GRI Renewable Industries

Sustainability Report 2015

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2016 / 2018

GRI Renewable Industries

Sustainability Report 2015

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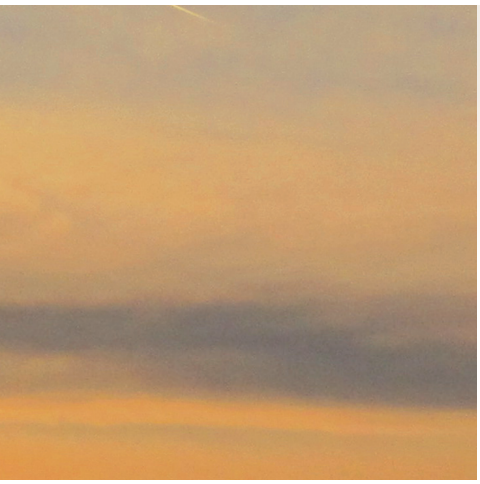

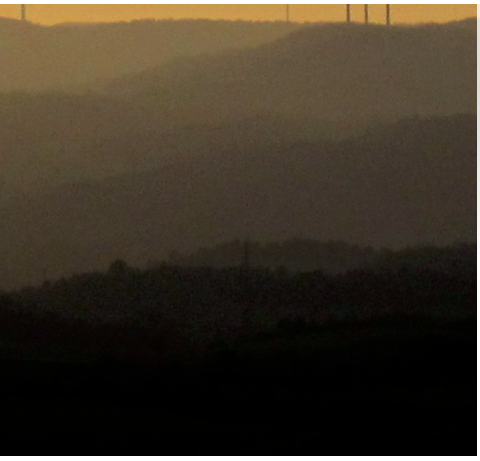

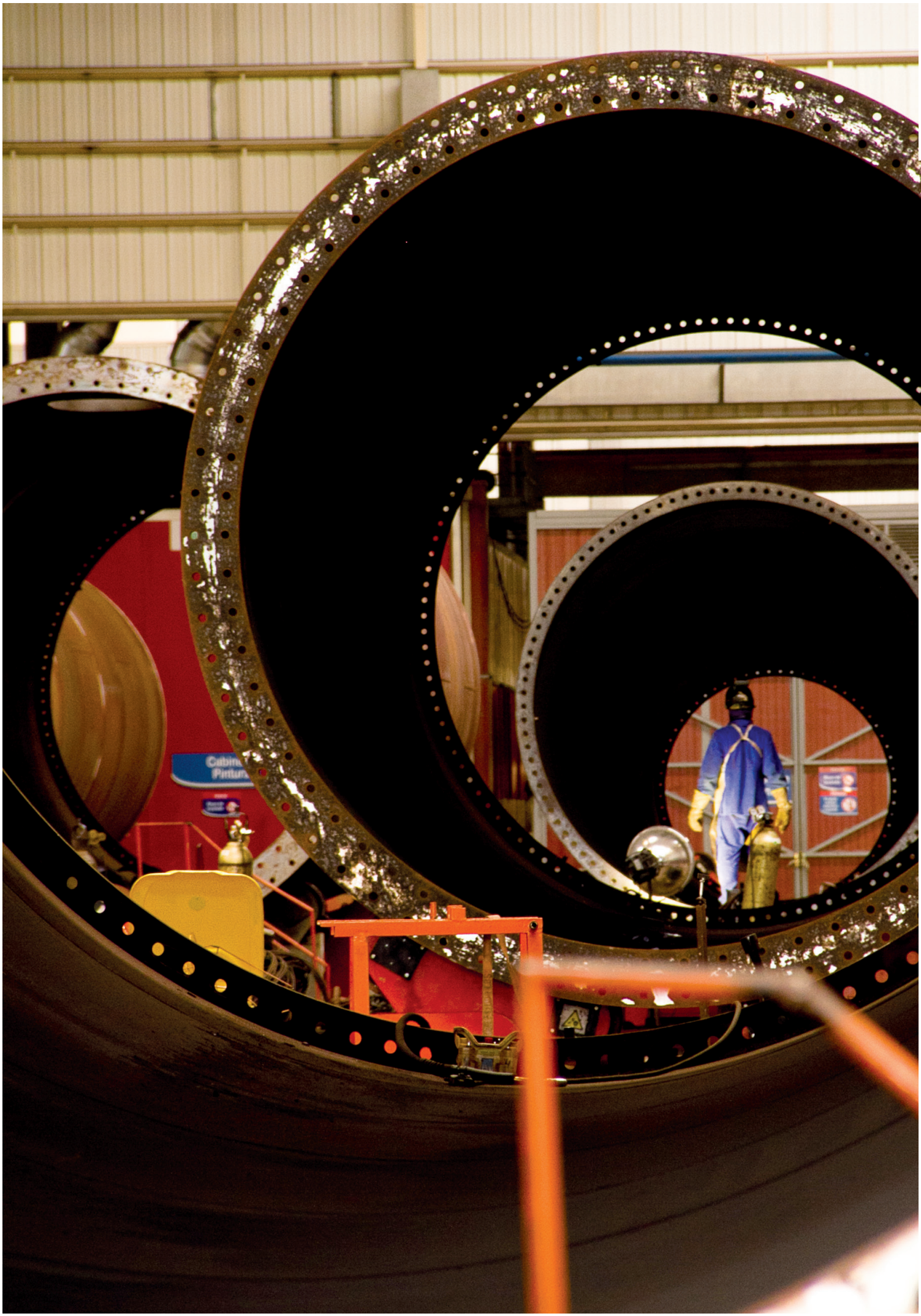

Part I
General Standard Disclosures

GRI Renewable Industries

Sustainability Report 2015

President's Letter

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We are proud of all we accomplished, and as we continue expanding our Company, we base our growth on our principles and values that allow us to successfully face future challenges.

G4-1

Dear Readers,

It gives me great pleasure to share with you GRI Renewable Industries' second Sustainability Report, published in accordance with the international Global Reporting Initiative (GRI G4). This Report serves as an example of our firm commitment to transparency, and has been reviewed by an external independent agency. This is our attempt to disclose, in an accurate and fair manner, our most important 2015 activities from the triple economic, social and environmental aspects.

At GRI Renewable Industries, our corporate philosophy is key in the development of our activities. We are proud of all we accomplished , and as we continue expanding our Company, we base our growth on our principles and values that allow us to successfully face future challenges.

With this conviction, we have renewed our support and adherence to the United Nations Global Compact. Furthermore, the Board of Directors has approved the "GRI Renewable Industries Sustainability Policy", creating a common framework for all professionals in the countries in which we operate and strengthening our commitment to sustainable development.

This Sustainability Report mainly focuses on the demands and needs of our stakeholders, as far as they concern important issues that may have a significant impact on GRI Renewable Industries. Herein you will see how we expand our models and effectively handle these matters.

One of the most important events in 2015 was Mitsui's acquisition of 25% of GRI Renewable Industries, making it our partner in the development of the wind energy industry. This partnership offers a great opportunity for our Company's growth and diversification.

In the field of innovation, by way of the Hybrid Towers project, we are finalizing the details for the 2016 installation of the first hybrid tower in t Becerril de Campos wind farm (Spain).

It is important to note that in 2015 we built 1,113 towers, through which we are helping mitigate the effects of climate change, and we have indirectly avoided the emission of 667,561.89 tons of CO_2.

Moreover, we are about to launch two new initiatives. The first one is our plan of reforesting neglected areas performed by volunteers of our Madrid, GRI Towers Galicia, and GRI Towers India facilities. The second one is to keep promoting sustainable transportation through the use of electric-powered low-emission vehicles. As such, we hope to strengthen this commitment.

As part of our activities, we also aim to play a significant role in the socioeconomic progress of the communities in which we operate. We do so by way of open communication, creation of direct and indirect employment, support for education, and promoting local cultures. This allows us to create a sustainable corporate network.

Last but not least, I wish to acknowledge our most important asset: our team. That is why we at GRI Renewable Energies promote our personnel's welfare, professional development, and consider their right to a safe and wholesome work environment as key factors of our work.

We work to attract and retain talent. As part of our 2015 initiatives, we have defined a framework that identifies current and future professional needs, as well as how to adequately place personnel in positions that are a right fit through a "Talent map".

As far as workplace safety is concerned, our plants strictly adhere to OHSAS 18001 standards, taking an active role in preventing accidents, and guaranteeing a safe work environment. As such, we have launched the "GRI PEOPLE" campaign, raising awareness of the aforementioned matters among our personnel, and which has been well received in all of our plants.

Although we have reduced workplace accidents by 15% compared to previous statistics, we deeply regret the fatal accident at work of a GRI Towers India employee on January 7, 2015. In response, our Company thoroughly investigated the incident, and worked actively to gather all the facts. Furthermore, we have researched and instituted in all our locations the necessary measures ensuring that these incidences not happen again.

All of these developments, as many others that you will read about in the following Report, have made 2015 an eventful year full of challenges that we have successfully faced.

Looking to the future, we are confident that we will keep growing for the benefit of all our stakeholders. Many thanks for their trust and commitment.

I hope that you enjoy reading our Sustainability Report, and that it meets your expectations.

Jon Riberas Mera
President

Letter from the Managing Director

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We strive to be a profitable, efficient, productive, flexible and innovative company that encourages sustainable development and quality of life.

G4-1

I am happy to share with you and all our stakeholders our Sustainability Report, herein highlighting GRI Renewable Industries' business, social, and environmental accomplishments in 2015.

The year 2015 was characterized by a series of significant events opening the way to a future of positive growth and development, as well as significant challenges and opportunities.

A major challenge is our continued adaptation to the current macroeconomic environment. On one hand, the growing instability in financial markets, and pessimistic forecasts for the next few years, point to a weak recovery in developed countries, and a slowdown in growth in emerging markets. Furthermore, the drop in petroleum and natural gas prices has led to a reduction in renewable energy investments in several countries.

On the other hand, the worldwide concern about climate change, and its very negative effects to our environment, has given urgency to clean energy development as part of the energy policies of many nations.

At this juncture, at the end of the year, almost all the countries in the world have signed onto the Paris Agreement, which highlights the necessity for a global response to and an urgent stance against climate change. This leads to the development of regulatory changes and increasingly ambitious strategies, allowing us to go forward in the transition from carbon fuels to renewable energy. GRI Renewable Industries strives to be a major player in this change.

We are aware that the need to preserve the environment is changing the way we produce and consume energy. That is why our Company strives to minimize climate change effects.

Against this backdrop, we work hard to continue growing in a sustainable and profitable manner, while concurrently reinforcing our leadership role in the market. Within this framework, I would like to highlight the agreement with Mitsui on October 15, 2015, securing 25% of our Company. Mitsui gives us access to new markets and clients with which we can generate synergies, given their significant presence in a large part of the supply of offshore/onshore wind energy. Mitsui's participation will also give our access to sectors in which we are not yet present, thus allowing for more growth.

We closed 2015 with a positive result in our income statement. As such, our financial solvency allows us to embark on new projects, as well as search for other suitable financial mechanisms.

This allows us to reinforce our leadership in this market, thanks to our business culture based on excellent customer service. Therefore, we are moving towards technological leadership and innovation, focusing on technological automatization, continuous investment, and efficient production, which will increasing our global presence and our closeness with our clients. All of this takes into account our current larger clients' tendency to merge and focus, and thus address the necessary changes needed to efficiently manage this new landscape.

Hence, 2015 was a year of intense development with the entry in operation of "GRI Flanges Brazil," and with the acquisition of the cast-iron "TS Fundiciones". This last one will henceforth be known as "GRI Castings Zestoa," and we will be modernizing and entering it into operation early on 2016. It should be noted that "GRI Towers South Africa," opened at the end of 2014 and currently working at full capacity, is now being expanded. As far as our plants in Brazil are concerned, we are cautious due to the crisis the country is currently experiencing.

Still, we continue expanding into new markets and projects, with the construction of the new "GRI Towers USA" plant in Amarillo.

Additionally, we have developed our new Strategic Plan for 2016-19 in accordance with the Company's current state and with its environment.

Our main focus now is to secure our presence in the offshore market without relinquishing our onshore growth. We look to consolidate the varying parts of the business, and make organizational changes in order to suit the size and need of our Company. We are also working towards adjusting production, standardize/normalize procedures, and improving all of our plants' output and efficiency, without undermining their autonomy.

As far as the offshore markets are concerned, we are searching for locations that have all the necessary components for producing larger towers and flanges that can withstand the more aggressive conditions of marine environments. We also are planning to develop other components such as jackets and transition parts, therefore offering a whole range of products as per our clients' request.

We are embarking on these new projects without ignoring our onshore market. Through GRI Services' Engineering and Innovation Department, we are developing new products aimed at building taller towers and hybrid towers, among others. We are also leveraging our logistical services currently focused on the Brazilian market, and that can be expanded to other markets.

Furthermore, we are aware of the great importance that matters related to the supply chain and logistics that already are the most costly activities and services. That is why we research and search out for new suppliers that comply with our rigorous quality, security, and sustainability specifications, and also allow us to optimize purchasing and transportation costs.

At GRI Renewable Industries we believe that our business activities should generate profits for our stakeholders, and have a positive impact in the societies in which we operate. We strive to be a profitable, efficient, productive, flexible and innovative company that encourages sustainable development and quality of life in the areas we operate by way of our products and services.

Finally, we look to the future with enthusiasm and confidence. We strive to be a leading company, with a team of professionals of whom I am very proud.

I invite you to read this Sustainability Report, and please feel free to express your opinions and suggestions on our webpage's questionnaire.

Javier Imaz
CEO GRI Renewable Industries

G4-2

Main Effects, Risks & Opportunities

GRI Renewable Industries strives to manage and minimize risks with integrated mechanisms applied throughout the Company. These are as follows:

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The Board of Directors adopted the Sustainability Policies of GRI Renewable Industries, establishing a common framework in all the countries where the Company operates.

GRI Renewable Industries occupies its activity a prominent role in the current transition of a pollutant energy model based on fossil fuels, toward one a renewable and sustainable.

Thus it is contributing to improve and to reduce pollution and global warming, taking into account the development of the communities where it is present.

Operational Risks

Reputational, Ethics and Human Rights Risks

Whichever behavior leads to an ethical issue, human rights violations, or anything that might harm the reputation is contrary to the Company's established policies as far as human rights, ethics, and anti-corruption are concerned.

In order to avoid this risk, GRI Renewable Industries reaches these objectives through a variety of policies and initiatives, such as the Ethics and Conduct Code, the Guide to What To Do If Offered a Bribe, the Guide to Harassment Prevention, and a Comprehensive Environmental, Quality Control, and Health & Safety Policy.

In early 2016, the Board of Directors adopted the Sustainability Policies of GRI Renewable Industries, establishing a common framework in all the countries where the Company operates.

The Company also relies on methods of communication reserved for reporting misconduct or conflicts of interest. This information is available at: www.gri.com.es/en/sustainability/ethics-code/

Due to the type of services the GRI Renewable Industries provides, the companies it subcontracts have not been associated with child labor, threats to freedom of association, or forced labor. (G4-HR4, G4-HR5, G4-HR6).

Operational Risks

In regards to these risks (risks due antitrust, product failure, management problems, etc.), the Company has developed numerous product improvement and efficiency initiatives. These allow to improve and adapt to the clients' needs, while always upholding the highest quality standards, which also make the company more competitive.

Furthermore, it isalways adjusting to new market tendencies, which is currently resulting in significant mergers of the major clients. GRI Renewable Industries manages this new landscape by doubling its efforts at retaining and improving existing business relationships, as well as developing new ones. This way, as GRI Renewable Industries, expands into more countries, it improves customer service, diversifies and expands the products it offers, all while always upholding the highest quality standards. Corporate research and development play a crucial role in manufacturing towers and other products for the offshore market.

Additionally, one of the Strategic Plan's main guidelines determines efficient manufacturing as well as innovation and technological improvement, and is always done in collaboration with the clients.

Financial Risks

GRI Renewable Industries' activities are subject to several financial risks: market risks, credit and liquidity risks. The Company's global risk management is focused on the uncertainty of financial markets, and endeavors to minimize the potential adverse effects on profits. Therefore, GRI Renewable Industries employs derivatives in order to reduce the impact of specific risks.

Risk management is handled by the Finance Department, which identifies, evaluates, and administers financial risks through policies approved by the Board of Administrators.

The following is a summary of the most significant business risks:

Market Risks

Defined as exposure of the results and heritage to the possible loss caused by changes in the fair value or future cash flows of financial instruments due to changes in market prices, interest rates or exchange rates.

- Risks due to exchange rates: the Company operates on an international level, so it runs a risk to currency fluctuations.

  As of December 31, 2015, as was the case in 2014, it has been engaged in active and passive business agreements in currencies other than the euro. Consequently, the currency rates variations of these agreements are tallied on the profit accounts at the end of the financial year.

- Risks related to prices: the Company operates with primary resources whose prices are at times subject to variations on the international market.

- Risk of cash flow interest rates and fair value: Since the Company does not hold large remunerated assets, its operating activities' revenue and cash flow are sufficiently independent of fluctuations in market interest rates.

  The Company takes a dynamic approach when it comes to interest rate risks. Several possible scenarios are analyzed, while taking into account refinancing, review and renewal of current policies, alternative financing, and coverage. The scenarios only reflect passive figures representing the more relative positions that support a specific interest rate.

  As was the case in previous exercises, as of December 31, 2015, the Company has considered it unnecessary to formalize coverage contracts. It not only considers this to be an insignificant risk, there is optimism about expectations in regards to interest.

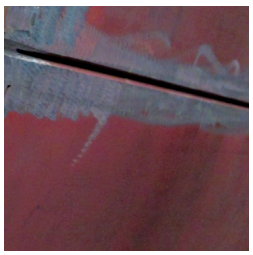
Credit Risks

Credit risks are the result of cash and cash equivalents, derivative financial instruments, bank and other financial institutions deposits, and especially clients' outstanding balances.

As far as banks and financial institutions are concerned, the institutions it works with have a "BB" average rating, and when it comes to credit risks, the Company ensures its sales to clients according to geographical location.

If a client has been classified independently, then the credit managers evaluate a client's credit history, taking into account the client's current financial standing, past experiences, and other factors.

Safety first: The main challenge is to provide the knowledge, control and support needed to successfully implement and develop a health& safety culture and management system.



Liquidity Risks

Cautious liquidity risk management requires having enough cash and other negotiables, and the availability of financing by means of an adequate number of uncommitted credit facilities. It also has the ability to settle market positions.

Given the underlying dynamic nature of the business, the Company's Treasury Department's objective is maintaining flexibility and financing through the availability of long and short term credit lines.

Environmental Risks

GRI Renewable Industries applies an Integrated Management System in which environmental management based on ISO 14001 is included. The Integrated Management Systems allows impact monitoring and measurement as well as legal compliance.

The Company supports the precautionary principle though its Ethical Conduct Code and Environmental Policy, which includes a commitment to environmental protection and its continued improvement.

All operating plants have been independently certified as per the ISO 14001:2004 standards, except for GRI Flanges Iraeta and GRI Towers South Africa, which is due to be certified on 2016.

Risks Related to Health& Safety

Safety first: The main challenge is to provide the knowledge, control and support needed to successfully implement and develop a health & safety culture and management system.

Since it is well aware of the Company's enormous growth, all the factories except for GRI Towers Galicia apply a Health & Safety Policy through its Integrated Management System, in compliance with the OHSAS 18001 standard. GRI Towers Galicia will be in compliance in 2016. Politics and the structure of the Integrated System are common to all the factories, providing additional technical instructions to suit local circumstances and legal requirements.

Also, as developed in the Social Dimension, several communication and training initiatives are carried out to improve security conditions and the working environment for all the employees.

Confidentiality & Privacy

Access to information has currently become a strategic asset in business and the lives of people .

Therefore, the Company establishes the necessary mechanisms safeguarding the privacy of information, and the protection of our clients' and suppliers' information. They are also used to manage and handle data according to their relevance.

Information security enforcement procedures are conducted periodically. The new Information Security Policy and the Information Security Plan were launched in September 2014 with measures that are being gradually implemented and monitored to ensure its continuous improvement.

2015 Situation

In 2015, GRI Renewable Industries faced several risks due to market conditions in the countries where it operates.

Nevertheless, this has not had a notable impact on its work due to its diversification in many markets.

Below are the most important risks identified:

- The drop is oil and gas prices.
- The threat of a new worldwide financial crisis.
- The weakness and devaluation of several national currencies, most notably in Brazil.
- The slowdown of the Chinese market.
- The tendency of major clients to merge, leading to less of them.

Organizational Profile

G4-3

Company Name

Gonvarri Eolica, S.L.

G4-5

Main Headquarters

Main headquarters are located at:
S/ Ombú, 3 - 12th floor.
28045 Madrid (Spain).

G4-4

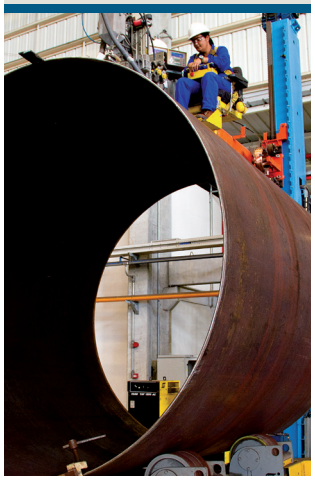
Key Brands, Products and Services

GRI Renewable Industries was formed in 2008 focusing on the business of manufacturing towers and flanges. The company t has positioned itself as the most important industrial supplier in the wind energy markets.

GRI Renewable Industries concentrates its efforts on integrating all aspects of the renewable energy's value chain. It supplies the major clients worldwide, employing the latest technology in manufacturing process, through the following activities:

GRI Towers

Manages several plants in the industrial process it integrates wind towers worldwide for major OEM's wind energy market. In addition, it is responsible for their equipment according to specifications set by each client.

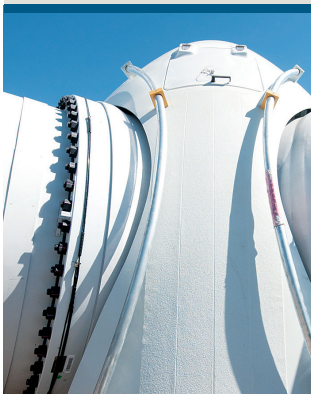


GRI Flanges

Manages the flanges manufacturing. It was launched with Gonvarri Steel Industries' acquisition of Grupo Forjas de Iraeta in 2010. It is dedicated to the manufacturing of special flanges that hold sections of wind towers together.

GRI Castings

Began operating in 2015 with the acquisitions if the new "GRI Castings Zestoa" foundry. As such, GRI Renewable Industries expanded and completed the value chain in the wind industry components manufacturing industry. The plant also had the capacity to produce parts for die making and tooling.



GRI Services

It is the Company's service branch. It focuses on high added-value solutions for the wind power industry. It offers support through a wide variety of services, supportingthe OEM'S throughout the entire value chain.

Guided by a strong commitment with quality and service, the Company's continuous improvement has been rewarded with certifications ISO 9001, OHSAS 18001, and ISO 14000 for its factories management systems.

Brands & Major Products

GRI Renewable Industries

All of GRI Renewable Industries' factories operate with its brand name and logos, which appear on all its products or services (towers, flanges castings or services).

