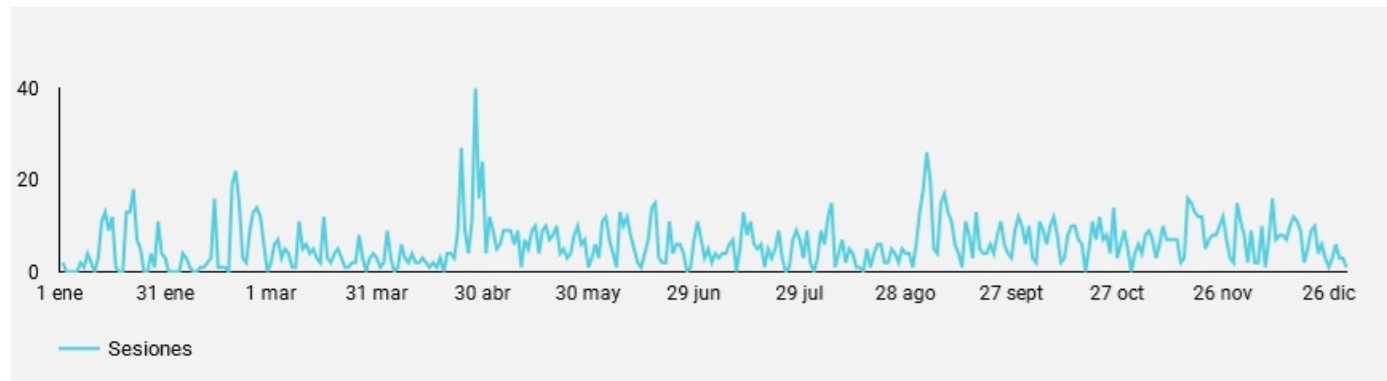
# Complaints and ongoing disputes

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.

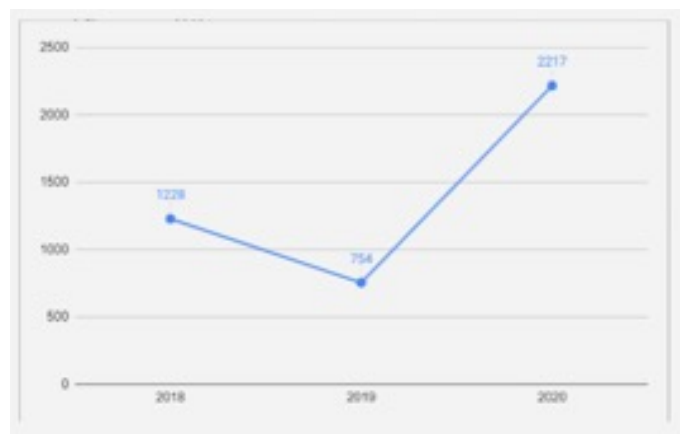
Ethic channel is currently available in 18 different languages, in order to make it accessible to all potential users around the world.

During the period under analysis, 2,217 visits to the ethical channel were recorded, 194% more than in the year the channel was launched (754 visits in 2019 and 1,228 visits in 2018).

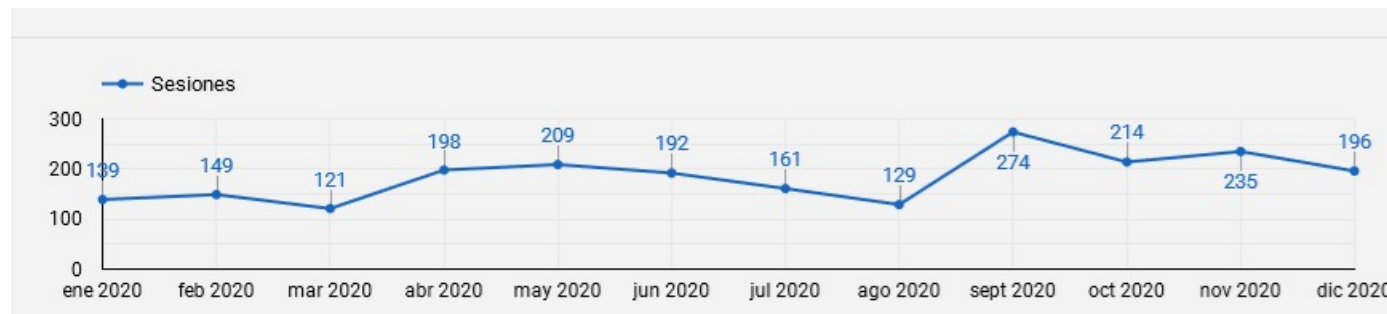
### Evolution of daily visits 2020



### Evolution of visits since the start of the project



### Evolution of monthly visits 2020



Visits were received from 50 different countries, although the majority of visitors came from Spain (53%), followed by China, Turkey and Germany.



### Origin of access

Pais	Sesiones	Número de páginas vistas
1. Spain	1.190	
2. China	197	
3. Turkey	164	
4. Germany	103	
5. Japan	65	
6. Portugal	61	
7. United States	57	
8. Finland	41	
9. Netherlands	32	
10. Mexico	31	
11. France	30	
12. Argentina	29	
13. Poland	25	
14. Austria	25	
15. Colombia	23	
16. Russia	17	
17. Brazil	16	
18. United Kingdom	14	
19. Italy	10	
20. Romania	8	
21. Sweden	7	
22. Czechia	7	
23. India	5	
24. South Africa	4	
25. Ireland	4	
26. Qatar	3	
27. Algeria	3	
28. Kosovo	3	
29. Switzerland	3	

The web channel was the preferred channel for complainants with 72% of the total, followed by direct complaints received by processors, with 17%.

The most used method to access the web channel is directly, with 51% of the accesses, followed by access through the Leadind the Change intranet, with 15%.

### Input channel for complaints received

Input channel of complaints	Complaints received 2020	Complaints received 2019	Variation 2020 vs 2019
Canal web	26	2	24
Email	4	6	-2
Call Back	0	1	-1
Manual access	6	4	2

The time the channel was available and online (SLA - Service Level Agreement) during 2020 was 99.997%.



