



GRI

Renewable
Industries

**Sustainability
Report 2021**
Executive Summary

Doing Well by Doing Green

GRI Renewable Industries 2030

Purpose

ESG
Culture

Vision

A global leader and innovator in the manufacture of wind components, creating a more sustainable and emission-free future for all

Mission

GRI Renewable Industries mission is to **satisfy our customers needs** globally, taking into account their business, the safety of our employees and respect for the environment

GHG
Emissions
159
ktCO₂eq*

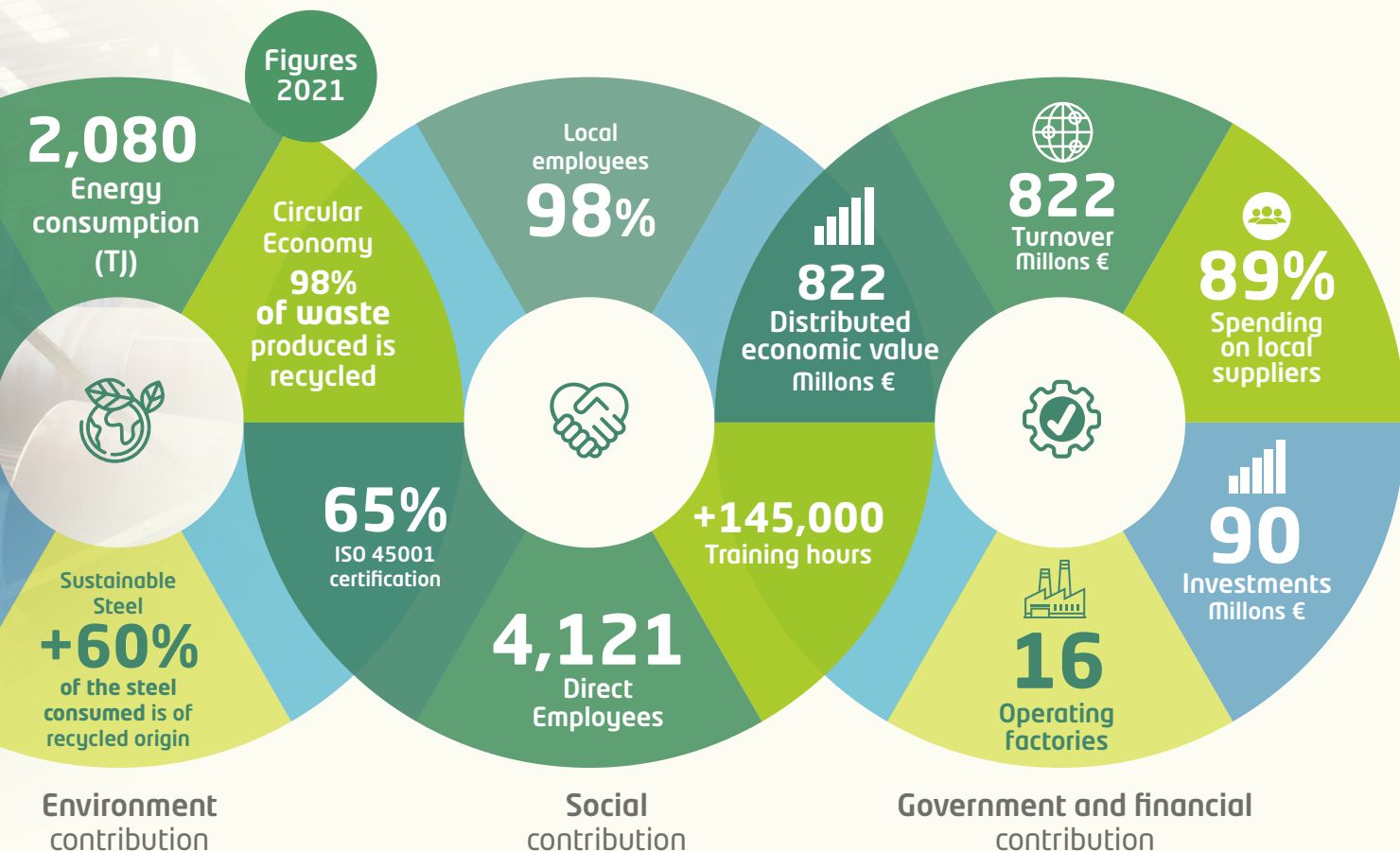
(*) Scope 1 and 2

2021 reforestation
1,800
planted trees

125 tCO₂/year*
absorbed
(*) cumulative

GRI Renewable Industries

Since its foundation in 2008, GRI Renewable Industries has experienced **sustainable and profitable growth**, with 16 factories in 8 countries and three business lines: towers, flanges and castings. The company applies state-of-the-art technology and processes to deliver high quality products and services worldwide.



