ESG Culture

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

Environmental

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

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

Environmental Performance

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

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

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

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

Water and discharges

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

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

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

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

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

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

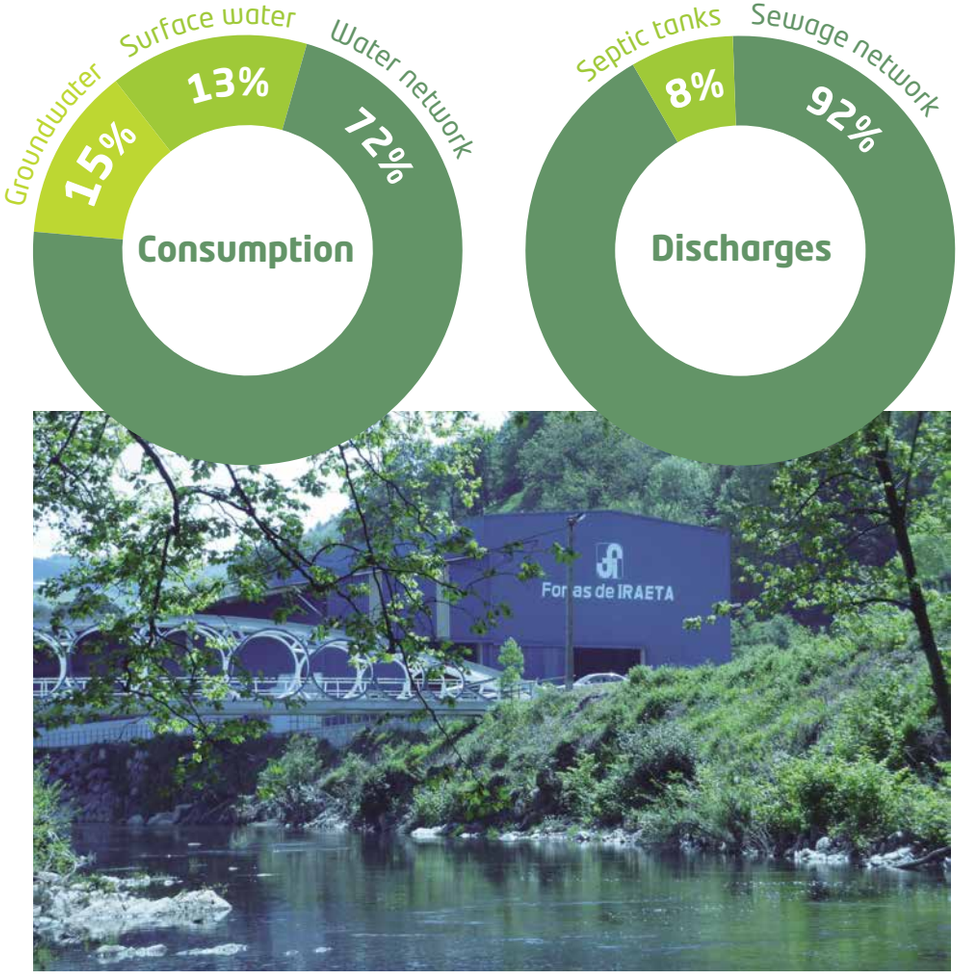
Water is a natural, limited, scarce and essential commodity for life on earth. It is a fundamental part of sustainable and socio-economic development. In this sense, water is a resource little used in GRI activity, reason why it presents low consumptions. These are monitored with the aim of making a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

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

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

It should be noted that no water source was significantly impacted by the company´s water collection.

With regard to discharges, it is estimated that there was a total of 14,959 m^3 in discharges, of which 92% was discharged in the sewage network and 8% in septic tanks.



Biodiversity and reforestation

304-2

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

The protection of biodiversity is key to economic development; the sustainable management and maintenance of forests have a direct relationship with their protection and with climate change, as they function as sinks, trapping and storing CO_2.

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

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

As a result of these plantations and according to the type of species and its CO_2 absorption and storage capacity, a total of 31 tonnes CO_2/year have been compensated during 2020, considering a period of absorption capacity of 40 years, the accumulated with this plantation is estimated at a total of 1,243 tonnes CO_2/40 years.

