



**GRI** Renewable  
Industries

- 1 GENERAL STANDARD DISCLOSURES
- 2 SPECIFIC STANDARD DISCLOSURES**
- 3 ANNEXES



# 1 STANDARD DISCLOSURES

# GENERAL

OUR COMPANY	10
BRANDS AND PRODUCTS	14
RISK AND OPPORTUNITIES	15
MISSION, VISION AND VALUES	19
CORPORATE GOVERNANCE	20
STAKEHOLDERS: MATERIALITY	24
REPORT PROFILE	29

# OUR COMPANY

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

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.

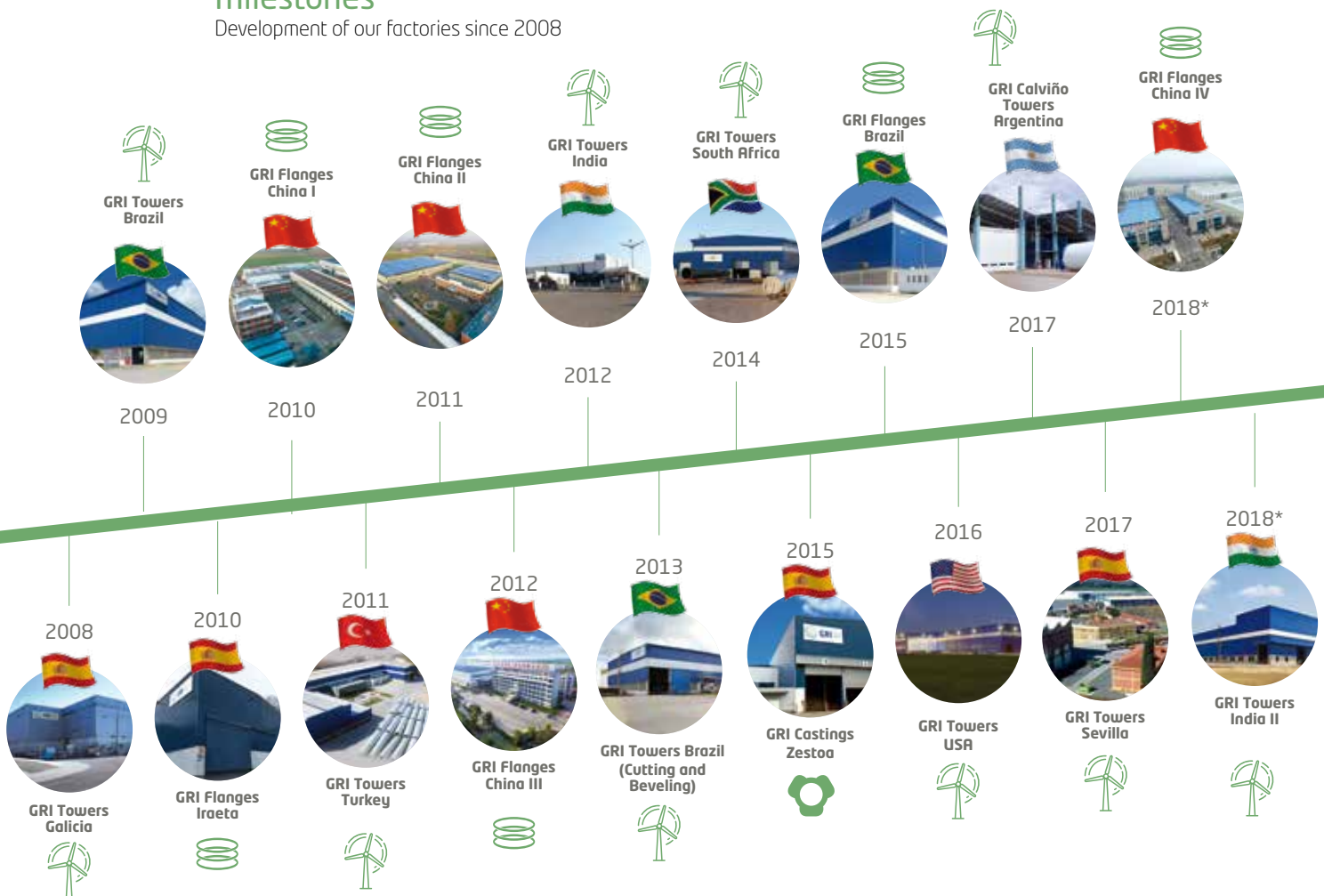
The headquarters are located in:  
C/ Ombu 3, pl.12. 28045 - Madrid

In 2015, the Japanese group Mitsui & CO Ltd was integrated as a partner, with the acquisition of 25% of the Company.

In 2017 GRI continues growing globally, operating in 8 countries with a total of 14 operating plants, one of which is dedicated to the offshore market, and 2 plants which are under construction, one destined to towers and the other to the flange sector.

