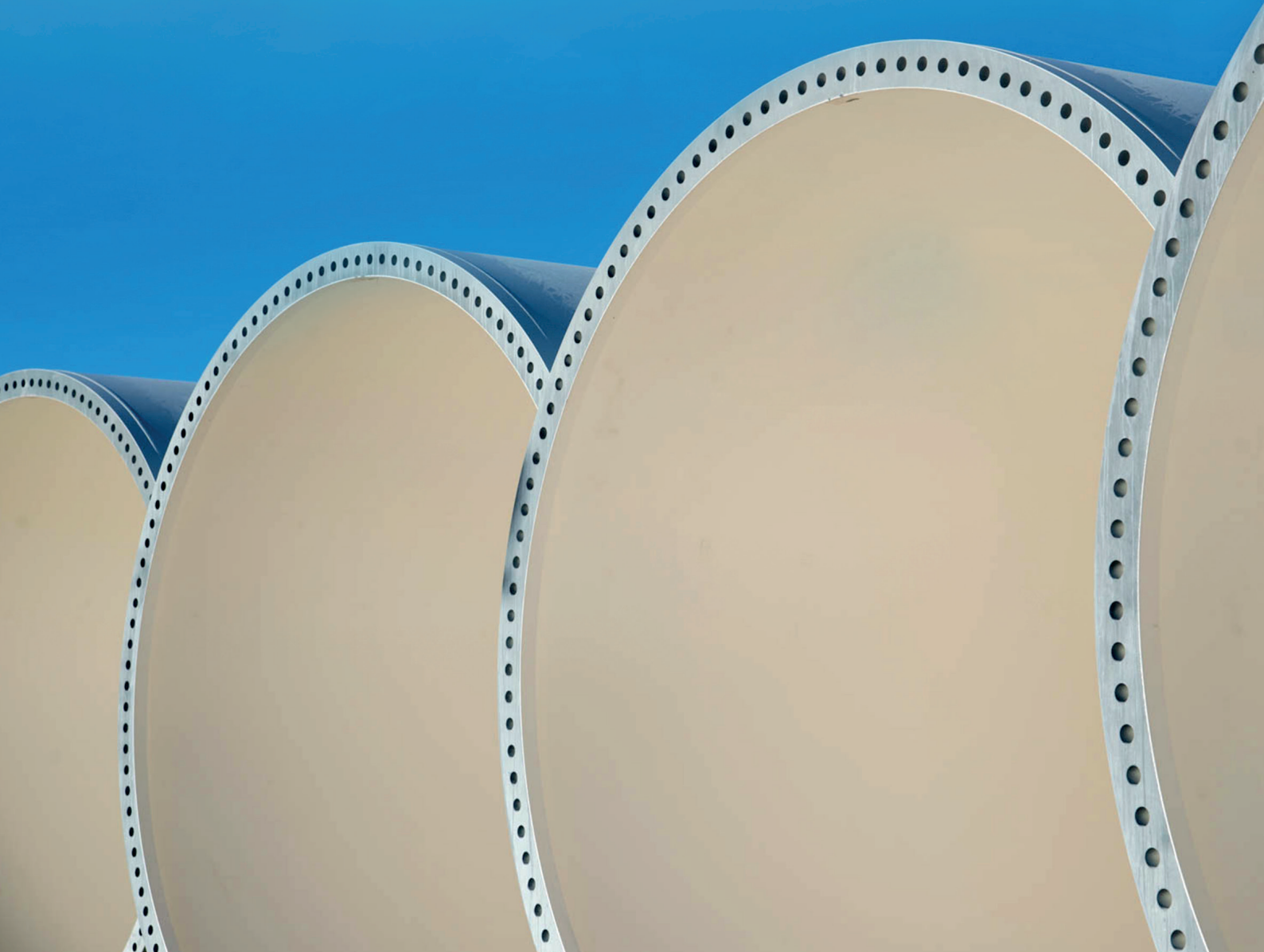




GRI

Renewable
Industries

Sustainability
Report
2019



GRI Renewable Industries Sustainability Report 2019



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Doing **Well** by doing **Green**

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

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

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



Letter from the Chairman

Jon Riberas. Chairman & CEO

102-14

It is my pleasure to present the GRI Renewable Industries Sustainability Report for the year 2019, which summarizes our main undertakings (initiatives) and their progress in meeting current and future challenges and opportunities. In addition, we reaffirm our commitment to the United Nations Global Compact.

From a macroeconomic perspective, this fiscal year started with a great deal of uncertainty stemming from the tensions between China and the United States, the slowdown of the Eurozone, the Brexit conflict, the devaluation of some currencies and the energy policies in some countries, not very favourable to renewable energies.