As a result of these plantings and based on the species that were planted, a total of 10,305 trees were planted, with a total of 114 tons of CO_2 per year.

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

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

GRI Towers Galicia

A total of 475 Pinus pinaster pines *(Pinus pinaster)* and 25 American oaks *(Quercus rubra)* were planted. This planting is estimated to allow for the total absorption of 447 tCO_2 over 40 years.

GRI Towers Sevilla

A total of 400 trees were planted in Seville of five species typical to the region. This planting is estimated to absorb a total of 291.5 tCO_2 over 40 years.

GRI Flanges Iraeta and GRI Casting Zestoa

A total of 500 common oak trees *(Quercus robur)* were planted. This planting is estimated to allow for the total absorption of 170 tCO_2 over 40 years is estimated.

GRI Madrid. Headquarters

A total of 500 trees of the *Pinus sylvestris* species were planted. This planting is estimated to allow for the total absorption of 85 tCO_2 over 40 years is estimated.

GRI Towers India I and II

A total of 710 trees of different species (Lemon tree, Acacia, Karnja, Mango, etc) were planted. This planting is estimated to allow for the total absorption of 242 tCO_2 over 40 years.

GRI Towers Turkey

A total of 35 Walnut and Pine trees were planted. This planting is estimated to allow for the total absorption of 7.7 tCO_2 over 40 years is estimated.

GRI Towers Sevilla. Pigeon pest control

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

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

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

Circular Economy

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

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

The impact on the climate is another factor that is positively affected by the circular economy. The extraction and use of raw materials have significant environmental consequences, increasing resource consumption, energy consumption and CO_2 emissions, while their circularity reduces not only pollutant emissions but also resource depletion.

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

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

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

GRI Renewable Industries and the Circular Economy

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

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

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

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

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

All this information is extended in the innovation chapter.

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

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

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

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

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

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

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

Circular Economy: raw materials management

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

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

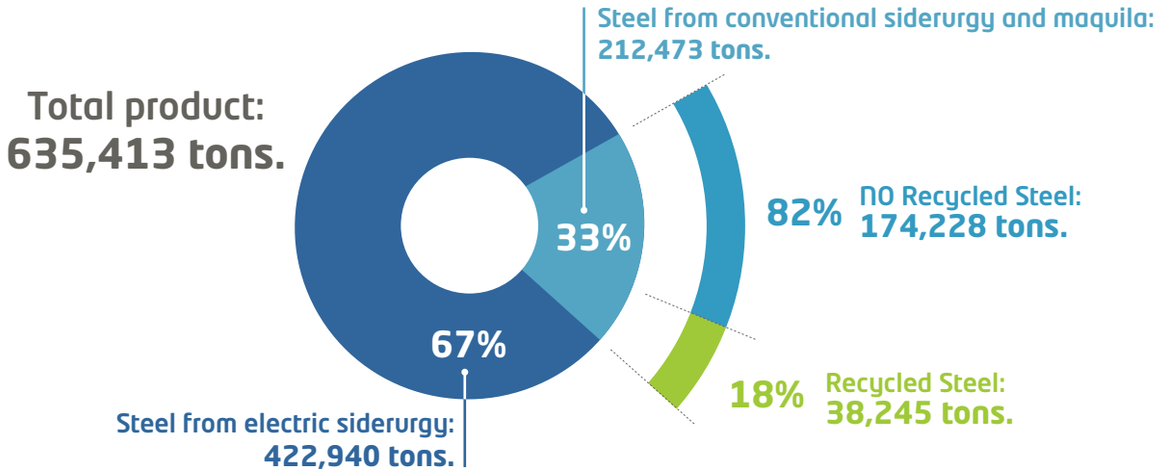
According to the Steel Manufacturer's Association, electric furnace steel production reduces greenhouse gasses by 65-90% compared with conventional steel production from iron ore.

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

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

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

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



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

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

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

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

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

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

In addition, 58 m^3 of taladrine were consumed.

