



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 apply cutting-edge technology to supply high quality products and services all around the world.

However, it the company has a global corporate culture that has maintained the same values since its origins 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 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 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.

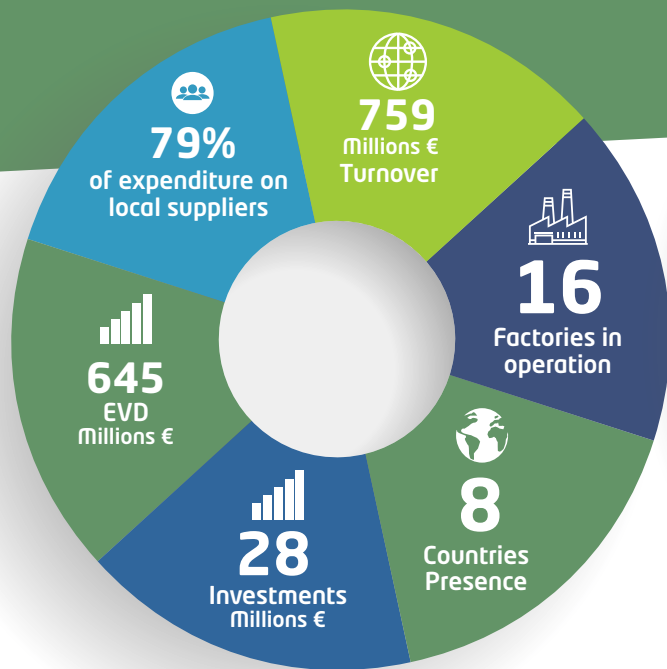
Currently it has one plant in Spain, “GRI Castings Zestoa”, but expanding production of pieces and tooling has not been ruled out.



Main Figures

2020 GRI figures ¹⁰²⁻⁷

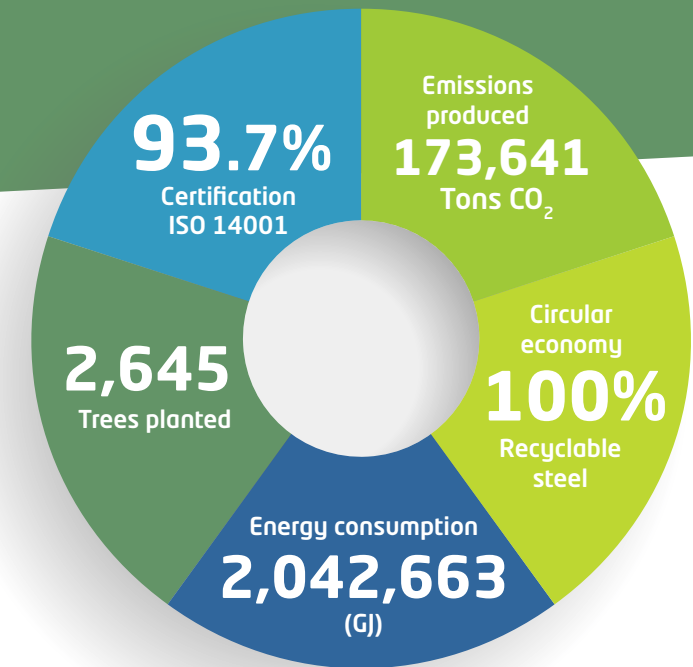
GRI Renewable Industries understands the Sustainability as a model that integrated responsible management and a commitment of ethics, transparency and collaboration with our stakeholders, in order to enjoy a cleaner environment and with fewer inequalities that contributes to achieve the Sustainability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