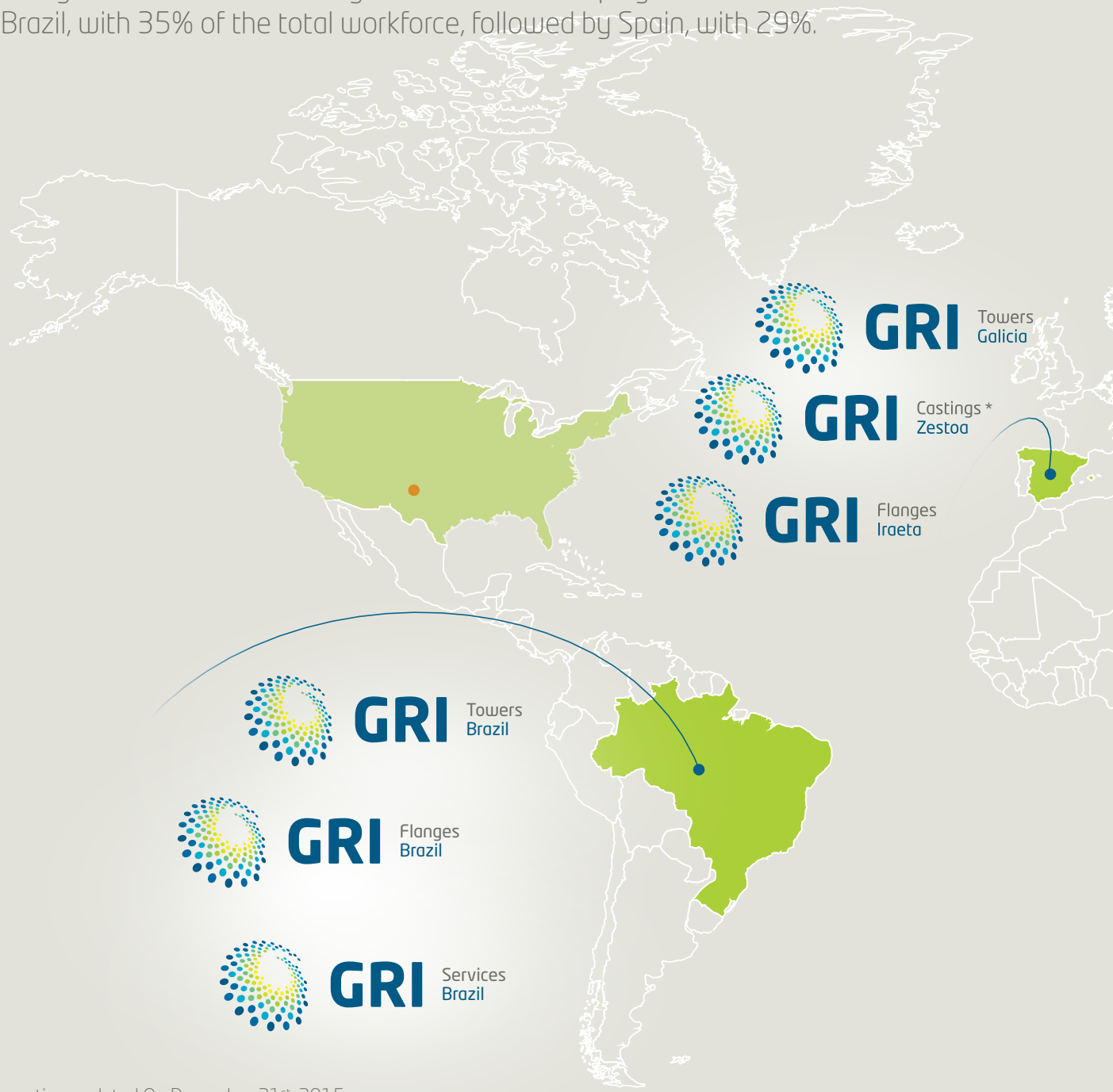
The logo is customized according to the country or region where each factory is located, as per the examples in indicators G4-5 and G4-6.

G4-4 & G4-6

Worldwide Presence in 2015

The 10 factories of GRI Renewable Industries (including GRI Castings Zestoa and a new towers plant under construction in Amarillo, USA) are distributed among 7 countries.

The largest factories considering their number of employees are located in Brazil, with 35% of the total workforce, followed by Spain, with 29%.



Information updated On December 31st, 2015

● In 2016, a new plant in the USA begins to be built.

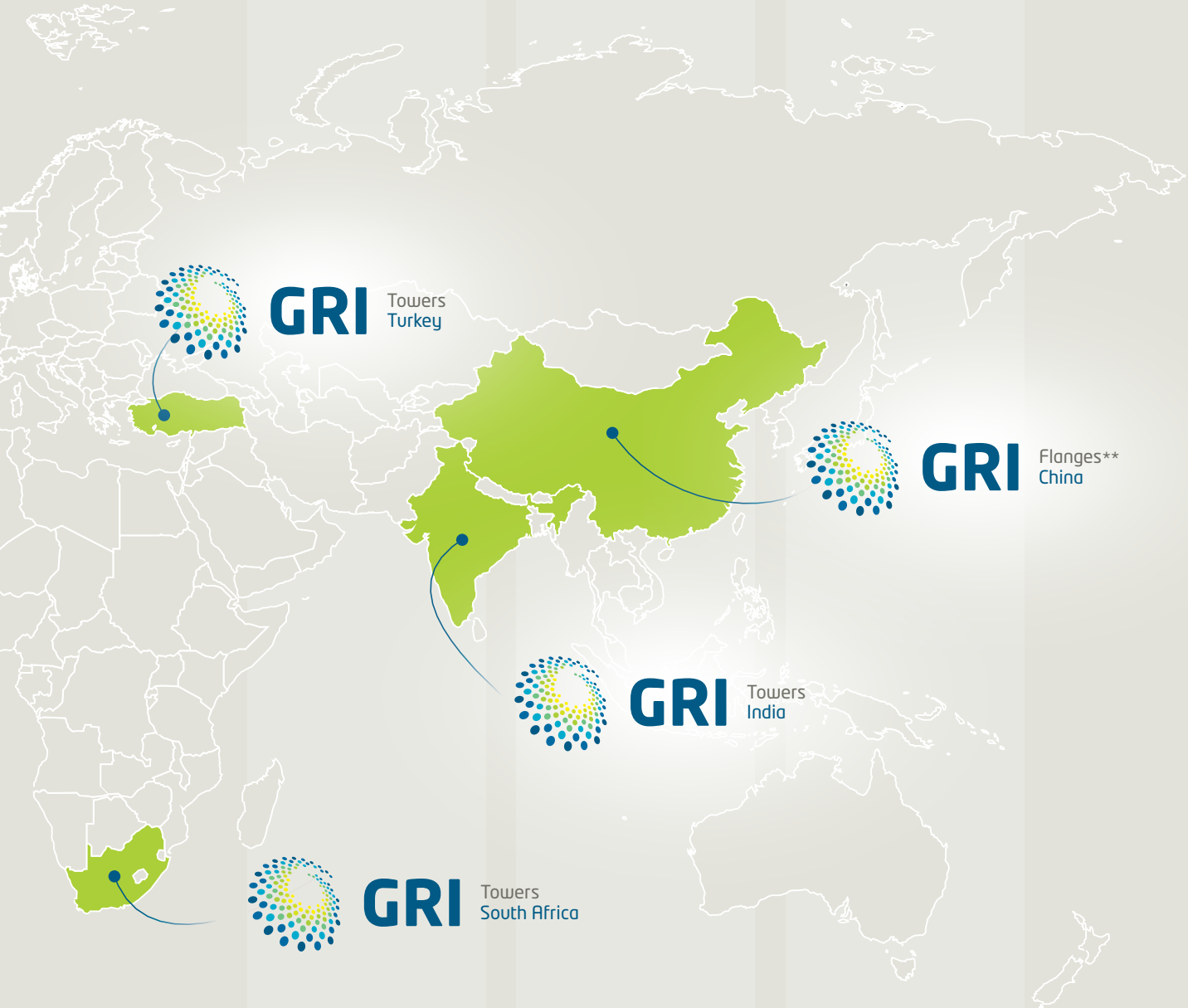
* Acquired in 2014 and it´s in the process of adaptation.

** Information not included in the scope of the report

7
countries

10
plants

2,238
professionals



G4-7

Ownership & Legal Structures

Gonvarri Eólica, S.L. (henceforth "GRI Renewable Industries") began operations on May 30, 2008.

Its activity is the towers, flanges, and castings manufacturing, as well as its integration of the whole value chain in the renewable energies market. It uses the most up to date industrial processes, consolidating its position as the largest industrial provider in the renewable energies markets through the following divisions: GRI Towers, GRI Flanges, GRI Castings, and GRI Services.

In 2015 GRI Renewable Industries reached a merger agreement with Japanese group Mitsui as a partner in its division specialized the manufacturing of towers and flanges for the wind energy market. Mitsui acquired 25 percent of the Company. Its current structure is as follows:

25% Mitsui & Co., Ltd.

75% Holding Gonvarri, S.L.

As of December 31, 2015, the shared capital amounts to one hundred seven million seven hundred sixty euros (€107,760,000), represented by three million five hundred ninety-two (3,592,000) company shares of a single class and series, with a nominal value of thirty euros (€30) each, accumulated and indivisible, numbered consecutively from 1 to 3,592,000, both of which are inclusive, and entirely subscribed and fully paid. The Company is not listed on any stock exchange.

G4-8

Markets

The countries where GRI Renewable Industries operatesand the products and services developed are detailed on G4-4 and G4-6 sections.

The Company is present in 7 countries, thus giving access to the worldwide market. Likewise, it continues growing and investing in the launching of the GRI Flanges Brazil factory, and the construction of the new GRI Towers USA factory.

The profiles of its clients are directly related to the established lines of business, and reflect mostly by manufacturers of wind turbines worldwide. Mitsui's entry into the Company as an industrial stakeholder will bring growth mainly in the Asian market, both on and off shore, and in other markets in which GRI Renewable Industries is not present yet.

Work stability is a priority >>>

G4-9

Main Figures

The following table summarizes the main consolidated figures:

- Number of Employees: 2,238
- Number of Operations: 10
- Net Sales: 318,289 thousand of euros
- Capitalization (Debt+ Assets): 266,555 thousand of euros

Products and services offered by the company are summarized in indicators G4-4 and G4-6.

G4-10

Employee Workforce

Direct Employment

As of 2015, the workforce is composed of 2,238 professionals distributed over 7 countries. Twenty-eight percent of them are in Spain, home to headquarters. Compared to the year before, the workforce grew by 8%.

Work stability is a priority. In 2015, 88% of the workforce has an indefinite contract, while 12% works on temporary contracts.

	2014		2015	
No. of employees	M	W	M	W
Type of employment				
Full-time	1,833	35	1,993	209
Part-time	220	10	17	19
Kind of contract				
Permanent	1,485	41	1,773	196
Temporary	173	4	237	32

As of 2015, the workforce was composed of 90% men and 10% women. The Company has also collaborated with an average of 335 external professionals.

The attached graph shows the distribution of direct employees by region and gender.

	2014		2015	
Own personnel	M	W	M	W
Brazil	538	94	675	114
Spain	612	111	548	93
India	378	1	384	1
Turkey	287	8	310	8
South Africa	20	10	93	12

As far as indirect employment is concerned, there is no gender information available for 2014. As such, the graph below reflects gender data only for 2015, that included the construction of the new plants.

	2015	
External personnel	M	W
Brazil	4	0
Spain	31	3
India	142	0
Turkey	23	5
South Africa	125	2

G4-11

Employees Covered By Collective Agreements

The rights and obligations of GRI Renewable Industries' professionals are defined by law and local requirements.

- 86% of employees are represented by collective bargaining agreements, or similar arrangements.
- The remaining 14% correspond to employees in Turkey, where this formula is substituted by the "Handbook." The latter is a guide for work conditions, adapting them to local legal requirements, the rights and obligations of personnel in respect to the selection process, work hours, time off, salaries, social benefits, vacations, etc.

G4-12

Supply Chain

GRI Renewable Industries manages the relationship with its supllliers and subcontactors based on trust and mutual benefit, as there are essential in the value chain.

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Relationship with suppliers and subcontractors is based on trust and mutual benefit, cornerstones of the Company's value chain.

The management of the supply chain is a strategic issue for the company as purchases and logistics activities are heading higher costs weight. At the end of 2015, it carried out a restructuring of the organization based on an inclusive vision and continuous improvement process.

The supply chain is managed from the Corporate Supply Chain division and consists of the areas of planning, purchasing (operational and structural), supplier quality and logistics. The following describe each area:

Planning

This area is the integrating element that represents the entire supply chain. Its main objectives are:

- Deadlines to maximize the services of the production plants and therefore the final customer.
- Monitoring the actual costs compared to planned .
- Search of synergies in the supply chain.
- Promoting the use of new technologies to optimize the management of the supply chain.
- Communication management with stakeholders.
- Risk identified management in the Supply Chain.

To fulfill the last aim, periodic meetings are held with the plants that allow to detect the risks and to develop correct mechanisms to minimize them.

Purchases

The selection of suppliers and the purchase of materials are realized on a differentiated basis. The Company relies on a specialized operative purchases team charged with securing all materials required for the purchase of steel and internal tower components. It relies on another team dedicated to investments, supplies, and services.

Operational Purchases

Steel is the most important raw material by both volume and cost.

In some countries, the purchase of steel faces specific restrictions due to both local law and client's demands. By meeting these obligations, the Company contributes to the development of the countries where we are present.

The following is a summary of some examples:

- National laws that are protectionist in nature require that majority of items purchased be done so from local suppliers. For example, in Brazil significant volumes of steel must be purchased through local suppliers that can satisfy demand, as it the case with GRI Towers South Africa, where applicable laws are also protectionist in nature.
- Clients that require that the steel needed for the items they produce be purchased from a predetermined provided, as is the case with the largest client of GRI Towers Galicia (Spain).

Regarding the purchase of steel in other countries, GRI Renewable Industries relies only on large scale suppliers that can provide what is required. Most purchases are conducted through the Purchases Department. Among other requirements, vendors must meet all the conditions listed on the "Supplier Initial Assessment" (SIA)

The SIA addresses numerous matters relating to quality, environmental protection, occupational safety, as well as ethical and human rights issues.

Furthermore, in order to purchase necessary materials, the Company forbids anything coming from iron foundries that use "conflict minerals." Among them are coltan, cassiterite, gold, tungsten, tin, or any other mineral or their derivatives that finance unrest in the Democratic Republic of Congo, or any of its neighboring countries.

Structural Purchases

As far as other purchases are concerned (investments, supplies, services, etc.), a framework has been established for the fair and impartial selection of suppliers and subcontractors, and focusing on service quality, position in the market, and risk prevention.

Due to their distinct characteristics, these types of purchases are not required to conform to the SIA.

In 2014, GRI Renewable Industries defined and implemented and obligatory clause applicable to all new contracts. Said clause states that contractors must consent and commit to complying with the Ethics and Conduct Code (included in contracts' appendixes).

In the coming years it will analyze how best to continue incorporating these matters related to the Ethics and Conduct Code and human rights, as well as when it comes auditing procedures.

Quality Supplier

The work of supervision and control of products, as well as customer services, are done through the quality department of each plant and the corporate department that provides a transversal service to all factories.The resolution of claims by suppliers it is directly managed by the responsible in the plant of the raw material quality until a correct closure.

With the aim of improving customer service, the supplier's portfolio is growing wider and its management, homologation and evaluation more important. For that reason, in 2015 they were identified and implemented aspects to improve the management, homologation and supplier evaluation, always with a focus on continuous improvement in the overall quality of service and sustainability. Creating a new area of "Supplier Quality " within Supply Chain it is expected to be fully operational in 2016.

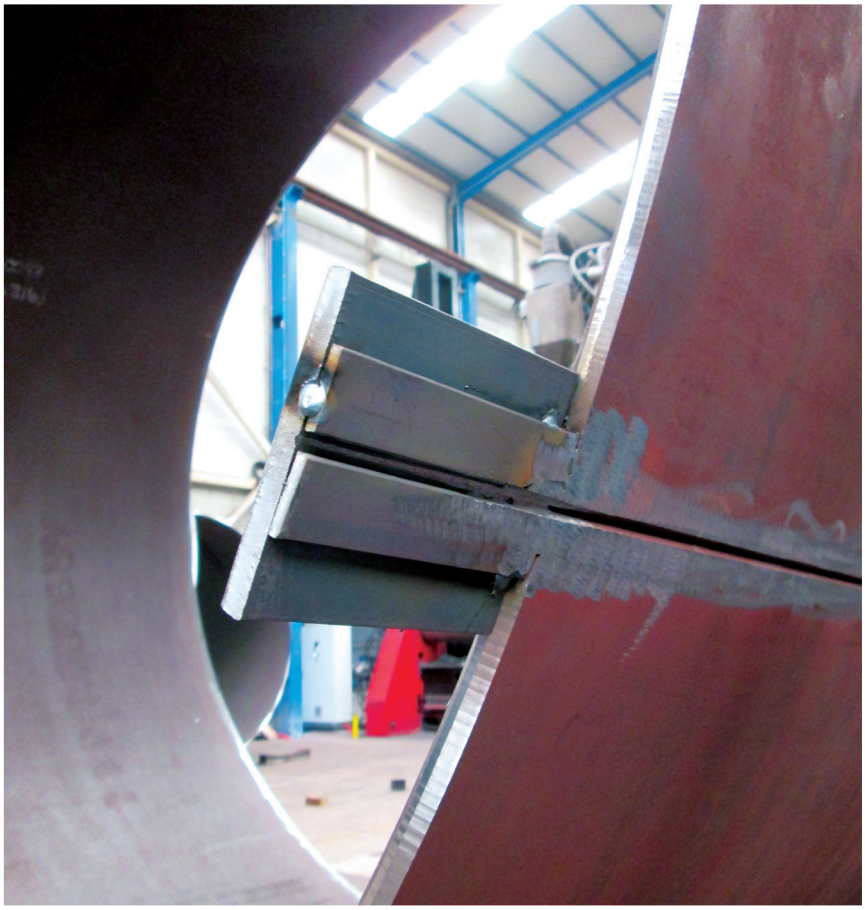
Logistic

The logistic area is created with the aim to cope the improvement in the purchases volume, as well as greater and more presence of customer worldwide.

For their different ranges it is divided into two:

Por sus diferentes alcances se divide en dos:

- **Internal logistical processes:** The aim is the optimization of the warehouse management to improve the services and reduce costs and stock levels without compromising quality or delivery.



- **External logistical processes:** The aim is the internationalization of the logistics flow with the main consequence of reducing transport costs and imporving service generating an important competitive advantage.

Purchases from Local Suppliers

In 2015, GRI Renewable Industries purchased from local suppliers reached 333.6k euros. The following graph summarizes the distribution of provider expenses by country.

Country	Spending on locally-based suppliers
Brazil	85%
Spain	97%
USA	100%
India	67%
Turkey	56%
South Africa	10%
TOTAL	86%

<<<

GRI Renewable Industries applies the principles of continuos improvement, sustainability and overall quality in the management of its value chain.

G4-13

Significant Changes

In 2015, GRI Renewable Industries reached an agreement with the Mitsui Group. By acquiring 25% of the Company, we welcomed it as a partner in the specialized fields of tower and flanges manufacturing for the wind energy market.

G4-14

Principle of Caution

Through the Ethics and Conduct Code and the Environmental Policy, the company is committed to environment and to continuous improvement.

The Company also reduces its environmental impact by measuring and monitoring its environmental aspects according to its Environmental Management Systems. It also provides training and deploys awareness campaigns that minimize this impact.

G4-15

External Initiatives supported by GRI Renewable Industries

GRI Renewable Industries strives to partner with social action initiatives and projects in line that share its business and corporate culture seeking to contribute to the effective betterment of society.

APOYAMOS
EL PACTO MUNDIAL

United Nations Global Compact

In 2014, GRI Renewable Industries joined the UN Global Compact. It currently complies with all necessary requirements in order to renew this commitment in 2016.

The Company's objective is to promote and implement the 10 universally-accepted human rights, labor standards, environmental, and business strategy principles.

Global Reporting Initiative

The Global Reporting Initiative is a non-governmental organization focused on promoting an environment of transparent and credible information on sustainability matters by the development of a common framework applicable to all types of organizations.

Seres Foundation

Its purpose is to promote companies have a role more relevant in improving of the society. For it develops initiatives that help businesses create value and assume its role as agent key to solving Social problems.

G4-16

Associations & Organizations

GRI Towers Galicia (Spain) cooperates with:

- AICA, Carballiño Industrial Area Association.
- ASIME, Metal Industries Association.
- AIMEN, Metallurgical Research Association of the Northeast.
- CLUERGAL, Renewable Energies Clusters of Galicia.

GRI Towers Turkey cooperates with:

- BOSB – Bandırma Organize Industrial Zone.
- GTO – Gönen Chamber of Commerce.
- BSO – Balıkesir Chamber of Industry.
- IMMIB – Istanbul Metal and Mining Exporter Commerce.

GRI Towers South Africa cooperates with:

- Cape Engineers & Founders Association.

What Really Matters Foundation (LQDVI)

The What Really Matters Foundation's goal is the advancement and dissemination of universal human, ethical, and moral values among the public at large. It does so by way organizing conventions geared towards young person, as well as other activities. Thus, the Foundation helps promote ethic values, while also making a positive contribution to society as a whole.

The first agreement with the Foundation in 2013, was signed.

World Central Kitchen (WCK)

Since 2013, the Company has supported the work of Word Central Kitchen.

WCK is a NGO whose mission is finding sustainable solutions that will put an end to nutritional insecurity and malnutrition through policies of sustainable food sources and local prosperity, especially focusing on areas suffering human catastrophes.

Juan XIII Foundation for Intellectual Disabilities

This Foundation was created to improve the quality of life of adults with intellectual disabilities, and promoting their inclusion in society at large.

The Foundation focuses on organizing activities that help these adults learn who to flourish in and connect with their places of residence. It also manages anadapted vocational center and helps eople with intellectual disabilities to find a job. The company's commitment to the Foundation began in 2007.

Association for the Study of Spinal Cord Injuries (AESLEME)

Since 2014, the company has been working with AESLEME, whose goal is the prevention of accidents and their serious consequences. It also works to raise awareness of the problems faced by those who have been involved in an accident, and improving their quality of life through psychological and legal support.

Identified material aspects and boundaries

G4-17

Coverage

Perimeter

This Sustainability Report includes all the information and corresponding facts from the fiscal year, from January 1st until December 31st. If there is reference to another date, it will be clearly stated in the text.