Circular Economy: waste management and minimisation

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

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

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

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

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

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

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

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

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

Non-hazardous waste (tons)

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

Hazardous waste (tons)

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

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

GRI Brazil

GRI Brazil. Project "ZERO-WASTE TO LANDFILL"

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

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

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

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

GRI Towers Galicia | GRI Towers Sevilla

Waste reduction at GRI Towers Galicia and GRI Towers Sevilla

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

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

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

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

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

GRI Towers Galicia: managing zinc powder

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

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

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

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

Solvent recovery

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

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

GRI Towers Brazil

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

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

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

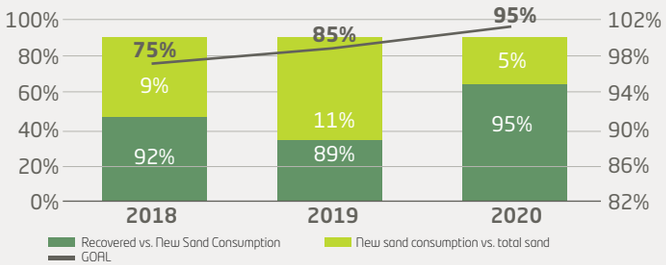
GRI Castings Zestoa: sand waste recovery

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

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

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

Reclaimed sand vs total sand



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

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

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

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

Conflict Minerals

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

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

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

GRI Castings Zestoa: Zinc fines recovery

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

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

The number of tons of recovered waste are shown below.

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

Training on waste at GRI Flanges China

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

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

I. Basic knowledge of environmental protection, summarizing general aspects related to environmental care.

II. Environmental protection laws and regulations. Where the obligations derived mainly from the "Environmental Protection Law", the amendment of the "Law on the Prevention and Control of Environmental Pollution by Waste", which came into force September 1, 2020 and local regulations are summarized.

III. Contents and precautionary measures for standardized hazardous waste management, classification, separation and storage. It identifies the different categories of waste, their risks, management indicators, signage, documentary aspects, disposal, monitoring and control, among others.

Energy

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

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

Energy efficiency

302-4

At GRI Renewable Industries, it is essential to know and control energy consumption in all factories in order to define measures that contribute to minimisation and thus reduce CO_2 emissions.

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

GRI Towers Galicia: Energy monitoring and measuring

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

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

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

New furnace in GRI Forjas Iraeta

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

Internal energy consumption 302-1

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

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

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

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

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

In addition, the GRI Towers Galicia factory has a solar thermal installation for hot water through which 56GJ were self-consumed from renewable sources, avoiding the emission of 4 tons of CO_2 into the atmosphere.

Energy intensity 302-3

Measuring energy intensity is a good way to measure the efficiency and impact of our processes. The calculation takes electricity and fuel, corresponding to internal use, into consideration.

The resulting annual ratio is calculated by dividing energy consumption by the total weight of products sold in each country.

Energy intensity "Towers"

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

Energy intensity "Flanges"

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

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

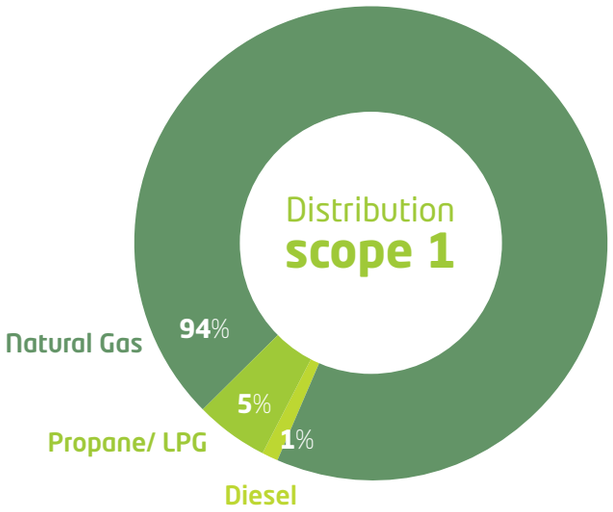
Emissions

In 2020, 173,641 tons of CO_2 were produced, of which 45% corresponded to scope 1 and the remaining 55% to scope 2.

