

OUR VISION ON SUSTAINABILITY

GRI Renewable Industries integrates significant economic, social and environmental challenges in its strategy for a more profitable and more sustainable future, and is strongly committed to creating long-term value and fighting climate change.

The Sustainable Development Goals have a fundamental role within this framework, primarily SDG 13 "Climate Action", SDG 8 "Decent work and economic growth" and SDG 9 "Industry, innovation and infrastructure".



◀ SDG

Sustainable Development Goals

SDG 13. Climate Action, SDG 9. Industry, innovation and infrastructure and SDG 8. Decent work and economic growth.

GRI Renewable Industries ▶

Towards a carbon-neutral economy



◀ KPI's monitoring and measurement

SDG contribution

Materiality ▶

9 material aspects

Internal and external stakeholders' opinion



◀ Reforestation

1 tower 1 tree



Commitment to the Sustainable Development Goals

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.

Our impact on the SDGs

GRI Renewable Industries defined and integrated significant economic, social and environmental 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.

We have therefore taken into account aspects that derive from our activity and strategy, the opinion of stakeholders (materiality) and the most relevant social demands.



As a result, we have defined which Sustainable Development Goals we impact most directly and have drawn up goals to measure our contribution objectively. SDG 17 "Revitalize the global partnership for sustainable development" is key.

Climate change (reforestation) and the SDGs



Since the approval of the Sustainable Development Goals by the United Nations and the historic Paris Agreement (COP 21) in 2015, many initiatives have been developed, such as the European Green Deal, which includes a Climate Roadmap for the coming years for a fair transition to a carbon-neutral economy.

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

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.

The situation in 2019 has not improved. In spite of the economic downturn and the decline in the use of coal, carbon dioxide emissions have increased to new records with a growth of 0.6% compared to last year (in 2018 and 2017 this increase was of 2.1% and 1.5% respectively), according to the last Global Carbon Project report. As the World Meteorological Organization has pointed out, 2019 is the final year of the hottest decade ever recorded.

Our contribution in the fight against climate change

Energy is a key element in our business. The measures that aim to reduce and/or offset these consumptions are highly beneficial, as they contribute to the reduction of CO₂ emissions.

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.

In order to meet this target, we carry out various initiatives annually at locations close to our plants and offices, in which our employees and their families often participate, thus indirectly contributing to **SDG 15 / 15.2** "By 2020, promote sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally."

Monitoring KPIs

- I **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.**

In 2019, a total of 2,000 trees were planted in Spain, compared to 1,375 towers produced.

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

In 2019, a total of 16.7 tons were avoided, totalling 82.7 t/year when added to previous years.

GRI Renewable Industries and the SDGs

Innovation and the SDGs



In 2018 the acceleration of CO₂ concentrations in the atmosphere was confirmed, estimating that in 2019 they will reach 412 ppm, which brings us dangerously close to the 420 ppm that scientists set as the red line.

Within this framework, the new favourable energy policies of many governments, the interest of investors, innovation and new, more efficient technologies and the notable drop in generation costs, pointed to 2019 as the key year for the growth of renewable energies.

In recent years we have seen the business sector acquire increasing volumes of renewable energy, driven by sustainability objectives and the increased availability for procurement. In this area, innovation and new technologies, which are becoming more and more competitive, allow for the proliferation of hybrid solar-wind installations, increasingly sophisticated network management and storage solutions, all at increasingly competitive prices, which suggests a completely fossil fuel-free electricity system in the not too distant future (source: GWEC).

Our contribution to innovation

Within the wind energy sector, the advances have mainly centred 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.

The highest impact on cost reduction will come from improvements in the efficiency of the design, construction and installation of wind parks. Therefore, innovation of all components is a key aspect for this transition.

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 / 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".

