



GRI

Renewable
Industries

Sustainability Report 2020

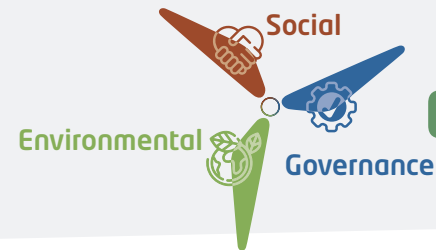
Doing Well



by doing **Green**



GRI



ESG CULTURE

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GRI Renewable Industries

GRI Renewable Industries has the purpose “**Doing Well by Doing Green**”.
Only by acting well do we manage to do things right; by believing
in what we do, acting honestly and coherently.



Letter from the Chairman

Jon Riberas

102-14

Dear readers,

2020 was clearly marked by the unprecedented health crisis resulting from the COVID-19 pandemic, where millions of people and their families have experienced drastic consequences, and global economic activity has dramatically slowed down in almost all sectors, altering all forecasts.

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

Within this context, and for the seventh year running, we present the GRI Renewable Industries Sustainability Report for the 2020 financial year. We have also renewed and maintained our commitment to the Global Compact for another year, promoting compliance with the 10 Universal Principles and in line with the Sustainable Development Goals.

GRI Renewable Industries has been challenged by this crisis and has responded with all its resources as well as with the collaboration of its workforce. Despite the interruptions in production at most of the plants, our teams managed to continue working in order to ensure the supply of towers under stringent safety conditions to minimize the impact of this pandemic on employment, business development and the future of the company.

Although the effects of the pandemic have also been felt in the economy, affecting most sectors around the world, the global commitment to renewable energies, together with the measures taken to minimize this impact, allowed us to close the year in a satisfactory manner in most countries.

The 2020 financial year was characterized by reasonable growth in general, particularly in China. We closed the year with a turnover of 759 million euros, 16% more than in the previous year, and allocated 28 million euros to investments, including the projects for the new 8-meter diameter offshore flange line in China (5 million euros) and the expansion in Brazil to increase production capacity (6.7 million euros).

In line with current trends and challenges, this Report describes our corporate culture and how the company embraces sustainability under an Environmental, Social and Governance (ESG) approach in all business areas. This enables us to structure the business impact, initiatives and opportunities aligned with this approach.



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ESG

As for the **Environment**, GRI Renewable Industries' commitment to climate change is reflected in the "2030/2050 Carbon Neutral Plan" which includes a new roadmap in line with the demands of our stakeholders.

By means of this Plan, we are committed to having 100% of our electricity from renewable sources and reducing fossil fuel emissions by 50% by 2030.

In addition, our company continues to work on the implementation of renewable energies in factories, the purchase of energy from renewable sources (PPAs), energy efficiency and new technologies. We also continue to make progress in the "One tower, one tree project".

Our contribution to the "Circular Economy" by using steel, our most relevant raw material, as it is 100% recyclable, also plays an important role.

ESG

With regard to **Social** matters, in view of the complex situation resulting from the pandemic, it is worth highlighting the precautionary and safety measures implemented to preserve the health of all employees and their families, according to the changing needs of each region, in order to continue operating and meet the needs of our customers while maintaining employment at a stable level.

To this end, action protocols were designed whereby, among other measures, we carried out immunological tests and temperature measurements, increased cleaning and disinfection, sectorized the work centers, restricted the use of common areas, made check-in and check-out times more flexible, reduced business trips and provided protective materials, including the mandatory use of face masks.

All of this has allowed us to continue promoting quality employment with a future. The company has not only maintained its workforce, but also increased it by 6% compared to the previous year.

Lockdown measures had a direct impact on the way we communicate, which has meant that the "Digital WorkPlace" digital transformation project has accelerated its implementation among our staff. This has helped us to manage activity and communication in an agile and secure way across the different areas and countries.

ESG

In the area of **Governance**, we made further progress in approving compliance policies and procedures, incorporating new training proposals for all Group employees and improving communication and management of the Ethics Channel, which is showing increasing participation, to ensure that any person working in the Group can report any issues or concerns anonymously.

In order to strengthen the "Carbon Neutral" commitment, we improved the monitoring and measurement mechanisms through a "Governance Model", formed by a carbon neutral committee and an operational team.

The company also signed its first sustainable financing under the Sustainability Linked Loan Principles (SLLP) framework of the 2020-2024 Loan Market Association.

Finally, I would like to send my gratitude and a message of encouragement and hope to all employees and partners for their efforts and commitment in these uncertain times, especially to those who are struggling to deal with the disease and its consequences.



Our Company

Since its beginnings in 2008, GRI Renewable Industries has experienced sustainable and profitable growth. Currently we are present in 8 different countries and count with 16 operating plants and three business lines: towers, flanges and castings.

GRI Renewable Industries

102-1, 102-2, 102-3, 102-5 AND 102-16

GRI Renewable Industries S.L. (GRI Renewable Industries or the Company onwards) was founded in 2008 as the main provider of towers, flanges and castings for the renewable energy sector. We use cutting-edge technology to supply high quality products and services all around the world.

The company has a global corporate culture that has maintained the same values since its origins but is adapted to the local needs of each country, current market conditions and stakeholder demands.

It is worth noting that 2020, despite the impact of the COVID 19 pandemic, was a good year, with all factories in operation, except for mandatory closures by the respective governments, and where significant improvements were made in the area of efficiency and innovation.

Mission

GRI Renewable Industries mission is to **globally meet the needs of our customers** considering their activity, the safety of our employees and the respect for the environment.

Vision

Global and innovative **leader** in the manufacturing of wind turbine components, **creating a more sustainable** and emission-free future for everybody.

Values

Honesty Humility Tenacity Wor



Main brands and products

102-2

The company operates under the brand of GRI Renewable Industries, keeping the same structure and specifying the product or service personalized to each country and region.



GRI Towers

This division is responsible for the manufacturing of towers for the main wind energy OEMs in accordance with the specifications defined by these.

It has nine operating facilities for “onshore” towers in Galicia, Brazil, Turkey, India I & II, South Africa, Argentina and the USA, as well as a plant in Seville to manufacture “offshore” towers.

GRI Flanges

Its activity is the manufacturing of flanges (structure designed to join segments of wind towers).

It has six operating plants distributed over Spain, Brazil and four in China.

GRI Castings

Its activity is the casting of steel to produce components for the wind industry.

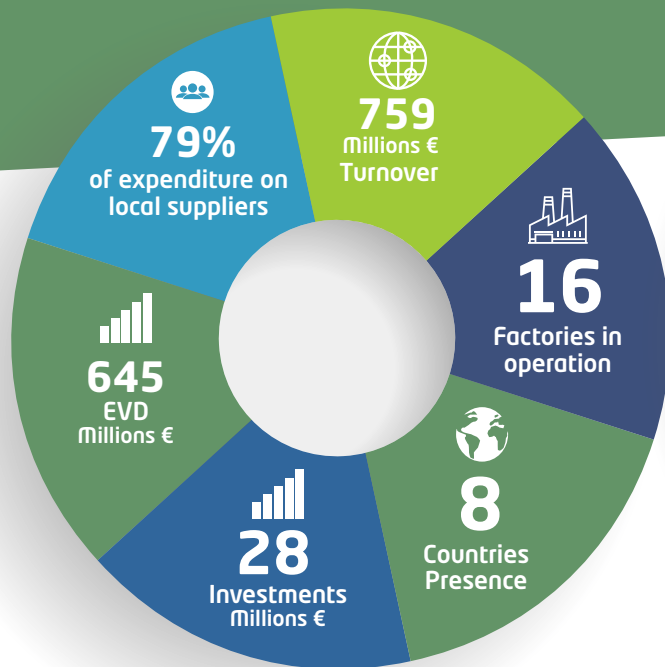
Currently it has one plant in Spain, “GRI Castings Zestoa”, but expanding production of pieces and tooling has not been ruled out.



Main Figures

2020 GRI figures ¹⁰²⁻⁷

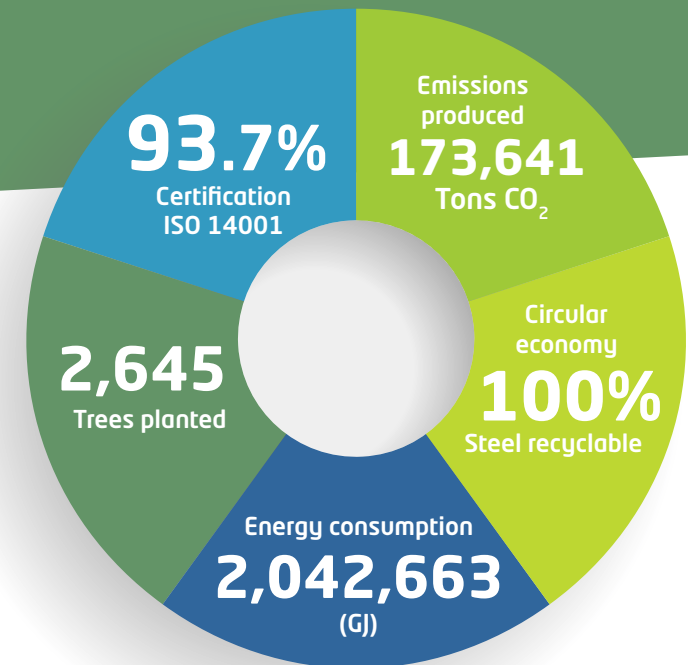
GRI Renewable Industries understands the Sustainability as a model that integrated responsible management and a commitment of ethics, transparency and collaboration with our stakeholders, in order to enjoy a cleaner environment and with fewer inequalities that contributes to achieve the Sustainability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



Economic Contribution



Social Contribution

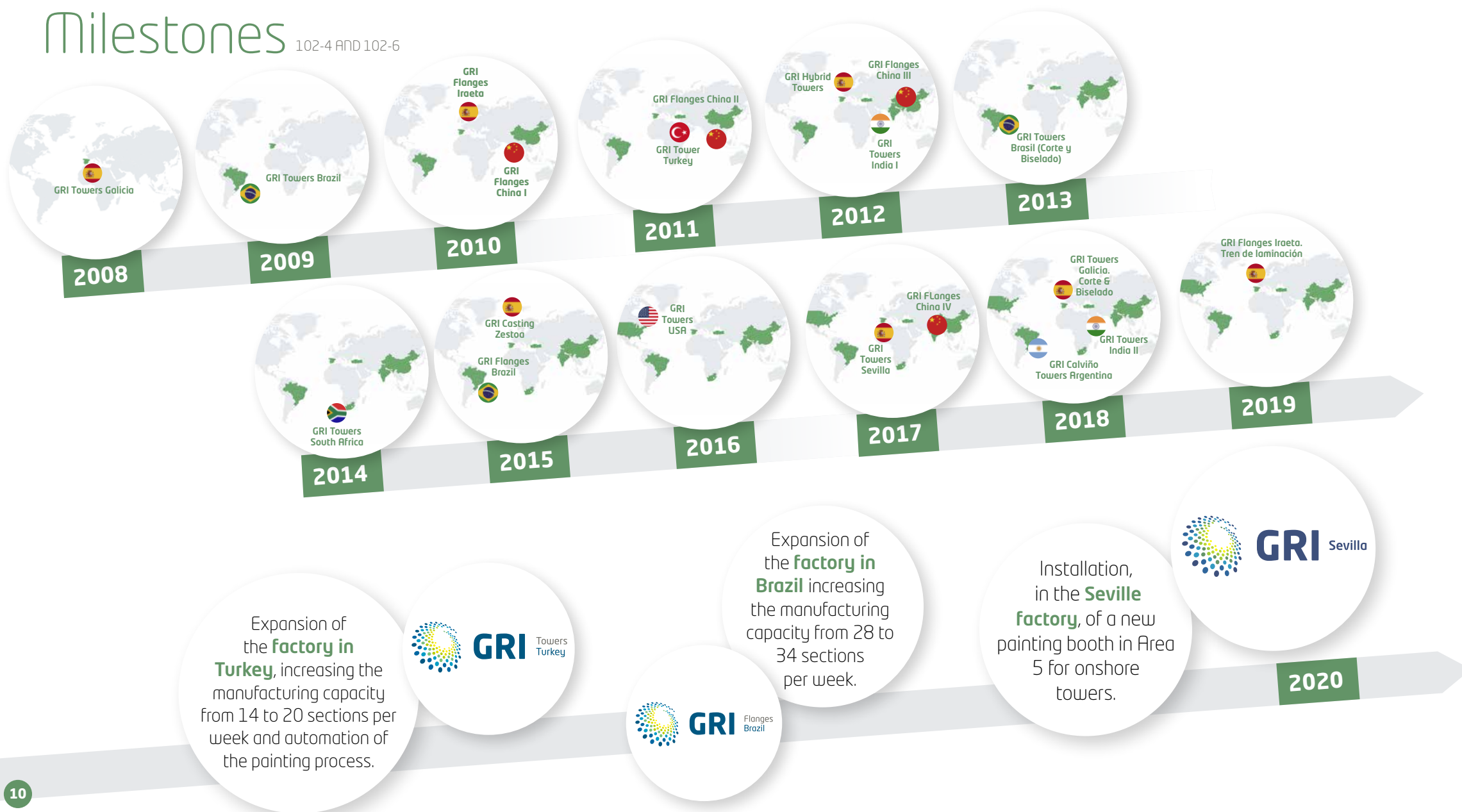


Environmental Contribution



Milestones

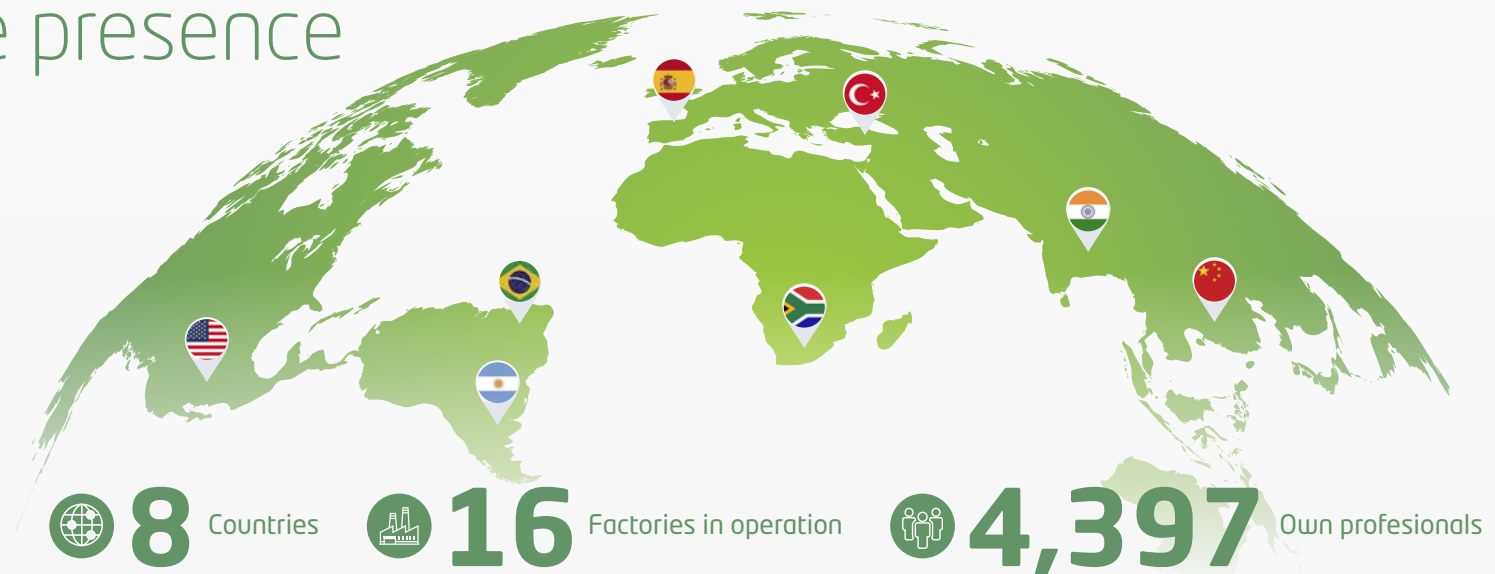
102-4 AND 102-6








Worldwide presence








102-4 AND 102-6




Factories

-  Towers
-  Flanges
-  Castings











AMERICA

-  USA
 -  GRI Towers USA
-  BRAZIL
 -  GRI Towers Brazil
 -  GRI Flanges Brazil
-  ARGENTINA
 -  GRI Calviño Towers Argentina

EUROPE

-  SPAIN
 - Headquarters**
 -  GRI Towers Galicia
 -  GRI Towers Sevilla
 -  GRI Flanges Iraeta
 -  GRI Castings Zestoa

ASIA

-  TURKEY
 -  GRI Towers Turkey
-  CHINA
 -  GRI Flanges China I
 -  GRI Flanges China II
 -  GRI Flanges China III
 -  GRI Flanges China IV
-  INDIA
 -  GRI Towers India I
 -  GRI Towers India II

AFRICA

-  SOUTH AFRICA
 -  GRI Towers South Africa



Balance

In recent years, GRI Renewable Industries has made an extraordinary investment effort totalling close to 500 million euros since its creation.

201-1

In recent years, GRI Renewable Industries has made an extraordinary investment effort totalling close to 500 million euros since its creation. Despite the global pandemic that impacted all the countries where GRI operates, 2020 was a year characterised by strong growth in both the towers and flanges divisions, especially in China.

The company's key economic figures are outlined below:

Economic Value Generated (EVG) with a total of 769,426 thousand euros, distributed as follows:

Economic Value Generated			
(thousand euros)			
	2019	2020	
Turnover	636,827	759,440	
Financial revenue	5,308	5,007	
Other revenue	2,799	4,979	
> Total EVG	644,934	769,426	

Economic Value Distributed (EVD) amounting to a total of 644,547 thousand euros, distributed as follows:

Economic Value Distributed			
(thousand euros)			
	2019	2020	
Operational costs	481,881	487,334	
CAPEX	30,558	28,234	
Payment to capital providers	14,336	10,698	
Taxes	16,010	39,134	
Personnel	79,844	79,137	
Investments in the community	11	10	
> Total EVD	622,640	644,547	

Economic Value Retained (EVR) with a total of 124,879 thousand euros.

The **Net worth** of the company is 392,122 thousand euros.



TAX information

207-4

The locations where GRI Renewable Industries is present received a total of 39,134 thousand euros through business rates, taxes and levies, which contribute to improving the quality of life and the services available to the local population. Its distribution per country is given below:

Local taxes

(thousand euros)

Brazil	2,668
China	21,930
Spain	10,752
India	-669
Turkey	2,107
USA	1,371
South Africa	975
> Total	39,134

GRI Renewable Industries is immersed in a new process of reporting certain financial and tax magnitudes. Country-by-Country (CbC) reporting for each of the Group's foreign companies is carried out during the month of October for December reporting to the tax authorities.

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

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

The company received 4,176 thousand euros (201-4) in the form of tax incentives by public administrations as shown below:

Tax Benefits

(thousand euros)

	2019	2020
Tax reliefs and tax credits	682	1,536
Subvention	183	243
R&D	251	147
Financial Benefits	703	2,250
> Total	1,819	4,176

As for other accounting obligations, the companies that make up the GRI Renewable Industries Group are, for the most part, obliged to prepare annual audit reports on their individual annual accounts regarding the total volume of their assets, turnover and average workforce. There are no exceptions to those reports.

Following approval by the corresponding body, these reports are presented, in due time and form, to the Mercantile Register for each financial accounting year, with the legalization of the Official Records and the filing of the Annual Accounts. Furthermore, the companies of the group have no outstanding Social Security, General Treasury or tax payments.



Sustainable funding 412-3

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

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

For the establishment of sustainable objectives and indicators, the reference framework of the "Sustainability Linked Loan Principles" (SLLP) of the Loan Market Association is followed. G-Advisory, as "Second Party Opinion" and EY as "Sustainability Rating Agency" were involved in the definition of the SLLP.

EY is also in charge of verifying compliance with the annual objectives proposed for the 2020-2024 period through the corresponding Sustainability Reports. Below the proposed objectives for GRI Renewable Industries are summarised.

HOLDING GONVARRI*

The following is a summary of the results of the objectives established for the parent company Holding Gonvarri, the results of which are included in these notes to the consolidated financial statements.

Holding Gonvarri	2020	2021	2022	2023	2024
Renewable energy	1.0%	2.0 %	8.5 %	12%	15%
Digitalization	50%	55%	60%	65%	70%

Following an analysis of the information and data corresponding to the companies GRI Renewable Industries and Gonvarri Industries, which consolidate in Holding Gonvarri, it is evident that the established targets have been met. A weighted average of 68.7 % has been achieved in terms of digitalization and 2.3% of energy from renewable sources, both higher than the planned target for the financial year 2020.

*Refereed in this report, as Holding Gonvarri does not present a sustainability report.

SLLP category	Renewable energy
Goal	20% of electricity consumption from renewable energy sources
Period	2020-2024 (FY 2019)
SDGs	SDG 13 "Climate Action" and indirectly with SDG 7 "Ensure access to affordable, reliable, sustainable and modern energy for all" and SDG 17 "Alliances"

Consumption of renewable sources of energy

To achieve the 20% renewable sources of energy consumption goal, the following targets are set:

GRI Renewable Industries

	2020	2021	2022	2023	2024
Goal suggested	0%	2%	12%	19%	20%

After analyzing the information and data corresponding to the 2020 fiscal year within the defined scope, where projects for renewable energy sources have been analysed and approved. Among others: signing of the contract for obtaining electricity from renewable sources in Spain, from January 2022. Renewable energy sources are described in the corresponding chapter on energy and climate change.

SLLP category	Global ESG assessment
Goal	70% (weighted average) of users with a license use the DWP tools.
Period	2020-2024 (FY 2018)
SDGs	SDG 9. "Industry, Innovation and Infrastructure", SDG 8. "Decent work and economic growth", SDG 13 "Climate Action" and SDG 17 "Alliances".

Digitalization

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

GRI Renewable Industries

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

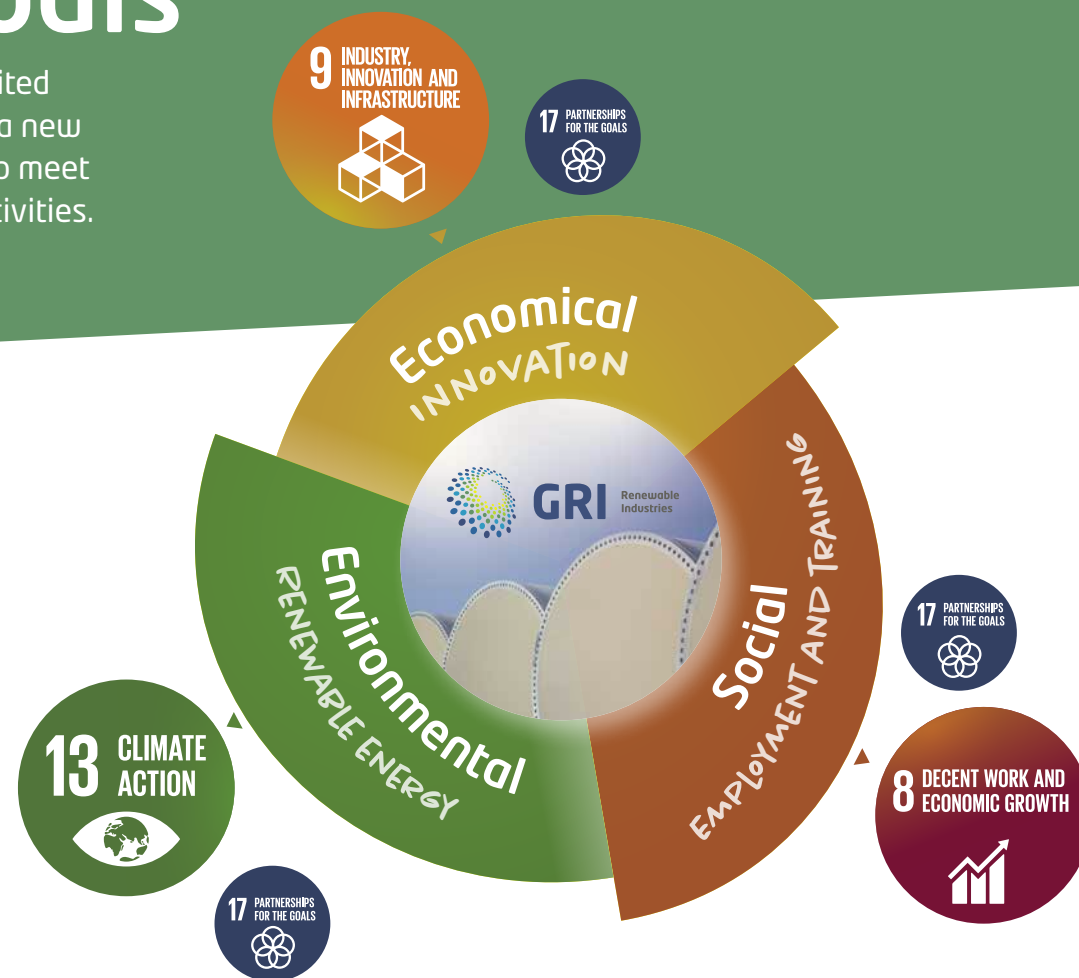
After analyzing the information and data corresponding to fiscal year 2020 in the defined scope, it is evident that the established goal has been met. A weighted average of 62% has been achieved, much higher than the planned target due to the long duration of the COVID 19 pandemic and the significant reduction in travel and face-to-face meetings.