## Milestones

Development of our factories since 2008



\*Factories under construction

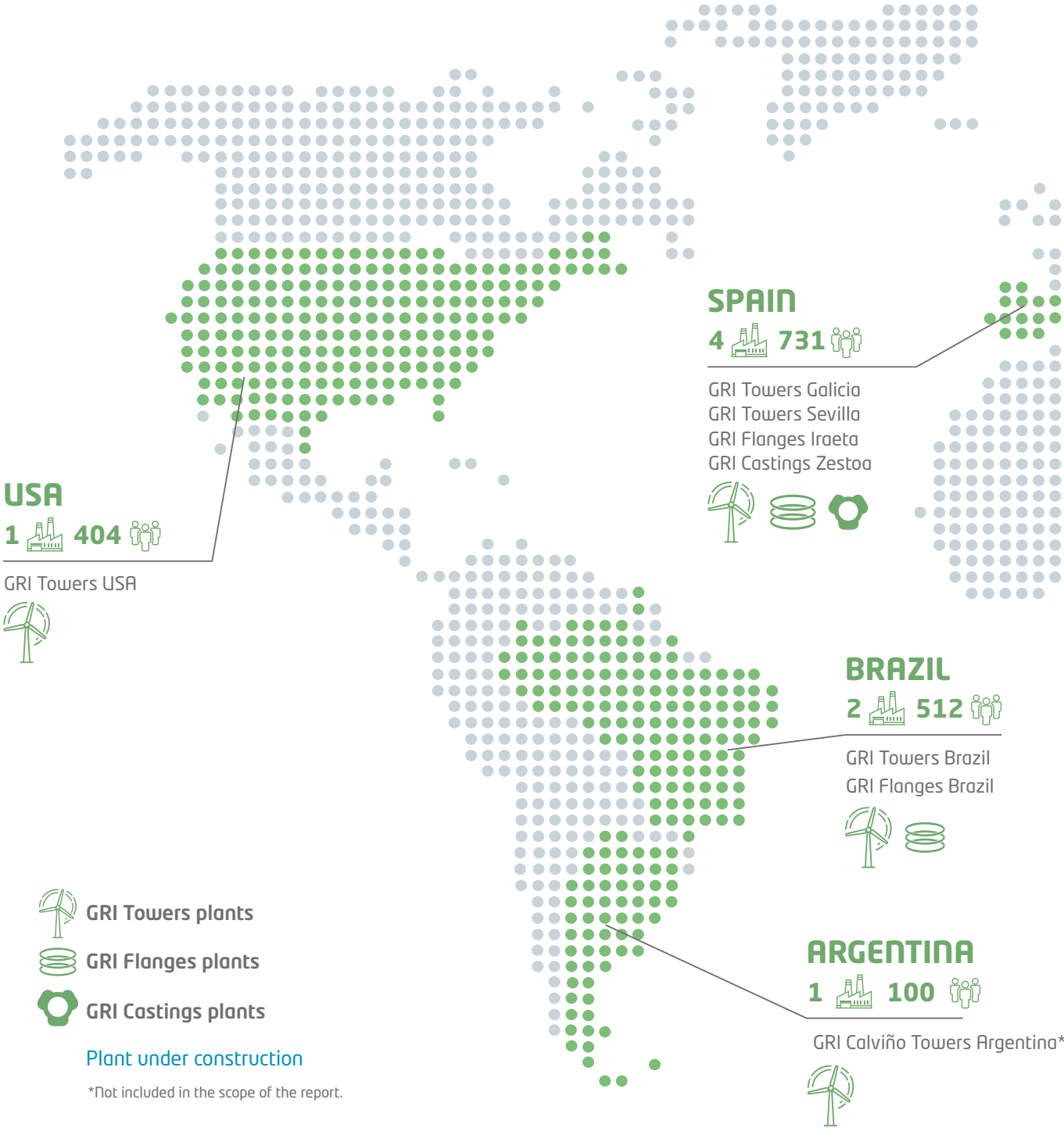
# GRI in figures

102-7



# Worldwide presence

102-4 AND 102-6





Countries

8



Operational facilities

14



Under construction facilities

2



Professionals

3,418

### TURKEY

1 246

GRI Towers Turkey



### CHINA

4 895

GRI Flanges China I  
GRI Flanges China II  
GRI Flanges China III  
GRI Flanges China IV



### INDIA

2 355

GRI Towers India I  
GRI Towers India II



### SOUTH AFRICA

1 275

GRI Towers South Africa





# 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 8 operating facilities for "onshore" towers in Galicia, Brazil, Turkey, India, South Africa, Argentina and the USA, as well as a plant in Seville to manufacture "offshore" towers. Additionally, a beveled cutting line has been added to the plant in Galicia.

The second plant in India is currently under construction.



## GRI Flanges

Its activity is the manufacturing of flanges (structure designed to join segments of wind towers). It has five operating plants distributed over Spain, Brazil and 3 in China.

Moreover, it is building its fourth plant in China, consolidating its presence in the Asian market.