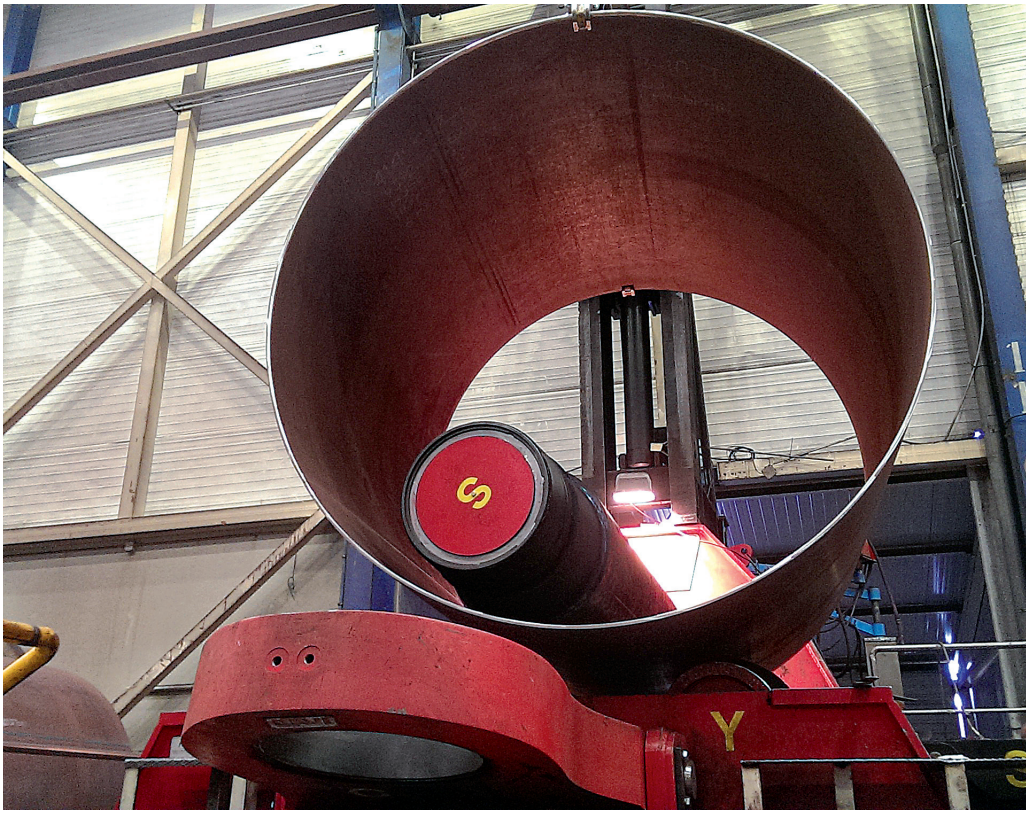
Over the previous year, this Report includes the opening of GRI Flanges Brazil that began operating at the beginning of 2015, as well qualitative facts on the GRI Castings Zestoa (Spain) and GRI Towers USA factories, both of which are in the adequacy process and in the construction process.

GRI Flanges China plant is not included (which is only mentioned in some of the Report's chapters), since it is still on the integration phase.

Information Limits

For those indicators where information is not available for any of the companies, this will be indicated as "not available".

When there is a different coverage and scope than the appointed ones, appropriate specifications are indicated.



G4-18, G4-19, G4-20, G4-21 & G4-27

Content, scope and principles. Material aspects inside and outside the organization

This Sustainability Report and the following Materiality Study have been performed according to the established guidelines from Global reporting Iniciative for the Sustainability Reports Guidelines in its G4 version.

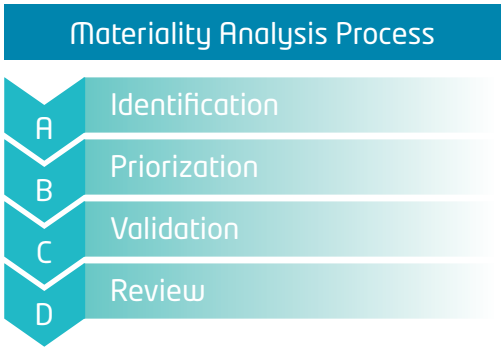
All of GRI Renewable Industries activities have been taken into consideration when defining the content and scope of this Report. The latter's content is determined by relevant themes defined in the Materiality Study of 2015, which was conducted according to the criteria established in GRI-G4 as it follows:

Principles:

The "principles for determining the contents of sustainability reports" established by the Global Reporting Initiative, were used in the completion of this Report as summarized below:

- Stakeholders Participation: throughout this section stakeholders will be identified, and the dialog mechanisms.
- Sustainability Context: the Report discusses the Company's activities in the most broad sustainability context.
- Materiality: the Report compiles and discussed in Part 2 the material aspects that affect have significant economic, environmental, and social importance.
- Comprehensiveness: the Report addresses the Company's performance in all material aspects, and including its influence.

How the Materiality Study Was Completed



A. Identifying Relevant Aspects (G4-18)

The Company's internal and external contexts have been thoroughly researched. The externals were studied according to benchmarks set by other companies serving this market, thereby allowing to better detecting sustainability tendencies, as well as the most important matters considered by the Global Reporting Initiative.

As far as the internal context is concerned, a review of issues identified as material in the 2014 Materiality Study was conducted, while taking into consideration the recommendations of an independent firm's analysis of the same material. It should be pointed out that no external feedback was received on the Sustainability Report.

This exercise allowed to identify a total of 28 issues.

B. Prioritization (G4-18)

The 28 identified issues were weighed according to their urgency, from the double focus that looks at the internal and external perspective, and its impact on sustainability. For the prioritization of the issues identified it is considered the relevant information for the following stakeholders:

Internal Perspective:

- Analysis of the content and objectives of GRI Renewable Industries in its Strategic Plan.
- Policies and commitments undertaken by the Company.
- Internal prioritization of several matters as conducted by the Management (those in charge of the most important departments, directors and other managers of CSR in each factory, in order to take into account the opinions of the countries where GRI Renewable Industries operates). Likewise, their opinions were solicited in regards to each of the following:

  - Likelihood and severity.
  - Possible risks and derived opportunities.
  - Time frame (impact relevant to the short, medium, and long range).

<<<

The latter's content is determined by relevant themes defined in the Materiality Study of 2015, which was conducted according to the criteria established in GRI-G4, having in consideration the internal and external context.

External Perspective

- Analysis of the most important matters for other companies in the same market.
- Presence of issues identified in the press.
- Survey assessment of material issues for employees, performed by 24% of the workforce.
- An analysis of the information and requirements of major clients and suppliers, as well as their vision of sustainability.

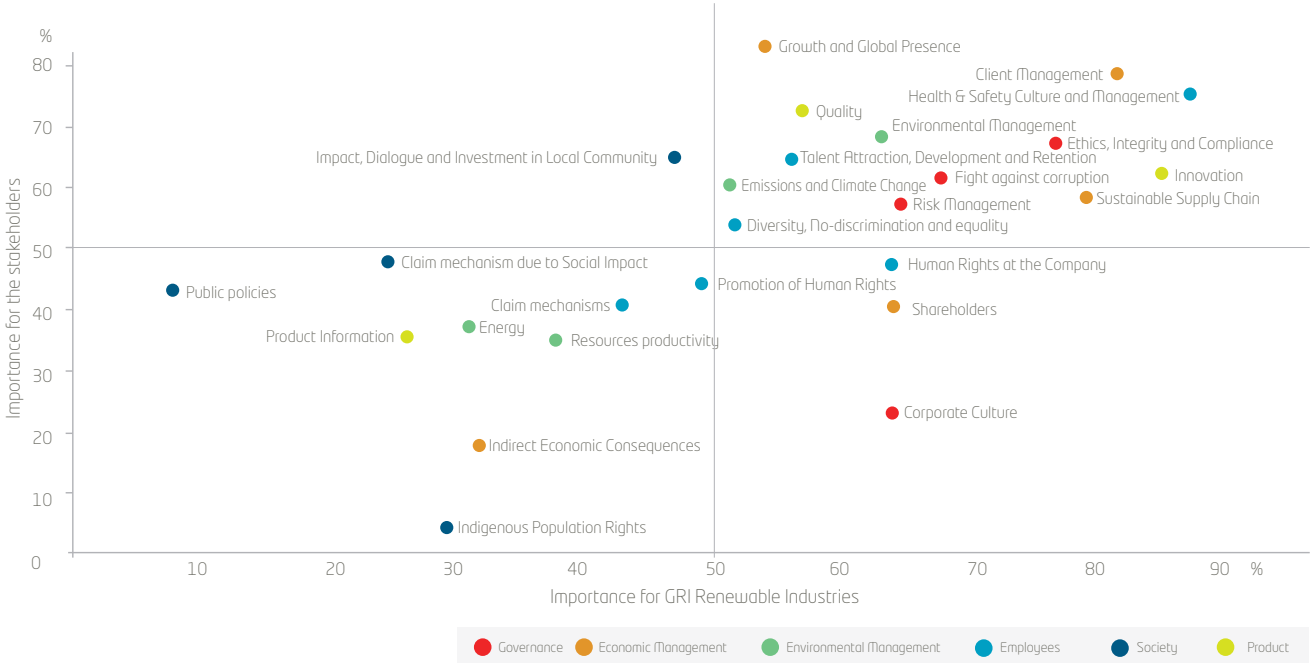
C Validation (G4-18)

Finally, the identified matters were reviewed and approved by the CEO. After his analysis the following material matters were added: "Energy," "Emissions and climate change," and "Impact, dialog, and investment in the local community."

D Review (G4-18)

Additionally, after publishing the Report, suitable mechanisms for feedback on the same will be established.

Result of the Materiality Analysis (G4-19)



After undoing this process, 14 material issues were identified. Below they are detailed together with the opinions of the stakeholders, and how important they consider each matter to be.

(G4-20, G4-21 & G4-27)

>> Ethics, Integrity, & Compliance

Why does this matter to GRI?

Nowadays, it is required that companies, in addition of respecting the applicable legislation, fulfill with ethics standars and integrity in its management. Not do it, implies to exposure to significant risks to its competitiveness, reputation and possible sanctions.

Which stakeholders consider this matter to be the important?
Internally: CEO, Management, Public Commitments, Policies & Strategies.
Externally: Market & Clients
GRI Renewable Industries' Response:
Part 1. General Information: Ethics & Integrity.
Part 2. Specific Indicators: Economic Dimension. Governance.

>> Risk Management

Why does this matter to GRI?

All companies are exposed to different types of risk (financial, environmental, legal, reputational, etc.), that may be the product of both internal and external factors.

Identifying these risks is essential in order to properly manage them through appropriate strategies and mechanisms. Risk management provides strength, confidence and contribute to sustainable development of companies.

Which stakeholders consider this matter to be the important?
Internally: CEO; Management; Policies & Strategies.
Externally: Mass Media & Clientes.
GRI Renewable Industries' Response:
Part 1. General Information: Ethics & Integrity.
Part 2. Specific Indicators: Economic Dimension. Governance.

Fight Against Corruption <<

Why does this matter to GRI?

The fight against corruption is one of society's greatest challenges. The main concerns are focused on irregularities in the buying-selling process, tax evasion, securing contracts, permits and authorizations without transparency, and bribery.

In light of this, it is necessary to develop mechanisms that will primarily prevent, and should it be necessary, fight corruption. Similarly, by keeping stakeholders informed in a clear and transparent manner, confidence in and competitiveness of businesses is reinforced.

Which stakeholders consider this matter to be the important?
Internally: CEO, Management & Public Commitments.
Externally: Market & Clients
GRI Renewable Industries' Response:
Part 1. General Information: Ethics & Integrity.
Part 2. Specific Indicators: Economic Dimensions. Governance.

Growth & Worldwide Presence <<

Why does this matter to GRI?

Maintaining a relevant positions in strategic markets and counting on a proven solvency contribute to corporate financial solidity.

Apart from diversifying the products that offer, the locations, and markets, together with experience and knowledge allow the company to diversify clients and identify new business opportunities, and as such, grow in a profitable and sustainable way.

Which stakeholders consider this matter to be the important?
Internally: CEO & Management
Externally: Market, Clients & Mass Media
GRI Renewable Industries' Response:
Part 1. General Information
Part 2. Specific Indicators: Economic Dimension.

(G4-20, G4-21 & G4-27. Cont.)

>> Management & Relationship with Clients

Why does this matter to GRI?

Good customer service is a corporate strategic objective. Matters such as quality control, timely delivery, and promptly, and efficiently and satisfactorily responding to complaints, contribute the Company's growth. Thus company build strong and long lasting relations with the client's.

In the context of the current financial crisis and its subsequent drop in demand, being able to develop quality products and supply efficient services that can adjust to new realities. This, as well as knowing how to anticipate clients' needs, contributing significantly to the competitiveness of companies.

Which stakeholders consider this matter to be the important?
Internally: CEO & Management.
Externally: Market & Clients .
GRI Renewable Industries' Response:
Part 2. Specific Indicators: Economic Dimension: Clients.

>> Innovation

Why does this matter to GRI?

The market is facing several challenges as it tries to reduce costs. Therefore, it has to produce increasingly more powerful air turbines, and most importantly, the adapt to the offshore market's demands.

In order to cope with these requirements, and also as distinguishing feature in its products and services, innovation is a strategic tool that favors competition among companies in the medium and long range.

Which stakeholders consider this matter to be the important?
Internally: CEO; Management; Policies & Strategies.
Externally: Market, Employees & Suppliers.
GRI Renewable Industries' Response:
Part 1. General Information.
Part 2. Specific indicators: Economic Dimmension: Innovation.

Quality Control <<

Why does this matter to GRI?

Quality management's objective is continuous improvement and client satisfaction, thus leading to customer loyalty. A good management system requires consistent improvement in all processes and within the internal organization of all companies. This translates into an increase in productivity.

Which stakeholders consider this matter to be the important?
Internally: CEO & Management.
Externally: Sector, Employees, Suppliers and Clients.
GRI Renewable Industries' Response:
Part 1. General Information.
Part 2. Specific Indicators: Economic Dimension: Innovation.

Environmental Management <<

Why does this matter to GRI?

Sound business practices require working in an efficient and responsible manner, in order to supply more competitive, profitable, and respectful of the environment.

Apply environmental management systems that take in account the management and compliance of indicators, such as the consumption of raw materials, water use, and generated waste, are useful when looking for opportunities for betterment, and a lessening of the environmental impact.

Which stakeholders consider this matter to be the important?
Internally: CEO, Public Commitments, Policies & Strategies.
Externally: Market & Clients.
GRI Renewable Industries' Response:
Part 1. General Information.
Part 2. Specific Indicators: Environmental Impact: Environmental Management.

(G4-20, G4-21 & G4-27. Cont.)

>> Energy

Why does this matter to GRI?

Energy plays a major role in the manufacturing process. At present, the concept of energy efficiency is in full swing. It not only benefits the economy (cost reductions), it also helps save the environment (reduction of fossil fuel use and emissions). This tendency is also reflected in ever increasingly restrictive legislation, like for example the European Energy Efficiency Directive 2012/27/EU.

Which stakeholders consider this matter to be the important?
Internally: CEO & Management.
Externally: Clients.
GRI Renewable Industries' Response:
Part 1. General Information.
Part 2. Specific Indicators: Environmental Impact: Energy.

>> Emissions & Climate Change

Why does this matter to GRI?

Since climate change is such a growing concern, that it is necessary to establish strategies and objectives that stop global warming.

As far as corporations are concerned, the majority of these objectives are tied to greenhouse gases. This is done by mitigation with mediation plans, reduction objectives, compensatory steps, and use of renewable energy. The latter is what GRI Renewable Industries' activity is focused on.

Which stakeholders consider this matter to be the important?
Internally: CEO & Management.
Externally: Clients.
GRI Renewable Industries' Response:
Part 1. General Information
Part 2. Specific Indicators: Environmental Dimension: Climate Change.

Attracting, Developing & Retaining Talent <<

Why does this matter to GRI?

In order to maintain and improve the competitive position, businesses need to attract new talent and specialized personnel that will lead them toward innovation and improve the operations, as well as developing measures that will help keep together the teams and their knowhow. In order to achieve this, companies need to focus on how to highlight the pride of belonging, reward merit, and the advancement of talent through professional development.

Which stakeholders consider this matter to be the important?
Internally: CEO, Management, Policies & Strategies.
Externally: Market, Employees & Clients.
GRI Renewable Industries' Response:
Part 1. General Information.
Part 2. Specific Indicators: Social Dimension: Talent.

Health & Safety culture and management <<

Why does this matter to GRI?

GRI Renewable Industries has a deeply rooted culture in matters related to prevention. Still, since this is such an important matter, it it is rooted in all its strategies.

Identifying and mitigating possible risks that may come up, raise awareness among all the personnel, regardless of their position, and reinforcing measures to prevent accidents and promote healthy living, are all basic matters.

Safety and a healthy work environment contribute to a company's reputation and the efficiency of its processes.

Which stakeholders consider this matter to be the important?
Internally: CEO & Management, Policies & Strategies.
Externally: Market, Employees, Clients & Suppliers.
GRI Renewable Industries' Response:
Part 1. General Information.
Part 2. Specific Indicators: Economic Dimension.

(G4-20, G4-21 & G4-27. Cont.)

>> Work Conditions and Human Rights

Why does this matter to GRI?

The respect for human rights is a risk factor, especially in some countries. Furthermore, good working conditions are a determining factor for the Company's proper performance, and maintaining a good work environment.

Through its human resources policies and provider requirements, the support for human rights and the improvement of work conditions currently play a decisive role.

Which stakeholders consider this matter to be the important?
Internally: Managemen & Public Commitments.
Externally: Clients.
GRI Renewable Industries' Response:
Part 1. General Information
Part 2. Specific Indicators: Social Dimension: Labour practices.

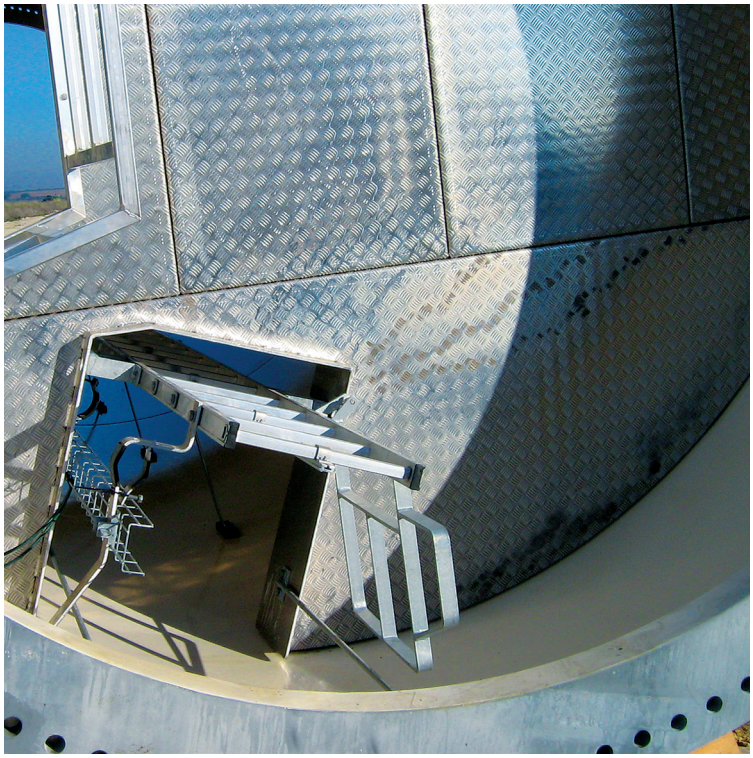
Impact On, Dialog With, & Investments in Local Communities <<

Why does this matter to GRI?

GRI Renewable Industries tends to play an important role in local communities due to its impact on society at large (especially with the creation of direct and indirect employment), on finances (payment of taxes, buying from local suppliers, etc.), and on the environment (more access to renewable energy sources).

Open dialog with local social entities is fundamental when it comes to understanding their interests, worries, and expectations. That way it can help better the lives of the local population.

Which stakeholders consider this matter to be the important?
Internally: CEO, Policies & Strategies.
Externally: Personnel, Clients & Mass Media.
GRI Renewable Industries' Response:
Part 1. General Information
Part 2. Specific Indicators: Social Dimension: Local Communities.



G4-22 & G4-23

Significant change and reformulations regarding previous reports

The focus of the report has changed in order to adapt it to the new reference guide of the Global Reporting Initiative (GRI G4) and the Materiality Study has been extended.

Regarding the scope, quantitative information on the new installation of GRI Flanges Brazil and qualitative information has been included on the US factory (currently under construction) and GRI Castings Zestoa in Spain (in adaptation process).

There have been no other significant changes from the year 2014 and minor changes are indicated in their respective sections.

G4-24, G4-25 & G4-26

Collaboration between Stakeholders & GRI Renewable Industries

GRI Renewable Industries' relationships groups that in some way are affected by the Company's activities stakeholders are twofold. Form the point of view of corporate responsibility, addressing expectations and needs and from the point of view of upholding a good reputation, influencing the perception these groups have of the Company.

Identifying and selecting stakeholders by way of a process of internal reflection of the sustainability department supervised by the management team. The latter identified all groups and organizations that can significantly influence or be influenced by the Company. This process was first initiated in 2014 in its first Sustainability Report

Each one of these stakeholder enjoy specific mechanisms that promote an open dialog, thereby responding to their trends and needs with greater speed and ease.

Below are the categories defined as the best means of dialog and communications:

Stakeholder	Communications Tools & Dialog
Shareholders	· Scheduled and Extraordinary Meetings of the Board of Directors. · Normal communications and information sessions on multiple topics of interest.
Employees	· Corporate intranet, "Leading the Change," with daily news of the company as weel as discussion forums . · Interdepartmental Meetings with Management in each of our work sites. · Business, and Health & Safety Committees. · Semiannual information meetings with the CEO.
Clients	· Periodic meetings. · Clients' visit to GRI Installations. · Audits conducted by clients. · B2B Platforms available for some clients.
Suppliers	· Criteria for subcontractors' selection. · Regular supervision through the H&S Department. · Quality System. Monitoring & Performance Measurements. · Audits.
Local Communities & Governments	· Consultation Time for Environmental Impact Assesment. · Supporting Social Action Programs. · Agreements with Local Authorities. · Licenses, Permits & Authorization.
The Mass Media	· Press Office (available on the web). · Press Releases. · Channels.

Furthermore, corporate of communication channels are available to further communicate with its stakeholders.

Report profile

As an example of the aforementioned, below as some of the Company's main communication media:

GRI Renewable Industries' Webpage	
Number of Visits to GRI Renewable Industries Website	34,777
Number of pages visited	105,293
Percentage of New Visitors to the Webpage	73.7
Number of web users	25,984

GRI Renewable Industries' Social Media	
Number of Twitter Followers	917
Number of profile's visits	8,719
Number of LinkedIn Followers	4,390
Number of Visitors to LinkedIn	3,613

The main issues arising from the participation of interest groups can be found from pages 27 to 30.

<<<
Each one of these stakeholder enjoy specific mechanisms that promote an open dialog, thereby responding to their trends and needs with greater speed and ease.

G4-28

Reporting Period

From January 1, 2015 until December 31, 2015.

G4-29

Date of the Last Sustainability Report

Sustainability Report of 2014.

G4-30

Report Publishing Cycle

Annual.

G4-31

Contact

Should you have any general questions regarding this Report, please write to:

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Calle Ombu 3, planta 12
28045 Madrid. España

G4-32

In Accordance with GRI

Sustainability reports are published "in accordance" with GRI G4-Exhaustive Option. The GRI Content Index can be found in the Annex.

Similarly, the Report was submitted to Materiality Disclosure Service, and GRI confirmed that the materiality content (G4-17 to G4-27) are accurately listed.

G4-33

External Verification

GRI Renewable Industries performed for the second consecutive year the independent external verification with the company PwC. Moreover, the Individual Annual Accounts Report and the consolidated annual report are audited by PwC.

The external verification report is included in Annex.

Governance

G4-34

Structure of Governance

The Company's Managing bodies are the General Shareholders Board, and the Board of Directors, the highest level of corporate governance, management, decision-making, and control of Gonvarri Eólica, S.L., henceforth, GRI Renewable Industries.

The Statutes of GRI Renewable Industries offers a framework for the work of the General Stakeholders Board, as well requirements and timelines to call meetings of the Board of Directors. There are no foreseeable plans to alter the Company's management strategies, since any administrative changes would require modifying the Company Statutes.