Commitment to the Sustainable Development Goals

GRI Renewable Industries, following the launch of the United Nations' Sustainable Development Goals (SDGs) in 2015, a new roadmap, aligned with Agenda 2030, was initiated to help meet these objectives, particularly those related to our core activities.

It therefore defined and integrated significant economic, social and environmental (ESG) objectives into its strategy for a more profitable and sustainable future, strongly committed to the creation of long-term value and care for the environment, aligned with these objectives, as summarised below:





Climate change and the SDGs

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

Within this framework, the Fight against Climate Change is directly aligned with SDG 13 "Climate Action", SDG 7 "Ensure access to affordable, reliable, sustainable and modern energy for all" and SDG 15 "Life on land".

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

In this line, forests are enormously beneficial in this context (protection of biodiversity, water conservation, reduction of erosion, etc.) and they play a critical role in the storage of CO₂. However, deforestation and the constant loss of tree cover have increased steadily over the last 18 years, due to various causes such as fires and indiscriminate logging.

Trees and forests have a direct relation to climate change. On one hand, changes in the climate affect forests through changes in rainfall patterns, increases in average annual temperatures, and through the upsurge of extreme weather events. On the other hand, forests contribute to curbing climate change, by trapping and storing CO₂.

Therefore, a long-term reforestation project was initiated in 2015, named "**one tower, one tree**". The aim is to balance, as far as possible, the number of trees planted with the number of towers manufactured.

The main monitoring KPIs are summarised below:



- 1 Offset part of our CO₂ emissions through reforestation projects, by matching or exceeding the total number of produced towers with the total number of planted trees.

Within the framework of the "one tower one tree" project, in 2020, a total of 2,645 trees were planted in Spain, compared to 1,674 towers produced.



- 2 Increase annually the CO₂ avoided/offset with reforestation plans, aiming to avoid 100 tons/year in 2020.

Within the framework of the "one tower one tree" project, a total of 31 tons were avoided, totalling 114 t/year when added to previous years. Therefore, the planned objective has been exceeded.



- 3 In order to continue these initiatives and as the 2nd objective has been achieved this year, we summarise below the new objective to be reported on from next year onwards:

To have 30% of the group's renewable energy from renewable sources (purchase, PPA projects and installation of renewables) in the period 2021-2025.

9 INDUSTRY, INNOVATION
AND INFRASTRUCTURE

Innovation and the SDG

In recent years we have seen a business sector purchasing increasing volumes of renewable energy, driven by sustainability objectives and increased procurement supply.

Within the wind energy sector, the advances have mainly focused on the aero-generators, which are becoming increasingly powerful, efficient, better fitted and adapted to the different weather conditions. This increase in the output of the aero-generators also requires adjustments and improvements in other components, such as the towers and flanges.

At GRI Renewable Industries we have a team of innovation experts dedicated to the design and improvement in the manufacture of towers and flanges that are increasingly light, efficient and competitive, and to the development of new products adapted to market conditions, to meet the objectives set by each client.

Therefore, we consider many of our initiatives to be directly aligned with SDG 7 "Ensure access to affordable, reliable, sustainable and modern energy for all" and with SDG 9, more precisely goal 9.4 "by 2030, we must upgrade infrastructure and retrofit industries to make them sustainable, with increased resource use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, all countries taking action in accordance with their respective capabilities".

The main monitoring KPIs are summarised below:



1

The R&D Center in Turkey, which is where ad-hoc projects for our production processes are developed, aspires to increase its staff by 30% per year in the 2019-2022 period

The project started with 10 employees in 2019, and in 2020 there are a total of 17 professionals, which means an increase of 59% of the staff, thus exceeding the planned target.



2

The Seville R&D Centre's goal is to increase the number of PhD graduates (doctorates) by 20% over the next three years (2020-23).

In 2020 in the Seville center, 4 doctorates are operational, and 2 more doctorates have been incorporated in January 2021, thus not only meeting the 2020 target, but also the 2021 target.



3

Collaborate with our customers to improve tower design and efficiency

In 2020, we collaborated with Vestas on a new 125 m tower design to be installed at three wind farms, as well as a site-specific tower design for another main client.



4 QUALITY EDUCATION



Education and the SDGs

According to the United Nations Development Program (UNDP), since 2000, the goal of universal primary education and school enrollment rates at all levels have increased significantly, especially for girls.

However, progress has also been difficult in developing regions due to high levels of poverty, armed conflict and other emergencies, such as the COVID 19 pandemic. In 2020 due to restrictions resulting from the pandemic, schools were temporarily closed affecting more than 91% of students worldwide. In April 2020, around 1.6 billion children and youth were out of school.

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

Therefore, as a global company with a presence in 8 countries and with over 3,500 direct employees, we contribute to the improvement of this environment through providing stable, lasting quality employment, which allows us to create local wealth in the communities that we operate in, and so contribute to the achievement of SDG 4 "Quality education" and SDG 8 "Decent work and economic growth".

The main monitoring KPIs are summarised below:



Aiming to create local wealth in the countries where we operate, we have a double objective: to maintain the average local employment and permanent contracts >80%

In 2020 local employment was at 98% and 93% of our employees had a permanent contract.



Improve education and qualification of our employees. Increase training hours per employee to an average of 15 hours per employee in 2025

In 2020, even with the difficulties caused by the COVID pandemic, a total of 55,359 hours of training were given, amounting to a total of 12.6 hours per employee.





Materiality



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

Relationships with different stakeholders are key at GRI Renewable Industries. For this reason, we analyze and update their status since 2014 to improve coverage, to have a better understanding of their expectations and to guide the content of our Annual Report to their main requirements in terms of ESG (Environmental, Social and Governance).

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





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



Followers: **745**
Total number of contents posted in 2020: **5**
Visits to our profiles: **1,518**



Subscribers: **282**
Total number of contents posted in 2020: **7**



Followers: **20,850**
Total number of contents posted in 2020: **16**
Visits to our profiles: **10,878**

GRI Renewable Industries identifies its material issues through a Materiality Study carried out in collaboration with an independent external company and by means of a tool for data analysis to assess the importance and perception of each identified issue.

In order to conduct this study, we refer to internal sources (policies, strategy, etc.) and to external ones (news, competitors, trends, etc.) as well as conferring with different stakeholders such as senior management, staff, customers, and suppliers. This process allows us to identify environmental, social and governance (ESG) issues that are most relevant to GRI Renewable Industries and its stakeholders.

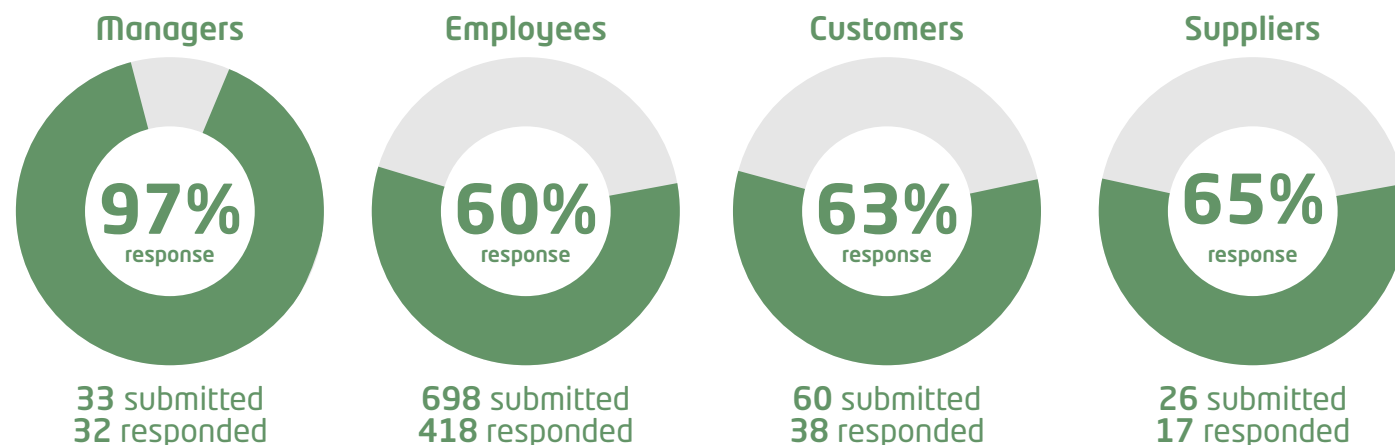
External and internal coverage

102-46



Stakeholder consultation: average participation

Surveys sended: **817**





After such analysis, deliberation and review, a total of 8 material issues were defined for all stakeholders, as outlined in the table below (102-44 and 102-47):

Issues	Issues covered	SDG	Chapter
Ethics, compliance, and reporting channels	Ethical, anti-corruption and compliance framework. Reporting channels.		ESG: Governance
Supplier certification	Availability of homologation policies and procedures with criteria in ethics, sustainability, conflictive minerals, and human rights, among others.	 	ESG: Social
Client and product relationships	Relationships with clients and joint projects that contribute to developing more sustainable products with a more sustainable life cycle.	 	ESG: Social
Talent management	Solid training, professional development, and performance evaluation programs to help attract and retain talent.	 	ESG: Social
Health and security	Availability of a policy and a health and safety management system for employees and subcontractors, to help creating a good work environment and reducing accidents and work incidents. COVID prevention measures are included.		ESG: Social
Managing environmental impact	A formal policy and a management system that contributes to ongoing improvement and to minimizing our environmental impact.	  	ESG: Environmental
Circular Economy	A system to control and measure raw materials and to manage and minimize waste in its processes, thus enabling a Circular Economy		ESG: Environmental
Climate change	A plan to move towards a "Carbon Neutral" future	 	ESG: Environmental

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

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

Material Matters	Chapter	SDG
1 Sustainable governance and strategy	ESG: Governance and Environmental	16
2 Innovation and digitization	ESG: Social	9 and 12

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

Material Matters	Chapter	SDG
1 Biodiversity	ESG: Environmental	13 and 15

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

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

Within this scope, stakeholders show a keen **perception** in matters related to strategy and sustainable governance, ethics and reporting channels, supplier certification, relationships with clients, risk management, health and safety, managing environmental impact, and biodiversity.



GRI Renewable Industries believes that integrating Environmental, Social and Governance (ESG) criteria into the company's strategy is the only way to grow as a profitable company that responds to its stakeholders and sustainability challenges.



Environmental

GRI Renewable Industries, faced with the new and challenging situations and challenges of 2020, has strengthened its commitment to the environment and society.

It continues to work to minimize the environmental impacts of its activities. It is worth highlighting the fight against climate change for which the **"2030/2050 Carbon Neutral Plan"** has been defined, as well as the actions related to Circular Economy.



Environmental Performance

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

In GRI Renewable Industries we operate in an efficient and responsible way and we show our interest in the preservation of the environment. Our work is done under the umbrella of an Integrated System and a Quality, Environment and Health and Safety Policy.

Nowadays, the 94% of the factories are certificated under the standard ISO14001:2015, except for GRI Castings Zestoa, which is expected to be certified during the second half of 2021. This means that 99% of the workforce working in GRI's factories works under SO 14001:2015 standard.

GRI Renewable Industries monitors the environmental impacts of its activities, measuring its performance and identifying opportunities for improvement. Furthermore, as part of its commitment and sustainable culture, the company has invested significantly in more efficient technology and innovation to minimise its environmental impact, in line with the Sustainable Development Goals (SDGs), emphasising its climate change strategy that will enable it to move towards an emission-neutral future.





Water and discharges

303-1, 303-2, 303-3, 303-4 AND 303-5

We conduct awareness-raising activities in all our plants, coinciding with emblematic dates such as Environment Day.

To minimise the impact of potential environmental risks, GRI Renewable Industries make financial provisions and have guarantees to cover for the materialisation of environmental risks in our contracted insurance policies:

- Environmental Liability Insurance
- Liability Coverage for Sudden and Accidental Pollution in the General Liability Policy

During 2020, no activation of the guarantees of The Group's Environmental Responsibility Policy were required.

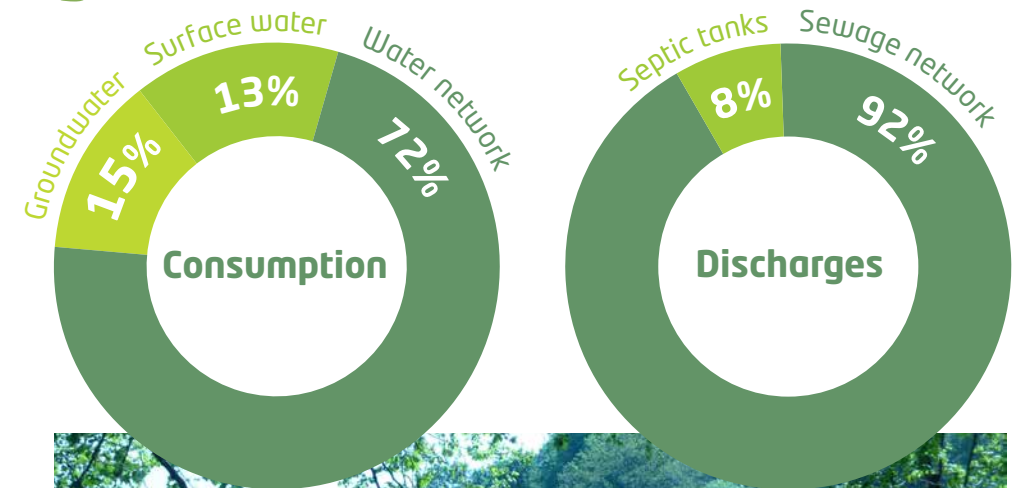
The chapter summarises the main consumption, waste and emissions of its activity, the measurement of its performance and the main initiatives.

Water is a natural, limited, scarce and essential commodity for life on earth. It is a fundamental part of sustainable and socio-economic development. In this sense, water is a resource little used in GRI activity, reason why it presents low consumptions. These are monitored with the aim of making a sustainable use of it, identifying deviations or possible actions for improvement.

In 2020, the total consumption amounted to 53,561 m³. 72% of the water consumed came from the water network 13% came from superficial water and the remaining 15% came from groundwater sources. A total of 3,518 m³ is also reused, distributed between India (70%) and Brazil (30%).

As has been indicated, the company's production process does not require a large amount of water, and this is supported by the figures, which reflect that in 2020, consumption was mostly sanitary (77%), followed by industrial use (21%) and irrigation of green areas (1%).

It should be noted that no water source was significantly impacted by the company's water collection. With regard to discharges, it is estimated that there was a total of 14,959 m³ in discharges, of which 92% was discharged in the sewage network and 8% in septic tanks.





Biodiversity and reforestation

304-2

The protection and conservation of different ecosystems, both terrestrial and aquatic, must be a priority for everyone. Ensuring this legacy for future generations is a commitment that guides us and is directly related to SDG 15 "Life of terrestrial ecosystems".

The protection of biodiversity is key to economic development; the sustainable management and maintenance of forests have a direct relationship with their protection and with climate change, as they function as sinks, trapping and storing CO₂.

Minimizing the negative environmental impact is achieved, among others, by reducing emissions from combustion processes, so that the balance of the presence of greenhouse gases in the atmosphere is not broken. For this reason, GRI Renewable Industries committed in 2015 to minimize these impacts through reforestation, with the project **"One tower one tree"** and the goal of matching, as far as possible, the number of towers manufactured with the number of trees planted.

In 2020, we have done four reforestations, totaling 2,645 trees compared to 1,674 towers manufactured.

As a result of these plantations and according to the type of species and its CO₂ absorption and storage capacity, a total of 31 tonnes CO₂/year have been compensated during 2020, considering a period of absorption capacity of 40 years, the accumulated with this plantation is estimated at a total of 1,243 tonnes CO₂/40 years.

As a result of these plantings and based on the species that were planted, a total of 10,305 trees were planted, with a total of 114 tons of CO₂ per year.

It should be noted that this year, due to the COVID-19 pandemic, the plantations were carried out directly by specialized companies, as it was not possible to organize the project with employees and their families, as in previous years.

GRI Renewable Industries' factories are not located in or near protected areas. All of them have the corresponding licenses and environmental studies, and no impact on biodiversity or protected species has been detected (304-1, 304-3 and 304-4).



GRI Towers Galicia

A total of 475 *Pinus pinaster* pines (*Pinus pinaster*) and 25 American oaks (*Quercus rubra*) were planted. This planting is estimated to allow for the total absorption of 447 tCO₂ over 40 years.

GRI Towers Sevilla

A total of 400 trees were planted in Sevilla of five species typical to the region. This planting is estimated to absorb a total of 291.5 tCO₂ over 40 years.

GRI Flanges Iraeta and GRI Casting Zestoa

A total of 500 common oak trees (*Quercus robur*) were planted. This planting is estimated to allow for the total absorption of 170 tCO₂ over 40 years is estimated.



GRI Madrid. Headquarters

A total of 500 trees of the *Pinus sylvestris* species were planted. This planting is estimated to allow for the total absorption of 85 tCO₂ over 40 years is estimated.



GRI Towers India I and II

A total of 710 trees of different species (Lemon tree, Acacia, Karnja, Mango, etc) were planted. This planting is estimated to allow for the total absorption of 242 tCO₂ over 40 years.



GRI Towers Turkey

A total of 35 Walnut and Pine trees were planted. This planting is estimated to allow for the total absorption of 7.7 tCO₂ over 40 years is estimated.

GRI Towers Sevilla. Pigeon pest control



Pigeons, as well as other species, have become another element of the urban and industrial landscape, being in many occasions a problem for public health, due to the dirt and diseases they transmit.

In Seville, to control this problem since 2018 we use the falconry technique, whose impact is much better than other more aggressive and harmful techniques such as poisoning, nest removal or traps.

To do this, we introduce 2 Harris eagles inside the warehouses and warehouses to hunt and scare them away, preventing them from inhabiting inside the facilities in a natural and sustainable way.



Circular Economy

The economic system needs to move from the current linear model, in which products are manufactured from raw materials and discarded after being used, to circular models in which products have the capacity to be repaired, reutilized, returned and recycled.

In practice, it means reducing waste and consumption to a minimum. When a product reaches the end of its useful life, its materials are kept within the economy wherever possible. They can be productively used again and again either for their original use, or for a different use, thus creating additional value.

The impact on the climate is another factor that is positively affected by the circular economy. The extraction and use of raw materials have significant environmental consequences, increasing resource consumption, energy consumption and CO₂ emissions, while their circularity reduces not only pollutant emissions but also resource depletion.

At a global level, more and more mechanisms are being established to advance along these lines. A clear example is the new Circular Economy Action Plan presented in March 2020, within the framework of the European Green Pact, which includes proposals on the design of more sustainable products and waste reduction, among others.

In February 2021, the Parliament voted on this plan and demanded additional measures to move towards a carbon neutral, sustainable, toxic-free and fully circular economy by 2050.

Circular Economy initiatives are directly aligned with Sustainable Development Goal 12 "Responsible Consumption and Production" and target 2.5 "By 2030, significantly reduce waste generation through prevention, reduction, recycling and reuse activities".

GRI Renewable Industries and the Circular Economy

Our activity is the manufacture of components for the wind industry, mainly towers and flanges that contribute to the generation of renewable energy.

In both processes, we incorporate all its components, according to the specifications of the final client. A number of agents are involved in this manufacturing process: the suppliers of raw materials and components who supply the various products and equipment, our production and factory assembly processes and delivery to the end customer.

In order to define a global strategy in the circular economy, we must consider all these agents, providing measures that contribute to minimize the global impact on the environment.

The concept of product design and process efficiency is fundamental. Through the innovation teams, we design new models of towers and flanges that are more versatile, efficient, economical and easy to develop, transport and assemble, without compromising their resistance that will allow the construction of more modern wind farms with less impact.

GRI makes significant investments focused on improving existing processes and/or incorporating new technologies, which contribute to more sustainable production. These projects have managed to generate significant savings by reducing the consumption of raw materials, natural resources and the generation of waste, emissions, and spillage, thus contributing to the circular economy.

All this information is extended in the innovation chapter.





Characteristics of the product: wind towers 301-1, 301-2, 301-3 AND 302-5

The towers, once completed, are mainly made of steel, in addition to electrical and electronic equipment and packaging (very little relevant in this case). The average distribution of materials is approximately: 96-98%: Black Steel and 2-4%: Internals

This distribution clearly makes steel the main objective of the circular economy, while establishing, as far as possible, additional initiatives for the other components.

Steel, the main component of all GRI Renewable Industries processes, contributes to global socio-economic growth, to the development of more sustainable production models and thus to the Circular Economy.

The steel industry is undergoing major changes over the last years. The expected future scarcity of raw material and the growing availability of scrap, among other economic reasons, are encouraging greater use of electric ovens to manufacture steel from old steel.

Steel is therefore the most recycled material in the world, with increasing reuse rates thanks to eco-design, recycling and increased efficiency, as it does not lose its properties and is practically 100% recyclable.

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

Circular Economy: raw materials management

In 2020, a total of 635,413 tonnes of steel were consumed in all GRI Renewable Industries factories.

Countries	Steel (tons)
 GRI Argentina	14,389
 GRI Brazil	93,853
 GRI China	334,423
 GRI Spain	118,631
 GRI India	17,389
 GRI South Africa	5,259
 GRI Turkey	30,619
 GRI USA	20,850
> Total	635,413

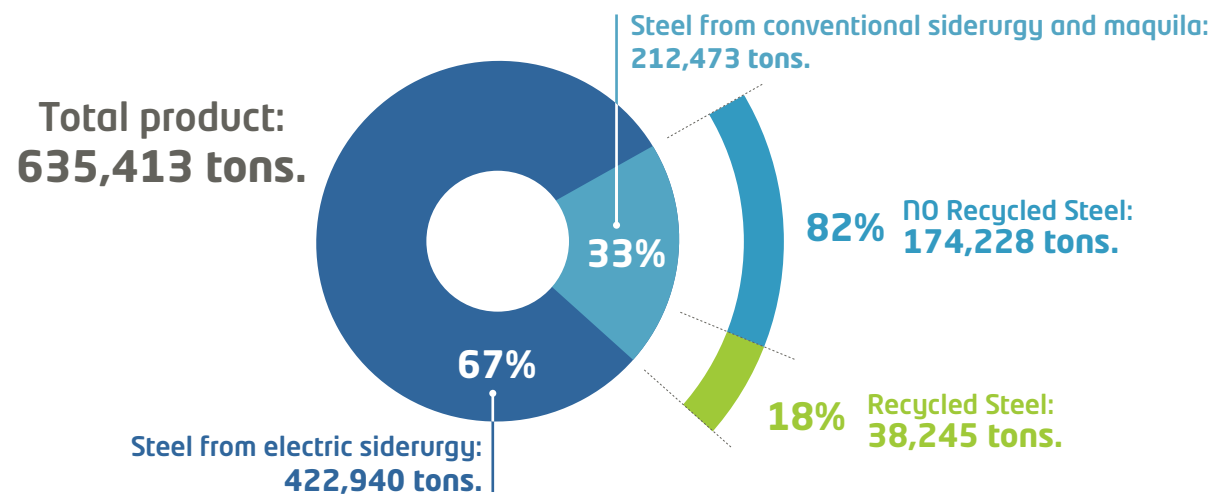
According to the Steel Manufacturer's Association, electric furnace steel production reduces greenhouse gasses by 65-90% compared with conventional steel production from iron ore.

At GRI Renewable Industries, a significant part of the steel processed is made up of recycled material. Out of the total steel consumption, 67% comes from electric steel makers (100% recycled origin), 22% of conventional steel (around 18% is recycled steel) and the remaining 11% is maquila purchased directly from the customer, so the company does not have any decision-making power over such purchases.

In the lack of available information regarding the origin of the maquila steel, the most unfavorable option has been considered to be of conventional type.

Therefore, we can estimate that 73% of all our steel is of recycled origin, which amounts to 461,185 tons, as shown below:

Raw Material (tons)	Steel 100% recycled	Conventional steel (18% recycled)	TOTAL	%
Recycled Steel	422,940	38,245	461,185	73
NO Recycled Steel	0	174,228	174,228	27
TOTAL STEEL	422,940	212,473	635,413	



This added to the efficient management of our scrap, favours the development of a more circular steel value chain with lower emissions.

In addition to steel, other raw materials are consumed, and initiatives are being developed to minimise their impact. The following is a summary of the main consumption:

In order to reduce this consumption, the different factories as well as the innovation area are developing several projects, which are detailed in the corresponding chapter.

Among others, the initiative developed at **GRI Flanges Iraeta for the elimination of oil with cutting oils**, through the replacement at source, by a new type of cutting oil that does not contain hazardous substances.

This new product is used, among others, in maintenance work and is not classified as hazardous under Regulation (EC) No. 1272/2008 (CLP). In addition, it not only reduces the environmental risk, but also the risk of handling and use by employees.

Countries	Welding Flux (tons)	Paint (tons)	Blasting (tons)	Solvent (tons)	Metallised Zinc Wire (tons)	Welding wire (tons)	Others (tons)
GRI Argentina	34	72	11	9	1	35	0
GRI Brazil	358	366	62	70	35	400	0
GRI Spain	826	600	66	2,281	60	805	3,178
GRI India	196	267	47	17	7	153	0
GRI South Africa	118	134	34	17	34	76	0
GRI Turkey	273	213	76	38	18	298	0
GRI USA	100	192	34	24	11	77	0
> Total	1,905	1,844	330	2,456	166	1,844	3,178

In addition, 58 m³ of taladrine were consumed.



Circular Economy: waste management and minimisation

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

The Circular Economy involves reducing waste to a minimum and keeping the materials and components of a product within the economy when it reaches the end of its useful life, whenever possible. Thus, they have an added value by being productively used over and over again.