## 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.



# RISKS AND OPPORTUNITIES

102-29, 102-31, 103-1, 103-2, 103-3 AND 205-2

## Our risk management

102-30 AND 103-2

Currently we are in a prominent position in the wind sector, contributing to a new renewable and sustainable energy model. In this way, we contribute to the development of the communities where we operate, through improvement and reduction of the contamination and the accessibility of electricity.

GRI Renewable Industries has varying risks inherent to its activity and to the different countries in which it operates.

For this reason, it counts with a General Internal Control Framework since 2015, based on COSO (Committee of Sponsoring Organizations of the Treadway Commission), which includes:

- Internal Control Committee and Policy
- Array of Entity Levels Controls
- Risk and Control Matrix for each key business process

After in depth analysis, 8 societies and various processes were defined in which testing was conducted representing 44.4% of the company.

Through these, various control deficiencies were found, their material impact assessed and action plans and measures were defined and implemented at the closing of the year, which contribute to assure correct financial reporting and compliance to the applicable laws and regulations.

It should be noted that despite the detected deficiencies, no fraudulent activity or corruption was found in the analyzed operations (205-3).

All the analyzed risks, which may or may not have a relation to fraud/corruption, are linked to a control for its mitigation (205-1).

Additionally, the operations and providers that have risks regarding child labor, forced labor and/or human rights have been evaluated (408-1, 409-1 and 412-1).

To enhance the implementation of these control mechanisms, training related to control deficiency detection and testing were given on a corporate level as well as on a factory level.

As of the 31<sup>st</sup> of December 2017, 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. Neither were there any significant fines nor claims related to unfair competition practices, monopolistic practices or customer data leakage (206-1, 307-1, 418-1 and 419-1), nor any non-compliance regarding products and services information and labelling (417-2) nor any non-compliance regarding marketing communications (417-3).





# Main risks and opportunities

102-15, 102-29, 103-1, 103-2 AND 103-3

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

## Risk management: new projects

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.

Phases:

- 1. Data collection** (customers, potential business volume, investment costs, regulatory aspects, capital repatriation, etc.). Once analyzed, and if viable, it is brought to the Board of Directors for the next phase.
- 2. The Board of Directors approves the new project** as well as the necessary measures to mitigate potential risks. It is periodically informed about its degree of process by the CEO and, where applicable, by the different departments.
- 3.** Once approved, all procedures to **obtain the necessary permits and licenses**, the startup and the outsourcing of the design, engineering and construction activities are initiated, as well as the investment, financing, and purchasing of assets and machinery. Similarly, the selection of the necessary personnel for the plant's operations is started.
- 4.** Once the plant is finalized and starts operating, it counts with **"startup teams"** from other plants of the group to put the plant into operation together with the local teams.

In the developed and financed projects, no clause or commitment regarding human rights has been required (412-3).

## Operational risks

We focus our efforts on keeping and improving the relationships with our customers, adapting ourselves to their needs, amplifying our product and service portfolio and increasing our global presence.

To minimize this risk, various technological improvement, innovation and production efficiency actions have been defined in the Strategic Plan aiming to avoid faults in the product, management problems, competition problems, etc. and to adapt ourselves better to the customer's requirements, without losing the high quality that characterizes us.

Furthermore, as a result of controlled testing, a list of improvements in the different company processes has been defined, which will be implemented over the year 2018.

A clear example of our expansion and improvement is the joint-venture with Metalurgica Calviño (An Argentinean company founded in 1943 which specializes in the manufacturing of metallurgical structures and equipment), with whom we are currently immersed in a modernization, amplification and improvement process, which will then allow us to operate under the GRI Calviño Towers Argentina brand at the end of 2018.

## 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 anti-corruption.

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 channels belong 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.).

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## Financial Risks

The activity of GRI Renewable Industries is subject to financial risks. These are managed through the risk management program, which focuses on the uncertainty in the financial markets and minimizes the potential adverse effects on the financial profitability. Additionally, we use derivatives to reduce the impact of the currency exchange rates.

The financial department is in charge of identifying, evaluating

and covering these risks in accordance with the policies approved by the Board of Directors.

For GRI Renewable Industries, having a presence in different countries and to be close to the customer is a competitive opportunity. Risks and possible incidences are reduced and mitigated with more robust, profitable and sustainable growth.

The three most relevant financial risks are outlined next:

### Market Risks

The risks that may arise due to losses caused by variations in the fair value or in cash flows of the financial instruments are the following:

- **Exchange rate risks:** the company operates in the international sphere, and, for this reason, is exposed to exchange rate risks in operations with foreign currency.
- **Price risk:** This risk arises from our raw materials that are exposed to the risk of price variations in the international markets.
- **The interest rate on cash flow and fair value:** As the company does not have large remunerated assets, incomes and cash flow in its exploitation activities are greatly independent of variations of the market's interest rates.

The company analyzes its exposure to these risks by defining the possible scenarios and variables (refinancing, renovation of current positions, alternative financing and coverage), for the liabilities that represent the most relevant positions supporting an interest.