Worldwide presence



Countries

8



Factories in operation

16










Own professionals






4,121













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**

Plants

-  Towers
-  Flanges
-  Castings

Materiality

The materiality study incorporates the perception of the main stakeholders: customers, employees, suppliers and management.

Materiality analysis results

Governance



Ethics, compliance, and reporting channels



Homologation of suppliers



Relationship with customers



Talent management



Health & Safety

Environmental



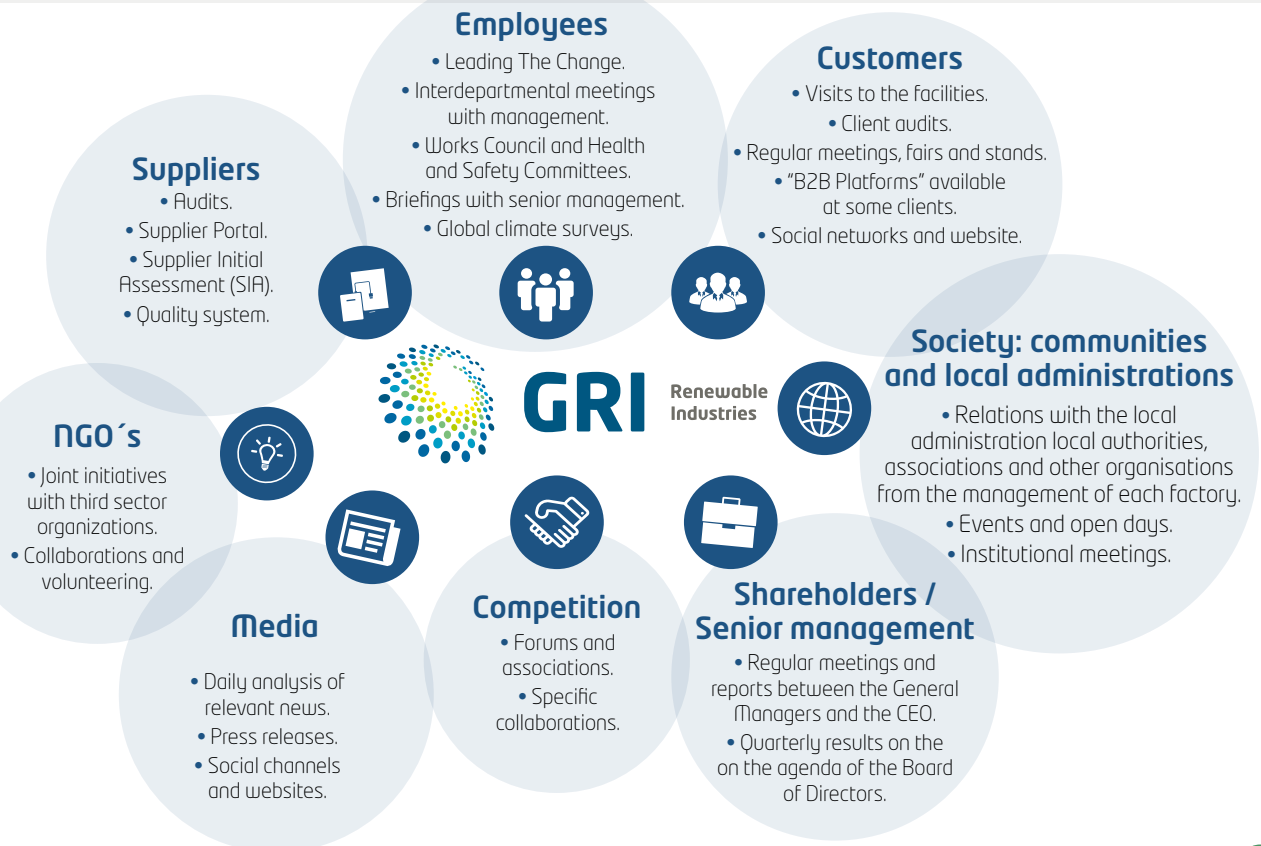
Managing environmental impact



Circular Economy



Climate change