Direct Emissions

305-1

These emissions refer to those emitted by the production process of the company and amount 78,583 tons of CO_2. The distribution of these emissions is shown below:



	LPG Tons CO_2	Natural Gas Tons CO_2	Propane Tons CO_2	Diesel Tons CO_2
GRI Argentina	113	0	0	9
GRI Brazil	3,227	777	0	113
GRI China	0	63,607	0	0
GRI Spain	0	8,959	158	560
GRI India	34	0	0	78
GRI South Africa	25	0	0	23
GRI Turkey	0	390	191	0
GRI USA	0	135	33	149
	3,399	**73,869**	**382**	**933**

Indirect Emissions 305-2

Indirect emissions are those produced by third parties and are consumed in our plants and offices, they amount to 95,058 tons of CO_2. The emissions by country are given next:

	Tons CO_2
GRI Argentina	536
GRI Brazil	1,064
GRI China	73,001
GRI Spain	8,528
GRI India	3,036
GRI South Africa	3,117
GRI Turkey	2,752
GRI USA	3,024
	95,058

Other emissions 305-3

These emissions correspond to corporate trips made by plane, train and rental cars with a total of 907 tCO_2/year. Additionally, the estimation of emissions deriving from employees´ commutes to work centres is included, with a total of 11,792 tCO_2/year, as summarised below:

Rental car **65** tons CO_2/year

Travel by plane **839** tons CO_2/year

Travel by train **3** tons CO_2/year

Transportation employees **11,792** tons CO_2/year

Intensity of Emissions 305-4

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

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

Intensity of Emissions "Towers"

Countries	tCO_2 / t product sold
Argentina	0.03
Brazil (Towers)	0.07
Spain (Galicia+Sevilla)	0.19
India	0.24
South Africa	0.11
Turkey	0.24
USA	0.11
> Total	**0.09**

Intensity of Emissions "Flanges"

Countries	tCO_2 / t product sold
Spain (Iraeta)	0.06
Brazil	0.06
China	0.09
> Total	**0.08**

Regarding the information on emissions of ozone-depleting substances (305-6), it is only present in the offices of some factories. In 2020, two refills of 40.8 kilograms of R22 were recorded in Brazilian factories, equivalent to the emission of 74 tons of CO_2.

Avoided emissions 305-5

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

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

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

Tower Production

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

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

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

The proportional weighing represented by the cost of the wind tower manufactured by GRI Renewable Industries out of the total cost of the tower is deemed to be 16.4%. If one estimates the annual net operational hours of the turbines in the countries where they are present, the installed power, the conversion rate applicable to each country and the percentage of the cost of the tower out of the total structure, we estimate that our contribution to combating climate change amounts to 816,696 tons of avoided CO_2 emissions in 2020.

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

Reduction of the weight of the towers

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

A clear example are the projects developed in 2020 for two of our main customers, with whose reduction in steel weight it is estimated that 9,584 tons of CO_2 emissions have been avoided.

Reforestation

As summarised in the biodiversity and reforestation section, seven reforestations were carried out in 2020, with a total of 2,645 trees planted, which, depending on the different species and their CO_2 absorption and storage capacity, are estimated to have offset a total of 31 tonnes CO_2/year.

If the project is considered from its beginning, a total of 10,305 trees were planted, with a cumulative absorption capacity of 114 tonnes of CO_2/year.

2030/50 Carbon Neutral Plan

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

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

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

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

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

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

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

The main objectives of the project are summarized below:

CARBON NEUTRAL
GRI Renewable Industries 2030

Goals 2030

- **Scope 1:** Reduce CO_2 emissions from fossil fuels by 50%.
- **Scope 2:** Use 100% renewable electricity in our own operations.
- **Scope 3:** Commit to have information and data available in all applicable categories.
- **Supply Chain:** set targets for the reduction of indirect CO_2 emissions from suppliers.
- **Product:** Reporting on the impact of GRI-designed towers.
- Certify reductions achieved (own and in the supply chain) according to **Science Based Targets** - SBTi.
- Communicate results according to the **Carbon Disclosure Project** - CdP.

Goals 2050

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