As for the closing of the financial year, as this risk was considered to be of small significance as well as the expectations regarding the evolution of the interest rates, which are considered to be optimistic, the company has not deemed the formalization of interest rate coverage contracts necessary.

### Credit risks

The credit risk stems from cash and cash equivalents, derivative financial instruments and deposits in banks and financial institutions, and, fundamentally, from outstanding payments of customers.

This risk is mitigated through various mechanisms such as the rating and relation of the banks and financial institutions, sales to the customer by geographical location and/or independent appraisals of customers, if available, and otherwise by evaluating their credit capacity.

### Liquidity risks

This management implies the maintenance of cash and sufficient negotiable securities, the availability of financing and the capacity to settle market positions. Due to the dynamic character of underlying business, the treasury department of the company has as its aim to keep flexibility in financing through having short and long-term credit lines available.

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## Social and environmental risks

Due to the continuous growth of the population in the coming decades, natural resources, products and services will be used more intensively, thus creating a bigger environmental impact and causing more emissions to be released into the atmosphere. In this area, renewable energies will play a more important role in the world's energy mix.

For this reason, GRI Renewable Industries offers more innovative and efficient products, with the least possible impact.

Through innovation and new technologies, we are addressing the challenges as they arise in the wind energy sector.

For its environmental management, the Integrated Management System is available which includes the precaution principle (102-11) through the Code of Ethics and the Sustainability Policy, aiming to protect the environment and continuous improvement. This will be further elaborated on in its corresponding section.

## Risks related to health and safety

GRI Renewable Industries has its Health and Safety policies integrated and works under the OHSAS 18001 standard which is of unavoidable compliance and is applicable to all profes-

sionals that are on the premises. Through the IPRL index, important improvement opportunities are detected. This will be further elaborated on in its corresponding section.

## Risks: confidentiality and privacy

### Information security

GRI Renewable Industries is convinced that information has become a strategic asset for business and people.

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. The information security procedures are periodically revised and the systems are continuously tested to ensure their tightness.

In the year 2017, the following actions, among others, have been taken to improve security policies:

- Periodical system scans to detect external and internal vulnerabilities and their correction in accordance with their level of criticality.
- Diagnostic of information security and its risks based on the ISO 27000 norm. To reinforce awareness and training of the group's employees' campaigns and training actions were done. The following should be noted
  - "Anti-Phishing", with the objective to detect the level of risk and to make employees aware of these attacks.
  - Yearly Information Security Course, aiming to update employee's knowledge of applicable policies.

Improvement opportunities are detected in the information security area through tracking, control and diagnostic mechanisms.

### Business Process Support

The Information Systems are a fundamental element for the execution of the business processes. With this objective, the IT department keeps the ERP SAP, the PLM tool and the Group's infrastructure and communication services centralized. At the same time, the department carries out transformation projects to align the systems with the growth of the company and to the new processes, focusing on business support, efficiency and profitable and sustainable growth.

In some cases, the collaboration of third parties may be necessary for which an impartial process is followed, consisting of the publication of the needs, reception and appraisal of offers and the final selection based on criteria related to business support and IT systems efficiency.

To this effect, the Systems area has been present not only in the incorporation of new companies to the Group (GRI Towers Sevilla, GRI Calviño Towers Argentina), but also in new challenges that the organization faces in its innovation strategy and the improvement of productivity and efficiency, such as tools to exchange documentation with providers, the digitalization of invoices and the digital management of cost notes. During the year, the rollout of the new Immediate Provision of Information system (SII) which allows for the daily and automatic sending of information required by the Spanish tax authorities (national and provincial).

## Main risks 2017

In 2017 GRI Renewable Industries has faced various derived risks from the market situation in the countries it operates in. Due to the materialization of some of these, there was a significant reduction in turnover compared to the expected turnover. The most relevant identified risks in this period are:

- Risk of a new global financial crisis.
- The downturn in the Chinese market
- The tendency to concentrate on big customers, which reduces its number.
- The price hike of raw materials, especially steel.
- The threat of Chinese tower producers and the high tariffs on steel originating from China.
- The change in the wind market's pricing model in countries where GRI Renewable Industries has a presence (Turkey, South Africa, USA, India).
- Risks derived from the USA protectionist policy.

# MISSION, VISION AND VALUES

102-16 AND 102-17

The Company has developed a global corporative 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.



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.

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

- Honesty
- Humility
- Tenacity
- Work

Furthermore, policies and formally established common guidelines are available, as are outlined next:

## 1. Sustainability Policy

Approved by the Board of Directors at the end of 2015, its aim is to reinforce the main commitments on ethics, sustainability and human rights in all the countries we operate in.

The Sustainability Policy is available on our web.

## 2. United Nations Global Compact

We have renewed our commitment once again with the interest of promoting and implementing the 10 universally accepted principles.

## 3. Compliance Policy and Management

In 2017 the Compliance Department was created and approved by the Board of Directors. This policy includes the following:

- **Code of Ethics and Conduct**  
Approved by the Board of Directors in January 2014, as a reference for all decisions taken by all employees and collaborators of GRI Renewable Industries.
- **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 in.
- **Behavioral 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.