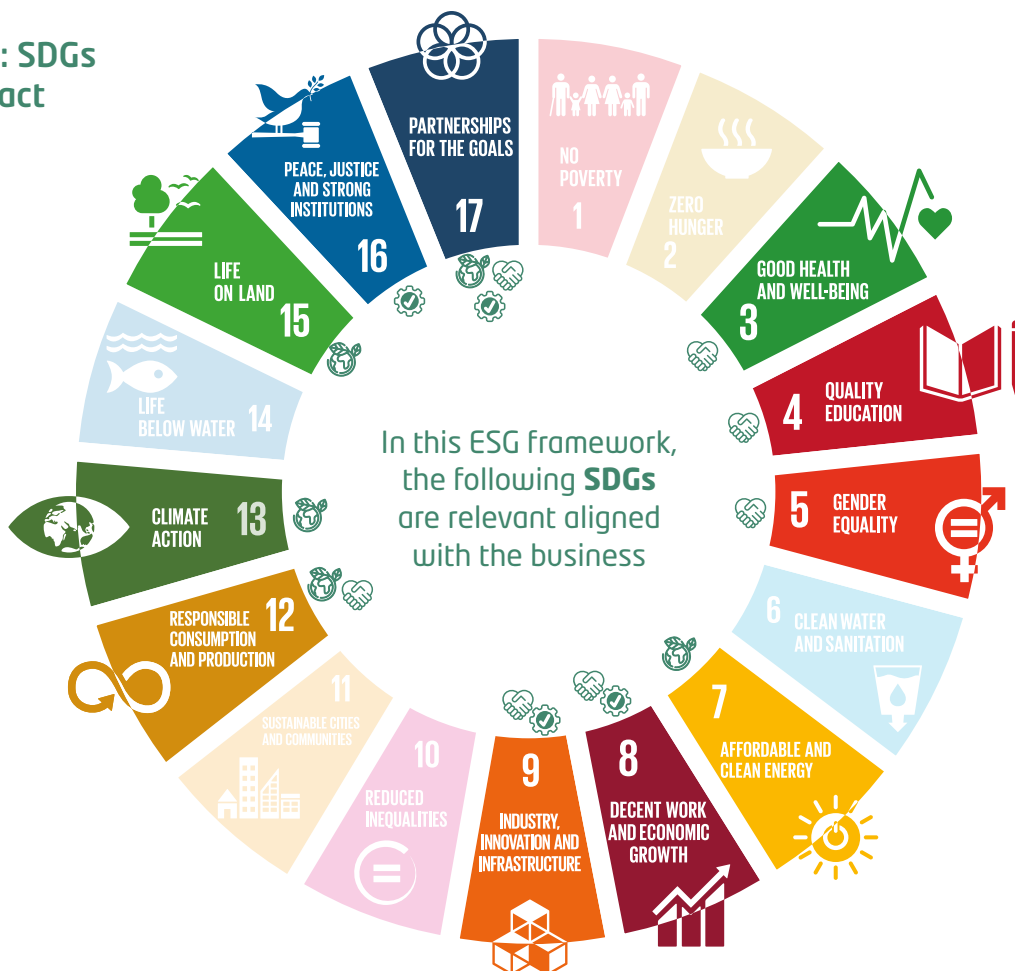
Value creation and sustainable management

GRI Renewable Industries is committed to creating value through relationships of trust with its stakeholders, where the long-term vision and the creation of a more sustainable, prosperous and inclusive world are basic pillars in its management model.

With the development of a comprehensive **ESG (Environmental, Social and Governance)** strategy aligned with the United Nations Sustainable Development Goals, we generate a positive impact on customers, society, industry and the environment, while taking advantage of the growth opportunities that this global framework offers us.