As of December 31, 2015, the Company's Board of Directors is composed of six persons, namely:

- President:

  Acek Desarrollo y Gestión Industrial, S.L., represented by Juan María Riberas Mera.
- Secretary:

  Gestamp Bizkaia, S.A., represented by Juan María Riberas Mera.
- Board Members:

  Mr. Javier Imaz Rubalcaba

  Mr. Mario Ruiz Escribano

  Mr. Noboru Katsu

  Mr. Tomofumi Osaki

The corporation Acek Desarrollo y Gestión Industrial, S.L., represented by D. Juan Maria Riberas Mera at December 31, 2015 holds the office of Managing Director of GRI Renewable Industries, having been delegated each and everyone powers attributed to the Board of Directors.

The Board of Directors speaks for the Company to the Board of Administrations, without limits in all matters related to it, when it comes to any related changes in business or traffic. Thus, the Board is obliged to all of the Company's actions and contracts, and with the authority to exercise all powers not expressly prohibited by Law or other Statutes.

G4-35

Delegation of the highest body of governance

The Board of Directors, in plenary meeting, shall make all relevant decisions. As such, it has authority to implement said decisions. Moreover, the Board of Directors may assume extraordinary powers in favor of the Company's employees in order to make specific changes in the operations it has previously approved.

G4-36

Economic, Environmental & Social Responsibilities

Among the Managing Director's responsibilities is the approval of and commitment to the Ethics Code ofConduct, and the Sustainability Policy. Moreover, the Managing Director can delegate responsibilities to Company employees so they may embark on operations previously approved by the Board of Directors.

The members of the Board of Directors shall perform their tasks with the diligence expected or a professional businessperson and trustworthy representative. Furthermore, they shall not divulge any confidential information, even after leaving the Board.

Moreover, GRI Renewable Industries shall incorporate its economic, social, and environmental responsibilities with the work of its corporate subdivisions. The latters' directors shall be ultimately responsible for implementing any and all of the Managing Director's decisions, or if it were the case, those of the Board of Directors.

G4-37

Consultation Procedures Between Stakeholders and the Highest Level of Governance

By way of several management directorates, exchange of information between the Board of Directors and different interest groups is facilitated.

It should be noted that a semiannual informative breakfast with all the personnel at Company headquarters, is held, where concerns shall be directly addressed.

G4-38

Composition of the Highest Form of Governance & Its Committees

Indicator G4-34 summarizes the structure of the Board of Administrators.

Members of the Board are responsible for discussing and making business decisions, as well as for making social and environmental agreements, and they are in charge of the Ethic Code and Sustainability Policy approval.

GRI Renewable Industries is a private enterprise whose Board of Directors members represent the total number of Company stakeholders. Therefore, there is no legal imperative that requires the involvement of any other stakeholder.

G4-39

President's Executive Duties

GRI Renewable Industries' President does not hold and executive office.

G4-40

Procedures for Naming & Selecting the Highest Level of Governance

Defining the requirements of appointment of Board Members is the exclusive right of the Executive Stakeholders Board, which represents the interests of all the Company's stakeholders (see G4-34).

In order to be named administrator one need not be a partner. A partner can be either physical or juridical. Likewise, the Statutes establish the conditions for disqualifying a partner.

Upon being named, the members of the Board of Directors shall hold office for an indefinite period of time, without prejudice to the General Board of Partners' right to proceed. As stipulated in the Law and in these Statutes, this stands even after a partner leaves.

GRI Renewable Industries is a privately-held company, in which the member of the Board of Directors are named by the Company's partners. Matters related to diversity, minorities, etc., are taken into consideration.

G4-41

Conflicts of Interest

Any partner who may find him/herself in a conflict of interest situation, as defined in Article 190 of the Royal Legislative Decree 1/2010 of June 2, 2010, approving the Consolidated Text of the Capital Companies Act, shall forfeit his/her right to vote.

Additionally, it is evident that different customs and local cultures may alter the understanding of several aspects of the Ethics Code of Conduct (including those referring to conflicts of interest). In order to avoid any conflict in the interpretation and application of the Code, it has launched the "Guide to Conduct in Instances of Incentivising Offers, Gifts, and Invitations," offering a detailed and practical rubric to follow. The Guide is available through Company's University in both English and Spanish.

G4-42 & G-43

Board of Governance's Role in the Applications of Sustainability-Related Matters

As per the model set by the parent Company, it relies on a global corporate culture that holds the same values and principles for which it has stood for from the very beginnings. Nevertheless, it does adapt them to the local needs of each country, current market conditions, and our stakeholders' demands.

Likewise, among the responsibilities of the Board of Directors is the approval of and a commitment to comply with the norms of the Ethics Code Conduct. Included in the Code are the Company Principles which guide the Corporation, while also addressing environmental, social concerns, and our Sustainability Policy.

All members of the Board of Directors shall be continually informed on economic, social, and environmental matters through several internal mechanisms. Among them are periodic meetings with managers from different areas, the development and approval of Sustainability Reports, Company events and initiatives, as well as communication mechanisms, such as the Leading the Change intranet.

G4-44

Obligations of the Highest Form of Governance

Since its members are owners of the Company –and composed of all the stakeholders, the Board of Directors' performance is not evaluated.

The Board shall meet when the President decides it shall, on his own accord or when its members request it. In any case, the Board shall meet at least once during the first trimester, or within ninety (90) days after having completing the fiscal year.

The Executive Shareholders Board, save for those imperatives that establish other majorities, and also except for Key Decisions that empower the General Stakeholders Committee, the Company's agreements shall be adopted to a majority of valid votes cast. Votes must always represent at least one-third (⅓) of the corresponding stakeholders, among whom the Company's capital is divided. Blank votes shall not be tallied.

G4-45, G4-46 & G4-47

Responsibilities of the Highest Level of Governance Concerning Risk Management

In order to develop and execute new projects, GRI Renewable Industries conducts a detailed study in which all of its quantitative and qualitative facets are evaluated and researched. Potential risks are appraised by different subdivisions of the Company, as well as by the Management Committee, after they are presented to the Board of Directors.

The initial phase starts with defining and analyzing a project, researching information on possible clients, analyzing the potential volume of profit, costs, and associated investments, as well as matters related to each individual country. (regulations, repatriation of capital, etc.).

Once these issues are closely analyzed, the decision is made whether or not to have the project submitted to the Board of Directors. It shall then decide whether to proceed to the next phase or cancel the project all together.

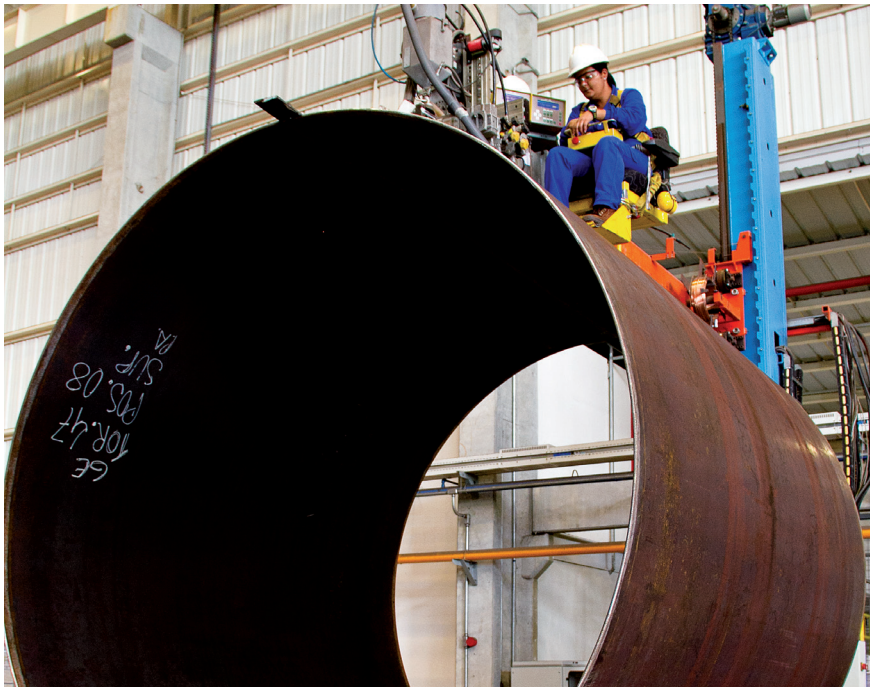
If the project proceeds, and by way of the CEO, and the Company's various managements bodies, the Board of Directors shall be periodically informed. The Board shall be responsible for approving the development of new plants, as well as the measures established to mitigate any type of risk. The Board of Directors shall meet at least quarterly, and in 2015 did so four times.

Should a project go forward, it shall be linked to the previously-mentioned matters in regards to implementation and financing. Firstly, everything relating to engineering and construction as far as the physical plant is concerned, as well as the application and procurement of all permits, licenses, and authorizations that would allow it to be built, shall be put in motion. Secondly, the purchase of production assets and necessary machinery shall also be set in motion.

Afterwards, the selection and contracting of a company in charge of the construction shall proceed. At the same time, the necessary personnel for operating a plant shall be selected.

Once a plant is built, and the necessary machinery installed, startup teams shall begin their task. While working with experienced contractors, startup teams shall be in charge of launching and perfecting productive assets. This, along with training local operators, usually takes place during a period of (3) to (6) months.

All of these steps, along with the possible risks that may be incurred from the same, are consistently analyzed by GRI Renewable Industries' leadership and teams. In this way, risks can be identified and corrective measures employed quickly and effectively.



G4-48

Review & Approval of Sustainability Reports

The Sustainability Report is published by the Sustainability Team, which is part of the Corporate Board of Communications, Marketing, and Sustainability. Its has a multi-departmental role in the Company, and as such, reports on the different subdivisions of the Group.

The Report and the materiality analysis is published yearly by this team, in collaboration with different relevant divisions and departments of the Company.

Upon its completion, the Report shall be reviewed by the CEO and the Communication Department, prior to final approval by the President.

In order to guarantee the reliability of the information, the Report shall be reviewed by an external independent party.

G4-49

Communication with the Highest Level of Governance

The Executive Shareholders Board shall be convened by upper management, and if it should be the case, the liquidators of the Company. The Board of Management shall request that the Board of Directors meet whenever it deems it necessary for or helpful to the Company's interest. In any case, the meetings shall be held according to the dates and timelines determined by the Law of Capital Companies.

Meetings shall also take place when one or several stakeholders representing at least five percent (5%) of the Company's capital requests it, doing so by stating the matter to be addressed. Should this be the case, the General Shareholders Committee shall call for a meeting to be held in less than two (2) months after the Board of Directors' request. The matter to be discussed should be stated in this request as well.

Save for situations that require other methods of communication, the General Shareholders Committee meetings shall be announced by the Board of Directors by way of personal written invitations. They shall be delivered through certified mail and with acknowledgement of receipt, or through telegram, registered fax service, or any other written or telematic methods ensuring receipt of said invitation reached current domiciles, or addresses listed in the Company's records.

Those responsible for different subdivisions shall maintain consistent and open communication with the GRI Renewable Industries' CEO. Any important concern should be reported immediately by those responsible for different areas to the CEO, who, should it be necessary, shall take the matter directly before to the Board of Directors.

Likewise, periodic meetings shall be held for headquarter personnel, and all shall be asked to attend. These shall be bilateral meetings. On one side, the CEO shall communicate relative matters concerning management and the Company's state of affairs. On their part, the corporate professionals shall give feedback on these matters, as well as on other matters of interest.

G4-50

Nature & Number of Issues Brought Before the General Shareholders Committee

The General Shareholders Committee is charged with calling meetings of the Board of Administrators. It shall take place during the first six months of each fiscal year, with the purpose of studying the management policies, and to approve, should be necessary, the accounts of the previous year, and solve any issue arising from the analysis.

Likewise, the Board of Directors can call for a meeting whenever it deems it necessary or useful for the Company's interests.

As far as the Board of Directors is concerned, it will meet when its President deems it necessary, or by his own initiative, or when one of its members requests a meeting. The Board shall meet quarterly, and in any case, within a period of ninety (90) days after having finalized the fiscal year.

The General Shareholders Committee met four (4) times in 2015. Before each meeting, the financial, legal, business, and development managers prepare and submit to the President a report detailing the situation, and with possible solutions. Likewise, if even yet another managerial entity requires consultation with or approval of the Committee for any matter, said request shall be included in the report to the President.

The President is required to communicate with the Committee, as well as pass on to them the information given to him in the report.

G4-51, G-4-52 & G4-53

Remuneration for the Board of Directors

The role of administrator is in itself a position without honorariums, yet without prejudice to any payments he may receive for professional services or any other work-related activity rendered different from his administrative position. Any honorarium shall be subject to all legal provisions.

Additionally, and independent of the aforementioned, when the administration and GRI Renewable Industries' representative entrusts the Board of Administration to name a new member, and the latter is given responsibilities beyond his position, a new contract shall be written up between the Company and this person, according to the statutes established by the Law.

Said contract shall determine all the factors deserving of remuneration for executive functions, including in this case, eventual compensation for an anticipated departure from said functions, and the amount the Company should pay into for insurance and savings plans.

The contract should conform to the policy of approved remunerations, and in this case, by the Board of Directors

Ethics and integrity

G4-56

Values, Principles & Ethics Code

GRI Renewable Industries' goal is to grow a solid and responsible company, behaving in a sustainable manner in all the countries where it is present. Meanwhile, it continues expanding its activities in countries where the right conditions exist.

GRI Renewable Industries' worldwide corporate culture, still based and functioning on its founding principles of honesty, humility, perseverance, and hard work, adjusts to the local needs of each country, current market conditions, and stakeholder demands.

Sustainability has also become another one of the Company's key components, since sustainable growth is considered to be the best way of achieving goals.

Ethics Code of Conduct

GRI Renewable Industries aspires to be an important ethical referent in all of the decisions it makes, following all of the Ethics Code of guidelines.

The principles are based on the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development of 1992, the Universal Declaration of Human Rights, and the 10 Principles of the United Nations Global Compact created in 2000.

The Company operates in multiple countries. Therefore, the interpretation and application of some of the sections of the Ethics Code of Conduct may have to be conditioned to local customs and cultures, allowing for differing readings of the same. In order to clarify and complement some of the issues relating to the Code of Ethics and Conduct, the following guidelines have been created:

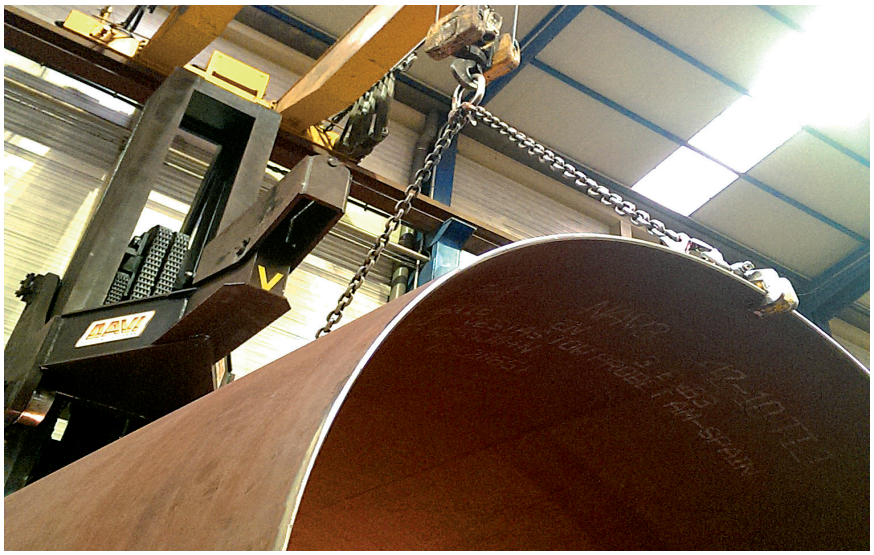
- "The Guide to Harassment Prevention."
- "The Guide to What To Do If Offered a Bribe, Gifts, or Invitations."

Chapter "Economic Dimension" explores these issues with more depth.

G4-57 & G4-58

Ethics Committee & Complaint Mechanisms

The Ethics Committee is an internal department, and advisory in nature. It is responsible for promoting the Company's good conduct, as well as its adherence to, dissemination of, and promotion of the Ethics Code. The Committee also handles and offers support systems for resolving any doubts, and it offers responses to possible incidents or complaints that can arise.



The Committee ensures that all information be treated with the upmost confidentiality, discretion, and tutelage when dealing with personnel or outside persons who in good faith report apparent violations.

In order to facilitate communications, the Company relies on specific channels by which complaints can be registered. Therefore, any employee, outside partner, provider, etc., who witnesses a breach or violation of the norms can report it. The channels available are the following three: email, telephone, or the mail. These matters can also be reported through our website.

During the 2015 fiscal year, the Ethics Committee did not receive any complaints from its personnel, nor from third parties (G4-LA16) in regards to discrimination (G4-HR3), or any other human right issue (G4-HR12).

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Part II
Specific Standard Disclosures

GRI Renewable Industries

Sustainability Report 2015

Material aspects: Economic dimension

Following the materiality analysis conducted and described in the general basic content (G4-18, G4-19, G4-20 & G4-21) the most significant aspects connected with the company's economic management and governance are:

Subject	General matters of particular interest	Groups that consider the aspect material
Economic Management	· Growth and global presence. · Client management and satisfaction.	**Internal:** CEO, Senior Management, Policies and Strategy. **External:** Clients and Suppliers, Employees, Sector and Mass Media.
Product	· Quality. · Innovation.	**Internal:** CEO, Senior Management, Public Commitments, Policies and Strategy. **External:** Clients and Suppliers, Employees and Sector.
Governance	· Ethics, Integrity and regulatory compliance. · Risk management. · Anti-corruption.	**Internal:** CEO, Senior Management, Public Commitments, Policies and Strategy. **External:** Clients, Employees and Sector.

Over the course of the chapter, we set out the GRI Renewable Industries management and initiatives connected with these aspects.

Economic performance

G4-DMA

GRI Renewable Industries aims to consolidate its position in the wind energy industry through quality service in response to its clients' expectations, innovation, and positioning in strategic markets.

Momentum of the wind energy industry (G4-EC2)

Over recent years, numerous initiatives have been developed with a focus on increasing the presence of renewable energy around the world. Particular mention should be made this year of the staging of the 21st United Nations Climate Change Summit (COP 21), which, through emissions reduction targets, will help underpin the use of clean energy sources.

This trend is reflected in national energy policies, committed to the development of renewable energy. Funding increased worldwide in the renewable energies sector in 2015, attaining a record global investment figure of 329 billion dollars, a figure 4% higher than in 2014, the main investor countries comprising China, Africa, the United States, Latin America and India.

Within this context, wind farms were the greatest beneficiaries. Overall, 63,013 GW of wind power were installed worldwide, representing an increase of 17% on the cumulative power rating, amounting to 432,419 GW. Source: Global Wind Energy Council (GWEC).

In 2015, this growth was registered at differing paces in different countries. First place is claimed by China, with the installation of 30.5 GW of new wind power, followed by the United States, Germany and India, rising to fourth position in the global rankings. Meanwhile, other countries such as Brazil have seen a downturn in their growth, impacting on the development of new energy facilities.

Wind energy is currently the technology that is cheapest to install, and it is therefore destined to play a fundamental role in this energy transition. This is mainly the result of the technological advances seen in new turbines, entailing new challenges as regards innovation connected with:

- Increase in turbine energy efficiency, leading to fewer, but higher, wind towers, and more powerful turbines.
- The improved productivity of manufacturing systems and cost-cutting, involving processes such as logistics.
- Increasing demand of renewable energy with low enviromental impact, which implies an increase in the number of farms, especially offshore facilities.

Growth and global presence

GRI Renewable Industries has the competitive advantage of being a leading global supplier in the sector, with plants in Brazil, China, Spain, the USA, India, South Africa and Turkey, allowing it to offer all its clients a tailored, quality service.

Its objectives include that of maintaining its position as a wind industry supplier and expanding its portfolio of products and services, so as to extend its presence to the entire supply chain.

A new strategic partner to promote corporate growth

Following approval by the competition authorities in China, Turkey, the EU, Brazil, South Korea and South Africa, on 4 September 2015 a final agreement was signed with Japan's Mitsui Group, which acquired 25% of GRI Renewable Industries.

This agreement provides GRI Renewable Industries with access to new markets, above all in Asia. It will furthermore facilitate contact with Mitsui's extensive client portfolio, the expectation being to generate synergies given its presence throughout the offshore/onshore wind generation supply chain, along with other sectors where the company does not yet have a presence.

>>>
GRI Renewable Industries aims to consolidate its position through quality, innovation, and positioning in strategic markets.

Commissioning of new installations

In 2015, the GRI Flanges Brazil plant began operations. Its aim is to underpin the production of flanges, mainly wind energy flanges with diameters of up to 5 metres, given Brazilian demand in sectors such as wind energy, petrochemicals, O&G, nuclear and construction. The plant has an annual output of between 4,000 and 5,000 flanges, and a modern internal laboratory to ensure that the products achieve the highest quality standards.

Following its launch in late 2014, GRI Towers South Africa is now fully operational and expanding its facilities in order more efficiently to respond to client needs.

GRI Renewable Industries also received the "Best Investment Project" award for the construction of this plant.

Ongoing projects

Following the acquisition in 2014 of a foundry in Zestoa, GRI Renewable Industries launched its new "GRI Casting" division, expanding and completing its value chain in the field of wind energy industry component production. In 2015, the company worked to modernise, expand and adapt the die and mould part production plant. The plan is for GRI Castings Zestoa to begin operation in early 2016.

Meanwhile, following the detection of the opportunity to strengthen its position in the US market, the company began construction in 2015 of the GRI Towers USA plant, in Amarillo, Texas. It will be fully operational by the end of 2016. The aim is to generate some 300 direct jobs and to supply the American market with around 400 wind energy towers per year.

As regards innovation, the Hybrid Towers division is finalising the permits required for the installation of the first hybrid tower at the Becerril de Campos wind farm in Spain, in 2016.

Lastly, various possible locations are being analysed for commencement of the construction of towers in the offshore market, in line with the business and the production of larger towers and flanges that can better withstand the more aggressive conditions of the marine environment. There are likewise plans to expand the product portfolio by manufacturing such other wind energy components as jackets and transition parts.

"Best Investment Project" for its initiative in Africa

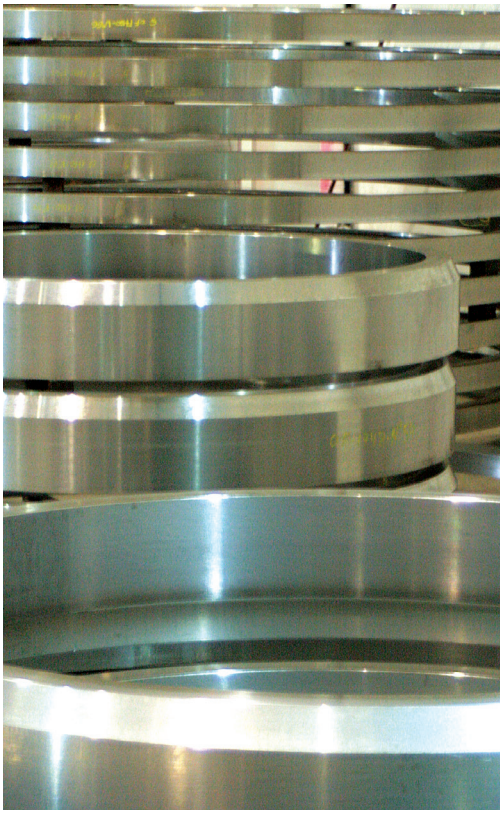
On 17 September, GRI Renewable Industries received the Best Investment Project award in South Africa, handed out by the country's Department of Industry and Trade, at the Annual Investment Meeting (AIM).