Residues produced in our facilities are appropriately segregated, tracked, identified, stored and managed by authorized agents, as is set out in the environmental instructions and procedures.

In 2020, a total of 156,918 tonnes of waste is produced, 99% of which is non-hazardous and less than 1% are hazardous waste.

Non-hazardous waste: amounts to 155,891 tons, of which 97% consists of steel scrap, with a total of 151,355 tons.

With regard to scrap, GRI Renewable Industries has an integrated system in all plants for the centralised collecting and recovery of steel discarded in production. The 151,355 tonnes of discarded steel are sent for recycling and are subsequently reintroduced into the value chain, thus promoting the production of steel from recycled material, which leads to significant savings in raw materials and emissions.

Hazardous waste: amounts to 1,027 tons, of which 97% consists of steel scrap and 9.4m³ of oil.

All waste generated, due to its characteristics, has been transported by authorised transporters and managers within the country (306-4).

In 2020 there were no significant spills, 0.53 m³ were recorded from Brazil (0.33 m³) in several small spills of paint, hydraulic oil, diesel and oily water, and Argentina (0.20 m³) of fuel oil. All of these were properly collected and managed and did not affect the environment (306-3).

Non-hazardous waste (tons)

Countries	Scrap steel	Wood	Paper and cardboard	Recyclable plastic	Welding Flux	Blasting	Others*
GRI Argentina	344	35	3	0	28	0	39
GRI Brazil	6,035	689	22	7	375	101	261
GRI China	111,355	0	0	0	0	0	0
GRI Spain	28,022	249	53	50	918	213	95
GRI India	907	19	1	1	46	20	2
GRI South Africa	515	64	5	0	0	0	0
GRI Turkey	2,743	191	53	0	598	78	60
GRI USA	1,433	0	2	0	143	93	24
> Total	151,355	1,246	139	59	2,108	504	480

Hazardous waste (tons)

Countries	Metallic dust	Sludge	Contaminated rags and PPE	Packaging	Others*
GRI Argentina	4.5	17.0	0.2	10.6	0.0
GRI Brazil	10.5	93.7	39.0	1.8	222.7
GRI China	0.0	0.0	0.0	0.0	0.0
GRI Spain	33.6	86.9	57.4	36.2	113.5
GRI India	0.0	1.8	2.7	0.0	0.0
GRI South Africa	3.4	36.6	0.9	0.0	0.0
GRI Turkey	3.5	13.0	0.5	116.7	0.0
GRI USA	7.6	29.2	21.9	60.3	1.7
> Total	63	278	123	226	338



In addition to steel, for the rest of the waste, many initiatives are being developed in the factories that allow improvements focused on its reduction, substitution and management. Some of these initiatives are summarised below:



GRI Brazil. Project “ZERO-WASTE TO LANDFILL”

In the Brazilian factories, the “Zero Waste to Landfill” programme is being developed, which aims to establish improvements in the management and final destination of all waste produced, through recycling and use as secondary raw materials or for use as fuel (CDR) mainly in cement plants, eliminating its destination to landfill. The objective is expected to be completed by 2021.

During the 2020 financial year, more than 95% of the waste produced was recovered as WDF, due to its high calorific value. The main figures of this project are summarised below:

Results 2020	GRI Towers Brazil	GRI Flanges Brazil	Total
Waste recycled/valued	97%	99.99%	99%
Waste to landfill	3%	>0.001%	1%

It is expected to achieve 100% through improved management, composting of organic waste and minimisation measures such as those aimed at reducing the use of plastics. In addition, this programme will result in financial savings in waste management costs.



Waste reduction at GRI Towers Galicia and GRI Towers Sevilla

Among improvements carried out at GRI Towers Galicia and GRI Towers Sevilla, the laundry and recovery system for contaminated used rags stands out. Such measure started out successfully in 2016 at our Galicia factory. After several years of improvement, and cost savings of around 61%, in 2020 it was extended to the Seville factory in line with its commitment to continuous improvement.

For its implementation, a suitable area was defined solely for the storage of used rags in containers. These are sent to a certified external company for washing and, once clean, they are reused again at the factory. As a result, generating hazardous waste is avoided and the use of new rags is minimized.

Additionally, the cleaning company takes advantage of the heat generated during the washing of rags to power its facilities, consequently reducing emissions as well as improving in energy efficiency.

All measures and investments would not have been effective without workers' involvement. To this end, compulsory training was given during 2020 to all plant personnel at GRI Towers Sevilla.

Such training included basic aspects related to segregating, labeling and correct storing of waste, emphasizing on waste that is more difficult to segregate. Likewise, the course dealt with actions in the event of an environmental emergency, mainly spills and waste management.



GRI Towers Galicia: managing zinc powder

At GRI Towers Galicia, the plating process requires projecting zinc wire inside the cabin, generating “zinc powder” residue with two different degrees of purity:

- **Pure powder**, which is absorbed by the cabin filtering system and deposited in hoppers. Due to its features, such waste is marketed as a by-product, providing an income from its sale.
- **Powder with a lower** degree of purity (requires sweeping inside the cabin) which, by contrast, is managed as hazardous waste and at a cost.

To improve managing such hazardous waste, an intermediate treatment process was established before sweeps, one which got rid of most of the impurities, thus increasing zinc concentration levels and becoming a recoverable by-product, as in the first case, although sold at a lower price for being less pure.

A “before-after” evaluation of the new process shows a decrease in waste-treatment costs and a considerable improvement in performance, increasing the ratio of recoverable waste and reducing its disposal at landfills.



Solvent recovery

In the financial year 2015, a solvent recovery unit was installed at GRI Towers Galicia, which was followed, after an 80% reduction in its first year, by GRI Towers Brazil in 2018. At the end of 2020, GRI Towers South Africa and USA completed installing their respective units.

Since start-up, there is data available from factories in Brazil and Galicia, as outlined below:

GRI Towers Brazil

Recovery units significantly reduce the use of solvent (Solvelusa ATX) as we started to use recycled solvent to clean equipment (pumps and paint lines). Paint sludge was also reduced, but we do not have related data yet.

The new facility in the US has a working capacity of 16 gallons (60 liters) involving 2-3 cycles per day. Its objective is to clean 75% of used solvent for its reuse, consequently cutting costs. The facility started operating in early 2021, so our next report we will include relevant data.

Year	Required solvent (l)	Recycled (l)	Painted branches	Ratio: recycled solvent / branches
2018	3,000	6,459.5	331	19.52%
2019	3,400	6,215	363	17.12%
2020	7,600	23,114	1,012	22.43%



GRI Castings Zestoa

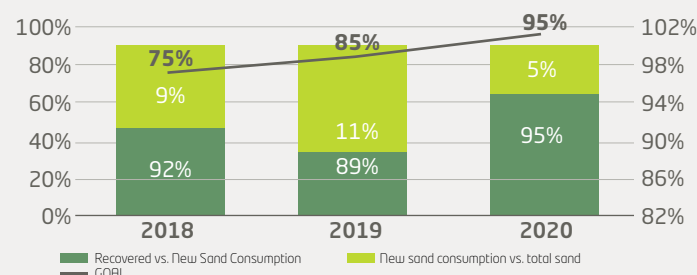
GRI Castings Zestoa: sand waste recovery

In line with the objective of minimizing its environmental impact, GRI Castings Zestoa installed a "sand recovery unit" in mid-2018 to improve and reduce consumption levels and to manage waste resulting from the production process, which currently goes to landfills.

The attached table shows reduction levels achieved in the past three years.

% Figures	2018	2019	2020
Recovered sand consumption vs. new sand	91%	89%	95%
New sand consumption vs. total sand	9%	11%	5%

Reclaimed sand vs total sand



According to the graph, since implementation the results in using recovered sand improved significantly each year. In 2020, effectiveness was confirmed, reaching a 95% rate of recovered sand over the total amount of sand used.

The evolution of recovered sand ratios is shown below: su evolución:

% Figures	2019	2020
Tonnes of production	6,160	4,214
Tons of residual sand	3,005	1,168
Tonnes of sand purchased	2,728	888
% purchased per tonne of waste	91%	76%

* Information for 2018 is not reported due to errors arising from production adjustments.

Conflict Minerals

Since the year 2010, following the approval of the Dodd-Frank Wall Street Reform, governments, companies and consumers request to know the origin of conflict materials, which has, therefore, become significant within GRI Renewable Industries.

The corresponding homologation of providers, with those previously calibrated in the market, is done within the purchasing process. In this process we have identified steel and the electric and electronic materials as materials that may contain these minerals.

During the homologation process it is requested that the origin of the materials is accredited, thus assuring that these do not originate from foundries that use conflict materials (coltan, cassiterite, wolframite, gold, tantalum, tin, or any other conflict mineral or its derivatives) which contribute to funding of conflicts in the Democratic Republic of the Congo or any neighbouring country.



GRI Castings Zestoa

GRI Castings Zestoa: Zinc fines recovery

Melt fines or zinc fines residues are recoverable waste. Recovery is carried out through an accredited external company via two processes.

- A pyrometallurgical process that allows zinc to be separated from the rest of elements contained in waste and re-oxidized in the same furnace, yielding Waelz Oxide.
- The rest of elements not recovered, mainly iron oxides, lime, and silica, constitute a by-product called Ferrosita.

The number of tons of recovered waste are shown below.

% Figures	2018	2019	2020
Zinc fines (tonnes)	28.52	30.96	14.78
% of total of waste recovered	78%	83%	65%



Training on waste at GRI Flanges China

In 2020, GRI Flanges China established new training and periodic awareness-raising obligations for its employees, with the aim of improving its management and minimizing its environmental impact.

By way of example, we highlight the training conducted on hazardous waste, which covered the following topics.

- I. Basic knowledge of environmental protection, summarizing general aspects related to environmental care.
- II. Environmental protection laws and regulations. Where the obligations derived mainly from the "Environmental Protection Law", the amendment of the "Law on the Prevention and Control of Environmental Pollution by Waste", which came into force September 1, 2020 and local regulations are summarized.
- III. Contents and precautionary measures for standardized hazardous waste management, classification, separation and storage. It identifies the different categories of waste, their risks, management indicators, signage, documentary aspects, disposal, monitoring and control, among others.





Energy

Energy consumption within the company is high due to the industrial processes, and for this reason measures to improve energy efficiency are being incorporated, as well as measures to reduce the environmental impact and the carbon footprint.

The company is aligned with the Sustainable Development Goals (SDGs), mainly with those directly related to climate, such as SDG 13 “climate action” and SDG 7 “affordable and clean energy”.

Energy efficiency

302-4

At GRI Renewable Industries, it is essential to know and control energy consumption in all factories in order to define measures that contribute to minimisation and thus reduce CO₂ emissions.

As summarized in the section on innovation, we are involved in numerous projects focused on improving our processes, most of which will optimize energy consumption and reduce raw materials. In addition, we are currently working on the definition of applicable indicators that will allow us to have actual and reliable results in each project.

GRI Towers Galicia: Energy monitoring and measuring

Within the framework of the aid granted to GRI Towers Galicia, co-financed by the European Regional Development Fund (ERDF) of the Feder Galicia 2014-2020 operational program, an energy measurement system will be developed to provide real consumption and efficiency data. This will allow the monitoring, analysis and management of the information, contributing to the correlation of the energy variables of the plants, with the process indicators.

This tool is oriented to the reduction of energy and environmental costs per production unit, which allows to know the real consumption in complex environments and facilitates the obtaining of KPIs in a simple way.

In addition, it has the “Energy Savings Improvement Analysis (ESIA)” module that will allow comparing the current consumption, once the ESIA is implemented, with the consumption that the installation would demand without the implementation of the ESIA, so that once installed the energy savings are recorded periodically.

New furnace in GRI Forjas Iraeta



Among the projects carried out in 2020, the installation of a new Cooper Furnace at the Flanges Iraeta plant stands out. Specifically, an old, less efficient portable rental kiln has been replaced by a new proprietary kiln with natural gas burners, much more efficient, in which both natural gas consumption and treatment time have been reduced, with the consequent energy savings. Since this is a new installation, actual data are not yet available, but it is estimated that the reduction in energy consumption will be approximately 20%.



Internal energy consumption ³⁰²⁻¹

This year we consumed a total of 2,042,663 GJ, of which 32% came from electricity consumption and the remaining 68% came from fuels such as LPG, natural gas, propane and diesel.

With regard to the distribution of energy consumption, 65% of the energy consumed is for production, 2% for heating and the remaining 33% for both uses.

Energy (Gj)	LPG (Gj) + Propane (Gj)	Natural Gas (Gj)	Diesel (Gj)
32%	3%	64%	1%

COUNTRIES	Energy (Gj)	Natural Gas (Gj)	GLP (Gj)	Propane (Gj)	Diesel (Gj)
GRI Argentina	5,500	0	1,791	0	122
GRI Brazil	37,552	13,849	51,183	0	1,529
GRI China	421,838	1,133,595	0	0	0
GRI Spain	113,711	159,672	0	2,506	7,550
GRI India	15,220	0	546	0	1,058
GRI South Africa	12,468	0	389	0	306
GRI Turkey	21,487	6,954	0	3,031	0
GRI USA	25,858	2,412	0	527	2,010
	653,634	1,316,482	53,908	6,063	12,575

As for external energy consumption, no available data is available related to this indicator. There is an overall target to have all information on Scope 3 available by the year 2030 (302-2).

In addition, the GRI Towers Galicia factory has a solar thermal installation for hot water through which 56GJ were self-consumed from renewable sources, avoiding the emission of 4 tons of CO₂ into the atmosphere.

Energy intensity ³⁰²⁻³

Measuring energy intensity is a good way to measure the efficiency and impact of our processes. The calculation takes electricity and fuel, corresponding to internal use, into consideration. The resulting annual ratio is calculated by dividing energy consumption by the total weight of products sold in each country.

Energy intensity "Towers"

COUNTRIES	GJ consumed/ t product sold
Argentina	0.52
Brazil (Towers)	0.39
Spain (Galicia+Sevilla)	1.56
India	0.97
South Africa	2.5
Turkey	1.03
USA	1.48
> Total	0.96

Energy intensity "Flanges"

COUNTRIES	GJ consumed/ t product sold
Spain (Iraeta)	2.9
Brazil	16.3
China	4.6
> Total	4.5

The energy intensity of the GRI Castings Zestoa factories is not included, due to their different activities.



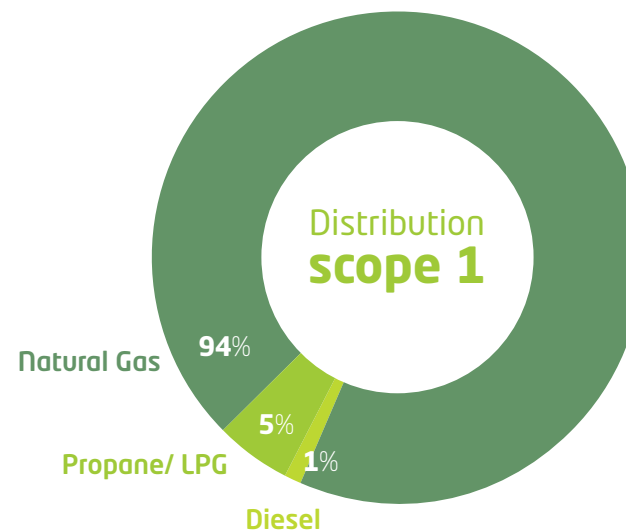
Emissions

In 2020, 173,641 tons of CO₂ were produced, of which 45% corresponded to scope 1 and the remaining 55% to scope 2.

Direct Emissions

305-1

These emissions refer to those emitted by the production process of the company and amount 78,583 tons of CO₂. The distribution of these emissions is shown below:



	LPG Tons CO ₂	Natural Gas Tons CO ₂	Propane Tons CO ₂	Diesel Tons CO ₂
GRI Argentina	113	0	0	9
GRI Brazil	3,227	777	0	113
GRI China	0	63,607	0	0
GRI Spain	0	8,959	158	560
GRI India	34	0	0	78
GRI South Africa	25	0	0	23
GRI Turkey	0	390	191	0
GRI USA	0	135	33	149
	3,399	73,869	382	933

Indirect Emissions

305-2

Indirect emissions are those produced by third parties and are consumed in our plants and offices, they amount to 95,058 tons of CO₂. The emissions by country are given next:

	Tons CO ₂
GRI Argentina	536
GRI Brazil	1,064
GRI China	73,001
GRI Spain	8,528
GRI India	3,036
GRI South Africa	3,117
GRI Turkey	2,752
GRI USA	3,024
	95,058

Other emissions

305-3

These emissions correspond to corporate trips made by plane, train and rental cars with a total of 907 tCO₂/year. Additionally, the estimation of emissions deriving from employees' commutes to work centres is included, with a total of 11,792 tCO₂/year, as summarised below:





Intensity of Emissions ³⁰⁵⁻⁴

The intensity of the emissions is considered to measure efficiency and the impact of the processes.

The yearly ratio is calculated by dividing the sum of all direct and indirect emissions by the total weight of all products sold in each country. In the following table the obtained results are detailed for each production process:

Intensity of Emissions "Towers"

Countries	tCO ₂ / t product sold
 Argentina	0.03
 Brazil (Towers)	0.07
 Spain (Galicia+Sevilla)	0.19
 India	0.24
 South Africa	0.11
 Turkey	0.24
 USA	0.11
> Total	0.09

Intensity of Emissions "Flanges"

Countries	tCO ₂ / t product sold
 Spain (Iraeta)	0.06
 Brazil	0.06
 China	0.09
> Total	0.08

Regarding the information on emissions of ozone-depleting substances (305-6), it is only present in the offices of some factories. In 2020, two refills of 40.8 kilograms of R22 were recorded in Brazilian factories, equivalent to the emission of 74 tons of CO₂.

Avoided emissions ³⁰⁵⁻⁵










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

Moreover, we are committed to the achievement of the Sustainable Development Goals (SDG), and, in particular, to those that contribute to the fight against climate change (SDG 7.3 and SDG 13.2).

Next, we highlight our contribution, through tower production and reforestations, in 2020.

Tower Production

In 2020, the company manufactured a total of 1,674 wind towers, the final destination of which is shown below:

Country of destination	% Towers
 Brazil	21 %
 Spain	5 %
 France	8 %
 India	11 %
 Norway	5 %
 Sweden	7 %
 South Africa	7 %
 Turkey	15 %
 USA	16 %
Others*	5 %

* Germany, Belgium, Greece, Netherlands, UK and Argentina

The proportional weighing represented by the cost of the wind tower manufactured by GRI Renewable Industries out of the total cost of the tower is deemed to be 16.4%. If one estimates the annual net operational hours of the turbines in the countries where they are present, the installed power, the conversion rate applicable to each country and the percentage of the cost of the tower out of the total structure, we estimate that our contribution to combating climate change amounts to 816,696 tons of avoided CO₂ emissions in 2020.

With respect to the reduction of energy requirements for products and services (302-5), the innovation section summarizes the improvements made in products and processes. We are currently working on a plan that will allow us to have the real savings derived from the measures implemented, which will be available in 2030.

Reduction of the weight of the towers

As summarized in innovation, the design of new models of towers and lighter flanges is key in our business, for the development of more modern, competitive and with less impact.

A clear example are the projects developed in 2020 for two of our main customers, with whose reduction in steel weight it is estimated that 9,584 tons of CO₂ emissions have been avoided.

Reforestation

As summarised in the biodiversity and reforestation section, seven reforestations were carried out in 2020, with a total of 2,645 trees planted, which, depending on the different species and their CO₂ absorption and storage capacity, are estimated to have offset a total of 31 tonnes CO₂/year.

If the project is considered from its beginning, a total of 10,305 trees were planted, with a cumulative absorption capacity of 114 tonnes of CO₂/year.



Carbon Neutral Project



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

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

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

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

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

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

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

The main objectives of the project are summarized below:

Goals 2030

- **Scope 1:** Reduce CO₂ emissions from fossil fuels by 50%.
- **Scope 2:** Use 100% renewable electricity in our own operations by 2030.
- **Scope 3:** Commit to have information and data available in all applicable categories.
- **Supply Chain:** set targets for the reduction of indirect CO₂ emissions from suppliers.
- **Product:** Reporting on the impact of GRI-designed towers.
- Certify reductions achieved (own and in the supply chain) according to **Science Based Targets** - SBTi.
- Communicate results according to the **Carbon Disclosure Project** - CdP.

Goals 2050

To be carbon neutral in Scope 1&2&3.





Social

The “Social” criteria include the relationship and response of GRI Renewable Industries with key stakeholders, such as: employees, customers, suppliers and society, mainly in those local communities where it generates its activity.

People

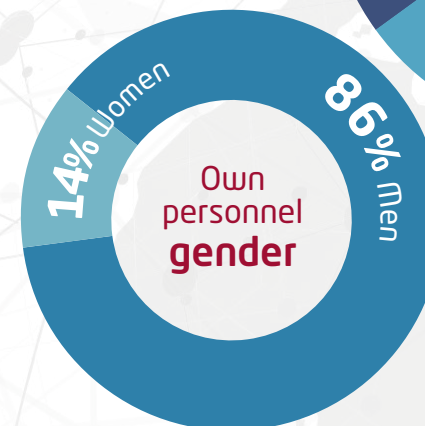
Management focus

103-1, 103-2 AND 103-3

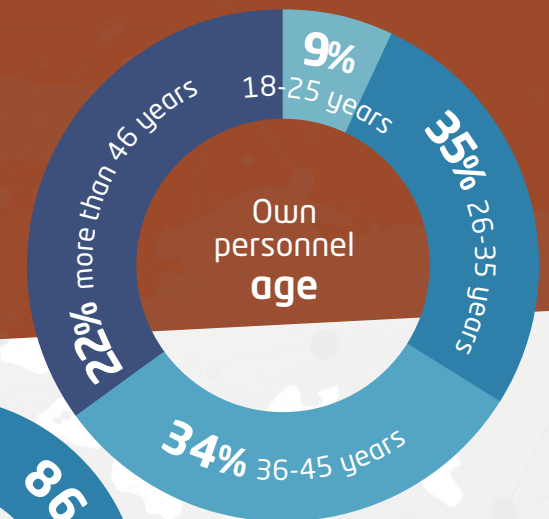
At GRI Renewable Industries, having a strategy that allows us to have excellently trained and motivated professionals is a key aspect in order to grow as a competitive, solid and sustainable company, since the development and future of a company is largely dependent on the commitment and work of its team. For this reason, the Human Resources department ensures to guarantee stable and quality employment, with growth and promotion opportunities for our employees.



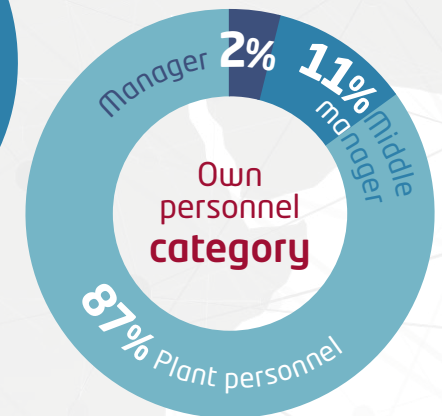
Personnel
4,397
employees



Own
personnel
gender



Own
personnel
age



Own
personnel
category

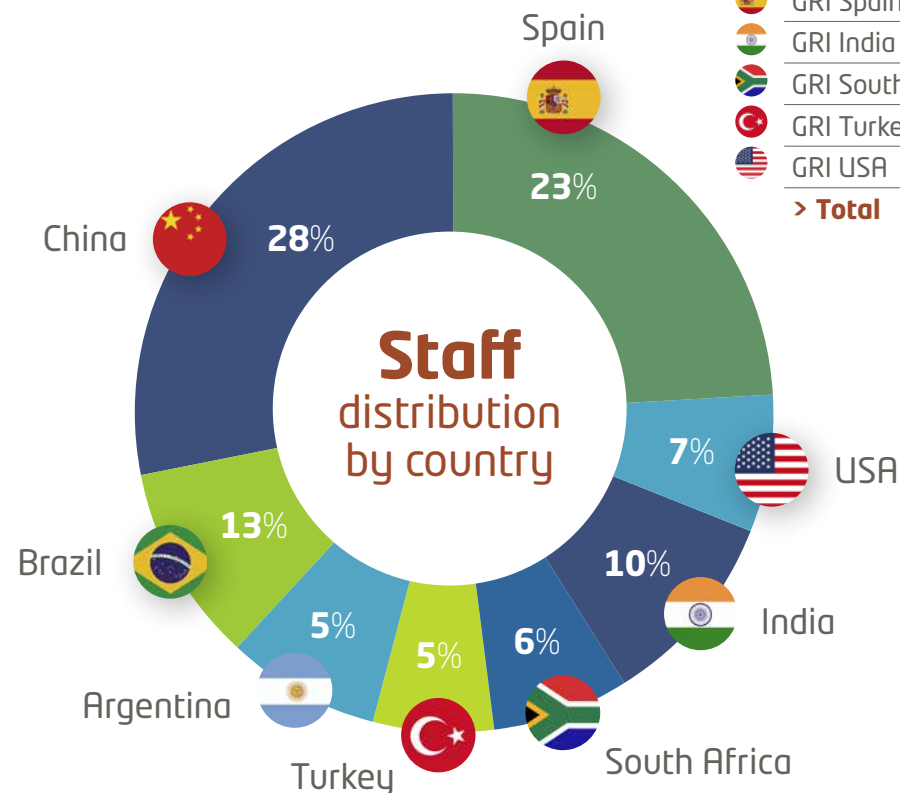


Workforce

102-8 AND 405-1

In 2020, the workforce of GRI Renewable Industries comprised of 4,397 own professionals, 6% more than in the previous year, and 677 external collaborators, 12% more than in the previous year, with a total of 5,074 employees.