## 4. Ethics Committee <sup>102-34</sup>

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 the year 2017, the Ethics Committee received one report for illegitimate use of charge or inappropriate conduct, which was closed in 2017 (406-1). The company has not received any complaints from third parties, nor any related to labor practices nor related to human right violations.

With the objective to make the policies and guidelines known to all employees, a Company Training Plan has been developed. This training has been conducted by the Compliance area through an on-line and on-site course, in which 2,290 people participated. Which is 67% of all employees, of which 75% followed the on-site course and 25% took the course on-line through the Leading the Change platform (205-2 and 412-2).

# CORPORATE GOVERNANCE

102-5

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

The subscribed share capital as of December 31, 2017 amounts to ten million twenty-one thousand three hundred

forty-four euros (€10,021,344) represented by three hundred thousand four hundred (300,400) accumulable and indivisible company shares of one single class and series, of a par value of thirty-three euros and thirty-six cents (€33.36) each, numbered correlatively from 1 to 300,400, both inclusive and which are fully subscribed and disbursed. The company is not listed on the Stock Market.

## Structure of Governance. Composition and its committees

102-18, 102-22 AND 102-23

The governing bodies of the company are the General Shareholders' Meeting and the Board of Directors, the highest body of governance, supervision decision-making and control of the company.

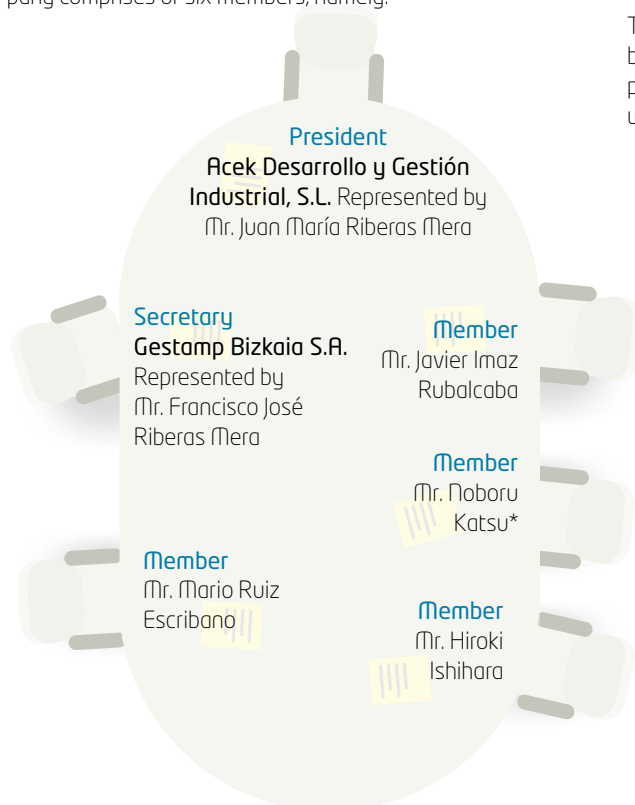
The Articles of Association of the company set out the functioning of the Board of Directors, as well as the requirements and established deadlines to convene the General Shareholders' Meeting. No provisions are made for other means to manage the company, and the modification of the executive body would, therefore, entail a modification to the Articles of Association.

As of December 31, 2017, the Board of Directors of the Company comprises of six members, namely:

The company ACEK Desarrollo y Gestión Industrial, S.L., represented by D. Juan María Riberas Mera held the position of Managing Director of the Company at 31 December 2017, 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.

The Board of Directors will represent the Company in all the matters lying within the corporate purpose and those associated with the trade or dealings thereof, subject to no form of limitation, placing obligations upon the Company with its acts and contracts, with the entitlement to exercise all powers not expressly reserved by the Act or by these Bylaws for the General 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.



\*Replaced by Mr.Hori Shinichi on May 7, 2018



# Delegation, economic, social and environmental responsibilities

102-19 AND 102-20

The members of the Board of Directors will perform their duties with the diligence of a responsible business owner and loyal representative, and they must maintain secrecy as to confidential information, even after leaving office. The responsibilities of the Board include the approval and commitment to the Code of Ethics and Conduct and the Sustainability Policy.

The Board of Directors takes relevant decisions at its plenary sessions and delegates, where relevant, the execution of said

decisions. The Board of Directors may agree to vest special powers of attorney in company employees to address specific aspects of operations previously approved by the Board.

Similarly, 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 CEO and, if applicable, to the Board of Directors.

# Appointment and Selection Processes. Conflicts of interest

102-24 AND 102-25

The President of GRI Renewable Industries does not hold an executive position. Power to appoint Board Members lies solely with the General Shareholders' Meeting, which represents the interests of all partners (see indicator 102-18).

