



**Sustainability
Report 2022**
Executive Summary



GRI Renewable
Industries



GRI

Renewable
Industries

Purpose

DoingWell
by **Doing Green**

GRI Renewable Industries 2030

Vision

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

Mission

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

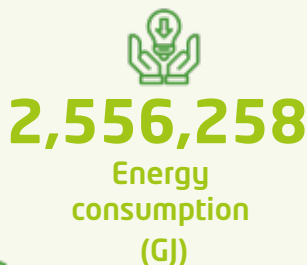
GRI Renewable Industries

GRI Renewable Industries understands Sustainability as a model that integrates responsible management and a commitment to ethics, transparency and collaboration with its stakeholders.

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



Governance



Key figures 2022

Global presence



Countries
8



Operational factories
18



Total own employees
4,728



AMERICA

- USA
 - GRI Towers USA
- BRAZIL
 - GRI Towers Brazil
 - GRI Flanges Brazil
- ARGENTINA
 - GRI Calviño Towers Argentina

EUROPE

- SPAIN
 - Headquarters**
 - GRI Towers Galicia
 - GRI Towers Sevilla
 - GRI Flanges Iraeta
 - GRI Castings Zestoa

ASIA

- TURKEY
 - GRI Towers Turkey
 - GRI Towers Turkey II*
- INDIA
 - GRI Towers India I
 - GRI Towers India 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 **

AFRICA

- SOUTH AFRICA
 - GRI Towers South Africa

Factories

- Towers
- Flanges
- Castings







* Under construction
** Outside the perimeter reported.

Materiality

In 2022 we have updated the materiality study, an exercise that is carried out on a biennial basis. With regard to the study conducted in 2020, five new material stakeholder issues stand out, namely: Human Rights Policy, Flexibility, Risks, Innovation and Digitalisation. Result of the **2022 Materiality Study**:











ENVIRONMENTAL Issues Topics covered

Carbon Neutral Strategy	Strategic plan to move towards a Carbon Neutral future.		
Environmental	Formal policy and management system contributing 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 Topics covered

Talent	Robust training, career development and performance appraisal programmes that contribute to attracting and retaining talent.		
Health and safety	Availability of a safety and health policy and management system for the employees and subcontractors, which contribute to a good working environment and reduce 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 the improvement and efficiency of products and processes.		
Digitisation	Enhance the various tools that improve digitalisation and connectivity between employees, increasing efficiency.		



GOVERNMENT Issues Topics covered

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.		

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 market.



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.



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.

Growth



GRI Flanges China V

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

Within the framework of the Circular Economy, the new factory is designed taking into account the **"Zero Carbon 2030"** objective. 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, contributing directly to the circular economy and the fight against climate change.