The theme this year focused on the recognition of direct investment by companies that promote sustainable development through the use of innovation and technology, with GRI Renewable Industries claiming the highest accolade.

Balance sheet
(G4-EC1 & G4-EC4)

GRI Renewable Industries continues its development with the aim of maintaining a leading position in the market by increasing its international presence and creating value for all its stakeholders, including the communities where it operates. This is possible thanks to a positive balance sheet and appropriate financing.

Below are summarised the company's key consolidated economic figures:



Economic Value Generated (EVG) with a total of 326,268 thousand euros, distributed as follows:

Economic Value Generated (EVG) (thousands of euros)	2014	2015
Turnover	294,411	318,289
Financial revenue	1,524	4,617
Other revenue	3,187	3,362
Total EVG	**299,122**	**326,268**

Economic Value Distributed (EVD) with a total of 321,277 thousand euros, distributed as follows

Economic Value Distributed (thousand €)	2014	2015
Operational costs *	192,686	227,478
CAPEX	42,115	30,474
Payment to capital providers	6,251	7,188
Taxes	13,213	14,600
Personnel Costs	37,709	41,233
Investments in the Community	203	304
Total EVD	**292,177**	**321,277**

*Including purchasing of material, auxiliary services and other general expenses
**Cash criterion employed, as better aligned with the reality of the payments made

The Economic Value Retained (EVR) with a total of 4,991 thousand euros.

Meanwhile, the company received 25.5 million euros by way of tax incentives from public authorities, distributed as detailed below:

Tax Benefits (thousand €)	2014	2015
Tax reliefs and tax credits	15,608	16,253
Subvention	1,039	4,630
R&D	13	4
Financial Benefits	4,702	4,657
Total	**21,362**	**25,544**

As for other accounting obligations, the companies that make up the GRI Renewable Industries Group are in the main obliged to draw up annual audit reports on their individual annual accounts, given the total volume of their assets, turnover, and their average workforce. Said reports contain no exceptions.

Following approval by the corresponding body, these reports are filed in due time and form at the Companies Register for each of the financial accounting years with legalisation of official records and the filing of annual accounts. In addition, the Group companies have no outstanding Social Security or taxation payments.

Lastly, as set out in its Code of Ethics and Conduct, GRI Renewable Industries does not provide economic support to governments (G4-EC4).

Client management and satisfaction (DMA)

The priority of GRI Renewable Industries is to satisfy its clients by fulfilling their demands and expectations.

The client profile corresponds mainly to companies that design, develop and manufacture wind turbines worldwide. It has been seen over recent years that major clients are tending to merge, resulting in new, stronger companies with a greater presence.

In accordance with this, the company is focusing its strategy on consolidating the commercial relationship with its clients by adapting to this new model, expanding its portfolio and improving the business model.

In order to achieve this objective, quality plays a fundamental role both to ensure that the product fulfils the rigorous requirements established, and to deliver in accordance with the established conditions and deadlines. We have numerous monitoring indicators in place for this purpose, and establish close and continuous collaboration with our clients. All of which allows us to provide a flexible service tailored to their needs.

Client satisfaction
(G4-PR5)

In order to measure the satisfaction of its clients, GRI Renewable Industries performs monthly monitoring of each client via its plants. This monitoring is based on the measurement of key performance indicators (KPIs), including by way of example:

- Fulfilment of the commercial price quotation.
- Compliance with delivery deadlines.
- The number of complaints received.
- The response time in dealing with non-conformities detected in audits performed by clients.
- Continuous improvement.

The indicators are consolidated for each client, so as to ascertain the degree of satisfaction of each of them. Given the different products offered by the company, the KPIs are compiled in two reports: one for wind towers and another for flanges. (G4-PR5)

These reports serve to identify the aspects to be strengthened, with improvement objectives being set.

The efficacy of these indicators is reviewed for adaptation to the current context. In 2015 the indicators were adapted in line with the outcome of the improvement study undertaken in 2014. New specific goals were likewise set for each client and indicator. The ultimate objective is to increase global satisfaction, achieving a Client Satisfaction Index of 85% for both towers and flanges.

The following table summarises the main results:

Client Satisfaction Index (CSI)	Towers	Flanges
2015 CSI target	70%	70%
2015 CSI achieved	87%	83%
2016 CSI target	85%	85%
Percentage increase copored with 2015	15	15

GRI Towers India named "Best Supplier of the Year" by GE

In 2015, General Electric (GE) awarded GRI Towers India and its partner Powergear the "Best Supplier of the Year" award.

The accolade, the most significant handed out by GE in India each year, was the result of the successful work undertaken by the company in the country since 2010.

The award was collected by Jose Maria Ávila, Chief Marketing Officer of GRI, Rajesh Durairaj, CEO of Powergear, and its Chairman, Xavier Durairaj. The remaining awards handed out at the ceremony went to local companies in the various categories.

Quality

GRI Renewable Industries places considerable importance on the quality of its products and services, and so has in place the mechanisms required to fulfil the highest quality standards. It also has the team and experience needed to guarantee that both tower and flange design and manufacturing activities, and its client service, fulfil expectations.

It has in place a Quality Policy at all its operational factories, and an Integrated Management System that includes quality management in accordance with the ISO 9001:2008 standard. There are plans for 2016 for the GRI Castings Zestoa and GRI Towers USA plants to obtain this certification. Meanwhile, except for GRI Towers Brazil, they are also all certified under standard EN1090

GRI Renewable Industries likewise applies strict quality control is in each phase of its process. They are conducted both internally and through accredited external entities, providing comprehensive traceability of products, while identifying opportunities for improvement.

Information and product labelling
(G4-PR3 & G4-PR4)

Meanwhile, 100% of the towers and flanges delivered to clients have the corresponding CE conformity declaration, certifying compliance with the technical and legal requirements established by the European Union in terms of safety. (G4-PR3)

In this regard, the company has received no complaints based on a breach of information and product labelling regulations. (G4-PR4)

Adaptation to the new ISO 9001:2015

In order to adjust to the new ISO 9001 standard (ISO 9001:2015), an adaptation plan has been designed, to be implemented from 2016 onwards, with the aim of certifying the plants in accordance with this new framework from 2017 onwards. The possibility of implementing a quality management system at head office will also be examined.

In order to be able to implement this change, all the quality supervisors at each plant, along with head office staff, met up in December at the GRI Towers Turkey plant to receive full training as to the changes and requirements derived from the new ISO 9001:2015 standard.

Research, Development and Innovation

GRI Renewable Industries develops its competitiveness through innovation applied to its processes and products.

The R&D+i Department is responsible for managing and coordinating projects, for subsequent development and execution at the plants.

Meanwhile, the GRI Hybrid Towers division coordinates and executes projects connected with these innovative towers.

The companies are involved in a lead role in the European Seventh Framework Programme (FP7) project "Cost effective and efficient approach for a new generation of solar dish-Stirling plants based on storage and hybridization". The project is currently in the execution phase.

It is likewise directly involved in the Spanish Wind Energy Sector Technology Platform (REOLTEC), which coordinates various research, development and innovation initiatives in accordance with the needs of the sector.

The following projects were successfully completed in 2015:

- "Repowering" and "Hycontow" focused on the development of versatile structural solutions.
- "Monitoring" intended for the detection, analysis and evaluation of structural problems in wind towers;
- "Soldaeolic" focused on improving the efficacy of the wind tower production process.

Particular mention should likewise be made of the commencement of 2 new R+D+i projects: "Flangeroute" and "Windfit", with the aim of making the wind energy flange manufacturing process more efficient, and adapting to the latest trends in the wind industry.

These projects are described in detail below.

GRI Towers Galicia

SOLDAEOLIC: New submerged arc welding solutions for cutting-edge smart wind tower factories

The development of new industrial wind tower manufacturing processes that are more competitive and aligned with the new generation of high-powered wind turbines remains a technological challenge for the sector.

This project focuses on adapting and improving the key wind tower production processes, which represent the main bottleneck in the sector, the essential focus being on increasing competitiveness in the manufacturing of high-tonnage offshore towers and cutting-edge wind turbines.

These new processes will entail a significant improvement, since there is at present a highly manual component.

The project was developed over 2014 and 2015, accounting for 4,416 in-house staff hours and a total investment of €276,013, including the acquisition of equipment, materials, staff hours, audits and other aspects.

GRI Renewable Industries

WINDFIT: New generation of efficient and lightweight wind energy stems based on advanced and optimised structural calculation models

The current trend aims to increase the energy efficiency of each wind turbine, which means higher towers and more powerful turbines. In order to address these needs, the wind towers or stems see their thickness, diameter and weight increased, which leads to higher manufacturing costs.

The aim of the WINDFIT project is to develop a new generation of wind energy stems, from the initial product design stage using new calculation models, optimising individual elements and welded joints, and progressing up to the development of specific manufacturing processes to minimise the distortion and tension forces generated in the stem.

This new design will serve to reduce the thickness and weight of the turbine towers, so as to address the new demands being raised in the sector. The specific expectation is a reduction of 15% in thickness and a reduction in the average cross-section diameter of 10%, compared with one of today's standard stems.

This new generation of stem designs will provide a response to the large wind turbines that, in the future, are expected to achieve 10 MW on a competitive basis.

The project has been approved by the Centre for Industrial and Technological Development (CDTI) and is scheduled for completion in 2017. 23,000 in-house staff hours have been allotted to its development, with a total investment of €1,168,160, including the acquisition of equipment, materials, staff hours, audits and other aspects.

GRI Flanges Iraeta

FLANGEROUTE: Research and development of new efficient manufacturing routes for large-scale (offshore & onshore) wind energy flanges

The development of offshore wind energy is tending towards large-sized installations, entailing a change in scale affecting all the structural elements of the turbine tower.

The flanges are the elements responsible for connecting the different sections of wind towers, providing the system with the required rigidity and stability.

The aim of the project is to research and develop new manufacturing and validation technologies serving to integrate the know-how and needs of the wind sector as regards tower flanges, through the study and characterisation of new materials in the selection and welding process, with the aim of obtaining large-scale wind energy flanges that comply with the quality and competitiveness conditions demanded by the wind sector.

Thanks to this project, GRI Flanges will also be able to draw on the company's experience and go the extra mile in flange manufacturing, by taking part in the comprehensive design of wind towers.

The project has been approved by the Ministry of Economy and Competitiveness (MINECO) and is scheduled for completion in 2018. More than 24,000 in-house staff hours have been allocated to its development, with a total investment of €1,567,937, including the acquisition of equipment, materials, staff hours, audits and other aspects.

Ethics, Integrity and Regulatory Compliance

(DMA, G4-SO7, G4-SO8, G4-EN34, G4-LA16, G4-HR12 & G4-PR9)

GRI Renewable Industries enjoy is a global corporate culture that has retained the same values and principles since it was first founded, while adapting to the local needs of each country, current market conditions and stakeholder demands.

Based on the understanding that the company is now expected to be an ethical leader in all decisions taken by its members, in 2014 the GRI Renewable Industries Code of Ethics and Conduct was approved by the Board of Directors.

The Code deals with such issues as relationships with clients, employees, suppliers and the community, and will serve to underpin the existing trust between the company and third parties. The principles it establishes are based on the Declaration on Fundamental Principles and Rights of the International Labour Organization (ILO), the 1992 Rio Declaration on the Environment and Development, the Universal Declaration on Human Rights and the 10 principles of the United Nations Global Compact, created in the year 2000.

The Code was distributed in 2014, and training given in this regard to employees. In 2015, training about the Code was given to 980 employees, making up a total of 3,389 hours of training (G4-HR2).

The Code of Ethics is available in all local languages in the countries where the company has a presence, except for South Africa, where it is available only in English. In 2016, the Code will be translated into the other two languages South Africa local (Afrikaans and Xhosa) to facilitate comprehension and application.

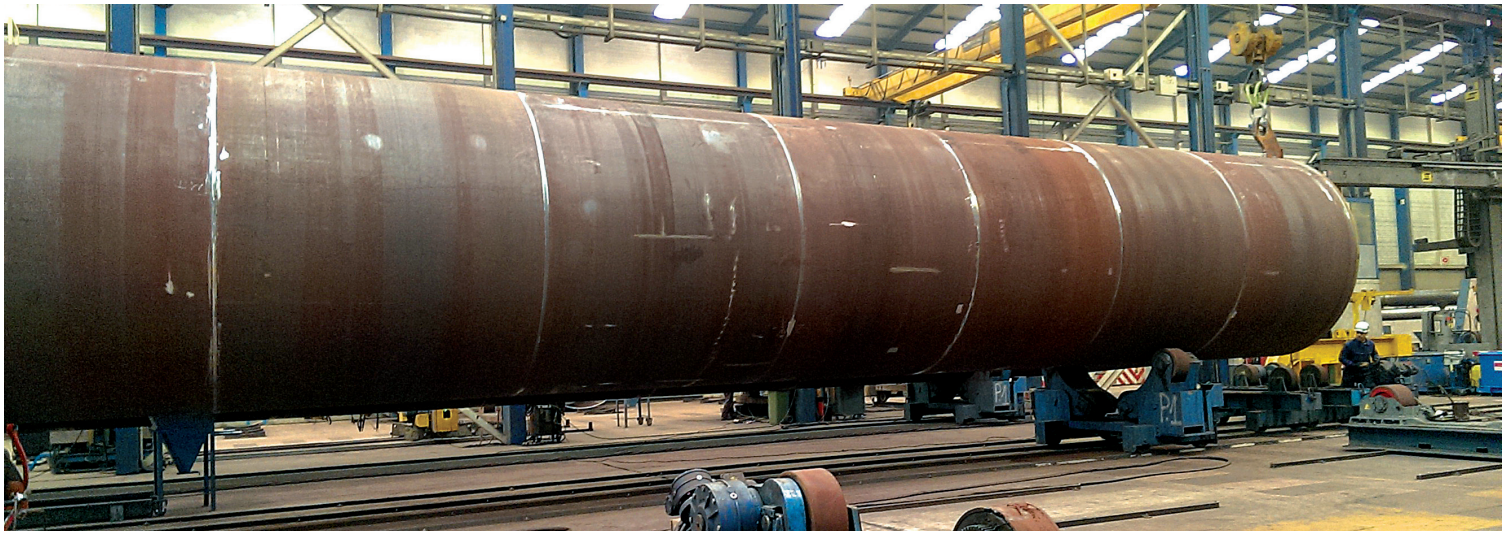
Compliance mechanisms

The Code of Ethics establishes the guidelines and channels for whistleblowing to be employed in the event of any conduct that could represent a violation of the legal standards or of the company's principles. There are three whistleblowing channels available: by email, by telephone, or in writing, by using the grievance form.

All matters are analysed, managed and resolved by the Ethics Committee.

The Ethics Committee is an internal consultative body responsible for promoting the values and conduct of the company, along with the monitoring, communication, distribution and oversight of the Code of Ethics, processing and support for the resolution of queries, and the response to any possible incidents or complaints that might arise. In 2015, the Committee did not receive any complaints. (G4-SO5).

As regards regulatory compliance, in 2015 no information was received as to any case that was pending or had been settled and included GRI Renewable Industries as a result of breaches of legislation and regulations (G4-SO8), unfair competition (G4-SO7), supply and use of products and services (G4-PR9), employment practices (G4-LA16), environmental grievances (G4-EN34), human rights (G4-HR12), marketing communications (G4-PR7) or privacy and confidentiality of information (G4-PR8).



Risk management
(DMA)

In undertaking its operations, GRI Renewable Industries is subject to various risks inherent in its activity and the various countries where it operates, as detailed in the section "G4-2 Main effects, risks and opportunities".

In 2015, a General Internal Control Framework was defined and implemented, including:

- an internal control Policy
- an internal control Committee
- a set of Entity Level Controls,
- a risk matrix for each of the key business processes.

Subsequently, testing procedures were undertaken to analyse any existing control deficiencies in the different processes, with the aim of defining whether the internal control system of the company complies with its three fundamental requirements: efficacy and efficiency of processes; guarantee of financial information, and compliance with the applicable legislation and standards.

In this regard, testing was performed of the different risks included in the risk matrix making up the General Internal Control Framework at one of the group companies (9% of operational sites). All risks analysed, whether or not they could be connected with fraud/corruption, are associated with a control to mitigate the risk.

During the testing process, certain control deficiencies were detected, with an action plan being defined and executed so as to correct these deficiencies by 31 December 2015. It should be pointed out that despite the deficiencies detected, no fraudulent activity was uncovered in the operations analysed. (G4-SO3)

Lastly, as regards fraud and corruption, mitigation talks were staged as a part of the Entity Level Controls. The latter are internal controls, of a global nature, applied to the whole company, defining the corporate culture of the organisation and establishing guidelines for the fulfilment of aspects of governance, regulations and finance, among others, helping to achieve the organisation's goals. The plans are to extend this analysis of next year to other company plants, and to deliver skills training in this regard for the first time (G4-SO4).

This whole set of elements and activities undertaken by GRI is based on the COSO methodology (Committee of Sponsoring Organizations of the Treadway Commission), which was chosen by the company to guide its actions in the field of internal control and risk management.

The plans are to extend this analysis of next year to other company plants, and also to deliver skills training in this regard (G4-SO4).

Anti-corruption
(G4-SO4 & G4-SO5)

The issues connected with combating corruption are of concern to the main stakeholders of GRI Renewable Industries. As a result, the fight against corruption forms a part of its principles, and is based on "zero tolerance" with regard to this type of malpractice.

In 2014 the "Guide to behaviour in response to the offering of incentives, gifts or invites" was developed, and is available on the intranet, in both English and Spanish, with the aim of guiding company employees in the event of possible conflicts that could emerge in their professional operations.

No confirmed case of corruption was registered in 2015.

Operational mechanisms to address harassment

GRI Renewable Industries places vital importance on the dignity of the individual, inherent and inviolable personal rights, the unrestricted development of personality, equal treatment and non-discrimination and physical and moral integrity, as fundamental rights irrespective of the country and culture where it operates. However, harassment and violence are a problem that could affect the company.

To inform staff and minimise this type of behaviour, in 2014 the "Harassment Prevention Guide and Response Protocol" was published.

United Nations Global Compact

GRI Renewable Industries is a signatory to the Global Compact, and so is committed to promoting and implementing the 10 universally accepted principles in the fields of human rights, labour regulations, the environment and anti-corruption.

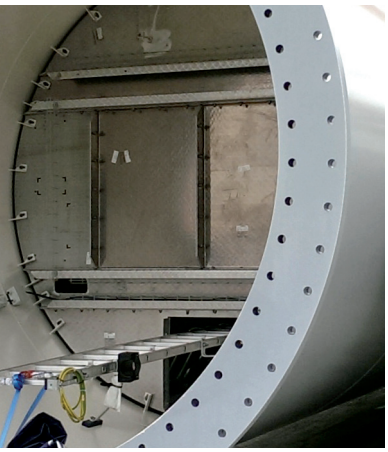
The company complies with all necessary requirements to renew its commitment in 2016.

Funding of projects

The projects developed and funded at GRI Renewable Industries required no clause or commitment as regards human rights or anti-corruption practices. (G4-HR2).

Material aspects: Social Dimension

Following the materiality analysis conducted and described in the general basic content (G4-18, G4-19, G4-20 & G4-21) the most significant aspects connected with the company's social dimension are:



Subject	General matters of particular interest	Groups that consider the aspect material
People	· Attraction, development and retention of talent · Employment conditions and human rights	**Internal:** CEO and Senior Management, Public Commitments, Policies and Strategies. **External:** Clients, Employees and Sector.
Safety and Health	· Health and safety culture and management	**Internal:** CEO and Senior Management, Policies and Strategies. **External:** Clients, Suppliers, Employees and Sector.
Local Community	· Impact, dialogue and investment in the local community	**Internal:** CEO, Policies and strategy. **External:** Clients, Employees and Mass Media.

These matters, together with the management practices of GRI Renewable Industries connected with its teams, aspects connected with health and safety, and its contribution to society, are expanded on over the course of the chapter.

Dimension Management Approach

(G4-DMA)

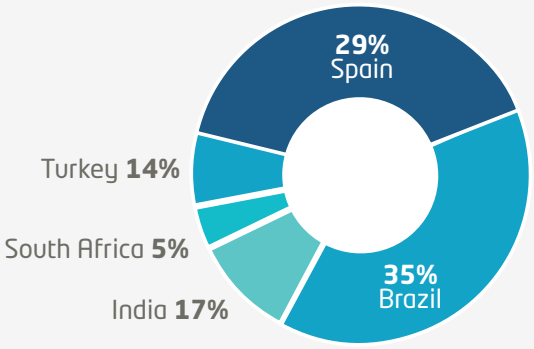
The driving force behind the growth of GRI Renewable Industries lies in its professionals: highly qualified and committed to its culture and values.

It therefore has a people-centred management approach that aims to promote the ideas and performance of its employees, within a healthy environment, free of discrimination, attracting and fostering talent with an international vision based on equal opportunities.

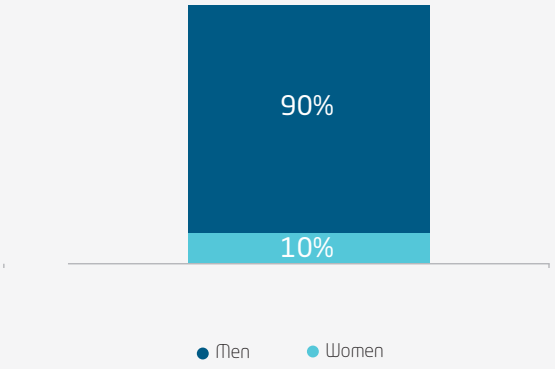
A diverse and international professional team

In 2015, GRI Renewable Industries team was made up of 2,238 professionals, comprising a young and dynamic team as detailed below.

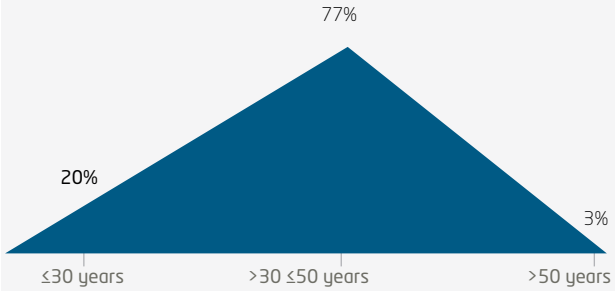
Personnel by country



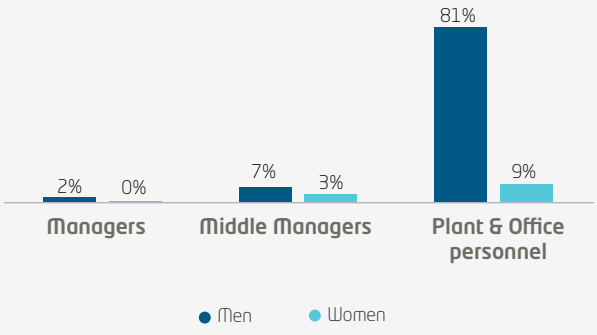
Personnel by gender



Personnel by age



Personnel by professional category



Below is shown the distribution of the workforce by country, age and gender:

Country	Men			Women			Total
	≤30 years old	>30 ≤50 years old	>50 years old	≤30 years old	>30 ≤50 years old	>50 years old	
Brazil	31	638	6	16	98	0	789
Spain	110	395	43	21	67	5	641
India	76	297	11	1	0	0	385
South Africa	4	88	1	1	9	2	105
Turkey	180	127	3	4	4	0	318
Total	**401**	**1,545**	**64**	**43**	**178**	**7**	**2,238**

As regards the distribution of the workforce by gender and professional category, it may be noted that more than 80% of the workforce are men, in the "Plant and Office Staff" category. The table shows their distribution by gender, category and country:

Country	Men			Women			Total
	Managers	Middle Managers	Plant & Office personnel	Managers	Middle Managers	Plant & Office personnel	
Brazil	8	16	651	3	5	106	789
Spain	26	84	438	1	21	71	641
India	8	42	334	0	0	1	385
South Africa	1	14	78	0	3	9	105
Turkey	1	6	303	0	2	6	318
Total	**44**	**162**	**1804**	**4**	**31**	**193**	**2238**

Meanwhile, 3% of the workforce is made up of people with special abilities, as indicated in the table below.