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



Own professionals by gender and country

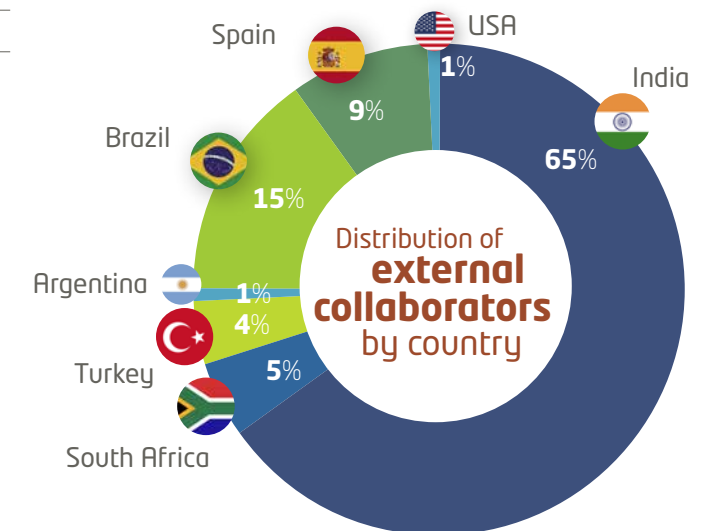
	Men	Women	Total
GRI Argentina	231	14	245
GRI Brazil	499	71	570
GRI China	1,018	238	1,256
GRI Spain	890	109	999
GRI India	263	26	289
GRI South Africa	446	0	446
GRI Turkey	236	18	254
GRI USA	332	6	338
> Total	3,915	482	4,397

External professionals by gender

102-8 AND 405-1

	Subcontractors	TTE's	Total
Men	401	36	437
Women	28	9	37
> Total	429	45	474

More information is provided in Annex 3, Table 2: External staff by country and gender.



As for executive staff, 100% are aged more than 46 years old. Furthermore, 66.6% hold the local nationality and all (100%) are male (405-1).



Job stability

102-8

Job stability is a priority for GRI Renewable Industries. In 2020 all factories have been in operation despite the pandemic, which has allowed us to keep employment stable.

Almost 100% of employees have a full-time contract, and 93% have an permanent contract.

	Permanent	Temporary	Scholarship
Men	3,630	262	23
Women	468	14	0
> Total	4,098	276	23

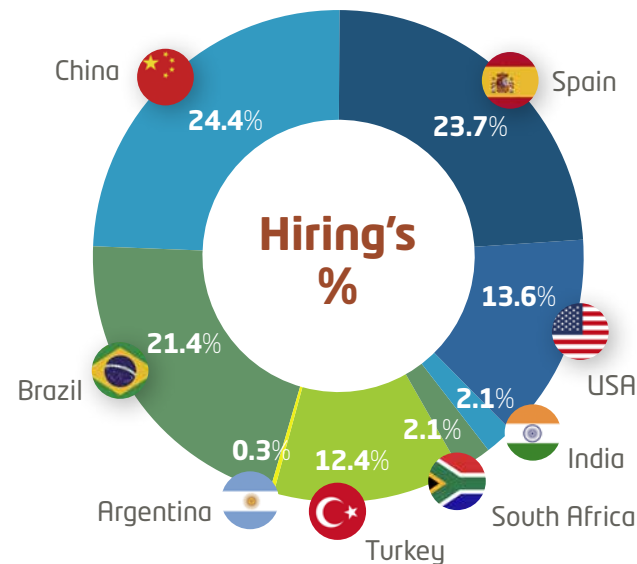
	Full-Time	Part-Time
Men	3,891	3
Women	478	4
> Total	4,390	7

Annex 3: Table 3 provides more detailed information.

National and international mobility is at present a key element for GRI Renewable Industries. Mobility is a great opportunity for our professionals to develop their potential in new areas and countries, acquiring new competences, experience and skills.

Turnover 401-1

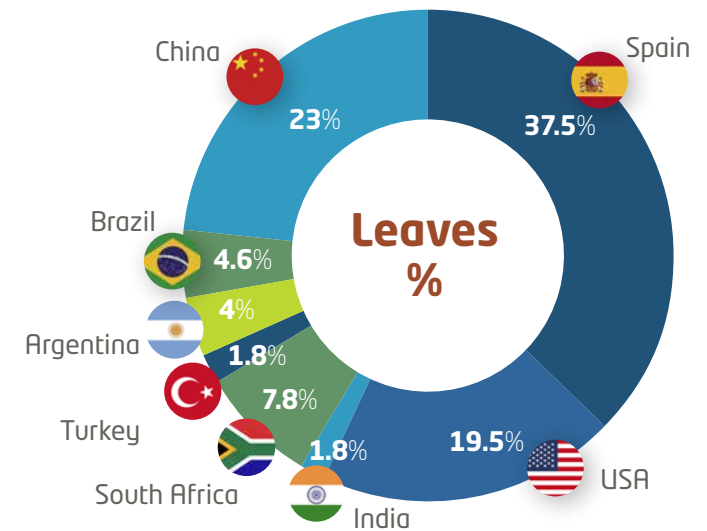
In 2020, a total of 909 new hiring's were made (817 male and 92 female), mostly in Spain and China (24%), followed by Brazil (21%).



The table shows its distribution:

	Men	Women	TOTAL
Total Hires	817	92	909
Total Leaves	452	53	505
Dismissal leaving	100	11	111
Voluntary leaving	352	42	394

Likewise, a total of 503 leaves (452 male and 51 female), primarily in Spain (37.5%), China (23.1%) and EE.UU. (19.5%). These leaves are 28% due to dismissal and 72% voluntary.



In terms of the total workforce, this year shows an average turnover of 11% (by gender: 12% men and 11% women).

Annex 3: Table 4, shows the distribution of new hires and leaving by country, gender, age and category.



Employment conditions

Diversity and Equality 405-1

At an international company such as GRI Renewable Industries, having a diversity of people with different perspectives, from different origins and different working models prevails, as they bring a great competitive advantage to the company. Diversity in the workforce is important in order to innovate, to make big changes and to continue offering new business opportunities.

As to the distribution by gender, 89% are men and 11% are women.

The distribution of the workforce by professional category and gender is shown below.

	Men	Women
Manager	74	11
Middel manager	427	68
Plant personnel	3,414	403
	3,915	482

Annex 3 table 5 provides more information.

At GRI Renewable Industries 98% of the staff (98% male and 98% female) holds the **local nationality** status, thus fostering social development in the communities we have a presence in.

Regarding **employees with disabilities**, we have 39 employees (35 men and 4 woman) located in Spain (31%), Brazil (38%), Turkey (23%) and South Africa (8%).

In GRI Renewable Industries, we develop different initiatives and maintain a fluid collaboration with the Special Employment Centres, such as: purchasing fresh fruit every Monday, renting rooms for different events, etc. This also allows us to contribute to the integration of people with different abilities and/or at risk of social exclusion.

We continue with the project “Supply Personal Protective Equipment (PPE)” through vending machines that allow for the simple and automatic delivery of the necessary work material (protective gloves, safety glasses, helmets, ...). This system allows us to work with a single supplier/distributor and delegate the part of adjusting the “packaging” and logistics to staff from special work centres, which is how we contribute to this collective.

The project to implement vending machines for PPE has been completed in Seville, Galicia and the U.S.A. For next year, it is planned to include the GRI Flanges Iraeta factory and to carry out a second phase in the Seville and Galicia factories, which will allow the supplier to control the stock in the plant, as is done in the U.S.A. On the other hand, the possibility of implementing this same process in Brazil is being evaluated.

Celebration of Women’s Day in China



In the factories in China, the management committee celebrated “women’s day” together with the women’s association. Among others, it offered rewards and gifts to thank them for their work, dedication and efforts for the company.



Freedom of association ¹⁰²⁻⁴¹

In GRI Renewable Industries 60% of the employees are covered by sectoral collective agreements or similar agreements, and 11% are protected by a "Handbook", stipulating employment conditions, rules of conduct, salaries, social benefits, etc.

The remaining 29% corresponds to the employees located in China, which have agreements or similar structures in compliance with provisions defined and regulated by the Ministry of Work and its applicable legislation.

No significant centres and suppliers have been detected where freedom of association and the right to collective bargaining may be infringed or threatened in the operating facilities.

Work-life balance

At GRI Renewable Industries, the work-life balance is one of the most highly valued factors.

For this reason, we have flexible work entry and exit times in our offices. This is more complex in the plants, however, as work is organized in shifts based on the customer requirements, so we strive to offer individual flexibility to those workers whose circumstances require so.

Maternity/Paternity ⁴⁰¹⁻³

As for paternity and maternity leave, 88 men took the paternity leave, of whom 95% resumed their job. As to women, of the 9 leaves, 100% have resumed their jobs. Meanwhile 69% of men and 94% of women remain at the company after taking paternity/maternity leave in 2019.

Attraction, development and talent retention

Internal Promotion

At GRI Renewable Industries, we believe that internal promotion means talent recognition and commitment to professional development within the company.

Generally, when a vacancy is to be filled, the most closely aligned profiles are sought within the workforce. For this purpose, when an internal vacancy arises, the most suitable profiles within the staff are sought. For this purpose, there is a system of internal publication of open positions ("Job Posting") that allows employees to apply for those internal opportunities that they consider a professional development opportunity within the company.

Broadly speaking, in fiscal year 2020, activities related to the selection of new professionals and promotions were almost entirely paralyzed by the impact of COVID19. In total, at the corporate level, 3 selection processes have been closed.

Regarding organizational changes, on a monthly basis, a communication is sent via email to all professionals summarizing the main additions and removals that took place in the month of reference, presenting the new managers in each position.

Additionally, vacancies in other countries as expatriates are offered. This allows our professionals to develop their career in different directions and to gain new experience, while covering these positions.

Short-term deployments are also offered, for shorter periods in "start-up teams". When a new plant starts operation, or an already operational plant is challenged by a change in production, customer, product issues..., this requires the support of personnel from other plants that are more familiar with the process, in order to pass on their know-how, experience, culture, methodology and working methods to the local employees.

In 2020, around of 20 employees were employed temporarily or Permanently at other GRI Renewable Industries plants.

The main emission plants have been Brazil and Galicia and the main receiving plants have been USA, South Africa and Spain (Seville, Galicia and Iraeta).

Evaluation process ⁴⁰⁴⁻³

In fiscal year 2020, the pandemic affected the development of some projects planned for the fiscal year, which were paralyzed.

For that reason, the performance assessment is no longer operational, preparing its adaptation to a centralized system on the "ETWeb" platform, aligned with other divisions in the group. The system allows the professionals to have information about their annual goals, to do a follow up of them and to know the degree of compliance through the performance assessment and competencies. In 2021 this system will be into operation.



Training and professional development

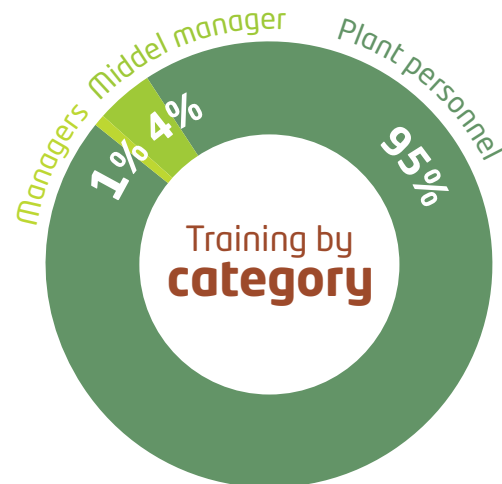
404-1

At GRI Renewable Industries, we take the development of the abilities and skills of our employees very seriously.

Each year, each plant analyses the training needs of its workers and a training plan is drawn up "ad hoc" to the requirements of each plant, in which new employees are integrated.

The plan includes not only language training, but also specific training in health and safety, compliance, competences, etc., as well as technical training focused on professionals from the different plants.

In 2020 a total of 55,359 hours was trained (22% more than in 2019). This is an average of 12.6 hours per employee (12 hours male and 19 hours female).



Annex 3: Table 6 shows the distribution of training hours by country, gender and category.

In this context, the "Onboarding Training" stands out. When a new employee enters the company, an obligatory requirement is that they receive onboarding training. This may vary between office and plant workers, both in duration and in contents, depending on the business activity of each plant.

In addition, we offer "Outplacement" training service to employees who leave the company. It aims to support this group for their reintegration into the labour market and includes various services such as psychological support, training, etc. (404-2).

Within the initiatives carried out in the training matter, the following programs can be highlighted:

ACADEMY AT THE FOCUS OF THE TRAINING STRATEGY

Throughout 2020 we reinforced the training content of Academy as a tool that allows us to reach the company's employees. Currently, there are already more than 800 people registered on the platform, reaching almost 1,000 hours of training adapted to the different training profiles defined.

Below is a summary of some examples of training courses implemented through the Academy this year:

- **Training on the Iron and Steel Process:** with the objective of deepening the different steps and processes necessary to produce steel.
- **Online languages:** focused on improving the skills and competencies of the employees of the different factories and offices.
- **COVID 19 training courses:** aimed at raising awareness of the main safety measures to prevent contagion, not only in the workplace but also in the private sphere.



- **Launch of Growing Yourself:** aimed at improving knowledge of the six competencies of the company in Madrid: Customer Orientation, Innovation, Development of Others, Teamwork, Intrapreneurship and Results Orientation. This training itinerary will be rolled out in 2021 in the rest of the group's factories.



Achievement of Learning Performance Institute Certification



GRI Renewable Industries has obtained the international certification of the "LEARNING PERFORMANCE INSTITUTE". With it, the training department is accredited as a major player in the implementation of various training activities, which contribute to add value to the business areas and measure the quality of the training implemented, through evolution indicators.

Celebration of the first edition of GRI team leaders in Seville

In early 2020, the first edition of "GRI Team Leaders in Seville" was held, in which 20 supervisors from Spanish plants were able to participate in different modules related to the following subjects: Leadership and Team Management, Planning, Health and Safety, Quality, Maintenance, Continuous Improvement, Research and Development and SAP. In addition, this training program was also an opportunity for participants to exchange best practices applicable to their workplaces.



Health and Safety Training: Metal Convention

For the period 2018-21, a training plan was launched based on the provisions of the Metalworkers' Agreement, which will allow the homogenisation of training for all workers in the sector. This plan establishes the guidelines for training by job and task, aiming to cover all personnel within a period of 3 years. The chapter on Health and Safety details this information.



Predictive Index (PI)

Among the initiatives to improve talent management, the sessions within the "Predictive Index" project stand out. This is a methodology designed to help understand the factors that naturally move the behavior of our employees, at all levels and categories, thus helping to improve team cohesion.

Most of the information is available on an intuitive and easy-to-use online platform, available in real time from any device.







Health and Social Benefits

201-3 AND 401-2


Social Benefits

The social benefits that the company offers are diverse as they are adjusted to the customs of each country. Their distribution is given below:

 **Argentina:** included partial health insurance (not apply for all employees) and a canteen service. In Christmas, distribute a box with Christmas products to all employees to enjoy with the family.

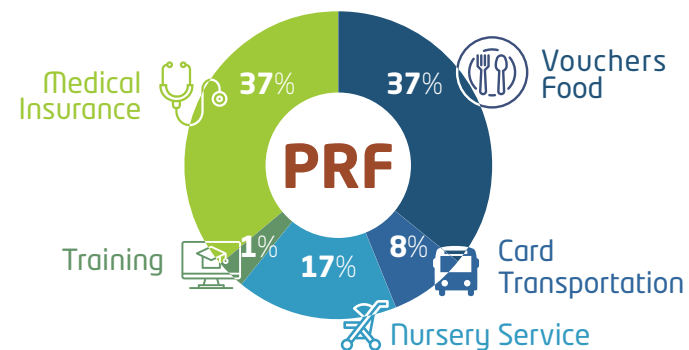
 **Brazil:** includes life and disability insurance, health insurance, cafeteria or dining services, as well as transportation service or assistance. It also has agreements with pharmacies and other locations.


 **South Africa:** includes transport service and pension scheme support.


 **Spain:** includes life and disability insurance. Likewise, GRI Casting Zestoa and GRI Flanges Iraeta, these plans are a mandatory requirement of the Metal Sector Collective Agreement Guipúzcoa which regulates both plants. In Christmas, distribute a box with Christmas products to all employees to enjoy with the family.


In addition, the Flexible Payment Plan, which offers employees various services within the remuneration package, such as transportation tickets, day-care and food vouchers, etc., which subsequently allows them to benefit from tax breaks.

In 2020, the PRF was solicited by employees with the following distribution:



 **USA:** includes life and disability insurance and medical insurance, as well as assistance to the retirement plan where the company contributes most and the employee only 3.7%.

 **India:** includes life and disability insurance, health insurance, cafeteria or dining services, as well as pension plan assistance and retirement plan assistance, for employees who have been working in the factory for more than five years. In addition, India II a transport service is also available.

 **Turkey:** includes medical insurance, life and disability insurance, cafeteria or dining services, as well as transportation service or assistance. According to local customs of the country, gives to the its employee: at the begging of the month of Ramadan a box of food, also at the end of the year to celebrate the new year another box of food is given, at the begging of religious holidays a box of chocolates. In addition, if any employee is married, they give them a gold bracelet to help support the new family.

Health improvement programs

403-6

Be Active

The objective of this programme is to implement good healthy habits for the employees of the company, oriented primarily at the promotion of sport activities.

Unfortunately, due to the pandemic during 2020 we suspended all planned activities, except at the China plant where they continued to hold basketball, badminton and other sporting games and competitions for employees at their own facilities.

Be Healthy

In line with the programme mentioned before, the goal is to improve the health and lifestyle of the GRI employees.

Among the initiatives carried out, the fresh fruit offered every Monday in the central offices in Madrid for all employees stands out. The products are provided by a special employment centre which helps people with different abilities to integrate into the working world.



Health and Safety

Management focus

403-1, 403-3 AND 403-8

To GRI Renewable Industries, the Health and Safety of our employees is key, and is always present in the decision-making process and in the development of work plans focused on the constant improvement of safety and working conditions in all production centres.

Our aim is to integrate Health and Safety to all levels of the organization, as well as to establish a true preventive corporate culture based on collaboration, teamwork, strong commitment and participation of all our employees and stakeholders.

Health and Safety is reinforced by senior management leadership and a robust management system that reflects the features and strengths of the company and is therefore an important part of business development. For this reason, and as a global company, we are committed to implementing a Health and Safety Management System at work as a fundamental part of our strategy, based on the constant evaluation of risks associated with our activity.

In doing so, we make the health and well-being of all our workers a priority. Our **integrated management system (IMS)** is based on the international standard ISO 45001. Currently, 69% of all the plants are certificated.

The factories of India II, South Africa, USA y Flanges Iraeta (planned for 2021) and Casting Zestoa (planned for 2022) and Flanges Iraeta do not have this accreditation.

Considering these certifications, 80% of the employees of the factories are covered in the management system under the ISO 45001 standards

GRI Renewable Industries actively manages each and every risk identified, implementing preventive and corrective measures to reduce both the likelihood and severity of any unwanted occurrences.

At GRI Renewable Industries, **responsibilities and duties** are built-in to the entire organizational structure, being Senior Plant Management those most responsible for compliance with standards, improvement in

working conditions and, within the System, for ensuring compliance with regulations and, overall, ensuring Health and Safety for everyone present at the facilities.

Each plant has technical experts dedicated to Health and Safety with regulated training in this field. On-site control of risks in operations and at workplaces falls to supervisors and department heads, such as direct superiors of employees and plant managers.

The organization encourages and promotes the well-being of all employees through different healthcare services, adapted to the different countries where we operate.

Monitoring workers' health status is mostly outsourced, although several plants have an in-house medical service, supported by authorized centers according to local legislation in this regard.

On an annual basis, as established by the IPRL (Occupational Risk Prevention Measures), up-to-date medical protocols must be available and annual health medical examinations must be carried out according to specifications.

Likewise, some countries provide private health insurance (social benefit) and health care training is carried out (403-3).

GRI Renewable Industries has a policy for data and information protection applicable to the entire group. This policy establishes how each information asset gets treated, based on a prior classification, and defines a set of measures to guarantee security and prevent disclosure to unauthorized persons.

Regarding medical information, both for examinations and when attending healthcare services, such data is handled directly by said services and never reaches the company so it cannot be used or spread for other purposes.

Transition from OHSAS 18001 2007 to ISO 45001 2018

ISO 45001 standard is the new Occupational Health and Safety (OHS) Management System standard, which will replace the current OHSAS 18001 (expiring in September 2021) and will allow us to move towards a safer and healthier work environment.

The new standard improves in terms of prevention by taking a risk-based approach. Definitions for workplace and worker are also improved.

The main benefits of implementing ISO 45001 are:

- Increasing awareness and promoting a culture for health and safety at the workplace.
- Removing risks related to OHS and minimizing those that cannot be eliminated. The target is always zero accidents.
- Improving OHS performance and effectiveness and protecting brand reputation.
- Demonstrating corporate responsibility and meeting supply chain requirements.
- Motivating and involving workers through enquiries and participation.

Collective work, an ability to improve, and a commitment from all parties involved in the process (management, chain of command, coordinators, and the entire organization) are key to achieving the ISO 45001: 2018 standard.



IPRL: Excellence System for Health and Safety Management 403-2 AND 403-9

The IPRL or Occupational Risk Prevention Index is a proprietary standard on Health and Safety developed since 2016 by GRI Renewable Industries and a tool that allows to accurately assess the Health and Safety performance of all its production plants, through common criteria, which collect all the particularities of the different technologies and processes, as well as a process of good practices based on continuous improvement.

The Index result is the pondered measure out of 89 factors that are classified in three big groups: Indexes, Work conditions and PRL Management, allowing complete and objective information to be obtained on the safety status of each plant.

At GRI Renewable Industries, IPRL results are monitored continuously and are evaluated quarterly by the responsible Corporate Health and Safety team. In 2020, all plants of the group were audited under the IPRL standard. Despite the complications arising from the pandemic, it was possible to carry out the planned remote audits in all the plants grouped in the areas of "improvable performance" and "good performance", focusing on the most relevant improvements. The results of both internal audits and the continuous evolution of the plants are available to the entire organization through internal communication channels and via the corporate intranet.

The following shows the percentual improvement concerning both employment conditions and prevention management in each of the centres since 2016.

2020	Working Conditions					Health & Safety Management				
	% improvement 2016	% improvement 2017	% improvement 2018	% improvement 2019	% improvement 2020	% improvement 2016	% improvement 2017	% improvement 2018	% improvement 2019	% improvement 2020
GRI Flanges Brazil	29	16	5	4	3	6	32	34	35	8
GRI Towers Turkey	30	41	23	5	18	27	33	19	20	17
GRI Towers Brazil	56	-19	17	-1	3	16	23	34	30	6
GRI Towers Sevilla	-	-	-	40	9	-	-	-	36	-5
GRI Towers India	10	15	20	-4	2	14	18	-6	-8	-2
GRI Towers USA	-	-	8	7	17	-	-	-12	6	27
GRI Towers South Africa	-4	10	14	30	13	-14	13	1	23	22
GRI Calviño T. Argentina	-	-	-	-	22	-	-	-	-	51
GRI Towers Galicia	7	9	7	-3	3	0	1	-20	18	26
GRI Flanges Iraeta	0	12	11	15	5	19	3	12	5	11
GRI Castings Zestoa	-	-	11	2	3	-	-	4	-1	8
> Total improvement	8.9					15.4				

In 2020 we have improved employment conditions globally by 8.9% and prevention management by 15.4%.

During this year we had four production centres with the "good performance" rating regarding Health and Safety, by incorporating in the third quarter of the year GRI Flanges Iraeta and in

the last quarter of the year GRI Towers USA. GRI Towers Sevilla also reached the "excellent performance".

In 2021, India II is scheduled to enter and is currently in the consolidation process. The perimeter does not include the factories in China.



COVID-19 Measures to combat the pandemic

403-7

In fiscal year 2020, Health and Safety management was clearly focused on minimizing the consequences of the COVID 19 pandemic. Our priority, as a responsible player in the face of an unprecedented situation, is to protect the well-being of all employees and their families.

Since its inception, the necessary precautionary and safety measures were taken to protect the health of employees, to keep employment, while adapting to each region's shifting needs.

For this reason, on April 28 we celebrate the World Day for Safety and Health at Work, under the World Health Organization's motto **"Let's stop this pandemic: Safety and Health at work can save lives"**, stressing the importance of health in a safe return to the workplace and in guaranteeing protection measures to make our centers virus-free spaces.

Below is a summary of some of the preventive measures carried out last year:

- Intensive disinfection of facilities, with a special focus on frequent-contact surfaces.
- Making available hand-sanitizing gel and surface disinfectant at all facilities, especially in common areas and for equipment sharing.
- Measures to take temperatures at entrances and organizational measures to avoid gatherings at shift changes.

- Limiting visits, meetings and travel. Work of external personnel was reduced to a minimum.
 - Daily delivery of face masks to all workers.
 - Spreading updated information on the pandemic's status, as well as articles on how to use and safely remove masks and gloves, on proper hand washing, on symptoms and transmitting infection, and guidelines on safe behavior.
 - Reviewing capacities at all facilities to ensure social distancing and installing screens in office areas.
 - Inspecting ventilation units in closed spaces to ensure continuous air renewal and the use of recommended filters.
- In addition, human resources and health and safety teams worked closely to monitor and investigate cases, identify close contacts, and instruct home isolation when risks of infection occurred.