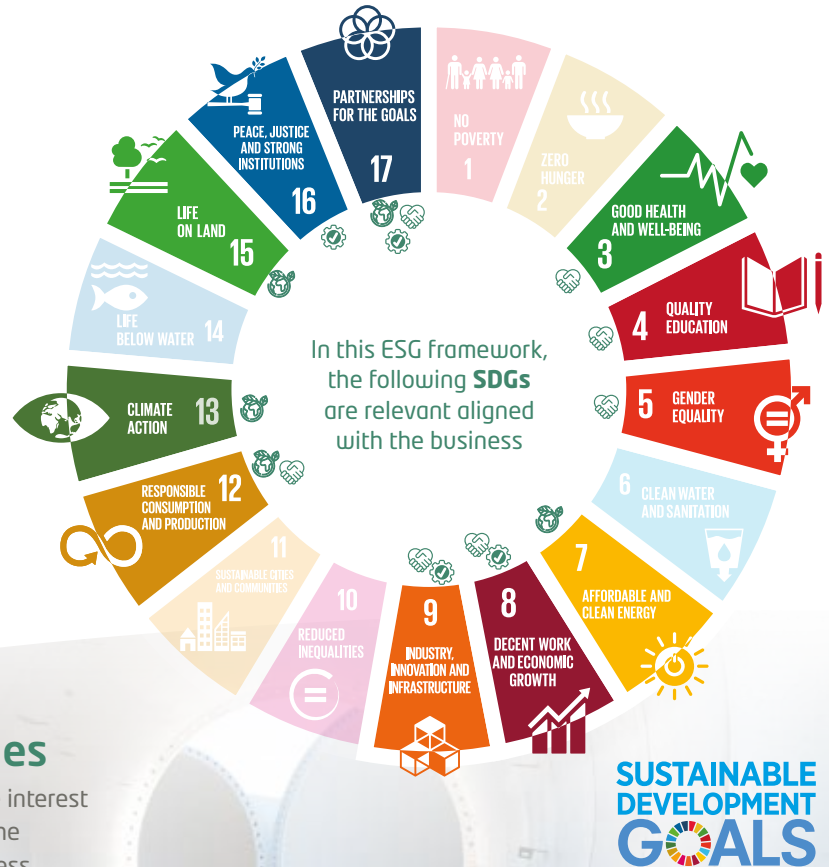
GRI Towers Turkey II

In 2022, construction began on a new tower factory in Turkey, next to GRI Towers Turkey I, with a larger production capacity, which will allow the manufacture of larger sections, up to 6.4 metres in diameter, and heavier weights, up to 120 tonnes per section. The factory is expected to be completed in September 2023.

Value creation and sustainable management

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 world is a priority.

With the development of a comprehensive ESG strategy (Environmental, Social and Governance) 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 the environmental challenges

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



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 2021** score: B (Management Level).
- Scope **1 & 2 & 3**
- 100% of the 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.
- **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




Governance

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



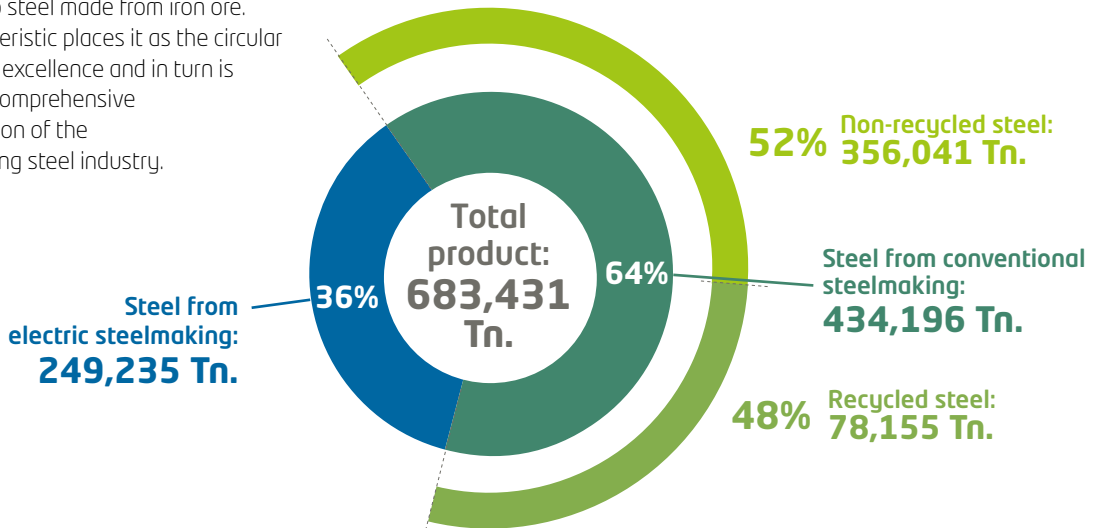


Responsible environmental management

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

Circular Economy

Steel, the main component of GRI processes (98%), is one of the main materials used by the world economy. Steel has the characteristic of being 100% recyclable, saving energy and emissions compared to steel made from iron ore. This characteristic places it as the circular material par excellence and in turn is driving the comprehensive transformation of the manufacturing steel industry.