In 2020, 36 valid complaints were received on the Gonvarri Ethical Channel, 10 of which are pending resolution to date.

This represents a positive variation in relation to the complaints received, which with respect to 2019 is +24 (+200%), which shows the importance of communication, dissemination and training on the Code of Ethics and the complaint channel.

Following is a detailed classification by type:

Category	Current	%	Pending resolution
Harassment	3	8.3	2
Fair competition	1	2,8	
Conflict of interest	1	2.8	
Corruption and bribery	3	8.3	1
Forced employment	9	25.0	
Fraud	1	2.8	1
Environmental impact	1	2.8	1
Information and image	1	2.8	
Health and safety	6	16.7	
Other	10	27.8	5

Five 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).

No cases of discrimination have been identified in 2020, nor have any complaints been received (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 2020, an occupational accident has taken place from which both an administrative sanction and compensation for damages could be derived. The two pending proceedings initiated in 2017 one has been closed and the other is still in process.

No new administrative sanction has been received during 2020 as a result of occupational accidents.

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 Independent Review Report

102-56



Ernst & Young, S.L.  
Calle de Raimundo Fernández  
Villaverde, 65 28003 Madrid

Tel: 902 365 456  
Fax: 915 727 238  
ey.com

## INDEPENDENT LIMITED ASSURANCE REPORT OF THE SUSTAINABILITY REPORT 2020 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. (hereinafter, Gonvarri Industries), we have carried out the review of the "Sustainability Report 2020". This information has been prepared in accordance with GRI Sustainability Reporting Standards (GRI Standards) core 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 2020", 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 (C.J.CE).
- ▶ 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 2020", 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 Annex "GRI Content Index", as well as their adequate compilation from data supplied by information sources. The review tests have been defined to provide the aforementioned 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 contents included in Annex "GRI Content Index" of the Report has not been prepared, in all material respects, according to the GRI Standards sustainability reporting framework, which includes the data reliability, the adequacy of the information presented and the absence of significant deviations and omissions.

This report has been prepared solely for the management of Gonvarri Industries, in accordance with the terms set out in our engagement letter.

ERNST & YOUNG, S.L.

(Free translation from the Original Report on Independent Review in Spanish dated May 18<sup>th</sup>, 2021. 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", core 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.

### Contact of the report

102-53

General questions about this report can be addressed to (102-53):



rsc@gonvarri.es



+34 91 379 10 00



St. Ombú 3, floor 1.  
28045 Madrid. Spain

### Presentation cycle

As in previous years, the Report has an annual periodicity (102-52), and covers the information from January 1<sup>st</sup> 2020 and December 31<sup>st</sup> 2020 (102-50), the last report being that from 2019 (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 installation of the GMH Kredit plant acquired at year-end 2019 (102-49).

Only with qualitative information the three new engineering companies of Gonvarri's Material Handling: GMH Kaufmann Systems AG, GMH Complete Storage & Interiors Ltd (CSI) and GMH Lampe Lagertechnik ne, as well as the new Gonvarri warehouse in Madrid (Sogeisa).

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).



ANNEX III. Quantitative information  
**Human Resources**

**I. 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	2	4	3	0	2	10	24	21	62	67
Argentina	0	0	1	0	0	6	4	1	5	10	12	2
Belgium	0	0	0	1	0	0	0	0	0	0	3	2
Brazil	0	0	0	1	0	7	9	10	60	141	68	29
China	0	5	11	2	0	12	19	3	41	163	84	12
Colombia	0	1	5	3	0	0	3	3	4	37	47	102
Denmark	0	0	0	1	0	0	0	2	0	1	2	8
Spain	0	2	25	41	1	24	78	126	26	197	381	591
USA	1	2	2	1	0	2	0	2	4	36	19	9
Slovakia	0	0	0	3	0	3	7	1	15	39	28	35
Finland	0	0	0	1	0	1	4	2	1	3	8	12
Netherlands	0	0	0	2	0	0	0	2	0	4	6	8
Hungary	0	0	1	0	0	0	0	0	1	0	4	1
Mexico	0	0	0	1	1	5	6	3	5	33	23	8
Norway	0	0	0	2	0	0	0	2	0	0	3	15
Poland	0	0	0	1	0	0	4	2	5	31	36	10
Portugal	0	0	0	0	0	0	4	9	5	18	21	21
UK	0	0	1	5	0	2	4	11	7	30	44	74
Czech Rep.	0	1	1	2	0	2	7	4	27	38	28	55
Romania	0	0	2	2	0	2	6	1	33	71	78	110
Russia	0	0	3	0	0	5	14	5	6	40	29	21
Sweden	0	1	4	6	0	2	1	6	3	17	27	39
Turkey	0	1	7	4	0	8	8	0	34	72	77	69
<b>TOTAL</b>	<b>1</b>	<b>15</b>	<b>67</b>	<b>82</b>	<b>2</b>	<b>83</b>	<b>188</b>	<b>219</b>	<b>303</b>	<b>1,043</b>	<b>1,095</b>	<b>1,347</b>

**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	2	1	0	0	0	1	2	14	16	10
Argentina	0	0	0	0	0	0	5	0	1	1	2	0
Belgium	0	0	0	0	0	0	0	0	0	1	0	0
Brazil	0	0	0	0	0	7	1	2	9	17	14	5
China	0	0	3	0	0	4	7	1	0	32	9	0
Colombia	0	1	2	2	0	1	2	1	1	16	8	4
Denmark	0	0	0	0	0	0	0	1	0	0	0	3
Spain	0	3	3	5	0	4	11	12	5	29	69	48
USA	0	0	0	1	0	1	1	0	3	3	2	0
Slovakia	0	0	0	2	0	2	3	1	0	5	20	3
Finland	0	0	0	0	0	0	1	1	0	0	0	5
Netherlands	0	0	0	0	0	0	0	1	1	0	2	2
Hungary	0	0	0	0	0	0	0	0	0	0	2	1
Mexico	0	0	0	0	0	0	3	1	0	6	2	0
Norway	0	0	0	0	0	0	0	1	0	0	3	1
Poland	0	0	1	0	0	0	2	0	2	20	4	4
Portugal	0	0	1	0	0	0	4	1	0	2	7	6
UK	0	0	0	0	0	0	2	0	1	2	12	13
Czech Rep.	0	0	0	1	0	0	2	0	1	12	8	3
Romania	0	0	0	1	0	1	2	1	4	26	18	12
Russia	0	0	0	0	0	4	1	1	0	10	9	6
Sweden	0	0	0	2	0	1	0	1	0	2	4	9
Turkey	0	0	0	0	0	2	0	0	0	8	1	0
<b>TOTAL</b>	<b>0</b>	<b>6</b>	<b>11</b>	<b>14</b>	<b>0</b>	<b>27</b>	<b>48</b>	<b>28</b>	<b>42</b>	<b>209</b>	<b>205</b>	<b>140</b>