In this complex environment, our results are showing a remarkable improvement after a highly complicated and unfavourable 2018. Turnover reached 637 million euros, with a total CAPEX investment of 31 million euros. The main investments were concentrated in China, mainly deriving from the new China IV factory, followed by Spain with improvements in its facilities, such as the new Forjas de Iraeta rolling mill.

Nevertheless, the year 2020 began with a very uncertain situation for the economy due to the consequences of the Covid-19 pandemic. After starting in China and paralysing the country, we are witnessing its spread throughout the world affecting the population indiscriminately, bringing the economy to a standstill, closing down production and distribution in most sectors and negatively affecting employment, production, distribution and consumption. The massive spread of the pandemic and the lack of information on its duration bring us to anticipate a very complicated macroeconomic scenario.

Our contribution to the Sustainable Development Goals (SDG)

Over the last few years we have seen a change in the world economy. The world's economic and political problems, the scarcity of natural resources and the increase in global disasters resulting from climate change, require urgent adaptation in the roadmap of governments, businesses and civil society.

In line with this change, at GRI Renewable Industries we are immersed in a transformational model, aimed at contributing to a more inclusive, prosperous and sustainable world, seeking opportunities that allow us to grow as a profitable company that creates value in the environment.

In this transformational model, the 17 United Nations Sustainable Development Goals (SDGs) are key to change. Therefore, we align our roadmap with the SDGs directly related to our business, in order to contribute to their attainment.



The Code of Ethics and Conduct was revised in 2019 and, after its approval, entered into force on 21 January 2020. Among the changes we highlight the primary management of the Ethical Channel that is now performed by an external provider, which is also the intermediary between the user of the Ethical Channel and the Compliance Committee, thus guaranteeing confidentiality as one of the channel's principles of operation. This allows us to strengthen our contribution to more fair and equitable societies in line with **SDG 16**.



Providing stable and quality work, promotion and development of our professionals is a priority through which we contribute to **SDG 8**, promoting decent employment and job security. In 2019 we made 873 new contracts, bringing our total headcount to 4,140 professionals, 91.8% of whom have permanent contracts.

Our objective is to integrate Health and Safety at all levels of the organization, as well as to establish a true preventive culture based on collaboration, teamwork, strong commitment and participation of all workers and stakeholders. To this end, we are carrying out numerous initiatives under the umbrella of the OHSAS 18001 and ISO 45001 Management Systems, and the IPRL system of excellence, under which we are improving working conditions by 8.6% overall and prevention management by 14.9% in 2019.



We are aligned with **SDG 9** and the development of more efficient and sustainable industries. We accomplish this together with our clients and with the collaboration of our suppliers, adapting to their needs and the new models for increasingly powerful turbines through innovation, developing towers and flanges according to their new dimensions, improving their design with less weight, which allows us to minimize their impact.

Also in the field of innovation, the deployment of the "Digital WorkPlace" (DWP) project throughout the group is noteworthy. This project will transform the way the company operates and will promote the talent of its professionals. In June, we started the global deployment of DWP with the participation of more than 500 professionals in webinars and national and international workshops.



The fight against climate change is very present in our management model, and through our business activity we are part

of the solution. At GRI Renewable Industries we mainly manufacture towers and flanges for the wind power market and renewable energy generation, which makes our business directly aligned with the **SDG 7** and **SDG 13** and actively involved in the fight against climate change.

2019 has been a period for analysis and reflection for GRI Renewable Industries in which a new roadmap has been defined based on the current needs and trends, as well as the demands of stakeholders, which will contribute to reducing CO₂ emissions, aligned with a carbon-free future. This plan will be based on various areas such as innovation, reforestation, energy efficiency, the purchase of energy from renewable sources and mobility, among others.



Likewise, the Circular Economy plays a fundamental role in the way we manage our raw materials and waste, in line with **SDG 12**. In this area, our main raw material "steel" stands out for its recyclability and durability. Also in 2019 we witness a significant social demand that points to "plastic" as a protagonist due to its massive use, its impact on the environment and the difficulty in its management, which is why we are developing a plan to help minimize its consumption in the period 2020-2022.

At GRI Renewable Industries, we expect that more and more governments to embrace clean energy policies, investor interest will continue to grow, advances in innovation and new, more efficient technologies will continue to reduce installation and generation costs, and that social demands will be met, all of which require a change in the situation. Therefore, we are optimistic about our growth and development towards a transformative and cleaner future.

Without further ado, I hope that this Report will be of interest to you and that forecasts for next year will allow us to continue growing as a profitable and sustainable company.

OUR COMPANY

Since 2008, GRI Renewable Industries has experienced a sustainable and profitable growth, with 16 factories in 8 countries and 3 business lines of towers, flanges and castings.