Sustainability Policy: SDGs and UN Global Compact

The Sustainability Policy, approved by the Board of Directors, includes adherence to the United Nations Global Compact, firmly supporting compliance with the 10 Universal Principles, and is aligned with the Sustainable Development Goals.





Environmental

- Carbon Neutral 2030/50 Plan: emissions reduction through renewable energy use, fuel substitution and energy efficiency.
- Committed to Business Ambition for 1.5°C and Science Based Targets Initiative.



- CDP 2021 score: B (Management Level).



- 100% of factories certified under ISO 14001.
- Circular economy: Zero Waste Project. 98% of waste is recycled.
- Use of Sustainable Steel: > 60% recycled origin.



Social

- Security comes first.
- Stable employment and talent retention.
- Safe working environment: 45001 and IPRL management systems, training and awareness.
- Social action: corporate and local initiatives to benefit the local community.
- Collaboration and alignment with customer requirements.
- Joint initiatives with the supply chain to minimise impact throughout the life cycle.
- Growth with more flexible working models through digitalisation.
- Transformation of the production model and products through innovation and efficiency.



Governance

- Sustainability, Ethics and Compliance Policy.
- Carbon Neutral Committee: monitoring of emission reduction actions.
- Transparency and commitment.
- Investment in activities aligned with the European Taxonomy.



Responsible environmental management

Responsible environmental management is one of GRI Renewable Industries' core values and a cross-cutting element of the company's strategy. Decarbonisation and circularity are the two pillars on which drives the transformation of its processes, achieving an efficient use of resources (energy, materials, etc.) and a reduced impact on the environment.

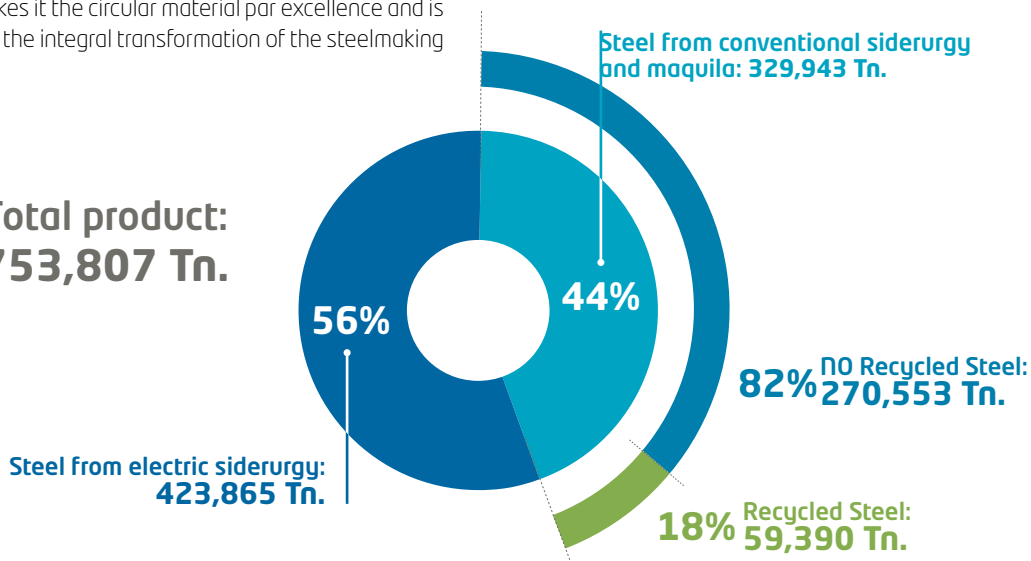
Circular Economy

Steel, the main component of the processes, is one of the main materials used by the world economy. Steel has the characteristic of being 100% recyclable, saving energy and emissions compared to steel made from iron ore. This characteristic makes it the circular material par excellence and is in turn driving the integral transformation of the steelmaking sector.

Consumption of raw materials

A total of 753,807 tonnes of steel were consumed in 2021. It is estimated that 64% is of recycled origin.

**Total product:
753,807 Tn.**



Waste management and minimisation

The Circular Economy involves minimising waste and keeping materials and components of a product within the economy when it reaches the end of its useful life, wherever possible. Thus, it has an added value by being productively used over and over again.