Country	Men			Women			Total
	Managers	Middle Managers	Plant & Office personnel	Managers	Middle Managers	Plant & Office personnel	
Spain	0%	0%	2%	0%	0%	1%	1%
Turkey	0%	0%	3%	-	0%	0%	3%

*Data not available for the plants in Brazil, while at the plants in South Africa and India there are no staff with special abilities.

As for executive staff, 83% are aged over 50, and the remaining 17% are between 30 and 50 years old. Meanwhile, 67% are of local nationality, and all are men. (G4-LA12)

Attraction, development and retention of talent

(DMA)

GRI Renewable Industries is aware that in order to grow as a competitive, sound and sustainable company, it depends to a great extent on its capacity to maintain a motivated and qualified team. The company therefore strives to attract, retain and develop talent through merit-based training and promotion initiatives.

Attraction of talent and internal promotion (G4-LA1)

GRI Renewable Industries believes that a good way of capturing and retaining talent is to be able to show professionals that their jobs are not static, and that they can improve their position through internal promotion and mobility.

As a result, when any specific job needs to be filled, the job offer is published internally via the corporate intranet. This allows employees to apply for vacancies at their own site, or to move to other locations.

For those posts that given their specific requirements cannot be filled internally, the process of external recruitment begins. In this case, digital tools are employed, such as employment exchanges, specific gatherings such as recruitment fairs, and collaboration with specialist consultants. Meanwhile, the company is committed to creating opportunities for young professionals through its bursary programme.

Training and professional development (G4-LA9* and G4-LA10)

GRI Renewable Industries wants its employees to be able to grow with the company, and so provides them with various tools facilitating their skills development. In this field, training is a key aspect contributing to the motivation of employees, while driving the company's competitiveness.

Each year, all the plants study their training needs and draw up a Training Plan, the main objectives of which is the integration of new employees at the company, the improvement/acquisition of skills, and risk prevention. None of these plans includes training focused on managing the end of the employees' professional careers (G4-LA10).

*Unverified information

In 2015, a total of 54,591 hours of training were delivered across the categories of production, health and safety, quality, logistics, IT, finance and professional skills. This represents an average of 24.4 hours of training per employee (24 for men and 26 for women). The following table details the distribution by country, gender and category:

Country	Managers		Middle Managers		Plant & Office personnel	
	M	W	M	W	M	W
Brazil	225	200	818	188	33,550	3,299
Spain	772	31	1,911	613	2,262	800
India	123	0	1,003	0	302	42
South Africa	18	0	303	231	870	365
Turkey	4	0	109	8	6,353	191
Total training hours	**1,142**	**231**	**4,144**	**1,040**	**43,337**	**4,697**

Within the different issues addressed, more than half of the training delivered corresponds to the Occupational Health & Safety category, with each employee receiving an average of 16 hours of training in this subject during 2015. (G4-LA9)

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In order to promote the quality of work and employees satisfaction, the plan for 2016 is to create a Performance Evaluation Policy.

Performance evaluation (G4-LA11)

In order to keep professionals abreast of their performance and what is expected of their work, GRI Renewable Industries is progressively implementing a target-based evaluation system.

This system performs a periodic qualitative and quantitative evaluation of the degree of efficacy with which each of the employees have developed their own responsibilities and activities, and on the basis of the results, goals and measures for improvement are then established, enhancing the quality of work and employee satisfaction.

As regards the degree of implementation of this system, the following advances were seen during 2015:

- At the offices in Madrid and at GRI Hybrid Towers: a performance evaluation system tied to a targets plan has been implemented. This evaluation covered 63% of employees in Madrid and 25% at GRI Hybrid Towers, corresponding to 10% of employees in Spain.

	Employees with performance appraisal	
	Men	Women
Total	3%	4%

The plan for 2016 is to create a Performance Evaluation Policy, and a guide with uniform criteria and instructions to steer those individuals evaluating the performance of their team.

- At all other operational locations: a periodic evaluation of the entire plant workforce is performed on the basis of the so-called "multifunctional analysis". This analysis evaluates the skills and know-how of each worker so as to develop different functions within the plant. The evaluation covers all employees and categories, the capacity to perform different functions, and their versatility within the plant.

GRI Renewable Industries talent map

In 2015, the Human Resources Department embarked on the development of a "Talent Map", taking the traditional career plan concept a step further. This management and planning tool will serve to adapt the talent available to the needs of the company, by following current market trends.

In order to produce it, critical jobs were first identified, along with the skills, abilities and capacities of each employee. This serves to ascertain the present value and development potential of the team, allowing programmes to be established to facilitate individual short- and medium-term development plans.

Over the period 2015-2016, the jobs and skills corresponding to executive levels will be evaluated, while the analysis will then be extended to the rest of the company.

Organisation

The company also sees the organisation of jobs in accordance with levels of responsibility as an important aspect.

Work is therefore being performed with the aim of publishing an "Organisation Policy" in 2016, to define 5 job categories in accordance with the volume of business handled, the number of people working under the position, and the cost level. This will improve on the current personnel organisation system, and will serve to provide even-handed criteria, expected to have an impact on talent retention.

Staff churn (G4-LA1)

During the year, 625 professionals joined GRI Renewable Industries. The highest level of recruitment was in South Africa and Brazil, as plans were recently opened in these two countries. Meanwhile, 431 employees left the company 2015.

As regards the churn rate, the overall figure for the company is 9%, varying widely across the different countries. Churn is particularly high in South Africa, as the workforce has increased hugely compared with the previous financial year, while Spain is the only location with a negative churn rate.

The arrivals and departures registered in 2015 are detailed below:

Hires 2015

	Men			Women			
	≤30 years old	>30 ≤50 years old	>50 years old	≤30 years old	>30 ≤50 years old	>50 years old	Total
Brazil	69	76	1	20	8	0	174
Spain	31	71	3	6	11	0	122
India	30	0	0	1	0	0	31
South Africa	77	133	5	2	5	0	222
Turkey	51	23	1	1	0	0	76

Turnover 2015

	Men			Women			
	≤30 years old	>30 ≤50 years old	>50 years old	≤30 years old	>30 ≤50 years old	>50 years old	Total
Brazil	56	60	3	15	4	0	138
Spain	34	108	21	9	23	3	198
India	3	6	1	1	0	0	11
South Africa	9	15	1	1	5	0	31
Turkey	24	27	1	1	0	0	53

Employment conditions and human rights

GRI Renewable Industries is aware that the development and future of the company depends to a great extent on the commitment and hard work of its team. This means that having trained, qualified and motivated professionals in place, in a pleasant working environment, is a key aspect in order to grow as a competitive, sound and sustainable company.

Work-life balance (G4-LA2)

Flexibility

The company aims to contribute to improving the quality of life of its employees, and so in 2015 approved "Dynamic Flexible Working Hours" at offices.

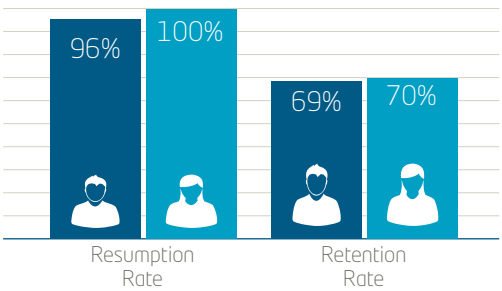
This system allows a degree of flexibility in arrival and departure times, by choosing a time band from among various pre-established options, serving to adjust arrival, lunch break and departure times in accordance with staff needs.

However, most of the staff are employed at the plants, where work is very much dictated by the client needs and most workers follow set shifts, making flexible working hours difficult, with the necessary adjustments being applied individually.

Maternity/paternity (G4-LA3)

In 2015, 89 men and 17 women took paternity/maternity leave. 96% of them subsequently resumed work. As for employees taking such leave in 2015, 69% of them remain at the company.

The resumption rate following leave and the retention rate (on the basis of employees still at the Company one year after their leave) are detailed below 2015:



Social benefits

(G4-EC3 & G4-LA2*)

As GRI Renewable Industries is a diverse company, social benefits are not uniform, but are adapted to the characteristics of the different factories and countries. Except where indicated, temporary employees and part-time employees enjoy the same benefits as permanent, full-time employees.

The general situation is summarised below by region:

	Brazil	Spain	India	South Africa	Turkey	Total
Medical insurance	100%	16%	100%	100%	100%	76%
Life insurance	100%	16%	0%	100%	0%	45%
Disability insurance	100%	16%	100%	0%	0%	57%
Canteen - tickets	100%	0%	100%	0%	100%	67%

* Unverified information

In addition, some locations enjoy the following benefits:

- **Transport assistance:** at the Brazil, India and Turkey plants, company buses are available. In South Africa, those employees working a 12-hour shift enjoy transport assistance.
- **Flexible Remuneration Plan:** employees in Spain have access to the Flexibile Remuneration Plan, which offers the opportunity of including within the remuneration package various products that offer tax and employment benefits, allowing them to be adapted to each individual's personal needs. The services currently offered are: childcare vouchers, restaurant vouchers, transport vouchers and purchase of computer equipment.

  In 2015 there were 62 employees signed up to the Plan.
- **Pensions Funds:** as regards the availability of pension funds in addition to the mandatory contribution established in some countries, this format is available only in Spain, for the GRI Flanges Iraeta plant, which has a pension fund (Geroa) associated with the Basque Country metalworkers' collective agreement.
- **Retirement plans:** for employees on a permanent contract the GRI Towers India plan offers retirement plans covered by the company's ordinary resources. Employees pay 12% of their salary into this fund, while the company contributes 13.36%.

  Meanwhile, those employees with more than 5 years service receive an extraordinary contribution corresponding to 15 days of salary per year worked. These plans have an independent fund to cover their obligations.
- **Other:** the different plants have developed local initiatives, such as, for example, the agreements in Brazil to offer discounts on language courses, pharmacies, etc.

Job stability

(G4-10)

For GRI Renewable Industries, promoting stable employment is a way of demonstrating its trust in its team, in long-term relationships, and their experience.

During 2015, 88% of the workforce had a permanent contract, while the remaining 12% were on temporary contracts. Meanwhile, 98% of the workforce is employed full-time, and the remaining 2%, part-time.

The gender and country distribution is set out below:

	Contract				Employment			
	Permanent		Temporary		Full-time		Part-time	
	M	W	M	W	M	W	M	W
Brazil	672	110	3	4	659	100	16	14
Spain	340	65	208	28	548	88	0	5
India	358	1	26	0	384	1	0	0
South Africa	93	12	0	0	93	12	0	0
Turkey	310	8	0	0	309	8	1	0
Total	**1,773**	**196**	**237**	**32**	**1,993**	**209**	**17**	**19**

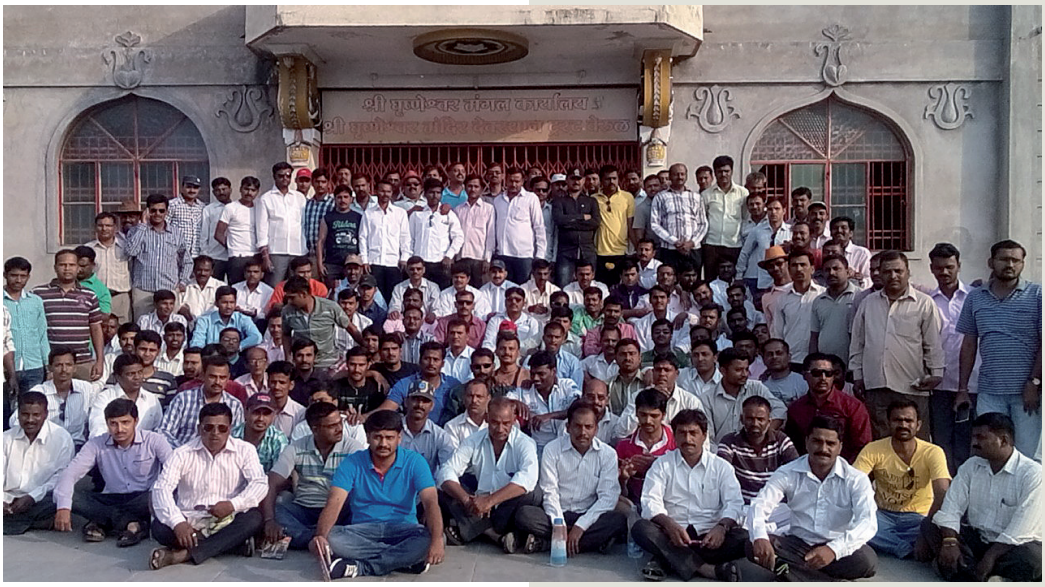
Furthermore, the company organises a range of local initiatives among its employees to help facilitate team-building and underpin their motivation, such as, for example: organised visits and subsidised sporting events.

The GRI Towers India team visits Maharashtra

For the third year running, in June GRI Towers India held its "Company Foundation Day". As a part of the celebration, to strengthen employee motivation a visit was staged to such notable historic sites as the paintings of Ajanta and the Ellora caves, in Maharashtra, in the west of the country. These sites represent one of the largest complexes of rocky monasteries in the world, and also the largest individual monolithic excavation anywhere on earth.

Some 170 employees, including executive management and supervisors, took part in the visit organised by the Human Resources Department, in collaboration with local trade unions.

The visit had a twofold objective: firstly, to add innovation to the staging of "Company Foundation Day", and furthermore to inspire and motivate workers through a positive impact on personal relationships and the formation of working teams.



Human rights

(DMA, G4-HR4, G4-HR5, G4-HR6, G4-HR7 & G4-HR9)

GRI Renewable Industries views respect for human rights as an essential factor.

This commitment is reflected in its Code of Ethics and conduct, its subscription to the United Nations Global Compact, and its Sustainability Policy.

Through these documents, and compliance with the applicable local legislation, the company establishes a framework for the fulfilment of human rights. In the event that they could be threatened, the company has in place channels allowing such events to be reported, with the corresponding measures then being taken.

In this regard, training was launched in 2014 to cover the Code of Ethics and Conduct, at head office and all operational plants. The aim was to publicise the Code as a reference guide in decision-making, including aspects such as respect for human rights and the rejection of corruption. Following this campaign, the total amounted to more than 1,500 hours of training and employees trained.

Meanwhile, the training was included in the "Welcome Pack" as a part of the basic training to be completed by all new company employees.

A training session is periodically held about the Code at the plants, to reinforce the message of respect for human rights and to remind employees of the available whistleblowing channels. For example, during 2015, GRI Towers Turkey staged a training initiative in this regard, attended by 100% of its employees, accounting for a total of 318 hours (G4-HR2). Meanwhile, 100% of subcontracted physical security personnel received training in the field of human rights. (G4-HR7).

No cases of discrimination were detected at the company in 2015 (G4-HR3). Meanwhile, the presence of significant risks to freedom of association, rights of the child, human rights or workers' rights was not examined or evaluated (G4-HR4, G4-HR5, G4-HR6 & G4-HR9).

Remuneration

(DMA & G4-EC5)

GRI Renewable Industries is aware that remuneration is an important factor in terms of talent attraction and retention. It therefore aims to match or surpass the minimum salary defined in each region. Below is set out the ratio between the annual starting salary at the company for the lowest professional category and the minimum salary established by local legislation.

	Brazil	Spain	India	South Africa	Turkey	Total
Men	1.86	1.07	1.00	2.96	1.01	**1.40**
Women	1.87	1.07	1.00	2.96	1.01	**1.57**

>>>
GRI Renewable Industries views respect for human rights as an essential factor.

This commitment is reflected in its Code of Ethics and conduct, its subscription to the United Nations Global Compact, and its Sustainability Policy.

Health and safety

Management focus (DMA)

Occupational Health & Safety is a strategic factor at GRI Renewable Industries.

This commitment includes both its Code of Ethics and its Health and Safety Policy. Both documents give rise to the main operational approaches of the company in this field:

- Provide a healthy and safe working environment at all operational sites.
- Integrate Occupational Health & Safety in all company management processes.

Meanwhile, the company has in place a health and safety management system designed in accordance with standard OHSAS 18001:2007. At the GRI Towers Brazil, GRI Towers Turkey and GRI Towers Galicia plants this system has already been certified, marking a step towards excellence in occupational health and safety management.

Health and Safety culture

GRI Renewable Industries places great importance on the development of a risk prevention culture at the company. As demonstrated by the fact that in the 2015 materiality analysis, the "Health and Safety Culture and Management" aspect was the most highly rated by the company's executive management, considered to be a significant issue for employees.

Communication, awareness-raising and training are three basic cornerstones in the dissemination and reinforcement of a risk prevention culture.

Communication (G4-LA5)

GRI Renewable Industries has various channels of communication in place. These communication channels allow for a two-way flow, not only conveying information to workers, but also providing for direct participation by all internal and external staff.

Communication is coordinated and managed directly at the plants, with the manager and safety coordinator at each plant being the figures responsible for prioritising the communication of key aspects in a transparent manner.

The Health and Safety Committee meets all the plants at least every quarter, and includes workers' representatives. This committee addresses aspects connected with health and safety and the mitigation of potential risks and occupational accidents.

The workers' representatives are elected by and from among the workers themselves so as to represent them, and can both speak and vote at committee meetings. These committees discuss the choice of protective equipment, accident rates, accident and incident investigations, and the planning of preventive and corrective actions. (G4-LA8)

Meanwhile, in order to foster direct participation, various means of communication are employed at each plant:

- **Be safe!** suggestions box introduced at all the plants. At some plants, the best suggestions receive awards and accolades.
- Information panels and screens, to communicate all relevant information.
- Daily meetings of working groups.
- Weekly and monthly meetings of plant area supervisors to monitor risk prevention planning.
- Specific communication campaigns.
- The corporate intranet: Leading the Change

The representation of employees on the Health and Safety Committees is detailed below. (G4-LA5)

	Employee representation at Health and Safety Committees
Country	% of representation
Brazil	91%
Spain	84%
India	100%
South Africa	100%
Turkey	100%
Total	**94%**

As regards the external reporting of minor, serious and very serious accidents and deaths, they are reported by means of the mechanisms and in accordance with the deadlines established in local legislation, compliant with ILO recommendations. (G4-LA6)

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In addition to delivering training in this regard, a GRI Renewable Industries implements a range of initiatives to raise the awareness of employees as to the importance of safe working and keeping healthy.

Training (G4-LA9)

Health and safety training is a key risk prevention element, as it serves to acquire and consolidate safe practices and helps raise awareness among professional staff.

Before they join the company or are transferred to a new job, all workers receive training in risk prevention in accordance with their category and functions, in order to learn about their duties and responsibilities in this regard. This demand likewise applies to subcontractors, who before they are allowed to operate at the plants must complete the regulatory training, to guarantee quality standards and minimise risk.

Furthermore, employees receive specific training as required for authorisation to use certain devices or perform particular tasks. Likewise, the designated employees receive training as to how to act in emergency situations. All training is periodically reviewed and refreshed.

Awareness-raising

In addition to delivering training in this regard, a GRI Renewable Industries implements a range of initiatives to raise the awareness of employees as to the importance of safe working and keeping healthy.

In 2015 the global awareness-raising campaign **Be Safe!** was launched, achieving a substantial impact at the company.

At the local level, numerous initiatives were also developed to promote health and safety at the plants, such as for example:

- The breast and prostate cancer prevention and diagnosis campaigns "Pink October" and "Blue November", staged at the plants in Brazil.
- The promotion of healthy lifestyles at the Madrid office, with a campaign offering healthy lifestyle tips.
- The Safety Weeks staged at the plants in India and Brazil, involving workshops and presentations with the aim of raising awareness and involving workers.

Be safe!

GRI Renewable Industries launched the **Be Safe!** awareness-raising campaign at all its operational sites, with the aim of encouraging an active role on the part of all employees in improving health and safety.

During the campaign, photos and witness accounts were compiled, featuring employees at the different plants describing what safety means to them.

This material was used to produce a range of leaflets and safety posters, which also included the principles of the company's new Occupational Health and Safety Policy and a message from the CEO to all employees.

The leaflets, published in 6 different languages, were presented on World Health and Safety Day.

Occupational Health. On the same day, all the GRI Renewable Industries plants staged a range of awareness-raising events addressing the importance of personal attitudes and the involvement of all workers in improving health and safety, attended by all employees.

These events served to underpin the message from the CEO, with a reminder of all the available communication channels (such as the suggestions boxes, a recent addition at some plants), while examples of the improvements undertaken at each centre as a result of employee suggestions were presented.

The aim of this last initiative is to promote communication and the involvement of employees in the field of health and safety, by demonstrating that their suggestions are taken into account.

Health and safety management

At GRI Renewables, Occupational Health and Safety Management is essentially performed at the plant level, with support from the corporate Occupational Health and Safety Department, which coordinates efforts in the field of safety.

Each plan has an Occupational Health and Safety Coordinator who, depending on the size of the plant and local needs, may be accompanied by one or more Risk Prevention Officers.

The plants in Brazil and Turkey also have medical teams. Risk prevention tasks at the plants are integrated as far as possible within the productive activities, which means that aside from the officers, coordinators and medical staff, the entire management structure shares functions and responsibilities in the field of risk prevention.

> > >
Company works in order to develop excellent, responsible and integrated occupational health and safety management as regards its workers.

Meanwhile, in order to develop excellent, responsible and integrated occupational health and safety management as regards its workers, the company has developed a model of excellence, known as the IPRL, to improve monitoring and information about the plants, while granting them greater independence.

Health and Safety Principles at GRI Renewable Industries

Health and Safety Management at GRI is guided by the following principles:

1. Provide a healthy and safe working environment at all our operational sites.
2. Integrate Occupational Health & Safety within all our management processes.
3. Involve all employees in Occupational Health & Safety Management in accordance with the functions and responsibilities of each.
4. Foster a genuine risk prevention culture at every level of the organisation.
5. Achieve the highest standards in the field of Occupational Health & Safety, fully comply with the applicable legal requirements and local regulations, in addition to all corporate policies and procedures.
6. Permanently evaluate the risks applicable to each job.
7. Plan, coordinate and implement preventive actions to minimise the risks detected at each operational site. Review risk prevention planning by Management at each site.
8. Learn from experience and continuously improve Occupational Health & Safety Management.
9. Permanently train, raise awareness and develop the skills of employees, in accordance with the functions and risks of their jobs.
10. Monitor the state of health of workers in accordance with the risks of their jobs.
11. Evaluate Occupational Health & Safety Management through internal and external audits to verify the fulfilment and effectiveness of this policy.
12. Demand that partner companies and suppliers take responsibility for occupational health and safety, and comply with the requirements of GRI Renewable Industries in this regard.

IPRL: System of Excellence for Health and Safety Management

The IPRL (or Occupational Risk Prevention Indicator) is the new model of excellence for health and safety developed in-house by GRI Renewable Industries.

This management tool serves to develop a more specific health and safety consultancy function for each of the company's plants. In addition, as it is based on indicators that are common to all production sites, irrespective of their activity and technological conditions, it allows for a simple and objective evaluation, facilitating comparisons between plants and promoting continuous improvement.

