



Sustainability Report 2022



GRI Renewable Industries

Doing Well
by **Doing Green**
GRI Renewable Industries 2030



GRI Renewable
Industries



2-22

Letter from the Chairman

Jon Riberas

Dear Reader,

In an exceptionally turbulent year with the Russian invasion of Ukraine, energy price crises, rising inflation and major disruptions to traditional fuel trade flows, GRI Renewable Industries has achieved a good level of performance, thanks to the balance between the two main business lines and the markets where we are present.

The renewable energy sector, where GRI Renewable Industries is active, is the largest contributor to the reduction of global greenhouse gas emissions. According to estimates by the International Energy Agency, global energy-related greenhouse gas emissions grew by 1%, although despite reaching a new record high, strong growth in solar PV and wind generation cushioned the expected spike in emissions from the power sector in 2022.

In regulatory matters, the entry into force of the new Directive on corporate sustainability reporting, the European agreement reached to put a price on CO2 in steel and aluminium imports, and the forthcoming Directive on corporate sustainability due diligence stand out. These regulatory developments, together with the interest of the financial markets in ESG aspects, or the possibilities for improving competitiveness, are driving sustainability as a transversal and strategic element in companies' business models.



Today, we see the decarbonisation process as an opportunity to transform our operations and deliver value to our customers, starting with providing relevant and reliable information about our business and setting out our commitment to the future within an ambitious and realistic framework

At GRI Renewable Industries we are aware of the challenge of being an equal leader in all aspects of ESG, but we are committed to progressively advancing in all areas. Today, we see the decarbonisation process as an opportunity to transform our operations and deliver value to our customers, starting with providing relevant and reliable information about our business and setting out our commitment to the future within an ambitious and realistic framework.

In this sense, the information we offer our stakeholders has become a commitment for GRI; regulatory pressure, investor expectations and the evolution of frameworks and standards towards greater homogenisation are favouring transparency and decision-making. The assessment by entities specialised in evaluating the environmental, social and governance performance of companies has become consolidated as a differentiating and reassuring element that more and more companies are turning to. In 2022, GRI has been recognised as an operator committed to management and reporting in the ESG field, as evidenced by assessments such as that of CDP or ECOVADIS, which place our company in a leading position, where the challenge now lies in maintaining this high level of performance.

Finally, I would like to take this opportunity to thank the work and effort of all those who make it possible for GRI to continue advancing steadily in its business project. Behind these milestones is the collective work, the ability to improve and the commitment of a great team of professionals, whose dedication allows us to maintain the level of excellence in service to which our customers are accustomed.

I invite you to take a closer look at this report and learn in detail about our progress on environmental, social and governance issues. Thank you very much.

Jon Riberas
Executive Chairman
GRI Renewable Industries



2-22

Letter from the CEO

Antonio Barbosa

We are coming from difficult years where supply chain disruptions have had a significant impact on the wind sector. Substantial increases in raw material and logistics costs, accompanied by supply/demand mismatches with steelmakers, have led to a progressive reduction in margins for OEMs and suppliers.

The outlook for the future, once these shocks have been overcome, is very positive for the sector. Major economies are moving to combine their climate, energy security and industrial policies into broader strategies for their economies. The push for renewables and the trend towards regionalisation of supply chains resulting from recent regulatory developments in Europe, the United States and China make us optimistic about the future.

In the field of sustainability, companies are moving towards business models that are increasingly focused on creating economic value through projects that generate a positive impact on society. In addition, the decarbonisation trend is leading manufacturers to demand products with a lower impact in terms of CO emissions², with the aim of meeting their own emission reduction commitments, driven by regulation and society's demands.





In the field of sustainability, companies are moving towards business models that are increasingly focused on creating economic value through projects that generate a positive impact on society.

Within this framework, we present our Sustainability Report for the 2022 financial year, a year that for GRI Renewable has been positive in terms of economic results and where we have also managed to make progress in our Environmental, Social and Governance policies. The commissioning of the fifth factory in China, with a production model in which the principles of circularity have been present from the initial conception of the project, is a relevant milestone, which is discussed in more detail in this report.

In the social sphere, I would like to highlight our firm commitment to the Health and Safety of all the people who work in our factories; we are committed to providing the best working conditions according to our best practices learned in recent years, both in existing and new workpla-

ces, and always going beyond the minimums established by law. In the area of people management, I would highlight the "People" project, a new model based on the employee's life cycle, which covers nine areas where talent management takes centre stage.

We are convinced that the commitments we have undertaken are moving in the right direction, a conviction that is reinforced by the recognition of the sustainability indices, which place us significantly above the sector average. With the confidence that comes from this recognition, but far from any form of complacency, we must continue to work to evolve our policies, commitments and projects, aware of the demanding regulatory and market environment in terms of sustainability.

I invite you to read this report, in which you can learn more about the company's business model and commitments, as well as the company's results throughout the year, all of which have been prepared in accordance with the GRI Standards.

Antonio Barbosa
Chief Executive Officer
GRI Renewable Industries



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ESG Culture



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The company

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GRI Renewable Industries S.L (hereinafter GRI Renewable Industries or the Company) was founded in 2008 as an industrial supplier of towers, flanges and castings for the renewable energy sector.

The company has experienced sustainable growth, diversifying globally in 8 countries with 18 factories in operation and 1 factory under construction. It applies the most advanced technology and processes to deliver high quality products and services worldwide.

Through its activities, GRI contributes to the United Nations Sustainable Development Goals, mainly those related to stable employment, the fight against climate change, the circular economy and the health of its professionals.

All companies that make up GRI Renewable Industries are summarised in the annex.



ESGCULTURE

Purpose

Vision

Mission

**Doing Well
by Doing Green**
GRI Renewable Industries 2030

Global and innovative leader in the manufacturing of wind turbine components, creating a more sustainable and emission-free future for everybody.

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.



CONTENTS 2-2

Global Presence



8

Countries



18

Factories in operation



4,728

Own professionals

Factories

- Towers
- Flanges
- Castings

AMERICA



USA



GRI Towers USA



BRAZIL



GRI Towers Brazil



GRI Flanges Brazil



ARGENTINA



GRI Calviño Towers Argentina

ASIA



Turkey



GRI Towers Turkey



GRI Towers Turkey II*



CHINA



GRI Flanges China I (SIHI i)



GRI Flanges China II (SIHI II)



GRI Flanges China III (SIHI III)



GRI Flanges China IV (SIHI IV)



GRI Flanges China V (SIHI V)



Yanzhou Shandong **



INDIA



GRI Towers India I



GRI Towers India II

EUROPE



Spain

Headquarters



GRI Towers Galicia



GRI Towers Sevilla



GRI Flanges Iraeta



GRI Castings Zestoo

AFRICA



South Africa



GRI Towers South Africa

* Factory under construction.

** Not included in the scope of the report.



Growth

GRI Flanges China V

In September 2022, the new **GRI Flanges China 5 (SIHI V)** factory came into operation. The factory has two distinct divisions: a steel mill and an offshore flange factory.

The steel mill has an annual capacity of 650,000 tns and is capable of producing ingots of up to 150 tns. In 2023, once the upgrading of the continuous casting machine is completed, the mill will have the capacity to produce continuous casting blooms.

The factory has been designed within the framework of the “**Zero Carbon 2030**” objective, prioritising the circularity of the process. Therefore, the process reuses the scrap generated in the production of flanges as raw material in its electric furnaces for the production of steel, where the electricity will come 100% from renewable energy sources.

This allows the reuse of all scrap derived from the flange factories (SIHI 1, 2, 3, 4 and the offshore division of SIHI 5) as raw material, resulting in a high quality product in a “**Green Cycle**”.

Also, instead of heating the raw materials from room temperature to 600°C in the original process, we deliver the raw material when it cools to 550-600°C, which reduces heating energy consumption and carbon emissions.

The **offshore division** has 2 production lines, with a maximum capacity of 10 metres in diameter and a maximum annual production volume of around 100,000 tonnes. Its main products are offshore wind tower flanges and TP/MP marine engineering forgings.





Yanzhou Shandong (formerly Iraeta (Jining) High-tech Equipment)

At the end of 2021, the company Iraeta (Jining) High-tech Equipment is acquired, in which GRI holds a 43.58% stake.

Specialised in the supply of customised parts for high-end equipment, with various types of forged bars and shafts. It allows the creation of forgings with different types of steel (carbon steel, stainless steels, titanium alloys, etc.), to suit different products and sectors such as automotive, aerospace, power generation, oil and gas, transport and industry.



GRI Towers Turkey II

GRI Renewable Industries, in its commitment to adapt to the new market demands, which require higher and higher towers for higher power turbines, at the end of 2022 started the construction of a new tower factory in Turkey, next to the existing GRI Towers Turkey I tower factory, with higher production capacity, which will allow the manufacture of larger sections, up to 6.4 metres in diameter, and higher weight, up to 120 tonnes per section.



CONTENTS 2-6

Main products

The company operates under the brand name of GRI Renewable Industries maintaining the same structure and detailing the type of product or service customised for each country and region.

The main products are towers and flanges for the wind power market. It also has two steel mills and, together with its partner Shandong Iraeta, is working on the development of various forging products for various sectors.



GRI Towers

This division is responsible for the manufacture of towers for the main wind energy OEMS according to the specifications established by them. It has nine plants in operation; eight for onshore towers in Galicia, Brazil, Turkey, India I and II, South Africa, Argentina and the USA, as well as one in Seville for the manufacture of offshore towers. At the end of 2022, construction began on a new tower factory in Turkey.



GRI Flanges

Its activity is the manufacture of flanges (a product used to join sections of wind towers). It has seven factories in operation in Spain, Brazil and China



GRI Castings

Its activity is the casting of steel to produce components for the wind industry. It currently has a plant in Spain "GRI Castings Zestoá" for conventional steel and in 2022 it started operating a new steel factory in China "SIHI V" whose process is through an electric furnace that allows reusing the scrap produced in the rest of the factories



Other forging business divisions

China, through its 6 factories, covers various products and markets, in addition to wind power, as summarised below:



Petrochemical & Nuclear Division

Small and medium-sized forgings, with diameters from 70 mm to 3 m, are produced mainly at the China I (SIHI I) factory.

The main products are pipe-type flanges for power tower connections and foundations, gears for wind turbines and other machines, slewing rings for construction machinery and engineering vehicles, and custom forgings for other markets (marine, transport and machinery).

Nuclear & Heavy Equipment Division

Large forgings, with diameters from 10 m to 16 m, are produced mainly at the China IV (SIHI IV) factory.

The main products are forgings for the nuclear sector, cement kilns, pressure vessels, hydroelectric sector and engineering machinery.

Hardened Steel Division

Small and medium-sized forgings, with diameters from 3 mm to 5 m, are produced mainly at the China II (SIHI II) factory.

The factory has an automatic hardening production line, which guarantees a more flexible, safe, durable and resistant internal quality of the melting products. The main products are rotation and slewing bearing parts for wind turbines and other machines, as well as slewing bearings for engineering machinery and other machines.

Marine Engineering and Floating Marine Wind Division

Large forgings, with diameters from 7m to 10m, are produced mainly in the China V (SIHI V) factory.

Its processes enable the manufacture of flanges of various diameters for offshore floating wind towers and marine engineering forgings TP/MP FLANGES/Anvil Ring, etc.

Grinding media division

The China III factory (SIHI III) has a different process for the manufacture of grinding media, being one of the largest manufacturers and suppliers worldwide, with more than 30 patents and a production capacity: 300,000MT/year. The main products are: ball mil, sag mil, rod mil and vertical mil.

Precision Forging Division

Developed in the new Yanzhou Shandong factory, specialising in the supply of customised high-end equipment parts, with multiple types of bars, different steels and alloys, and forged shafts.

This product range serves sectors such as automotive, aerospace, power generation, oil and gas, transport and industry.



CONTENTS 2-6

Key figures

GRI Renewable Industries understands Sustainability as a model that integrates responsible management and a commitment to ethics, transparency and collaboration with its stakeholders, with which to enjoy a cleaner environment with fewer inequalities that contributes to achieving the Sustainable Development Goals.

GRI's value creation is summarised in the following figures:

Environment

Social

Government



2,556,158

Energy consumption (GJ)



SUSTAINABLE STEEL

48%

of the steel consumed is of recycled origin



Direct Employees

4,728



Local employees

98%



83%
CERTIFICATION ISO 45001



+40,371
Training hours



1,270
DEV
Millions €



1,173
Turnover
Millions €



18
Operating
factories

197
CAPEX
Millions de €

5

Materiality Study.
new material aspects



CIRCULAR ECONOMY

>95%

of waste produced is recycled

SCOPE 1 & 2

178,249
tCO₂/year

REFORESTATION

2,000 trees
147 tCO₂/year absorbed



CONTENTS 2-6

Key milestones in 2022

GRI Renewable Industries is present in 8 countries, which allows us to cover a significant part of the world market.

It also continues to invest in new production lines, new products and internal initiatives to improve the environment. All of this is helping the company to improve its position in the global market.

The following is a summary of the highlights for the financial year 2022.

May

- GRI Flanges Iraeta supplies the first 8 metre flanges.
- GRI Renewable Industries joins the Global Compact's good practice contribution.
- Approval of the R&D projects: INARI and SELFBALANCE.



March

- GRI Towers Turkey obtains the "Sifir Atik" or "Zero Waste" certificate.
- Approval of the R&D project: NEXTFLANGE.
- Completion of offshore flange project (FIHI)

Q2 2022

Strategic Meeting 2022

GRI Renewable Industries



April

- Strategic Meeting GRI 2022
- GRI India Kolhapur receives an award from the workers' union for best labour practices implemented during the pandemic



June

- Successful completion of the GENGRI and VAICO R&D projects

Q1 2022

January

- The agreement for the purchase of 100% of electricity from renewable sources in Spain is launched.
- Approval of the R&D project: NEXTWIND



February

- GRI renews its commitment to the UN Global Compact.



CONTENTS 2-6

Key milestones in 2022



September

- Manufacture of the first 8 m diameter offshore prototype.



Q4
2022



November

- One tower, one tree” project - Reforestation in Madrid (1100 trees).

July

- Kholapur plant capacity enhancement project.



July

- New training centre at GRI.

Q3
2022



December

- Signing of a Joint Venture agreement with a company in Poland.



October

- The GRI Turkey II factory starts construction.
- CDP



Value creation and sustainable management

GRI Renewable Industries is a global company that has retained the same values since its inception **"honesty, humility, tenacity and hard work"**, which together with its principles and the guidelines of the Code of Ethics and Conduct, establish a framework on which to move forward and grow as a solid, profitable and sustainable company.

These ethical and business values inspired the company's purpose **"Doing Well by Doing Green"**. Because only by doing the right thing; by believing in what you do, acting honestly and consistently, can you do the right thing.

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

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

The opportunity of environmental challenges

Regulatory developments together with the interest of the financial markets in ESG aspects, or the possibilities around improved competitiveness, are driving Sustainability as a cross-cutting and strategic element at GRI Renewable Industries.

CONTENTS 2-6

Within this ESG framework, the following SDGs aligned with the business and their key milestones in 2022 are highlighted.

Environment

- **Carbon Neutral 2030/50 Plan:** emission reductions through renewable energy use, fuel substitution and energy efficiency.
- Committed to **Business Ambition for 1.5°C** and **Science Based Targets Initiative**.
- CDP 2022 **score: B** (Management Level).
- Scope calculation **1 & 2 & 3**
- 100% of factories certified under the **ISO 14 001** standard.
- **Circular Economy:** Zero Waste Project. 95% of waste is recycled.
- Use of **Sustainable Steel:** > 48% recycled origin.



Social

- **Safety** first
- Stable **employment** and talent retention.
- **Safe** working environment: 45001 and IPRL management systems, training and awareness raising.
- **Social action:** corporate and local initiatives.
- Collaboration and adaptation to customer requirements.
- **Joint initiatives** with the supply chain to minimise impact throughout the life cycle.
- Transformation of the **production model** and products through innovation and efficiency.



Government

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





Materiality

CONTENTS 2-29:

Stakeholder relations are a key aspect at GRI Renewable Industries. For this reason, since 2014 they have been analysed and updated to improve their coverage, to have greater knowledge of their expectations and to orient the content of the Report to their main requirements in the ESG (Environmental, Social and Governance) areas.

At GRI we maintain a constant dialogue and have different specific **communication channels** for each stakeholder group identified. Communication is two-way and there is no set frequency, as the requirements of each stakeholder group are different.

Considering that GRI products are an intermediate stage in the value chain of the final product, external perception and media presence is low.

For this reason, it considers that the most relevant stakeholders that have the greatest impact on its activity are: **Management, Employees, Customers and Suppliers.**



Suppliers

- Supplier evaluation surveys.
- Regular visits and meetings.
- Supplier portal.
- Complaints handling.
- Biennial survey, Materiality study.



Employees

- Global work climate surveys.
- Intranet "Leading The Change". - Interdepartmental meetings with management.
- Briefings with the CEO.
- Works Council and the Health and Safety Committee.
- Biennial survey, Materiality study.



Clients

- Catalogues, presentations and stands at trade fairs.
- Communication tools, e.g. "B2B platforms".
- Annual satisfaction survey.
- Regular visits and meetings.
- Incident management.
- Collaborations in improvement projects.
- Biennial survey, Materiality study.



Society: local communities and administrations

- Relations with the local administration, associations and other organisations from the management of each factory.
- Events and open days.
- Institutional meetings.



Shareholders / Senior management

- Regular meetings and reports between General Managers and the CEO.
- Quarterly results on the agenda of the Board of Directors.
- Leadership Meeting 2022



Competition

- Forums and associations.
- Occasional collaborations.



The media

- Daily analysis of relevant news.
- Press releases.
- -Social media channels and websites.



Third sector

- Joint initiatives with third sector organisations.
- Collaborations and volunteering.
- Road safety campaigns with the Emotional Driving project.



General Partnership

- Social media, which gives us access to a wider audience.
- News .
- Forums and associations.
- Emotional Driving.



CONTENTS 3-1:

GRI Renewable Industries identifies its material issues through a "Materiality Study" carried out in collaboration with an independent external company and a data and information analysis technology tool, where the importance and perception of the issues identified is assessed.

The materiality study allows GRI to understand the relevant issues and align them with the business strategy, identifying stakeholder expectations and needs.

It combines both an internal (management) and external view. In the first phase, internal sources are consulted (policies, strategy, commitments, etc.) and external sources (news, benchmarking of competitors and main customers, market trends in CSR and sectorial matters, new legal requirements, etc.). All of this is used to weigh up the most relevant issues that could have the greatest impact on the company.

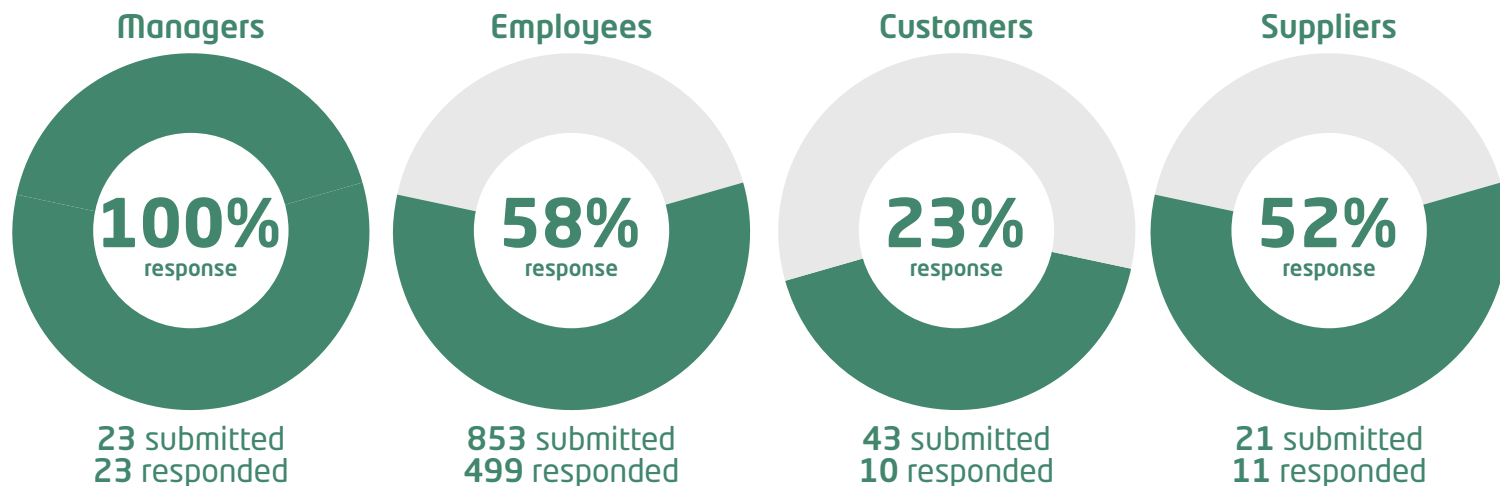
All this information is grouped into 24 questions in the ESG framework. Each question asks about the relevance of each issue and the perception of the GRI's engagement and development on each issue.

The survey is sent and weighted by an external company, which guarantees the independence and transparency of the results. As indicated above, consultations are carried out with management and employee stakeholders, as well as a selection of the main customers and suppliers, as these are the most relevant stakeholders. Management is also consulted on the maturity of issues in the company, due to its capacity to influence them.

This process allows us to identify those **environmental, social and governance (ESG)** issues that are most relevant to GRI Renewable Industries and its stakeholders.

Internal and external coverage

A total of 940 surveys were sent to management, employees, customers and suppliers with an average group response rate of **58%**. The segregated participation of each stakeholder group is summarised below:





CONTENTS 3-2:

Following this analysis, weighting and review, an overall total of 13 material issues were defined for all stakeholders, as summarised below:



ENVIRONMENTAL Issues

Carbon Neutral Strategy	Strategic plan to move towards a Carbon Neutral future.		
Environmental Management	Formal policy and management system that contributes to continuous improvement and minimisation of environmental impact.		
Circular Economy	Control and measurement system for raw materials and waste management and minimisation that promotes the Circular Economy.		



SOCIAL Issues

Talent management	Robust training, career development and performance appraisal programmes that contribute to attracting and retaining talent.		
Health and safety	Availability of a health and safety policy and management system for employees and subcontractors, contributing to a good working environment and reducing accidents and incidents at work.		
Human Rights in the Supply Chain	Availability of approval policies and procedures with criteria on ethics, sustainability and human rights, among others.		
Flexibility	Policies, measures and initiatives to enable workers to adapt their needs to working hours and to improve work-life balance (personal/professional).		
Clients	Customer relations and collaborative projects that contribute to the development of more sustainable products...		
Innovation	Projects and initiatives aimed at improvement and efficiency in products and processes		
Digitisation	Enhance the various tools that improve digitalisation and connectivity between employees, increasing efficiency.		



GOVERNMENT Issues

Ethics, compliance and whistleblowing channels	Ethics, anti-corruption and compliance framework. Monitoring and measurement. Whistleblowing channels.		
Risks	Framework for identification, monitoring, mitigation and control of potential risks.		
Human Rights Policy	Formal, public policy outlining the company's human rights commitments.		

With regard to the **2020 materiality** study, this year five new material issues stand out for stakeholders, such as: Human Rights Policy, Flexibility, Risks, Innovation and Digitalisation.

In addition, the responses in each stakeholder group have been analysed to obtain information on the material issues not covered globally. The result shows that:

- For **internal** stakeholders, diversity is considered material (in addition to the above).
- For **external** stakeholders, Conflict Minerals policy and due diligence, cybersecurity, information security and data/asset protection measures are considered material (in addition to the above).

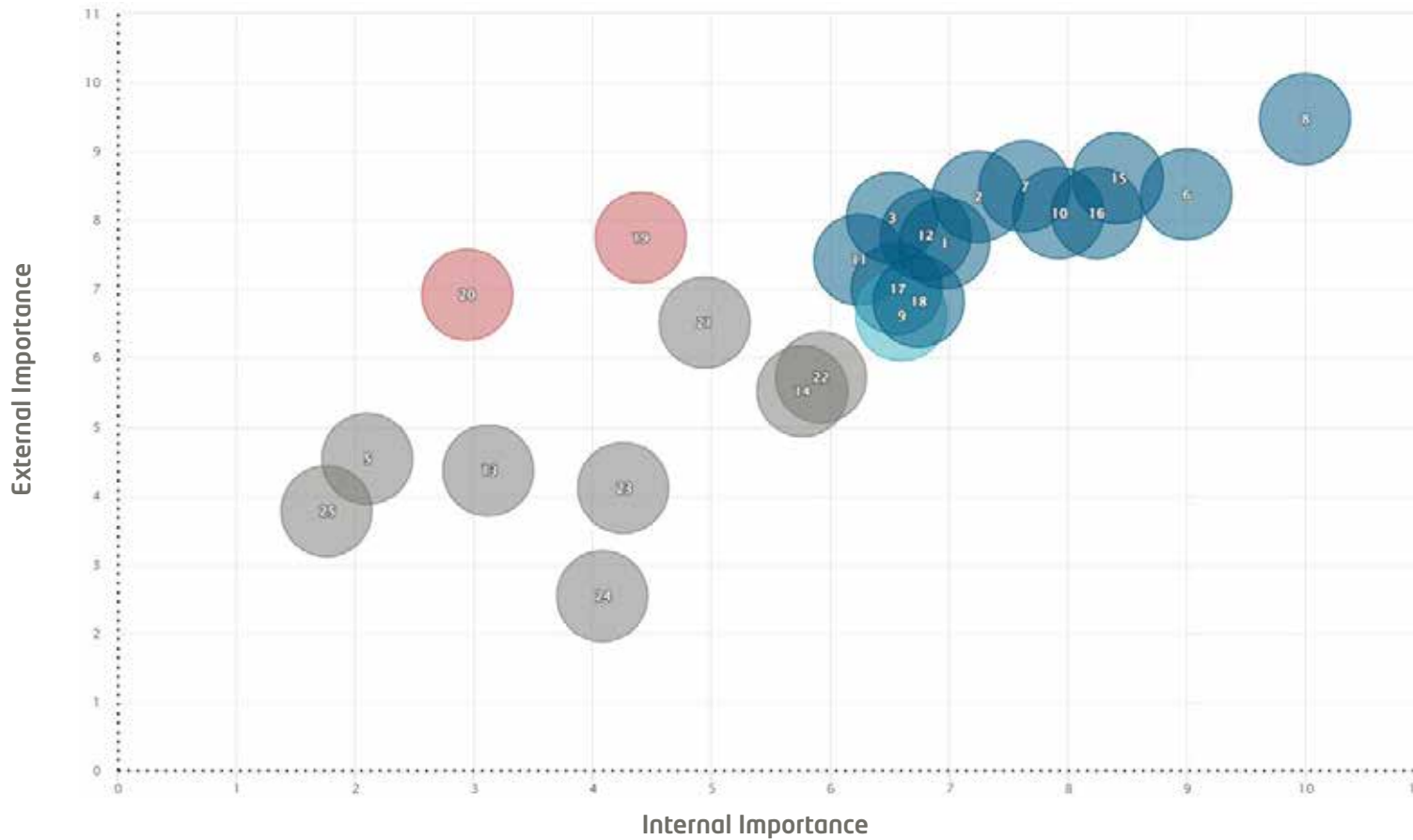
All material topics reported are identified in the GRI content index and in each section of the report.

The survey also measures internal and external stakeholder perceptions of GRI Renewable Industries' approach to and development of the topics surveyed.



In this area, it shows a high perception for the internal stakeholders consulted on issues related to: health and safety and compliance (ethics, channels, etc.) and, for external stakeholders, on issues related to:

- **Suppliers:** carbon neutral strategy, environmental management, health and safety and conflict minerals.
- **Customers:** health and safety, diversity, human rights (internal and supply chain) and innovation.
- **Employees:** environmental management and cybersecurity and data protection.