	II. EXTERNAL PERSONNEL			
	SUBCONTRACTORS		TEA 's	
	MEN	WOMEN	MEN	WOMEN
Germany	0	0	19	0
Argentina	0	0	0	0
Belgium	0	0	0	0
Brazil	5	0	1	3
China	0	0	164	7
Colombia	0	0	97	6
Denmark	0	0	0	0
Spain	83	0	254	4
USA	0	0	1	1
Slovakia	16	0	1	0
Finland	0	0	0	0
Netherlands	0	0	0	0
Hungary	0	0	0	0
Mexico	7	0	26	5
Norway	0	0	0	0
Poland	0	0	0	0
Portugal	2	0	1	0
UK	0	0	21	1
Czech Rep.	0	0	21	0
Romania	0	0	0	0
Russia	0	0	6	0
Sweden	0	0	0	0
Turkey	0	0	0	0
<b>TOTAL</b>	<b>112</b>	<b>0</b>	<b>612</b>	<b>26</b>

	III A. 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	18-25	26-35	36-45	46
Germany	0	0	1	1	0	0	0	0	4	2	5	5	0	0	0	1	0	0	0	0	2	3	2	3
Argentina	0	0	0	0	0	0	0	0	0	3	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	0
Brazil	0	0	0	0	0	0	1	2	41	67	28	4	0	0	0	0	0	0	0	0	3	6	2	3
China	0	2	1	0	0	0	3	0	14	47	33	5	0	1	1	0	0	2	1	0	0	8	1	0
Colombia	0	0	0	0	0	1	0	0	2	6	1	1	0	0	0	0	0	1	1	0	1	5	0	0
Denmark	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Spain	0	0	2	0	0	1	5	1	20	57	36	18	0	0	0	0	0	0	1	0	2	9	10	8
USA	0	0	0	0	0	0	0	0	2	0	1	1	0	0	0	0	0	0	0	0	1	2	0	0
Slovakia	0	0	1	0	0	0	0	0	10	13	7	7	0	0	0	1	0	1	0	1	0	1	0	0
Finland	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Netherlands	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Hungary	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Mexico	0	0	0	0	0	0	0	0	4	8	1	0	0	0	0	0	0	0	0	0	1	0	0	0
Norway	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Poland	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Portugal	0	1	0	0	0	0	0	0	1	0	2	0	0	0	0	0	0	0	0	0	0	1	0	0
UK	0	0	0	0	0	0	0	0	1	2	2	2	0	0	0	0	0	0	0	0	0	0	0	0
Czech Rep.	0	0	0	0	0	0	0	0	8	10	2	6	0	0	0	0	0	0	0	0	0	2	2	0
Romania	0	0	0	0	0	0	0	0	16	15	14	34	0	0	0	0	0	0	0	0	2	2	2	0
Russia	0	0	0	0	0	1	1	2	5	12	7	4	0	0	0	0	0	1	0	1	0	0	0	1
Sweden	0	1	1	0	0	0	0	0	0	1	1	1	0	0	0	0	0	0	0	0	0	0	0	1
Turkey	0	0	1	0	0	0	2	0	76	86	81	56	0	0	0	0	0	0	0	0	0	6	0	0
<b>TOTAL</b>	<b>0</b>	<b>4</b>	<b>7</b>	<b>1</b>	<b>0</b>	<b>3</b>	<b>12</b>	<b>6</b>	<b>206</b>	<b>329</b>	<b>221</b>	<b>144</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>0</b>	<b>5</b>	<b>3</b>	<b>2</b>	<b>12</b>	<b>45</b>	<b>19</b>	<b>16</b>





III B. 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	0	0	1	0	0	0	1	6	6	2	9	0	0	0	1	0	0	0	1	2	6	2	1
Argentina	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2	0	0	0	1	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	0
Brazil	0	0	0	0	0	1	2	3	21	32	24	4	0	0	0	0	0	0	0	0	5	9	7	1
China	0	0	1	0	0	1	1	0	4	26	3	0	0	0	1	1	0	1	3	1	6	19	10	1
Colombia	0	0	0	0	0	0	0	0	0	1	2	2	0	0	0	0	0	0	0	0	0	5	2	4
Denmark	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Spain	0	0	0	1	0	0	2	2	0	1	1	6	0	0	2	0	0	0	0	2	13	37	31	35
USA	0	0	0	0	0	0	0	0	0	10	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Slovakia	0	0	0	0	0	0	1	0	0	0	2	0	0	0	0	0	0	0	0	0	12	17	12	3
Finland	0	0	0	0	0	0	0	1	0	0	1	0	0	0	0	0	0	0	0	0	1	2	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	0	0
Hungary	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0
Mexico	0	0	0	0	0	0	0	0	0	5	1	1	0	0	0	0	0	0	0	0	0	1	0	0
Norway	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	1
Poland	0	0	1	0	0	0	0	0	3	3	3	2	0	0	0	0	0	0	0	0	0	0	0	0
Portugal	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	1	1	0	0
UK	0	0	1	1	0	0	0	0	0	0	0	2	0	0	0	1	0	0	0	0	0	2	3	10
Czech Rep.	0	0	0	0	0	0	0	0	3	1	1	1	0	0	0	0	0	0	0	0	11	8	3	8
Romania	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	15	19	13	43
Russia	0	0	0	0	0	1	0	0	2	3	6	12	0	0	0	0	0	2	0	1	0	1	3	3
Sweden	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	1	0	0	0	0	0	0	3	1
Turkey	0	0	0	0	0	0	0	0	5	25	35	15	0	0	0	1	0	2	0	0	44	55	36	21
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>3</b>	<b>0</b>	<b>3</b>	<b>6</b>	<b>8</b>	<b>44</b>	<b>113</b>	<b>81</b>	<b>54</b>	<b>0</b>	<b>1</b>	<b>4</b>	<b>5</b>	<b>0</b>	<b>8</b>	<b>3</b>	<b>5</b>	<b>110</b>	<b>184</b>	<b>126</b>	<b>132</b>