The members of the Board of Directors are appointed by the shareholders themselves, and therefore other aspects regarding diversity, minorities, etc. are not taken into consideration. They will perform their duties indefinitely, without prejudice to the General Shareholders' Meeting' power to proceed at any time or moment with the severance or termination, in accordance with the Law and with these Articles of Association.

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 2010, which approves the Consolidated Text of the Capital Companies Act.



## Functions and knowledge regarding sustainability

102-22, 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.

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 CEO. 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 AND 102-21

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 CEO 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 CEO 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 performance of the Board of Directors is not evaluated, as the members are, through their shares, the owners of the company and represent all shareholders.

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 2017, the Board of Directors met 9 times.

The announcement will be sent by letter, telegram, fax or any other written or electronic means. The announcement will be addressed personally to each of the members of the Board of Directors, listing the matters to be dealt with in the meeting, along with the required information to allow the Board Mem-

bers to participate in an informed discussion of the matters set out in the order of business. Where applicable, the announcement of the meeting must mention the fact that it may be attended in person or by proxy, physically in person or through teleconferencing, videoconferencing or any other equivalent system, with the requirement to indicating and providing the necessary technical resources for this purpose, which must, in all cases, allow for the direct and simultaneous communication between all 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.

# STAKEHOLDERS: MATERIALITY

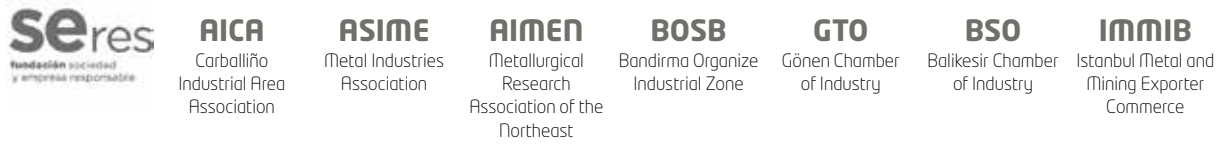
## Communication with stakeholders

102-40, 102-42 AND 102-43

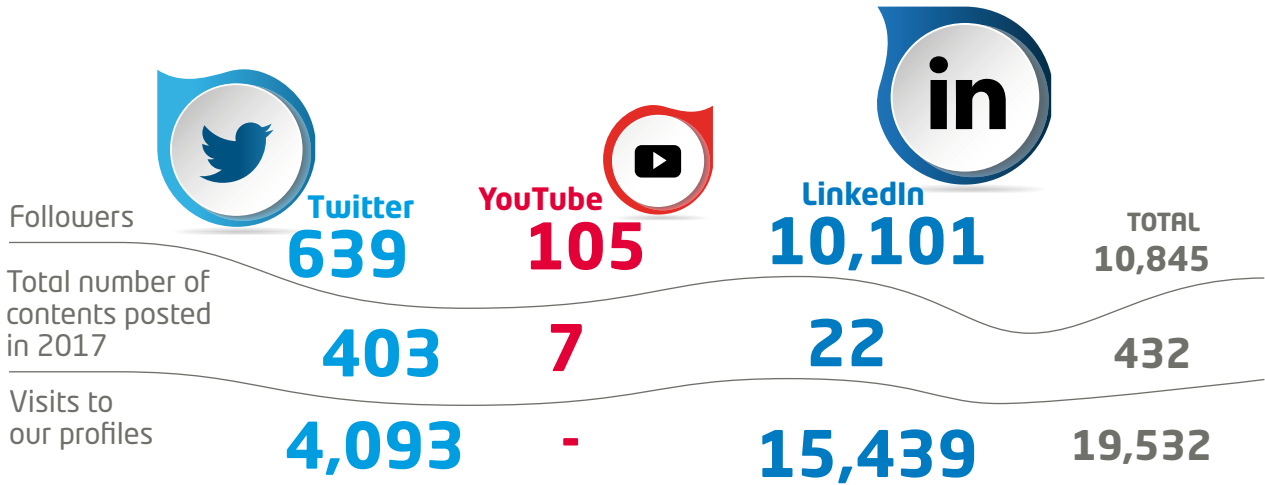
GRI Renewable Industries has constant dialogue with its stakeholders through the various communication channels, as are detailed below:



In addition, the plants collaborate locally with the following organizations (102-13):



We highlight the internal and external communication with the stakeholders through social networks, the website and the intranet. In 2017, the following results were obtained:





# Relevant aspects: Materiality study

102-44 AND 103-1

For the "Identification of material topics", a benchmarking process about the companies in the sector was undertaken, the appearances in the media and in reports from analysts regarding issues relevant to our sector were analyzed and assessed, as well as the implementation and development of the Company (policies, plans, etc.). This allows us to group the relevant information into 20 topics.

Below, we weigh these 20 topics to identify those most relevant to our stakeholders and to the company, from an internal and an external perspective.

For this identification, we have amplified and improved our methodology to gather information and representativeness of our stakeholders through technological data and information analysis tools, having the direct cooperation of the management, employees, customers and providers, through the assessment and the perception of the identified topics.