◆ No material
 ◆ Relevant external
 ◆ Relevant internal
 ◆ Material



Environment

- 1 CN Strategy
- 2 EMS
- 3 CE
- 4 Movility
- 5 Biodiversity
- 6 Clients



Social

- 7 Training
- 8 H&S
- 9 Diversity
- 10 Pol. HHRR
- 11 CdS HHRR
- 12 Flexibility
- 13 Local Comunity



Governance

- 14 ESG
- 15 Compliance
- 16 Risks
- 17 Innovation
- 18 Digitalization
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Environment



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- 98 Associations and organisations



Environmental performance



Focus on management

CONTENTS 3-3

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 it drives the transformation of its processes, achieving an efficient use of resources (energy, materials, etc.) and a reduced impact on the environment.

Responsible environmental management

GRI Renewable Industries operates efficiently and responsibly. Day by day, it demonstrates its interest in caring for the environment, developing its activity within the framework of the Sustainability Policy, the Integrated Management System and its Quality, Environment and Health and Safety Policy.

Currently, **100%** of the plants are certified under the **ISO 14001:2015** standard. This means that 100% of the staff working in GRI factories are working under this standard.

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

Regular activities are carried out to raise environmental awareness among the professionals at all the plants.

GRI Renewable Industries in its commitment to the Sustainable Development Goals, participates in the "Act Now" programme

by registering daily habits to reduce carbon, water or energy footprint, and the platform can even suggest actions to incorporate into your daily life.

Through ten actions such as: save energy, drive less, eat more vegetables, use the three R's, etc. you can help to reduce your emissions. Climate action should not be left to companies alone. Together, we can help the planet.

In order to minimise the impact of potential environmental risks, GRI Renewable Industries makes financial provisions and has guarantees to cover the occurrence of environmental risks in the insurance policies it has taken out:

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

During 2022, it was not necessary to activate the guarantees of the Group's Environmental Liability Policy.

The chapter summarises the main environmental magnitudes, the measurement of their performance and the most relevant initiatives.



Plan Carbon Neutral 2030/50



Climate Change and Carbon Neutral Plan

302-1

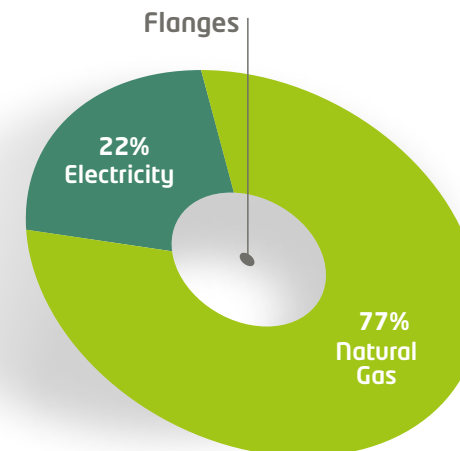
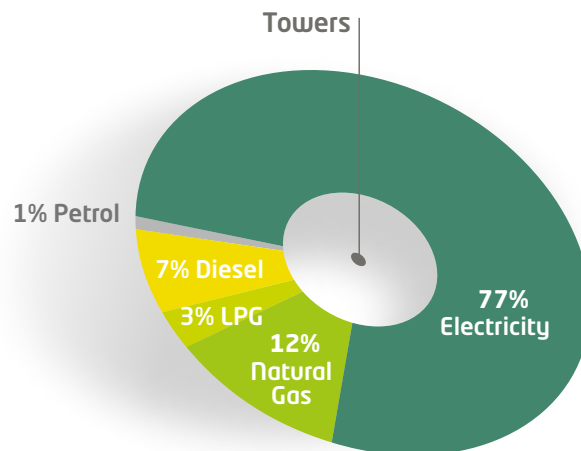
Internal energy consumption

Total energy consumption in 2022 was **710 GWh**, of which 198.5 GWh from electricity and 511.5 GWh from fossil fuels.

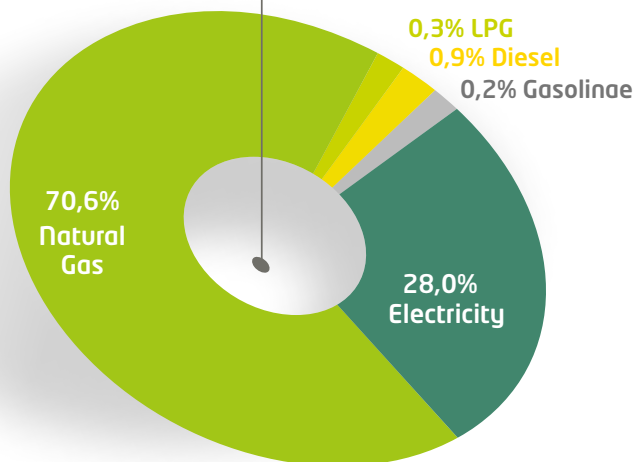
Renewable electricity consumption was 30 GWh, representing **15%** of total electricity consumption.

According to the type of energy consumed, energy consumption is distributed as follows.

The breakdown of consumption by type of energy and product is as follows:



Energy consumption



Energy consumption per country 2022 (GJ)	Electricity	Natural Gas	Diesel	LPG/Propane	Diesel flota	Gasolina flota
China	476.191	1.555.126	-	-	-	2.606
Spain (Towers & Flanges)	76.779*	214.499	7.815	610	502	-
Spain (Castings)	30.803	4.937	247	-	-	-
Brazil	51.450	20.590	2.504	662	4.401	2.386
Turkey	25.644	10.225	-	665	2.601	-
USA	27.248	271	2.595	148	-	-
India	19.606	24	1.726	427	261	-
South Africa	1.160	-	-	-	24	70
Argentina	5.737	-	140	5.478	-	-
Total	714.618	1.805.673	15.027	7.990	7.789	5.062

Concerning external energy consumption, there is no information available on this indicator. There is a global target linking the collection of all this information by 2030 (302-2).

* Provisional data pending confirmation of invoicing at GRI Seville



302-3

Energy Intensity

The calculation takes into account internal energy consumption, equivalent towers and tonnes of flanges produced.

Intensity energy consumption	
Towers	GJ/Eq.Towers
Argentina	252,3
Brazil	91,4
Spain	218,6
India	85,4
South Africa	-
Turkey	147,9
USA	151,3
Total	130,4

Flanges	GJ/tonnes
Brazil	4,9
China	7,3
Spain	9,4
Total	7,4

302-4 AND 305-5

Energy efficiency

At GRI Renewable Industries, knowing and controlling energy consumption in all factories is essential to define measures that contribute to minimising it and, thus, reducing CO2 emissions into the atmosphere.

As summarised in the innovation section, it is involved in numerous projects aimed at improving its processes, most of which will optimise energy consumption, raw material consumption and waste production. In addition, it is working on the definition of applicable indicators to provide real and objective results in each case.

Process improvement. Reduction of welding gases (argon and CO₂)

Welding is a key process in all GRI tower factories. There are four types of welding: longitudinal, circular, marking and internal, as well as drape and vertical flange welding.

Considering the total process, the estimated welding time is around 50%, so it is key to improve time, impact and consumables in this phase of the process.

To this end, tests are being carried out with different technologies that are expected to increase welding speed and energy concentration, which will have a direct impact on: reduction of welding gases (82% Argon+18% CO₂) and raw materials, among others.

With this improvement, it is estimated that the number of passes required for proper welding will be reduced to less than half on 20mm surfaces, significantly reducing welding times and welding fumes.

The first results will be available in 2023.

GRI verifies its carbon footprint according to the UNE-ISO 14064-1:2012 standard

GRI Renewable Industries has obtained the emissions verification certificate under the UNE-EN ISO 14064:2012 standard, which measures the company's carbon footprint. This certificate consolidates the company's firm commitment to the quality of its products, the development of renewable energies and the fight against climate change.

The UNE-EN ISO 14064:2012 standard on Greenhouse Gases, one of the strictest international standards, has as its main objective to offer veracity and credibility to greenhouse gas (GHG) emission reports. Specifically, UNE-ISO 14064-1. "Greenhouse Gases. Specifications and guidance, at the organisation level, for the quantification and reporting of greenhouse gas emissions and reductions" details the principles and requirements for the design, development, management and reporting of GHG inventories at the organisation level. It also includes requirements for determining GHG emission limits, quantifying emissions and reductions, and, most importantly, identifying actions to improve GHG management and reduction, defining more effective targets and better targeted cost-saving initiatives.

The perimeter includes the Madrid offices and the factories in Turkey, Brazil, Iraeta, Galicia, Seville and the USA.

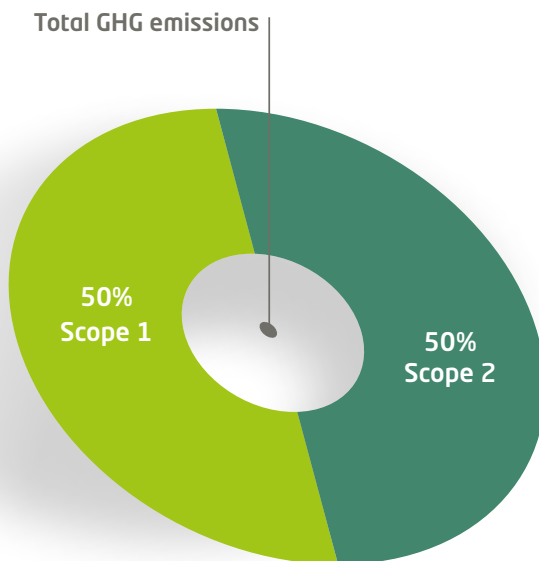
This certification contributes to meeting the requirements and needs of GRI Renewable Industries' main customers regarding the carbon footprint of their products. This information will be analysed and reported annually.



Emissions

In 2022, direct emissions and emissions due to electricity consumption were 178,249 tCO₂ eq.

Carbon Footprint		
tCO ₂ eq	2022	vs.21
Direct emissions (Scope 1)	94.104	8,7%
Indirect emissions (Scope 2)	84.145	-4,4%
Total	178.249	2,1%



305-1 AND 305-6

Direct emissions

GHG. Direct emissions 2022	
	tCO ₂ eq
Consumo de LPG	64
Consumo de Natural Gas	91.443
Consumo de Propane	418
Consumo de diesel	1.079
Flota Diesel	580
Flota gasolina	393
Gases refrigerantes	128
Total	94.104

305-2

Indirect emissions from electricity consumption

GHG. Indirect emissions 2022	
Towers	2022 tCO ₂ eq
China	71.405
Spain (Torres y Bidas)	35
Spain (Castings)	0
Brazil	872
Turkey	3.426
USA	3.754
India	3.856
South Africa	299
Argentina	499
Total	84.145



305-4

Intensity Emissions

Direct emissions and emissions due to electricity consumption are considered for the calculation, together with the operational quantities Towers Equivalent and Flange Tonnes.

GRI Towers. Emissions intensity	
Factory	tCO ₂ eq / Towers Eq.
Argentina	7,5
Brazil	1,4
Galicia	2,5
Seville	8,7
India 1	0,7
India 2	0,2
Turkey	3,0
USA	1,1
South Africa	-
Total	2,05

GRI Flanges. Emissions intensity	
Factory	tCO ₂ eq / Tn. Flange
Spain (FIHI)	0,42
Brazil (BIHI)	0,18
China (SIHI)	0,28
Total	0,30

Avoided emissions

305-5

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

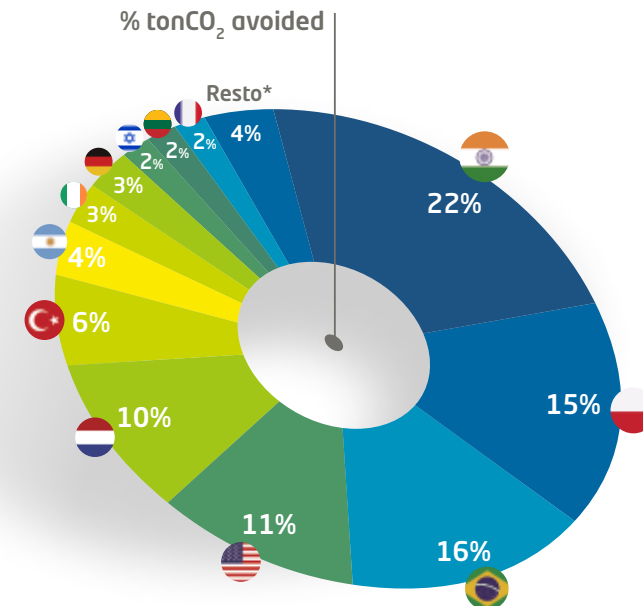
In addition, we are committed to the achievement of the Sustainable Development Goals (SDGs), in particular those that contribute to the fight against climate change (SDG 7.3 and SDG 13.2).

Below, we highlight our contribution in this context in the 2022 financial year, through tower production and reforestation.

305-5

Tower production

In 2022, the company manufactured a total of 1,789 wind towers. The proportional weight represented by the cost of the wind tower manufactured by GRI Renewable Industries with respect to the total structure is considered to be 16.4%. Estimating the annual net operating hours of the turbines in the countries where they are present, the installed power, the conversion factor applicable to each country and the percentage of the cost of the towers with respect to the total structure, we estimate that GRI's contribution to climate change amounts to a total of 733,450 tonnes of CO₂ avoided in the financial year 2022. Its distribution by country is summarised below:



*Portugal, Finland, Latvia, United Kingdom and Belgium

With regard to the reduction of the energy requirements of products and services (302-5), the innovation section summarises the improvements made in products and processes. Work is currently underway on a plan that will make available the real savings derived from the measures implemented, which will be available before 2030.

Reforestation

As summarised in the section on biodiversity and reforestation, three reforestations were carried out in 2022, with a total of 2,000 trees planted, which, depending on the different species and their CO₂ absorption and storage capacity, are estimated to absorb a total of 21.2 tonnes CO₂/year.

Considering the project since its inception, a total of 14,105 trees have been planted, with a cumulative absorption capacity of 147 tonnes of CO₂/year.



305-7

Other Emissions

With regard to emissions from other sources, these are specific, as they mainly affect factories that carry out surface/special treatments (galvanising, electrogalvanising, etc.), where controls are carried out by an accredited body with the frequency established in the corresponding licences or other legal requirements. The main emissions are summarised below:

Other Emissions (kg)	
	2022
NOx	1.810
SO2	20
CO	2.540
NO2	0,0
NO4	0,0
NO3	0,0
KOH	0,0
Partículas (MP)	3,80
HCl	0,0
Zn	0,0
Carbono orgánico total (COT)	0,0
Compuestos orgánicos volátiles (COV)	6.777

At GRI Renewable Industries we believe that solvent recovery is an important objective to minimise the production of hazardous waste as well as the purchase of the product.

Therefore, in recent years solvent recovery units have been installed at the group's various factories (in 2015 a solvent recovery unit was installed at GRI Towers Galicia, in 2018 at GRI Towers Brazil, at the end of 2020, GRI Towers South Africa and USA completed the installation of their respective units).

In 2021, the solvent recovery unit was acquired for the GRI Towers Seville factory, which, due to layout changes, will be installed in 2023. It will achieve a reduction in paint sludge of around 38%.

In addition to the reclaimer, a press has been installed to scrap the metal containers. After washing, this waste, which used to be hazardous, is managed as non-hazardous waste, which means that no more fees are paid for its management.

With both measures, the following annual economic results are estimated: savings in the transport and management of sludge 800 euros, savings in the transport and management of contaminated packaging 4,400 euros and income from the sale of cans as scrap 4,000 euros.

R&D centre in Sevilla

In the R&D centre in Seville, the doctorate on "surface treatments: paint" stands out. The project is carried out in collaboration with one of the main suppliers, where the aim is to characterise 8 paint schemes to increase the protection and durability of wind turbine structures. These schemes are focused on: reference (1), sustainability (2), reduction of drying times (2), improvement of competitiveness (2) and durability of the paint (1).

In terms of their contribution to the reduction of CO₂ emissions, the schemes relating to the following stand out:

- Sustainability, with the aim of reducing environmental impact through low volatile content systems (reduction of VOCs), in two coats of paint.
In the first scheme a total reduction of around 50% is estimated and in the second scheme around 78%. However, in the rest of the parameters measured, in some cases they show results that require improvement for their application.
- Reduced drying times (less energy consumption), using a fast curing polyurea based coating that allows for reduced drying times, resulting in savings in the paint application process, with an additional layer of primer with high Zn content for corrosion protection.

The results are at a preliminary stage, although pilot tests show a reduction in curing time.

Welding fume extraction in Forjas Iraeta

manual stations.

With this action, diffuse emissions inside the buildings are virtually eliminated. These systems absorb and filter the welding fumes generated by the

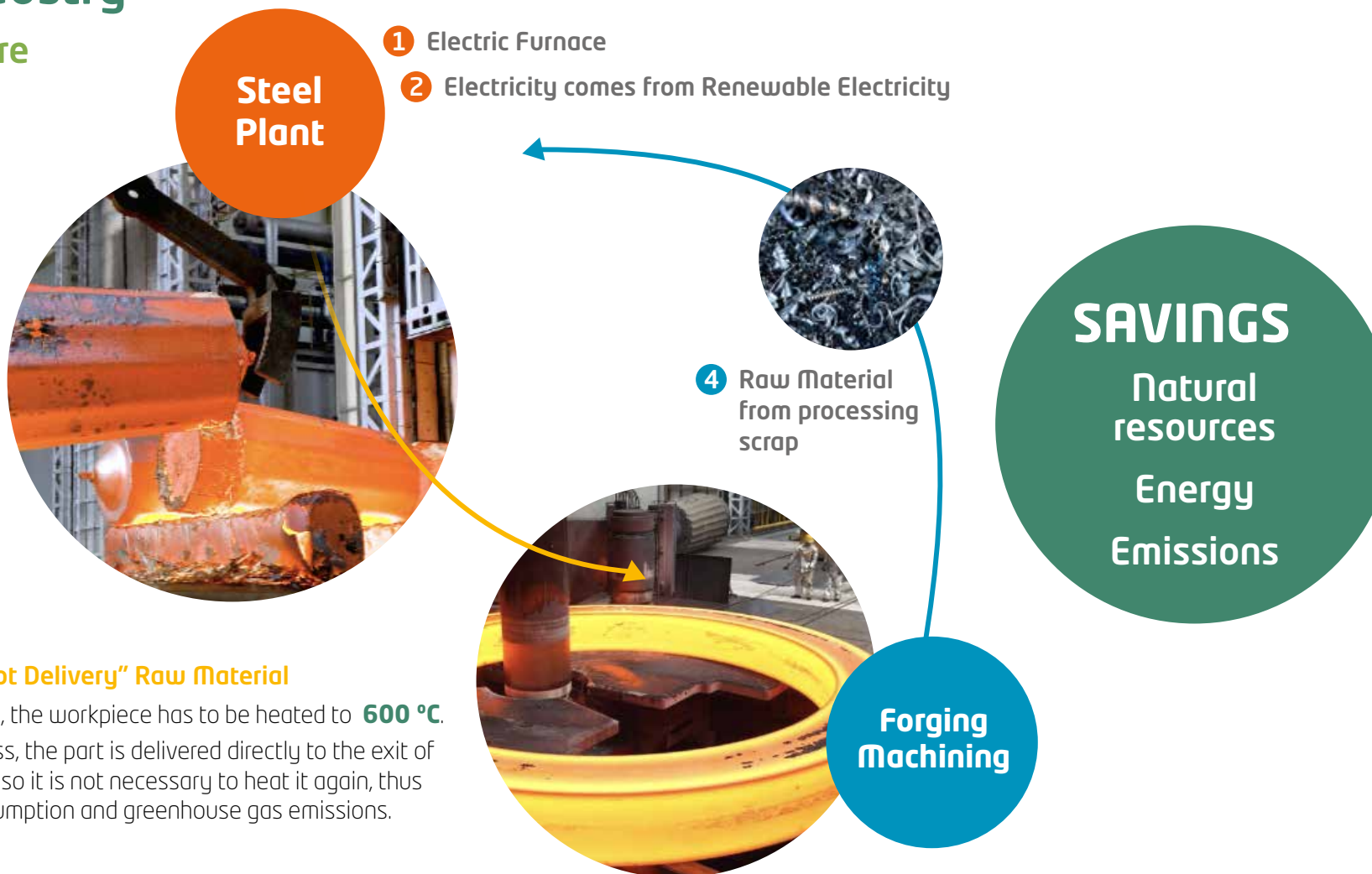
The improvement not only affects the reduction of environmental pollution, but also the health of workers.



Circular economy: raw materials and waste

“Green Cycle” Industry

Iraeta Nuclear & Offshore



3 “Hot Delivery” Raw Material

In the conventional process, the workpiece has to be heated to **600 °C**. In the “Green Cycle” process, the part is delivered directly to the exit of the steelmaking process, so it is not necessary to heat it again, thus reducing energy consumption and greenhouse gas emissions.



CONTENTS 3-3, 301-3 Y 2-6

In recent years, the circular economy has positioned itself as a key issue in the environmental management of companies, reinforced, among others, by the approval of the "European Green Deal" at the end of 2019 and the recent "Spanish Circular Economy Strategy", in addition to the 2030 Agenda for sustainable development.

At GRI, instead of focusing on the **Circular Economy** as an end goal, we want to use the concept as a tool to guide us towards continuous improvement of production processes and greater environmental responsibility.

The life cycle stages of a wind tower are diverse. Below is a brief summary, highlighting those in which GRI Renewable Industries is involved:

Purchases of raw materials and materials

The extraction and manufacturing processes are included. In the manufacture of towers, steel stands out as the main component, accounting for more than 95% of the total, and in its manufacture it has the greatest impact on emissions, as well as all the electrical and electronic materials inside the tower.

Production: this includes all the processes and consumption of energy and raw materials necessary for the manufacture of the sections, flanges and installation of the internals that will make up the tower.

Transport

Of raw materials and materials by suppliers and of sections by customers. The large size of the steel plates in purchases, whose logistics are carried out by the supplier, and of the

finished product (sections), whose logistics are managed by the customer to the destination park, and which are generally carried out by lorry and/or ship, stand out.

In general, GRI Renewable Industries is responsible for the logistics and management of its flange mills to its tower mills or other customers.

From this stage onwards, GRI Renewable Industries is no longer involved in the process. These stages are part of the activity of the developer and/or owner of the wind farm.

Installation, operation and maintenance

It includes preparation of the site and access roads, movement of workers, auxiliary machinery and connection to the grid. Maintenance is largely carried out remotely, so it does not have a significant impact. It is estimated that the useful life of a wind farm is between 20 and 25 years.

At this stage, it is worth highlighting the positive impact of the generation of renewable energy, for 20-25 years, without the need for natural resources for its generation. Special care is also taken with regard to other possible impacts on birdlife and the environment.

End of life

All components are disassembled and segregated according to their characteristics. The towers, as mentioned above, are practically 100% recyclable, the most complex part being the turbine, where it is currently possible to separate most of the materials and only a small part is thermally treated or disposed of in landfills.



GRI Flanges Brazil

Reduction of Plastic Cup Consumption

Since 2020, GRI Brazil has been working to reduce the consumption of plastic cups. In 2022, the efforts and awareness-raising work of the last two years have been reflected in a 79.14% reduction in plastic consumption.

In 2023 the programme will continue and will seek reduction alternatives with suppliers in conjunction with the corporate commercial department, with the aim of achieving a 100% reduction in plastics.

Year	Consumption (UN)	Reduction history 8%)
2020	120.000	
2021	67.800	-43,5%
2022	25.028	-63,09%

Reduction 2020-2022
-79.14%



301-1 AND 301-2



Raw materials

The towers are mainly made of steel (structure), as well as electrical and electronic equipment (packaging is of little relevance).

The average distribution of materials is around: Black Steel 96-98% and Internals 2-4%. With this distribution, steel is the main raw material.

The most relevant raw materials purchased in 2022 amount to 692,223 tonnes, with steel accounting for 99% of the total.

Steel, the main component of GRI Renewable Industries' processes, is one of the main materials used by the global economy. This characteristic places it as the circular material par excellence and is in turn driving the integral transformation of the steel manufacturing sector.

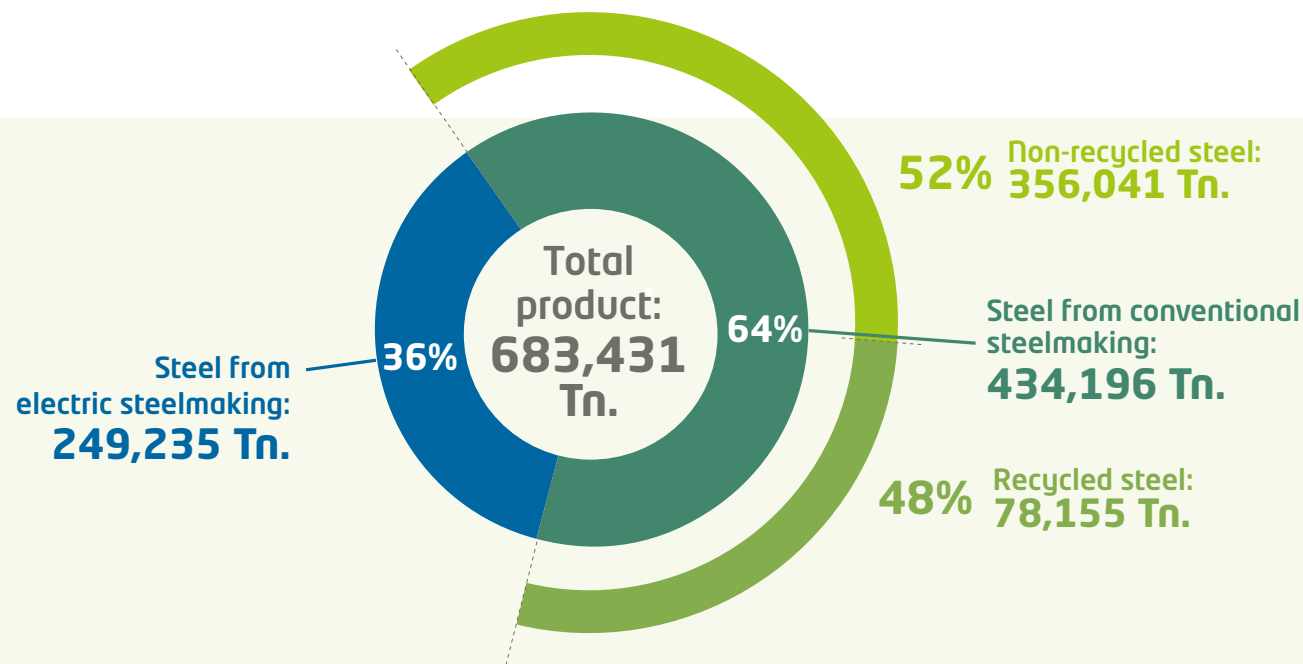
A total of 683,431 tonnes of steel were consumed in 2022. It is estimated that 48% is of recycled origin.

In addition, for the procurement of materials, GRI Renewable Industries formalised its **conflict minerals policy** in which it commits to operate in compliance with the principles of the Dodd-Frank Wall Street Reform Act as well as the European Conflict Minerals Regulation. The policy is available on the website.

Likewise, in the purchasing process, the corresponding **approval of suppliers** is carried out. In the process, steel and electrical and electronic materials were identified as potentially having these minerals in their composition, which is why this information is required.

Raw materials									
Country	Steel	Flux	Paint	Blasting	Welding wire	Solvent	Metallised Zinc Wire	Taladrina	
GRI Argentina	14.264	57	75	39	55	7	7	0,00	
GRI Brazil	95.659	661	936	101	641	71	61	0,01	
GRI China	270.579	0	0	0	0	0	0	0	
GRI Spain	179.693	587	1.235	107	0	66	177	652	
GRI India	50.342	202	419	77	214	36	5	0,00	
GRI Turkey	48.693	361	693	48	320	29	13	0,00	
GRI USA	24.202	118	574	33	92	16	8	0,00	
Total	683.431	1.986	3.931	405	1.322	224	271	652	

South Africa is not included, as it is almost at a standstill in 2022.





Waste management and minimisation

CONTENTS 305-1, 305-2, 305-3, 305-4, 305-5, 305-6 AND 305-7

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, they have added value by being productively used over and over again.