- **Non-hazardous waste:** a total of 274,746 tonnes were generated. 98% of this corresponds to steel scrap.
- **Hazardous waste:** a total of 1,094 tonnes were generated.
- **Steel: 100% recyclable.**

Natural Capital and Biodiversity

GRI Renewable Industries is committed to preserving the natural capital, biodiversity and cultural heritage in the areas where it operates. To this end, and along with other measures, it has been carrying out reforestations since 2016, as part of the **“one tower one tree”** initiative, whereby it undertakes to plant one tree for each tower manufactured.

In 2021, five reforestations were carried out with more than 1,800 trees planted. Reforestation is an activity that seeks to restore degraded habitats to their original conditions. Reforestations are always carried out using native species and favoring crop variety, the aim being to lay the foundations for the development of healthy forests in the surroundings of the group's factories.

“One tower one tree”

Reforestations 2021



INDIA
December

100 trees
Mango and fig tree



MADRID
December

500 trees
Native pine and oak



GALICIA
December

700 trees
Native pine and oak



PAÍS VASCO
November

500 trees
Beech, oak and ash



2021: 1,800 trees, avoiding 11.4 tCO₂/year

Reforestations 2016-2021

Year	Towers manufactured	Trees planted	Ton CO ₂ avoided
2016	1,277	1,250	38
2017	987	1,700	15
2018	768	2,710	13
2019	1,375	2,000	17
2020	1,674	1,875	25
2021	1,595	1,800	11.4

Accumulated: 12,105 trees, avoiding 126 tCO₂/year



Climate Change and Carbon Neutral Plan

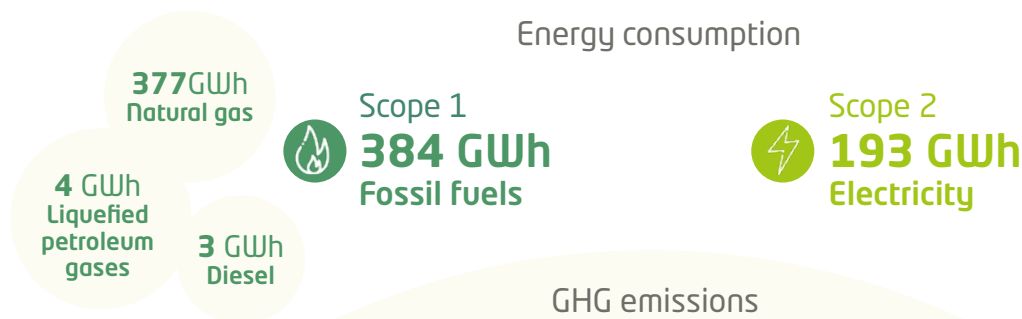
GRI Renewable Industries believes that climate change is a global environmental challenge and understands that the energy transition is a determining factor in society's response to the climate crisis. The energy transition represents a unique opportunity for the decarbonisation of the global economy, with the promotion of renewable energies being the key element towards a low-carbon model.

GRI is a global player in the manufacture of components for wind power generation, where in addition to contributing to the development of the renewable energy sector, it focuses on reducing emissions in its processes and products. To this end, in 2020, it

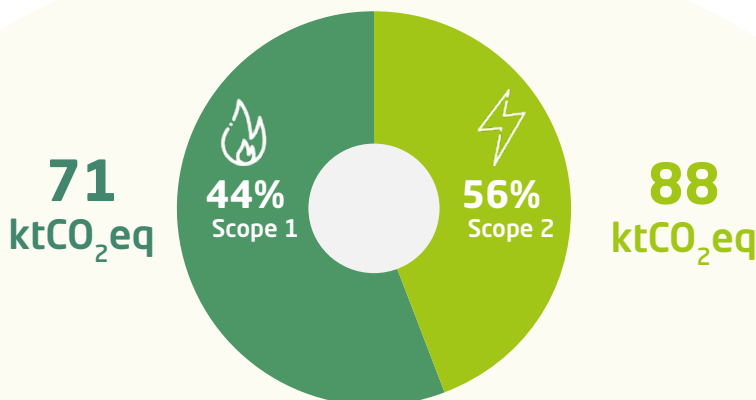
launched the **"2030/50 Carbon Neutral Plan"**, which will lead the company to reduce its direct emissions by 50% and 100% of its emissions from electricity consumption by 2030, with the ultimate goal of being a Net-Zero company by 2050. Following the sequence of Measure, Reduce and Offset, GRI will have a complete inventory including Scope 3 by 2022.