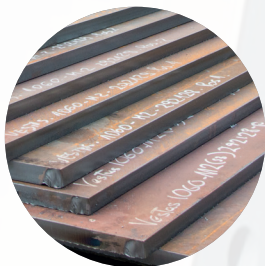
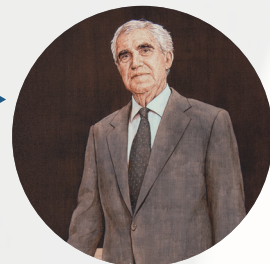
Global presence ▶
+4,000 employees in
16 factories in **8** countries



◀ **Diversification**
3 business lines:
Towers, Flanges and Castings

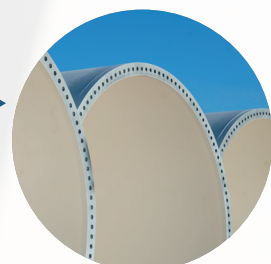
Values ▶

Honesty, Humility,
Tenacity and Work



◀ **2019 stability**
Efforts to promote the production,
efficiency and innovation

Turnover ▶
637 million euros



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.

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

On 20 December 2019, 100% of the Spanish company FIHI Forging Industry S.L was sold (trade name: GRI Flanges Iraeta), which was set up through the spinoff of the Forjas Iraeta Heavy Industry S.L. branch on 26 July 2019 to the Chinese company Iraeta Energy Equipment CO. Ltd.

The headquarters are located in: 3 Ombu St. 12th Floor. 28045 Madrid - Spain.

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

From its outset the company has had a significant annual growth. Nevertheless, 2019 was more stable, and efforts were made to consolidate the production, the efficiency and the innovation in all the factories under operation.

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
Work

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, 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.

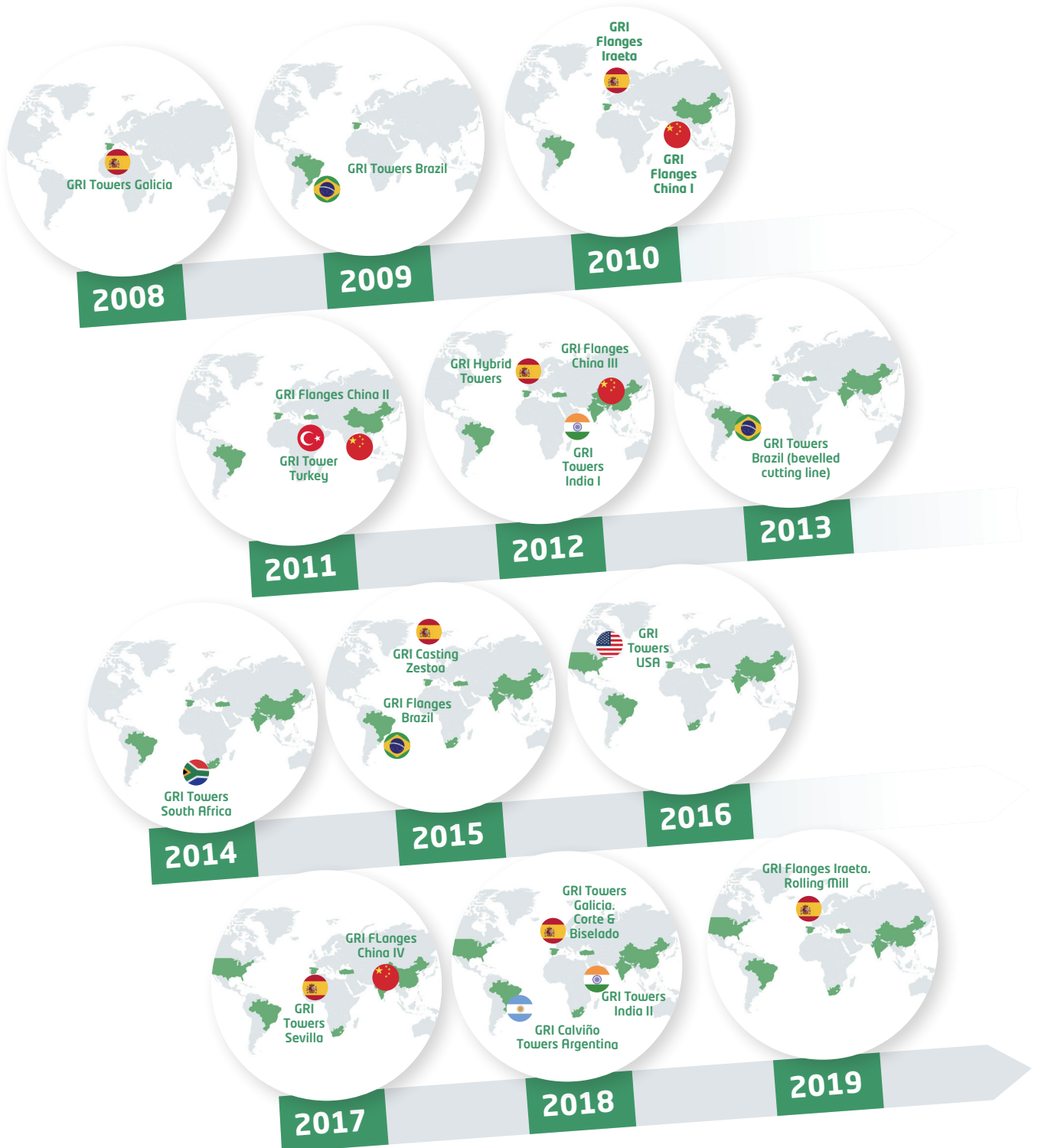
Currently it has one plant in Spain, "GRI Castings Zestoa".