At GRI Renewable Industries we have procedures and instructions in place to ensure that the waste produced is properly segregated, monitored, identified, stored and managed by authorised waste managers.

A total of 49,471 tonnes of waste was produced in 2022, of which 98.8% is non-hazardous and less than 1.2% is hazardous waste.

Non-hazardous waste

A total of 49,032 tonnes were generated. Steel scrap accounted for 90% of this, with a total of 44,163 tonnes.

With regard to scrap, GRI Renewable Industries has an integrated system in all plants for the centralised collection and recovery of steel discarded in production.

From September 2022, the new GRI China V factory will start operating, with two divisions: one for the manufacture of forgings and the other for the production of electrical steel from scrap generated in all GRI factories in China. This is an important milestone, as it contributes to closing the cycle and reusing all the waste generated to produce new steel within the framework of the Circular Economy.

All steel scrap is managed for recycling and is 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.

Non-hazardous waste (tons)				
Country	Scrap	Wood	Welding Flux	Other waste NP
GRI Argentina	426	18	47	51
GRI Brazil	8.269	1.053	627	271
GRI China	164	0	0	0
GRI Spain	30.495	257	777	328
GRI India	795	110	65	8
GRI S. Africa	0	3	0	0
GRI Turkey	2.524	258	634	105
GRI USA	1.489	0	170	88
Total	44.163	1.699	2.319	851

Hazardous waste

A total of 602 tonnes were generated. The production of sludge stands out with 52% of the total and the production of packaging

Hazardous waste (tons)				
Country	Packaging	Sludge	Metallic Powder	Others waste
GRI Argentina	8	13	0	0
GRI Brazil	2	142	0	0
GRI China	0	0	0	0
GRI Spain	28	89	25,6	0,03
GRI India	57	4	0	0,03
GRI S Africa	0	3	0	0
GRI Turkey	116	36	0	0
GRI USA	50	28	0	0,09
Total	262	315	26	0,15

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

Considering the total waste produced, it is estimated that 95% is recycled (mainly steel) and the remaining 5% is disposed of in landfills or in incineration and recovery processes.

In financial year 2022 there were no significant spillages, 9 incidents were recorded, mainly involving oil and to a lesser extent paint. All of them were properly collected and managed and did not affect the environment (306-3).



GRI Brazil. Improvements in management and “ZERO-RESIDUOS” project

The Brazilian factories in line with the “ZERO Waste” project since its inception in 2019, developed numerous initiatives to improve the management and final destination of all waste produced, through recycling and use as secondary raw materials or for use as fuel (RDF) mainly in cement plants, eliminating its final destination to landfill.

GRI Towers Brazil

In 2022, 88.07% was destined for alternative treatments such as recycling, recovery and reuse (fuel/raw materials). Since its start in 2019, the environmental impact has decreased significantly, 8,329 tonnes of waste have stopped being sent to landfill. Below are the figures for the 4 years of the “zero landfill” programme.

Year	% ZERO Waste	% Landfill	Remarks
2019	87%	13%	Study-Programme
2020	96,88%	3,12%	Pilot Programme
2021	90,54%	9,46%	Programme - implemented
2022	88,07%	11,93%	Programme - implemented

In 2023 GRI Towers Brazil will continue to make progress towards the goal of “0” waste to landfill.

Year	Generated Waste (Tonne)	Landfill (Tonne)	Impact
2019	935	38	8,330 tonnes were prevented from being sent to landfill.
2020	1.729	52	
2021	3.300	285	
2022	3.070	327	
TOTAL	9.033	704	8.330

GRI Flanges Brazil

At the GRI Forjas Brasil plant, the result has been excellent, as it has met the target of 0% waste to landfill. Since 2019, 13,456 tonnes of waste have stopped being sent to landfill.

The figures for the 4 years of the “zero landfill” programme are shown below.

ZERO Waste			
Year	% ZERO Waste	% Landfill	Remarks
2019	99,995%	0,0045%	Study-Programme
2020	99,999%	0,0009%	Pilot Programme
2021	99,956%	0,0440%	Programme - implemented
2022	100%	0,0%	Programme - implemented

ZERO Waste			
Year	Generated Waste (ton)	Landfill (Tonne)	Impact
2019	1.579,3	7,168	8,330 tonnes were prevented from being sent to landfill.
2020	3.517,0	0,030	
2021	4.514,1	0,020	
2022	3.849,1	0,006	
TOTAL	13.460	7	13.452

Waste management and transport Seville

A study was carried out at the Seville factory to improve waste management and transport, optimising journeys. Thus, the capacity of the waste containers has been increased from 16m³ to 30m³, with the aim of reducing the number of trips and transfers to authorised waste managers. There are currently two trips per week and this will be reduced to one with this measure.

This measure has enabled us to halve the transport of waste. Although the CO₂ avoided depends to a large extent on the factory’s production and waste generation, based on the distance to the authorised waste manager and the average number of trips per year per type of waste, we estimate a saving of 0.2 tonnes of CO₂/year.

This measure has enabled us to halve the transport of waste. Although the CO₂ avoided depends to a large extent on the factory’s production and waste generation, based on the distance to the authorised waste manager and the average number of trips per year per type of waste, we estimate a saving of 0.2 tonnes of CO₂/year.



Natural Capital and Biodiversity

GRI aims to respect the natural capital, biodiversity and cultural heritage in the environments 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 2022, 3 reforestations were carried out with more than 2,000 trees.

planted. Reforestation is an activity that seeks to restore degraded habitats to their original conditions. Reforestation is always carried out using native species and favouring crop variety, the aim being to lay the foundations for the development of healthy forests in the vicinity of the group's factories.

"one tower one tree"

Reforestations 2022



MADRID
December

1,100 trees



GALICIA
December

400 trees



SEVILLA
December

500 trees

2022: **2,000** trees, removing **21,2** tCO₂/year

Reforestations 2016-2022

Year	Towers	Planted trees	Ton CO ₂ removed
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
2022	1,777	2,000	21.2

To date: **14,105** trees **146.8** tCO₂/year removed





Water and waste

CONTENTS 303-1, 303-2, 303-3, 303-4 Y 303-5

Water is a natural, limited, scarce and essential commodity for life on earth. It is a fundamental part of sustainable and socio-economic development. However, current forecasts (OECD) show that if we continue with business as usual, by 2050 almost half of the world's population will be living in areas under severe water stress.

Although GRI Renewable Industries is not a large consumer of water in its production processes, these are monitored in order to protect and make efficient and sustainable use of water, identify deviations or possible actions for improvement.

In 2022, total consumption was 74,979 m³, 17% more than in the previous year. The water consumed comes 81% from the municipal network, 10% from surface water, 5% from groundwater sources. In addition, a total of 190m³ was reused and 176 m³ were recycled at GRI Towers Brazil.

The company's production process does not require a large amount of water, and this is borne out by the data, which show that in 2022 the majority of water consumption was for sanitary use (79%), followed by industrial use (20%) and a very residual 1% for irrigation of green areas.

It should be noted that none of the water catchment sources have been significantly affected by the company's use.

Finally, a total of 38,167 m³ were discharged, of which 78% were disposed of in the sewage network, 8% in septic tanks and 14% in other discharge points (river, sea, etc.).



Noise

In general, external noise is not a relevant impact on GRI Renewable Industries' factories. Most of them are located in industrial estates, far from urban areas, which minimises this impact. In those cases, mainly in older plants, where there has been a growth of the nearby urban centres towards the industrial estates, measures are taken to gradually relocate production.

Likewise, all of them have sectional doors, of the roll-up and fixed type, with automatic closing mechanisms that prevent acoustic emissions to the outside and soundproofing cabins in those elements of the lines where the highest noise levels are produced, for the protection of the workers (in addition to the use of the appropriate acoustic protection PPE in each case).

All factories carry out their corresponding external noise reports with the periodicity established in their environmental licences and/or environmental impact studies and/or the country's local legislation. Likewise, in order to minimise the acoustic impact of transporting raw materials and finished products by lorry, the permitted and established loading and unloading times are complied with.

If non-compliance is detected, appropriate corrective measures are put in place.



Social



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People

Human capital

CONTENTS 2-7

At GRI Renewable Industries, having 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, as the development and future of the company depends to a large extent on the commitment and work of its team.

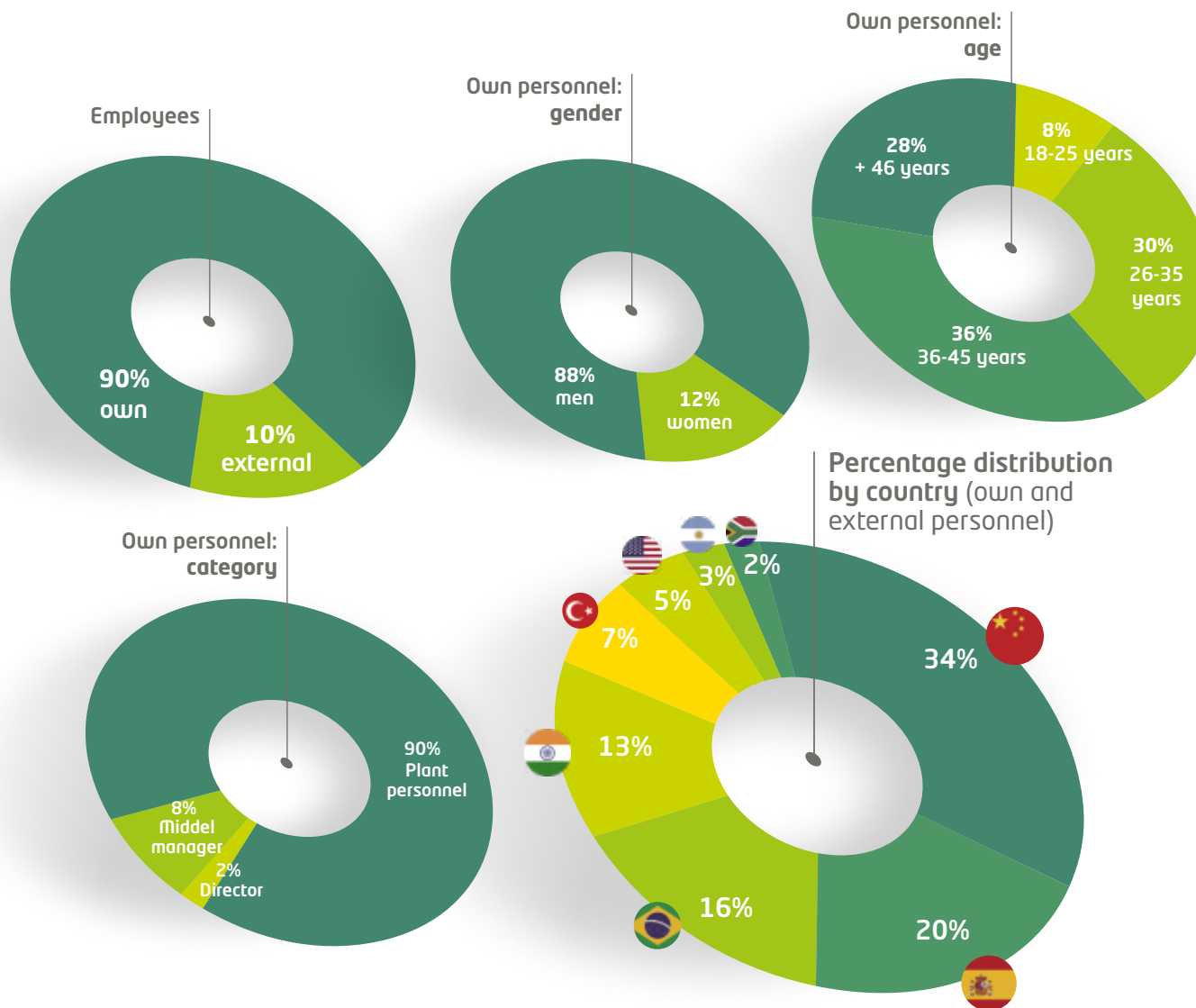
For this reason, in the People area we strive to guarantee stable, quality employment with opportunities for growth and promotion among our employees.

102-8 AND 405-1

Team profile

In 2022, GRI Renewable Industries will have 4,728 employees (4,121 in 2021), 13% more than in the previous year, and 523 external collaborators (309 in 2021), 41% more than in the previous year. The total number of employees in 2022 is 5,251 (4,430 in 2021).

Annex 3 table 1A and B gives details of in-house and external staffing.





Labour relations

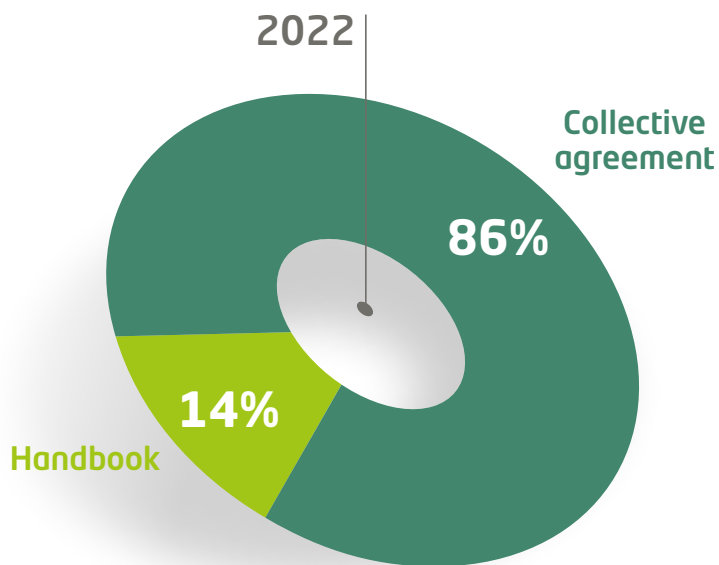
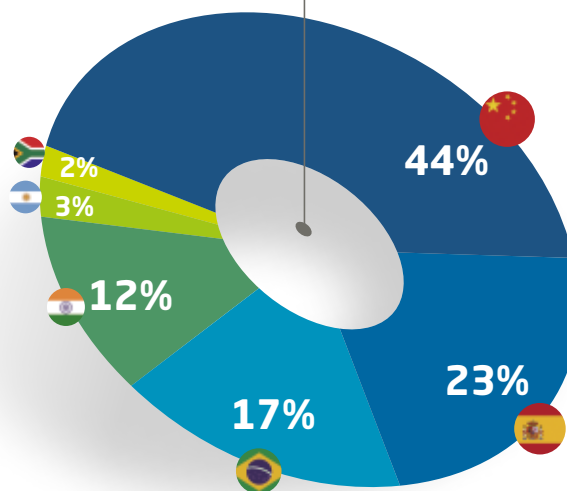
CONTENTS 2-30 Y 407-1

At GRI Renewable Industries **86%** of the employees are covered by sectoral collective bargaining agreements or similar agreements. Forty-four percent represent employees in China, which has agreements or similar formulas according to the provisions established and regulated by the Ministry of Labour and its applicable legislation.

The remaining 14% are covered by a Handbook or other agreements, where working conditions, standards of conduct, wages, social benefits, etc. are stipulated.

No significant sites and suppliers have been identified where freedom of association and the right to collective bargaining may be infringed or threatened at operating facilities.

Percentage of employees covered by collective bargaining agreements by



Maternity/paternity

As for paternity and maternity leave (401-3), 70 men took paternity leave and 96% of them returned to work. In the case of women, 92% of the 13 women who took paternity leave returned to work.

In addition, 100% men and 82% women remain with the company after taking leave in 2021.





CONTENTS 3-3

People Employee journey

GRI Renewable Industries is aware that people are the main asset, as it has excellent professionals in all business areas and countries.

Having a strategy that allows us to have trained, qualified and motivated professionals in a pleasant working environment is a key aspect in order to grow as a competitive, solid and sustainable company, as the development and future of the company depends to a large extent on the commitment and work of its team. Therefore, attracting and retaining talent is a key aspect for the management of People in its different phases.

Within this framework, the "People Employee journey" programme is being developed, a new people model aligned with the company's Strategic Plan. The model encompasses 9 areas in which talent management takes on a central role.

In addition, the central element is related to the implementation of **SuccessFactors** as a transversal tool for all the group's companies, with the following advantages, among others:

- It promotes the homogenisation of information at Group level.
- It allows obtaining valid KPIs for decision making.
- It contributes to the creation of a culture of digitisation.

1) **Employee Central:** module that allows you to have the data of all the people in the company in the same tool and following common guidelines for all of them..

2) **Performance Evaluation:** through a specific module with which we will be able to measure the fulfilment of both individual and competence objectives of the different people that make up the organisation.

The different initiatives in the different areas are described below:





Attracting talent

GRI Renewable Industries aims to have the best professionals available in the market.

We contribute to their development and growth through job offers, internal promotion and mobility. When positions are not filled by any of these mechanisms, external recruitment processes are initiated, for which we turn to media such as LinkedIn, Infojobs or external recruitment consultancies, depending on the position in question.



Attracting young talent is an important challenge for GRI, especially in today's constantly changing work environment, which requires a high level of motivation and wellbeing, allowing the different candidates to design a professional and life project.

To this end, it develops various initiatives focused on attracting, motivating and retaining young talent through training and practical actions with universities, schools and forums, for example:

- **GRI Galicia** is firmly committed to the "Community Vocational Training - Dual Vocational Training" strategy, linked to the area of innovation. For this reason, it supports the training of young people from the Chamoso Lamas Institute in welding and boilermaking, where five of them started their internships at the factory. It was also present at the "Entrepreneurship, Vocational Guidance and Dual Vocational Training" Conference, organised by the Viveiro de Empresas del IES Laxeiro de Lalín, with the aim of identifying the needs of the labour market in the area and guiding students for their future employment.

In addition, it collaborated with the O Carballiño Council on a specialised course in "MIG-MAG welding", to cover the training and professional recycling needs, to meet the demand from companies in the metal sector.



- **GRI Turkey** was visited by twenty-seven students from the accounting department of the Gonen Mirciler Vocational Institute, where they got a first-hand look at the factory, both organisationally and in terms of production.



He also participated in the fourth "REYOU" workshop where the impact of renewable energy investments on employment was discussed, based on the studies conducted by the Ministry of Labour and Social Security, the South Marmara Development Agency and the Universities of Balıkesir-Çanakkale. One of the main objectives of the project is to equip 480 young people aged 18-29 with the necessary skills to be employed in the renewable energy sector.



Recruitment/ selection

GRI's goal is to find the most suitable candidate in the shortest possible time.

The selection process at GRI seeks to carry out an efficient, high quality recruitment and selection process, for which a series of interviews are carried out via video conferences and face-to-face interviews by the People team as well as by the managers/ directors of the applicant areas.

In addition, different tests are carried out in order to seek the best knowledge of the person and to maintain an objective process (e.g. language tests).

The "Predictive Index" questionnaire is also used in order to gain a better understanding of the person, as well as to facilitate integration and knowledge between the person and the team.

- **GRI Argentina** hosted students from secondary technical schools and teachers from the University of **Forencio Varela**, to encourage students to continue their studies within the industrial branch.
- **GRI Renewable Industries** participated with the Energy Cluster Association in the "Talent Day", aimed at bringing the industrial fabric of the Basque wind energy sector closer to Master's, Bachelor's and Higher Education students during the Wind Europe Bilbao fair. More than 250 students were able to attend and visit the main European wind energy event, visiting each of the stands and requesting information from each of the exhibitors.





Incorporation/ Hosting

We accompany and ensure the rapid integration of each new professional.

A proper on-boarding process is key for the person who joins the company.

One of the aspects on which we work is the knowledge of the organisation on the part of new recruits. To this end, there is an induction programme where they can see the company at first hand through knowledge sessions with the different areas, as well as through visits to the factories, so that they can get to know the industrial process at GRI.



Onboarding GRI Actions

On the other hand, the "Onboarding" programme has been launched in 2022 with the following

- Avoiding the typical uncertainties of joining the company.
- Establish a supportive role model and help socialise and integrate the new recruit.
- Transmitting the GRI culture.
- Linking new recruits to GRI's objectives and strategy.
- Generate a positive new employee experience.
- Improve the climate and the degree of loyalty and commitment to GRI.



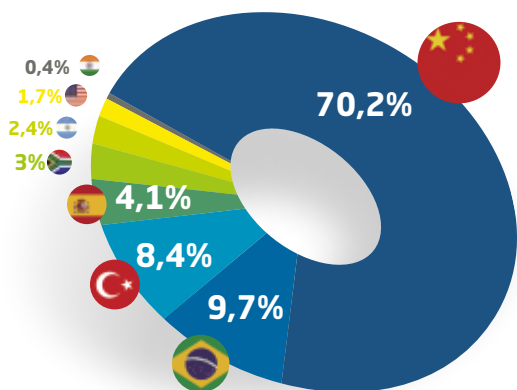
Training and knowledge

404-1 AND 404-2

Developing the skills and abilities of the group's professionals is a key aspect for GRI Renewable Industries. Therefore, it is essential to have trained and qualified young people, to whom we offer stable employment and professional development opportunities. Every year, an assessment is made of the training needs of the employees at each work centre and an "ad hoc" training plan is developed to meet these requirements, in which new employees are included.

From the point of view of training, at GRI we continue to focus on meeting the needs of the people who make up the company, both from a technical point of view and from the point of view of the management of other skills.

A total of 182,716 training hours were delivered in 2022 (20% more than in 2021), which is an average of 39 hours per employee (37 hours on average for men and 47 hours on average for women).



Online training: ACADEMY

Within this training strategy, **Academy**, a platform that makes it easier to reach everyone, regardless of their training profile, is of great importance. Thus, the number of training hours through the platform was 1991.

New look for Academy

Steps have continued to be taken to strengthen the Academy and online training. In this regard, it is worth highlighting the launch of the new image of the training platform in October 2022.

With this change of image, the number of modules available to people has been increased. In addition to finding courses and itineraries adapted to their profiles, they will also be able to access Webinars, carry out satisfaction surveys on the training received, carry out tasks related to specific training or have their training actions scheduled.



Annex 3 table 2 details the training by category and gender.

Main training courses held at the Academy

- Training itinerary for the Commercial team: the people in the Commercial team have had itineraries adapted to their profiles, in order to have pills adapted to their day-to-day needs. Some of the skills emphasised were communication, productivity and customer relations, among others.
- Itinerary for the Supply Chain Team: together with the Corporate Supply Chain team, different itineraries were designed for each training profile and the different functions carried out within the Department.
- GRI Talent Program: with a number of participants close to 200, this programme was launched for the people identified in the Succession Plans of the company's different plants. Throughout different Sprints and Webinars, all participants have been able to combine a greater knowledge of aspects related to the company's business lines, as well as enhance their skills in team management, innovation or communication, among others.

Certifications

During 2022, training sessions were held at the different plants aimed at obtaining the certifications required by GRI customers, in which people from the plants were able to participate.

In this way, the following can be highlighted:

- APQP4WIND Specialist Renewal Certificates
- APQP4WIND Specialist certifications
- ISO 45001, 9001, 14001 Management Systems Internal Auditor Certificate



Classroom training

In addition to online training, GRI develops classroom and/or blended training, adapted to the needs and requirements of the different factories and offices. Some examples are summarised below:

2nd Edition of the Project Management Programme:

Together with ESCP Business School, this training was developed in which 20 people from Corporativo, GRI Sevilla, GRI Galicia, Forjas de Iraeta and Castings were able to learn more about the different phases of a project from a theoretical and practical point of view.



2ª Edición GRI Project Management Program

GRI Brazil

It has a specialised training centre to provide courses on occupational risk prevention. The centre has three certified instructors specialised in the subject who can carry out the annual and refresher training required by employees. It is also used to teach the daily safety dialogues, the investigation of events, the preparation of events and other actions necessary for the training and awareness of employees in the reduction of accidents in the factory.



GRI Towers Sevilla

Participated in a training session on Communication and Feedback with the team of plant supervisors, led by the Thinking with you team. The session aimed to improve the interactions of people who manage teams with their collaborators, in order to achieve more effective leadership.

Corporativo de Operaciones

The Corporate Operations team travelled to the Chateau Forum El Bosque to work and prepare for the different challenges ahead, based on the Predictive Index, fostering team cohesion is one of the hallmarks of an organisation.



As part of the Carbon Neutral training plan, in 2022 the process began at the Seville factory, where three general awareness-raising sessions on climate change and specific CO2 scorecard sessions were held, attended by 60 people.



Performance & development

Employment stability is a priority for GRI Renewable Industries. Although production at two of the group's factories will be reduced in 2022, employment will remain virtually unchanged from the previous year. As a result, 96.7% of professionals are employed on a permanent basis and 99.7% on a full-time basis. We also promote local employment, where 98% (98% men and 98% women) of our employees are of local nationality.

Distribution by type of contract			
	Indefinite	Temporary	Internships
Man	3.531	103	20
Woman	456	11	0
Total	3.987	114	20

Distribution by contract duration		
	Full time	Part-time
Man	4.170	3
Woman	552	3
Total	4.722	6

Likewise, we look for professionals who meet the requirements of each position, avoiding any type of discrimination in relation to race, gender, age, nationality, religion, political ideas, sexual orientation, marital status, disability, social origin or any other condition of the person, and we control the entries and exits of each factory, in order to have information on turnover rates. Annex 3 Table 3 shows the workforce by type and duration of contract.

Rotation

401-1

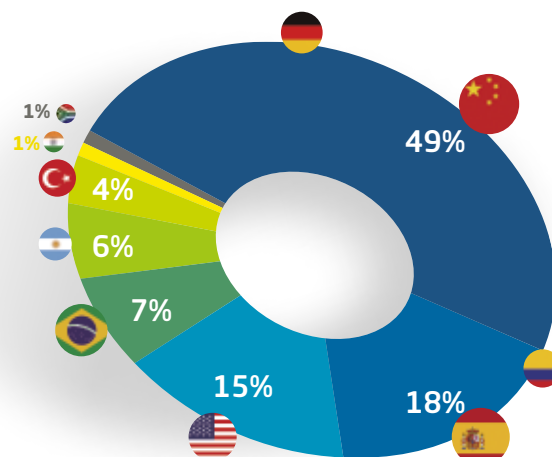
Recruitment

A total of 1,116 recruitments (1,007 men and 109 women) were made in 2022, mostly in China, Spain and the USA.

	Men	Women	TOTAL
Total Hires	1.007	109	1.116

En el anexo 3 se amplía la información en la tabla 4A.

Recruitment took place mainly in Brazil (19%), China (17%), Spain (17%), Romania (12%) and Turkey (10%).

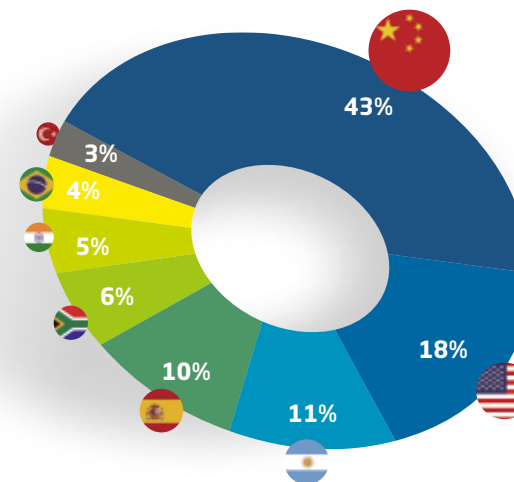


Exits

In 2022, a total of 1,084 departures (1,021 men (94%) and 63 women (6%)) have taken place, mainly in China, Argentina and the USA.

	Men	Women	TOTAL
Dismissal leaves	210	11	221
Voluntary leaves	811	52	863
Total Leaves	1.021	63	1.084

En el anexo 3 se amplía la información en las tablas 4 B Y C.



Considering the total number of staff departures, this year shows an average turnover of 23% (by gender: 24% men and 11% women).



Internal Promotion and Job Posting

Generally, when a vacancy arises in the company, an attempt is made to assess the availability of internal candidates who can fill the position. To this end, there is a tool for internal publication of open positions "Job Posting" that allows employees to apply for those positions for which they consider themselves suitable and improve their professional development.