GRI Academy: COVID 19 Training

Within the continuous training plans of the GRI Academy platform, this year, on the occasion of the pandemic derived from COVID 19, a mandatory online course was designed for all office employees in Spain, which contributed to improving working conditions and preventing contagions, through safe action protocols, which allowed us to develop the company's activity while minimizing exposure risks. In 2020, 127 employees enrolled, of which 108 have completed the course.



GRI Brazil "Safety News"

Faced with difficulties derived from the COVID 19 pandemic, GRI Brazil developed a system so plant managers could share relevant safety issues with their teams.

They had previously followed global guidelines by doing daily briefings called "Daily Safety Dialogue". When risks of contagion spiked and restrictions kicked in, these were replaced by a new communication tool named "Safety News".

Safety News offers brief (1-minute long) and easy-to-understand videos covering key prevention issues made by the plant's safety team.

The videos are spread via employees' WhatsApp groups, practically reaching the entire workforce, thus sustaining communication on prevention, and avoiding contagion risks.

The experience with Safety News was greatly beneficial at a delicate period that was lived differently around the globe, allowing our professionals to advance in raising awareness in terms of health and safety.



Monitoring indicators

403-2 AND 403-9

At GRI Renewable Industries, we continuously monitor indicators related to accident rates, being fully integrated within the IPRL structure. These indices relate to own workers as well as to external workers.

The company carries out a rigorous control of accidents occurring in its facilities, both for its own personnel and those of external personnel. The following is a summary of accidents with and without sick leave for own and external personnel:

	Accidents with leave		Accidents without leave	
	Men	Women	Men	Women
Own personnel	136	5	213	9
External personnel	5	1	6	1
	141	6	219	10

In 2020, the number of accidents with sick leave decreased and there was a slight upturn in the number of accidents without sick leave among own staff compared to 2019. In external personnel, there has been a slight increase in accidents with sick leave and without sick leave in external personnel, all of them in Spain.

It should be noted that the workforce increased compared to the previous year, with 6% more own staff and 12% more external staff.

In addition, all incidents are investigated to find the root cause and plan corrective actions to eliminate recurrence and prevent future accidents.

Accidents with leave

Regarding accidents with sick leave, they have slightly increased in own staff men in Brazil and Turkey, decreasing in the rest of the countries, which shows the good results in the implementation of the IPRL.

	Own personnel		External personnel	
	Men	Women	Men	Women
GRI Spain	55.7	10.9	98.2	62.0
GRI Brazil	7.3	0.0	0.0	0.0
GRI Turkey	77.5	0.0	0.0	0.0
GRI India	4.2	0.0	0.0	0.0
GRI South Africa	66.3	0.0	0.0	0.0
GRI USA	6.8	25.0	0.0	0.0
GRI China	1.9	25.0	0.0	0.0
GRI Argentina	4.5	0.0	0.0	0.0
> Total	19.8	4.9	6.6	18.0

Rate: Accidents with leave/ hours worked by 1,000,000.

Accidents without leave

Regarding accidents without sick leave among own personnel, they have increased in Spain and Brazil, decreasing or remaining the same in the rest of the countries. In external personnel, all accidents without sick leave occurred in Spain.

All of them coincide with a high workload and an increase in the workforce (own and external).

	Own personnel		External personnel	
	Men	Women	Men	Women
GRI Spain	102.3	38.1	117.8	62.0
GRI Brazil	8.4	6.8	0.0	0.0
GRI Turkey	0.0	0.0	0.0	0.0
GRI India	0.0	0.0	0.0	0.0
GRI South Africa	30.6	0.0	0.0	0.0
GRI USA	58.1	0.0	0.0	0.0
GRI China	0.0	0.0	0.0	0.0
GRI Argentina	0.0	0.0	0.0	0.0
> Total	31.0	8.8	7.9	18.0

Rate: Accidents without leave/ hours worked by 1,000,000.









The risk of developing occupational diseases is detected in the risk assessments carried out by the Health and Safety department and is controlled through health surveillance, in which the corresponding protocols are defined and applied according to the risks to which workers are exposed (403-7).

In 2020, 13 cases of occupational disease (own personnel) was detected (12 men and 1 woman). The global rate is 0.33, 0.35 men and 0.19 women by gender (n° of illnesses / n° of hours worked by own personnel x 200,000). In the rest of the countries, the rate has been 0.0 for both genders (403-10).

There was a slight increase in the number of days lost due to accidents and other causes, in line with the increase in the workforce.



The accidents recorded have meant more than 5,000 working days lost **per accident**, with Spain and Brazil standing out for their higher incidence. The number of days lost due to **other causes** totaled almost 26,000 days, with Spain, Brazil and South Africa being the countries with the highest number of days lost.

	Days lost due other causes		Days lost due to accidents	
	Men	Women	Men	Women
 GRI Spain	8.1	7.7	1.2	0.3
 GRI Brazil	6.2	3.5	1.9	2.0
 GRI Turkey	8.1	0.0	1.3	0.0
 GRI India	0.0	0.0	0.1	0.0
 GRI South Africa	12.4	8.1	0.3	0.5
 GRI USA	0.0	0.0	0.0	0.1
 GRI China	0.0	0.0	0.2	0.2
 GRI Argentina	0.0	0.0	0.8	0.0
> Total	3.4	2.2	0.7	0.5

Rate: Days lost due to accidents / hours worked by 1000
Rate: Days lost due to other causes / hours worked by 1000

The statistical studies of the accidents reported by the plants allow us to have a profile of the type of accident at GRI, with accidents involving discomfort due to particles in the eyes, contusions and cuts accounting for the majority of accidents (403-9).

Regarding indicators derived from serious injuries, no injuries with these characteristics were identified in 2020, nor fatalities. Therefore, the rate of occupational injuries with major consequences is "0".

Likewise, the rate of recordable injuries per accident coincides with the frequency rate and is 19.8 for men and 4.9 for women (1,000,000 hours worked were considered for the calculation). It should be noted that in 2020 **Mutua Universal** recognized GRI Renewable Industries and GRI Towers Sevilla with **Bonus Prevención** diplomas for their commitment to reducing occupational accidents and preventing occupational risks.

Due to the pandemic, no diploma award ceremony was held. The good work of the company and the prevention departments is noteworthy, not only in the year corresponding to the Bonus, given that prevention requires a continuous effort.

This award shows the daily effort of GRI Renewable Industries to be a leader company in the reduction of work-related accidents, betting on an improvement culture of prevention in all levels of organization.

Communication 403-4

In 2020, a central axis of the company's preventive activity at a global level was to strengthen communication on Health and Safety at all levels. The aim of the project is to raise awareness about safe work and to prevent the spread of COVID-19 among employees.

GRI Renewable Industries has been developing awareness campaigns (Be Safe!) over the years, teaches and organizes TOP 5 meetings and Safety Dialogues (DDS), and issues incident and accident notifications to increase participation and inform all workers about specific Health and Safety matters.

This year we wanted to further strengthen this communication by making use of the following channels: through the Health and Safety area on the corporate website, the communication of contents on the corporate intranet, reinforcing telematic channels and Teams meetings.

An important figure that helps the integration of Health and Safety in the company is the **Health and Safety Committee**. This internal body represents workers, meets periodically and addresses relevant issues concerning Safety and working conditions in the factories (403-4). Employee representation in the health and safety committees is 100%:

	No. Employee representation committee H&S
 GRI Spain	19
 GRI Brazil	38
 GRI Turkey	19
 GRI India	24
 GRI South Africa	18
 GRI USA	26
 GRI China	26
 GRI Argentina	4
> Total	174



SIPATMA Brazil

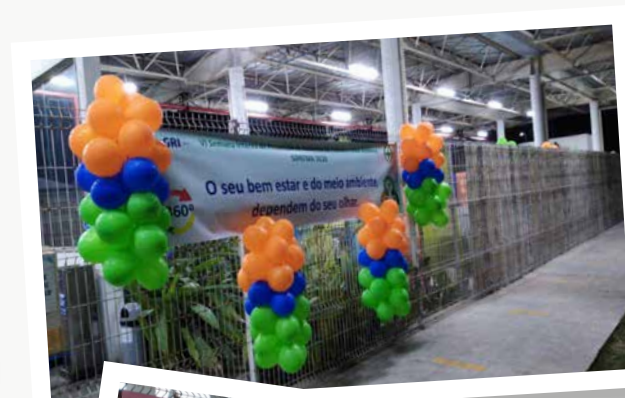
One more year, SIPATMA (In-house Accident Prevention & Environmental Week) was held in December. Through talks and panels, employees were made aware of various topics such as:

- Personal Protective Equipment (PPE)
- Safe behavior
- Occupational Risk Prevention Index
- Selective Collection
- Consumption awareness
- Environmental issues and impact
- Sexually transmitted diseases
- Prevention of COVID-19

Visa-format flyers were distributed under the heading “O seu estar e do meio ambiente, dependem do seu olhar” (“Your own self and the environment depend on your outlook”) including a mandatory questionnaire to be filled-in by all employees once completing the different stages of an itinerary.

The questionnaires were assessed by the HSE team to identify issues requiring improvement and knowledge reinforcement. Results were shared with all managers.

This year, due to the pandemic, group activities could not be carried out. For this reason, a new activity called “Alô SIPATMA” was developed consisting of randomly calling employees from different departments requesting the key words: “O seu estar e do meio ambiente, dependem do seu olhar.” Whoever answered correctly, received a gift.





Risk analysis

403-2 AND 403-3

Each factory conducts a comprehensive risk assessment that is periodically reviewed by both the plant and at a corporate level. The main identified risks are listed and addressed globally to guarantee complete control, defining specific protocols that must be complied with, for example: the adjustment of specific work equipment within the production process or the adoption of ergonomic improvements in the process after a rigorous evaluation and specific studies.

We have made progress in specific ergonomic studies, as well as in psychosocial assessments.

Likewise, 34 jobs have been identified with risk-exposed of disease (13 in Spain, 19 in Brazil and 2 in India. There are no workers exposed to the risk, which have the appropriate PPE and controls for their minimization.

Training and awareness-raising

403-5

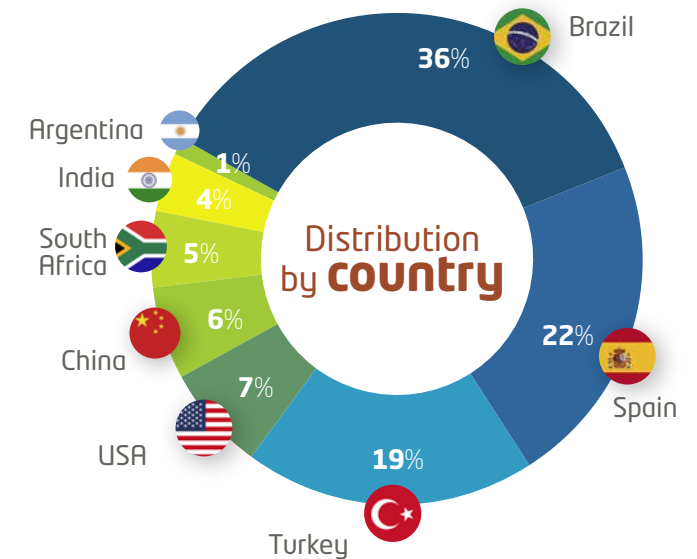
GRI Renewable Industries provides all employees with the specific, high-quality training necessary to safely perform all tasks on the job.

Safety plays an inclusive role in said training. All training is based on results obtained from the risk assessments at the workplace, as well as on procedures and work instructions. Training is integrated with the communication of the best prevention practices identified and implemented globally.

Like in 2019, we have focused on compliance with the “**II State Metal Agreement**”, which incorporates as its main novelty the minimum training in occupational risk prevention that workers whose activity is NOT carried out in construction works must have and the recycling training for all workers who carry out their activity or not in construction works.

Against the target of 75%, during 2020 we achieved the following percentages: 75% in the Madrid headquarters, 67.3% in Forjas Iraeta, 64.2% in Galicia, 58% in Casting Zestoa and the lowest percentage of 29.84% in Seville.

In 2020, the pandemic reduced training hours, due to the difficulties and risks of contagion in face-to-face training. A major effort was made in this complicated context and 22,377 training hours were achieved (21,920 hours for our own staff and 457 hours for external staff).



This ensures that all workers and external employees have all the information, instructions, sufficient training and supervision to carry out their daily activities safely and efficiently.



Training Campaign on Data Visualization Displays at GRI Madrid and GRI Towers Seville



This year we have reinforced the training for office personnel in the proper use of **Data Visualization** Screens, mainly in the central offices in Madrid and in the factory in Seville, since through the advances in digitalization and due to the pandemic, the number of hours in front of these devices has increased.



An external collaborator gave a talk in which he emphasized the importance of our body posture in front of the computer, giving advice on the placement of the mouse or the height of the computer screen and exemplifying the ideal conditions with a **Model Work Station**.



Both in Seville and at the Madrid headquarters, informative and awareness-raising posters were placed in the common and transit areas of the offices, and a summary brochure with information and recommendations was distributed to employees.

GRI Towers Galicia: cardioprotected factory

GRI Towers Galicia acquired two defibrillation devices, thus becoming a “**cardioprotected company**”.

The equipment has been placed in strategic areas to provide service to the production centers: the cutting and beveling plant and the tower production plant. This equipment is also registered in the Galician Health Service (Sergas) system, and is therefore considered a contribution to the community.

The installation of this equipment was preceded by specific training carried out by a specialized nurse, in which all the managers and supervisors participated, in addition to the members of the Prevention Team, in order to be able to act immediately in the event of any incident.

With this initiative, Galicia joins the factories of GRI Towers USA, GRI Calviño Towers Argentina, GRI Towers Sevilla, GRI Towers Turkey and GRI Flanges Iraeta as a “cardioprotected company”.





Customers and innovation

Our commitment to R+D+I

GRI Renewable Industries understand innovation as a factor of change and adaptation to the new requirements of customers and markets, generating added value to the business and minimizing its environmental impact.

This commitment is embodied in the R&D&I team, which has approximately 30 professionals involved in different projects and in the constant search for opportunities for improvement, enabling us to offer differentiated and more efficient products, mainly in Madrid, Turkey, Seville and India.

Of particular note are the innovation centers of:

- **GRI Tower Turkey**, with the aim of centrally improving the machinery used in the production of wind towers, thereby reducing production costs and obtaining higher product quality, in collaboration with prestigious universities.
- **Elcano University Innovation and Training Center in Seville**, located in the Port of Seville, where the relevant licenses have already been obtained and the works have been awarded, and the machinery is currently being put out to tender. It is expected to be completed and operational in April 2022.



In 2020 at the Seville center, 4 PhDs are operational and 2 more PhDs have been incorporated in January 2021, as summarized below:

- Steels, new materials
- Surface treatment
- Industry 4.0: Sensorization and monitoring
- New plant configuration (layouts)
- New organization and redefinition of processes
- New welding concepts

In addition, Innovation is directly aligned with SDG 9 / 9.4, “by 2030, we must upgrade infrastructure and retrofit industries to make them sustainable, with increased resource use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, all countries taking action in accordance with their respective capabilities” and SDG 12 “Ensure sustainable consumption and production”.



Customers: product innovation

The success of GRI Renewable Industries is based on its capacity to identify and meet its customer needs. As the only supplier with the capacity to design and manufacture new prototypes of towers and flanges, innovation plays an essential part. Through innovation we design lighter and more efficient products. This allows us to optimize the costs of wind energy, being more competitive by improving the standardized cost of electricity (LCOE) compared to other renewable energy sources, thus contributing to increase the profitability of our customers.

In line with its commitment to innovation, GRI Renewable Industries created in early 2021 a new company **GRI I+D ENGINEERING S.L.**, which brings together various professionals and knowledge in the field of R&D&I and is currently in the process of certification under the ISO 9001 standard.

In addition, all the group's factories are certified under the ISO 9001 standard.

Regarding the design of new tower prototypes, around 2,600 MW of GRI-designed towers have been developed and installed in 2020 for three main customers of the group.

Due to the classification of our products and services, their evaluation on health and safety matters is deemed non-applicable (416-1). In addition, we follow a rigorous procedure of approval and control of suppliers to ensure the proper receipt of raw materials, components and equipment according to our requirements.

We are aligned with the development of the new models of towers and flanges that are more versatile, efficient, economical and easy to develop, transport and assemble. This year we have reinforced our commitment to our customers by designing new towers with lower weight and, thus, lower costs, without compromising their resistance that will allow the construction of more modern wind farms with less impact.

Trends in the current onshore market

Thicknesses

Between 60 and 75 mm.

Diameters

Between 5 and 5.6 m.

Lengths

Between 30 and 36 m.

Section

Between 70 and 95 t.

Trends in the current onshore market:

- Started in 2018, we continue with the Forestalia project as the company awarded a large part of the future parks of the Government of Aragon, where this year we have delivered 220 new towers of 85m high and three sections. The factories of Turkey, Galicia and Seville participated in the project.
- Thanks to the success of the first Project "Nation Rise in Canada", where we delivered 29 131-metre-high towers manufactured in Brazil, the customer reconfirmed its reliance in GRI by awarding a second project for Sweden in 2020, which has been manufactured in Seville.
- In Seville, upcoming manufacture of the first 125-meter-high offshore tower for Vestas, the world's largest OEM. Also with Vestas, three new towers designs were defined, one of which was manufactured in 2020, where we achieved an 8,5% reduction in weight. In addition, the homologation process was completed for the new customer MHI Vestas for the supply of towers in two new projects.
- GRI Seville has new orders from GE for their projects in USA

Regarding flange production, the new rolling line at the GRI Flanges Iraeta plant for the production of large diameter onshore and offshore flanges is in operation. This will allow us to go one step back in the supply chain, manufacturing steel bars directly. In addition, the homologation of a new welded flange for offshore projects for Siemens Gamesa and GE was completed.



Innovation in progress

At GRI Renewable Industries we consider that investments in technology and continuous improvement through innovation are part of a commitment which yields significant benefits. Among others, it is worth noting important savings in the use of raw materials and natural resources, and less generation of waste, emissions and discharges.

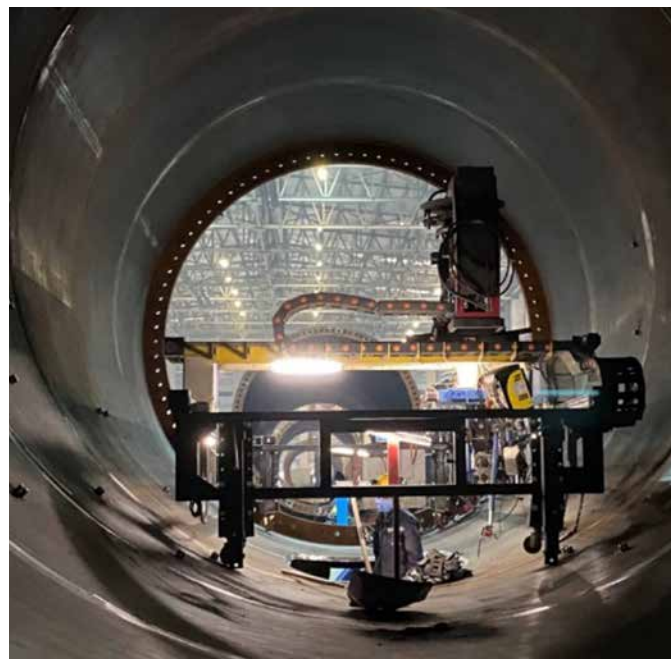
The initiatives carried out have a double focus: improving production processes, and **digitization and Industry 4.0** projects. Here are some examples:

2020 has been a year of record production for GRI. For this reason, a large part of investments was used to expand factories' production capacity. Among others, the extensions carried out in the Turkish factory stand out, where we increased manufacturing capacity from 14 to 20 weekly lengths; in Brazil where we went from 28 to 34 weekly lengths; and in South Africa where, in 2020, a major expansion was evaluated which, if approved, would be completed in 2021.

In addition, we continue to be immersed in the Industry 4.0 project and in digitizing the manufacturing process in all its phases. Here is a summary of some of the ongoing projects:

- GRI Turkey designed a new system for storage and the use of **"flux"**, replacing the current manual loading of 100 kg bags by an automatic loading of 500 kg bags. This initiative minimizes waste, it ensures a better use of raw materials and natural resources, and it also lowers the workload and effort for employees by automating the process.

- The **"Fit Up"** project, designed by GRI, while automating ferrule connections, optimizes consumption, improves precision and saves time.
- Launched in Turkey with great success in 2019-20, and planned for development in Galicia in early 2021, the **"MES"** (Manufacturing Execution System) project integrates and digitizes all processing data from multiple channels and variables, thus allowing it to be exploited, optimized, and analyzed in real time via "Big Data".



- In addition, we continue improving the **"Standardization Project"** (NO CAPEX), aimed at standardizing general documentation and processes (including welding) in collaboration with the IT department.
- Another important pilot in Turkey is automating the **painting** of the towers' façades with a robot. The success of the project implies that this improvement shall be gradually implemented in the rest of factories in upcoming years. Benefits are many: in addition to optimizing surface applications, it allows a better use of paint, greater energy efficiency, and it minimizes workers' risk to exposure.
- After the good results of the **"Counter Flow & Re-works - VT"** pilot, which allows inspecting materials and the weld by using a laser and 2D and 3D cameras that can detect microscopic defects, its implementation in the Seville factory has been planned with Toshiba. A € 700M subsidy has been secured for its execution.
- In 2019, a new **rolling mill** was installed at GRI Flanges Iraeta with capacity to produce steel bars in multiple sizes. Thanks to the new mill, in 2021 we will manufacture offshore flanges with an 8-meter diameter.

Finally, process improvements allow us to improve product quality, delivery times, and supply chain control, in line with product improvements which enable us to reduce weights and their total landed cost, since reducing raw material decreases total manufacturing and logistics costs and helps us optimize customer coverage.



Innovation grants for GRI Towers Galicia for “Smart factories”



Requested in 2020 and approved in 2021, GRI Towers Galicia has obtained aid in accordance with the “Resolution of February 24, 2021 granting aid from the smart factory program and sustainable industry 4.0 (fourth call)”, aimed at industrial research, experimental development and innovation projects focused on innovative industrial technologies within the ‘Industrias 4.0’ attracting investment initiative.

The project includes five scientific and technical objectives:

1. Research on enabling technologies 4.0 and specifications on industrial requirements for digitizing the manufacturing of wind towers.
2. Design and development of new hardware and Smart Factory solutions for the control of wind tower production.
3. Developing innovative product management models covering the entire wind tower manufacturing cycle .
4. Design and development of innovative data processing tools based on Big Data, Machine Learning, and AI technologies.
5. Developing a complete 100% digitized smart factory model, enabling interoperability of its different layers and with the ability to adopt new developments.

The aid is co-financed by the European Regional Development Fund (ERDF) within the framework of the Feder Galicia 2014-2020 operational program.



Management of Supply Chain 102-9

Management focus

GRI Renewable Industries' suppliers are an indispensable asset within the value chain, both for their importance in project planning and correct execution of projects, as well as in the company's competitiveness by optimising the cost structure.

Therefore, our purchasing model aims to have the best suppliers, managed through procedures that ensure transparency, fair conditions and long-term relationships.

Purchase management is centralized in the corporative **"Supply Chain"** division, which integrates the following areas:

Procurement

This is the first link in the chain. It is their role to ensure that suppliers are compliant in time and form, meet deadlines, monitor costs (based on previous planning) and encourage the use of the latest technologies to optimise supply chain management.

In each project they establish continuous and fluid communication and manage the risks until the reception of the material in the plant.

To comply with these requirements, meetings are held and monitoring templates are shared, to facilitate the identification and minimization of risks.

Purchases

We differentiate purchases into two types based on their characteristics: direct and indirect. In both groups it is essential to meticulously follow our purchase procedures which are based on the parameters of the group's general purchasing conditions. These conditions safeguard us in the service we provide and in the most significant measures linked to our responsibility to sustainability.

Direct Purchases

All these purchases are strategic and therefore managed from the corporate headquarters in Madrid. In all business lines there is a wide range of product families.

Steel, in terms of volume and cost, is our main raw material. For this reason, we only work with suppliers which are adequately calibrated in the market and that contribute a differential value to GRI.

As steel processors, we are very proud of our strategic relations that tie us to other steel providers, by dedicating a great deal of effort to ensure that these relations are long-term and present a competitive advantage to both parties.

Apart from steel, other products fundamental for our competitiveness stand out, such as: internal tower parts, doorframes, flanges, etc. for which we seek global and strategic partnerships.

Indirect Purchases

For purchases related to investments, supplies and services there is a selection process based on service quality criteria, market positioning, competitive advantage and risk prevention. Depending on the nature of the purchase, especially the synergy and reiteration of the same at a global level, these purchases are managed from the corporate or from the plants at a local level. That said, there is always monitoring of these purchases to ensure that they are executed under the group's procedures/ standards and to identify new synergies and/or opportunities for improvement.

We seek to develop relations with suppliers to assure that the company has a cost and service advantage over its competitors, and at the same time to build a creditworthy and fruitful business for the supplier.



Supplier quality

This is done at both the corporate level and at each of the plants. The department is responsible for the certification/auditing of suppliers, complaint management and remedial action development, which allow us to ensure that products and their providers live up to the Group's standards.

To reinforce these issues, reduce complaints and align our suppliers with group standards we deployed numerous initiatives. We should mention the new **"Online Supplier Portal"**, developed in collaboration with the company **"FullStep pro"** which is integrated into SAP.