In addition, it is working to reduce emissions through: energy efficiency, fuel substitution, self-consumption of SFV energy and electricity supply contracts with Guarantees of Origin (in force since 1 January 2022 for the 4 plants that the group has in Spain).

Energy consumption



GHG emissions





2030/50 Carbon Neutral Plan

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, it defined and approved the **“2030/50 Carbon Neutral Plan”** and incorporated it into the company’s decision-making, business strategy, management and performance.

Governance

For its monitoring and measurement, the figure of “Carbon Neutral Governance” is created, formed by a Carbon Neutral Committee and an Operational Team.

Plan milestones 2020-2050

2020

GRI sets Emission Reduction Targets by 2030.

2021



CDP Score

2023

Scope 3 disclosure and target.

BUSINESS AMBITION FOR 1.5°C



SCIENCE BASED TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

2030

Near-Term

SBTi targets:

- 50% reduction on Scope 1 (base year 2020).
- 100% reduction on Scope 2 (base year 2020).

2050

Long-Term

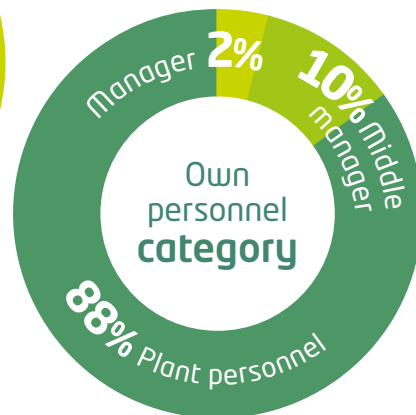
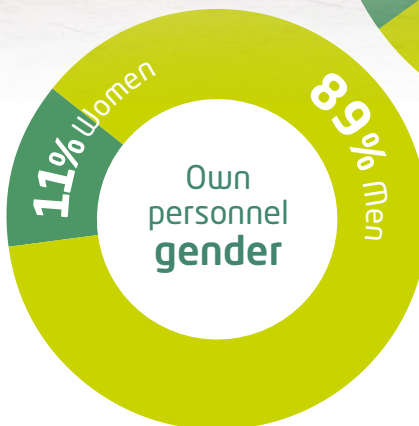
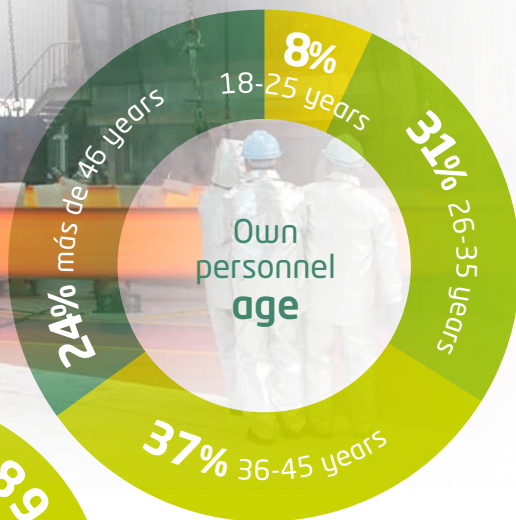
SBTi targets:

Net-Zero.



Social

At GRI Renewable Industries, adopting a strategy that allows us to have excellent, trained and motivated professionals is a key aspect in order to grow as a competitive, solid and sustainable company.

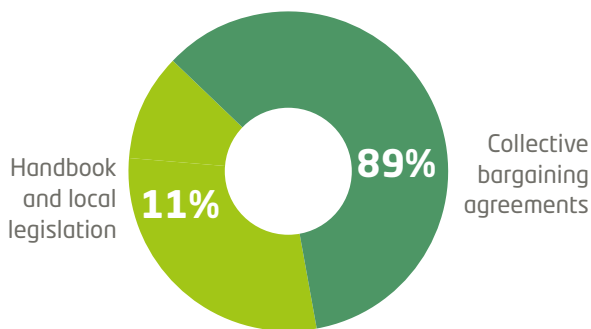


Workforce

Job stability

Job stability is a priority for GRI Renewable Industries. Almost 100% of employees have a full-time contract, and 97% have a permanent contract. The average turnover is 22%.