Economic Contribution



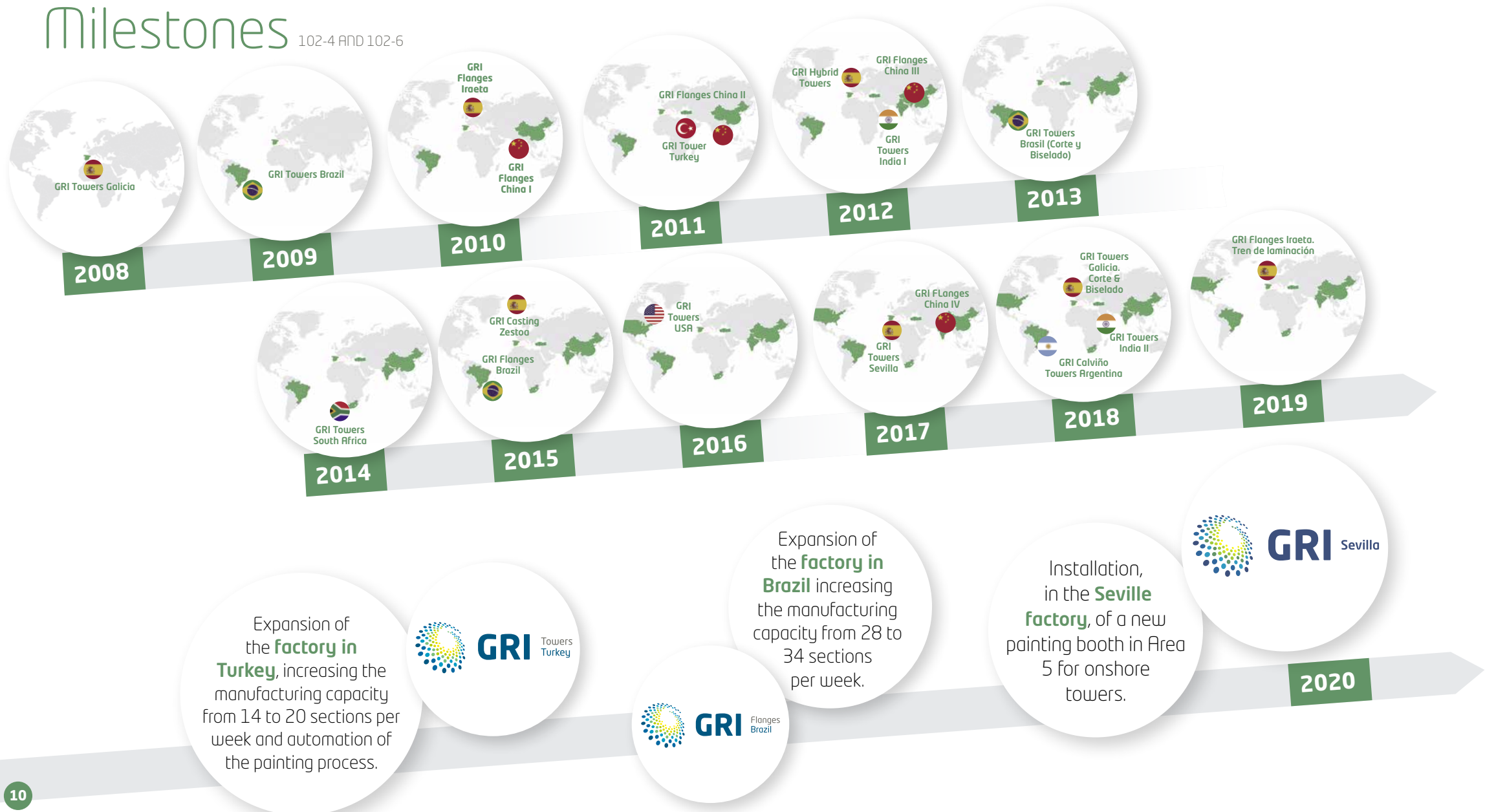
Social Contribution



Environmental Contribution



Milestones 102-4 AND 102-6



Expansion of the **factory in Turkey**, increasing the manufacturing capacity from 14 to 20 sections per week and automation of the painting process.



Expansion of the **factory in Brazil** increasing the manufacturing capacity from 28 to 34 sections per week.

Installation, in the **Seville factory**, of a new painting booth in Area 5 for onshore towers.





Worldwide presence

102-4 AND 102-6



8 Countries

16 Factories in operation

4,397 Own professionals

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.