This new platform allows for immediate registration and access to each supplier's portal, where they update their information and certificates. The homologation requirements are defined and adapted to the different categories of materials / services and supplies that are provided, categorizing as critical or non-critical. At all times, suppliers are informed on their current status, for instance: certification nearing expiration, documentation pending, additional data to be provided, valuation, etc; or even on the non-conformities they have.

The homologation requires that 100% of the suppliers provide certain data and evidence, which we believe guarantees that we can choose the best suppliers in the market. This information includes, among others, aspects of sustainability, ethics and compliance, availability of environmental, quality and safety and health certificates, absence of conflicting minerals, Reach compliance, etc. (308-1).

In addition, in accordance with the procedure for **"Control of suppliers for processes, products and services", for the suppliers of subjects considered "critical"**, an onsite audit is carried out that verifies conformity on the requested matters as well as a **"First Piece Qualification"** (FPQ) inspection focused on the product.

The final evaluation of the suppliers includes and weighs the result and the degree of conformity of all these requirements, and depending on their result and classification, different measures are established.

For those with lower ratings, action and improvement plans are defined, monitoring tasks and plans are drawn up in order to make them reach the good or excellent category.

All suppliers, once approved, are periodically evaluated each semester as a control mechanism to maintain their classification.

With regard to audits and inspections, these are always repeated whenever any incident occurs, a new product is required, any change is made to the process or any other cause that calls for their repetition.

It should be noted that some customers, among their contractual conditions, establish which suppliers and materials are to be used for the towers, which, in these cases, substantially limits our decision-making capacity. Similarly, in order to create local value, in some countries we find suppliers with whom we work closely, with which we increase control measures in order to minimise any risk, and with which we define action and improvement plans in order to improve their results in the assessment.

Evaluated suppliers ⁴¹⁴⁻¹

In 2019, work has been done on the implementation and use of the new portal web as a tool for the control of the approved suppliers. Therefore, it has been contacted all the Group's suppliers, providing them with information and support so they can register, as well as uploading all the documentation required for the approval, depending on the type of the material they supply or the services they provide.

In 2020, the total number of 337 suppliers were registered of which: 147 are classified as fully reliable, 62 are considered of minimal risk and 64 as medium risk. The remaining suppliers are in the process of completing registration. The continuous improvement in the qualification of suppliers to achieve the maximum score is a milestone that the SQA area is pursuing day after day. In addition to the evaluation, 16 "in-situ" audits, both for products and processes and the quality management system, were conducted by the purchase teams from the Plants and Corporate.

No operations or suppliers with significant risk of child labor cases have been identified (408-1).



Logistic

This department focuses on the reduction of transportation costs (for acquired goods, as well as for the finished product); thereby improving service and creating competitive advantage over competitors in the sector.

Additionally, this department centralizes all information related to tariffs and taxes associated with the movement of goods, which is of increasing relevance.



Expenditure in local suppliers

204-1

GRI Renewable Industries contribute to the development and generation of wealth in the communities of the countries in which we are present through expenditure in local providers.

No negative social impacts have been detected in the supply chain, therefore no measures to eliminate/mitigate these effects were necessary (308-2 and 414-2).

In 2020, supplier spending reached 603,186,471 euros, 79% of which corresponds to local agents. Its distribution per country is shown below:

	Total supplier's expenses	Local supplier's expenses	Local supplier's %
Brazil	155,192,971	139,236,865	90%
Spain	167,132,246	67,596,404	40%
India	5,179,917	2,960,329	57%
Turkey	69,803,012	66,370,682	95%
USA	54,092,622	51,513,725	95%
South A.	10,659,175	8,620,688	81%
China	141,126,529	141,126,529	100%
TOTAL	603,186,471	477,425,222	79%

Main achievements in 2020

Within the numerous goals achieved in 2020, these are the most relevant:

In the Purchases and Procurement area:

- Acquisition of machinery and construction works for the extension of the plant in Brazil achieving a manufacturing capacity of 550 towers.
- Acquisition and installation of a pre-screening system in the cutting and beveling center of GRI Galicia to improve efficiency in the production process.
- Management of the first wind tower export project at GRI Calviño Argentina.

In the Suppliers quality:

- Improvement of the supplier qualification process and management of on-site and remote audits to adapt to new market needs.
- Implementation of a new FPQs procedure to improve control in the manufacture of new parts as well as compliance with customer requirements.



Digitization

Cultural Change & Digital WorkPlace 2019-2021

“**Digital WorkPlace**” project began in 2019 aiming to embrace Microsoft technology and provide employees with the Office 365 tools to continue advancing in the company’s digital transformation. The project is aligned with SDG 9 and our innovation and digitalization strategies.

It is a process that demands an important management of the cultural change of the whole company, in a collaborative environment that allows to approach successfully this challenge of incorporating the new digital technologies,

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

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

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

Workshops in offices and factories

During the first quarter of 2020, prior to the confinement caused by COVID-19, workshops were held at the South African factory to motivate and train employees in a fun, entertaining and relaxed way.

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

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





Training

On site

Developed by experts during the different stages of the project, aimed at different target (managers, champions, employees, etc.). They were shown and explained the use of the tools and had the chance to actively test them.

Online training - webinars

Online live training for multiple groups of employees. This training consisted of a brief description of the tools and its advantages, as well as a detailed description of its usage and a wide range of possibilities they offer.

Videos

Videos presenting and summarizing DWP project.

Videos - training pills

Short videos in the shape of case studies to explain specific aspects and advantages of the new tools



Training courses

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

GRI Academy

Platform that offers training of the different tools of the Digital WorkPlace, its features, benefits, tips, etc.

GAMIFICATION

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



Highlights

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



Teams - Digital Champions League

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

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

Highlights

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



Digital Workplace Hub

The Digital Workplace Hub is a SharePoint site That gathers all the information with regard to the DWP project. There all employees can access to DWP training materials, FAQs documents, webinars, training courses hosted in GRI Academy, tips, calendars, the Digital Champions network, feedback, and so on.



Others

Referential training guides for Teams, Planner, Stream and Forms

These materials include manuals that cover all the usage instructions and the different functionalities in a very simple and graphic way.

Frequent Asked Questions (FAQs)

Documents that gather the most common queries about these tools, general tips regarding their usage and questions that other colleagues have made which are every bit as useful.

Tips for the tools

Tips to get the most out of the Teams, Planner, Stream and Forms.

Satisfaction Survey

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



Digital WorkPlace a key element in tackling the COVID-19 pandemic ⁴⁰³⁻⁷

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



Microsoft Teams, a tool introduced in Q1 2020 records a monthly average of **1,500 video calls and around 105,000 chat messages**, both with internal and external parties (information for the months of October to December 2020).



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

2019

- 0.33 files shared with external / month
- 5.7 files shared with internal / month
- 1,158.3 files synchronized
- 3,243.56 files viewed/modified

2020

- 4.91 files shared with external / month (x15 compared to 2019)
- 55.5 files shared with internal / month (x10 compared to 2019)
- 101,260.8 files synchronized (x100 compared to 2019)
- 21,456.5 files viewed/modified (more than x7 compared to 2019)



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

2019

- 103 accesses per document owner and third parties / month
- 6.3 files shared with external / month
- 64.2 files shared with internal / month
- 18,473.89 files synchronized
- 4524 files viewed/modified

2020

- 374 document owner and third-party accesses / month (more than x3 compared to 2019)
- 28.25 files shared with interns / month (almost x4 compared to 2019)
- 314 files shared with external parties / month (almost x5 compared to 2019)
- 45042 files synchronized (almost x3 compared to 2019)
- 13,261.67 files viewed/modified (almost x3 compared to 2019)



Social action

Contribution from Corporate

103-1, 103-2 AND 103-3

102-12

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

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



LQDVI

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

Throughout 2020 we have supported the on-site congresses in A Coruña and Madrid, and virtually for the cities of Oviedo, Valencia, Malaga, A Coruña, Bilbao and Seville. In addition, in March, a special virtual congress was held with a global scope to help, encourage and transmit to society in times of confinement.



AESLEME

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

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



WCK

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

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



Foundation Juan XXIII Roncalli

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

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



Real Madrid Foundation

Real Madrid Foundation

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

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



United Nations Global Compact

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

In 2020 we were involved in the #AliadosDeLosODS campaign promoted by the Spanish Network and in several training sessions.

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



Seres Foundation

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

GRI was also included in the "VII Corporate Social Impact Report", which measures the real impact and contribution of companies to society through an analysis model based on five axes (economic, organizational, relational, social and personal), aggregating their social contribution to GDP.

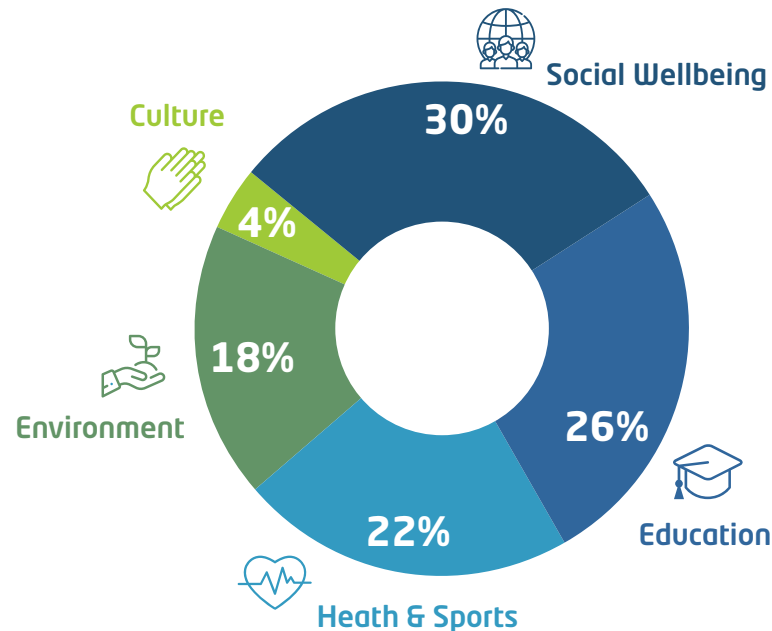
We also participate in projects aimed at improving the communication and measurement of sustainability actions. These include participation in the "Responsible Leaders" senior management dialogue and the ProyectoRSE conference.



Local Contribution ⁴¹³⁻¹

In 2020, GRI Renewable Industries focused its efforts on social action initiatives in the areas of culture, environment, sport, education and health. All work has been aimed at the development and support of the societies where we are present.

Distribution of social action by type of activity:



Education

GRI Towers South Africa has invested around 320 thousand rand in various training projects under the Black Economic Empowerment (B-BBEE) program. This racially selective program was launched by the South African government to correct the inequalities of apartheid by helping black South Africans (blacks, colored and Indians).

The following action were developed within this program:

- For Robinvale Secondary School and Grosvenor Primary School, it contributed to the salary of additional teachers so that the distribution of students per class would be correct and coherent, thus favoring the children's learning.
- The Wesfleur and Proeta Park primary schools were helped by purchasing material and equipment so that the students could receive a complete and quality education.
- Support was provided for extracurricular training for Berzelia School students in their final year of primary school in order to access to secondary school without problem, passing their exams.
- For the Lucendo Educare Witsand day-care center, equipment suitable for children's learning was purchased.

GRI Flanges Iraeta, established a collaboration agreement with the professional school Oteitza Politeknikoa - Bitoriano Gandiaga Fundazioa in order to introduce them to continuous improvement and training in new technologies.

GRI Towers Galicia, created a drawing contest among the children of employees so that they could show how they had lived the time of confinement due to COVID and what things they learned during that time.



Culture

GRI Flanges Iraeta, sponsored the local festivities, publicising and showing the work done at the factory.



Health & Sports

GRI Towers Galicia, considers that the sport is main part of the education and development of the youngsters. For that reason, supports the Arenteiro football school, the O Sapoconcho Cycling Club (to which several employees belong) and the Sporting Carballino football team.

GRI Flanges Iraeta, is a factory very committed to a healthy lifestyle and sport, so this year it has sponsored the Zestoa Cycling Tourist Association and the ARAZI IKT Kobaz-koba trail 2020.



Environment

In **GRI Renewable Industries** we are committed to climate change, which is why in 2015 we set ourselves the challenge of planting one tree for every tower produced. This year, GRI Madrid, GRI Towers Galicia, GRI Towers Sevilla, GRI Flanges Iraeta and GRI Casting Zestoa have participated in a reforestation in the areas close to the factories and offices, in addition to small plantations in India, Turkey and South Africa, managing to plant 2.645 trees.



GRI Towers South Africa celebrates its fifth anniversary

In commemoration of GRI Towers South Africa's fifth anniversary, the factory showed off its more sustainable side by planting five trees within the factory grounds, one for each year completed, which they named Atlantis Blossom, Tower Tree, Progress, Energy and Prosperity.

The planting was carried out by 30 GRI South Africa employees who were also celebrating their fifth year with the company.



Economic development & Social Well being

GRI Towers South Africa, supported various programs aimed at improving the quality of life of people living near the factory:

- It financially supported the local church with its programs for drug addicts so that they could attend church and receive timely awareness talks.
- For the Atlantis Women Against Abuse movement, contributed to the purchase of non-perishable food and kitchen supplies, as well as fixing the roof where the women carry out their work activities to generate an income so that they can move forward.
- For the program Roch Ventures supported with the purchase of non-perishable food so that the movement could continue with its plan to feed underprivileged children and adults.



GRI Flanges China under the associations created to help underprivileged groups, carried out different actions:

- It donated around 2,000,000 RMB to low-income families and food baskets. Thanks to this practice, the Jinan City Council named Iraeta (GRI Flanges China) an "excellent organization".
- Through the Retired Soldiers Association, 1,500 face masks were donated to factory employees.
- To alleviate the effects of the pandemic, it donated 50 boxes of face masks to a subsidiary and delivered around 10,000 masks to foreign customers.
- In October, it celebrated the senior citizens' holiday, where 30 volunteers from the company went to Puji's senior citizens' homes to enjoy the day with them.



Governance

The governance bodies at GRI Renewable Industries integrate environmental, social and governance (ESG) criteria into their decision making to grow as a profitable and sustainable company.



Corporate Governance

102-1, 102-3 AND 102-5

GRI Renewable Industries S.L. was incorporated in June 22, 2008 under the name "Gonvarri Infraestructuras Eólicas", later it was denominated "Gestamp Wind Steel", before taking on its current name, GRI Renewable Industries, and absorbing "Gonvarri Eólica".

The headquarters are located in: 3 Ombu St. 2th Floor. 28045 Madrid - Spain.

In 2015, the Japanese group Mitsui & CO Ltd joined the company's shareholding as a partner, with the acquisition of 25% of the Company. In December 2019, 100% of the Spanish

company FIHI Forging Industry, S.L. (trading name: GRI Flanges Iraeta) was sold. (trade name: GRI Flanges Iraeta), constituted through the segregation of the activity branch of Forjas Iraeta Heavy Industry, S.L. on July 26, 2019 to the Chinese company Iraeta Energy Equipment CO. Ltd.

The members of the Board are responsible for approving and committing to comply with the Code of Ethics and Code of Conduct. They are permanently informed of social, environmental and economic issues through the different communication channels.





Governance structure. Composition and its committees

102-18, 102-22 AND 102-23

The company's governing bodies are the General Meeting of Shareholders and a Board of Directors, the Company's highest governing, supervisory, decision-making and control body.

The Company's Bylaws include the functioning of the Board of Directors, as well as the requirements and deadlines established for convening the General Shareholders' Meeting. They do not provide for different ways of administering the company, so that a change in the administrative body would imply a change in the Company's Bylaws.

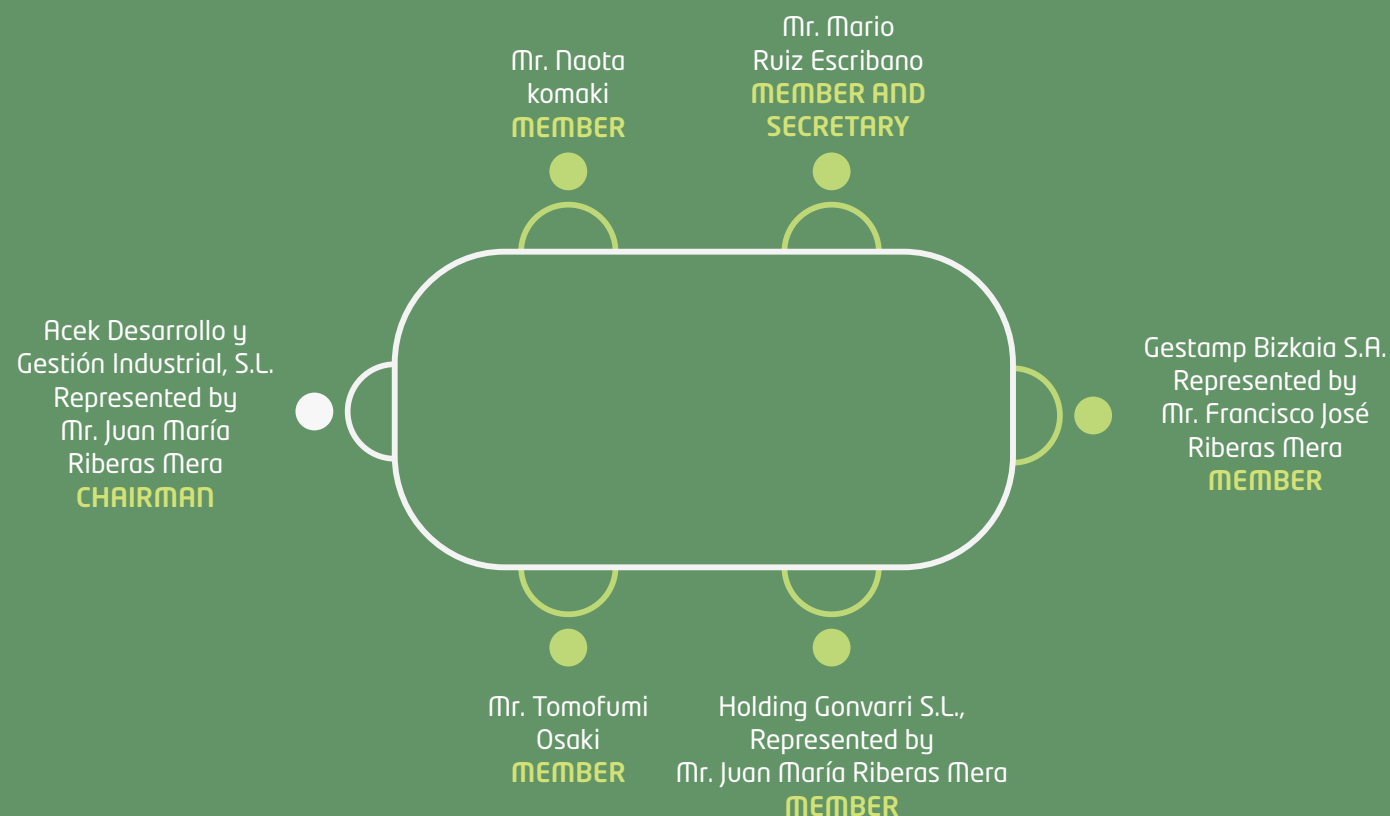
The performance of the Board of Director is not evaluated, since the members thought their shares are the owners of the company their shares and represent all the partners.

The Board of Directors shall represent the Company in all matters within the corporate purpose and relating to the business or trade of the Company, without any limitation whatsoever, binding it by its acts and contracts, and may exercise any powers not expressly reserved by law or by the Bylaws to the General Shareholders' Meeting.

The company is not listed on the Stock Market and its members of the Board of Directors represent the total number of partners and therefore, there is no legal obligation to count with representatives from other stakeholders.

As for executive staff, 100% are aged more than 46 years old. Furthermore, 66,6% hold the local nationality and all (100%) are male (405-1).

As of December 31, 2020, the Board of Directors of the Company comprises of six members, namely (102-28).
102-18



The company ACEK Desarrollo y Gestion Industrial, S.L., represented by D. Juan Maria Riberas Mera held the position of Managing Director of the Company at 31 December 2020, being delegated each one of the powers vested to the Board, except those that may not be delegated by Law or according to the Articles of Association.



Delegation, economic, social and environmental responsibilities

102-20

The members of the Board of Directors shall perform their duties with the diligence of an orderly businessman and a loyal representative and shall keep confidential information secret, even after leaving office. The Board's responsibilities include the approval of and commitment to comply with the Code of Ethics and Conduct and the Sustainability Policy.

The Board of Directors, in plenary session, makes the pertinent decisions and delegates, if necessary, the execution thereof. Specific or general powers of attorney may be granted in favour of company employees or third parties to undertake specific aspects of those operations previously approved by this body.

It is the highest authority responsible for the company's economic, environmental, and social affairs (102-19).

Likewise, the Company integrates its social, environmental, and economic responsibilities at the various Departments, whose most senior management figures refer any decision to be taken to the Board of Directors with the periodicity of the annual meetings to be determined. (102-31).

Appointment and Selection Processes. Conflicts of interest

102-24 AND 102-25

The Chairman of the Board has executive functions and is also the Chief Executive Officer. The powers to appoint Board Members are vested exclusively in the General Meeting, which represents the interests of all shareholders. (see KPI 102-18).

The members of the Board of Directors are appointed by their own members, and therefore other aspects relating to diversity, minorities, etc. are not taken into consideration. They shall hold office for an indefinite term, without prejudice to the power of the General Shareholders' Meeting to proceed at any time and moment to remove them and/or dismiss them, in accordance with the provisions of the Law and the Bylaws.

Shareholder status is not required to be appointed as a director, and the position may be held by both natural and legal persons.

Likewise, the Articles of Association establish the conditions that prohibit the performance of said functions.

Shareholders may not exercise their voting rights corresponding to their shares when they are subject to any case of conflict of interest as established in Article 190 of the Royal Legislative Decree 1/2010, of 2 July, which approves the Consolidated Text of the Capital Companies Act.

Functions and knowledge regarding sustainability

102-26, 102-27 AND 102-32

The functions of the Board of Directors include the approval and commitment to comply with the standards of the Code of Ethics and Conduct. They are kept permanently informed regarding social, environmental and economic issues, through the communication channels such as: periodic meetings with the management of the different areas, the Sustainability Report and actions and initiatives of the company.

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

- **Carbon Neutral Committee**, formed by the General Manager, the Sustainability Director, the Commercial Director, the Purchasing Director and the Operations Director. The committee will include the participation of the managers of the various plants (102-18).
- **Operational team**, made up of the QEHS Director, the Sustainability Manager, the KAM of the Customer area and the Indirect Purchasing Manager, and the project managers at the different plants.

The Sustainability Report is coordinated through the sustainability team, which is part of the Communication, Marketing and Sustainability Department. After its elaboration, a revision and supervision process is conducted by the different departments, to finally be approved by the Chairman. Similarly, to ensure the reliability of the information, the Report is externally verified by an independent body.



Communication with the senior body of governance

102-33

The General Meeting is called by the Board of Directors when it is deemed necessary or desirable in the corporate interests, and, in all cases, on the dates or during the periods established in the Law on Corporations.

Additionally, the meeting must be called in case one or several shareholders representing at least five (5) percent of the share capital request so, stating the matters to be discussed in their request. In this case, the General Meeting must be invoked to be held within two (2) months of the date when the notarial demand was served on the Board of Directors to call the meeting. The order of business must necessarily include the matters which formed the object of the request.

Unless any other mandatory requirements are established, the General Meetings will be called by means of a written, individual announcement sent by registered mail with confirmation of receipt, by telegram, by registered fax services or any other written or remote electronic means that guarantee the receipt of said announcement by all the shareholders, at the address they have designated for this purpose or at the address recorded in the Company's documentation.

Those responsible for the various departments keep a fluid and permanent communication with the Board of Directors and the Company.

Any major concern is immediately conveyed, which, if necessary, is immediately referred to the Board of Directors.

Meanwhile, periodic meetings are organized in which all the corporate experts participate. These are bidirectional meetings, with the highest managers communicating all the relevant aspects regarding the management and situation of the company, and in turn, receiving feedback from the experts to these issues and to other aspects of interest.

Finally, the consultation processes between stakeholders and the senior body of governance (102-21) are done through mechanisms for the exchange of information between the Board of Directors and the stakeholders.



Nature, performance and number of issues raised at the Board of Directors

102-28

The General Meeting will be held within the first six months of each financial year to scrutinize the corporate management and to approve, where applicable, the accounts for the previous year, and to rule on any matter regarding the results. The General Meeting will be validly established to deal with any issue, without the need for prior notification, as long as all the share capital is present or represented and those present unanimously agree to hold the meeting and its Order of Business.

Unless any other majority is mandatorily established, and except for the provisions of the adoption of the Key Decisions for which the General Shareholders' Meeting is responsible, corporate agreements will be passed by a majority of validly cast votes, provided that they represent at least a third (1/3) of the votes corresponding to the shares into which the share capital is divided. Blank ballots will not be counted.

Regarding the Board of Directors, it will convene whenever so decided by its President, either on his own initiative or when so requested by two of its members, and it will meet at least once per quarter, and in all cases within ninety (90) days of the end of the financial year. In 2020, the Board of Directors met 9 times.

The notice of meeting shall be sent by letter, telegram, fax or any other written or electronic means. The notice shall be addressed personally to each of the members of the Board of Directors, and shall include the matters to be discussed at the meeting, together with such information as will enable the directors to participate in an informed discussion of the items on

the agenda. Where appropriate, the notice of the meeting shall state that the meeting may be attended, either in person or by proxy, either in person or by telephone conference, video-conference, or equivalent system, and shall indicate and make available the technical means required for this purpose which, in any event, shall enable direct and simultaneous communication between all the attendees.