Waste management and minimisation

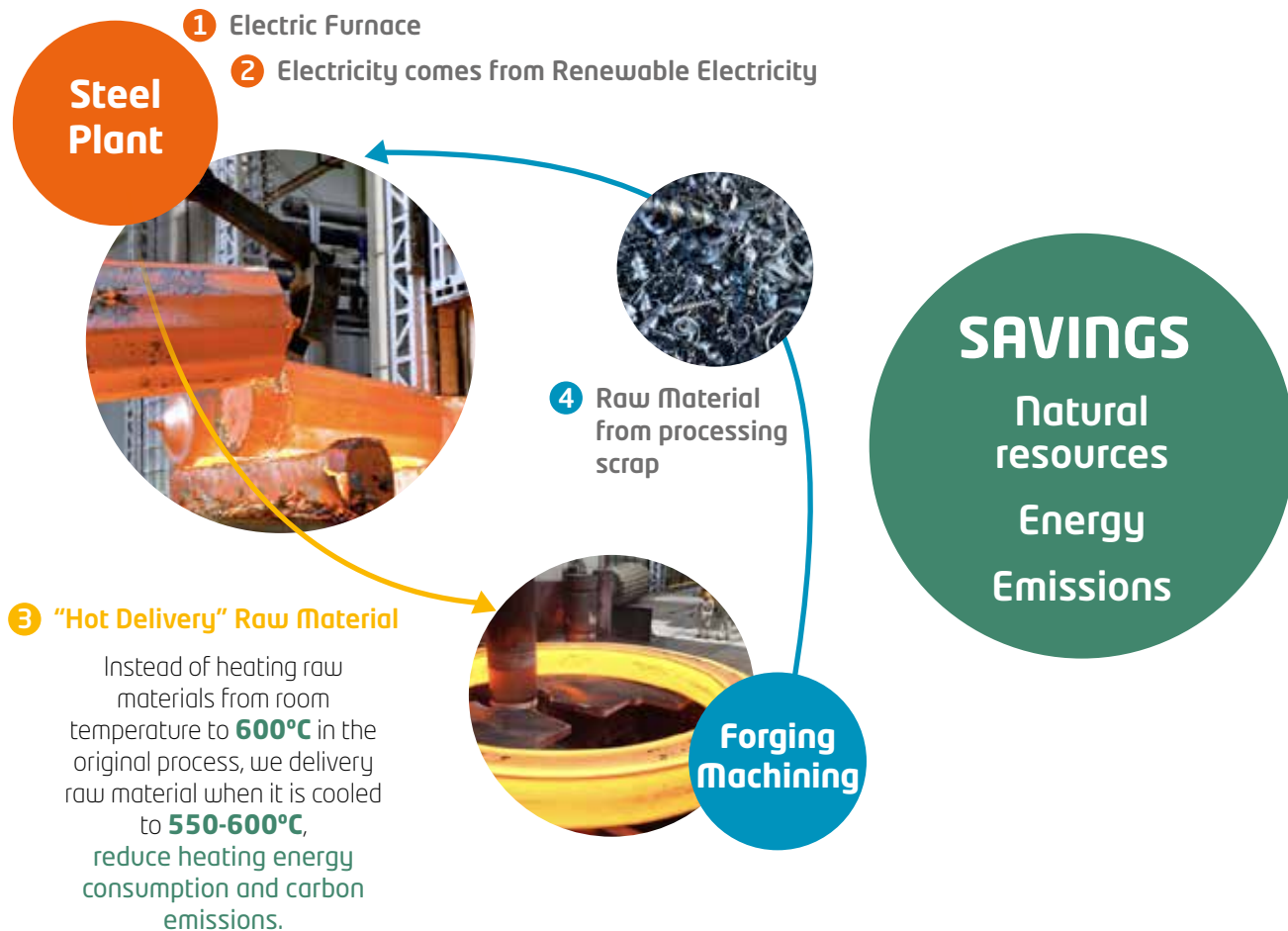
The Circular Economy involves minimising waste and keeping the materials and components of a product within the economy when it reaches the end of its useful life, wherever possible. Thus, they have added value by being productively used over and over again.

- **Non-hazardous waste:** a total of 49,032 tonnes. 90% of this corresponds to steel scrap.
- **Hazardous waste:** a total of 594 tonnes were generated.
- **Steel: 100% recyclable.**

“Green Cycle” Industry

GRI Flanges China V

Green Loop Development Mode

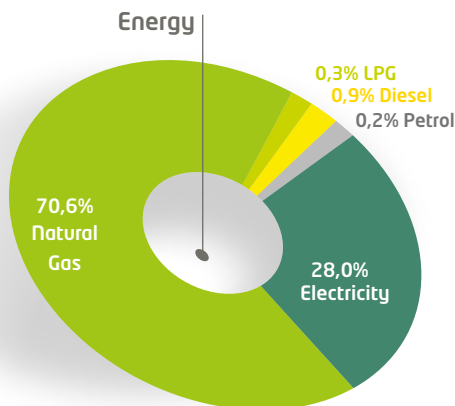


Energy

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. Electricity consumption from renewable sources was 30 GWh, representing 15 % of total electricity consumption.