Monitoring KPIs

In 2019 the R+D+I Center in Turkey started operations and the construction for the R+D+I Center in Seville began. Objectives I and II were drawn up for these centres, and objective III is aligned with our customer line:

- I. 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.
- II. The R&D Center in Seville is planning for the development of important projects. Six doctorates are expected to be awarded at the start of the project. The objective is to increase these doctorates by 20% over the next 3 years (period 2020-23).**
Objective to be launched in 2020.
- III Collaborate with our customers to improve tower design and efficiency. Objective: to design and improve two tower prototypes per year in collaboration with our customers.**

In 2019, we collaborated with Vestas to improve three tower prototypes, among other projects.

GRI Renewable Industries and the SDGs

Education and the SDGs



According to the ILO report “World Employment and Social Prospects: Trends 2019”, the evolution in the reduction of unemployment at a global level is not accompanied by improvements in the quality of work, where millions of people are forced to accept poor working conditions, complicating the attainment of SDG 8 “Decent work”.

In 2018, the majority of the 3.3 billion employed people in the world did not enjoy sufficient levels of economic security, material well-being and equal opportunities. Currently, 700 million people live in extreme or moderate poverty despite being employed.

The report highlights the lack of progress on the gender gap. The female labour force participation rate was 48% compared to 75% for men. Another concern is the persistence of informal employment with 2 billion workers (61% of the world’s workforce) and one in five young people (under 25) not working, studying or receiving training, thus compromising their job prospects.

It also emphasizes that, should the global economy succeed in avoiding a major slowdown, unemployment is expected to continue to fall and training to improve in many countries.



Our contribution to decent work

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”.

Monitoring KPIs

- I **Aiming to create local wealth in the countries where we operate, through stable local hiring, payment of decent wages, with legal working hours and schedules, we have a double objective: to maintain the average local employment and permanent contracts >80%.**

In 2019 local employment was at 97% and 92% of our employees have a permanent contract.

- II **Improve education and qualification of our employees. Increase training hours per employee to an average of 20 hours per employee in 2025.**

In 2019, a total of 42,922 hours of training were given, amounting to a total of 10.4 hours per employee.



Identification and communication with stakeholders

102-40, 102-42 AND 102-43

At GRI Renewable Industries we believe that taking care and improving the relationship we have with our stakeholders is a key aspect to improve our performance. Within this context, we consider any collective that may hold a substantial influence, and that is or may be affected by our activity.

Since 2014 we have updated our stakeholders to improve their coverage and communication, to know their expectations better and to focus the contents of the Report on their main economic, social and environmental requirements. We have different specific communication channels available for each of the identified stakeholders, as is outlined next:



Social Media			TOTAL
We highlight the internal and external communication with the stakeholders through social networks, the website and the intranet, with contents that allows to measure the positive impact of the messages where our presence is most common.	Twitter	LinkedIn	
Followers	702	16,668	17,370
Total number of contents posted in 2019	30	15	45
Visits to our profiles	2,577	19,484	22,061

Relevant aspects: Materiality study

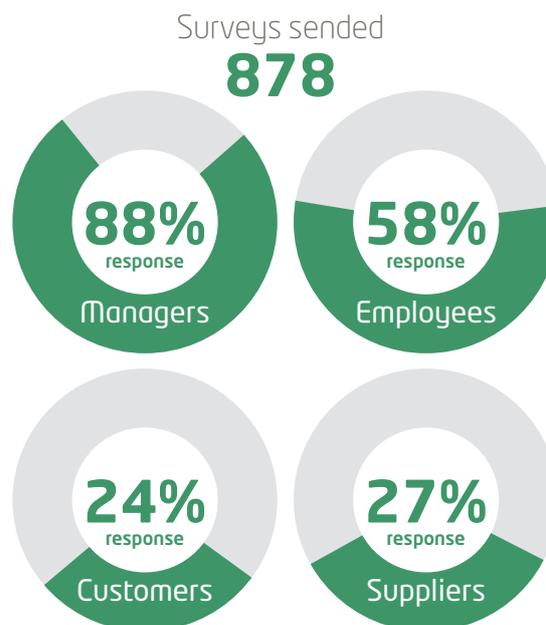
102-44 AND 103-1

Over the last few years we have been working on our materiality analysis, in order to detect and update the relevant matters regarding sustainability. Since 2018, the study has been carried out every two years, so the next materiality study will be updated in 2020.