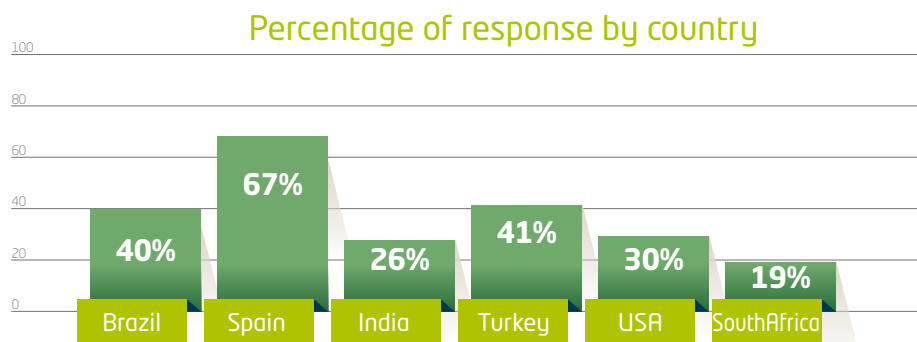
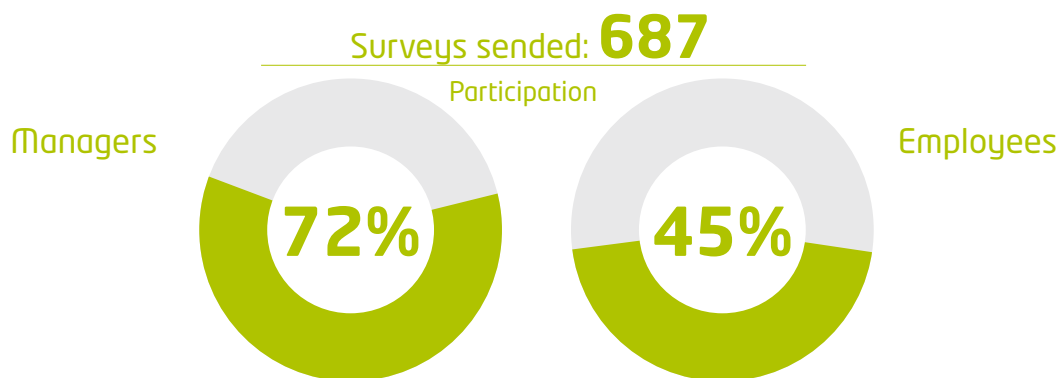
This improvement allows us to have this information not only at a corporate level, but also for each country in which GRI Renewable Industries has a presence and, by doing so, to define the local measure that improve our management and response.

## External and internal coverage

102-46



The average participation of the surveyed stakeholders is around 60%. For the stakeholders: management and employees. We have the following results:



After this analysis, its weighing and revision, a global total of 6 material issues were defined. In the table the material topics and the chapter in which they are elaborated on are outlined:

	Global materiality aspects in GRI Renewable Industries (102-47)	Information of reference	Coverage (102-46)
1	Presence in new countries and the development of new products.	Economic dimension	Both
2	The commitment of senior management regarding sustainability and good governance.	General Standar disclosures	Both
3	Formal ethics and anti-corruption framework. Communication, rollout and complaint channels.	General Standar disclosures	Both
4	The formal framework for risk control and compliance. Communication, rollout and complaint channels.	General Standar disclosures	Both
5	Talent attraction and retention. Training programs, professional development and performance reviews.	Social Dimension: People	Both
6	Health and Safety management for employees and subcontractors.	Social Dimension: Heath and safety	Both

The answers have been analyzed on a global scale and for each country, to determine the material topics which were not covered globally, but which are important locally. The result has been homogeneous in all countries, and only in Brazil "Employee health, habits and lifestyle improvement

programs" (promotion of sports, healthy eating habits, etc.) are considered to be a material topic. Regarding this topic, additional information will be given in the corresponding chapter.