III C. 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	0	0	0	0	0	0	1	3	0	2	0	0	0	0	0	0	0	0	0	0	0	0
Argentina	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Belgium	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1
Brazil	0	0	0	0	0	0	1	1	7	6	1	3	0	0	0	0	0	0	0	0	0	2	0	1
China	0	0	0	0	0	0	1	0	0	1	1	0	0	1	2	0	0	0	1	0	0	5	1	0
Colombia	0	0	0	0	0	0	0	0	0	1	1	0	0	0	0	0	0	0	0	2	2	1	0	0
Denmark	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Spain	0	0	0	0	0	1	0	0	0	0	3	2	0	0	0	0	0	0	0	0	0	6	7	9
USA	0	0	0	0	0	0	0	0	0	0	4	0	0	0	0	0	0	0	0	0	0	0	0	0
Slovakia	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	1	0	0	1	0	0	0
Finland	0	0	0	0	0	0	0	0	0	0	0	1	0	0	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	1	2
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	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Norway	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Poland	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0
Portugal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
UK	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	1	0	1	2
Czech Rep.	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	1	0	0
Romania	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	1	1	4	2
Russia	0	0	0	0	1	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	2
Sweden	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Turkey	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	5	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>3</b>	<b>1</b>	<b>8</b>	<b>13</b>	<b>11</b>	<b>10</b>	<b>0</b>	<b>1</b>	<b>2</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>5</b>	<b>24</b>	<b>14</b>	<b>19</b>

## IV. 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	257	45	40	8	12	8	309	58	0	3
Argentina	41	9	0	0	0	0	41	9	0	0
Belgium	6	1	0	0	0	0	6	1	0	0
Brazil	321	53	0	0	4	2	228	45	97	10
China	300	46	52	10	0	0	336	54	16	2
Colombia	191	38	14	0	0	0	205	38	0	0
Denmark	14	4	0	0	0	0	14	4	0	0
Spain	1,397	169	95	17	0	3	1,443	171	49	18
USA	78	11	0	0	0	0	78	11	0	0
Slovakia	100	31	31	5	0	0	131	36	0	0
Finland	31	7	1	0	0	0	32	7	0	0
Netherlands	18	4	3	2	0	0	21	5	0	0
Hungary	7	3	0	0	0	0	7	3	0	0
Mexico	85	12	0	0	0	0	85	12	0	0
Norway	22	5	0	1	0	0	22	6	0	0
Poland	76	26	13	7	0	0	88	33	1	0
Portugal	56	19	22	2	0	0	78	21	0	0
UK	154	29	24	1	0	0	176	20	2	10
Czech Rep.	137	23	28	4	0	0	165	27	0	0
Romania	244	61	61	4	0	0	265	65	40	0
Russia	123	30	0	1	0	0	123	31	0	0
Sweden	104	20	1	0	0	0	104	17	1	3
Turkey	280	11	0	0	0	0	280	11	0	0
<b>TOTAL</b>	<b>4,043</b>	<b>656</b>	<b>385</b>	<b>62</b>	<b>16</b>	<b>13</b>	<b>4,238</b>	<b>684</b>	<b>206</b>	<b>46</b>

## V. TRAINING BY GENDER AND CATEGORY

	MEN			WOMEN		
	MANAGER	MIDDLE MANAGER	PLANT PERSONNEL	MANAGER	MIDDLE MANAGER	PLANT PERSONNEL
	286	3,946	5,791	457	750	999
	7	347	241	0	68	101
	0	0	0	0	0	0
	6	569	8,868	0	196	1,831
	216	1,125	4,326	26	308	727
	155	1,150	19,879	104	2,079	70
	0	24	60	0	0	0
	719	3,335	19,668	35	763	3,284
	14	437	13,450	7	16	1,662
	35	241	1,946	120	123	471
	0	16	44	0	36	8
	0	0	0	0	8	0
	0	0	0	0	0	30
	52	621	5,121	0	207	517
	0	0	24	0	0	0
	18	1,228	5,178	65	328	2,392
	0	106	816	5	42	130
	2	115	2,012	0	0	287
	36	12	377	6	34	57
	38	534	6,524	6	66	608
	194	1,041	1,362	0	387	144
	39	42	177	13	9	10
	122	148	3,911	0	32	194
<b>TOTAL</b>	<b>1,938</b>	<b>15,037</b>	<b>99,773</b>	<b>843</b>	<b>5,450</b>	<b>13,522</b>