In terms of the type of energy consumed, energy consumption is distributed as follows.



According to the type of product manufactured, consumption energy is distributed as follows:

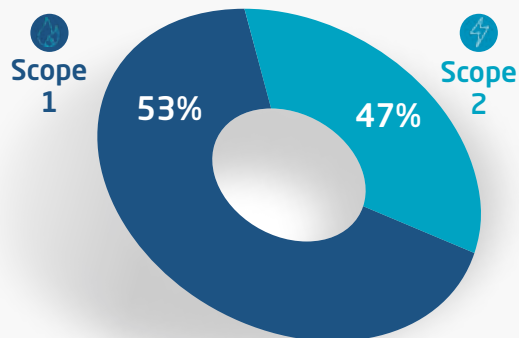
GWh in 2022	Fossil fuel	Electricity	Renewable Electricity
Towers	16.1	34.5	12.85
Flanges	493.0	134.1	8.3
SIHI (I-V)	432.7	132.3	
FIHI	55.6		8.3
BIHI	4.7	1.8	
Castings	1.4		8.6

Emissions

Scope 1 & 2

In 2022, direct and indirect emissions from electricity consumption were **178,249 tCO₂ eq.**

GRI Renewable Industries



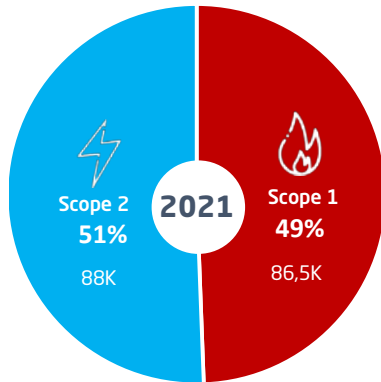
According to the type of product manufactured, emissions are distributed as follows:

tCO ₂ eq in 2022	Scope 1	Scope 2
Towers	3,751	12,596
Flanges	90,055	71,515
SIHI (I-V)	78,957	71,405
FIHI	10,195	0
BIHI	903	110
Castings	269	0

2022 follow-up

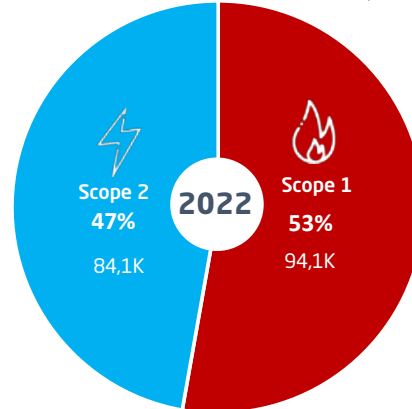
Financial perimeter (all factories)

Emissions 2022 vs. 2021 (tCO₂ eq)



Scope 1
+8,7%

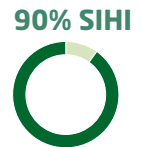
Scope 2
-5,1%



174.613 tCO₂eq
Total: 🔥 Scope 1 + ⚡ Scope 2

▲ 1,7%

178.249 tCO₂eq
Total: 🔥 Scope 1 + ⚡ Scope 2



2020

Setting reduction targets emissions by 2030.

2022



CDP Score

2023

Scope 3: Reporting and target.



SCIENCE BASED TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

2030

Short-term objectives

- SBTi objectives:
- 50% reduction of Scope 1 emissions (base year 2020).
- 100% reduction of Scope 2 emissions (base year 2020).

2050

Long-term objectives SBTi objectives.