In this way, the company continues to promote the professional development of its employees by considering them as the first possible source of candidates for new career opportunities.

On the other hand, as part of the development plan for employees who form part of GRI, when certain positions become vacant or new opportunities are created due to business needs, the possible interest of internal employees is always assessed first, who due to their profile and current position could access these positions as a natural step in their professional development within the company.

The positions offered by both Job Posting and Internal Promotion can be both corporate and plant-based and in the case of Job Posting, are open for application by any employee of the company, which in some cases allows for international development.

In 2022 no positions were filled by Job Posting but there were 8 internal promotions, 3 of them in Corporate and 5 in Plants, (3 women and 5 men).

Succession Planning

In 2021, an analysis was made of the "Critical Positions" within the company, as well as the employees who could occupy these positions in the short, medium or long term.

The process of identifying critical positions and pre-selection of candidates for these positions was launched, identifying a total of 140 critical positions (37 in corporate and 103 in plant), of which 86 (27 in corporate and 59 in plant) have at least one candidate as a possible successor. In total, the possible successors for the critical positions identified amount to 106 professionals (41 in corporate and 65 in plant).

In 2022, the employees identified as successors were informed and all of them participated in the common part of the succession plan, which consisted of online training through our internal training platform Academy, in various Soft-Skills, as well as the start of Individual Development Plans for Successors both at Corporate and Plant level.

In 2023, the preparation phase of the development plans will continue in order to adapt them to each position, profile and main gaps found among them. The development plan will consist of a series of theoretical and practical training actions aimed at preparing the candidate for their possible future assumption of the new position.

In addition, the Succession Plan will be revisited in case an employee needs to be added as a possible successor to a position identified as critical.

High Potentials

In 2021, an analysis was made of the "High Potentials" that exist in the company, understood as those professionals who currently do not meet the requirements to be official successors for specific positions, but who have a series of knowledge, experience, aptitudes or skills that make them especially promising to be strategic resources in the future of the company.

In the end, a total of 61 High Potentials (20 in corporate and 41 in plant) have been shortlisted.

In 2022, the employees identified as High Potentials were informed, and all of them participated in the common part of the High Potentials plan, which consisted of online training through our internal training platform Academy, in various Soft-Skills, and the Individual Development Plans of the identified employees, both at Corporate and Plant level, were started.

In 2023, the employees included in the High Potentials Programme will be reviewed and the preparation phase of the development plans will continue.



Performance Evaluation

404-3

In 2021, this process was implemented through a centralised “Management by Objectives” system based on an IT tool. This system has provided professionals with information on their annual objectives, their monitoring and the degree of compliance, through the performance and competence assessment system.

The target programme has a standard structure, applicable to all professionals, which identifies four categories of targets:

- General (Company) Objectives
- Operational Objectives
- Competence Objectives
- General Performance Targets

Depending on the employee’s position, the categories have a greater or lesser weight in the total evaluation.

The process consists of a first phase in which each employee meets with his or her manager to jointly analyse the challenges to be faced during the next financial year, in order to establish specific operational objectives by consensus.

In the middle of the year, feedback meetings are held between employees and their superiors. The purpose of these meetings

is to monitor the objectives in order to reinforce the achievements and improve possible deviations, avoiding a lower compliance than expected in the start-up phase.

At the end of the exercise, the employee carries out a self-assessment of his or her performance on the different objectives (with the exception of the company objective, whose result is global and the same for all), which is sent to his or her manager. Each manager analyses the self-assessment, evaluates it and meets to provide feedback and formalise the final assessment.

The centralised assessment process through the DPO has had the following scope:

- Corporate. All employees
- Plants. Plant Manager and first reporting line.

A total of 170 employees were evaluated on the basis of the centralised DPO system at the end of the year (74% male and 26% female), distributed as shown below:

Performance evaluation: corporate			
	Men	Women	Total
Brazil	12	1	13
Spain	90	40	130
India	9	0	9
Turkey	7	1	8
USA	7	3	10
Total	125	45	170



Compensation, benefits and mobility

Mobility. Start-up and support equipment

GRI Renewable Industries offers its employees the opportunity to participate in temporary support projects at other sites or plants. These secondments are associated with the formation of teams of specialists who are sent to support sites or plants in times of need, either in situations of new plant openings or other challenges associated with changes related to production, machinery, customers, product, etc.

At GRI Renewable Industries we believe in the importance of acquiring international experience in order to develop the professional skills required to work in an increasingly global and multicultural world. Therefore, the system of "Start-up and Support Teams" allows us to offer employees from different parts of the world the opportunity to participate in international projects and collaborate with teams from other cultures, through temporary travel to other countries. These teams in turn allow the transmission of knowledge and know-how from more experienced employees, sharing and improving work methodologies and know-how.

In terms of intra-company transfers of employees, we experienced an upturn in 2022, especially from Q3 onwards, which increased the access of certain employees to offered positions or temporary support projects outside their country of residence. During 2022, more than 53 employees were temporarily relocated to other plants or sites of the company.

Flexibility and work-life balance

401-3

Work-life balance is one of the aspects most valued by the professionals at GRI Renewable Industries. For this reason, in the corporate offices we have flexible start and finish times. In the factories this aspect is more complex, as work is organised in shifts according to the needs of the client, so we try to offer flexibility on an individual basis for those workers who, due to their circumstances, require it.

In June 2021, a series of **new work-life** balance measures were implemented in the corporate offices:

- The flexibility of the start time has been extended to between 7 and 9.30 am. There is also the possibility to have lunch in 30 minutes and an earlier departure time.
- The intensive summer working day is extended from 1 July to 10 September.
 - Holidays may be taken for two weeks outside the months of July and August in groups of no more than 3 separate periods.
- From 14 July, employees who have a baby will receive a compensation of 300 euros. For large families, it will be increased to 450 euros.
- The number of parking spaces for employees was increased, improving their commuting.
- New sports facilities were inaugurated for the use and enjoyment of employees.

Social Benefits

201-3 AND 401-2

GRI Renewable Industries is a diverse company where social benefits are not homogeneous, adapting to the characteristics of the different factories and countries. In any case, for workers there are no significant differences between the benefits offered to part-time employees and those offered to full-time employees. Their distribution is summarised below:

Argentina Includes partial health insurance (for employees not covered by the collective agreement), cafeteria service is available.

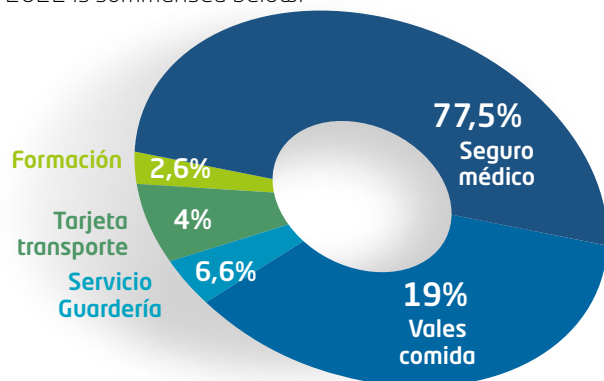
Brazil Includes life and disability insurance, medical insurance, cafeteria or canteen service, as well as transport service or assistance. It also has agreements with pharmacies and other services such as dental and maternity/paternity leave benefits.

China Includes various insurances (medical, unemployment, accident and maternity), transport allowance, welfare canteen, as well as a pension plan and a housing provision fund in accordance with labour regulations.

Spain Includes life and disability insurance. They also have pension funds at GRI Casting Zestoa and GRI Flanges Iraeta, as both plants are governed by the Guipúzcoa Metal Agreement. To celebrate Christmas, a basket of Christmas products is distributed to all employees so that they can enjoy it with their families. At the central offices, a single payment of 300 euros gross is offered on the payroll for those on maternity/paternity leave, and 450 euros in the case of large families.



In addition, the “Flexible Remuneration Plan” is offered on a voluntary basis, with the incorporation into the remuneration package of various services such as transport vouchers, child-care vouchers, meal vouchers, etc., and thus benefiting from the tax benefits established by law. Its percentage distribution in 2022 is summarised below.



*Incluye solo titulares de GRI, no a sus familias.

USA Includes life and disability insurance, health insurance, as well as voluntary retirement plan support for full-time employees where the company contributes the majority and the employee only 3.7% and maternity leave benefits..

India Includes life and disability insurance, medical insurance, cafeteria or canteen service, pension scheme assistance and Employees’ Solidarity Fund-1952, for those who have completed 5 years of continuous service and 15 days’ salary per year is calculated in the year of service. In the case of India II, transport facility is also available.

South Africa Includes transport service for blue collars and pension scheme support for permanent employees.

Turkey Includes health insurance for all employees, cafeteria or canteen service, as well as subsidised transport service. In accordance with Turkish custom, employees receive a food box at the beginning of the month of Ramadan and at the end of the year to celebrate the new year.

Be Healthy health improvement programmes

401-6

At GRI we are aware of the importance of the need to generate healthy habits among the people who form part of our organisation and we are also firm promoters of physical activities. Some of the sporting activities carried out during the year have been:

- Gonvarri-GRI indoor football tournament: held in June, in which four teams made up of people from both companies took part.
- Gonvarri- GRI Padel Tournament: held during the month of June and where 10 pairs competed over four weeks.
- Implementation of functional training sessions: every Tuesday and Thursday, Gonvarri and GRI employees have the opportunity to take part in functional training sessions led by trainer Fernando Sevilla, with the aim of working on aspects such as strength and endurance.
- Participation in the Company Race: the Gonvarri and GRI team took part for the 12th time in a new edition of the Company Race. More than 50 runners represented the plants of both companies.



GRI Turkey organised the second football tournament with the factory employees, who competed among the different departments through 14 teams. The final match was between Kaynatanlar and Ayyıldız, with the former winning. After the match and the congratulations between both teams there was a small celebration with all of them.



GRI Brazil joins the “Julho Amarelo” initiative created by WHO and was created with the aim of raising public awareness on health issues, more specifically on viral hepatitis and bone cancer. Through the medical department, it organised a dissemination campaign with all employees on “yellow July”, by means of posters, awareness talks, where early diagnosis is fundamental.





Diversity

405-1

In an international company like GRI Renewable Industries, it is important that the heterogeneity of people with different perspectives, backgrounds, working models, etc. is a major competitive advantage. Diversity in the workforce is important to innovate, to achieve great changes and to continue to offer new business opportunities.

In terms of gender distribution, 88 % were male and 12 % female.

The development of **Equality Plans** in the different organisations of the group is one of the strategies that is being adopted in its commitment to transversality and the integration of equality objectives in the management of its policies.

In other cases, measures relating to equality and non-discrimination are set out in the respective collective agreements or handbooks applicable in each case.

Employee remuneration is established annually in the collective bargaining agreements for each professional category, including wage increases. They also include overtime, variable hours, night work, etc. appropriate to their activity, factory and country. At GRI Renewable Industries 98% of the staff (98% men and

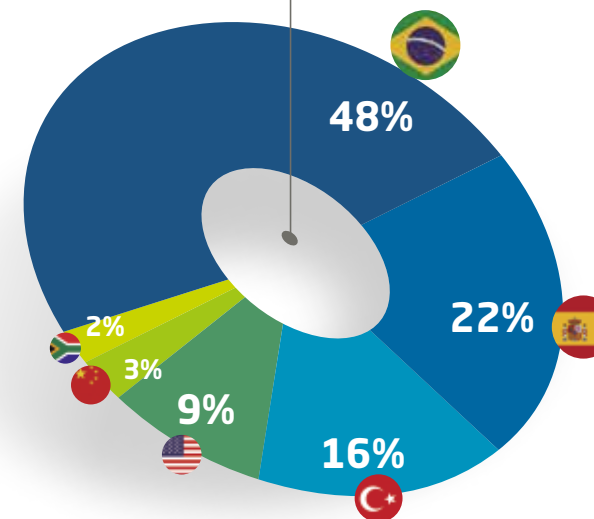
98% women) are of local nationality, thus promoting social development in the communities where we are present.

In terms of employees with disabilities, we currently have 58 employees (88% men and 12% women) distributed between Brazil, Spain and Turkey.

We maintain a fluid collaboration and develop numerous initiatives with **Special Employment Centres**, such as, for example: the purchase of fresh fruit, the rental of rooms for different events, etc. This also allows us to contribute to the integration of people with disabilities and/or at risk of social exclusion. Among others, it supports the Juan XXIII Roncalli Foundation with team dynamics in the Foundation's facilities; projects to generate business ideas to create new products and services; and in volunteering actions together with the young people from the special employment centre.

The company supports **cultural diversity**. GRI Towers South Africa professionals celebrated Heritage and Tradition Day, a national holiday where South Africans are encouraged to celebrate their culture and the diversity of their beliefs and traditions. As part of the celebrations, they wore traditional hair wraps to celebrate their heritage.

Distribución capacidades diferentes país





Retention & Wellness

Work climate

In order to improve the development, performance and life of GRI professionals, it is essential to know their opinion on different factors which, when analysed together, allow us to obtain an assessment of their level of satisfaction. To this end, we carry out the "Work Climate" survey every two years.

The survey conducted in 2022 is a clear reflection of the two complicated financial years (2020 and 2021) marked by the COVID 19 pandemic, which affected to a greater or lesser extent all the countries in which we are present. The survey involved the corporate office and all the Group's plants, with a total participation of 76%.

The highest rated issues are leadership style and working conditions. On the other hand, the worst rated issues are compensation and benefits, innovation and change management. The results of the survey were communicated to all employees and managers in order to establish improvement actions.

Climate perception is also influenced by local aspects, so each company designs and implements specific improvement action plans that can also be mainstreamed to other companies.

Initiatives with employees and their families

At GRI Renewable Industries, in order to contribute to improving the working environment and pride in belonging, various activities and initiatives are developed for employees and their families.

HQ Madrid: NO SCHOOL DAY

In June, the 5th edition of the Day without School took place, where the children of GRI and Gonvarri Madrid employees enjoy a day in the offices with proposals to have fun, get to know the place where their parents work, and learn what they do on a daily basis.

On this occasion, the mini olympics were held in the Francisco Riberas Pampliega sports complex, where the little ones enjoyed various sporting activities led by expert monitors, a subsequent celebration and presentation of medals where all were the winners.





GRI Argentina

It held several events, for example: it celebrated the **Metallurgist's Day** with a barbecue at the factory for all the employees of GRI Calviño Towers Argentina.

On the occasion of the winter holidays and children's day, it held raffles for various prizes and gave a present to mothers on their day, and on the occasion of the Qatar World Cup, it held the "prode" game (batons), which consists of estimating predictions of the results of the various World Cup matches, adding points for each correct guess.



GRI Texas

It held its first open day with employees' families. The families were welcomed in Area 4, where they began their tour of the factory, ending with a meal and a gift.



GRI Brazil

Celebrated "mother's day" among all employees of the factory. Among others, a meeting was organised with the women where the values they instil in their children on a daily basis were highlighted, including patience, resilience, creativity, empathy and leadership, which represent very well the role of mothers in their professional-personal life. Finally, they were presented with a gift.



GRI Towers India

Celebrated "Diwali", the festival marking the Hindu New Year, where it is customary to wear new clothes, share sweets and set off fireworks. Houses are specially cleaned and decorated with various motifs and oil lamps or candles are lit in the evening.

GRI South Africa

Held the 2022 open day where family members of employees were welcomed and shown the plant and the work their parents do. There was a tour of the plant and lunch.



Offboarding

For GRI, saying goodbye to an employee is important, through an orderly transition.

When an employee leaves voluntarily, an exit interview is held to find out what the company can do to improve.

In addition, an outplacement service is offered as a training service for employees who are dismissed from the company. It aims to support this group in their reintegration into the labour market and includes different services (404-2).



Health and safety

CONTENTS 3-3. 403-1 AND 403-8



Management model

For GRI Renewable Industries, the Health and Safety of workers is a strategic factor and an obligation, 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 its production centres.

The objective is to integrate Health and Safety at all levels of the organisation, as well as to establish a true preventive culture based on collaboration, teamwork, strong commitment and participation of all workers and stakeholders.

Health and Safety is reinforced by the leadership of senior management and a robust management system that reflects the particularities and strengths of the company, and is therefore a relevant part of business development. For this reason, and as a global company, we are committed to implementing an Occupational Health and Safety Management System as a fundamental part of the strategy based on the constant evaluation of the risks associated with the activity carried out.

We work under the umbrella of the Integrated Management System (IMS) based on the international standard ISO 45001.

83% of the factories are already certified and it is planned to extend this scope in 2023. The factories in South Africa, USA and Castings Zestoa do not have health and safety management certification.

Considering the scope of the certifications, 88% of factory employees are covered in the management system under the ISO 45001 standard.

At GRI Renewable Industries we actively manage each and every identified risk, seeking opportunities for improvement and implementing preventive and corrective measures to reduce both the likelihood and severity of any unwanted event.

Unfortunately, in 2022 GRI suffered a fatal accident at one of its plants in China.

Responsibilities and functions are integrated throughout the organisational structure, with the senior management of the plants being ultimately responsible for compliance with standards, improvement of working conditions, compliance with regulations and, in general, the protection of the health and safety of all persons present at the facilities.

In each plant there are technical specialists dedicated to Health and Safety management, with regulated training in this field. On-site control of risks in operations and work stations falls to supervisors and department heads, as direct superiors of employees and persons delegated to the plant.

The organisation encourages and promotes the wellbeing of all employees through different health care services, adapted to the different countries in which we operate. The work of monitoring and controlling the state of health of workers is

mostly outsourced, although in several plants we have our own medical service on site, supported by authorised centres in accordance with local legislation in this respect.

As established in the IPRL (Index of Occupational Risk Prevention), they must have up-to-date medical protocols and, on an annual basis, carry out annual health check-ups in accordance with what is specified in the protocols. In some countries, they also have private health insurance (social benefit) and develop various initiatives to raise awareness of health care (403-3).

In addition, GRI Renewable Industries has a data and information protection policy applicable to the entire group. This policy sets out the treatment to be applied depending on its prior classification and defines the set of controls to ensure that it is managed with the necessary security and prevents this information from being disseminated to unauthorised persons. With regard to medical information, both medical check-ups and attendance at health services is managed directly by these services, and is never communicated to the company, so it may not be used or disseminated for other purposes.



IPRL: system of excellence for safety and health management

403-2 AND 403-9

The IPRL or Occupational Risk Prevention Index is a proprietary standard on Health and Safety implemented by GRI Renewable Industries since 2016 and a tool that allows a precise assessment of the Health and Safety performance of all production plants through common criteria, which include all the particularities of the different technologies and processes, as well as a process of good practices based on continuous improvement.

The result of the Indicator is the weighted average of up to 89 factors that are classified in three large blocks: 'Indices', 'Working Conditions' and 'ORP Management', allowing complete and objective information to be obtained on the safety status of each plant.

IPRL results are continuously monitored and evaluated quarterly by the corporate Health and Safety team. In 2022, on-site audits were resumed after a year of telematic audits.

This information and the results are available to the entire organisation through internal communication channels and the corporate intranet.

In the 2022 financial year, there was a slight deterioration in the indices compared to the end of the previous year. Working Conditions increased by 4% and H&S Management by **8%**.

There are currently **5** production sites with "excellent performance" in terms of Health and Safety. The perimeter does not include the factories in China.

GRI Towers Calviño Argentina improves score

During the 2022 financial year, GRI Towers Calviño Argentina has improved its score compared to the previous year end and moves to the yellow "Good Performance" zone, following good teamwork and safety culture throughout the plant.

GRI Towers India I and India II achieve certification under ISO 45001:2018 standard

The Indian plants have achieved certification under the ISO 45001:2018 standard following the audit conducted during August. This certification enables:

- Increase occupational health and safety awareness and culture.
- Eliminate risks and minimise those that cannot be eliminated, always pursuing the objective of zero accidents.
- Improve Health and Safety performance and effectiveness and protect the company's reputation.
- Demonstrate corporate responsibility and comply with supply chain requirements.
- Motivate and involve workers through consultation and participation.



GRI Towers India (Kolhapur) received an award from the workers' union for best labour practices during the country's pandemic and confinement period. The award was presented by the mayor of Poladpur, Maharashtra state, to the plant manager.



Monitoring indicators

403-2 AND 403-9

At GRI Renewable Industries we continuously monitor the accident rate indicators, which are fully integrated into the IPRL structure. These indexes refer to our own workers and to external companies. The company carries out a rigorous control of the accidents occurring in its facilities, both for its own personnel and for external personnel.

The following is a summary of accidents with and without sick leave for own and external personnel in the 2022 financial year:

Accidents	with sick leave		without sick leave	
	Men	Women	Men	Women
Own personnel	97	5	126	11
External personnel	13	1	25	5
> Total	110	6	151	16

The attached graph summarises accidents, incidents and near misses.



Accidents with sick leave

During the 2022 financial year, the number of accidents with medical leave has decreased compared to the rates obtained in the previous year 2021. The frequency rate shows the value of the ratio of the number of absences between hours worked per million hours worked.

Although there are plants that have experienced an increase in this index, the average of all plants results in an improvement of 11% compared to 2021.

	Accident rate WITH LEAVE			
	Own personnel		External personnel	
	Men	Women	Men	Women
🇪🇸 GRI Spain	49	25	54	29
🇧🇷 GRI Brazil	10	0	3	0
🇹🇷 GRI Turkey	10	0	0	0
🇮🇳 GRI India	3	0	0	0
🇰🇷 GRI S. Africa	6	0	0	0
🇺🇸 GRI USA	5	0	183	0
🇨🇳 GRI China	0	0	0	0
🇦🇷 GRI Argentina	13	0	0	0
Total	11	4	12	19

índice frecuencia: Accidentes con baja / horas trabajadas por 1000.000

Accidents without sick leave

In the case of own staff, accidents without sick leave only increased slightly in Brazil and South Africa, and remained the same or decreased in the rest of the countries. In outside personnel, accidents with sick leave increased in Spain and South Africa, and accidents without sick leave in Spain.

	Accident rate WITHOUT LEAVE			
	Own personnel		External personnel	
	Men	Women	Men	Women
🇪🇸 GRI Spain	60	49	103	143
🇧🇷 GRI Brazil	1	0	3	0
🇹🇷 GRI Turkey	14	0	0	0
🇮🇳 GRI India	4	0	6	0
🇰🇷 GRI South Africa	0	0	0	0
🇺🇸 GRI USA	44	68	0	0
🇨🇳 GRI China	0	0	0	0
🇦🇷 GRI Argentina	20	0	0	0
Total	14	9	23	97

índice frecuencia: Accidentes sin baja / horas trabajadas por 1000.000

In addition to accidents, GRI Renewable Industries investigates all incidents to determine the root cause and plan corrective actions to eliminate recurrence and prevent future accidents.



Analysis of occupational risks and diseases

403-2, 403-4 AND 403-10

Each of the group's factories carries out an exhaustive risk assessment that is periodically reviewed, both at plant and corporate level. The main risks identified are listed and dealt with at a global level to guarantee complete control, defining specific protocols that must be complied with, for example: the adaptation of specific work equipment within the production process or the adoption of ergonomic improvements in the process as a result of a rigorous assessment and specific studies.

In addition, work is being carried out on specific ergonomic studies to improve the working conditions of the professionals. There are no workers exposed to risk, as they have the appropriate PPE and controls to minimise it.

The risk of developing illnesses at work is detected in the risk assessments carried out by the Health and Safety department and is controlled through health surveillance, in which the corresponding protocols are defined and applied according to the risks to which workers are exposed (403-7).

During 2022, 11 cases of occupational disease were identified in our own personnel (1 in Spain and 10 in Brazil (9 men and 1 woman)), in addition to 29 high-risk positions divided between Spain (Castings Zestoa) and Brazil.

The overall rate by gender is 0.15 for men and 0.0 for women in Spain and 1.24 for men and 1.23 for women in Brazil (formula: no. illnesses/no. hours worked by own staff*200,000). In the rest of the countries, the rate was 0.0 for both genders (403-10).

Days lost due to accidents and other causes

During the financial year 2022, the severity rate has decreased compared to the previous financial year 2021. This value is the ratio of the number of lost working days to the number of accidents per 1,000 hours worked.

Although there are plants that have seen an increase in this index, the overall average is an improvement of 7% over the previous year.

	Own Personnel			
	Days lost due to accidents		Days lost due to other causes	
	Men	Women	Men	Women
GRI Spain	0,77	0,40	8,63	12,93
GRI Brazil	1,46	2,00	6,09	4,11
GRI Turkey	0,12	0,00	0,00	0,00
GRI India	0,03	0,00	0,00	0,00
GRI South Africa	0,04	0,00	64,10	117,19
GRI USA	0,08	0,00	0,00	0,00
GRI China	0,00	0,00	0,00	0,00
GRI Argentina	0,35	0,00	3,29	0,00
Total	0,38	0,33	3,49	3,68

Índice frecuencia: Accidentes sin baja / horas trabajadas por 1000.000

Statistical studies of the accidents reported by the factories provide a typical accident profile for the company, with accidents involving particle eye injuries, contusions and sprains accounting for the majority of accidents (403-9).

With regard to the indicator reflecting incidents with serious injuries, 2 plants closed the year with incidents. These are Flanges Brasil and Towers Galicia.

	Tasa de lesiones accidente laboral grandes consecuencias con baja			
	Own Personnel		Personal ajeno	
	Men	Women	Men	Women
GRI Spain	1	0	0	0
GRI Brazil	3	0	1	0
Total	4	0	1	0



Communication

One of the central axes of the company's preventive activity at global level was to enhance communication on Health and Safety at all levels, both in offices and factories, mainly to raise awareness of safe work and to prevent the spread of Covid 19 among employees.

Through the Be Safe! programme, GRI Renewable Industries organises specific awareness campaigns, TOP 5 meetings and Safety Dialogues (DDS), and also issues communications on incidents and accidents in order to increase participation and dissemination among all employees on specific Health and Safety issues. This year, we wanted to further strengthen this communication by using the following channels: Health and Safety area on the corporate website, communication of content on the corporate intranet, reinforcement of telematic channels and meetings in Teams. In the factories, the figure of the "Health and Safety Committee" is fundamental, as an internal body that represents all workers, meets periodically and deals with relevant issues concerning safety and working conditions in the factories. Employee representation on the health and safety committees is 100% (157 in total):

N° of representatives H&S committees	
GRI Spain	18
GRI Brazil	40
GRI Turkey	19
GRI India	30
GRI South Africa	8
GRI USA	8
GRI China	30
GRI Argentina	4
TOTAL	157

GRI Renewable Industries, through the Health & Safety Department, convened the first H&S Committee with the presence of the group's senior management, highlighting the importance of safety. This committee, which will be held quarterly, will seek to analyse accident rate data at the plants, benchmark, promote and align standardisation towards a single goal of Zero Accidents and promote "Safety First" as a slogan.

In addition, a global mailbox was designed for suggestions, queries and incidents at all its sites and factories, adapted to all the company's languages. This mailbox is totally confidential, transparent and the anonymity of those who send any communication will be maintained. The aim of this project is to promote communication and to act when necessary.

GRI Renewable Industries celebrates the "World Day for Safety and Health at Work" in all its factories, as the safety and health of its employees and all people in its offices and factories is a priority.

- **GRI Flanges Iraeta** organised an event with employees to raise awareness of the importance of the use of PPE in the workplace: the importance of wearing helmets, correct use of PPE, safety devices on equipment and machines, among others. At the end of the event, employees were given an emergency beacon light for their personal vehicles.
- **GRI Brazil** celebrated the eighth edition of the Internal Occupational Risk Prevention and Environment Week (SIPATMA). In this new edition, different activities were organised, such as a theatrical performance, safety and environmental training, games and gymkhanas to collect donations for social programmes. Finally, 3,000 units of food were collected and distributed to different charities in the area.