## VI. NON-HAZARDOUS WASTE

	Scrap (tonnes)		Packaging (tonnes)						Others (tonnes)	
	Steel	Aluminium	Wood	Tablex	Paper and cardboard	Recyclable plastic	Non-recyclable plastic	Mixed	Other	Construction
Germany	26,449	1,163	112	0	48	0	0	21	60	7
Argentina	1,772	0	0	0	32	55	0	0	0	0
Brazil	17,962	0	104	0	41	238	0	0	24	4
China	36,035	0	0	0	9	5	2,768	0	3	0
Colombia	1,482	0	0	0	14	4	0	0	73	0
Denmark	0	0	0	0	0	0	0	0	0	0
Spain	112,205	714	450	400	96	38	191	200	411	180
USA	13,110	2,293	45	0	114	0	1	0	0	0
Slovakia	9,857	763	189	0	1	2	0	21	0	2
Finland	0	0	8	0	17	2	0	0	1	0
Netherlands	0	0	0	0	2	0	0	0	6	0
Mexico	13,113	0	20	0	157	48	0	0	4	0
Poland	8,724	0	66	0	14	24	0	0	0	0
Portugal	2,858	0	105	0	24	16	44	0	0	0
UK	10,242	0	111	0	0	0	0	0	263	0
Czech Rep.	666	0	41	0	1	0	2	1	36	0
Romania	1,431	0	26	0	13	5	0	0	131	0
Russia	7,755	0	154	0	619	156	0	1	94	0
Sweden	220	0	9	0	2	1	0	0	22	0
Turkey	1,105	0	7	0	0	0	0	0	0	0
<b>Total</b>	<b>264,987</b>	<b>4,933</b>	<b>1,447</b>	<b>400</b>	<b>1,205</b>	<b>593</b>	<b>3,006</b>	<b>244</b>	<b>1,127</b>	<b>193</b>

VII. HAZARDOUS WASTE									
	Material		Packaging	Galvanising			Pickling	Painting	
	Oil (m <sup>3</sup> )	Absorbent (tonnes)	Contaminated (tonnes)	Ashes (tonnes)	Mattes (tonnes)	Dust (tonnes)	Ferrous Chloride with Zinc (tonnes)	FeCl <sub>2</sub> (tonnes)	Electrostatic (tonnes)
Germany	3	10	0	0	0	0	0	0	0
Argentina	2	3	0	0	0	0	0	0	0
Brazil	8	32	0	0	0	0	0	1,971	0
China	5	1	0	0	0	0	0	0	0
Colombia	1	15	0	47	34	0	0	192	2
Spain	73	57	11	271	177	48	2,101	10,394	0
Slovakia	2	20	15	0	0	0	0	0	0
Mexico	3	2	0	0	0	0	0	0	0
Portugal	3	7	0	0	0	0	0	0	0
UK	0	5	0	0	0	0	0	0	0
Czech Rep.	2	2	0	0	0	0	0	0	0
Romania	0	0	1	0	0	0	0	0	0
Russia	3	4	0	0	0	0	0	0	5
Sweden	0	20	0	0	0	0	0	0	0
Turkey	1	1	2	116	118	0	0	1,195	0
<b>TOTAL</b>	<b>106</b>	<b>180</b>	<b>29</b>	<b>434</b>	<b>329</b>	<b>48</b>	<b>2,101</b>	<b>13,752</b>	<b>7</b>





## ANNEX IV

# Associations and organizations

102-13

## Corporate level

- Pacto Mundial de Naciones Unidas
- Fundación SERES

## Spain

- Asociación Española de Calidad (AEC)
- Asociación de Usuarios de SAP
- Asociación Española de Proveedores de Automoción
- Camara de Comercio de EE.UU. en España
- Asociación Española de Contabilidad y Administración de Empresas
- Ilustre Colegio Abogados
- Instituto Atlántico de Gobierno, S.L.
- Asociación Española de Tec. De Fabricación Aditiva y 3D
- Unión de Empresas Siderúrgicas (UNESID)

## Gonvarri Barcelona

- Associació Industrial per a la Producció Neta (AIPN)
- Unió Patronal Metallúrgica (UPM)

## Gonvauto Barcelona

- Associació Industrial per a la Producció Neta i Delta del Llobregat
- Unió Patronal Metallúrgica
- Clúster de Automoció de Catalunya
- Unió de Magatzemistes de Ferros de Catalunya y Balears
- Unió de Empreses Siderúrgicas (UNESID)

## Gonvarri Valencia

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

## Gonvauto Galicia

- Asociación de Industriales Metallúrgicos de Galicia (ASIME)
- Clúster del Automóvil de Galicia (CEAGA)
- Confederación Española de Organizaciones Empresariales del Metal (CONFEMETAL)

## Gonvauto Navarra

- Asociación de Empresarios del Metal (ANEM)
- Club de Marketing
- Clúster de Automoció

## Gonvarri Burgos

- Federación Empresarial del Metal (FEMEBUR)
- Asociación para la calidad
- Asociación Empresarial Polígono Gamonal
- Center for the Development of Excellence, S.L.
- Digital HUB Burgos

## Hiasa y Gonvauto Asturias

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

## Gonvarri Tarragona

- Asociación Provincial de Empresarios 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 Portugal

- Associação Nacional das Empresas Metalúrgicas e Electromecânicas (ANEME)

## Gonvarri Poland

- Unió Polaca de Distribuidores de Acero (PUDS).

## Gonvarri Germany

- Initiative Erfurter Kreuz
- IHK Südhüringen
- Initiative Erfurt Cross

## GMH Germany

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

## Steel&Alloy

- Confederation of British Metal Forming

## GMH Romania

- Asociația Română de Logistică (ARILOG)

## GMH Russia

- St. Petersburg International Business Association (SPIBA)

## GMH Kredit

- Hospodářská komora ČR/Czech Chamber of commerce

## Gonvarri Turkey

- Kahramankazan Industrialists' and Businessmen's Association (KASIID)
- General Galvanizers Association (GALDER)
- Turkey Section of the International Solar Energy Society (GÜNDER)
- Steel Guardrail and Road Safety Systems Association (TOD)

## Gonvauto South Carolina

- HR Association Union Chamber of Commerce.