For the "identification of material matters" we consider, on one hand, the matters that affect our environment (current trends, issues treated by our competitors and analysts), and on the other, the policies and programs developed by GRI Renewable Industries, as well as our appearances in the communication media. This allows us to group the relevant information into 18 matters. Those matters were pondered by the stakeholders to identify those most relevant from an internal and external perspective.



For this identification, we have conducted an extensive consultation with our main stakeholders including management, employees, suppliers and customers. The survey is done through a technological data and information analysis tool that assesses the importance and perception of the identified matters. The average participation of the surveyed stakeholders is given below:



After this analysis, its weighing and revision, a global total of 9 material matters were defined for all stakeholders. It should be noted that with respect to last year, this year we have incorporated the "Fight against of Climate Change" as material aspect.

This, as summarized in the Report, it is very important for the society, for our customers and to management, as well as increasingly regulated. Therefore, we are designing a roadmap with the aim to moving towards a carbon neutral company.

Material Matters 102-47	Chapter
Risk control framework	4. Economic dimension
Risks concerning data protection, cybersecurity and intellectual property	4.4 Information security
Compliance: availability of an ethics and anti-corruption framework	3.2 Compliance model
Supplier Homologation: Aspects related to sustainability	4.6 Supply chain
Customer relations. Communication and feedback mechanisms	4.5 Customers and innovation
Talent attraction and retention	5.1 People
Health and Safety management	5.2 Health and Safety
Environmental management	6.1 Environmental performance
Fight against Climate Change	6.5 Emissions and climate change

In addition, it was material from the internal approach: sustainable financial profitability and Innovation, and from the external approach: Circular Economy.



Associations and administrations

Associations and organizations

102-13

GRI CORPORATE

- Seres

GRI CASTINGS

- Asociación de Fundidores del País Vasco

GRI FLANGES IRAETA

- Asociación empresarios de Gipuzkoa (ADEGI)

GRI ARGENTINA

- Cámara Eólica Argentina

GRI TOWERS GALICIA

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

GRI TOWERS SEVILLA

- Asociación Empresarial para la Promoción del Puerto de Sevilla

GRI TOWERS SOUTH AFRICA

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

GRI TOWERS TEXAS

- Amarillo Chamber of Commerce
- Panhandle Human Resources

GRI 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)

Collaboration with local authorities

415-1

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.

Below, there are summarized some initiatives undertaken in 2019.

GRI Calviño Towers Argentina

The board chairman at GRI Calviño Towers Argentina, represented the company at forum held by the Global Wind Energy Council. Different leaders and main representatives in the global and Argentinian wind industry, as well as political leaders attended the meeting to analyse the burgeoning wind industry in the country.

GRI Towers Sevilla

The Seville Port Authority (APS) in collaboration with GRI Renewable Industries, the Association for the Promotion of the Port of Sevilla (ProSevillaPort) and the Aquarium of Sevilla, held the IV Port-Logistics Meeting with over 200 people, as the mayor of Seville.

The meeting was focused on industrial logistics and project cargo, an increasingly common way of traffic at the port of Seville due to the growth of industrial production at the shipyards. A seminar took place debating on the improving opportunities and competitiveness.

Also, in 2019 the sixth edition of the "Noche de la Economía y la Empresa" held by the Commerce Chamber of Sevilla. In such event, GRI Sevilla received the awards in the category of Industry for its project in this field, highlighting its capability for generating richness, employment and innovation.

GRI Towers Turkey

GRI Towers Turkey has been present at the VIII Wind Energy Congress held by the Turkish Wind Energy Association. In the event, presented its range of products for the wind sector, besides offering assessment regarding tendencies in the wind market or new strategic investments.