Unless all the Board Members should agree otherwise, the announcement will be served thirty calendar days prior to the date when the meeting is to be held, except in cases of extreme urgency, in the judgement of the President or at the request of any Board Member, when it may be served five (5) days in advance. An announcement will not be required provided that all Board Members are present and decide to hold a meeting.

The Board of Directors will be validly convened whenever the meeting is attended by five (5) of the members, each Board Member entitled to be represented by another Board Member, through a written authorization, signed by the represented party, on an individual basis for each meeting. Nevertheless, if a Board Meeting could not be held due to lack of the established quorum, it may be convened again just 7 days in advance, with the same order of business, in which case it will be deemed validly convened if the meeting is attended, in person or represented, by the majority of its members.

Resolutions may be passed in writing, without a meeting being held (including through written electronic means), provided that no Board Member opposes this procedure.

Remuneration of the Board of Directors

102-35, 102-36 AND 102-37

The position of director is unremunerated in said capacity, notwithstanding payment of any fees or salaries that might be payable by the Company for the provision of professional service or an employment relationship, as applicable, resulting from a contractual relationship other than those derived from the directorial position. Said fees will be subject to the legal regime that would be applicable.

Additionally, and irrespective of the above, whenever the administration and representation of the Company is entrusted to a Board of Directors, and a member of the Board of Directors is appointed managing director or is attributed executive functions by virtue of some other title, a contract must be made between the Company and said individual in accordance with the Law.

The contract will detail all the items for which a remuneration for the performance of executive functions may be received, including, where applicable, the possible compensation for premature dismissal from said functions and the amounts payable by the Company for insurance payments or contributions to saving plans.

The contract must comply with the remunerations policies approved, where applicable, by the General Meeting.

This financial year the indicators 102-38 and 102-39 are not reported. We do not have a uniform method to obtain a result that would comply with the requirements of the indicators and in some cases the information is considered to be confidential.



Taxation

Tax approach and management

207-1 Y 207-3

Rising concern over the management of tax matters by corporate groups and the implementation of legislation by governments intended to ensure that their tax systems generate the expected revenue, has contributed to the development of a growing call for more transparent tax information. Against this background it is essential that corporate groups manage both mandatory and voluntary tax information, and that such information matches the parameters demanded by the different stakeholders.

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

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

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

Tax governance, control, and risk management

207-2

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

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

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

GRI Renewable Industries is aligned with the Gonvarri Industries Group's Tax Policy, which aims to ensure compliance with applicable tax regulations and to ensure adequate coordination of the policy followed by the entities belonging to the Group, all of which avoids risks and tax inefficiencies in the execution of business decisions.



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

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

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

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

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

- d Establishes policies, principles and good practices, the different levels of approval and the roles and responsibilities in relation to controlling and managing Group tax risks.

- e GRI avoids using opaque entities for tax purposes, meaning entities whose owners cannot be held accountable by Tax Authorities because they have been designed via instrumental companies, in tax havens, in territories that do not cooperate with tax authorities, or in territories with low or no taxation.

Therefore, when a Group company has its headquarters in a territory classified as a tax haven, it shall only be due to industrial or commercial strategies.

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

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

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

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

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

With regard to risk control and management, GRI Renewable Industries has an Internal Control Framework that sets out the key control requirements for tax matters, as well as responsibilities and roles, recording and updating the different stages of the process through a "Key Controls Matrix".

The process includes the analysis of new tax legislation, jurisprudence and doctrinal developments in tax matters and identifies and assesses tax risks, monitoring possible tax contingencies by country and updating the Tax Risk Map.

The whistle-blowing channels are used to manage concerns or complaints from employees and external personnel. With regard to actions in the event of potential litigation, requirements, inspections, sanctions, risks arising, etc., once detected, the process of communication and coordinated risk management is initiated.



Compliance Model

GRI Renewable Industries Policies 102-17, 205-1 AND 205-2

The Company has developed a global corporate culture that has kept the same values and principles since its origin, but which are adapted to the local necessities of each country, to the current market conditions and to the requests of stakeholders.

In 2017 the Compliance Department was created to coordinate all the initiatives in Compliance, as the monitoring and follow-up of the training in Ethic Code of all employees. This Management was formally approved by the Board of Directors.

GRI Renewable Industries has formally established common policies and guidelines, as detailed below:

United Nations Global Compact

Since 2014 we have adhered to the United Nations Global Compact. We have renewed our commitment once again with the interest of promoting and implementing the 10 universally accepted principles.

In 2020 GRI Renewable Industries signed the "Declaration for a Renewed Global Partnership" promoted by the United Nations.

Sustainability Policy

The Sustainability Policy aims to reinforce the main commitments in terms of ethics, sustainability and human rights, in all the countries where we operate. The first version was approved by the Board of Directors at the end of 2015 and in 2020 it has been revised, aligned with the Sustainable Development Goals and approved in early 2021.

Code of Ethics and Conduct

The Code as a reference for all decisions taken by all employees and collaborators of GRI Renewable Industries.

Approved by the Board of Directors in January 2014 and revised during the 2019 fiscal year, publishing a new version that came into force on January 21, 2020 and is available for consultation on the website.

Harassment prevention guidelines and action protocol

This incorporates the measure for prevention and reporting of possible situations of harassment, with the minimum aspects of obligatory compliance in all the countries we operate and it is available for its consultation on the web.

Anti-fraud and anti-corruption policy

This Policy aims to reinforce GRI Renewable Industries' opposition to any conduct that may involve an act of fraud or corruption contrary to the company's values and principles and the guidelines set out in the Code of Ethics and Conduct.

The Policy was approved in November 2020 and is available for consultation on the following website.



Behavioural guidelines to offers of incentives, gifts or invitations

These regulate bribery and corruption in the countries we operate in with the objective to comply with all the laws, regulations and standards and it is available for its consultation on the web.

In 2020, several compliance policies were developed and formally approved in the first quarter of 2021. In particular, the Corporate Policy on Conflict of Interest Management, the Corporate Policy on Insider Trading and Confidential Information and the Corporate Protocol for the Management of Industrial and Intellectual Property.



Code of Ethics and Conduct

102-16 AND 102-17

The code is a referent for decision making by all employees of GRI Renewable Industries. It was approved by the Board of Directors in January 2014 and was revised in 2019. The new version of the Code of Ethics and Conduct came into force on January 21st, 2020.

One of the most significant changes is the new **"Ethical Channel"**. The Ethical Channel is available to all employees, directors, administrators and partners of GRI Renewable Industries, as well as other external stakeholders: customers, suppliers or the society in general, which serves a double function:

- It allows the reception of queries, incidents and reports related to alleged irregularities contrary to the behaviour guidelines of the Code of Ethics and Conduct, as well as those actions contrary to the law and likely to generate criminal or economic responsibilities to individuals or companies.
- It is also a means of consultation for doubts that may arise from the very application of the Code of Ethics, policies, rules and laws.

We also initiated an in-depth review of the internal complaint channels in some of the group's factories in accordance with local legislation and customs. The aim is to unify and collect all complaints, incidents and queries in a centralized manner through the group's official ethics channel, without it having any repercussions or being contrary to the legal requirements applicable in each country.

The primary management of the channel is now managed by an external provider, i2 Ethics (www. i2ethics.com), which is also the intermediary between the user of the Ethical Channel



and the Compliance Committee, thus guaranteeing confidentiality as one of the principles of operation of the channel.

The Ethical Channel has various means of communication accessible to all employees and to third parties. Via these means, it will be possible to make any consultation, report or communi-

cate any incident. The channel is available in all the languages the group operates in.

Once this information is centralized, a global dissemination campaign on GRI Renewable Industries' new "Code of Ethics and Conduct" and "Ethical Channel" will be launched.



Telephone and WhatsApp
+34 606 558 932



Web application
<https://gri.i2-ethics.com>



Email address
ethicalcode@gri.com.es



Postal service
Att./ Compliance Committee
C/. Ombú, 3. 2nd floor
28045 Madrid. Spain



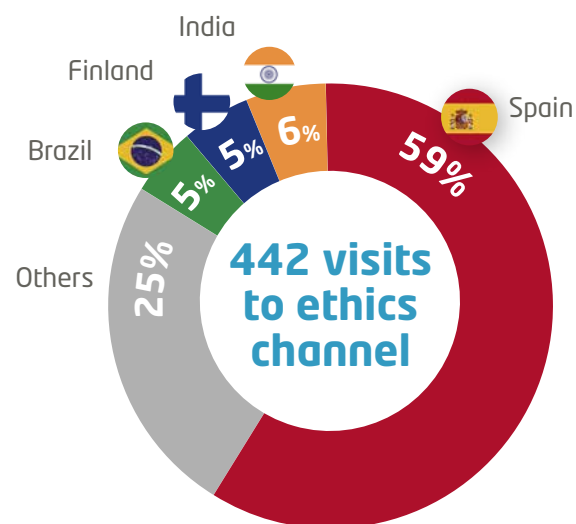
Ethics Committee

102-34

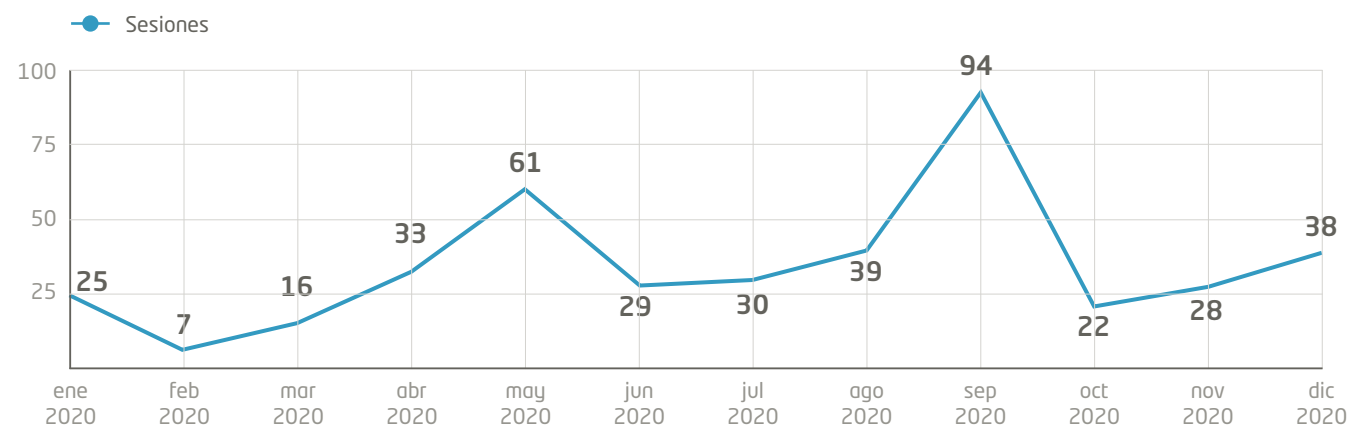
This is the body responsible for the promotion of the values and conduct of GRI Renewable Industries, and for the tracking, the communication, and the dissemination of the Code of Ethics, as well as to assist in the resolution of doubts regarding possible claims or incidents, all through the complaint channels: by email, by telephone or by post.

During fiscal year 2020, the Ethics Committee received 30 complaints, of which only one is pending resolution. The table below shows the complaints per type.

During the period under analysis, 442 visits to the ethical channel were recorded from 21 countries, mainly from Spain (59%), India (6%), Finland (5%) and Brazil (5%).



Behaviour	Complaints received 2020	Pending resolution
Acceptance and offer of gifts	0	0
Harassment (406-1)	0	0
Illicit trade, trade sanctions	0	0
Fair competition	0	0
Conflict of interest	0	0
Corruption and bribery	0	0
Discrimination	2	0
Forced employment	0	0
Falsified data	0	0
Fraud	0	0
Environmental impact	0	0
Tax issues	0	0
Group information and image	0	0
Prevention of money laundering	0	0
Intellectual and industrial property	0	0
Health and safety	1	0
Violation of personal data	0	0
Violation of confidential information	0	0
Other	27	1
> Total	30	1



The online channel was the preferred one for complainants with 66% of the total in a direct way and 23% through the link on the company's website.

The time the channel was available and online (SLA - Service Level Agreement) during 2020 was 99.998%.

Regarding other proceedings brought against the company, litigation in progress and penalties, in 2020 there was an occupational accident which could result in both an administrative penalty and compensation for damages. No new administrative sanction has been received during 2020 because of occupational accidents (403-2).

With regards to other proceedings against the company, ongoing litigation and sanctions, there are none that have a significant economic impact on the Group, in terms of unfair

competition and antitrust practices (206-1), impacts on the health and safety of product and service categories (416-2), substantiated claims relating to violations of customer privacy and loss of customer data (418-1), non-compliance with laws and regulations in the social, environmental and economic fields (307-1 and 419-1).

At the end of the year, no claims nor significant fines, that exceed €100,000 or that have a special impact on the Company by nature, related to social, environmental, economic aspects nor to labor practices and/or human rights were received.

It should be noted that no fraudulent activity or corruption was found in the analysed operations (205-3). All the analysed risks, which may or may not have a relation to fraud/corruption, are linked to a control for its mitigation (205-1).

Training

205-2 AND 412-2

In order to provide all employees with information on the policies and guidelines, a Training Plan has been developed, which includes both online and face-to-face training.

In 2019, 2,720 professionals (684 online 25% and 2,036 face-to-face 75%) were trained through an online course and face-to-face mode, which represents 68% of the workforce.

In 2020, with the entry into force of the new Code of Ethics and Conduct, the new "online" training model has been designed and defined through the GRI Academy, which is mandatory for all employees. It is scheduled to be launched on March 24, 2021 in all Iberia factories and offices, to be gradually extended to the rest of the countries.

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



Risks and opportunities

102-15, 102-29, 102-30, 103-1 AND 103-2

At GRI Renewable Industries we work to mitigate and reduce all possible risks through mechanisms integrated in the organization, as is outlined next:



Risk on financial information

Since 2015, GRI Renewable Industries counts with a "General Internal Control Framework", based on COSO methodology, which includes:

- Internal Control Committee and Policy
- Entity Level Key Controls Structure (ELC)
- Structure of key controls at process level

GRI has documented those processes it considers with risk of material impact on the preparation of financial information. These describe the controls that enable and adequate response to the risk associated to the achievement of the objectives related to the reliability and integrity of the financial information in such a way that the risk of errors is prevented, detected, mitigated and corrected.

The disclosure of processes, flowcharts and matrices is done through the specific portal in Leading the Change, remaining available for consultation by any member of the organization, constituting another working tool.

To ensure proper Internal Controls, key posts are evaluated annually. To this end, processes with risks affecting financial information are evaluated, assessing their probability and impact from a qualitative and quantitative point of view.

As a result of said analysis, for FY20 two main methodologies have been followed to evaluate the effectiveness of such con-

trols. On the one hand (and globally for all GRI plants) there has been a self-assessment process. On the other hand, independent testing was carried out for local processes in a total of 4 production centers, as well as for 7 centralized processes. Both procedures have given total coverage to the processes and production centers in the scope of FY20. Action plans are mostly implemented or in progress at the end of the financial year; all of which helps ensure the reliability of financial information, as well as compliance with applicable regulations and legislation.

It should be noted that due to the exceptional circumstances derived from the COVID-19 pandemic, all initiatives (except for one on domestic territory) have been carried out and supervised electronically.

Additionally, during 2020, for the sake of continuous improvement, a general re-evaluation of processes was planned considering those with the greatest impact on financial information. This initiative, with a time horizon of completion in 2020-2022, contemplates a complete review of key processes, risks, and related controls.

During 2020, a total of 12 processes were reviewed and/or defined. It is estimated that during 2021-2022 the initiative will be completed thus shaping a renewed framework for key processes and controls.



Risk management: new projects

Deriving from possible changes in the company's strategic lines or in the country's situation, such as political or regulatory changes, currency devaluations, changes in energy policies, trade restrictions, etc.

For the development and execution of our new projects, an exhaustive study is done in which all quantitative and qualitative aspects of the project, as well as the potential risks, are analyzed and assessed by the distinct departments prior to their presentation to the Board of Directors.

All proceedings and their derived risks are continuously analyzed by the management and the teams of the company, which allows for their detection and for the quick and agile implementation of correcting measures and opportunities for improvement to be implemented.



Operational risks

These are those derived from technological or quality failures, management problems, etc. that imply quality failures in the product, in delivery times, among others.

The company's efforts are aimed at maintaining and improving relations with customers, adapting to their needs, expanding its portfolio of products and services and increasing its global presence.

To mitigate this, we have risk policies in place and are developing numerous initiatives and projects for improvement, measurement and efficiency, contingency plans, etc.

A clear opportunity derives from efficiency in products and processes, which reduces consumption, production times, waste, etc., thereby improving costs and profitability. In addition, through innovation we adapt to market needs.



Reputational, ethical and human right risks

These are caused by possible behaviors which are contrary to the guidelines indicated in the policies and codes of GRI Renewable Industries regarding ethics, human rights and anticorruption.

Through the new Management of Corporate Compliance and the managers of the different plants, an ambitious training plan covering the compliance codes and policies for all personnel has been executed.

In addition, a Compliance Committee and the Ethical Channel have been defined to respond to complaints and conflicts that may arise.

Through these mechanisms, we have mitigated the risks and improved communication and management regarding the economic impact of our factories (business opportunities to local providers, employment, improving the local economy, tax payments, etc.).

Among the opportunities are the numerous actions that allow us to strengthen the Group's ethical principles, minimize risks and boost the company's reputation.

With respect to project financing, compliance clauses or commitments in labour, environmental and human rights matter in 2020, directly related to compliance with international treaties and/or the Equator Principles, have been required in 3 contracts, in addition to sustainable financing from the ICO, in 2020 (412-3).



Risks related to health and safety

The Health and Safety of our employees is a key aspect, always present in the decision-making process and in the development of work plans aimed at constantly improving safety and working conditions in all our factories and offices.

We actively manage all identified risks, through our policy, through awareness and training measures, through our management system certified under the ISO 45001 standard and through the IPRL excellence system. We implement preventive and corrective measures to reduce both the probability and the severity of any undesired event that might occur, through common criteria and through requirements which are stricter than those stipulated by the applicable legislation.

This allows us to identify and develop improvement actions that contribute to improving our employees' work environment.



Climate change risks 201-2

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

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

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

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

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

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

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

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



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



IT security, process and data protection risks

Business process support

Systems are a fundamental element for the execution of business processes and for the implementation of our strategy, even more so in this innovative and collaborative environment that relies on emerging technologies in an increasingly turbulent business environment.

Systems and IT organization are essential to harness the most powerful wave of digital transformation.

The IT department of GRI Renewable Industries faces a challenging balance between the need for digital innovation on a company-wide scale and the need to maintain and operate with today's most advanced systems and processes in order to maintain operational excellence.

2020 has been a very challenging year in this regard: The Group's centralised ERP SAP system, infrastructure services and communications were both maintained and improved, with a focus on business support, efficiency, and profitability.

The scenario created by the COVID-19 pandemic has put to the test the IT services previously provided to provide everyone in the organization with capabilities for flexible and secure access to company resources, as well as interaction with customers and suppliers, not only increasing productivity and user experience, but also guaranteeing business process continuity in lock-down scenarios.

At the same time, transformation projects have been launched to align the business strategy with the systems strategy and continue moving forward together on the journey towards digital transformation.

Work continued on technological initiatives to enable the addition of IT capabilities and new operating models, such as the MII real-time production control system, based on so-called "hyper-convergence" technology.

Hyper-convergence provides a "hybrid cloud" approach in an industrial environment, which keeps critical infrastructure and data under GRI control, but allows for their integration with machines at the plants and with applications and data in the cloud.

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

At GRI Renewable Industries we are convinced that information has become a strategic asset for the company and ensuring its security is one of the Group's greatest challenges.

Information security

Cyberthreats continue to grow in ingenuity and frequency, online fraud continues to evolve thanks to new social engineering techniques, and these are responsible for million-dollar losses in companies worldwide.

In this aspect, the scenario created by the COVID-19 pandemic, if on the one hand has boosted the use of digital tools for work and collaboration, on the other hand has expanded the surface of exposure to possible attacks, including techniques that have even used people's sensitivity to everything inherent to the pandemic and in general their health as an entry point for possible attacks.

The rapid proliferation of intelligent devices and the connectivity given by the Internet of Things (IoT), coupled with the lack of global security standards makes many of these devices very vulnerable and exposes personal and business information.

This trend is shown by the increase in the kidnapping of corporate computer equipment by hackers, with the aim of "mining" crypto currencies. This is done through a modern malware that is designed to go after business networks which can make these collapse or even damage the hardware.



According with what we mentioned above, also has increased the phishing fraud, so every day it is necessary to adequate all the security policies and the devices with the aim to protect the actives and the people's security.

For this reason, the necessary mechanisms have been established to safeguard information privacy and to protect the data of customers and providers, as well as to manage and treat documentation adequately according to its level of relevance, and to enhance security, information security procedures are periodically reviewed and systems are continually tested to ensure they are watertight.

In the year 2020, the following measures, among others, have been taken to improve security policies:

- Periodical system scans to detect external and internal vulnerabilities and their correction based on their level of criticality.
- Diagnosis of information security and its risks based on the ISO 27000 standard.
- To reinforce awareness and training of the group's employees, campaigns and training courses took place.

We have also continued to support and improve the relevant measures to adapt to the new European data privacy regulations (GDPR). This implies a more transversal level of supervision on the protection of personal data information.

Main risk 2020

In 2020, GRI Renewable Industries faced, in addition to the various risks arising from the market situation in the countries in which it operates, all those arising from the situation generated as a result of the global pandemic of COVID-19. The effects of the pandemic have been multiple, affecting at some point, to a greater or lesser extent, all geographic areas.

- The worsening of the general economic and social situation as a consequence of the COVID-19 pandemic.
- The change in the wind market's pricing model in countries where GRI Renewable Industries has a presence (Turkey, South Africa, USA, India).
- The stress on supply chains as a result of logistical and production misalignments due to COVID-19.
- Concerns related to data fraud, cyber-attacks and other technological vulnerabilities.
- The tendency to concentrate on large customers, which reduces their number.
- Risks arising from protectionist policies and the establishment of tariffs among the main players in international trade.
- Currency devaluation in some countries we are present.
- Volatility in the price of raw materials and, therefore, in the valuation of the stock available in factories. This, together with increased price pressure from customers, is leading to a narrowing of margins at every step of the supply chain.
- Growing environmental, social and governance (ESG) awareness, in addition to risks from climate change, natural disasters and disease.

The Pandemic has generated varying levels of uncertainty and prolonged economic effects, which will affect future fiscal years in unquantifiable ways. The enormous extent of the pandemic and the lack of information on its duration make us foresee a very complicated macroeconomic scenario.



Associations and organizations

102-13

GRI Renewable Industries establishes relations with local public authorities on an altruistic basis with complete transparency, in accordance with the guidelines of the Code of Ethics. The company does not make any economic or in-kind contributions to

political parties, nor through sponsorships or donations, which are against the law.

Its relationship with local administration is transparent and responsible. It is mainly related to issues affecting its sector, which are normally channelled by associations (415-1).



GRI Renewable Industries

GRI HEAD QUARTERS

- Seres



GRI Castings

GRI CASTINGS

- Asociación de Fundidores del País Vasco



GRI Flanges Iraeta

GRI FLANGES IRAETA

- Asociación empresarios de Gipuzkoa (ADEGI)



GRI Calviño Towers Argentina

GRI ARGENTINA

- Cámara Eólica Argentina



GRI Towers Galicia

GRI TOWERS GALICIA

- AICA
- Asociación de Industriales Metalúrgicos de Galicia (ASIME)
- Centro Tecnológico AIMEN



GRI Towers Sevilla

GRI TOWERS SEVILLA

- Asociación Empresarial para la Promoción del Puerto de Sevilla



GRI Towers South Africa

GRI TOWERS SOUTH AFRICA

- Steel and Engineering Industries Federation of South Africa
- South African Wind Industry Association



GRI Towers Texas

GRI TOWERS TEXAS

- Amarillo Chamber of Commerce
- Panhandle Human Resources



GRI Towers Turkey

GRI TOWERS TURKEY

- Bandirma Organize Industrial Zone (BOSB)
- Gönen Chamber of Commerce (GTO)
- Balıkesir Chamber of Industry (BSO)
- Istanbul Metal and Mining Exporter Commerce del Noroeste (IMMIB)



GRI

ESG

CULTURE



Environmental



Social



Governance

ANNEXES

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[Profile](#)

[Information](#)

[GRI Content](#)

[Global Compact Principles](#)

[Perimeter](#)

ANNEXOS

The content of the Sustainability Report follows the guidelines of the “GRI Standards” reference guide, the result of the Materiality Study and the Sustainable Development Goals. Its content has been verified by the independent company EY.



ANNEX I

Independent Review Report



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

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Fax: 916 727 238
ey.com

INDEPENDENT LIMITED ASSURANCE REPORT OF THE SUSTAINABILITY REPORT 2020 OF GRI RENEWABLE INDUSTRIES, S.L.

To the Management of GRI RENEWABLE INDUSTRIES, S.L.:

Scope

As commissioned by the Management of GRI RENEWABLE INDUSTRIES, S.L. (hereinafter, GRI Renewable Industries), we have carried out the review of the "Sustainability Report 2020". This information has been prepared in accordance with GRI Sustainability Reporting Standards (GRI Standards) core option, as detailed in "Report Profile".