## Gonvarri Argentina

- Asociación de Recursos Humanos de Argentina (ADRHA)

## Gonvarri Colombia

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

## Gonvauto Puebla

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



ANNEX V

# 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.

Content	Page/Omission	Review & materiality
<b>GRI 101: Foundation</b>		
<b>GRI 102: General Content</b>		
<b>ORGANIZATIONAL PROFILE</b>		
102-1 Name of the organization	9, 21	✓
102-2 Activities, brands, products, and services	13	✓
102-3 Location of headquarters	21	✓
102-4 Location of operations	11	✓
102-5 Ownership and legal form	21	✓
102-6 Markets served	9, 11, 12	✓
102-7 Scale of the organization	10	✓
102-8 Information on employees and other workers	47, 48, An III	✓
102-9 Supply chain	45	✓
102-10 Significant changes to the organization and its supply chain	45, 117	✓
102-11 Precautionary Principle or approach	37	✓
102-12 External initiatives	77	✓
102-13 Membership of associations	46, An IV	✓

Content	Page/Omission	Review & materiality
<b>STRATEGY</b>		
102-14 Statement from senior decision-maker	4, 6	✓
102-15 Key impacts, risks, and opportunities	35	✓ M
<b>ETHICS AND INTEGRITY</b>		
102-16 Values, principles, standards, and norms of behavior	9, 111	✓ M
102-17 Mechanisms for advice and concerns about ethics	111	✓ M



Content	Page/Omission	Review & materiality
<b>GOVERNANCE</b>		
102-18 Governance structure	22, 23	√
102-19 Delegating authority	22	√
102-20 Executive-level responsibility for economic, environmental, and social topics.	23	√
102-21 Consulting stakeholders on economic, environmental, and social topics.	22	√
102-22 Composition of the highest governance body and its committees	21	√
102-23 Chair of the highest governance body	21	√
102-24 Nominating and selecting the highest governance body	22	√
102-25 Conflicts of interest	22	√
102-26 Role of highest governance body in setting purpose, values, and strategy	23	√
102-27 Collective knowledge of highest governance body	23	√
102-28 Evaluating the highest governance body's performance	21	√
102-29 Identifying and managing economic, environmental, and social impacts.	24, 68	√ M
102-30 Effectiveness of risk management processes	24	√
102-31 Review of economic, environmental, and social topics	23, 24	√
102-32 Highest governance body's role in sustainability reporting	23	√
102-33 Communicating critical concerns	23	√
102-34 Nature and total number of critical concerns	24	√
102-35 Remuneration policies	24	√
102-36 Process for determining remuneration	24	√
102-37 Stakeholders' involvement in remuneration	24	√
102-38 Annual total compensation ratio		√
102-39 Percentage increase in annual total compensation ratio		√

Content	Page/Omission	Review & materiality
<b>STAKEHOLDER ENGAGEMENT</b>		
102-40 List of stakeholder groups	18	√
102-41 Collective bargaining agreements	54	√
102-42 Identifying and selecting stakeholders	18	√
102-43 Approach to stakeholder engagement	18	√
102-44 Key topics and concerns raised	20	√
<b>REPORTING PRACTICE</b>		
102-45 Entities included in the consolidated financial statements	132	√
102-46 Defining report content and topic Boundaries	20	√
102-47 List of material topics	20	√
102-48 Restatements of information	117, An II	√
102-49 Changes in reporting	117	√
102-50 Reporting period	117	√
102-51 Date of most recent report	117	√
102-52 Reporting cycle	117	√
102-53 Contact point for questions regarding the report	117	√
102-54 Claims of reporting in accordance with the GRI Standards	117	√
102-55 GRI content index	125, An V	√
102-56 External assurance	116, 117	√



# Economic Performance

MATERIALITY TOPICS

Content	Page/ Omission	Review & maetriality
<b>MANAGEMENT APPROACH</b>		
<b>GRI 103. Management Approach.</b> It is applicable to all indicators reported in this section Economic Dimension.		
103-1 Explanation of the material topic and its Boundary	18, 29	✓
103-2 The management approach and its components	29	✓
103-3 Evaluation of the management approach	29	✓
<b>ECONOMIC PERFORMANCE</b>		
<b>GRI 201. Economic Performance</b>		
201-1 Direct economic value generated and distributed	30	✓
201-2 Financial implications and other risk and opportunities due to climate change	37	✓ M
201-3 Defined benefit plan obligations and other retirement plans	56	✓
201-4 Financial assistance received from government	31	✓
<b>PROCUREMENT PRACTICES</b>		
<b>GRI 204. Procurement Practices</b>		
204-1 Proportion of spending on local suppliers	46	✓
<b>ANTI CORRUPTION</b>		
<b>GRI 205. Anti corruption</b>		
205-1 Operations assessed for risks related to corruption	111	✓
205-2 Communication and training about anti-corruption policies and procedures	112	✓
205-3 Confirmed incidents of corruption and actions taken	114	✓

Content	Page/ Omission	Review & maetriality
<b>ANTI-COMPETITIVE BEHAVIOR</b>		
<b>GRI 206. Anti-competitive Behavior</b>		
206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	114	✓
<b>TAXATION</b>		
<b>GRI 207. Taxation</b>		
207-1 Approach to tax	33	✓
207-2 Tax governance, control, and risk management	33, 36	✓
207-3 Stakeholder engagement and management of concerns related to tax	33	✓
207-4 Country-by-country reporting	31	✓



# Environmental performance

## MATERIALITY TOPICS

Content	Page/ Omission	Review & materiality
<b>MANAGEMENT APPROACH</b>		
<b>GRI 103. Management Approach.</b> It is applicable to all indicators reported in this section Environmental Dimension.		
205-1 Operations assessed for risks related to corruption	18, 68, 69, 71	√ M
205-2 Communication and training about anti-corruption policies and procedures	68, 69	√ M
205-3 Confirmed incidents of corruption and actions taken	68, 69	√ M
<b>MATERIALS</b>		
<b>GRI 301. Materials</b>		
301-1 Materials used by weight or volume	69, 71	√ M
301-2 Recycled input materials used	71	√ M
301-3 Reclaimed products and their packaging materials	71	√
<b>ENERGY</b>		
<b>GRI 302. Energy</b>		
302-1 Energy consumption within the organization	90	√ M
302-2 Energy consumption outside of the organization	91	√ M
302-3 Energy intensity	91	√ M
302-4 Reduction of energy consumption	92	√ M
302-5 Reduction in energy requirements of products and services	95. Nota A	√ M
<b>WATER AND EFFLUENTS</b>		
<b>GRI 303. Water and effluents</b>		
303-1 Interactions with water as a shared resource	68	√
303-2 Management of water discharge-related impacts	68	√
303-3 Water withdrawal	68	√
303-4 Water discharge	68	√
303-5 Water consumption	68	√