IPRL objectives

The objectives of the IPRL are:

- Conduct a precise and objective evaluation of Health and Safety Management at each plant.
- Provide a "corporate reference standard" for Health and Safety at the plants.
- Establish a continuous improvement system based on a combination of experience and effort.
- Share full and objective information about the health and safety situation at each plant, compared with the rest of the company.
- Improve the support and supervision offered by the corporate department to the plants.

What does it measure?

The IPRL measures the performance of each plant in a total of 89 factors grouped into 3 categories: "Rates" (of accidents), "Working Conditions" and "ORP Management".

Each factor is linked to an aspect, apparatus or machine for which the basic health and safety standards to be attained are established. These requirements may be attained in full or in part by evaluating the impact and degree of exposure to the risks identified.

For the evaluation of the degree of fulfilment of the factors, a technical guide has been developed, setting out detailed descriptions in this regard. In the event that any situation not covered by this arises, the whole health and safety team will reach a joint decision as to how to resolve it.

IPRL INDEX

Rates 30%		Working conditions 35%		H&S Management 35%	
3 Factors		59 Factors		27 Factors	
Frequency Rate	27%	Routes of traffic (3 factors)	9%	Accident investigations	5%
Severity Rate	27%	Stores (5 fac.)	10%	Training	4%
Severe Accidents	45%	Lifting tools (4 fac.)	15%	Special works	5%
		Fire protection (3 fac.)	7%	Risk assessment	7%
		Productive machines (31 fac.)	32%	External companies	4%
		Auxiliary machines (6 fac.)	12%	Hearh surveillance	4%
		Environmental conditions (5 fac.)	8%	Safety inspections	5%
		Ergonomic conditions (2 fac.)	7%	Audits	3%

Results and decision-making

Lastly, by adding together the scores of all the IPRL factors, we generate a score between zero and a hundred, with zero being the ideal situation, and a hundred the most unfavourable. This score positions each plant in one of the following categories: "Excellent Management", "Adequate Management" and "Improvable Management".

The results serve to ascertain the situation of the plant in detail, and allow plants to prioritise and establish their own improvement objectives, giving them greater independence.

Review and continuous improvement

So as to implement this new management system, the internal Health and Safety team will perform a prior audit of each plant, to be repeated yearly. Once the plant has adopted this system, it will report its quarterly results to the corporate department, which will be responsible for compiling the indicators for all the plants and publishing the different results obtained.

Meanwhile, in order to keep the system updated, a review and improvement process will be conducted, covering all new aspects deemed necessary, and keeping the IPRL aligned with the company's strategic vision.

During 2015, the initial audit was conducted at the GRI Towers Galicia and GRI Flanges Iraeta plants. The implementation process continues in 2016.

Risk analysis

(G4-LA7*)

The Occupational Risk Assessment serves to identify and quantify the various risks. The company's entire risk prevention approach is then structured on the basis of the results of the assessment.

In 2015, only one job was identified as being exposed to risk. This was the shot-blasting/metallisation role at the GRI Towers Brazil plant, considered to involve a risk because of high exposure to noise, with 32 workers employed in this position (G4-LA7).

In order to minimise the risks and improve staff safety, workers use appropriate PPE.

Monitoring indicators: accident and absence rates

(G4-LA6)

Accidents

In 2015, the company was saddened by the fatal accident suffered by one of its male employees at GRI Towers India. Following the incident, the company undertook the relevant investigations and dedicated active efforts to explore and clarify the causes. Meanwhile, the measures required to avoid a repetition of any such situation were analysed and implemented at all facilities.

The different accident rates are detailed below:

Rate of accidents with absence

Calculated on the basis of the following formula:

$$\frac{\text{No. of accidents with medical leave in 2015}}{\text{No. of hours worked}} \times 100.000$$

Accidents with leave rate *	Own Personnel		External Personnel	
	M	W	M	W
Brazil	1.1	0.4	2.5	2.4
Spain	4.2	5.0	4.7	0,0
India	1.1	0.0	2.6	-
South Africa	0.7	0.0	1.2	0.0
Turkey	1.9	0.0	0.0	-
TOTAL	**2.0**	**2.1**	**2.0**	**0.1**

Rate of accidents without absence

Calculated on the basis of the following formula:

$$\frac{\text{No. of accidents without medical leave in 2015}}{\text{No. of hours worked}} \times 100.000$$

Accidents without leave rate*	Own Personnel		External Personnel	
	M	W	M	W
Brazil	2.9	0.8	5.1	0.0
Spain	11.1	9.4	12.4	0.0
India	2.2	0.0	1.3	-
South Africa	0.7	0.0	3.1	11.9
Turkey	2.8	0.0	0.0	-
TOTAL	**4.8**	**4.1**	**3.6**	**0.1**

G4-LA6

Rate of professional illnesses

Calculated on the basis of the following formula:

$$\frac{\text{No. of occupational diseases}}{\text{No. of hours worked}} \times 100.000$$

Occupational diseases rate*	Own Personnel	
	M	W
Brazil	0.1	0.0
Spain	0.1	0.0

*As for the other countries this rate is 0.0 for both genders.

Days lost

Rate of days lost through accident

Calculated on the basis of the following formula:

$$\frac{\text{No. of days lost due to occupational accidents}}{\text{No. of hours worked}} \times 100.000$$

Day lost due to accident rate*	Own Personnel	
	M	W
Brazil	18.6	23.7
Spain	70.3	235.5
India	9.8	0.0
South Africa	0.7	0.0
Turkey	12.7	0.0
TOTAL	**28.7**	**103.6**

*No information is available for external personnel.

Rate of days lost through absence

$$\frac{\text{No. of absence days}}{\text{No. of hours worked}} \times 100.000$$

For this rate is considered as absenteeism any cause of disability that results in an unplanned absence from work. It is not absenteeism the authorized absences, such as vacation, studies, parental leave and permits for humanitarian reasons.

Absenteeism rate	Own Personnel	
	M	W
Brazil	ND	ND
Spain	183.4	387.5
India	9.8	0.0
South Africa	114.8	759.1
Turkey	154.6	46.3
TOTAL	**83.9**	**147.35**

*Nor information is available for external personnel, nor for Brazil.

Local communities

Management Approach (DMA)

GRI Renewable Industries is a company committed to the communities where it has a presence, and is aware of the importance of its contribution to creating shared value and sustainable development.

Its activity represents a positive impact on the societies where it operates, through its purchases, job creation and the payment of taxes. It is furthermore involved in various initiatives pursuing local development and improvements to people's quality of life.

Generation of shared value

GRI Renewable Industries generates wealth in various ways, such as employment, purchases from local suppliers and the payment of taxes that help strengthen and consolidate the social and business fabric of the communities where it operates.

In this regard, the key figures for 2015 are:

- 321 million euros of economic value distributed.
- 2,238 employees on the workforce.
- 41 million euros allocated to salaries and other social benefits.
- 174 million euros at local suppliers.
- 14.6 million euros in taxes.

>>> GRI Renewable Industries is a company committed to the communities where it has a presence, and is aware of the importance of its contribution to creating shared value.

Local job creation

(DMA, G4-LA12 & G4-EC6)

The company believes that local job creation represents a significant boost to the regional economy.

In 2015, 96% of GRI Renewable Industries employees were of local origin, distributed as shown in the enclosed figure.

Country	Men			Women			Total
	Managers	Middle Managers	Plant & Office personnel	Managers	Middle Managers	Plant & Office personnel	
Brazil	88%	94%	ND	100%	100%	94%	94%
Spain	85%	85%	92%	100%	90%	97%	91%
India	100%	100%	100%	-	-	100%	100%
South Africa	100%	86%	100%	-	67%	122%	99%
Turkey	0%	100%	100%	-	100%	100%	100%
TOTAL	86%	90%	62%	100%	90%	97%	96%

It should furthermore be emphasised that 88% of the workforce is on a permanent contract, thereby serving to consolidate the local economy.

During this financial year the company created 23 new posts, and in accordance with growth and expansion forecasts, job creation will continue to increase.

Meanwhile, the budget for salaries and other social benefits amounted to 41,233 million euros.

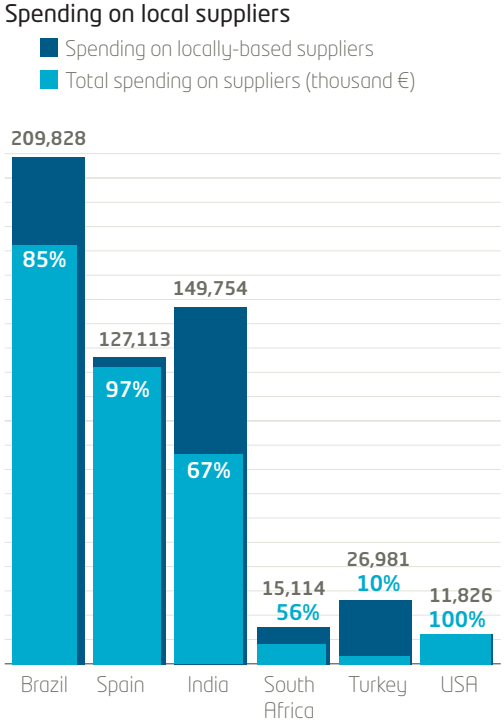
As regards indirect employment, external sources are used for some maintenance and operation activities performed by subcontractors. During the financial year, the company employed the services of 325 men and 10 women from subcontractor companies. Particular mention should also be made of the indirect employment generated by the construction of GRI Towers USA.

Local suppliers

(DMA & G4-EC9)

In 2015, GRI Renewable Industries dedicated 278,669 thousand euros to local suppliers, representing 86% of its total supplier budget.

The following graph summarises the distribution of the supplier budget by country.



Payment of levies and taxes

The towns and regions that are home to GRI Renewable Industries plants receive revenue in the form of levies, charges and taxes, which contribute to improvements to the quality of life and services of the local population. The amount paid in 2015 by way of local taxes and levies was 14.6 million euros, as detailed below:

Taxes paid in 2015	Amount (thousand €)
Brazil	4,646
Spain	7,891
USA*	ND
India	160
South Africa	327
Turkey	1,576
Total	**14,600**

*Amount not available

This information is reported on the basis of a cash criterion, as it is better aligned with the reality of the payments made.

Contribution to local development (DMA)

GRI Renewable Industries believes that the generation of value in society is an obligation towards the context within which it operates, and that it must offer solutions to the challenges that the business is required to face.

In order to achieve this objective, it aims to align social collaboration with its business activity, maintaining a fluid dialogue with the communities where it has a presence.

Dialogue

GRI Renewable Industries collaborates with public authorities on an altruistic basis, establishing relationships with local and regional authorities with complete transparency, in accordance with the guidelines set out in the Code of Ethics.

Meanwhile, the company believes that involvement in associations and bodies plays an important role, by allowing it to keep abreast of trends, take part in consultations, studies and working groups within the sector, and to contribute to the creation of a reference framework. Industrial organisations and other associations are detailed under indicator G4-16.

It should furthermore be emphasised that all the company's plants are located in industrial zones, and no environmental or social grievances have been raised, and as a result no studies into their impact on the environment or society have been required. (G4-SO2 & G4-SO11)

GRI Towers Galicia competes in 1st Company Race in Ourense

In March, GRI Towers Galicia took part in the First Company Race staged in Ourense.

The race was organised by a business association with the aim of strengthening ties among all companies in the region, within a fun context, while contributing to team-building.

Aware of the importance of combining sporting and business values, the plant had more participants than any other company, registering 4 teams of 4 entrants, who achieved creditable results.

Accolades

In recognition of its activities, GRI Renewable Industries has received the following accolades:

- "Best Investment Project" awarded to GRI Renewable Industries for its investment project in South Africa, at the Annual Investment Meeting (AIM).
- "Industrial Peace Award" awarded to GRI Towers India by the Trade Union of Maharashtra in recognition of the plant's efforts in helping to maintain a positive working climate through constant dialogue between management and employees.
- "Best Supplier of the Year" awarded to GRI Towers India by its client GE.

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Through its activity, the production of wind energy towers and flanges, GRI Renewable Industries supports the development of a new, more sustainable energy model based on clean and renewable energy.

Support for development

Products and sustainable development

Through its activity, the production of wind energy towers and flanges, GRI Renewable Industries supports the development of a new, more sustainable energy model based on clean and renewable energy. In 2015, its output contributed indirectly to the avoidance of emissions of 262,023 tonnes of CO_2.

Meanwhile, its products are manufactured from steel, the characteristics of which make it a 100% recyclable material, helping to reduce the consumption of natural resources and achieve energy savings, by turning waste into raw materials.

Furthermore, the company pursues efficiency in each and every one of its manufacturing processes, and works closely with its clients in order to apply the most innovative techniques and reduce environmental impact, thereby contributing to sustainable development.

Social action (G4-SO1)

In order to underpin the company's contribution to society, various partnership agreements have been established with non-profit organisations (see indicator G4-15), while corporate initiatives are also undertaken. In addition, most of its operational sites also undertake local initiatives focused on improving the quality of life of the local community.

Meanwhile, the company provides a sounding board for numerous local charities and foundations through its Internet platform "Charitable Initiatives 2.0". Employees regularly use this platform to publish volunteering opportunities and charitable events, such as food collection campaigns, inviting all the workforce to take part. This is one of the most popular areas of the intranet, with 184 subscribers.

Below are set out the most significant initiatives from 2015.

John XXIII Disability Foundation

- Healthy lifestyle campaign: undertaken at head office in Madrid and at Gestamp Hybrid Towers to raise awareness about healthy habits. It involved the publication of daily tips connected with positive habits, while organic mandarin oranges and juice from the Foundation's market garden were distributed.
- Procurement of services: the Foundation has a special employment centre of which the company is a client, hiring its function rooms for events, contracting its catering service, etc.

What Really Matters Foundation (LQDVI)

- Motivational conventions: the company supports the staging of these conventions, at which stories of personal achievement and success against the odds are presented. The company's employees are invited to attend.
- Courses in values: the Foundation has created a training unit based on the company's values, open to the general public.
- Enterprise idea generation course: involvement of a number of company employees at an event organised by LQDVI.

Word Central Kitchen (WCK)

- Nutrition and local development projects: financial support for this charity in its initiatives to deliver sustainable and quality nutrition to underprivileged areas.

Material aspects: Environmental Dimension

Following the materiality analysis conducted and described in the general basic content (G4-18, G4-19, G4-20 & G4-21) the most significant aspects connected with the company's environmental management are:

Subject	General matters of particular interest	Groups that consider the aspect material
Environmental Management	· Environmental management	**Internal:** CEO, Public Commitment, Policies and Strategy. **External:** Sector and Compliance.
Climate change and energy	· Emissions and climate change · Energy	**Internal:** CEO and Senior Management. **External:** Sector, Clients and Employees.

Over the course of the chapter, we set out the GRI Renewable Industries initiatives connected with these aspects.

Environmental performance

(G4-DMA)

GRI Renewable Industries is committed to respect for the environment, and so implements appropriate mechanisms to operate efficiently and responsibly and provide competitive and profitable products.

This undertaking is formalised by means of its Quality, Environment and Health and Safety Policy and the Integrated Management System. All the plants in operation are certified under standard ISO 14001:2008, except for GRI Towers South Africa and GRI Flanges Brazil. In 2014, training was delivered on the updating of this standard, and all plants in operation are expected to hold ISO 14001:2015 certification in 2017.

Meanwhile, GRI Renewable Industries complies with the obligations derived from the regulations in force, environmental impact studies and operating/activity licences.

It should be emphasised that its products, both the towers and the flanges, are essentially made of steel, and so are fully recyclable in nature, meaning that the environmental impact of the product at the end of its useful life is low.

Environmental management

GRI Renewable Industries measures and analyses levels of consumption, emissions, waste and discharges throughout the productive process to analyse its efficiency, and thereby establish periodic improvement targets serving to minimise its environmental impact without affecting the quality of its products.

Below are set out the main results for the 2015 financial year:

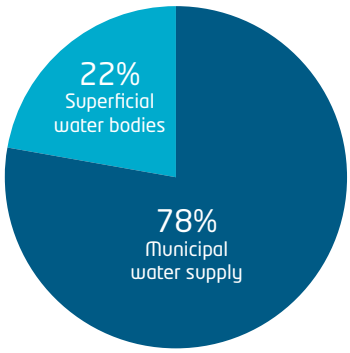
Consumption

The most significant consumption by GRI Renewable Industries is steel, amounting in 2015 to 262,023 tonnes, distributed as shown below.

Consumption 2015 (tons)	Brazil	Spain	India	South Africa	Turkey	Total
Steel	120,119	114,920	19,497	4,580	2,908	262,023
Flux	363	526	74	105	60,513	61,581
Painting	746	412	174	204	21	1,557
Grit	249	128	56	150	65	648
Welding wire	302	754	89	152	70	1,367

The activity undertaken by the company consumes little water, as it is practically unnecessary in the productive process. We monitor water consumption, considering it to be an increasingly scarce resource, although the figures are not significant.

In 2015, 49,161 m^3 of water were consumed, distributed as shown below:



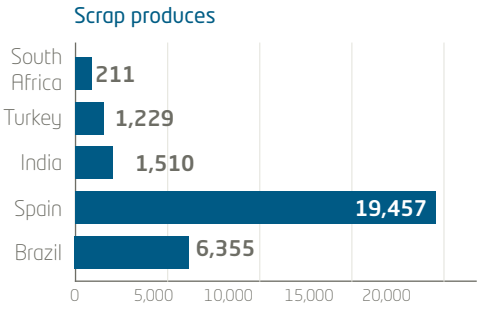
(GRI Towers South Africa is not included)

The company likewise monitors its energy consumption, given the importance attributed to this aspect in the materiality study for all information in this regard, as detailed throughout the chapter.

Waste

Non-hazardous waste: With total production of 28,762 tonnes in 2015, scrap metal is the company's main non-hazardous waste.

This waste comprises steel and, to a lesser extent, aluminium, and is derived both from process surplus and obsolete machinery. Waste scrap is sold for reuse, as there is a substantial consumer market.



Hazardous waste: The most significant hazardous wastes generated are detailed in the enclosed table:

Waste 2015 (t)	Brazil	Spain	India	South Africa	Turkey	Total
Welding flux	392	588	9	115	0	1,104
Steel Grit dust	194	220	38	59	0	510
Metallic contaminated packaging	121	17	1	5	4	148
Contaminated rags and PPEs	70	92	0	3	0	164

In 2015, environmental indicators and objectives were set at the corporate level for all the plants. Their purpose is to help measure and standardise environmental demands in all countries, since given their differing locations, the legislative requirements applicable to them are not uniform.

Definition of these aspects takes into account the most restrictive legal obligations, to ensure that there are no legal breaches in any case. These new indicators will be integrated and put into practice in 2016 within the Management System.

In addition, a project to homogenise the level of segregation and waste treatment at all plants in accordance with the European Waste Catalogue (EWC) is currently at the analysis stage.

Emphasis should also be placed on various initiatives focused on the more efficient use of resources, such as the reuse of serviceable welding flux, optimisation of the use of grinding discs, and the recovery of solvents.

Efficient recovery of solvents

The efficient use of raw materials is one of the keys to reducing the environmental impact of productive processes. In the case of GRI Renewable Industries, solvents represent significant waste from its productive process.

In this regard, the company has launched a plan to implement a partial solvent recovery system at its plants in Galicia and Brazil, allowing them to be reused.

The plan includes training in the usage of new installations, instructions on the monthly monitoring of recycled solvent, and evaluation of consumption compared with historical data.

The aim through this measure is to achieve a threefold objective: reduce solvent consumption, reduce the quantity of waste products (remnants of solvent and contaminated canisters), and thereby the costs associated with the acquisition of solvents and waste management.

Environmental expenditure and investment (G4-EN31)

In the 2015 financial year, GRI Renewable Industries dedicated €20,599 to environmental investments, and received income of €4,741,596 through the sale of scrap and other waste/by-products.

The environmental expenses for 2015 are detailed below:

Type of expenses	Importe (€)
Waste management and treatment	502,780.97
Emissions and discharges management	22,197.29
Legionella control	4,742.61
Other environmental expenses (training etc.)	2,827.39
Total	**532,548.26**

Environmental claims (G4-EN29)

During 2015, the company received no claims as a result of environmental impact, and no significant fines regarding any breach of environmental standards.

Climate change and energy

(DMA)

Climate change is increasingly significant, hence the growing need to establish strategies and targets that will help arrest global warming. These objectives are largely linked to energy consumption and fossil fuel use.

Within this sphere, emissions derived from the electricity sector and climate control represent some 25% of global greenhouse gas emissions (IPCC, Climate Change 2014: Mitigation of Climate Change).

Recent international agreements reached in the field of climate change are promoting the development of favourable markets for the production of renewable energy, thereby driving forward the development of the associated components industry.

GRI Renewable Industries, as an industrial supplier of products and services for wind energy, also contributes to fulfilment of the Sustainable Development Goals and the Global Compact Principles connected with the adoption of urgent measures to combat climate change.

Meanwhile, the activity of manufacturing towers and flanges represents substantial energy consumption. As a result, the company is developing measures to increase the energy efficiency of its processes, thereby reducing its carbon footprint and its environmental impact.

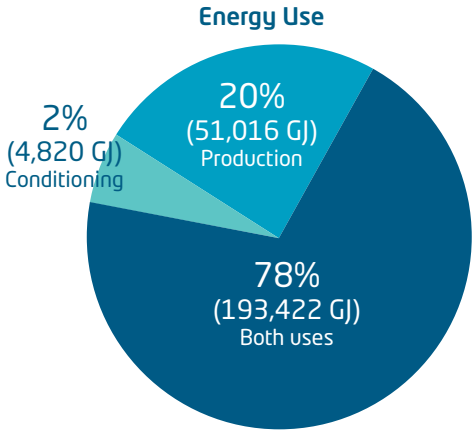
Below are set out the main indicators and initiatives regarding energy, emissions and climate change.

Energy

Internal energy consumption (G4-EN3)

In 2015, GRI Renewable Industries consumed 249,232 GJ of energy.

Most of the energy is consumed in the productive process, and to a lesser extent in the climate control of its plants.



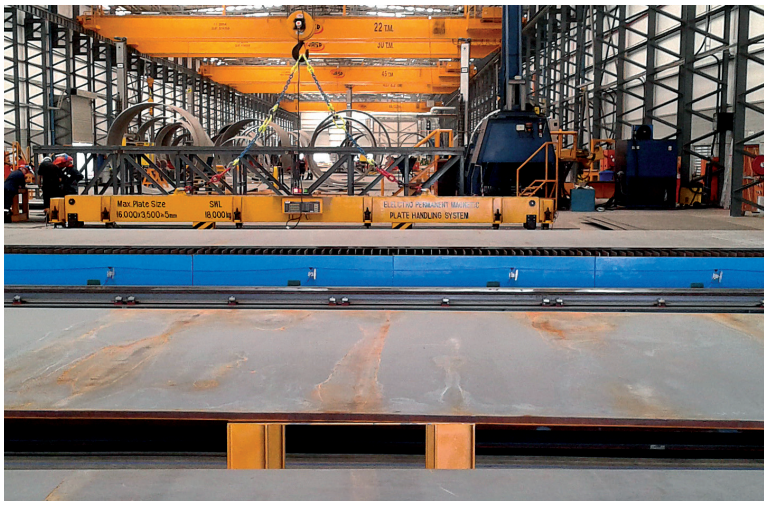
Below are detailed the consumption levels of the different plants in 2015:

Internal consumption (GJ)	Electricity	LPG	Natural Gas	Propane	Diesel
Brazil	51,438	1,106	14,910		1,693
Spain	52,214	0	74,079	1,141	4,820
India	11,320	552			1,196
South Africa	16,157	76			13
Turkey	13,110		4,472	935	
Total	**144,239**	**1,734**	**93,461**	**2,076**	**7,722**

Calculation of the conversion factors employed such recognised sources as DEFRA (Department for Environment, Food and Rural Affairs) and IDEA (Instituto para la Diversificación y Ahorro de la Energía).