Main Figures

Milestones

102-4 AND 102-6

Currently we are present in 8 different countries and count with 16 operating plants. Its evolution since its foundation in 2008 is shown below.



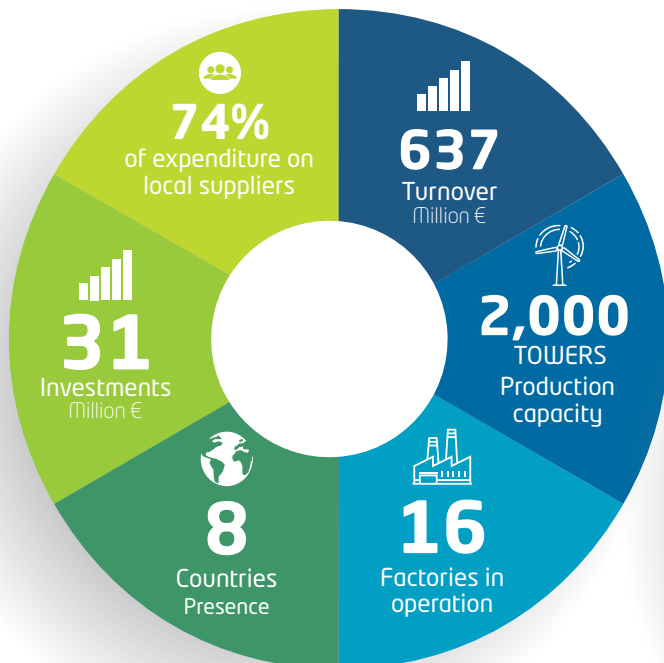
2019 GRI figures

102-7

GRI Renewable Industries understands the Sustainability as a model that integrates 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.

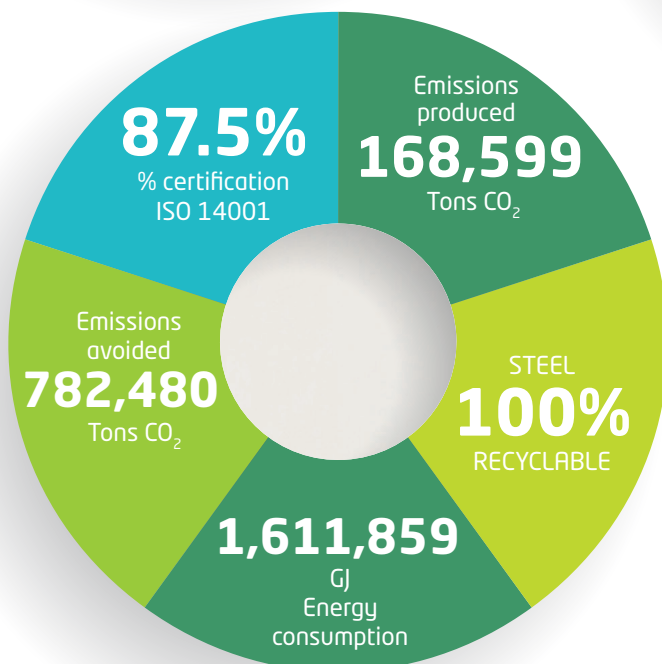
Economic Contribution

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



Social Contribution

Our business activity requires employing numerous local workers to whom we offer stable employment, which enhances the region's economy and the families' purchasing power. In addition, the Company carry out many social activities with the goal of improving the local environment.



Environmental Contribution

Our business activity is directly linked to the generation of renewable energy, through which we indirectly contribute to the mitigation of the carbon footprint and the effects of climate change. Additionally, the Company also manage its plants aiming to minimize its environmental impact.

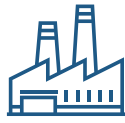
Worldwide presence

102-4 AND 102-6



8

Countries



16

Plants



4,140

Professionals