Content	Page/ Omission	Review & materiality
<b>EMISSIONS</b>		
<b>GRI 305. Emissions</b>		
305-1 Direct (Scope 1) GHG emissions	96	√ M
305-2 Energy indirect (Scope 2) GHG emissions	96	√ M
305-3 Other indirect (Scope 3) GHG emissions	96	√ M
305-4 GHG emissions intensity	98	√ M
305-5 Reduction of GHG emissions	97	√ M
305-6 Emissions of ozone-depleting substances (ODS)	98	√
305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions.	98	√
<b>WASTE</b>		
<b>GRI 306. Waste</b>		
306-1 Water discharge by quality and destination.	68	√ M
306-2 Waste by type and disposal method	68, 71	√ M
306-3 Significant spills	68	√ M
306-4 Transport of hazardous waste	68, 71	√ M
306-5 Water bodies affected by water discharges and/or runoff	68	√ M
<b>ENVIRONMENTAL COMPLIANCE</b>		
<b>GRI 307. Environmental Compliance</b>		
307-1 Non-compliance with environmental laws and regulations	114	√



# Social Performance

## MATERIALITY TOPICS

Content	Page/ Omission	Review & maetriality
<b>MANAGEMENT APPROACH</b>		
<b>GRI 103. Management Approach.</b> It is applicable to all indicators reported in this section Social Dimension		
103-1 Explanation of the material topic and its Boundary	18, 47, 60, 77	√
103-2 The management approach and its components	47, 60, 77	√
103-3 Evaluation of the management approach	47, 60, 77	√
<b>EMPLOYMENT</b>		
<b>GRI 401. Employment</b>		
401-1 New employee hires and employee turnover	49, 51	√
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	55	√
401-3 Parental leave	56	√
<b>OCCUPATIONAL HEALTH AND SAFETY</b>		
<b>GRI 403. Occupational Health and Safety</b>		
403-1 Occupational health and safety management system	60	√ m
403-2 Hazard identification, risk assessment, and incident investigation	60, 62, 63, 64	√ m
403-3 Occupational health services	60	√ m
403-4 Worker participation, consultation, and communication on occupational health and safety	61, 67	√ m
403-5 Worker training on occupational health and safety	66	√ m
403-6 Promotion of worker health	54	√ m
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	61	√ m
403-8 Workers covered by an occupational health and safety management system	60	√ m
403-9 Work-related injuries	64	√ m
403-10 Work-related ill health	63	√ m

Content	Page/ Omission	Review & maetriality
<b>TRAINING AND EDUCATION</b>		
<b>GRI 404. Training and Education</b>		
404-1 Average hours of training per year per employee	50	√ m
404-2 Programs for upgrading employee skills and transition assistance programs	50	√ m
404-3 Percentage of employees receiving regular performance and career development reviews	52	√
<b>DIVERSITY AND EQUAL OPPORTUNITY</b>		
<b>GR 405. Diversity and Equal Opportunity</b>		
405-1 Diversity of governance bodies and employees	22, 48, 53	√
<b>NON-DISCRIMINATION</b>		
<b>GRI 406. Non-discrimination</b>		
406-1 Incidents of discrimination and corrective actions taken	114	√
<b>CHILD LABOR</b>		
<b>GRI 408. Child Labor</b>		
408-1 Operations and suppliers at significant risk for incidents of child labor	114	√ m
<b>FORCED OR COMPULSORY LABOR</b>		
<b>GRI 409. Forced or Compulsory Labor</b>		
409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	114	√
<b>HUMAN RIGHTS ASSESSMENT</b>		
<b>GRI 412. Human Rights Assessment</b>		
412-2 Employee training on human rights policies or procedures	112	√
412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	31, 32, 36	√



# Dimensión Social

TEMAS MATERIALES

Content	Page/Omission	Review & maetriality
<b>LOCAL COMMUNITIES</b>		
<b>GRI 413. Local Communities</b>		
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	79	√
<b>PUBLIC POLICY</b>		
<b>GRI 415. Public Policy</b>		
415-1 Political contributions	30	√
<b>CUSTOMER HEALTH AND SAFETY</b>		
<b>GRI 416. Salud y seguridad de los clientes</b>		
416-1 Assessment of the health and safety impacts of product and service categories	Nota B	√
416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	114	√

NOTE A (302-5): Does not apply. The products follow the customers' specifications, so the company has little influence.

NOTE B (416-1): Does not apply due to the type of product of our company.

Content	Page/Omission	Review & maetriality
<b>MARKETING AND LABELING</b>		
<b>GRI 417. Marketing and Labeling</b>		
417-1 Requirements for product and service information and labeling	73	√
417-2 Incidents of non-compliance concerning product and service information and labeling	114	√
417-3 Incidents of non-compliance concerning marketing communications	114	√
<b>CUSTOMER PRIVACY</b>		
<b>GRI 418. Customer Privacy</b>		
418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	114	√ m
<b>SOCIOECONOMIC COMPLIANCE</b>		
<b>GRI 419. Socioeconomic Compliance</b>		
419-1 Non-compliance with laws and regulations in the social and economic area	114	√