In addition, GRI Renewable Industries Galicia consumed 27 GJ of renewable energy used for hot water.

No information is available as to external energy consumption. This is expected to be obtained in 2030 (G4-EN4).



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In the current context, with most energy consumed being derived from conventional sources and the use of fossil fuels, there is a need to promote measures focused on reducing energy consumption and improving efficiency.

Energy intensity (G4-EC2)

GRI Renewable Industries believes that measurement of the energy intensity is a good way of measuring the efficiency and impact of its processes.

The resulting annual ratio is calculated by dividing the internal energy consumption (G4-EN3) by the total weight of the products sold in each country. Internal energy consumption includes both electricity and fuel (LPG, Natural Gas, Propane and Diesel).

The table below sets out the results obtained:

Energy intensity	
Country	Consumption in GJ / tons of sold product
Brazil	33.27
Spain	19.74
India	7.21
South Africa	45.69
Turkey	8.86
Total	**19.12**

Reduction of energy consumption (G4-EN6 & G4-EN7)

In the current context, with most energy consumed being derived from conventional sources and the use of fossil fuels, there is a need to promote measures focused on reducing energy consumption and improving efficiency.

As regards the energy efficiency measures undertaken in 2015, the following initiatives were of particular significance:

- GRI Towers Galicia: replacement of current lighting elements with more efficient technologies. In July 2014, the light fittings at the plants were replaced with other more efficient versions, representing an investment of €199,425. In 2015, the success of the initiative was quantified, resulting in a reduction of 65.5% in overall lighting consumption compared with the previous year (corresponding to a reduction of 687.70 GJ).
- Central offices in Madrid: fluorescent light fittings were replaced with LED bulbs, with a longer service life and reduced consumption.

As for the increase in the efficiency of its products, as the design and characteristics are predefined by client requirements, GRI Renewable Industries has a limited role in this field.

Energy efficiency pilot programme

Given the importance now being given to energy efficiency at the company, in 2016 energy audits will be conducted at GRI Towers Galicia, GRI Flanges Iraeta and GRI Castings Zestoa, which will serve to evaluate the current situation and identify opportunities for improvement.

These audits have a twofold purpose:

- Comply with the obligations derived from Decree 56/2016, regarding energy efficiency;
- Serve as a pilot experiment to increase energy efficiency at the company, so as to be able to apply similar improvement measures at other plants.

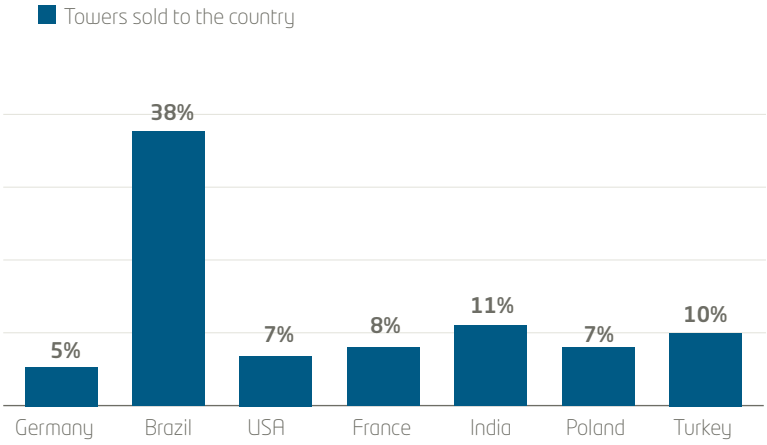
In addition, the results of this project will be studied to evaluate the possibility of obtaining ISO 50001 certification, for incorporation within the Integrated Management System.

Emissions and climate change (G4 EC2)

The main activity of GRI Renewable Industries is the manufacture of components for wind turbines (towers and flanges) intended for the generation of wind energy. This renewable and sustainable energy does not emit greenhouse gases into the atmosphere, thereby contributing to the mitigation of climate change.

In 2015, the company manufactured a total of 1,313 wind turbine towers. The distribution of the towers for the construction of wind farms is diverse, the most significant destination countries being as follows:

Main destination countries of wind towers sold



Other countries where towers produced by GRI Renewable Industries have been installed include Denmark, Portugal, Spain, Austria, Finland, Uruguay and South Africa.

The proportional weighting represented by the cost of the wind tower manufactured by GRI Renewable Industries out of the total structure is held to be 16.4%. If one estimates the net hours per year of turbine operation in those countries where they are present, the installed power rating, the conversion factor applicable to each country and the percentage of the cost of the towers out of the total structure, we estimate that we contribute to combating climate change with a total of 667,561.89 tonnes of CO_2 avoided in 2015.

The company has also launched an initiative to promote the use of electric vehicles by employees at its head office, and is developing various reforestation projects for 2016.

Promotion of sustainable mobility at head office

(G4-EN19)

Transport is currently one of the main factors responsible for greenhouse gas emissions. It is also a significant focal point of pollution, impacting on the health of people and ecosystems. The development of sustainable mobility initiatives is therefore a growing social demand.

Taking into account these principles, the company launched an initiative to foster the use of shared electric cars, targeting employees of the Madrid office with the aim of raising their awareness as to sustainable mobility, and reducing the emissions derived from their travel.

This campaign was presented by the CEO at an event staged at the end of the year, at which a number of employees were likewise awarded time for the use of these electric cars cost-free.

A report will be issued next year as to the success of this initiative and the satisfaction of the employees, and the emissions avoided in corporate travel thanks to the use of electric cars.

Greenhouse gas emissions

By measuring its carbon dioxide (CO_2) emissions, GRI Renewable Industries helps to improve the communication of its impacts and gathers specific data with a view to establishing possible improvement targets.

As regards the calculation of CO_2 emissions, they are reported in accordance with the Greenhouse Gas Protocol (GHG Protocol). To calculate the fuel emission factors, the Emissions Factors from Cross-Sectors Tools were employed (GHG Protocol - 2014), for R-22 in the IPCC Fourth Assessment Report: Climate Change 2007, and for electricity consumption, the mean emissions factors of the domestic electricity mix of each country for the period 2009-2011 according to the IEA (International Energy Agency).

Direct emissions: Scope 1 (G4-EN15)

These greenhouse gas emissions are, in the main, the result of the burning of fuel in the production process (natural gas, propane and diesel). In 2015, 6,074 tonnes of CO_2 were produced, distributed as shown below:

Direct emissions* (tCO_2)	
Country	Emissions
Brazil	1,050
Spain	4,585
India	123
South Africa	310
Turkey	6
Total	**6,074**

*Emissions calculated on the basis of operational control.

It should be pointed out that in 2015 there was only one R-22 recharge in Brazil, corresponding to 12 kg. None of the other plants reported any recharge of their equipment (G4-EN20).

Indirect emissions: Scope 2 (G4-EN16)

Indirect emissions correspond to those generated at electricity generation plants as a consequence of consumption at plants and offices, corresponding in 2015 to 13,652 tonnes of CO_2.

indirect emissions* (tCO_2)	
Country	Emissions
Brazil	1,043
Spain	3,989
India	2,843
South Africa	1,733
Turkey	4,044
Total	**13,652**

*Emissions calculated on the basis of operational control.

Other indirect emissions: Scope 3
(G4-EN17 & G4-EN30)

This scope includes emissions from corporate travel by plane and train, and transportation of employees to working sites, amounting to a total of 5,126 tonnes of CO_2, as summarised below:

Corpotate trips
2,016
CO_2 tons

Employee transportation to the workplace
3,110
CO_2 tons

Emissions derived from employee travel were estimated by means of a transport survey conducted last year.

Calculation of the emissions derived from plane travel was performed using the website: https://co2.myclimate.org/en/flight_calculators/new. Meanwhile, the emissions factors for the calculation of tonnes of CO_2 emitted during train journeys were obtained from the "Practical Guide for the Calculation of Greenhouse Gas (GHG) Emissions" issued by the Catalan Climate Change Office (March 2013 version).

Intensity of emissions
(G4-EN18)

GRI Renewable Industries likewise takes into account the intensity of emissions in order to measure the efficiency and impact of its processes.

The resulting annual ratio is calculated by dividing energy consumption for the sum of direct and indirect emissions (G4-EN15 and G4-EN16), by the total weight of the products sold in each country.

The table below sets out the results obtained:

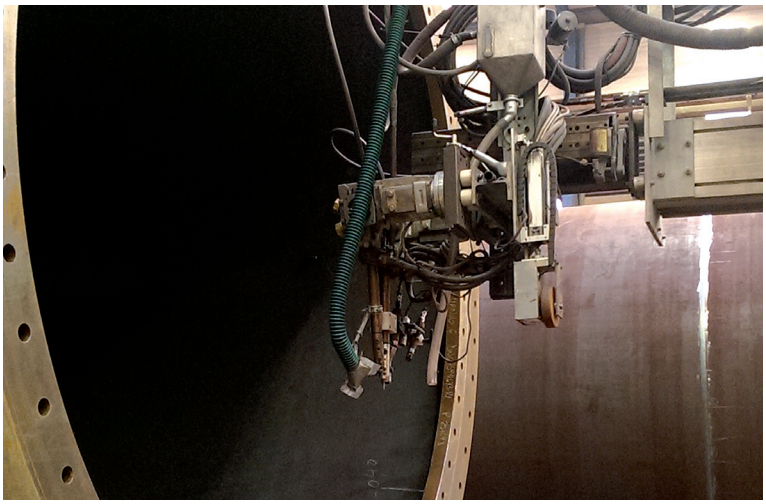
Emissions intensity	
Country	CO_2 tons / tons of sold product
Brazil	1.01
Spain	1.28
India	1.64
South Africa	11.39
Turkey	0.98
Total	**1.51**

Other emissions
(G4-EN21)

The productive processes of GRI Renewable Industries, in particular, shot-blasting, metallizing and painting, generate emissions of substances such as particulate matter, volatile organic compounds, total organic carbon and sulphur dioxide.

The company holds the corresponding licences and at no time exceeds the limits established therein. Nonetheless, the methodology measurement requirements are not uniform at the plants, in accordance with the local legislation applicable in each case, and comparable data cannot therefore be obtained.

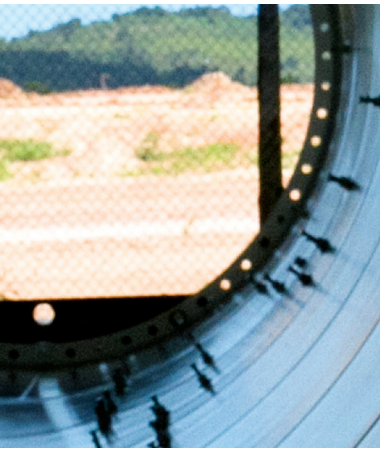
Given this circumstance, new indicators have been established to measure and monitor the emissions of each plant by employing a uniform criterion, the expectation being that it will be possible to report this information by 2017.



>>>
By measuring its carbon dioxide (CO_2) emissions, GRI Renewable Industries helps to improve the communication of its impacts and gathers specific data with a view to establishing possible improvement targets.

GRI Renewable Industries

Sustainability Report 2015



Part III
Annexes

Independent Review Report

Free translation from the original in Spanish. In the event of a discrepancy, the Spanish language version prevails.

INDEPENDENT LIMITED ASSURANCE REPORT
ON THE CORPORATE SOCIAL RESPONSIBILITY INDICATORS

To the Management of Gonvarri Eólica, S.L.:

We have carried out our work to provide limited assurance on the Corporate Social Responsibility indicators indicated in "GRI G4 Content Index " of the 2015 Sustainability Report (hereinafter "CSR Indicators") of Gonvarri Eólica, S.L. and its corporate group (hereinafter "GRI Renewable Industries") for the year ended 31 December 2015, prepared in accordance with the general basic and specific content proposed in the Guidelines for the Preparation of the Sustainability Report of the Global Reporting Initiative (GRI) version G4 (hereinafter GRI G4 Guidelines).

Responsibility of the Management

Management of GRI Renewable Industries is responsible for the preparation, content and presentation of the Sustainability Report in accordance with the Comprehensive option of the GRI G4 Guidelines. Management's responsibility includes establishing, implementing and maintaining the internal control required to ensure that the CSR indicators are free from any material misstatement due to fraud or error.

Management of GRI Renewable Industries is also responsible for defining, implementing, adapting and maintaining the management systems from which the information required to prepare the CSR indicators, is obtained.

Our responsibility

Our responsibility is to issue a limited assurance report based on the procedures that we have carried out and the evidence obtained. Our limited assurance engagement was done in accordance with the International Standard on Assurance Engagements 3000 (Reviewed) "Assurance Engagements other than Audits or Reviews of Historical Financial Information", issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC).

The scope of a limited assurance engagement is substantially less extensive than the scope of a reasonable assurance engagement and thus, less security is provided.

The procedures that we have carried out are based on our professional judgment and have included consultations, observation of processes, document inspection, analytical procedures and random sampling tests. The general procedures employed are described below:

- Meetings with GRI Renewable Industries' personnel from various areas who have been involved in the preparation of the Sustainability Report.
- Analysis of the procedures used for obtaining and validating the data presented in the CSR indicators.

PricewaterhouseCoopers Auditores, S.L., Torre PwC, Pº de la Castellana 259 B, 28046 Madrid, España
Tel.: +34 915 684 400 / +34 902 021 111, Fax: +34 913 083 566, www.pwc.com/es

R. M. Madrid, hoja 87.250-1, folio 75, tomo 9.267, libro 8.054, sección 3ª
Inscrita en el R.O.A.C. con el número S0242 - CIF: B-79 031290

- Analysis of the GRI Renewable Industries' CSR indicators adaptation to the requirements established by the GRI G4 Guidelines for the preparation of reports and to the Construction and Real Estate Sector Supplement.

- Verification, through random sampling tests revisions and substantive tests on the quantitative and qualitative information used to determine GRI Renewable Industries' CSR indicators. We have also verified whether they have been appropriately compiled from the data provided by GRI Renewable Industries' sources of information.

Our Independence and Quality Control

We have fulfilled our work in accordance with the independence requirements and other ethical requirements of the Code of Ethics for Professional Accountants of the International Ethics Standards Board for Accountants (IESBA), which are based on basic principles of integrity, objectivity, professional competence and diligence, confidentiality and professional conduct.

Our firm applies the International Standard on Quality Control 1 (ISQC 1) and thus employs an exhaustive quality control system which includes documented policies and procedures on the compliance of ethical requirements, professional standards, statutory laws and applicable regulations.

Limited assurance conclusion

As a result of the procedures carried out and the evidence obtained, no matters have come to our attention which may lead us to believe that the indicated GRI Renewable Industries' CSR indicators, for the financial year ending 31st December 2015, contain significant errors or have not been prepared, in all of their significant matters, in accordance with the G4 GRI Guidelines.

Use and Distribution

Our report is only issued to the Management of GRI Renewable Industries, in accordance with the terms and conditions of our engagement letter. We do not assume any liability to third parties other than GRI Renewable Industries' Management.

PricewaterhouseCoopers Auditores S.L.

Mª Luz Castilla
29 July 2016

GRI G4 Content Index

External verification: The contents of this index have been externally verified by the independent entity PwC, except for the indicators G4-EC3, G4-EN19, G4-LA2, G4-LA7 and G4-LA9. As the indicators G4-EN4, G4-EN7, G4-EN21, G4-54 and G4-55 are not available or are not applicable they haven't been verified neither.

The related independent review report for verification can be found in the Annex of this document.

Part I. General Standard Disclosures

Description

1. Strategy and analysis

	Page	Omissions
G4-1	8-11	
G4-2	12-14	

2. Organizational profile

	Page	Omissions
G4-3	15	
G4-4	15-17	
G4-5	15	
G4-6	16-17	
G4-7	18	
G4-8	18	
G4-9	19	
G4-10	19, 57	
G4-11	19	
G4-12	20-21	
G4-13	22	
G4-14	22	
G4-15	22-23	
G4-16	23	

3. Identified material aspects and boundaries

	Page	Omissions
G4-17	24	
G4-18	25-26	
G4-19	26	
G4-20	27-30	
G4-21	27-30	
G4-22	30	
G4-23	30	

4. Stakeholders engagement

	Page	Omissions
G4-24	31	
G4-25	31	
G4-26	31	
G4-27	27-30	

5. Report profile

	Page	Omissions
G4-28	32	
G4-29	32	
G4-30	32	
G4-31	32	
G4-32	32, 82-88	
G4-33	32	

6. Governance

	Page	Omissions
G4-34	33	
G4-35	33	
G4-36	33	
G4-37	33	
G4-38	33-34	
G4-39	34	
G4-40	34	
G4-41	34	

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G4-46	35	
G4-47	35	
G4-48	35	
G4-49	36	
G4-50	36	
G4-51	36	
G4-52	36	
G4-53	36	
G4-54	-	Information not available due to the absence of homogeneous measurement methodologies. It will be reported in 2017.
G4-55	-	Information not available due to the absence of homogeneous measurement methodologies. It will be reported in 2017

7. Ethics and integrity

	Page	Omissions
G4-56	37	
G4-57	37	
G4-58	37	

Part II. Specific Standard Disclosures

Economic Dimension

1 Financial management

Basic specific contents	Information about management approach and indicators	Page	Omissions
Economic Performance	DMA	41-42	
	G4-EC1	43	Taxes reported follow the cash basis so they could not be verified.
	G4-EC2	41, 75	Risks linked to climate change are not mentioned because they are considered irrelevant compared to the benefits, and therefore not considered applicable.
	G4-EC3	56	Information not verifed .
	G4-EC4	43	

2. Product

Basic specific contents	Information about management approach and indicators	Page	Omissions
Product and Service Labeling	DMA	44, 45	
	G4-PR3	45	
	G4-PR4	45	
	G4-PR5	44	

3. Governance

Basic specific contents	Information about management approach and indicators	Page	Omissions
Anti-competitive Behavior	DMA	48	
	SO7	48	
Compliance	DMA	48	
	SO8	48	
	PR9	48	
Grievance Mechanisms	DMA	48	
	G4-EN34	48	
	G4-LA16	48	
	G4-HR12	48	
Anti-corruption	DMA	49	
	G4-SO3	49	
	G4-SO4	49	
	G4-SO5	48, 49	

Environmental Dimension

1. Environmental Management

Basic specific contents	Information about management approach and indicators	Page	Omissions
Compliance	DMA	71	
	G4-EN29	73	
Overall	DMA	71	
	G4-EN31	73	

2. Climate Change and energy

Basic specific contents	Information about management approach and indicators	Page	Omissions
Energy	DMA	73	
	G4-EN3	73-74	
	G4-EN4	74	Information not available. It would be reported in 2030.
	G4-EN5	74	
	G4-EN6	74	
	G4-EN7	74	As for the increase in its product's efficiency, GRI Renewable Industries has a limited role in this field as the customers predefines the design and characteristics of the products.
Emissions	DMA	73	
	G4-EN15	76	
	G4-EN16	76	
	G4-EN17	77	
	G4-EN18	77	
	G4-EN19	76	The success and the emissions avoided due to the initiative described on page 76 as will be reported in 2017.
	G4-EN20	76	
	G4-EN21	77	Information not available due to the lack of homogeneous measurement methodologies. It will be reported in 2017.

Social Dimension

1. People

Basic specific contents	Information about management approach and indicators	Page	Omissions
Employment	DMA	51	
	G4-LA1	55	
	G4-LA2	55-56	Information not verified.
	G4-LA3	55	
Training and education	DMA	52	
	G4-LA9	53, 60	Information not verified.
	G4-LA10	52	
	G4-LA11	53	Breakdown by professional category not available. It wil be reported in 2017.
Non-discrimination	DMA	58	
	G4-HR3	37, 58	
Freedom of Association and Collective Bargaining	DMA	58	
	G4-HR4	12, 58	
Child labor	DMA	58	
	G4-HR5	12, 58	
Forced or Compulsory labor	DMA	58	
	G4-HR6	12, 58	
Security Practices	DMA	58	
	G4-HR7	58	
Assessment	DMA	58	
	G4-HR9	58	

2. Occupational Health and Safety

Basic specific contents	Information about management approach and indicators	Page	Omissions
Occupational Health & Safety	DMA	59	
	G4-LA5	59-60	
	G4-LA6	60, 64-65	
	G4-LA7	64	Información no verificada.
	G4-LA8	59	

3. Local Community

Basic specific contents	Information about management approach and indicators	Page	Omissions
Market Presence	DMA	58, 66	
	G4-EC5	58	
	G4-EC6	66	
Procurement Practices	DMA	65	
	G4-EC9	66	
Local Communities	DMA	65	
	G4-SO1	68-69	
	G4-SO2	67	
Grievance Mechanisms for Impacts on Society	DMA	67	
	G4-SO11	67	

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 GRI Renewable Industries' progress concerning these principles by the following this table:

Aspect	UN Global Compact Principles	Progress included in chapter
Human Rights	**Principle 1:** Businesses should support and respect the protection of internationally proclaimed human rights; and	Part I. General Standard Disclosures
	Principle 2: make sure that they are not complicit in human rights abuses.	Part I. General Standard Disclosures
Labour Rights	**Principle 3:** Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	Part I. General Standard Disclosures
	Principle 4: the elimination of all forms of forced and compulsory labour;	Part I. General Standard Disclosures
	Principle 5: the effective abolition of child labour;	Part I. General Standard Disclosures
	Principle 6: the elimination of discrimination in respect of employment and occupation.	Part I. General Standard Disclosures
Environment	**Principle 7:** Businesses should support a precautionary approach to environmental challenges;	Part I. General Standard Disclosures
	Principle 8: undertake initiatives to promote greater environmental responsibility; and	Part II. Environmental Dimension
	Principle 9: encourage the development and diffusion of environmentally friendly technologies	Part II. Environmental Dimension
Anti-corruption	**Principle 10:** Businesses should work against corruption in all its forms, including extortion and bribery.	Part II. Economic Dimension

Scope consolidation of Gonvarri Eólica S.L. and subsidiaries

Scope consolidation. The group was composed by the following companies at the end of 2015

Subsidary/ Associated company	Country
Gestamp Wind Steel Pernambuco, S.A.	Brazil
Iraeta Brasil, S.A.	Brazil
G&B Wind Services, S.A.	Brazil
Corte e Biselado, S.A.	Brazil
Gonvarri Eólica, S.L.	Spain
GRI Renewable Industries, S.L.	Spain
Gonvaeólic, S.L.	Spain
Gestamp Wind Steel Galicia, S.L.	Spain
Gesberg Investment Holding, S.L.	Spain
Forjas Iraeta Heavy Industry, S.L.	Spain
GRI Towers Sevilla, S.L.	Spain
GRI Castings, S.L.	Spain
Gestamp Hybrid Towers, S.L.	Spain
Shrenik Industries PVT, LTD.	India
Gestamp Powergear Windsteel, PVT.	India
Gesbey Enerji Turbini Kule Uretim Sanayi Ve Tikaret As.	Turkey
Gestamp Wind Steel US INC.	USA
Gri Wind Steel South Africa, LTD.	South Africa


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continues at
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