- **GRI Turkey** celebrated this day with various activities and talks, for example, a slogan competition for the year 2022, winning "The biggest accident starts with the smallest negligence". The high participation in this competition raised awareness of occupational safety.
- **GRI India** conducted various activities to raise awareness among employees on Health and Safety issues such as briefings on the commitment and rules of safety at work, making banners and posters illustrating these situations and even medical check-ups. In addition, they received training in first aid and proactivity at work, participated in a demonstration on how to deal with a fire, attended a performance on safety PPE and held the "Chalta Bolta Quiz" competition on safety with tests in different disciplines; poster and slogan on safety and studies on different safety cases in the plant, among others. The week ended with a prize-giving ceremony.





Training and awareness-raising

403-5 AND 403-6

GRI Renewable industries provides all its employees with specific and high quality training, which is necessary to perform all their tasks on the job with guarantees.

Safety plays an integral role in this training. All training is based on the conclusions drawn from the workplace risk assessment, procedures and work instructions. Training is integrated with the communication of best preventive practices identified and implemented globally.

In 2022, training hours increased by 4% compared to the previous year (39,571 training hours in 2021), reaching 40,371 hours for own staff and 967 hours for external staff.

This ensures that all workers and external employees have all the information, instructions, sufficient training and supervision to carry out their daily activities safely and efficiently.

Their distribution by country is summarised below.

TRAINING H&S	%
GRI Spain	13%
GRI Brazil	26%
GRI Turkey	14%
GRI India	3%
GRI South Africa	4%
GRI USA	3%
GRI China	34%
GRI Argentina	3%

The following is a summary of some of the courses given at the different factories on Health and Safety.

The following is a summary of some of the courses given at the different factories on Health and Safety.

GRI Brazil conducted an activity with all plant employees on postural correction, giving continuity to the "Ergonomics Plan". They also taught exercises to improve postural correction, prevent immobility and encourage physical activity.

In addition, GRI Brazil conducted the Daily Safety Dialogue (DDS) with all employees of the factory, both administrative staff and production areas, on awareness and prevention of accidents at work.

As part of the continuity of the Safety at Work plan established at the factory, the Health and Safety team periodically organises these workshops to stress the importance of working safely in order to avoid incidents and accidents.

In addition to accident prevention advice, recommendations on postural correction and ergonomics were also given in order to improve worker health and safety.



GRI Renewable Industries, through the Health & Safety Department, convened the first H&S Committee with the presence of the group's senior management, highlighting the importance of safety. This committee, which will be held quarterly, will seek to analyse accident rate data at the plants, benchmark, promote and align standardisation towards a single goal of Zero Accidents and promote "Safety First" as a motto.

In addition, a global mailbox was designed for suggestions, queries and incidents at all its sites and factories, adapted to all the company's languages. This mailbox is totally confidential, transparent and the anonymity of those who send any communication will be maintained. The aim of this project is to promote communication and to act when necessary.





Value creation: Efficiency, digitalisation and Innovation



Clients and Innovation

GRI Renewable Industries understands innovation as a factor of change and adaptation to new customer and market requirements, generating added value to the business and minimising its environmental impact. It also contributes to the achievement of SDG 9 "Industry, Innovation and Infrastructure" and SDG 12 "Ensure sustainable consumption and production patterns".

This commitment is embodied in the R&D&I team, which has approximately 30 professionals involved in different projects and in the constant search for opportunities for improvement, located mainly in Madrid, Turkey, Seville, Galicia and India. This allows us to offer differential and more efficient products. GRI Renewable Industries has two innovation centres located in Turkey and Spain:

- GRI Tower Turkey (R&D&I) is focused on improving the machinery used in the production of wind towers in a centralised manner, in collaboration with prestigious universities. In doing so, it contributes to reducing production costs and increasing product quality.
- Elcano University Innovation and Training Centre in Seville (Port of Seville - Spain). With regard to the forecasts, an extension has been obtained until December 2022 for its full commissioning. It is currently in the final phase of construction (planned until July 2022) and in the process of tendering for the machinery (20% already allocated).

In 2022, 5 doctorates are operational at the Seville R&D centre, as summarised below:

- Steels, new materials
- Surface treatment.
- Industry 4.0: Sensorisation and monitoring.
- New floor plan configuration (layouts).
- New welding concepts

CONTENTS 3-3

Customers: product innovation

GRI Renewable Industries' success is based on its ability to identify and meet the needs of its customers. In this area, innovation plays an essential role as the only supplier with the capacity to design and manufacture new tower and flange prototypes.

We design lighter and more efficient products. This allows us to optimise the costs of wind energy, making it more competitive by improving the standardised cost of electricity (LCOE) compared to other renewable energy sources, helping to increase the customer's profitability.

GRI Renewable industries is aligned with the development of new models of towers and flanges that are lighter in weight (without compromising their strength), more versatile, efficient, economical and easier to develop, transport and assemble, adapting to the layout of the wind farms and the state of the art of the group's industrial factories or tower factories worldwide, which will allow the construction of more modern wind farms with less impact.

To this end, we collaborate with major customers. In 2022, a Technology Agreement agreement was signed between GRI Renewable Industries and Vestas for co-development and innovation in the design and development of solutions, including process improvements, co-development and co-design of towers with lower environmental impact, lighter weight, lower cost and simpler logistics.

A joint committee has been set up to monitor and measure this, which meets four times a year. The first meeting was held at Vestas headquarters in Denmark and the second will be held in Spain.

In addition, the projects carried out in 2022, in line with current market trends, include the following:

- GRI Towers Sevilla has continued to strengthen its relationship with Siemens Gamesa, with a third extension of 10 towers for the Hollandse Kust Zuid project and a new order for 29 towers for the Moray West project in Scotland.
- GE Offshore has awarded a new order for 20 x 13 MW Haliade X towers for the DoggerBank A project in the UK.
- GRI Texas has signed a long term agreement 2023-2027 for the supply of towers in the US.

Due to the typology of GRI's products and services, its health and safety assessment (416-1) is not considered applicable. In addition, we follow a rigorous supplier approval and control procedure that ensures the proper reception of raw materials, components and equipment in accordance with the established requirements.



Innovation in process

At GRI Renewable Industries, we believe that investments in technology and continuous improvement through innovation are part of our commitment, bringing significant benefits. These include significant savings in the consumption of raw materials, natural resources and the generation of less waste, emissions and discharges, minimising their environmental impact.

The various initiatives are based on a two-pronged approach: process improvement and efficiency, as well as digitalisation and Industry 4.0 projects.

At GRI Renewable Industries, 2021 was another record year for production and 2022 stands out for maintaining this same line. As a result, a large part of the investments were used to expand the production capacity of the factories and to build new facilities, including the following:

- The expansion of the GRI Towers Brazil factory, which started in 2021, allowing for an increase in section production capacity to around 40 sections/week.
- In 2022, numerous investments were made at GRI Towers Seville to adapt the factory to the new offshore tower models. Among others, 4 overhead cranes of more than 100 tons, a new milling machine and an additional paint booth have been installed.
- At GRI Towers India I, major investments were made to increase the number of sections manufactured to 5 m diameter and 100 tonnes in weight.
- In 2022, construction began on a new tower factory in Turkey, with increased production capacity, which will allow the production of larger sections, up to 6.4 metres in diameter, and heavier weights, up to 120 tonnes per section. It is expected to be completed in September 2023.

- At the end of 2022, a Joint Venture was signed between GRI Renewable Industries and the Polish Industrial Development Agency ARP for the construction of a new offshore wind tower factory in the city of Gdansk, Poland. The factory will be located on the island of Ostrów in Gdansk, with direct access to the mooring quay, and an offshore tower production hall will be built with manufacturing capacity for the planned largest wind turbines (over 14 MW) and more than 200 offshore towers per year.
- In 2022, the new GRI Flanges China V (SIHI V) factory came into operation with two distinct divisions: an electric furnace steelworks that allows for the recovery of all steel scrap and an offshore division with 2 production lines, with a maximum capacity of 10 metres in diameter and a maximum annual production volume of around 100,000 tonnes.

GRI Renewable Industries is immersed in the "Industry 4.0" project and in the "digitalisation" of the manufacturing process in all its phases. Below, we summarise some of the projects underway in the different factories and highlight the main subsidies for RGDGI projects:

At GRI Towers Turkey, an automatic bevel machining machine was designed and was in the test phase in 2021. In 2022, the success of this prototype, which significantly increases process efficiency and welding quality, was confirmed. In 2023 it will be exported to the GRI Towers South Africa factory.

In 2021, following the good results of the "MES" (Manufacturing Execution System) project in Turkey, in 2021 - 2022 it was developed and implemented in GRI Towers Galicia, which allows the integration and digitisation of all the information on the

processes from multiple channels and variables; and with this, exploit, optimise and analyse it through "Big Data" in real time.

Also in Turkey, a pilot project was started to automate the process of painting the exterior of the towers using a robot, with the aim of extending the project to other factories. The project is being set up at the Galicia factory and is in the testing phase until 2023. This project optimises surface applications, allows better use of the paint, greater energy efficiency and minimises exposure risks for workers. A new interior shot blasting machine has also been designed, which allows 100% of the shot blasting to be carried out automatically (the exterior is already automated). This ensures that the quality requirements of the customer are met and process times are significantly improved. In 2023, this system will be installed at the GRI Towers USA factory.

The "Standardisation Project" aimed at standardising the company's general documentation and processes in collaboration with the IT department has also been completed. In 2021 it was implemented in 7 factories and in 2022 the cycle was completed.

With regard to forging processes (flanges), the project started in 2021 was completed, allowing the diameter of the flanges to be increased to 8m for the offshore market, and they can now be supplied in series.

Finally, the "C1 Connection" project developed a prototype connection with one of the main customers, which significantly improves the connection with the tower foundations. Following the success of the 4m prototype, an 8m prototype is being developed.



Within the framework of Industry 4.0, the following projects have been subsidised by different organisations.

- The “Counter Flow & Re-works - VT” or VAICO project started in 2021 for GRI Towers Seville with an amount of €0.7M and a duration of 2 years. It is based on “Disruptive Intelligent Machine Vision Solutions for Offshore Wind Components”, and will allow the development of the first intelligent and high-precision machine vision system for the detection of complex structural defects derived from the longitudinal and circumferential welding process, as well as surface defects of the raw material in real time in onshore and offshore wind towers. The project was successfully completed in June 2022.
- The “GENGRI” project initiated in 2021 for the development of “New Critical Structural Elements of Third Generation Wind Towers” by CDTI, focused on the investigation of advanced structural solutions for disruptive steel-concrete connections based on stressing bars, cables and bolts leading to viable connection concepts that can make a difference for the new load spectra of third generation towers. The project was successfully completed in June 2022.



- In 2021, funding was approved for the “OFFSHOREWIND” project for GRI Towers Seville for an amount of €2.4M and a duration of three years. The project is focused on industrial research into a new generation of offshore wind turbine substructures for a wide range of loads based on new structural calculation models,

new materials and disruptive manufacturing technologies in Smart Factory environments, which provide a structural response for high-power offshore wind turbines (more than 7MW) and is progressing satisfactorily.

The project is funded by the IDEA Agency and co-financed by the European Regional Development Fund through the Andalusia Global Grant 2014-2020..

- We continue with the “WINDIN4.0” project initiated in 2021 for GRI Towers Galicia with a €1M grant aimed at industrial research, experimental development and innovation projects focused on innovative industrial technologies “Smart Factories” within the Industrias 4.0 initiative, focused on the development of solutions and subsystems oriented to the smart factory paradigm that make up a new integral manufacturing route for discrete, high volume, heavy and large-sized products.

The basket project is funded by Gain and co-financed by the European Regional Development Fund through the Andalusia Global Grant 2014-2020.

- The “ZDZW Non-Destructive Inspection Services for Digitally Enhanced Zero Waste Manufacturing” project initiated in 2021 as a beneficiary of a grant from the European Commission under the Horizon Europe Framework Programme, within the Twin Green and Digital Transition line (HORIZON-CL4-2021-TWIN-TRANSITION-01), with the objective of developing digital non-destructive inspection services (NDIS) to improve efficiency in production, with zero defects (Zero Defect), ensuring the sustainable manufacturing of European industries (Zero Waste).

A multidisciplinary consortium of 27 partners from 10 EU and associated countries, including GRI Towers Galicia and GRI Renewable Industries, has been formed for its implementation.

This broad participation allows covering the entire value chain through a combination of technology developers (Research Centres and universities), technology providers (SMEs and large companies), end users (large manufacturing companies in automotive components, food and beverage, household appliances, eHealth or wind energy sector), experts in dissemination, business cases / exploitation, safety, life cycle assessment, social sciences and standardisation. The project has its own website: <https://www.zdzw-project.eu/>



- The INARI project is focused on research into new artificial intelligence models and disruptive neural networks for the prediction of manufacturing costs of wind components with high structural complexity. With this, it aims to be a benchmark in the sector in the integral management of the digital product, which will enable the collection, processing and modelling of a large volume of massive data, combining and generating knowledge of the group.

This will be the first time that these disruptive technologies, which include machine learning, big data and digital twin elements, will be applied to parts of this size and structural complexity. In addition, the prediction of lead times for more than 20 different manufacturing sub-processes for the group’s 16 manufacturing layouts, as well as the prediction of the main consumables in the shaping of a product, will be considered.



The INARI project is supported by RED.ES, a body under the Ministry of Economic Affairs and Digital Transformation, through the R&D Projects in Artificial Intelligence and Other Digital Technologies and their Integration in NGEU Value Chains programme.

- The GRI R&D ENGINEERING area participates in the NEXTWIND research project focused on the search for new structural solutions, calculation methodologies and industrial processing, not used in the wind sector, to obtain structural excellence in wind towers.

The strategy is based on the investigation and analysis of all those design factors that have an important impact on the final dimensioning of the tower. The introduction of these new concepts in the structural design will allow a significant improvement in the structural response and a reduction in weight, and consequently, a reduction in the cost of the wind towers and in CO₂ emissions.



This strategy takes three complementary approaches:

- 1) structural research into new materials and joining systems,
- 2) the development of advanced post-processing treatments,
- 3) the development of new calculation methodologies

for structural stability and advanced solutions for pre-dimensioning, life prediction and fatigue resistance, with Artificial Intelligence techniques.

This project has been funded by CDTI.



- GRI Towers Sevilla participates in the SELFBALANCE project, whose objective is the development of a collaborative industrial welding robot with intelligence for self-balancing, based on neuroborroscopic control models, which allow it to adapt to the disturbances inherent to the process.

The project will increase knowledge, enabling a new manufacturing route for off-shore metallic superstructures and monopiles for large load spectra based on advanced robotic models with self-balancing and dynamic stabilisation technologies, which do not exist today.

This disruptive robotic system for circular welding will improve quality, process lead times, as well as the manufacturing flexibility needed to cope with the variability of the product in question and its constant evolution (there are currently wind turbines of more than 1.5 MW).

In its development, GRI will collaborate with the Department of Electronic Engineering of the University of Seville. This project has been co-funded by CDTI.

- The NEXTFLANGE Project aims to research and develop a new generation of offshore wind flanges based on alternative routes of steel material chemical composition, heat treatment and welding routes, as well as new disruptive flange designs with the ultimate goal of achieving excellence in terms of structural efficiency of the flange product or offshore connection.

This will reduce the LCOE and make the component industry more competitive.

For GRI Renewable Industries and FIHI FORGING INDUSTRY, research organisations such as Azterlan as an expert in materials and Tecnalia as an expert in industrial manufacturing technologies form an ideal grouping for the proposed scope. Project CPP2021-008783 funded by MCIN/AEI /10.13039/501100011033 and by the European Union NextGenerationEU/ PRTR.





Cultural Change & Digital WorkPlace

In 2019, the “Digital Workplace” project began with the aim of adopting Microsoft technology and offering employees the Office 365 work tools to continue advancing the company’s digital transformation. The project is aligned with SDG 9 and GRI Renewable Industries’ strategy on innovation and digitalisation.

This is a process that requires significant cultural change management throughout the company, in a collaborative environment to successfully address the challenge of incorporating new digital technologies.

In the first phase in 2019, the Outlook, OneDrive and SharePoint tools were integrated into the Office 365 platform, enabling the company’s employees to work much more quickly, easily, comfortably and efficiently.

The 2020 financial year saw the introduction and integration of new tools: Teams, Planner, Stream and Forms, where these Digital Workplace initiatives enabled office-based professionals to carry out their work in the complicated context of social isolation resulting from the Covid-19 pandemic. Thus, these tools enhanced digitalisation and connectivity among employees and helped solve the difficulties of meeting and moving to adapt to the new circumstances, in order to continue advancing the digitalisation project.

In the third year of the project, 2021, a specific area was created within the organisation called Digital Workplace in order to focus on these projects, acquiring new responsibilities such as the definition, evolution and adoption of the digitalisation of the Group’s workplace, in the field of software (Office 365), mobile and fixed telephony, and hardware (computers, printing and digitalisation equipment, meeting rooms and other specific devices).

Among the actions carried out in the 2021 and 2022 financial years, we would highlight the following:



Corporate mobile telephony

making procedural changes, tariff adjustments, alternative solutions for roaming connectivity and usage recommendations for users. These actions have led to significant savings, for which we have to thank the involvement and responsibility of employees in making much more efficient use of corporate mobile telephony.

Teams Meeting Rooms

In order to cover a new scenario where hybrid meetings with people in presence and people remotely are becoming more and more common, Teams equipment and configurations have been homologated in order to evolve the current solutions.

Remote Support

Remote Support initiatives with HoloLens devices for industrial use, in order to be able to carry out virtual audits, inspections, etc.



Adoption and Training Office 365

In 2021, the adoption and training of the divisions whose integration was pending was completed, thereby increasing the number of users and also the collaborative capabilities of the entire group.

Training actions have also been carried out for specific groups and communication actions to inform about new functionalities of the tools, where our SharePoint Digital Workplace HUB site continues to be used to access all the documentation, updated manuals, videos, tips, use cases, informative BOTs, etc. for all users.

SharePoint Documentation Management

There has also been a significant increase in the movement of documents from local servers to SharePoint sites, thereby taking advantage of the collaborative and offshoring benefits. Most of the moves have been natural, and there have also been some specific projects to drive these initiatives for departmental management and documentation.

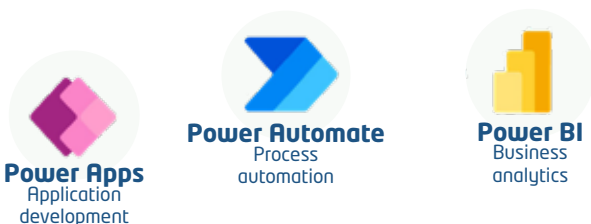
Governance of the Power Platform

To take digitalisation to another level, in 2021 and 2022 the foundations have been laid to be able to initiate specific automation projects that have a direct impact on the business, for which the implementation of Power Platform Governance has been carried out in order to support new projects in Telephony Management, Travel Management, etc.



Creating low-code applications using Power Platform

With the foundations in place, 2022 saw the launch of applications created on this technology (Power Apps + Power Automate), which have demonstrated that they are capable of responding quickly and efficiently to business needs with ease and simplicity, especially last-mile solutions, such as the “My



mobile” application, which allows the management of corporate mobile telephony, automating the lifecycle of handset repairs, device purchases, activations and modifications of national bonds and management of international data roaming. In this way, a very detailed management can be carried out without having to sacrifice specific resources for this management, as the application automatically resolves most of the requests.

App Makers Community - Makers Project

Once the capabilities of low-code tools have been demonstrated, the aim is to “democratise” their use, making their use widespread throughout the organisation, for which purpose the identification of “makers” or application creators is encouraged, which is not specific to technicians, as any user can access them as they do not require programming knowledge. These “makers” are trained in the use of these tools and are provided with all the necessary material and means, becoming part of a growing community to share news, solutions and concerns, developing applications that enable savings.



Other initiatives

And finally, in order to continue improving and extending the use of Digital Workplace tools in 2023, other activities are being developed, highlighting:

- Improvement and optimisation of print services
- Improving the management and communication capabilities of the intranet and evolving to a more robust and scalable model, keeping the focus on mobility.
- Information management and optimisation (SharePoint and Teams)
- ChatBot leveraging AI capabilities to provide information of interest through a variety of channels, including Teams.

And of course, always highlighting the continuous training of employees, in order to make the most of all the capabilities of our Digital Workplace tools.

In conclusion, 2022 has been an exercise of consolidation of the O365 and Power Platform tools, following the Digital Workplace 2022-2024 Plan, with the objective of evolving the current workplace to a more efficient and simpler model, through actions in 2 main blocks: Devices and Applications, with a total of 14 lines of action.



IT security, processes and data protection

Business process support

Systems are a fundamental pillar for the execution of processes and the success of the business strategy in a market that increasingly requires a focus on digital transformation, immediacy, flexibility and information security.

In recent years, GRI's IT department has gone from being a business support area to becoming an actor in the digital transformation of the entire company, requiring the ability to identify future business needs from a global and strategic perspective. At the same time, it is necessary to continue to guarantee the day-to-day operations, availability, effectiveness and efficiency of services: application maintenance, communications and infrastructure. These two aspects, transformation and day-to-day operations, must be carried out in a coordinated manner in order to generate value for the business.

In 2022, we have continued to focus on the transformation of the application map, continuing with the projects and implementations included under the "Industry 4.0" paradigm. An example of this evolution is the maintenance and deployments of the new MES system, the new planning system and the first implementations of use cases of RPA or "robot software" technology.

In the improvement of infrastructure and operations, we have opted for methods such as deployments of code-type infrastructure to meet the new network requirements through solutions such as SDWAN. This solution makes it possible to create more secure software-managed communications, maintaining them with tunnels through the internet with internal destinations in the corporate network, updating WIFI systems in all headquarters, centrally coordinating mobile devices for their securisation, updating perimeter security devices, and even software management and improving industrial cybersecurity.

Information Security

CONTENTS 3-3

Today, cyber threats continue to evolve. Not so long ago, cyber security was seen as a technical issue left to technology experts. However, with the process of digital transformation, the threat level has increased exponentially, requiring a more holistic approach to mitigate cyber security risks.

In the industrial sector, the evolution derived from the progressive connection of production equipment to the data network, together with the lack of global security standards, means that the number of vulnerabilities is increasing, increasing the possibility of their exploitation by cybercriminals.

In line with the above, attacks based on social engineering are also on the rise, using techniques to manipulate company employees to force the execution of actions that endanger corporate information.

GRI has defined as its line of action and response to these threats a comprehensive approach with the strategic objective of being a "cyber resilient" company, anticipating, preventing, resisting and, if necessary, recovering from any attack, thus protecting and guaranteeing business continuity.

To this end, the necessary mechanisms have been established to safeguard the company's, customers' and suppliers' data throughout their life cycle in the systems, addressing all areas of information security. These measures include, among others, the definition of a security management and governance framework, the establishment of policies, procedures and guidelines, and design, implementation and continuous

monitoring actions in the field of physical and logical security of systems (asset management, identity and access controls, cryptography, security copies, network and end-point security, incident management, etc.).

In addition, in 2022, the following actions, among others, have been carried out to ensure cybersecurity:

- Installation of a NAC (Network Access Control) system, to control in a very granular way the devices accessing the group's network.
- Implementation of a SASE system (secure access perimeter server) to guarantee security in access to the internet or in general outside the company's perimeter in a hybrid cloud environment.
- Multi-factor access extension.
- Diagnosis of information security and its risks based on the ISO 27000 standard.
- Campaigns and training actions to reinforce the awareness and training of the group's employees.



Supply chain

Management approach

CONTENTS 2-6

GRI Renewable Industries' suppliers are an essential asset within the value chain, due to their importance, both in the planning and correct execution of projects, as well as in the company's competitiveness by optimising the cost structure. Likewise, the company's policy means that they play a vital role in its growth and development.

GRI Renewable Industries, a global company with suppliers in multiple countries, has always opted for long-standing suppliers with a business vision and high supply capacity to cover the company's requirements. Therefore, maintaining a good relationship, complying with deadlines, conditions and deliveries, is vital to give continuity to the group's strategic objectives.

In line with the "Carbon Neutral 2030/50 Plan", in order to contribute to achieving the Group's emission reduction targets and to respond to the demands of the main customers, the supplier management strategy increasingly prioritises aspects related to sustainability, climate change and environmental impact in purchases.

Likewise, GRI Renewable Industries establishes in its "General Conditions of Purchase" the obligation to comply with applicable legislation and with health and safety measures, as well as to expressly accept compliance with the GRI Renewable Industries Code of Ethics and Conduct, a copy of which is included in the appendix. In the 2023 financial year, the clauses have been revised, reinforcing the commitments in environmental, human rights, ethics, anti-corruption and fraud matters, among others.

Purchasing management is centralised in the corporate Supply Chain division, which integrates the following areas.

Sourcing

A large part of GRI Renewable Industries' procurement is associated with each project, making procurement the first link in the chain.

Its main function is to ensure that suppliers are formalised in time and form. Therefore, the main focus is on proper project planning, including on-time delivery, cost monitoring and the use of the latest technologies to optimise the overall management of the supply chain.

In each project, continuous and fluid communication is established and risks are managed until the material is received at each plant. To meet these requirements, regular meetings are held with suppliers and project monitoring templates are shared to facilitate the identification of potential risks and minimise them to reduce their impact.

At GRI Renewable Industries we differentiate between two types of procurement: direct and indirect. In both areas, it is essential to scrupulously follow the purchasing procedures and comply with the Group's general purchasing conditions. These conditions contribute to safeguarding the service provided and to fulfilling the Group's responsibility towards sustainability.





Purchases

At GRI Renewable Industries we differentiate between two types of procurement: direct and indirect. In both areas, it is essential to scrupulously follow the purchasing procedures and comply with the Group's general purchasing conditions. These conditions contribute to safeguarding the service provided and to fulfilling the Group's responsibility towards sustainability.

Direct Purchases

All these purchases are strategic and, therefore, are managed from corporate headquarters in Madrid. At GRI Renewable Industries, we only collaborate with suppliers that have a proven track record in the market and provide differential value.

In all business lines there is a wide range of product families. Steel, in terms of volume and cost, is the main raw material. Purchases are made with suppliers such as manufacturers, tracers and distributors and, to a lesser extent, spot suppliers, adapting to the demands of customers. In 2022, GRI Renewable Industries is estimated to have worked with a total of 21 steel suppliers (sheet, rim and bloom).

Relationships with steel suppliers can be contractual and are mostly medium to long term, in order to secure and respond to the most demanding needs of the supply chains.

As a steel processor, we are very proud of the strategic relationships we have with other steel suppliers, and we are making every effort to ensure that these relationships are long-term and present a competitive advantage on both sides.

Steel, in addition to being strategic due to the volume of purchases, is also the largest component in the products manufactured (accounting for >95% of the towers) and the main source of CO₂ emissions. To minimise this impact, in 2022 we signed collaboration agreements with some of the most strategic steel suppliers to collaborate in reducing the emissions derived from their manufacture.

In addition to steel, we also seek global and strategic partnerships in other key products such as tower internals, door frames, flanges, paint, etc.

Indirect Purchases

Purchases related to investments, supplies and services are included. The selection process is based on criteria of service quality, technical development, market position, competitive advantage and risk prevention. Purchases are mostly made from Tier 1 and Tier 2 suppliers, wholesalers (integrators for machinery), service providers and manufacturers of other raw materials.

Depending on the nature of the purchase, in particular the synergy and repetition of the purchase at global level, these purchases are managed from corporate or from the plants at local level. That said, there is always a monitoring of these purchases to ensure that they are executed under the group's procedures/standards and to identify new synergies and/or opportunities for improvement.

The number of suppliers is variable, with an estimated total of 93 indirect suppliers registered with fullstep at the end of 2022, including transport suppliers and external services (calibration laboratories, welding test pieces, etc.). Relations with non-steel suppliers are mostly medium and long-term contractual.

Steel purchases stand out in terms of volume and price. Due to its characteristics, the steel industry is considered a "heavy industry", with high fixed costs, a significant impact on the generation of qualified employment and a high environmental impact, both in the use and consumption of natural resources and in emissions into the atmosphere, mainly CO₂, where it is considered responsible for 9% of global emissions.