ANNEX VI

# 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	<b>Principle 1</b> Businesses should support and respect the protection of internationally proclaimed human rights.	<ul style="list-style-type: none"> <li>Drive: Sustainability</li> <li>Drive: Internal Auditing &amp; Compliance</li> </ul>
	<b>Principle 2</b> Make sure that they are not complicit in human rights abuses	<ul style="list-style-type: none"> <li>Drive: Sustainability</li> <li>Drive: Internal Auditing &amp; Compliance</li> <li>Drive: Profitable growth</li> </ul>
Labour Rights	<b>Principle 3</b> Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	<ul style="list-style-type: none"> <li>Drive: People</li> </ul>
	<b>Principle 4</b> The elimination of all forms of forced and compulsory labour.	<ul style="list-style-type: none"> <li>Drive: Profitable growth</li> <li>Drive: Internal Auditing &amp; Compliance</li> </ul>
	<b>Principle 5</b> The effective abolition of child labour.	<ul style="list-style-type: none"> <li>Drive: Profitable growth</li> <li>Drive: Internal Auditing &amp; Compliance</li> </ul>
	<b>Principle 6</b> The elimination of discrimination in respect of employment and occupation.	<ul style="list-style-type: none"> <li>Drive: People</li> <li>Drive: Internal Auditing &amp; Compliance</li> </ul>
Enviromental	<b>Principle 7</b> Businesses should support a precautionary approach to environmental challenges.	<ul style="list-style-type: none"> <li>Drive: Sustainability</li> <li>Drive: Efficiency</li> </ul>
	<b>Principle 8</b> Undertake initiatives to promote greater environmental responsibility.	<ul style="list-style-type: none"> <li>Drive: Sustainability</li> <li>Drive: Efficiency</li> </ul>
	<b>Principle 9</b> Encourage the development and diffusion of environmentally friendly technologies.	<ul style="list-style-type: none"> <li>Drive: Sustainability</li> <li>Drive: Efficiency</li> <li>Drive: Innovation</li> </ul>
Anti-corruption	<b>Principle 10</b> Businesses should work against corruption in all its forms, including extortion and bribery.	<ul style="list-style-type: none"> <li>Our business</li> <li>Drive: Internal Auditing &amp; Compliance</li> </ul>



## ANNEX VII

## Scope consolidation of Gonvarri Industries S.L. and subsidiaries

Scope consolidation. The group was composed by the following companies at the end of 2020 (1.02-45).

 <b>Germany</b> Gonvarri Aluminium, GMBH. Gonvauto Thüringen, GMBH Laser Blanking Germany, GMBH Dexion GMBH Lampe Lagertechnik GmbH	 <b>Slovakia</b> Arcerlomittal Gonvarri SSC Slovakia, S.R.O Arcerlomittal Gonvarri Nitra S.R.O Dexion Spol Sro Slovakia	 <b>France</b> GMS FRANCIA SAS	 <b>Poland</b> Dexion Polska SP. Z.o.o Poland Gonvarri Polska, SP, ZO O.
 <b>Argentina</b> Gonvarri Argentina S.A.	 <b>USA</b> Gonvarri Solar Steel US, Inc Gonvarri Steel Services US, INC Gonvauto South Carolina LLC.	 <b>Finland</b> Constructor Finland OY	 <b>Portugal</b> Gonvarri Ptos. Siderúrgicos,S.A.
 <b>Austria</b> Dexion Österreich GmbH	 <b>Spain</b> GONVARRI MS CORPORATE, S.L. Hierros y Aplanaciones, S.A. Road Steel Engineering, SL Suports Desarrollo y Soluciones, SL Gonvarri Solar Steel, S.L Obratel Gonvauto Asturias, SL Addimen Bizkaia, SL Flejes Industriales, SA Sogei S.A Gonvauto Galicia, S.A. Gonvauto, S.A. Gonvarri I.Centro de Servicios, S.L. Gonvarri Valencia, S.A Gonvarri Tarragona, S.L. Láser Automotiv Barcelona, S.L. Láser Automotiv Valencia, S.L. Láser Automotiv Zaragoza, S.L. Gonvarri Material Handling, S.L. Gonvarri Vizcaya, S.L Gonvasolar, S.L. Gonvauto Navarra, S.A. Hierros Villaverde, S.A. Severstal Gonvarri Holding, S.L. Laserboost	 <b>Guatemala</b> Hiasa Montajes Guatemala, S.L.	 <b>UK</b> Steel & Alloy Holding LTD. Steel & Alloy Procesing LTD Constructor Group UK Ltd Hi- Lo Storage Systems Ltd COMPLETE STORAGE & INTERIORS (CSI)
 <b>Belgium</b> Dexion Pv/SA Belgium	 <b>Honduras</b> Hiasa Montajes Honduras, S.A .	 <b>Netherlands</b> Constructor Dexion Holland BV	 <b>Czech Republic</b> Gonvarri Czech, S.R.O. Dexion Sro Czech Republic Kredit SRO Czech Republic
 <b>Brazil</b> Gonvarri Solar Steel Brasil Ltd. ArcelorMittal Gonvarri Brasil, Pdtos. Siderúrg. S.A. MAG aliança automóveis do brasil ssc s.a.	 <b>India</b> Gestamp Automotive India Private Ltd	 <b>Hungary</b> Dexion KFT Hungary	 <b>Romania</b> Dexion Storage Solutions SRL, Romania
 <b>Chile</b> Gonvarri Chile Estructuras Metálicas, Ltda.	 <b>Israel</b> Agromega Projects Ltd	 <b>Italy</b> Gonvarri Italia, S.p.A.	 <b>Russia</b> Severstal Gonvarri Kaluga Ilc Constructor Rus
 <b>China</b> Vama Gonvarri Automotive Solutions CO. LTD Vama Gonvarri Automotive Solutions (Shenyang) CO. LTD Vama Gonvarri Automotive Solutions (Changshu) CO. LTD Vama Gonvarri Automotive Solutions (Chongqing) CO. LTD Vama Gonvarri Automotive Solutions (Loudi) CO. LTD	 <b>Morocco</b> Gonvarri Industrial Maroc, S.A.	 <b>Switzerland</b> Kaufmann Systems A G	 <b>Sweden</b> Constructor Sverige AS Sweden Constructor Shared Services AB Sweden Canrena System Aktiebolag
 <b>Colombia</b> Gonvarri MS Colombia, S.A.S, S.L.	 <b>Mexico</b> Suports Energia Sustentable México S.A.P.I. de C.V Gonvarri MS Baja California S.A Gonvauto Puebla, S.A. de C.V.	 <b>Turkey</b> Çepas Galvaniz, Sanayi Anomin Sirketi	 <b>Uruguay</b> Bikostar International, S.A.
 <b>Denmark</b> Constructor Danmark A/S Denmark	 <b>Norway</b> Gonvarri Material Handling AS Constructor Norge AS Norway		



**Gonvarri**  
Industries