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

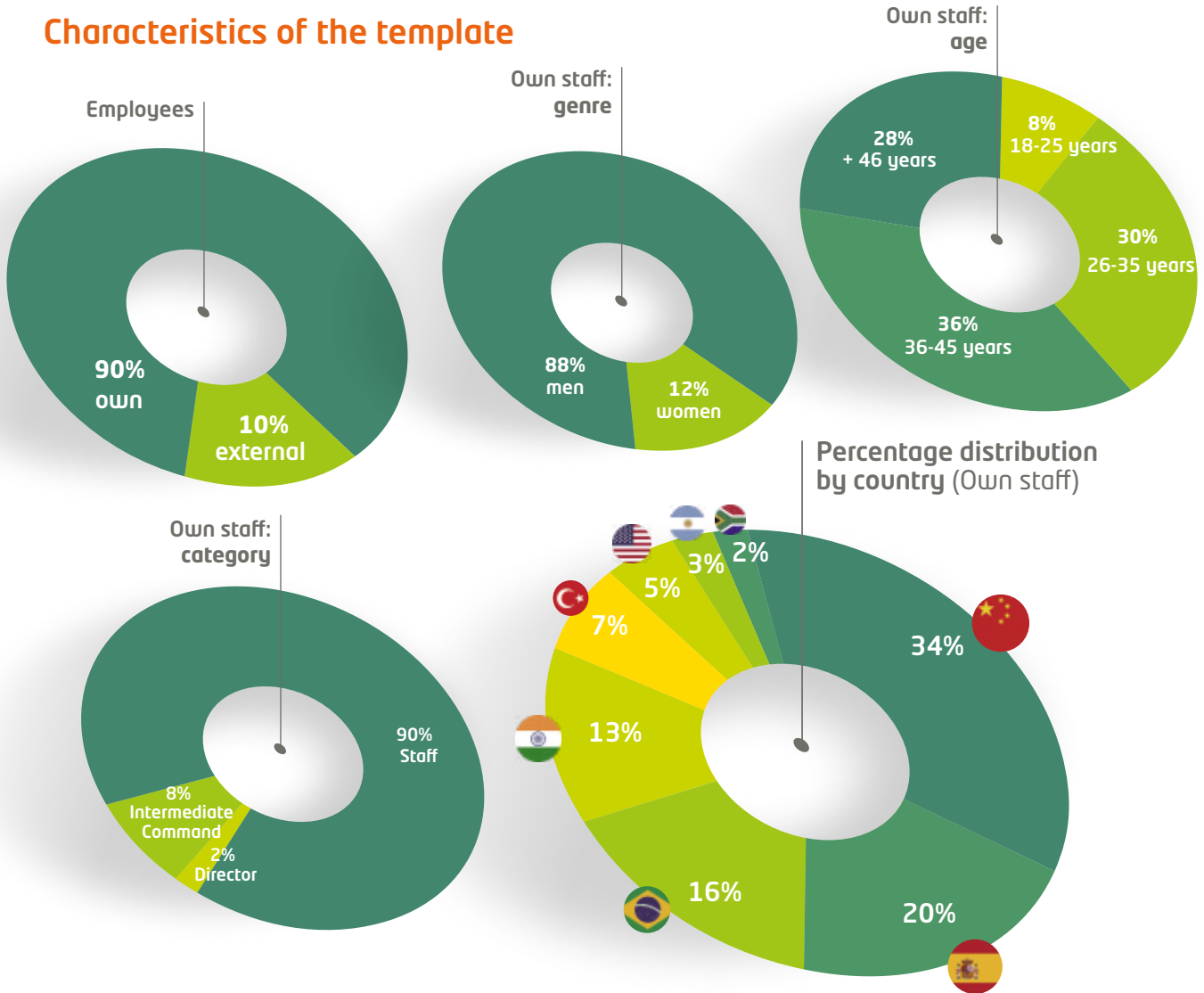
Year	Towers	Planted trees	Ton CO ₂ removed
2016	1,277	1,250	38
2017	987	1,700	15
2018	768	2,710	13
2019	1,375	2,000	17
2020	1,674	1,875	25
2021	1,595	1,800	11,4
2022	1,777	2,000	21.2

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



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

Characteristics of the template



People Growing Together

A new people model aligned with the company's Strategic Plan. Taking the employee lifecycle as a reference, People Growing Together covers nine areas where talent management takes centre stage. The central element is related to the implementation of SuccessFactors as a transversal tool for all group companies.



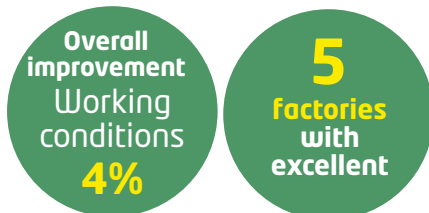
Health and Safety

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 constant improvement in all its production centres.