In line with the "Carbon Neutral 2030/50 Plan" and the reduction of emissions derived from energy consumption, the management of energy supply has been centralised. This allows us to negotiate new contracts, prioritising the supply of energy sources with renewable energy certificates, PPRs and/or renewable self-supply, and to minimise CO₂ emissions from GRI Renewable Industries, contributing to the fight against climate change. Details of these types of contracts are provided in the Environment chapter.

GRI Renewable Industries has a Conflict Minerals Policy, published on the company's website, which requires compliance with laws relating to the responsible sourcing of minerals (Dodd Franck Act and EU Regulation 2017/821), following the recommendations of the Responsible Minerals Initiative and the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.



Supplier Quality

308-2, 408-1, 409-1, 414-1, 414-2

It is monitored both at the corporate level and in each of the factories. The "Quality" area is responsible for the certification/audit of suppliers, the management of complaints and the development of corrective/preventive actions to ensure that the products and their suppliers meet the Group's requirements. Approval requires 100% of suppliers to complete an information and evidence questionnaire to ensure that the best suppliers in the market are chosen. This information includes, among others, aspects related to sustainability, human rights, ethics and compliance, availability of environmental, quality and health and safety certificates and information, absence of conflict minerals, compliance with Reach, etc. (308-1).

In addition, as established in the "Control of suppliers of processes, products and services" procedure, for suppliers of materials considered "critical", an audit is carried out to verify compliance with the matters requested and a "First Piece Qualification" (FPQ) inspection focused on the product.

The final assessment of suppliers includes and weighs the result and degree of compliance with all these requirements. Depending on the result and classification, different measures are established. In this assessment, we have also adapted, through our own criteria and specific questionnaires, the progress of suppliers in terms of emissions reduction, to verify that they are aligned with the group's "Carbon Neutral" strategic objective.

For those suppliers with lower scores, action and improvement plans are defined, establishing tasks and follow-up plans, with the aim of achieving the category of good or excellent.

As a control mechanism to maintain the classification, for all approved suppliers, a continuous assessment is carried out on a six-monthly basis.

The results for the period 2022 correspond to 444 suppliers registered in the portal, of which overall 69% are of the "reliable" type. For raw material suppliers for towers 72% and for flanges 87% are reliable.

The remaining suppliers are rated as "medium risk" and are required to make action plans to become "reliable".

Audits and inspections are repeated whenever an incident occurs, a new product is required, or there is a change in the process or other cause for repetition. A total of 22 audits were carried out in 2022.

In 2023, new criteria on sustainability, ethics, the environment and human rights will be incorporated into the audit procedure in order to provide on-site coverage of these aspects. To name but a few, issues such as child labour, forced or compulsory labour or negative social impacts have been incorporated into this assessment.

Logistics

It focuses on reducing transport costs (both for the goods purchased and the final product), improving service and creating a competitive advantage over other competitors in the sector. In addition, it centralises all information relating to tariffs and taxes associated with the movement of goods, which is becoming increasingly relevant.

Key milestones in 2022

Below is a summary of the most relevant milestones achieved in 2022 in the area of purchasing and procurement:

- Closing of PPAs in Brazil with Renewable Certificates of Origin (GoO).
- Closing of Self-consumption line with PV at GRI Towers Galicia.
- Start of investment in a new plant to expand capacity and production volume at GRI Towers Turkey.
- Start-up of the production capacity expansion project at GRI Towers India.
- Completion of the product capacity expansion project at Forjas de Iraeta.
- Formalisation of the first steel agreements for strategic partnerships with suppliers to reduce CO₂ emissions associated with the product.



Contribution to the community



Social action: contribution from Corporate

One of GRI's priorities is to support local development in the areas where we are present. To this end, collaboration agreements are established with non-profit organisations to develop corporate and local activities of various kinds. The most relevant of these are summarised below:



LQDVI

Since 2014, we have been collaborating with the LQDVI Foundation in the dissemination of universal human, ethical and moral values in its congresses for young Spaniards and/or internationals.

In 2022 the company supported five national face-to-face congresses in: A Coruña, Seville, Bilbao, Madrid and Valencia by disseminating them via internal channels and RSS.

In addition, for the second consecutive year, GRI was a participant and award winner in the "UVE Business Values Congress", focused on companies sharing their best practices in the dissemination of ethical and human values.



AESLEME

With the aim of preventing traffic accidents, it has been collaborating with AESLEME since 2013 through training and awareness-raising initiatives.

In 2022, the company continues with the project to disseminate road safety in schools in the Community of Madrid. In addition, following the analysis of the messages written to raise awareness among their family and friends to drive responsibly and safely, a 2nd ESO student was awarded a prize.



WCK

It has been working with World Central Kitchen since 2013, with the aim of helping to alleviate food insecurity and malnutrition in areas where humanitarian disasters occur.

In 2022, efforts and donations went to refugees and victims of the war in Ukraine. As a novelty, more than 20 volunteers took part in two volunteering actions in the kitchens of WCK (Madrid) helping to prepare meals for soup kitchens for the most disadvantaged.



Fundación Juan XXIII Roncalli

It has been collaborating with the Juan XXIII Roncalli Foundation since 2007, also forming part of the Board of Trustees, with the aim of contributing to improving the lives of people with intellectual disabilities and promoting their social integration.



Fundación Real Madrid

In 2018, the collaboration with the Real Madrid Foundation began, with the aim of educating young people of school age with disabilities in road safety.

September saw the start of the new season of the "road safety education: a great value" project in the Foundation's adapted football and basketball socio-sports schools, extending the project to Real Madrid's youth academies.



Seres

In 2016, we began working with the SERES foundation to jointly build a stronger society with competitive and sustainable companies.

Once again this year, GRI was included in the "8th Corporate Social Impact Report", which measures the real impact and contribution of companies to society through an analysis model based on five axes (economic, organisational, relational, social and personal), aggregating their social contribution to GDP.

It also participated in projects aimed at improving the communication and measurement of sustainability actions. These included participation in the "ProyectoRSE" conference.



FUNDACION ALADINA

GRI supports the Aladina Foundation in its projects to help young cancer patients in hospitals and family homes.

In 2022, it focused on supporting and disseminating the "Improved Reality" campaign aimed at creating a new oncology unit at the Vall d'Hebron hospital. This action reached more than 6,000 young people and was presented in 11 GRI factories, impacting more than 1,500 employees.

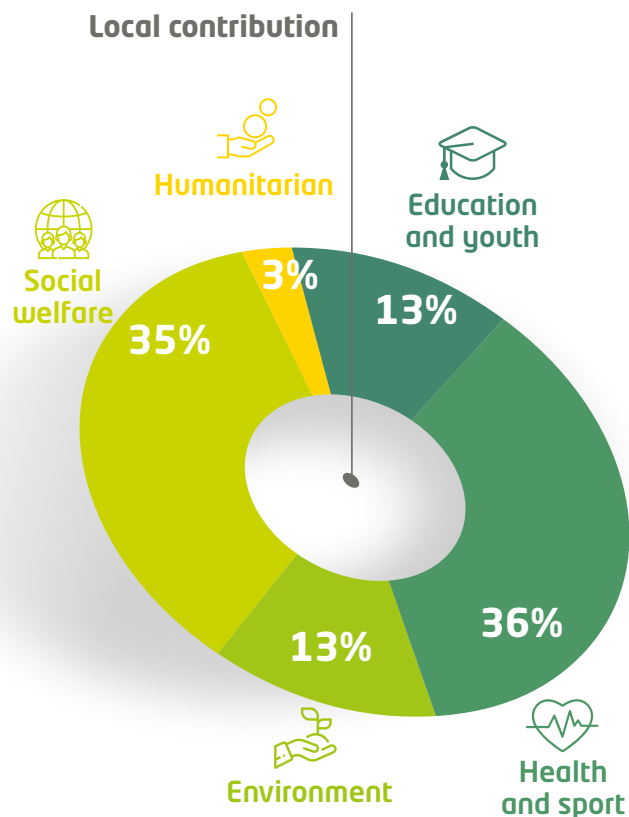




Social action: Local contribution

In 2022, GRI Renewable Industries focused its efforts on social action initiatives related to the areas of environment, sport, welfare, education and health. All its work has been aimed at the development and support of the societies where it is present.

Social programmes have taken place in 75% of the countries where GRI Renewable Industries is present. The most relevant actions are detailed below:



Education

GRI Brazil

Donated to the Vicente Pinzón Geriatric Centre, which cares for elderly people in a situation of social vulnerability, and to the Lar de Clara reception centre, which helps children, adolescents and young people in need through a nursery school, literacy classes, tutoring and vocational training courses, with lots of furniture (tables and chairs) and an industrial kitchen.



GRI Brazil

Supported the first "Knowledge Showcase" action on the environment carried out by the municipal schools of Cabo de Santo Agostinho under the slogan "One Earth". In this action, young students and professional volunteers from GRI gave workshops to women from the NUMA (Núcleo de Mulheres em Ação) association. GRI Brazil financed the transport of the students.

GRI Argentina

It signed an agreement with the National Institute of Industrial Technology and the Ministry of Education of the Province of Buenos Aires, to carry out various training courses, such as Welding and NDT, in which both GRI employees and students from schools in the town of Florencio Varela can participate.

GRI Southafrica

Sponsored pupils from a local school for children with learning difficulties through the participation of 4 pupils in a national athletics competition, where three of them won medals.





Environment

GRI Turkey

Donated 300 olive tree seedlings to the tree planting project planned in the Manyas district of Balıkesir. Hüseyin Karabulut, Hüseyin Çetin, and Hüseyin Altıparmak in which factory employees participated.



GRI India

It carried out a reforestation in which about 100 trees and bushes of mango, fig, lemon and coconut species, among others, were planted in the vicinity of the plants.



Health & Sport

GRI Brazil

It joined the World Health Organisation's (WHO) "Light Green August" campaign to raise awareness and provide guidance on the importance of early diagnosis of cancer in the lymphatic system. Employees expressed their support for the initiative and received information on this ailment and how to detect and prevent it through early diagnosis.



GRI Flanges Iraeta

He took part in the annual "Kobaz Koba Trail" race. The route of the event consists of crossing the caves that were inhabited at the end of the Palaeolithic period, and where there are numerous remains of materials and rock art.

GRI Turkey

He organised the second football tournament with the employees of the factory, who competed between the different departments. Fourteen teams competed and after the final, there was a small celebration with all participants and the presentation of trophies to the winning teams.





GRI Brazil

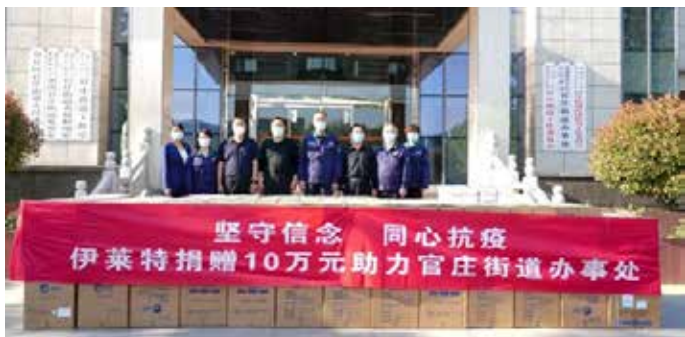
It joined the World Health Organisation’s (WHO) “Julho Amarelo” (Yellow July) initiative to raise awareness on health issues, more specifically on viral hepatitis and bone cancer.

The factory’s Health and Safety team, through the medical department, organised an outreach campaign with all employees (posters, awareness-raising talks, etc.), explaining what these diseases are, their symptoms, preventive measures and the importance of early diagnosis.

GRI China

In May, in response to a Covid outbreak, sanitary materials were donated to the Guanzhuang sub-district municipality to help overcome the outbreak.

Also in December, there was a new wave of infections and the Shandong Province Blood Centre called for donations due to a shortage of stocks. Iraeta responded as quickly as possible and organised an internal donation, in which 47 employees participated, donating 14,800 ml of blood.



GRI Galicia

Organised a blood donation among its workers.



Economic development

GRI Turkey

Participated in a corporate volunteering activity at Öğretmenim Ortaokulu Secondary School (Gönen municipality), where employees helped to paint the administration building, the volleyball court and a wall enclosing the school’s garden. Kinderzelt” to organise donations received and destined for the Ukrainian population.



Humanitarian emergency

GRI Argentina

Following a devastating storm in the area, GRI Argentina assisted employees who suffered damage to their homes with financial assistance to help repair the damage.



Social Welfare

GRI Southafrica

Celebrated “Nelson Mandela International Day”, under the motto “Do what you can, with what you have, wherever you are”. Taking this idea as a personal goal, employees make donations and try to make a difference in the lives of those closest to them. With this, hot meals were prepared for the community members and small gifts were given to the children to make their day a little more special.

GRI China

On the occasion of the International Children’s Day “Iraeta Sunshine love Fund” jointly organised an event under the motto “protection in children with love” with various activities for children of employees and children with low income. Among others, they visited the VR interactive space, intellectual games space, moot court, psychological counselling room, among other experiences. Finally, gifts and donations were given to each participant.





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Corporate governance



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GRI Renewable Industries S.L. was incorporated on 22 June 2008 under the name "Gonvarri Infraestructuras Eólica" and was called "Gestamp Wind Steel" before being renamed GRI Renewable Industries and absorbing Gonvarri Eólica.

The main office is located at Calle Ombu 3, on floors 2 and 12, 28045, Madrid.

In 2015, the Japanese group Mitsui & CO Ltd joined the company as a shareholder, acquiring 25% of the Company. In December 2019, 100% of the Spanish company FIHI Forging Industry, S.L. (trading name: GRI Flanges Iraeta), constituted through the spin-off of the Forjas Iraeta Heavy Industry, S.L. branch of activity on 26 July 2019, was sold to the Chinese company Iraeta Energy Equipment CO. Ltd.

Board members are responsible, among other things, for approving and committing to compliance with the rules of the Code of Ethics and Conduct. They are permanently informed of social, environmental and economic issues through the various communication channels.

The Company's governing bodies are the General Meeting of Shareholders and a Board of Directors, the Company's highest governing, supervisory, decision-making and controlling body.

The **Company's Articles of Association** set out the functioning of the Board of Directors, as well as the requirements and deadlines for convening the General Meeting. They do not provide for different ways of managing the company, so that a change in the management body would imply a change in the Articles of Association.

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Therefore, as of 31 December 2022, the **Board of Directors** of the Company is composed of six members.





In 2022, two changes were made to the Board of Directors, at the end of April following the resignation of Mr Ohashi, Mr Saito was appointed and in September following the resignation of Mr Komaki, Mr Suzue was appointed.

In terms of government members, 100% are over 46 years of age. Also, 66.6% are of local nationality and all (100%) are men (405-1).

The Management Committee meets every four months and is composed of the Chairman, the CEO, the Corporate Directors and the Plant Managers. These committees deal with all matters related to the strategic plan, new projects, financial, social and environmental aspects, and all matters considered relevant to the company's performance.

In line with our sustainability objectives, the "Carbon Neutral Strategic Plan 2030/50" was approved in December 2020. For its monitoring and measurement, a carbon neutral government was defined:

- **Coal Neutral Committee**, made up of: the General Manager, the Sustainability Manager, the Commercial Manager, the Purchasing Manager and the Operations Manager. The committee will include the participation of the managers of the different factories.
- **Operational team**, consisting of: the QEHS Director, the Sustainability Manager, the Customer KAM and the Indirect Purchasing Manager and the project managers in the different factories.

CONTENTS 2-10

Appointment and selection of the highest governance body

The Company is an unlisted company whose members of the Board of Directors represent all the shareholders and, therefore, there is no legal obligation to have representatives of other stakeholders. The Board of Directors shall represent the Company in all matters within the corporate purpose and relating to its business, without limitation, binding it by its acts and contracts, and may exercise any powers not expressly reserved by law or by the Articles of Association to the General Meeting of Shareholders, which shall take the relevant decisions in plenary session and delegate, where appropriate, the execution thereof. Specific or general powers of attorney may be granted to company employees or third parties to undertake specific aspects of those operations previously approved by this body. He/she is responsible for the economic, environmental and social affairs of the company, and is not required to be a shareholder to be appointed as a director, and may be either an individual or a legal entity. Likewise, the Articles of Association establish the conditions prohibiting the performance of the duties of director.

CONTENTS 2-11

The President holds an executive position

The Chairman of GRI Renewable Industries has executive functions and is also Chief Executive Officer. The powers to appoint Directors are vested exclusively in the General Meeting, which represents the interests of all shareholders.



CONTENTS 2-12 AND 2-13

Role of the highest governance body in oversight and impact management

The General Meeting shall be held within the first six months of each financial year in order to review the management of the company, approve, where appropriate, the accounts of the previous financial year and resolve any questions regarding the results. It shall be validly constituted to deal with any business, without the need for prior notice, provided that all the share capital is present or represented and the attendees unanimously agree to hold the meeting and its agenda. Unless other majorities are imperatively established, and except as provided for the adoption of Key Decisions that fall to the General Meeting of Shareholders, corporate resolutions shall be adopted by a majority of the votes validly cast, provided that they represent at least one third (1/3) of the votes corresponding to the shares into which the share capital is divided. Blank votes shall not be counted. The Board of Directors shall meet whenever its Chairman so decides, either on his own initiative or at the request of two of its members, and shall meet at least once a quarter and in any event within ninety (90) days after the end of the financial year. In 2022, the Board of Directors met seven times. Notice of meetings shall be sent by letter, telegram, fax or any other written or electronic means. The notice shall be addressed personally to

each of the members of the Board of Directors and shall contain the matters to be discussed at the meeting together with such information as will enable the directors to participate in an informed discussion of the items on the agenda. Where appropriate, the notice of the meeting shall state that the meeting may be attended, either in person or by proxy, either in person or by telephone conference, videoconference or equivalent system, and the technical means required for this purpose shall be indicated and made available which, in any case, shall enable direct and simultaneous communication between all those attending.

Unless all the Directors agree otherwise, notice shall be given thirty calendar days prior to the date on which the meeting is to be held, except in cases of extreme urgency, at the Chairman's discretion or at the request of any Director, which may be five (5) working days prior to the date of the meeting. The Board of Directors shall be validly constituted when at least four (4) of its members are present at the meeting and provided that at least one director from each shareholder is present or represented, and each director may be represented by another director in writing signed by the represented director and specifically for each meeting. However, if a board meeting cannot be convened due to lack of quorum, it may be reconvened with only 7 working days' notice and with the same agenda, in which case it shall be validly convened when a majority of its members are present or represented at the meeting. The adoption of resolutions in writing and without a meeting (including by written electronic means) shall be valid when no director objects to this procedure.

CONTENTS 2-14

Sustainability reporting

Board members are responsible, among other things, for approving and committing to compliance with the rules of the Code of Ethics and Conduct. They are permanently informed of social, environmental and economic issues through communication channels such as: regular meetings with the directors of the different areas, the Sustainability Report and the company's actions and initiatives. With regard to the Sustainability Report, this is coordinated through the Corporate Communication and Sustainability Department. Every two years it carries out a materiality study, with the participation of all the company's management, in which the key aspects for its stakeholders are included and developed throughout the report. Its function is transversal within the organisation, so it covers the different companies of the Group. Likewise, to ensure the reliability of the information, the Report is externally verified by an independent body.



CONTENTS 2-15

Conflicts of interest

Shareholders may not exercise the voting rights corresponding to their shareholdings when they are in any of the cases of conflict of interest established in article 190 of Royal Legislative Decree 1/2010, of 2 July, approving the Consolidated Text of the Capital Companies Act. The "General Conflict of Interest Policy", applicable to the entire group, is currently in the process of being approved, which complements the provisions of the Code of Ethics and Conduct. The purpose of the Policy is to establish the bases of the procedures to be followed in the Group in the prevention or, as the case may be, treatment of conflicts of interest in which the Group's directors, managers, employees and collaborators may find themselves in their relations with the Group, as well as with respect to conflicts that may arise with customers, suppliers and society in general, all in accordance with the provisions of the corporate and regulatory rules and the corporate governance system of GRI Renewable Industries. The Group is committed to conducting its business in such a way that the business judgement and decision making of its directors, officers, employees and executives is in no way influenced by their unlawful personal interests.

CONTENTS 2-16

Communication

The heads of the various divisions are in constant and fluid communication with the Board of Directors and the Company's management. Any important concerns are immediately transmitted by the heads of the different areas to the Management Committee, which, if necessary, transmits them to the Board of Directors, and regular meetings are organised in which all corporate professionals participate. These meetings are bidirectional: on the one hand, the head of the company informs all personnel of relevant aspects related to the management and situation of the company and receives feedback from the professionals on these issues and on those aspects of interest. The Board of Directors is also responsible for the approval and commitment to comply with the Code of Ethics, the Sustainability Policy, as well as the compliance policies. In addition, it may expressly empower company employees to undertake specific aspects of those operations previously approved by this body. In particular, in 2022 the "Donations and Sponsorship" procedure was approved and at the beginning of 2023 the following policies were approved: GRI Ethical Channel Regulations, GRI Tax Risk Management Policy, GRI Compliance Policy, GRI Corporate Policy for the exchange of information with competitors, GRI Corporate Risk Management Policy and GRI Policy against fraud and corruption, and the Human Rights Policy is pending. Finally, the consultation processes between stakeholders and the highest governance body are carried out through mechanisms for the exchange of information between the Board of Directors and stakeholders.

CONTENTS 2-17 AND 2-18

Knowledge and assessment

The performance of the Board of Directors is not evaluated, as some of the members, through their shareholdings, are the owners of the company and represent the majority of the share capital. The members of the Board of Directors are appointed by their own shareholders, so that other aspects relating to diversity, minorities, etc. are not taken into consideration. They shall hold office for an indefinite term, without prejudice to the power of the General Meeting of Shareholders to remove them and/or dismiss them at any time, in accordance with the provisions of the Law and the Articles of Association. The members of the Board of Directors shall perform their duties with the diligence of an orderly businessman and a loyal representative and shall keep confidential information secret, even after leaving office. The responsibilities of the Board include, among others, the approval and commitment to comply with the Code of Ethics and Conduct and the Sustainability Policy, and the Company's economic, social and environmental responsibilities are integrated into the different Divisions, whose senior managers submit any decision to be taken to the Board of Directors. In line with the sustainability objectives, the "Carbon Neutral 2030/50 Strategic Plan" was approved in December 2020. A Carbon Neutral Committee was approved for its monitoring and measurement, which monitors monthly to see the degree of progress in its fulfilment and define the measures necessary to achieve it. Among others, the CEO and several members of the Management Committee form part of this committee.



CONTENTS 2-19

Remuneration policies and processes

The office of director as such is free of charge, without prejudice to the payment of fees or salaries that may be credited to the Company for the provision of professional services or employment, as the case may be, arising from a contractual relationship other than that deriving from the office of director. In addition, and irrespective of the foregoing, when the administration and representation of the Company is entrusted to a Board of Directors and a member of the Board of Directors is appointed managing director or is attributed executive functions by virtue of another title, a contract must be entered into between the latter and the Company in accordance with the provisions of the Law. The contract shall detail all items for which remuneration may be obtained for the performance of executive duties, including, as the case may be, any compensation for early termination of such duties and the amounts to be paid by the Company in respect of insurance premiums or contributions to savings schemes. The contract shall be in accordance with the remuneration policy approved, as the case may be, by the General Meeting.

CONTENTS 2-20

The remuneration received by the members of the Parent Company's Board of Directors in 2022 amounted to 522 thousand euros (522 thousand euros in 2021). In 2022, as in the previous year, no contributions were made to pension funds or plans for the Parent Company's directors. Likewise, no obligations for these items have been incurred during the year. The directors of the Parent Company did not receive any remuneration in the form of profit-sharing or bonuses in 2022 and 2021. Neither have they received any shares or share options during the year, nor have they exercised any options, nor do they have any options pending exercise. No advances or loans were granted to the directors in 2022 or 2021. The total remuneration paid in 2022 to senior management personnel amounted to Euros 1,390 thousand (Euros 1,123 thousand in 2021), with no contributions to pension plans or insurance premiums, as in the previous year. At 31 December 2022 and 2021, there were no loans granted to senior management personnel. No advances or loans of any kind have been granted during the financial years 2022 and 2021. Source: section "(c) Compensation of key management personnel and directors" of the Auditors' Report, Consolidated Financial Statements and Consolidated Directors' Report as at 31 December 2022.

CONTENTS 2-25

With regard to the possible negative impacts of the activities carried out by GRI, through the Code of Ethics and Conduct, as well as the various ethics and compliance policies, the message is disseminated against any type of bribery, corruption, fraud, as well as behaviour towards professionals or collaborators that includes any form of harassment or discrimination. Likewise, the Anti-Fraud and Corruption Policy, the Corporate Risk Management Policy, the Corporate Policy for the exchange of information with competitors and the Compliance Policy, among others, include mitigation and prevention measures and controls. The ethics channel allows all internal and external stakeholders to communicate any complaints or allegations in the different areas (fraud, harassment, human rights, etc.).



Balance 2022

Group performance

201-1

Balance sheet

In recent years, GRI Renewable Industries has made an extraordinary investment effort to reach an amount close to 1 billion euros since its incorporation. The company's main financial figures are detailed below:

The **Economic Value Generated (EVG)** with a total of **1.183.571** thousand euros, distributed as follows:

Generated Economic Value

(thousands of euros)	2022	2021
Turnover	1.173.204	822.200
Financial revenue	6.941	4.111
Other revenue	3.426	7.731
> Total GEV	1.183.571	834.042

The **Economic Value Distributed (EVD)** with a total of **1.270.047** thousand euros, distributed as follows:

Distributed Economic Value

(thousands of euros)	2022	2021
Operational costs	921.678	606.662
CAPEX	196.742	89.789
Payment to capital providers	20.236	12.297
Taxes	38.977	32.457
Personnel	92.405	80.817
Investments in the Community	10	23
> Total DEV	1.270.047	822.045

Retained Economic Value (REC) - **86.477** thousand euros (12.008 thousand euros in 2021).

The **Net worth** of the company is **484.170** thousand euros (443.961 thousand euros in 2021).

207-4

Fees, taxes and charges

The localities where GRI Renewable Industries is present received a total of **39,164 thousand euros** in royalties, taxes and fees, which contribute to improving the quality of life and services of the inhabitants of the area. The distribution by country is shown below:

Local taxes	
COUNTRY	Thousands of euros
Brazil	7.815
China	16.545
Spain	14.609
India	-273
Turkey	709
USA	850
South Africa	-1.091
TOTAL	39.164

GRI Renewable Industries received 9,837 thousand euros (201-4) in tax aid from public authorities, broken down as follows:

Fiscal incentives		
	2022	2021
Tax reliefs and tax credits	5.688	3.635
Subvention	301	263
R&D&I	373	335
Financial benefits	3.475	3.700
TOTAL	9.837	7.933

With regard to other accounting obligations, most of the companies that make up the GRI Renewable Industries Group are required to prepare annual audit reports on their individual annual accounts due to the total volume of their assets, turnover and average number of employees. There are no qualifications in these reports.

In addition, the Group companies are up to date with their payments to the Social Security Treasury and their tax obligations.





Sustainable financing

In recent years, the number of financial agents that incorporate ESG (Environmental, Social and Governance) criteria in their decision making is growing significantly. GRI Renewable Industries, in addition to the financing line closed with the ICO for the period 2020-2024, signed the following operations in 2022: another sustainable loan with the ICO, and a sustainable factoring with BBVA. It should be noted that all ICO loans are subject to compliance with the Equator Principles, in addition to another new guarantee line. The monitoring KPIs defined for these operations are published below (4.1.2-3).

ICO funding line 2020-2024

Financing. KPIs Monitoring			
GRI Renewable Industries as at 31/12			
	2020	2021	2022
Digitisation: % Users using DWP tools	62,07%	67,35%	71,66%
% renewable electricity consumed	0%	0%	15%

Sustainable loan with the Instituto de Crédito Oficial (ICO), for the period 2022-2024

The proposed targets are related to the EcoVadis rating, considering the most recent score adjustment date (year 2022) and the increase of at least 1 point in the following years, compared to the previous year.