Freedom of association



Training and professional development

In 2021, **>145,000 hours were trained**. An average of 35 hours per employee



Health and Safety

To GRI Renewable Industries, the Health and Safety of our employees is a strategic factor and an obligation and is always present in the decision-making process and in the development of work plans focused on the constant improvement of safety and working conditions in all production centres.

ISO 45001
69%
of the factories
certified

Reduction of
accidents with
and without
sick leave
▼

Training
+39,500
hours

IPRL: Excellence System for Health and Safety Management

IPRL is a proprietary standard on Health and Safety, a tool that allows to accurately assess the Health and Safety performance of all its production plants, through common criteria, which collect all the particularities of the different technologies and processes, as well as a process of good practices based on continuous improvement.

Improvement
global
Working
Conditions
7.5%

6
factories with
performance
excellent

Customers and innovation

GRI Renewable Industries understand innovation as a factor of change and adaptation to the new requirements of customers and markets, generating added value to the business and minimizing its environmental impact.

Of particular note are the innovation centres in:

- **GRI Towers Turquía**, with the aim of centrally improving the machinery used in the production of wind towers, thereby reducing production costs and obtaining higher product quality.



- Elcano University **Innovation and Training Center** in Seville, It is expected to be operational in April 2022.

In line with its commitment to innovation, GRI Renewable Industries created a new company **GRI I+D ENGINEERING S.L.**, which brings together various professionals and knowledge in the field of R&D&I.

In 2021, around 4.6 GW of towers designed by GRI R&D were developed and installed.



Supply Chain

GRI Renewable Industries' suppliers are an indispensable asset within the value chain, both for their importance in project planning and correct execution of projects, as well as in the company's competitiveness by optimising the cost structure.



Procurement



Purchasing



Supplier Quality



Logistics

89%
spending on
local suppliers

431
qualified
suppliers

45
supplier
audits

293
fully
reliable

51
minimal
risk

49
medium
risk



“Digital WorkPlace” project began in 2019 aiming to embrace Microsoft technology and provide employees with the Office 365 tools to continue advancing in the company’s digital transformation.

In the third year of the project, 2021, a specific area was created within the organisation called “Digital Workplace”. Among the actions carried out, it is worth highlighting the following:



The 2021 financial year has been an exercise in consolidating the tools, as a result of which it has been possible to establish the **Digital Workplace Plan 2022-2024**, with the aim of evolving the current workplace to a more efficient and simpler model.

Social action

Contribution from the corporate

One of GRI Renewable Industries priorities is to support local development in those areas where we are present. Therefore, we have established collaboration agreements with non-profit organizations which we are carrying various local and corporate activities.



LQDVI

Since 2014 it has been collaborating in the diffusion of human, ethical and moral values to young people.



WCK

Since 2013, it has been working to mitigate food insecurity and malnutrition in areas affected by humanitarian disasters.



**FUNDACIÓN
Real Madrid**

Real Madrid Foundation

Since 2018, it has been collaborating to educate differently ability young people of school age in road safety.

United Nations Global Compact

Since 2013, it has been collaborating to contribute to the diffusion and fulfilment of the 10 Universal Principles and the SDGs.



AESLEME

Since 2013, it has been collaborating in road safety training and awareness-raising initiatives.



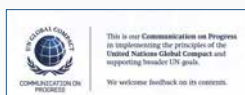
PARA LA DISCAPACIDAD INTELECTUAL

Juan XXIII Roncalli Foundation

Since 2007, it has been collaborating to contribute to improving the lives of people with intellectual disabilities and promoting their social integration.