*Referred 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:



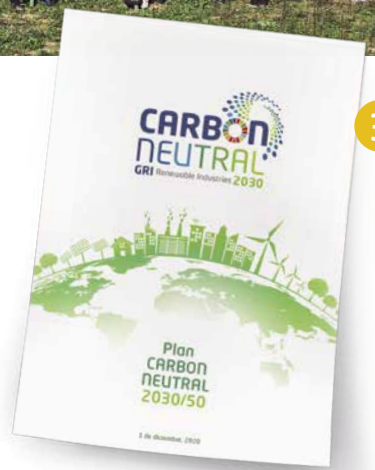
1 Offset part of our CO₂ emissions through reforestation projects, by matching or exceeding the total number of produced towers with the total number of planted trees.

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.



Innovation and the SDGs

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 lighter, more 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, where ad-hoc projects for our production processes are developed, aims 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, meaning 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:



1

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.



2

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 attended, 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**



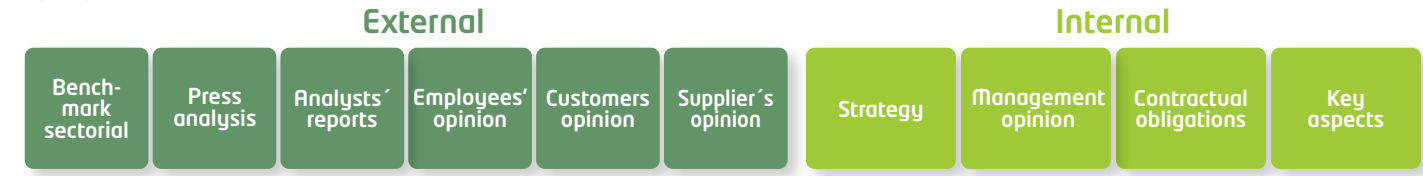
Followers: **20,850**
 Total number of contents posted in 2020: **16**
 Visits to our profiles: **10,878**

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.

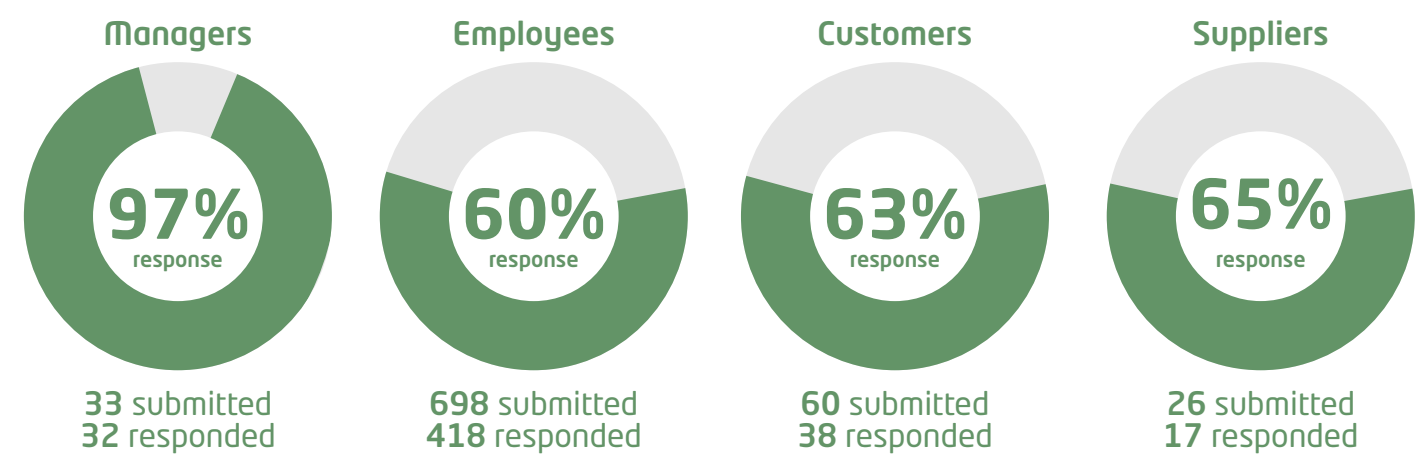
External and internal coverage

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 safety	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.