IPRL: system of excellence for safety and health management

The IPRL is a standard of its own and a tool that allows the precise evaluation of the Health and Safety performance of all its factories, through common criteria that include all the particularities of the different technologies and processes, as well as a process of good practices based on continuous improvement.



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 to ISO 45001:2018 standard





Customers and innovation

The R&D&I team at GRI Renewable Industries has 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.
- **Elcano University Innovation and Training Centre in Seville (Port of Seville - Spain)**. In 2022, 5 PhDs 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.

Supply chain

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.



444
suppliers
qualified

22
audits
to suppliers

68%
totally
reliable



In 2019, the “**Digital WorkPlace**” project began with the aim of adopting Micro-soft technology and providing employees with Office 365 work tools to further advance the company’s digital transformation.

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

New mobile APP



1
Mobile corporate telephony



8
Makers



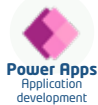
Community of application developers
Simple and fast creation of applications to digitise internal processes.



Implementing procedural changes, tariffs and recommendations that have enabled a much more efficient use of mobile telephony.

5
Documentation Management in SharePoint

6-7
Gobernanza y aplicaciones low-cost en Power Platform



Greater volume of documentation, taking advantage of the advantages of collaboration and delocalisation.

Specific automation projects that have a direct impact on the business, with the implementation of Power Platform Governance.

2
Teams Meeting Rooms

Sala T Teams

New scenario where hybrid meetings with equipment in line with current solutions.

3
Remote Support

New Remote Support solutions with HoloLens devices for industrial use, enabling faster and more efficient use.

4
Adoption and Training



Integrating greater user volume and group collaboration capabilities.

The 2022 financial year highlights the launch of the new Mobile APP and the Makers initiative.

Social action

Contribution from the corporate

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



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



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



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



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



FUNDACIÓN Real Madrid

Real Madrid Foundation

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



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

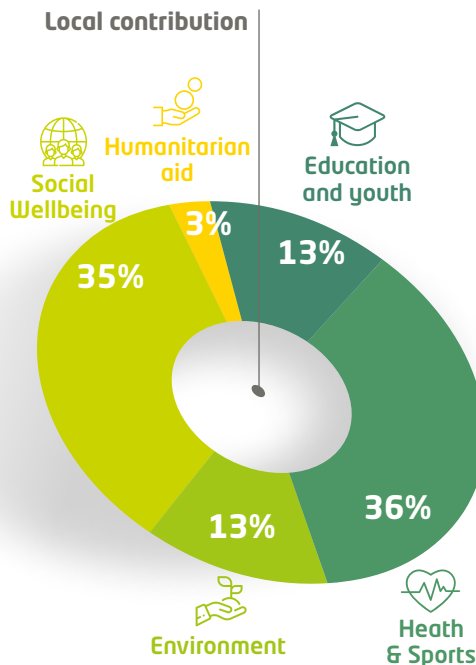


Aladina

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 to create a new oncology unit at the Vall d'Hebron hospital.

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. The distribution of social action by type of activity is summarised below:



Sustainable Development Goals

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

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



Climate change and the SDGs



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



Innovation and the SDGs



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



Education and the SDGs



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



Governance

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

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

New Policies



Sustainability Policy

Corporate conflict minerals policy



Corporate conflict of interest management policy



Corporate confidential and privileged information policy

Corporate intellectual property management policy



Code of Ethics and Conduct

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

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



Telephone and WhatsApp
+34 606 558 932



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



Email address
ethicalcode@gri.com.es



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

In 2022, the **Ethics Committee** received 8 complaints, of which 4 are pending resolution.

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

Balance

In recent years, GRI Renewable Industries has made an extraordinary investment effort totalling close to 1,000 million euros since its creation.

Risks and opportunities

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



**Risk management:
new projects**



**Risk on financial
information**



**Risks: confidentiality
and privacy**



Operational risks



**Reputational, ethical
and human right risks**



**Risks related
to health and safety**



Climate change risks

Economic performance

**Generated Economic
Value (GEV) with a
total of 1,183,571
thousand euros.**

**Distributed
Economic Value
(DEV) amounting to
a total of 1,270,047
thousand euros.**



GRI Renewable
Industries

Check out the full
Sustainability Report