GRI Renewable Industries completed the information required by Ecovadis for the entire group in 2021. It obtained its rating at the beginning of 2022, as summarised below:

ECOVADIS (4 February 2022)				
Overall Score	Environment	Labor & Human Rights	Ethics	Sustainable Procurement
67/100	80/100	70/100	70/100	40/100

Factoring con el BBVA

To assess compliance, indicators have been established based on the number of towers and flanges produced that contribute to the generation of renewable wind energy.

GRI RENEWABLE INDUSTRIES SL (GROUP)

Madrid - España | Fabricación de productos metálicos para uso estructural, tanques, depósitos y recipientes de metal



67/100
93.º percentil



Taxation



Tax approach and management

207-1 AND 207-3

The growing concern for the management of tax matters by business groups, as well as the development of regulations by governments, contributes to the development of the growing trend in relation to the transparency of tax information. Within this framework, it is essential to manage tax information, both mandatory and voluntary, and to ensure that it meets the parameters required by the different stakeholders.

The Board of Directors, through its Chairman, Chief Executive Officer, its Directors and, in particular, through the tax area, promotes compliance with tax obligations and good tax practices through its Chief Executive Officer, its Executive Director and Management Teams, is responsible for approving and updating the GRI Group's Tax Risk Management Policy and all relevant transactions that require it, and is ultimately responsible to the shareholders for the existence, operation and supervision of the Group's Tax Risk Management System.

The principles and guidelines in the tax area are aligned with the long-term development strategy of the GRI Group, as well as with its mission, vision and ethical values, in accordance with which all the professionals and entities that form part of the Group have the firm intention of making progress in the continuous improvement of all its areas by carrying out sustainable development.

Furthermore, in developing its Tax Strategy, the Group has taken into account the Organisation for Economic Co-operation and Development (OECD) guidelines for multinational enterprises in tax matters and its recommendations in relation to co-operative tax compliance, as well as national and international best practices in tax governance.



Fiscal governance, control and risk management

207-2

The **Tax Strategy** applies to all companies that make up the GRI Group, which are majority owned, directly or indirectly, by their parent company. In those companies of the Group where it does not have a majority shareholding, but where there is a significant influence of its parent company, the GRI Group shall promote principles and guidelines consistent with those established in the Tax Strategy and shall maintain the appropriate information channels to ensure adequate knowledge of them.

This Strategy also applies to all GRI Group personnel in the exercise of their duties and responsibilities, and in all professional spheres in which they represent the GRI Group, including directors, officers, employees and collaborators, regardless of their position, responsibility or geographical location.

In addition, this Tax Strategy includes all tax obligations to which the Group is subject in the various countries and territories in which it operates.

Within this framework, the GRI Group's Tax Policy aims to ensure compliance with the applicable tax regulations and to ensure adequate coordination of the policy followed by the entities belonging to the Group, all of which avoids tax risks and inefficiencies in the execution of business decisions.

The **Tax Strategy** is reviewed on an annual basis and, in the event of changes in the applicable regulations or circumstances that warrant a review, this document will be updated accordingly, in order to ensure that the Strategy fulfils its purpose. The Board of Directors shall be the body responsible for approving and updating it.

With regard to risk control and management, the GRI Group's Corporate Tax Department, among others, is responsible for analysing legislative, jurisprudential and doctrinal developments in tax matters and for identifying, analysing and assessing tax risks, monitoring possible tax contingencies by country.

It also participates with the Compliance Committee and the Internal Audit and Compliance Department, among others, in updating the Tax Risk Map. Updates are carried out on an annual basis or when significant changes so require.

Significant risks are reported directly to those responsible, in order to establish mechanisms to monitor, control and minimise these risks.

The whistle-blowing channels are used to handle concerns or complaints from employees and external personnel. With regard to actions in the event of potential litigation, requirements, inspections, sanctions, risks arising, etc., once detected, the process of communication and coordinated risk management is initiated in accordance with the Code of Ethics and Conduct.



Taxation vs Sustainability (ESG)

Taxation is set to play a leading role in achieving the Sustainable Development Goals (SDGs) in the framework of the 2030 Agenda, enhancing the adoption of environmental, social and governance (ESG) agreements in investments. This has recently been highlighted by the European Economic and Social Council, for which fiscal policies are key to meeting the SDGs, as they determine the economic environment in which investment, employment and innovation take place, while providing the government with revenues to finance public spending.

For this reason, GRI has a team of tax experts who, in collaboration with the legal, financial and compliance departments, among others, update the Group's plans and policies in line with current and future requirements in the countries where they operate.

Currently, the tax system already provides for some instruments that can facilitate the achievement of the SDGs, notably those related to governance, climate change and efficiency, innovation and diversity. Some examples are summarised below:

- In line with the social action developed by GRI, the tax incentives for non-profit organisations and patronage stand out.
- In line with the GRI Group's anti-fraud, anti-money laundering and anti-corruption policies and mechanisms, the non-deductibility in corporate income tax (IS) of expenses arising from actions contrary to the legal system (bribes and other similar conduct that could encourage corruption) is noteworthy.

- In line with the Group's Tax Strategy, and from the perspective of tax governance itself, the growing importance of good tax governance and tax compliance for tax risk management stands out.
- In line with diversity and equality policies, the Corporate Income Tax (IS) deduction for job creation for workers with disabilities stands out.
- In line with its innovation strategy and the minimisation of the environmental impact of GRI's activities, tax incentives for R&D&I activities stand out.

We highlight two fiscal mechanisms that directly contribute to the achievement of GRI Renewable Industries' "Carbon Neutral 2030/50 Plan":

- In the area of sustainable mobility, the current IRPF regulations include measures aimed at promoting the use of public transport and energy-efficient vehicles by employees, which allow for the design of environmentally sustainable remuneration plans.
- Significant rebates for the promotion of renewable energies and collective transport plans in the field of local taxes (IBI, IAE and ICIO).

In addition, notable developments and initiatives are expected on taxation, such as the possible transformation of the tax system to align it with the SDGs, as well as the analysis of an optimal tax system that favours the internalisation of the environmental effects of economic activities, with two clear examples, in which GRI is clearly positioned:

- In the fight against climate change, both in its negative approach (creation of new taxes) and in its positive approach (reduction of taxes and establishment of tax incentives). There are many opportunities in this area, provided that the measures adopted are correctly defined, integrated into the tax system as a whole and properly coordinated with environmental policies in each country.
- In the circular economy, as a key lever to achieve the SDGs, helping to preserve and enhance natural capital, optimise resource use, and foster system efficiency, revealing and eliminating negative externalities (market failures).

GRI Renewable Industries is clearly convinced of the need for an international framework for environmental taxation that encompasses the real needs of the current situation, with environmental taxes that provide a permanent incentive for more respectful behaviour, reducing the tax burden and providing an incentive for innovation with new forms of production, transport and consumption that are less polluting, putting into practice the "polluter pays" principle.

Well-defined environmental taxes, combined with an ambitious but realistic action plan, can make a real difference to the environment, contributing to the achievement of the SDGs.



Compliance model

CONTENTS 2-23, 2-24 AND 3-3



Internal Audit & Compliance

The Company has a global corporate culture that preserves the same values and principles since its origin, but which is adapted to the local needs of each country, current market conditions and stakeholder demands. In 2017, the Compliance Department was established to coordinate all compliance initiatives, as well as to follow up and monitor training on the **Code of Ethics** and other compliance policies for all professionals. This department was formally approved by the Board of Directors.

In 2022, the **Internal Audit** area was created in order to formalise in an integrated manner the various risk detection and management mechanisms and processes already present in all the Group's business processes. Efforts in the compliance area focused mainly on improving the design of the compliance programme, on training activities and on the supervision and controls function related to the programme.

GRI Renewable Industries has formally established common policies and guidelines under the framework of the Code of Ethics and Conduct. By way of example, in 2022, the Donations and Sponsorship Procedure was approved. Likewise, the approval flows for a series of mandatory policies in two blocks were drawn up and initiated: policies in the area of transparency and good governance for approval by the Board of Directors; and policies in the operational and business area for approval by the Compliance Committee, all of them in 2023.

CONTENTS 2-23, 2-24, 2-25, 2-26 AND 3-3



Code of Ethics and Conduct

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

It is mandatory for employees, collaborators, managers and directors of the Group to be familiar with the full content of the Code and, in particular, the principles and rules of conduct set out therein. They are also required to undergo training in this area and to pass a test on the principles and guidelines contained in the Code.

In addition and together with the Code of Ethics, various internal regulations are developed that detail and deploy the values and principles in each of the areas of interest. These are updated and reported annually in successive sustainability reports.

The Ethics Committee, through the Ethics Channels, are the guarantors of receiving and responding to any improper situations, doubts, queries or malpractice expressed and applying the appropriate legal or disciplinary measures. In addition, they will carry out an annual audit plan to verify adequate dissemination and compliance.

The **"Ethics Channel"** is open to all employees, managers, directors and partners of GRI Renewable Industries, as well as other external stakeholders: customers, suppliers or society in general.

This allows both the resolution of doubts in the application of the Code of Ethics, and the reception of incidents and complaints related to alleged irregularities that may occur, contrary to the legislation and the established framework of behaviour.

It also centralises all the group's complaints, incidents and queries, which may arise from the availability of other channels in accordance with the legal requirements applicable in each country.

The primary management of the Channel is now carried out by an external provider, i2 Ethics (www.i2ethics.com), which is also the intermediary between the Ethics Channel user and the Compliance Committee, thus guaranteeing confidentiality as one of the channel's operating principles.

The Ethics Channel has various means of communication accessible to employees at all levels and to third parties. Through these means, it will be possible to make any enquiry, report any incident or report any incident. The channel is available in all the languages in which the Group operates.



Phone and WhatsApp

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Web

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



email

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Postal

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The Ethics Committee is the body in charge of promoting the values and conduct of GRI Renewable Industries, monitoring, communicating and disseminating the Code of Ethics and providing support in resolving any doubts regarding possible complaints or incidents through the whistleblowing channels.

During the 2022 financial year, the Ethics Committee received eight complaints, from Spain (3) and Brazil (5), with four pending resolution. The table below shows the distribution of these complaints:

Behaviour	Complaints received 2022	Complaints received 2021	Pending resolution
Harassment (406-1)		2	
Discrimination	4	2	2
Health and Safety	1		
Others	3	1	2
Total	8	5	4

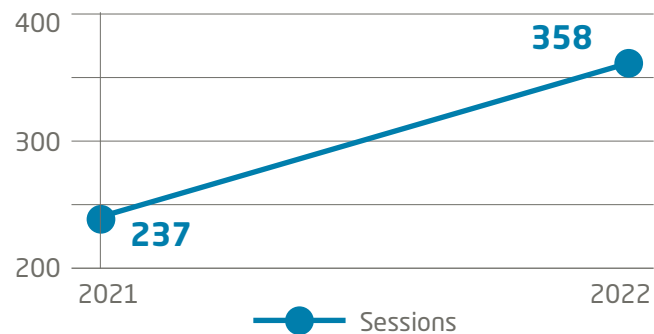
During the period under analysis, there was a reduction in the number of users, but on the contrary, a notable increase in the number of sessions and new users, as well as in the number of complaints.

Regarding the origin of the accesses, the registered visits come mainly from Spain, followed by the USA, Brazil, India, South Africa, Argentina, Turkey, China, Japan and the Philippines.

Direct access was preferred by complainants, followed by the web channel.

The channel has been available and online (SLA - Service Level Agreement) for the whole year 2022.

Evolution compared to the previous year -Sessions



CONTENTS 2-27

With regard to other proceedings brought against the company, litigation in progress and penalties, in 2022 there was an accident at work which resulted in a final administrative penalty in administrative proceedings, where legal action was taken.

There are no other proceedings that have a significant economic impact on the Group, in terms of:

- Unfair competition and monopolistic and anti-competitive practices (206-1).
- Health and safety impacts of product and service categories (416-2).
- Substantiated complaints regarding breaches of customer privacy and loss of customer data (418-1).
- Compliance with laws and regulations in the social, environmental and economic fields (307-1 and 419-1).
- on-compliances related to information and labelling of products and services (417-2).
- Non-compliance related to marketing communications (417-3).

At year-end, no significant claims or fines were received related to social, environmental, economic, labour practices and/or human rights aspects, exceeding €100,000 or which by their nature have a special impact on the Company.

It should be noted that no fraudulent activity or cases of corruption were found in the operations analysed (205-3) and that all the risks analysed, whether or not they are related to fraud/corruption, are associated with a control for their mitigation (205-1).

With regard to the Protection of Personal Data in the European Union, 24 queries of varying nature and complexity were received (22 successful and 2 pending resolution). No requests for the exercise of data subjects' rights were recorded this year. One security incident was recorded, which did not need to be reported to the Data Protection Agency.

Training

205-2 AND 412-2

In order to ensure that the policies and guidelines are known to all employees, a Training Plan has been developed, which includes both online and face-to-face training.

With the entry into force of the new Code of Ethics and Conduct (in 2020), the new "online" training model was designed and implemented through the mandatory "GRI Academy" for all employees. It was launched in March 2021 for all Iberia factories and offices and in 2022 it was extended to the rest of the countries in English and Spanish (except Brazil). The course includes information on "Prevention of Harassment" and "Fraud and Corruption".

Since its inception it has been taken by 420 professionals. In 2022, 39 people completed the course in Spanish for a total of 22 hours and 149 people in English for a total of 91 hours.



Internal Control Framework

Since 2015, GRI Renewable Industries has had a “**General Internal Control Framework**” based on the COSO methodology, which includes:

- Internal Control Policy and Committee
- Entity Level Key Controls Structure (ELC)
- Structure of key controls at process level

GRI has documented those processes that it considers to have a risk of material impact on the preparation of financial information. These describe the controls that allow an adequate response to the risks associated with the achievement of the objectives related to the reliability and integrity of the financial information in such a way as to prevent, detect, mitigate and correct the risk of errors occurring in good time.

The dissemination of processes, flowcharts and matrices is done through the specific portal in Leading the Change, remaining available for consultation by any member of the organisation, constituting another working tool.

As part of the internal control assurance function, key controls are assessed annually. For this purpose, processes with risks affecting financial reporting are considered, assessing their likelihood and impact from a qualitative and quantitative point of view.

As a result of this analysis for the 2022 financial year, two main methodologies were used to assess the effectiveness of the controls. On the one hand, and in a more generalised manner for almost all GRI plants and departments, independent testing of controls has been carried out for local processes in a total of 6 production centres, as well as for 10 centralised processes in corporate departments. On the other hand, as a complement to the independent tests carried out, self-assessment or hybrid processes have been carried out with part testing, part self-assessment, including 2 production centres and 3 centralised processes. Both procedures have provided full coverage of the processes and production centres in scope in the 2022 financial year. The action plans are largely in place or in progress at year-end. This helps to ensure the reasonableness and reliability of financial reporting, compliance with standards and applicable legislation.

It should be noted that in 2022, once the Covid-19 pandemic had been overcome, plant visits were resumed, with Internal Control having visited the Brazil - BR10/11/13, India - IN01/01 and Turkey - TR01 plants abroad, and the Galicia - ES71, Seville - ES76 and FIHI - ES80 plants in Spain.

In addition, during 2022, in the interests of continuous improvement, a general reassessment of processes is planned, considering those with the greatest impact on financial reporting, as well as the development of new processes to complete the internal control framework. This initiative has been reviewed with a time horizon of 2023-2025, which envisages a complete review of the framework, existing processes, the construction or updating of these, key processes, risks and associated controls.

In addition to this, in 2022, a reassessment of the overall internal control system will be carried out, and all objectives and components will be strengthened based on the COSO framework to make the system more robust. So, in order to carry out this continuous improvement of the process framework, and this reassessment of the internal control system in general, the new framework will be presented for approval at the beginning of 2023, as well as the three-year timetable 2023-2025 to carry it out.



Risks and opportunities

CONTENTS 3-3



Risk management

GRI Renewable Industries is subject to various risks inherent to its activity arising from its commercial, financial and economic operations, as well as the legal obligations it must comply with in the countries in which it operates.

To manage these risks of all types and nature, the group has various mechanisms and systems for detecting, assessing and managing risks within its own business processes and operations.

In 2022, the Internal Audit function was created, formalising in an integrated manner the mechanisms and processes necessary for risk detection and management.

The functions of the Internal Audit Department include providing advice and collaborating with the Group's management in the identification of risks and, in coordination with the entire organisation, helping to establish the necessary mechanisms and tools to ensure adequate risk management in line with the Group's strategic objectives.

In this regard, in the 2022-2023 period, the Group's Internal Audit department has begun the design and implementation of the "Continuous Audit" system, carried out remotely and managed through various tools:

- Skywind - system of automatic alerts defined and designed for the identification of risk events.
- Scorecards drawn up by process with key indicators

The objective of the continuous remote audit is the efficient identification of incidents for the early detection and improvement of business processes. We focus on indicators that show a deviation or non-compliance with internal regulations. The Continuous Audit system involves a methodology that starts with the identification of incidents, analysis of the causes and the issuing of recommendations. The monitoring system itself allows continuous follow-up of compliance with the recommendations issued.

Financial reporting risk

The Group's activities are exposed to the various factors of uncertainty that are conditioning the normal development of the financial markets.

Factors such as exchange rates, interest rates, prices, credit availability and asset remuneration are being affected not only by the usual market circumstances, but also by global political circumstances and decisions, the consequences of which do not always have the desired effect in each region and country.

The Group's policy, through the Group's Financial Management, in this situation, focuses on maintaining the highest possible level of liquidity, thus facilitating negotiations with financial institutions and minimising risk in the development of its ordinary activities and investment plans. This policy also enables it to stay within the market, taking advantage of opportunities and favourable moments and avoiding difficult and unfavourable ones.

The occasional use of hedging instruments, as part of the above policy, is a favourable option within the framework of the prudent criterion that governs its actions.

a) Market risk

Foreign exchange risk, arising from international operations, being exposed to the various currencies in which it operates. Foreign exchange risk arises from commercial transactions, recognised assets and liabilities and from the translation of financial statements whose functional currency is not the same as the Consolidated Group's presentation currency, mainly the Brazilian Real, the Indian Rupee, the US Dollar, the South African Rand and the Chinese Remimbi.

To minimise this risk, it has an exchange rate management policy. To articulate this policy, the Group prepares periodic reports detailing all flows receivable or payable in currencies other than the euro that will materialise within a certain period. Once these flows have been defined and the possible impacts have been analysed, the Group can incorporate, on an ad hoc basis, a series of financial instruments that allow flexibility in making the best possible decisions. The instrument used in most cases is the forward currency purchase and sale, in which a known rate is set with a specific maturity date, which can be adapted to the cash flows expected to be obtained from the trading operation itself.



The main foreign exchange exposure is mainly due to the translation of the financial statements of subsidiaries whose functional currency is different from the Group's presentation currency. Cash flow interest rate risk and fair value risk, arising from borrowings in euro currency and at variable rates, which exposes the Group to cash flow interest rate risk.

In order to minimise this risk, given the macroeconomic evolution of interest rates in each of the countries in which the Group operates, and the impact that this variation may have, the Group has entered into fixed interest rate hedges for an amount of Euros 60,000 thousand recorded under "Derivative financial instruments" in the long term.

b) Credit risk

The credit quality of financial assets that have not yet matured and have not yet suffered impairment losses is assessed on the basis of the credit rating granted by external agencies or through the historical rate of bad debts.

Exposure to variability in the quality of debtors is managed on a group basis. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions and mainly from outstanding receivables.

To minimise this risk, if customers have been independently rated, these ratings are used; if there are no independent ratings, credit control assesses their creditworthiness. Individual credit

limits are set on the basis of internal and external ratings in accordance with the limits set by the Group's risk committee. The use of credit limits is regularly monitored jointly by commercial and general management.

The Group has also taken out insurance policies with several credit institutions to cover possible customer insolvencies that the Risk Department deems necessary.

No credit limits were exceeded during the reporting periods, and management does not expect any losses from default to be incurred by any of the counterparties indicated. At the end of financial years 2022 and 2021, all of the Group's customers had no past defaults.

In accordance with the Group's risk management policy, all financial institutions with which funds are deposited must have a minimum rating of BB+, so Group management has not considered any impairment of these assets.

Within the opportunities, financial risk prevention mechanisms allow for better control over growth and investments, diversifying in other countries and compensating for any risks or incidents that may arise, for profitable and sustainable growth.

Fiscal risks

These are considered to be those arising from non-compliance with its tax obligations and its relations with the tax authorities in all the countries in which it operates. These risks are detailed in the Annual Accounts Report.

For their mitigation, the Corporate Tax Risk Management Policy and the Transfer Pricing Manual establish the mechanisms for their control and the risk map is updated annually, assessing each risk according to its seriousness, establishing the necessary controls that contribute to their mitigation.

Among the opportunities, tax risk prevention mechanisms allow us to have better control over the value creation we contribute to generating in the countries in which we operate.

Risk management: new projects

This includes risks arising from possible changes in the company's strategic lines or the situation in the country, such as political and regulatory changes, currency depreciation, energy policies, trade restrictions, etc.

To mitigate this, when a new project is developed, a thorough study is carried out in which all quantitative and qualitative aspects of the project are assessed and analysed, as well as potential risks, by the various company departments prior to its presentation to the Board of Directors.

All actions and the possible risks arising from them are analysed on an ongoing basis by management and the Company's teams, enabling them to be detected and corrective measures and opportunities for improvement to be implemented quickly and swiftly.



Strategic and environmental risks

These include those arising from possible changes in the Group's strategic lines or the situation in the countries in which it operates (political and regulatory changes, currency depreciation, etc.).

In order to mitigate these risks, country and global risk analyses are carried out through the "Feasibility and Development Analysis Methodology" and external Due Diligences.

Furthermore, geographic and business diversification, as well as compliance policies, investment in innovation, financial currency hedging and insurance policies, minimise this risk.

In the year 2022, actions aimed at compliance with the regulation of sanctions programmes, which limit commercial operations against a country or territory, or certain organisations, persons or entities, and specifically, in this period, those derived as a consequence of the sanctions imposed by the EU as a result of the war in Ukraine, stand out.

Among the opportunities, the impact of these changes on the local economy (new business opportunities, jobs, taxes, etc.) stands out.

Operational risks

These are risks arising from technological, infrastructure or quality failures, problems arising from processes and process management, human error, external factors, etc. involving quality failures in the product and delivery times, among others.

The company's efforts are aimed at maintaining and improving customer relationships, adapting to customer needs, expanding the portfolio of products and services and increasing global presence.

Among the control mechanisms available to the Group for the identification of events with operational or process impact is the "Continuous Audit" system, carried out through various tools, where numerous alerts are available for the identification of errors and/or control weaknesses in operational and business processes. This system is currently being developed and implemented.

To mitigate this, risk policies are in place and numerous initiatives and projects for improvement, measurement and efficiency, contingency plans, etc. are being developed.

A clear opportunity derives from the efficiency of products and processes, which reduces consumption, production times, waste, etc., thereby improving costs and profitability. Moreover, through innovation, the company adapts to the needs of the market.

Reputational, ethical and human rights risks

These are those caused by possible behaviour contrary to the guidelines set out in GRI Renewable Industries' codes and policies on ethics, human rights and anti-corruption.

To mitigate this, through the Corporate Compliance Department and those responsible in the different plants, we focus on global communication and training on compliance policies and codes applicable to all personnel in the countries in which we operate. Likewise, the Compliance Committee and the relevant communication channels (Ethics Channel) remain in place to respond to any complaints and conflicts that may arise.

Through these mechanisms, we have minimised risks and improved communication and management of the local economic impact of the factories (local suppliers, local employment, improvement of the economy in the area, payment of taxes, etc.).

Opportunities include numerous actions to strengthen the Group's ethical principles, minimise risks and boost the company's reputation.



Health and safety related risks

The Health and Safety of workers is a strategic factor and an obligation, always present in decision making and in the development of work plans focused on the constant improvement of safety and working conditions in factories and offices.

To mitigate them, through the Integrated Policy, awareness and training measures, as well as management systems, under the ISO 45001 standard and the IPRL system of excellence, we actively manage each and every one of the risks identified, implementing preventive and corrective measures to reduce both the probability and severity of any undesired event, with common criteria and requirements exceeding those established in the applicable legislation.

This allows us to identify and develop actions and opportunities for improvement that contribute to improving the working environment and climate of the different professionals.

IT security, process and data protection risks

Today, systems are a critical element in the execution of processes and implementation of business strategy, even more so in a collaborative and innovative environment based on emerging technologies and in an increasingly turbulent business context. Furthermore, cyber threats continue to grow in ingenuity and frequency, online fraud continues to evolve thanks to new social engineering techniques and are responsible for millions of dollars in losses for businesses around the world.

Aware that employee training and awareness is the main countermeasure to efficiently curb most of the entry vectors for this type of threat, we have an Annual Cybersecurity Training Plan in which we lay the foundations for better detection and response to any type of incident.

To mitigate these risks, GRI's IT department lives a challenging balance between the need for digital innovation across the Group and the need to maintain and operate on current systems and processes.

To this end, it integrates risk analysis from the design phase of each change and in the face of a pre-established catalogue of potential threats, always acting with a focus on continuous improvement, seeking operational excellence. It also establishes the necessary policies and mechanisms to safeguard the privacy of information and the protection of customer and supplier data, as well as to manage and treat documentation appropriately.

To comply with information and data security and protection standards, it develops procedures and implements control mechanisms in accordance with international standards such as: ISO27001, CISA and NIST.

In addition, the training of GRI professionals plays a fundamental role in risk mitigation measures. In 2022, as in previous years, the "Information Security" course was updated and launched from the Academy platform, with a success rate of 85% of participants.

Periodic awareness-raising and refresher exercises are also conducted, such as the one on Ethical Phishing (in October and December) to detect suspicious emails and prevent any information theft. Due to the increase in these attacks, in 2023 these courses will be held on a quarterly basis.

These measures make it easier to respond to audits (internal and external) and to requests for information from major customers, suppliers, employees and other stakeholders.

New opportunities arise from these important challenges, such as the development of new IT capabilities to increase productivity and efficiency. In addition, the IT area is actively involved in the various innovation initiatives, especially those related to the "Industry 4.0" paradigm, with the deployment and maintenance of the new MES system.

Climate change risks

201-2

The current environment shows that the risks associated with environmental, social and governance (ESG) issues such as climate change are becoming increasingly relevant. It is therefore necessary to incorporate it into the company's decision-making, business strategy, management and performance.

To mitigate them, in 2020 the potential transversal risks that could affect the business were analysed at corporate level, with the aim of transferring and specifying these risks to the different countries and facilities over the next two years. To this end, the "Task Force on Climate related Financial Disclosures (TCFD) of the Financial Stability Board (FSB)" standard was used as a reference and integrated into the company's global risk map.

The Carbon Neutral 2030/50 Plan summarises the improvement opportunities defined to minimise its impact, meet the expectations of customers and society, and improve the positioning of GRI Renewable Industries in the market.

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The principle of precaution and continuous improvement is also incorporated through the Code of Ethics and Conduct, the Integrated Policy and the Sustainability Policy.



Main risks in 2022

In 2022, GRI Renewable Industries continues to face the different risks arising from the market situation in the countries in which it operates, as well as all those arising from the situation generated as a result of the global pandemic of COVID 19, which has hit since the beginning of 2020. The effects of the pandemic have been multiple, affecting at some point, to a greater or lesser extent, all geographical areas. On the other hand, the war in Ukraine and the sanctions against Russia have generated tensions in the supply chain and different impacts at a global level.

Against this backdrop, the Group has been evaluating and implementing different measures and adjusting them to each situation and geographical area in order to reduce the impacts derived from the current economic and social context.