The scope considered by GRI Renewable Industries for the preparation of the Report is defined in "Scope consolidation of GRI Renewable Industries S.L. and subsidiaries".

The preparation of the "Sustainability Report 2020", as well as its content, is the responsibility of the Management of GRI Renewable Industries, which is also responsible for defining, adapting and maintaining the management and internal control systems from which the information is obtained. Our responsibility is to issue an independent report based on the procedures applied in our review.

Criteria

Our review was carried out based on:

- ▶ The guidelines for reviewing Corporate Responsibility Reports, issued by the Spanish Official Register of Auditors of Accounts (ICJCE).
- ▶ Standard ISAE 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standard Board (IAASB) of the International Federation of Accountants (IFAC), with a limited assurance scope.

Applied procedures

Our review consisted in requesting information from the Sustainability Department and the various business units participating in the preparation of the "Sustainability Report 2020", applying processes and analytical procedures, and sampling review tests as described in the general terms below:

- ▶ Interviews with the staff in charge of the preparation of the sustainability information in order to gain a deep understanding of how the objectives and sustainability policies are considered, set into practice, and integrated within GRI Renewable Industries' global strategy.
- ▶ Reviewing the processes for the compilation and validation of the information presented in the Report.
- ▶ Checking the processes held by GRI Renewable Industries in order to define the material aspects and stakeholder participation.
- ▶ Reviewing the adaptation of the structure and content of the Report, as indicated in the GRI Standards sustainability reporting framework of the Global Reporting Initiative, in accordance with the comprehensive option.

- ▶ Checking selected samples of the quantitative and qualitative information of the contents included in Annex "GRI Content Index", as well as their adequate compilation from data supplied by information sources. The review tests have been defined to provide the aforementioned assurance levels.
- ▶ Checking that the financial information included in the Report has been audited by independent third parties.

These procedures have been applied to the contents in Annex "GRI Content Index", with the aforementioned scope.

The scope of our review is considerably lower than a reasonable assurance report. Therefore, the degree of assurance is also less extensive. This report in no case should be considered as an audit report.

Independence and quality control

We have complied with the requirements of independence and the other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA, for its acronym in English).

Our firm applies the International Standard on Quality Control 1 (ISQC 1) and maintains, as a result, a global quality control system that includes documented policies and procedures related to compliance with ethical requirements, professional standards, and legal and regulatory provisions.

Our work has been performed by a team of sustainability experts with a wide experience in reviewing this type of information.

Conclusions

As a result of our limited review, we conclude that no matter came to our attention that would indicate that the contents included in Annex "GRI Content Index" of the Report has not been prepared, in all material respects, according to the GRI Standards sustainability reporting framework, which includes the data reliability, the adequacy of the information presented and the absence of significant deviations and omissions.

This report has been prepared solely for the management of GRI Renewable Industries, in accordance with the terms set out in our engagement letter.

ERNST & YOUNG, S.L.

(Free translation from the Original Report on Independent Review in Spanish dated May 18th, 2021. In the event of any discrepancy, the Spanish version always prevails.)

Domicilio Social: C/ Raimundo Fernández Villaverde, 65, 28003 Madrid - inscrita en el Registro Mercantil de Madrid, tomo 9.364 general, 8.130 de la sección 3ª del Libro de Sociedades, folio 68, hoja nº 87.690-1.
Inscripción 1ª, Madrid 9 de Marzo de 1.989. A member firm of Ernst & Young Global Limited.



ANNEX II

Report Profile

The Sustainability Report was created in accordance with the information and indicators established in the reference guide of the core option of the "GRI Standards" (102-54) and the relevant matters that arise from our Materiality Study, as an integral part of our commitment to the Sustainable Development Goals. The table of contents can be found in the Annex of this report, together with the independent external verification report done by the company EY (102-56).

The goal is to communicate the most relevant aspects and initiatives, with an approach that is aligned with our way to understand sustainability and its impact on the management of the company.

Contact of the report

102-53

For general issues regarding this report, information is available at:



rsc@gri.com.es



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28045 Madrid. Spain

Presentation cycle

As in previous years, the Report has an annual periodicity (102-52), and covers the information from January 1st 2020 and December 31st 2020 (102-50), the last report being that from 2019 (102-51).

Significant Changes

There have been no changes in the perimeter and scope with respect to the previous year. The minor changes are indicated in their corresponding sections (102-49).

There has not been any restatement of information regarding the previous financial year (102-48), nor were there any changes in the supply chain (102-10).



ANNEX III. Quantitative information

Human Resources

OWN PERSONNEL BY COUNTRY, GENDER AND AGE												
	MANAGERS				MIDDLE MANAGERS				PLANT & OFFICE			
	18-25	26-35	36-45	46	18-25	26-35	36-45	46	18-25	26-35	36-45	46
► MEN												
Argentina	0	0	3	4	0	20	13	8	25	87	57	14
Brazil	0	0	1	2	0	4	4	1	20	203	202	62
China	0	1	6	11	0	13	12	14	139	315	212	295
Spain	0	0	8	14	3	58	88	68	27	195	239	190
USA	0	2	0	2	1	7	12	4	46	89	63	37
India	0	1	5	4	2	31	26	9	38	112	173	45
S. Africa	0	3	1	5	0	8	12	3	0	89	68	47
Turkey	0	0	0	1	0	0	4	2	55	145	102	23
	0	7	24	43	6	141	171	109	350	1,235	1,116	713
► WOMEN												
Argentina	0	0	1	0	1	6	3	1	1	0	1	0
Brazil	0	0	0	0	0	0	1	0	7	18	40	5
China	0	0	0	1	0	5	7	3	38	76	56	52
Spain	0	0	1	3	0	10	21	3	1	24	25	21
USA	0	0	1	2	0	1	0	1	2	9	6	4
India	0	0	0	0	0	0	0	0	0	0	0	0
S. Africa	0	0	2	0	0	2	0	2	1	5	3	3
Turkey	0	0	0	0	0	0	1	0	0	4	1	0
	0	0	5	6	1	24	33	10	50	136	132	85

EXTERNAL STAFF BY COUNTRY AND GENDER				
	SUBCONTRACT		TTE'S	
	MEN	WOMEN	MEN	WOMEN
Argentina	3	1	0	0
Brazil	104	0	0	0
China	0	0	0	0
Spain	24	5	25	8
USA	1	0	2	1
India	224	15	0	0
S. Africa	20	7	9	0
Turkey	25	0	0	0
	401	28	36	9

EMPLOYEES LOCAL NATIONALITY BY GENDER AND COUNTRY			
	MEN	WOMEN	TOTAL LOCAL
Argentina	214	12	226
Brazil	496	71	567
China	1,018	238	1,256
Spain	854	105	959
USA	248	20	268
India	445	0	445
S. Africa	227	18	245
Turkey	332	6	338
	3,834	470	4,304

	DISTRIBUTION OF PERSONNEL BY COUNTRY, GENDER, TYPE AND DURATION OF CONTRACT									
	TYPE OF CONTRACT						DURACIÓN DEL CONTRATO			
	PERMANENT		TEMPORARY		SCHOLARSHIP		COMPLETO		PARCIAL	
	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN
Argentina	231	14	0	0	0	0	231	14	0	0
Brazil	499	71	0	0	0	0	499	71	0	0
China	1,018	238	0	0	0	0	1,018	238	0	0
Spain	628	95	260	14	2	0	889	105	1	4
USA	263	26	0	0	0	0	263	26	0	0
India	423	0	2	0	21	0	423	0	23	0
S. Africa	236	18	0	0	0	0	236	18	0	0
Turkey	332	6	0	0	0	0	332	6	0	0
	3,630	468	262	14	23	0	3,891	478	24	4

TRAINING BY CATEGORY AND COUNTRY						
	MEN			WOMEN		
	MANAGERS	MIDDLE MANAGERS	PLANT & OFFICE	MANAGERS	MIDDLE MANAGERS	PLANT & OFFICE
Argentina	0	0	0	0	0	0
Brazil	0	129	9,746	0	15	1,080
China	56	56	300	56	56	300
Spain	58	835	18,422	17	220	421
USA	56	213	1,870	7	21	200
India	67	120	395	0	0	0
S. Africa	19	292	8,585	17	33	6,605
Turkey	2	145	4,820	0	48	78
	258	1,790	44,138	97	393	8,684



HIRES men													HIRES women												
	Managers				Middle Managers				Plant & office					Managers				Middle Managers				Plant & office			
	18-25	26-35	36-45	46	18-25	26-35	36-45	46	18-25	26-35	36-45	46		18-25	26-35	36-45	46	18-25	26-35	36-45	46	18-25	26-35	36-45	46
Argentina	0	0	0	1	0	1	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Brazil	0	0	0	0	0	2	0	0	15	79	60	12	0	0	0	0	0	0	0	0	5	5	13	2	2
China	1	1	0	3	0	0	1	1	26	66	58	26	0	0	0	0	0	0	0	0	7	9	16	7	7
Spain	0	0	0	0	1	0	3	0	18	64	71	51	0	0	0	0	0	1	1	0	0	2	2	1	1
USA	0	0	0	0	0	0	0	0	35	31	31	12	0	0	0	1	0	0	0	0	2	5	6	1	1
India	0	0	1	0	0	1	2	0	13	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
S. Africa	1	1	0	0	0	0	2	0	2	5	2	0	0	0	0	0	0	0	0	0	4	2	0	0	0
Turkey	0	0	0	0	0	0	0	0	44	21	38	11	0	0	0	0	0	0	0	0	0	0	0	0	0
	2	2	1	4	1	4	8	2	153	268	260	112	0	0	0	1	0	1	1	0	18	23	37	11	11
DISMISSAL LEAVING men													DISMISSAL LEAVING women												
	Managers				Middle Managers				Plant & office					Managers				Middle Managers				Plant & office			
	18-25	26-35	36-45	46	18-25	26-35	36-45	46	18-25	26-35	36-45	46		18-25	26-35	36-45	46	18-25	26-35	36-45	46	18-25	26-35	36-45	46
Argentina	0	2	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Brazil	0	0	0	0	0	0	0	0	1	4	5	5	0	0	0	0	0	0	0	0	0	3	1	1	1
China	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Spain	0	1	1	0	0	0	1	1	0	2	3	4	0	0	0	0	0	0	0	0	0	1	0	0	0
USA	0	0	1	0	0	0	2	0	7	17	8	2	0	0	0	0	0	0	0	0	0	1	1	0	0
India	0	0	0	0	0	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
S. Africa	0	0	0	0	0	0	0	2	0	9	7	3	0	0	0	0	0	0	0	0	1	0	0	0	2
Turkey	0	0	0	0	0	0	0	0	0	3	5	1	0	0	0	0	0	0	0	0	0	0	0	0	0
	0	3	3	0	0	2	3	3	8	35	28	15	0	0	0	0	0	0	0	0	1	5	2	3	3
VOLUNTARY LEAVING men													VOLUNTARY LEAVING women												
	Managers				Middle Managers				Plant & office					Managers				Middle Managers				Plant & office			
	18-25	26-35	36-45	46	18-25	26-35	36-45	46	18-25	26-35	36-45	46		18-25	26-35	36-45	46	18-25	26-35	36-45	46	18-25	26-35	36-45	46
Argentina	0	0	0	0	0	1	0	0	2	4	5	2	0	0	0	0	0	0	2	0	0	1	0	0	0
Brazil	0	0	0	0	0	0	0	0	0	0	2	0	0	0	0	0	0	0	0	0	0	1	0	0	0
China	0	0	0	1	0	0	1	1	11	47	25	14	0	0	0	0	0	0	0	0	3	5	5	3	3
Spain	0	0	1	0	0	1	5	0	15	56	51	37	0	2	0	0	0	1	1	0	1	4	2	0	0
USA	0	0	0	1	0	0	1	1	16	16	11	5	0	0	0	0	0	0	0	0	0	2	1	5	5
India	0	0	0	0	0	2	0	0	0	5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
S. Africa	0	0	0	0	0	1	1	0	1	4	2	3	0	0	0	0	0	0	0	2	0	1	0	0	0
Turkey	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	1	2	0	5	8	2	45	132	96	61	0	2	0	0	0	3	3	0	5	13	8	8	8



ANNEX IV

GRI Content Index 102-55

The contents of this index have been externally verified by the independent entity EY. The related independent review report for verification can be found in the Annex of this document. Information omissions are included as a note in italics on appropriate indicators.

Content	PAGE/ Omission	Review and materiality
GRI 101: Foundation		
GRI 102: General Content		
ORGANIZATIONAL PROFILE		
102-1 Name of the organization.	7	✓
102-2 Activities, brands, products, and services.	7	✓
102-3 Location of headquarters.	7, 71	✓
102-4 Location of operations.	10, 11	✓
102-5 Ownership and legal form.	71	✓
102-6 Markets served.	10, 11	✓
102-7 Scale of the organization.	9	✓
102-8 Information on employees and other workers.	41, 42, An3	✓
102-9 Supply chain.	61	✓
102-10 Significant changes to the organization and its supply chain.	90	✓
102-11 Precautionary Principle or approach.	84	✓ m
102-12 External initiatives.	68	✓
102-13 Membership of associations.	87	✓
STRATEGY		
102-14 Values, principles, standards, and norms of behavior.	5	✓
102-15 Mechanisms for advice and concerns about ethics.	82	✓ m
ETHICS AND INTEGRITY		
102-16 Values, principles, standards, and norms of behavior.	7, 79	✓ m
102-17 Mechanisms for advice and concerns about ethics.	78, 79	✓ m

Content	PAGE/ Omission	Review and materiality
GOVERNANCE		
102-18 Governance structure	72, 73	✓
102-19 Delegating authority	73	✓
102-20 Executive-level responsibility for economic, environmental, and social topics	73	✓
102-21 Consulting stakeholders on economic, environmental, and social topics	74	✓
102-22 Composition of the highest governance body and its committees	72, 73	✓
102-23 Chair of the highest governance body	72	✓
102-24 Nominating and selecting the highest governance body	73	✓
102-25 Conflicts of interest	73	✓
102-26 Role of highest governance body in setting purpose, values, and strategy	73	✓
102-27 Collective knowledge of highest governance body	73	✓
102-28 Evaluating the highest governance body's performance	75	✓
102-29 Identifying and managing economic, environmental, and social impacts	82	✓ m
102-30 Effectiveness of risk management processes	82	✓
102-31 Review of economic, environmental, and social topics	73	✓
102-32 Highest governance body's role in sustainability reporting	73	✓
102-33 Communicating critical concerns	74	✓
102-34 Nature and total number of critical concerns	80	✓
102-35 Remuneration policies	75	✓
102-36 Process for determining remuneration	75	✓
102-37 Stakeholders' involvement in remuneration	75	✓
102-38 Annual total compensation ratio	75, ND	✓
102-39 Percentage increase in annual total compensation ratio	75, ND	✓



Content	PAGE/ Omission	Review and materiality
STAKEHOLDER ENGAGEMENT		
102-40 List of stakeholder groups	19	✓
102-41 Collective bargaining agreements	44	✓
102-42 Identifying and selecting stakeholders	19	✓
102-43 Approach to stakeholder engagement	20	✓
102-44 Key topics and concerns raised	21	✓
REPORTING PRACTICE		
102-45 Entities included in the consolidated financial statements	100	✓
102-46 Defining report content and topic Boundaries	20	✓
102-47 List of material topics	21	✓
102-48 Restatements of information	90	✓
102-49 Changes in reporting	90	✓
102-50 Reporting period	90	✓
102-51 Date of most recent report	90	✓
102-52 Reporting cycle	90	✓
102-53 Contact point for questions regarding the report	90	✓
102-54 Claims of reporting in accordance with the GRI Standards	90	✓
102-55 GRI content index	93, 98	✓
102-56 External assurance	90	✓

Economic Performance

MATERIALITY TOPICS

Content	PAGE/ Omission	Review and materiality
MANAGEMENT APPROACH		
GRI 103. Management Approach. It is applicable to all indicators reported in this section Economic Dimension.		
103-1 Explanation of the material topic and its Boundary	19, 82	✓
103-2 The management approach and its components	82	✓
103-3 Evaluation of the management approach	82	✓
ECONOMIC PERFORMANCE		
GRI 201. Economic Performance		
201-1 Direct economic value generated and distributed	12	✓
201-2 Financial implications and other risk and opportunities due to climate change	84	✓ m
201-3 Defined benefit plan obligations and other retirement plans	47	✓
201-4 Financial assistance received from government	43	✓
PROCUREMENT PRACTICES		
GRI 204. Procurement Practices		
204-1 Proportion of spending on local suppliers	63	✓
ANTI CORRUPTION		
GRI 205. Anti corruption		
205-1 Operations assessed for risks related to corruption	78, 81	✓
205-2 Communication and training about anti-corruption policies and procedures	79, 81	✓
205-3 Confirmed incidents of corruption and actions taken	81	✓



Economic Performance

MATERIALITY TOPICS

Content		PAGE/ Omission	Review and materiality
ANTI-COMPETITIVE BEHAVIOR			
GRI 206. Anti-competitive Behavior			
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	81	✓
TAXATION			
GRI 207. Taxation			
207-1	Approach to tax	76	✓
207-2	Tax governance, control, and risk management	76	✓
207-3	Stakeholder engagement and management of concerns related to tax	76	✓
207-4	Country-by-country reporting	13	✓

Environmental Performance

MATERIALITY TOPICS

Content		PAGE/ Omission	Review and materiality
MANAGEMENT APPROACH			
GRI 103. Management Approach. It is applicable to all indicators reported in this section Environmental Dimension.			
103-1	Explanation of the material topic and its Boundary	19, 23	✓ m
103-2	The management approach and its components	23	✓ m
103-3	Evaluation of the management approach	23	✓ m
MATERIALS			
GRI 301. Materials			
301-1	Materials used by weight or volume	28	✓ m
301-2	Recycled input materials used	28	✓ m
301-3	Reclaimed products and their packaging materials	28	✓
ENERGY			
GRI 302. Energy			
302-1	Energy consumption within the organization	36	✓ m
302-2	Energy consumption outside of the organization	36	✓ m
302-3	Energy intensity	36	✓ m
302-4	Reduction of energy consumption	35	✓ m
302-5	Reduction in energy requirements of products and services	28, 38	✓ m



Environmental Performance

MATERIALITY TOPICS

Content	PAGE/ Omission	Review and materiality
WATER AND EFFLUENTS		
GRI 303. Water and effluents		
303-1 Interactions with water as a shared resource	24	✓
303-2 Management of water discharge-related impacts	24	✓
303-3 Water withdrawal	24	✓
303-4 Water discharge	24	✓
303-5 Water consumption	24	✓
BIODIVERSITY		
GRI 304. Biodiversity		
304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	25	✓
304-2 Significant impacts of activities, products, and services on biodiversity	25	✓
304-3 Habitats protected or restored	25	✓
304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	25	✓
EMISSIONS		
GRI 305. Emissions		
305-1 Direct (Scope 1) GHG emissions	37	✓ m
305-2 Energy indirect (Scope 2) GHG emissions	37	✓ m

Content	PAGE/ Omission	Review and materiality
305-3 Other indirect (Scope 3) GHG emissions	37	✓ m
305-4 GHG emissions intensity	38	✓ m
305-5 Reduction of GHG emissions	38	✓ m
305-6 Emissions of ozone-depleting substances	38	✓
WASTE		
GRI 306. Waste		
306-1 Water discharge by quality and destination	30-33	✓ m
306-2 Waste by type and disposal method	30-33	✓ m
306-3 Significant spills	30	✓ m
306-4 Transport of hazardous waste	30-33	✓ m
306-5 Water bodies affected by water discharges and/or runoff	30-33	✓ m
ENVIRONMENTAL COMPLIANCE		
GRI 307. Environmental Compliance		
307-1 Non-compliance with environmental laws and regulations	81	✓
SUPPLIERS		
GRI 308. Suppliers environmental assesment		
308-1 New suppliers that were screened using environmental criteria	62	✓ m
308-2 Negative environmental impacts in the supply chain and actions taken	63	✓ m



Social Performance

MATERIALITY TOPICS

Content	PAGE/ Omission	Review and materiality
MANAGEMENT APPROACH		
GRI 103. Management Approach. It is applicable to all indicators reported in this section Social Dimension.		
103-1 Explanation of the material topic and its Boundary	19, 40, 68	✓
103-2 The management approach and its components	40, 68	✓
103-3 Evaluation of the management approach	40, 68	✓
EMPLOYMENT		
GRI 401. Employment		
401-1 New employee hires and employee turnover	42	✓
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	47	✓
401-3 Parental leave	44	✓
OCCUPATIONAL HEALTH AND SAFETY		
GRI 403. Occupational Health and Safety		
403-1 Occupational health and safety management system	48	✓ m
403-2 Hazard identification, risk assessment, and incident investigation	49, 52, 55	✓ m
403-3 Occupational health services	48, 55	✓ m
403-4 Worker participation, consultation, and communication on occupational health and safety	53	✓ m
403-5 Worker training on occupational health and safety	55	✓ m
403-6 Promotion of worker health	47	✓ m
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	50, 52	✓ m
403-8 Workers covered by an occupational health and safety management system	48	✓ m
403-9 Work-related injuries	49, 52, 53	✓ m
403-10 Work-related ill health	52	✓ m

Content	PAGE/ Omission	Review and materiality
TRAINING AND EDUCATION		
GRI 404. Training and Education		
404-1 Average hours of training per year per employee	45	✓ m
404-2 Programs for upgrading employee skills and transition assistance programs	45	✓ m
404-3 Percentage of employees receiving regular performance and career development reviews	44	✓
DIVERSITY AND EQUAL OPPORTUNITY (NOT MATERIAL)		
GR 405. Diversity and Equal Opportunity		
405-1 Diversity of governance bodies and employees	41, 43, 72	✓
NON-DISCRIMINATION		
GRI 406. Non-discrimination		
406-1 Incidents of discrimination and corrective actions taken	80	✓ m
CHILD LABOR		
GRI 408. Child Labor		
408-1 Operations and suppliers at significant risk for incidents of child labor	62	✓
HUMAN RIGHTS ASSESSMENT (NOT MATERIAL)		
GRI 412. Human rights assessment		
412-2 Operations that have been subject to human rights reviews or impact assessments	81	✓
412-3 Significant agreements and investment contracts with clauses on human rights or submitted to evaluation of human rights	83	✓



Social Performance

MATERIALITY TOPICS

Content	PAGE/ Omission	Review and materiality
LOCAL COMMUNITIES		
GRI 413. Local Communities		
413-1 Operations with local community engagement, impact assessments, and development programs	69	✓
SUPPLIERS SOCIAL ASSESSMENT		
GRI 414. Suppliers social assessment		
414-1 New suppliers that have passed selection filters according to social criteria	62	✓
414-2 Negative social impacts in the supply chain and actions taken	63	✓
PUBLIC POLICY		
GRI 415. Public Policy		
415-1 Political contributions	87	✓
CUSTOMER HEALTH AND SAFETY		
GRI 416. Customer Health and Safety		
416-1 Assessment of the health and safety impacts of product and service categories	58	✓
416-2: Incidents of non-compliance concerning the health and safety impacts of products and services	81	✓

Content	PAGE/ Omission	Review and materiality
CUSTOMER PRIVACY		
GRI 418. Customer Privacy		
418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	81	✓ m
SOCIOECONOMIC COMPLIANCE		
GRI 419. Socioeconomic Compliance		
419-1 Non-compliance with laws and regulations in the social and economic area	81	✓
















ANNEX V

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 aGRI 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.	 Environmental  Governance
	Principle 2: Make sure that they are not complicit in human rights abuses.	 Environmental  Governance
Labor Standards	Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	 Social
	Principle 4: The elimination of all forms of forced and compulsory labor.	 Social  Governance
	Principle 5: The effective abolition of child labor.	 Social
	Principle 6: The elimination of discrimination in respect of employment and occupation.	 Social  Governance
Environment	Principle 7: Businesses should support a precautionary approach to environmental challenges.	 Environmental
	Principle 8: Undertake initiatives to promote greater environmental responsibility.	 Environmental  Social
	Principle 9: Encourage the development and diffusion of environmentally friendly technologies.	 Environmental
Anticorruption	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery	 Governance



ANNEX VI

Scope consolidation of GRI Renewable Industries S.L. and subsidiaries

Scope consolidation. The group was composed by the following companies at the end of 2020 (102-45)

Subsidiary / Associated company	Country
GRI Calviño Towers Argentina S.A.	Argentina 
Shandong Golden Luyang Co Ltd.	China 
Iraeta Energy Equipment Co, Ltd.	China 
Jinan Moxxy New Material Technology Co., Ltd.	China 
Jinan Iraeta International Trade Co.,Ltd.	China 
Iraeta (Shanghai) International Trade Co., Ltd.	China 
Gobi Oasis LC	China 
GRI Flanges Forjados de Aço	Brazil 
G&B Wind Services, S.A.	Brazil 
GRI Towers Brazil Estructuras Metálicas	Brazil 
GRI Corte e Biselado S/A	Brazil 

Subsidiary / Associated company	Country
Forjas Iraeta Heavy Industries, S.L.	Spain 
FIHI Forging, S.L.	Spain 
GRI Castings S.L.	Spain 
GRI R&D Engineering S.L.	Spain 
GRI Towers Sevilla, S.L.	Spain 
GRI Towers Galicia S.L.	Spain 
GRI Towers India Private Limited	India 
GRI Wind Steel South Africa, Ltd.	South Africa 
Gesbey Enerji turbini kule uretim sanayi ve tikaret AS	Turkey 
GRI Towers Texas, Inc	USA 



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