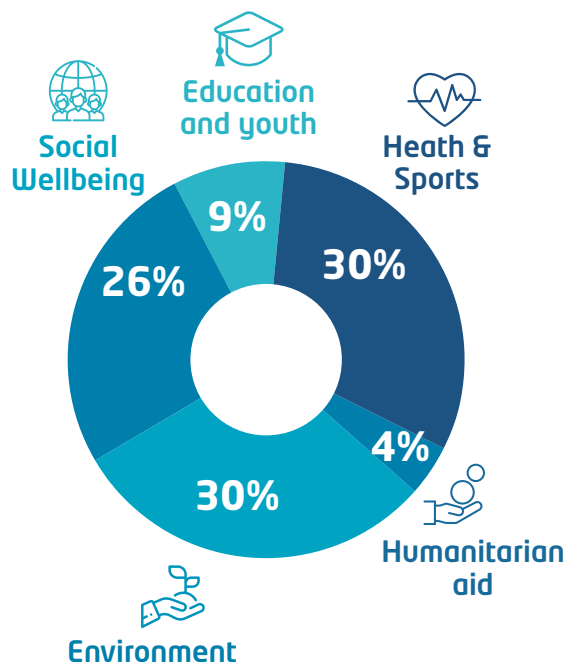


Seres. Since 2016, it has been working together to build a stronger society with competitive and sustainable companies.



Local contribution

In 2021, GRI Renewable Industries focused its efforts on social action initiatives in the areas of environment, sport, social wellbeing, education and health. All work has been aimed at the development and support of the societies where we are present. The distribution of social action by type of activity is summarised below:



Sustainable Development Goals

Since the launch of the United Nations Sustainable Development Goals (SDGs) in 2015, GRI Renewable Industries has initiated a new roadmap, in line with the 2030 Agenda.

It therefore defined and integrated important environmental, social and governance (ESG) challenges into its strategy for a more profitable and sustainable future, strongly committed to long-term value creation and care for the environment.

Climate change and the SDGs



- ✓ **Target:** "One tower, one tree" project. At least one tree to be planted for each tower manufactured and to achieve the absorption of 200 tCO₂/year by 2025.
- ✓ **Target:** 30% of electricity consumption from renewable sources by 2025.

Innovation and the SDGs



- ✓ **Target:** Increase the number of professionals (30%) and PhDs (20%) in the innovation centres (Seville and Turkey).
- ✓ **Target:** collaborate with main customers to improve the design and efficiency of the towers.

Education and the SDGs



- ✓ **Target:** Local and stable employment (permanent contracts) > 80%.
- ✓ **Target:** Increase training hours per employee.



Governance

The governance bodies at GRI Renewable Industries integrate environmental, social and governance (ESG) criteria into their decision making to grow as a profitable and sustainable company.

In 2017 the Compliance Department was created. This Management was formally approved by the Board of Directors.

New Policies

Sustainability Policy

Corporate conflict of interest management policy

Corporate confidential and privileged information policy

Corporate intellectual property management policy

Code of Ethics and Conduct

The Code of Ethics and Conduct is a referent for decision making by all employees of GRI Renewable Industries. The new version of the Code of Ethics and Conduct came into force on January 21st, 2020.

The **Ethical Channel** is available to all employees, directors, administrators and partners, as well as other external stakeholders: customers, suppliers or the society in general.



Telephone and WhatsApp
+34 606 558 932



Web application
<https://gri.i2-ethics.com>



Email address
ethicalcode@gri.com.es



Postal service

Att./ Compliance Committee
C/. Ombú, 3. 2nd floor
28045 Madrid, Spain

The **Ethics Committee** registered 5 complaints, of which were resolved during the year.

Training Plan, which includes online training through the GRI Academy and face-to-face training.



Balance

In recent years, GRI Renewable Industries has made an extraordinary investment effort totalling close to 800 million euros since its creation.

Risks and opportunities

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



Risk management:
new projects



Risk on financial
information



Risks: confidentiality
and privacy



Operational risks



Reputational, ethical
and human right risks



Risks related
to health and safety



Climate change risks

Economic performance

Economic Value
Generated (EVG) with
a total of **834,042**
thousand euros.

Economic Value
Distributed (EVD)
amounting to a
total of **822,045**
thousand euros.

Economic Value
Retained (EVR):
11,997 thousand
euros.



GRI Renewable Industries

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