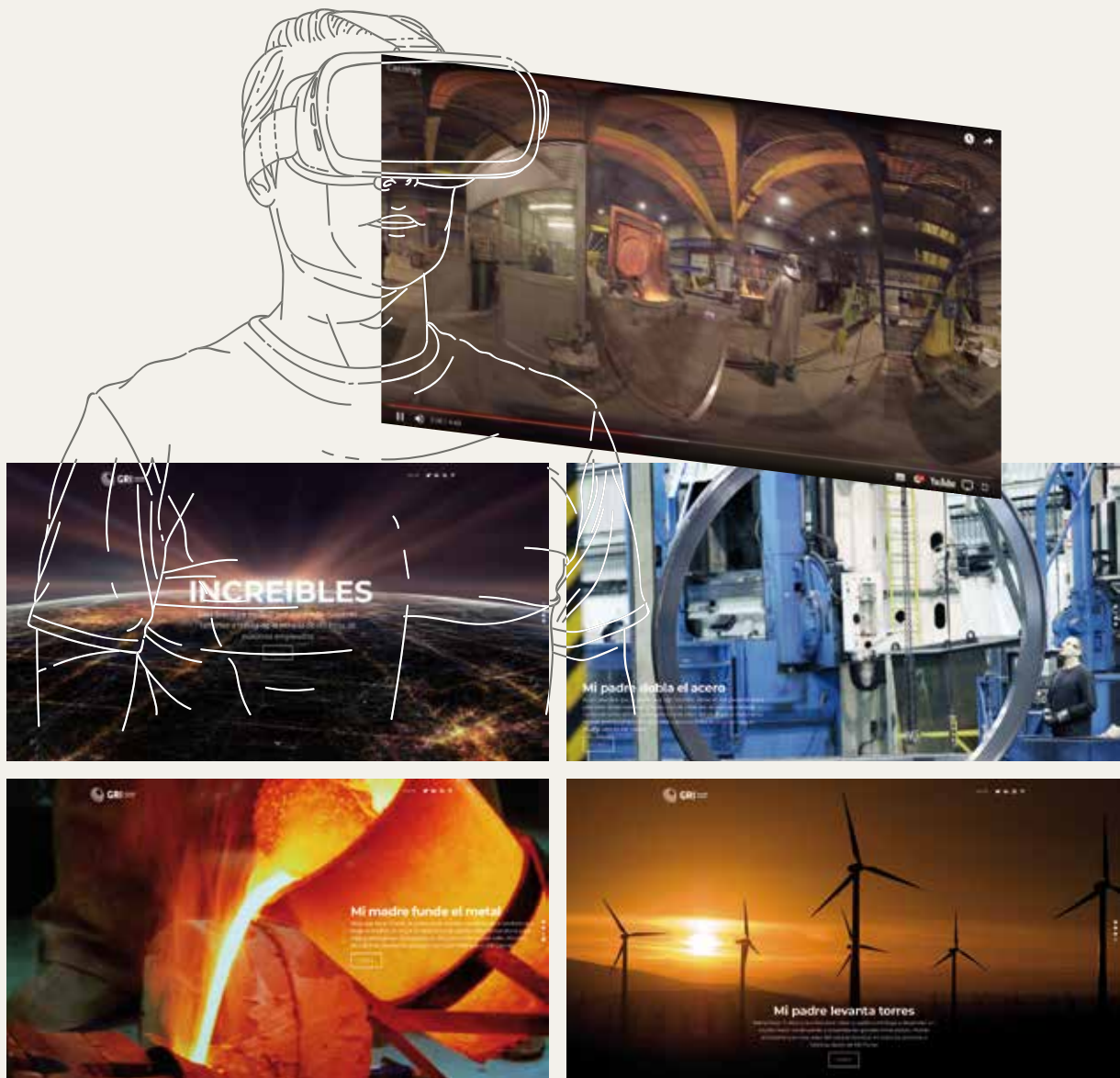


## GRI presentation Incredible 360!!

In January, the presentation of the Incredible 360 campaign took place for the employees of GRI corporate in Madrid. Javier Imaz, CEO of GRI Renewable Industries (GRI), explained what the campaign entailed, highlighting its importance as a tool to inform the organization of the different initiatives and activities.

Juan Llovet, corporate director of communication and sustainability, explained the name and showed how to access the campaign through the new Leading the Change application. Additionally, he spoke about the 360-degree video technology used for its recording.

At the end of the presentation of the Incredibles, attendees were able to enjoy a 360-degree experience of the GRI plants GRI Castings Zestoa, GRI Flanges Iraeta and GRI Towers Galicia, thanks to the Google Cardboard glasses that were handed out to the attendees to display the videos through their own mobile phones.





# REPORT PROFILE

102-49, 102-50, 102-51, 102-52 AND 102-53

The report was drawn up in accordance with the guidelines established by the Global Reporting Initiative (GRI-standards), and shows the information regarding the year 2017, from January 1 to December 31.

Regarding the previous financial year, the scope has been extended with the quantitative information of already operating "GRI Towers Sevilla" and with the qualitative information regarding our new plant "GRI Calviño Towers Argentina".

In the event that any reference to information outside this period is made, it will be clearly indicated in the corresponding section. Similarly, indicators which have no available information will be indicated as "not available".

There has not been any restatement of information regarding the previous financial year (102-48).

## Presentation cycle

The report, which is made annually, encompasses the period between January 1 of 2017 and December 31 of 2017, the 2016 report being the last produced.

## Contact of the report

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



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## Significant Changes

102-10 AND 102-49

In 2017 there have been two significant changes in comparison with the last Report:

- The GRI Towers Sevilla plant has been integrated with quantitative and qualitative information.
- Qualitative information on the new GRI Calviño Towers Argentina plant has been included.

There have not been any changes made to the supply chain, except those deriving from the new facilities.

## GRI conformity and external verification

102-54 AND 102-56

The Report was drawn up in conformity with the GRI standards, on a comprehensive basis, whose table of content can be found in the Annex of this report, together with the independent external verification report done with the company PwC.