Most relevant risks identified:

- General economic and social instability as a consequence of the COVID19 pandemic and, from March 2022, the armed conflict over the Russian invasion of Ukraine, and its enormous social and economic impact on the entire European Union.
Supply chain impacts from the enforcement of restrictions on the import and export of goods to Russia and the application of trade sanctions by the European Union as a result of the Ukraine-Russia conflict.
- Growing concern about the conflict between China and Taiwan and the social and economic consequences of a possible armed conflict.
- Cyber threats and online fraud, which are increasingly present and with ever more sophisticated mechanisms that make it difficult to design and implement efficient controls to mitigate them.
- The growing legislative production, not only in Spain but also internationally, as well as the increasingly demanding requirements of customers. This makes legal compliance with all the regulations and requirements in the different areas of application more complex, also making it necessary to expand the organisation's structures.
- The situation of political polarisation in certain countries where the Group is present.
- Tension in supply chains as a result of logistical and production misalignments due to COVID19.
- Production stoppages in the Group's factories as a result of unplanned staff departures caused by COVID19.
- Volatility in the price of raw materials and, therefore, in the valuation of the stock available in the factories.

- The risks arising from protectionist policies and the establishment of tariffs among the main players in international trade.
- Risks arising from various geopolitical changes involving trade restrictions, embargoes and sanctions.
- Tendency towards concentration of large customers, which reduces their number.
- The notable increase in opinions with nationalist and Eurosceptic stances.
- The growth of environmental, social and governance (ESG) awareness, as well as risks from climate change, natural disasters and disease.
- Internal risk to achieve operational excellence in some countries.
- The general economic crisis as a result of the various uncertainties described above, those arising from the continuous regulatory changes that require adaptation of the Group's processes, exacerbated by the long-term effects of COVID 19 and the need to adapt quickly to changes in markets and customers.

The effects of the Pandemic continue to have a significant impact on society. Furthermore, since March 2022, the armed conflict initiated by Russia's invasion of Ukraine has generated a huge social and economic impact across the European Union, with restrictions and huge price increases in energy and raw materials, generating various levels of uncertainty, tensions in the supply chain and effects on prolonged economic impacts that will affect future financial years in an unquantifiable way.



Associations and organisations



CONTENTS 2-28

GRI Renewable Industries establishes relationships with local public bodies on a disinterested basis and with full transparency in accordance with the guidelines of the Code of Ethics.

It does not make financial or in-kind contributions to political parties, or through sponsorship or donations, contrary to the law. Its relationship with the administrations is transparent and responsible, and is mainly related to matters affecting its sector, which are normally channelled through the associations. In 2022, the approval of the Donations and Sponsorship Procedure (415-1) stands out.

The following is a summary of various visits and meetings held in 2022 with the relevant administration in each case. .

GRI Galicia. Within the framework of the "Recovery Plan to be sustainable and green", the local government visited the facilities of GRI Towers Galicia for its contribution to the promotion of renewable energies. The government delegate mentioned that "GRI is a model company in terms of energy transition, where quality employment, collaboration between the government and companies and the boost given to energy is remarkable".

GRI South Africa. The new Spanish Ambassador to South Africa visited GRI South Africa's facilities in Atlantis, to learn first-hand about the reality of the main Spanish investments in the country and to be able to contribute to their development.

GRI Turkey received the visit of the director of the Employment Agency of Bandirma, in order to learn about its work on wind energy and to inform about the framework of the new governmental incentives that are being implemented in the country.

GRI Sevilla, received the Minister for Industrial Policy and Energy and his Deputy Minister, among other authorities, during their institutional visit to the facilities at the Port of Seville. During the tour of the facilities, the plant managers provided information on the manufacturing process of the offshore wind towers and the volume of production.

GRI Calviño Towers Argentina received the visit of the Minister of Labour of Buenos Aires, on the occasion of the signing of a new training centre for metallurgical operators, in which the Florencio Varela city council and the National Institute of Industrial Technology participate.





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ANNEX I Independent Review Report



Building a better working world

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INDEPENDENT LIMITED ASSURANCE REPORT OF THE SUSTAINABILITY REPORT 2022 OF GRI RENEWABLE INDUSTRIES, S.L.

To the Management of GRI RENEWABLE INDUSTRIES, S.L.:

Scope

As commissioned by the Management of GRI RENEWABLE INDUSTRIES, S.L. (hereinafter, GRI RENEWABLE INDUSTRIES), we have carried out the review of the "Sustainability Report 2022". This information has been prepared in accordance with GRI Sustainability Reporting Standards (GRI Standards), as detailed in "Methodology and profile of the report".

The scope considered by GRI RENEWABLE INDUSTRIES for the preparation of the Report is defined in "Scope consolidation of GRI Renewable Industries S.L. and subsidiaries".

The preparation of the "Sustainability Report 2022", as well as its content, is the responsibility of the Management of GRI Renewable Industries, which is also responsible for defining, adapting and maintaining the management and internal control systems from which the information is obtained. Our responsibility is to issue an independent report based on the procedures applied in our review.

Criteria

Our review was carried out based on:

- ▶ The guidelines for reviewing Corporate Responsibility Reports, issued by the Spanish Official Register of Auditors of Accounts (ICJCE).
- ▶ Standard ISAE 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standard Board (IAASB) of the International Federation of Accountants (IFAC), with a limited assurance scope.

Applied procedures

Our review consisted in requesting information from the Sustainability Department and the various business units participating in the preparation of the "Sustainability Report 2022", applying processes and analytical procedures, and sampling review tests as described in the general terms below:

- ▶ Interviews with the staff in charge of the preparation of the sustainability information in order to gain a deep understanding of how the objectives and sustainability policies are considered, set into practice, and integrated within GRI Renewable Industries's global strategy.
- ▶ Reviewing the processes for the compilation and validation of the information presented in the Report
- ▶ Checking the processes held by GRI Renewable Industries in order to define the material aspects and stakeholder participation.
- ▶ Reviewing the adaptation of the structure and content of the Report, as indicated in the GRI Standards sustainability reporting framework of the Global Reporting Initiative.

- ▶ Checking selected samples of the quantitative and qualitative information of the contents included in Annex "GRI Content Index", as well as their adequate compilation from data supplied by information sources. The review tests have been defined to provide the aforementioned assurance levels.
- ▶ Checking that the financial information included in the Report has been audited by independent third parties.

These procedures have been applied to the contents in Annex "GRI Content Index", with the aforementioned scope.

The scope of our review is considerably lower than a reasonable assurance report. Therefore, the degree of assurance is also less extensive. This report in no case should be considered as an audit report.

Independence and quality control

We have complied with the requirements of independence and the other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA, for its acronym in English). Our firm applies the International Standard on Quality Control 1 (ISQC 1) and maintains, as a result, a global quality control system that includes documented policies and procedures related to compliance with ethical requirements, professional standards, and legal and regulatory provisions. Our work has been performed by a team of sustainability experts with a wide experience in reviewing this type of information.

Conclusions

As a result of our limited review, we conclude that no matter came to our attention that would indicate that the contents included in the link "GRI Content Index" of the Report has not been prepared, in all material respects, according to the GRI Standards sustainability reporting framework, which includes the data reliability, the adequacy of the information presented and the absence of significant deviations and omissions. This report has been prepared solely for the management of GRI Renewable Industries, in accordance with the terms set out in our engagement letter.

ERNST & YOUNG, S.L.

(Free translation from the Original Report on Independent Review in Spanish dated April 21th, 2023. In the event of any discrepancy, the Spanish version always prevails.



ANNEX II

Methodology and profile of the report

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The Sustainability Report is published annually (as is the financial information), including information from 1 January 2022 to 31 December 2022.

The objective is to communicate the most relevant performance, aspects and initiatives, with an approach aligned with the company's understanding of sustainability, its commitment to the SDGs and its impact on the company's management.

GRI Renewable Industries has different corporate and non-corporate systems for collecting information, with two specific reporting platforms for Sustainability and Climate Change.

The scope of the Report includes the entire group except for the Yanzhou Shandong factory in China undergoing restructuring. Compared to the previous year, the new SIHI V factory has been included in the scope of the Report and two new factories in Poland and Turkey are under construction.

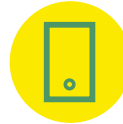
The process of preparing this Annual Report has followed the Global Reporting Initiative (GRI) international standard as a reference for those requirements considered material and/or relevant to the group.

The GRI Content Index is annexed to this report, together with the independent external assurance report with EY.

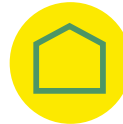
For general questions about this report, please contact:



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There has been no restatement of information with respect to the previous year. The content has been adapted to the materiality study and to the changes established in the reference guides: GRI 1: Fundamentals 2021, GRI2: General Contents 2021 and GRI 3: Material Issues 2021.



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ANNEX III. Quantitative information

Human Resources

OWN PERSONNEL BY COUNTRY, GENDER AND AGE												
	MANAGERS				MIDDLE MANAGERS				PLANT & OFFICE			
	18-25	26-35	36-45	46	18-25	26-35	36-45	46	18-25	26-35	36-45	46
	MEN											
Argentina	0	0	3	5	1	8	5	3	11	60	34	19
Brazil	0	0	1	1	0	1	6	0	23	220	277	87
China	0	2	11	18	0	9	18	6	132	408	390	457
Spain	0	1	8	17	0	22	58	40	30	163	246	231
USA	0	2	3	2	0	8	10	3	48	69	41	41
India	0	6	11	8	13	72	17	2	42	46	187	77
S. Africa	0	1	3	2	1	5	9	1	0	22	20	21
Turkey	0	0	0	1	0	0	4	2	46	146	113	36
	0	12	40	54	15	125	127	57	332	1.134	1.308	969
WOMEN												
Argentina	0	0	1	0	0	0	0	0	0	5	1	1
Brazil	0	0	0	0	0	0	1	1	5	15	38	8
China	0	2	0	1	0	5	5	4	28	92	102	86
Spain	0	0	1	3	0	8	20	5	3	28	26	22
USA	0	0	3	1	0	0	1	0	3	6	0	8
India	0	0	0	0	0	0	0	0	0	0	0	0
S. Africa	0	0	0	0	0	1	0	2	0	1	3	1
Turkey	0	0	0	0	0	0	1	0	0	5	2	0
	0	2	5	5	0	14	28	12	39	152	172	126

EXTERNAL STAFF BY COUNTRY AND GENDER				
	SUBCONTRACT		TTE'S	
	MEN	WOMEN	MEN	WOMEN
Argentina	6	2	0	0
Brazil	161	0	0	0
China	0	0	0	0
Spain	16	12	76	11
USA	0	0	3	1
India	198	12	0	0
S. Africa	6	4	0	0
Turkey	15	0	0	0
	402	30	79	12

DISTRIBUTION OF PERSONNEL BY COUNTRY, GENDER, TYPE AND DURATION OF CONTRACT										
	TYPE OF CONTRACT						DURATION OF CONTRACT			
	PERMANENT		TEMPORARY		SCHOLARSHIP		FULL-TIME		PART-TIME	
	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN
Argentina	149	8	0	0	0	0	149	8	0	0
Brazil	616	68	0	0	0	0	616	68	0	0
China	1.451	325	0	0	0	0	1.451	325	0	0
Spain	769	111	44	4	3	1	813	113	3	3
USA	227	22	0	0	0	0	227	22	0	0
India	468	0	0	0	13	0	481	0	0	0
S. Africa	83	8	2	0	0	0	85	8	0	0
Turkey	348	8	0	0	0	0	348	8	0	0
	4.111	550	46	4	16	1	4.170	552	3	3

EMPLOYEES LOCAL NATIONALITY BY GENDER, CATEGORY AND COUNTRY						
	MEN			WOMEN		
	MANAGERS	MIDDLE MAN.	PLANT & OFFICE	MANAGERS	MIDDLE MAN.	PLANT & OFFICE
	Argentina	6	14	114	1	0
Brazil	1	6	606	0	2	66
China	31	33	1.387	3	14	308
Spain	23	106	647	3	32	74
USA	0	17	192	1	0	17
India	25	104	352	0	0	0
S. Africa	0	16	61	0	3	5
Turkey	1	6	341	0	0	7
	87	302	3.700	8	51	484

DISTRIBUTION OF DISABLED EMPLOYEES BY GENDER AND COUNTRY.						
	MEN			WOMEN		
	MANAGERS	MIDDLE MAN.	PLANT & OFFICE	MANAGERS	MIDDLE MAN.	PLANT & OFFICE
	Argentina	0	0	0	0	0
Brazil	1	0	22	0	0	5
China	0	0	2	0	0	0
Spain	0	0	12	0	0	1
USA	0	0	4	1	0	0
India	0	0	0	0	0	0
S. Africa	0	0	1	0	0	0
Turkey	0	0	9	0	0	0
	1	0	50	1	0	6



	HIRES men												HIRES women												
	Managers				Middle Managers				Plant & office				Managers				Middle Managers				Plant & office				
	18-25	26-35	36-45	46	18-25	26-35	36-45	46	18-25	26-35	36-45	46	18-25	26-35	36-45	46	18-25	26-35	36-45	46	18-25	26-35	36-45	46	
Argentina	0	0	0	0	0	1	1	0	10	22	16	13	0	0	0	0	0	0	0	0	0	1	0	0	0
Brazil	0	0	0	0	0	0	0	0	8	33	22	3	0	0	0	0	0	0	1	2	5	1	0	0	0
China	0	0	1	1	0	0	0	0	94	150	116	115	0	0	0	0	0	0	0	18	18	20	11	0	0
Spain	0	0	1	0	0	3	3	3	24	65	61	25	0	0	1	0	0	1	1	8	2	1	0	0	0
USA	0	0	1	1	0	2	1	0	65	42	25	20	0	0	0	0	0	0	2	8	0	4	0	0	0
India	0	0	0	0	3	10	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
S. Africa	0	0	1	0	1	1	1	0	0	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Turkey	0	0	0	0	0	0	0	0	12	17	8	2	0	0	0	0	0	0	0	0	2	1	0	0	0
	0	0	4	2	4	17	7	3	213	330	249	178	0	0	1	0	0	1	0	2	23	42	24	16	

	DISMISSAL LEAVING men												DISMISSAL LEAVING women												
	Managers				Middle Managers				Plant & office				Managers				Middle Managers				Plant & office				
	18-25	26-35	36-45	46	18-25	26-35	36-45	46	18-25	26-35	36-45	46	18-25	26-35	36-45	46	18-25	26-35	36-45	46	18-25	26-35	36-45	46	
Argentina	0	0	0	0	0	0	2	0	3	31	18	6	0	0	0	0	0	0	0	0	1	1	0	0	0
Brazil	0	0	0	0	0	0	1	0	1	11	11	2	0	0	0	0	0	0	0	0	5	0	0	0	0
China	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Spain	0	0	0	0	0	0	1	1	1	3	3	2	0	0	0	0	0	0	0	0	0	0	0	0	0
USA	0	0	0	0	0	2	1	0	17	20	13	6	0	0	0	0	0	0	1	2	1	0	0	0	0
India	0	1	0	0	0	16	1	0	0	0	1	4	0	0	0	0	0	0	0	0	0	0	0	0	0
S. Africa	0	0	0	0	0	0	0	0	0	0	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Turkey	0	0	0	0	0	0	0	0	0	18	8	3	0	0	0	0	0	0	0	0	0	0	0	0	0
	0	1	0	0	0	18	6	1	22	83	56	23	0	0	0	0	0	0	0	1	8	2	0	0	

	OTHER CAUSES LEAVING men												OTHER CAUSES LEAVING women												
	Managers				Middle Managers				Plant & office				Managers				Middle Managers				Plant & office				
	18-25	26-35	36-45	46	18-25	26-35	36-45	46	18-25	26-35	36-45	46	18-25	26-35	36-45	46	18-25	26-35	36-45	46	18-25	26-35	36-45	46	
Argentina	0	0	0	0	0	0	0	0	3	19	22	10	0	0	0	0	0	0	0	0	0	0	0	0	0
Brazil	0	0	0	0	0	0	0	0	0	7	4	1	0	0	0	0	0	0	1	1	1	1	0	0	0
China	0	0	0	0	0	0	0	0	124	161	85	78	0	0	0	0	0	0	0	7	9	7	0	0	0
Spain	0	0	0	0	0	0	6	5	8	21	16	30	0	0	0	0	0	2	0	4	2	2	0	0	0
USA	0	0	0	2	0	4	2	0	33	37	31	11	0	0	1	0	0	0	0	8	1	1	0	0	0
India	0	0	0	0	0	8	0	0	5	8	7	0	0	0	0	0	0	0	0	0	0	0	0	0	0
S. Africa	0	0	1	1	0	1	2	0	0	20	23	15	0	0	1	0	0	0	0	1	1	0	0	0	0
Turkey	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	1	3	0	13	10	5	173	273	188	145	0	0	2	0	0	0	3	0	1	21	14	11	



TRAINING BY CATEGORY AND COUNTRY

	MEN			WOMEN		
	MANAGERS	MIDDLE MANAGER	PLANT & OFFICE	MANAGERS	MIDDLE MANAGER	PLANT & OFFICE
Argentina	52	843	3.397	0	52	94
Brazil	1	411	15.757	0	49	1.554
China	406	462	104.025	42	196	23.100
Spain	189	1.955	4.718	50	118	551
USA	19	169	2.736	4	7	248
India	69	310	399	0	0	0
S. Africa	16	24	5.230	0	0	160
Turkey	12	133	15.041	0	21	99
	764	4.306	151.302	96	443	25.806



ANNEX IV

GRI Content Index ¹⁰²⁻⁵⁵

The contents of this index have been externally verified by the independent entity EY. The related independent review report for verification can be found in the Annex of this document. Information omissions are included as a note in italics on appropriate indicators.

General

GRI 2	GENERAL CONTENTS	Material Yes / No	Page
CONTENTS 2-1	Details of the organisation	No	9 y 81
CONTENTS 2-2	Entities included in sustainability reporting	No	3, 5 y 10
CONTENTS 2-3	Reporting period, frequency and contact	No	101
CONTENTS 2-4	Restatement of information	No	101 & 102
CONTENTS 2-5	External verification	No	101
CONTENTS 2-6	Activities, value chain and other business relationships	No	13, 14, 15, 16, 17, 18, 70 & 101
CONTENTS 2-7	Employees	Yes	41
CONTENTS 2-8	Non-employee workers	No	NA

Governance (ESG)

GRI 2	GENERAL CONTENTS	Material Yes / No	Page
CONTENTS 2-9	Governance structure and composition	Yes	81
CONTENTS 2-10	Nomination and selection of the highest governing body	Yes	82
CONTENTS 2-11	Chairman of the highest governing body	Yes	82
CONTENTS 2-12	Role of the highest governance body in overseeing impact management	No	82
CONTENTS 2-13	Delegation of responsibility for impact management	No	82
CONTENTS 2-14	Role of the highest governance body in sustainability reporting	No	83
CONTENTS 2-15	Conflicts of interest	Yes	84
CONTENTS 2-16	Communicating critical concerns	Yes	84
CONTENTS 2-17	Collective knowledge of the highest governance body	No	84
CONTENTS 2-18	Performance evaluation of the highest governance body	No	84
CONTENTS 2-19	Remuneration policies	No	85
CONTENTS 2-20	Process for determining remuneration	No	85



Governance (ESG)

GRI 2	GENERAL CONTENTS	Material Yes / No	Page
CONTENTS 2-22	Sustainable Development Strategy Statement	No	3, 4, 5 y 6
CONTENTS 2-23	Policies and commitments	Yes	90 & 96
CONTENTS 2-24	Mainstreaming political commitments	Yes	90
CONTENTS 2-25	Processes to remedy negative impacts	Yes	85 & 90
CONTENTS 2-26	Advisory mechanisms and ethical concerns	Yes	90
CONTENTS 2-27	Compliance with laws and regulations	Yes	91
CONTENTS 2-28	Membership of associations	No	98
CONTENTS 2-29	Approach to stakeholder engagement	No	19
CONTENTS 2-30	Collective bargaining agreements	No	42

GRI 3	TOPICS MATERIALS	Material Yes / No	Page
CONTENTS 3-1	Process of determining the material issues	Yes	20
CONTENTS 3-2	List of material items	Yes	21
CONTENTS 3-3	Management of material issues	Yes	25, 33, 43, 57, 90, 93 & 96

GRI 201	ECONOMIC PERFORMANCE	Material Yes / No	Page
201-1	Direct economic value generated and distributed	No	86
201-2	Financial implications and other risks and opportunities arising from climate change	Yes	96
201-3	Defined benefit and other pension plan obligations	No	52
201-4	Financial assistance received from the government	No	86

GRI 202	MARKET PRESENCE	Material Yes / No	Page
202-2	Proportion of senior executives recruited from the local community	Yes	NA

GRI 205	ANTI-CORRUPTION	Material Yes / No	Page
205-1	Operations assessed for corruption-related risks	Yes	91
205-2	Communication and training on anti-corruption policies and procedures	Yes	91
205-3	Confirmed incidents of corruption and measures taken	Yes	91

GRI 206	UNFAIR COMPETITION	Material Yes / No	Page
206-1	Legal actions relating to unfair competition and monopolistic and anti-competitive practices	Sí	91

GRI 207	TAXATION	Material Yes / No	Page
207-1	Fiscal approach	No	88
207-2	Fiscal governance, control and risk management	No	88
207-3	Stakeholder engagement and management of stakeholder concerns on tax issues	No	88
207-4	Country-by-country reporting	No	86



Environment (ESG)

GRI 301 MATERIALS

		Material Yes / No	Page
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301-1	Materials used by weight or volume	Yes	34
301-2	Recycled inputs used	Yes	34
301-3	Recovered products and packaging materials	Yes	33

GRI 302 ENERGY

		Material Yes / No	Page
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302-1	Energy consumption within the organisation	Yes	26
302-2	Energy consumption outside the organisation	Yes	26
302-3	Energy intensity	Yes	27
302-4	Reduction of energy consumption	Yes	27
302-5	Reducing the energy requirements of products and services	Yes	30

GRI 303 WATER AND EFFLUENTS

		Material Yes / No	Page
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303-1	Interaction with water as a shared resource	No	38
303-2	Management of impacts related to water discharges	No	38
303-3	Water abstraction	No	38
303-4	Water discharge	No	38
303-5	Water consumption	No	38

GRI 305 EMISSIONS

		Material Yes / No	Page
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305-1	Direct GHG emissions (Scope 1)	Yes	28 & 35
305-2	Indirect GHG emissions associated with energy (Scope 2)	Yes	28 & 35
305-4	GHG emissions intensity	Yes	30 & 35
305-5	Reduction of GHG emissions	Yes	27, 30 & 35
305-6	Emissions of Ozone Depleting Substances (ODS)	Yes	28 & 35
305-7	Nitrogen oxides (NOx), sulphur oxides (SOx) and other significant emissions to air	Yes	31 & 35

GRI 306 WASTE

		Material Yes / No	Page
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306-1	Waste generation and significant waste-related impacts	Yes	35
306-2	Management of significant waste-related impacts	Yes	35
306-3	Waste generated	Yes	35
306-4	Wastes not destined for disposal	Yes	35
306-5	Waste for disposal	Yes	36

GRI 308 ENVIRONMENTAL ASSESSMENT OF SUPPLIERS

		Material Yes / No	Page
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308-1	New suppliers that have passed selection filters according to environmental criteria	Yes	72
308-2	Negative environmental impacts in the supply chain and measures taken	Yes	72



Social (ESG)

GRI 401	EMPLOYMENT	Material Yes / No	Page
401-1	Recruitment of new employees and staff turnover	Yes	49
401-2	Benefits for full-time employees that are not provided to part-time or temporary employees.	Yes	52
401-3	Parental leave	Yes	42 & 52
GRI 403	HEALTH AND SAFETY AT WORK	Material Yes / No	Page
403-1	Occupational health and safety management system	Yes	57
403-2	Hazard identification, risk assessment and incident investigation	Yes	58, 59 & 60
403-3	Occupational health services	Yes	57
403-4	Worker participation, consultation and communication on occupational health and safety at work	Yes	60
403-5	Training of workers on occupational health and safety at work	Yes	62
403-6	Promoting workers' health	Yes	62
403-7	Prevention and mitigation of occupational health and safety impacts directly linked through business relationships	Yes	60
403-8	Coverage of the occupational health and safety management system	Yes	57
403-9	Injuries due to accidents at work	Yes	58, 59 & 60
403-10	Occupational diseases and illnesses	Yes	60

GRI 404	TRAINING AND EDUCATION	Material Yes / No	Page
404-1	Average hours of training per employee per year	Yes	47
404-2	Programmes to develop employee skills and transition assistance programmes	Yes	47 & 56
404-3	Percentage of employees receiving regular performance and career development appraisals	Yes	51
GRI 405	DIVERSITY AND EQUAL OPPORTUNITIES	Material Yes / No	Page
405-1	Diversity of governing bodies and employees	No	41, 54 & 82
GRI 406	NON-DISCRIMINATION	Material Yes / No	Page
406-1	Cases of discrimination and remedial action taken	Yes	91
GRI 407	FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING	Material Yes / No	Page
407-1	Operations and suppliers where the right to freedom of association and collective bargaining may be at risk	No	42



Social (ESG)

GRI 408	CHILD LABOUR	Material Yes / No	Page
408-1	Operations and suppliers with significant risk of child labour cases	No	72
GRI 409	FORCED OR COMPULSORY LABOUR	Material Yes / No	Page
409-1	Operations and suppliers with significant risk of cases of forced or compulsory labour	Yes	72
GRI 414	SOCIAL ASSESSMENT OF SUPPLIERS	Material Yes / No	Page
414-1	New suppliers that have passed selection filters according to social criteria	Yes	72
414-2	Negative social impacts on the supply chain and measures taken	Yes	72
GRI 415	PUBLIC POLICY	Material Yes / No	Page
415-1	Contribution to political parties and/or representatives	Yes	98
GRI 416	CLIENT HEALTH AND SAFETY	Material Yes / No	Page
416-1	Assessing the health and safety impacts of product and service categories	Yes	63
416-2	Cases of non-compliance relating to health and safety impacts of product and service categories	Yes	91

GRI 201	MARKETING AND LABELLING	Material Yes / No	Page
417-1	Requirements for information and labelling of products and services	Yes	NA
417-2	Cases of non-compliance related to product and service information and labelling	Yes	91
417-3	Cases of non-compliance related to marketing communications	Yes	91
GRI 201	CUSTOMER PRIVACY	Material Yes / No	Page
418-1	substantiated complaints regarding breaches of customer privacy and loss of customer data	Yes	91
CONTENTS 3-3	Process and product innovation	Yes	63
CONTENTS 3-3	Cybersecurity, information security and data protection	Yes	69



ANNEX VI

Scope consolidation of GRI Renewable Industries S.L. and subsidiaries

Scope consolidation. The group was composed by the following companies at the end of 2022 (102-45).

Subsidiary / Associated company	Country
GRI Calviño Towers Argentina SA	Argentina
GRI Towers Brazil Estructuras Metálicas	Brazil
GRI Flanges Forjados de Aço, A/S	Brazil
G&B Wind Services, S.A.	Brazil
GRI Corte e Biselado S/A	Brazil
Iraeta Energy Equipment Co, Ltd	China
Shandong Golden Luyang Co Ltd	China
Jinan Iraeta International Trade Co.,Ltd	China
Gobi Oasis LC	China
Jinan Moxy New Material Technology Co., Ltd.	China
Iraeta (Shanghai) International Trade Co., Ltd	China
Iraeta (Jining) High-End Equipment Science and Technology Co., Ltd.	China
Shandomng Yanzhou Alloy Steel Co., Ltd.	China

Subsidiary / Associated company	Country
Shandong Quanxing Forging Co., Ltd.	China
Qilu Special Steel Co., Ltd.	China
Qilu Engineering Equipment Co., Ltd.	China
GRI Renewable Industries, S.L.	Spain
GRI Towers Galicia S.L.	Spain
GRI Towers Sevilla, S.L.	Spain
GRI R&D Engineering S.L.	Madrid
FIHI Forging, S.L.	Guipuzcoa
GRI Castings S.L.	Guipuzcoa
Forjas Iraeta Heavy Industries, S.L.	Guipuzcoa
GRI Towers India Private Limited	India
Gesbey Enerji turbini kule uretim sanayi ve tikaret AS	Turkey
GRI Towers Texas, Inc	USA
GRI Wind Steel South Africa, Ltd.	South Africa



GRI

Renewable
Industries