



GRI Renewable
Industries

Sustainability
Report 2021

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



Letter from the Chairman

Jon Riberas

102-14

This tremendously complex and challenging framework is driving the transformation of all sectors of the economy.

In 2021 we have witnessed gradual recovery from the Covid-19 pandemic, with personal, social and economic damage giving way to an increase in economic activity towards pre-COVID levels.

This widespread improvement in the pandemic has led to a sharp rise in industrial demand, which has impacted markets, causing commodity and energy prices to rise, an inflationary spiral that has dragged down the entire economy. Supply chains have also been severely strained, leading to much uncertainty and long delays in the normal functioning of industry.

Finally, the war between Russia and Ukraine, which is causing so much pain to the Ukrainian people and whose future consequences we are still beginning to see, is deepening this price and supply crisis. In response to this Russian-driven conflict, the EU is rethinking its energy dependencies with the aim of reducing the significant consumption of Russian gas through a strong push for renewables and the negotiation of new fuel supply alternatives. Between March and April 2022 alone, the EU, Germany and the UK published new energy strategies with the aim of reducing dependence on the East by further strengthening the role of renewables in their energy mixes.

This accords with the new report from the IPCC, the United Nations scientific body that analyses climate change, which acknowledges that the level of global warming has slowed, although greenhouse gas emissions are still rising, and if we are to avoid the worst effects of the climate crisis, we will need to bring these emissions to their peak in 2025 and then reduce them significantly by 2030 with a reduction of -43%.

This tremendously complex and challenging framework is driving the transformation of all sectors of the economy. The commitment to recovery from the COVID pandemic and the desire to move towards a much more sustainable model has led us to work with determination on new business models while decarbonization and the circular economy are of great importance.



This year we proudly received a B rating from CDP, the prestigious climate change rating agency, which awarded us a silver medal thanks to our reporting and performance in terms of emissions.

In the renewable energy sector, the situation is both difficult and hopeful. The new geopolitical context, together with the situation in the energy markets, requires a dramatic boost to renewables to become more independent from a highly volatile fossil fuel supply as soon as possible.

The wind sector has a huge opportunity to develop new capacity, although it will have to overcome the rising costs mentioned above and the strong competition in the auctions, which are pushing many of them into a loss-making situation, which will not be sustainable for much longer.

At this juncture we present the GRI Renewable Industries Sustainability Report for the 2021 financial year. For yet another year, we renew and maintain our commitment to the Global Compact, promoting compliance with the 10 Universal Principles and aligned with the Sustainable Development Goals.

GRI Renewable Industries' 2021 financial year was characterised by reasonable growth overall, with 20% more

towers and flanges produced than in 2020, along with an investment of EUR 90 million. In terms of greenhouse gas emissions, direct emissions have increased by 3%, a positive value considering the increase in production mentioned above. In any case, the measures that are being implemented this year will hopefully be reflected in the 2022 inventory, where we want to see CO₂ emissions start to decouple from industrial production.

This year we proudly received a B rating from CDP, the prestigious climate change rating agency, which awarded us a silver medal thanks to our reporting and performance in terms of emissions. This is undoubtedly very good news that encourages us to keep pushing towards our decarbonization plan.

GRI Renewable Industries is a company with a clear focus on people, where our commitment to the health and safety of our employees goes far beyond the obligatory, being a strategic pillar that is always present in decision-making and

in the design of work plans. Regarding safety, I would like to highlight that we have 6 factories, one more than last year, with an "excellent performance" classification according to the Occupational Risk Prevention Index (IPRL) or the new certification obtained by GRI Forjas de Iraeta under the ISO 45001 standard for Health and Safety management.

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 more about our progress on environmental, social and governance issues.

Thank you very much



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GRI

GRI Renewable Industries has the purpose “**Doing Well by Doing Green**”. Only by acting well do we manage to do things right; by believing in what we do, acting honestly and coherently.





The company

102-1 AND 102-16

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, with 16 factories in 8 countries. It applies the most advanced technology and processes to deliver high quality products and services worldwide.

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

Purpose

**ESG
Culture**

Vision

Mission

GRI Renewable Industries mission is to globally **meet the needs of our customers** considering their activity, the safety of our employees and the respect for the environment

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



Worldwide Presence

102-4 AND 102-6

8
Countries

16
Factories
in operation

4,121
Own professionals



AMERICA

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

EUROPE

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

ASIA

- TURKEY
 - GRI Towers Turkey
- CHINA
 - GRI Flanges China I
 - GRI Flanges China II
 - GRI Flanges China III
 - GRI Flanges China IV
- INDIA
 - GRI Towers India I
 - GRI Towers India II

AFRICA

- SOUTH AFRICA
 - GRI Towers South Africa

Fábricas

- Towers
- Flanges
- Castings



Main brands and products

102-2

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

GRI Towers

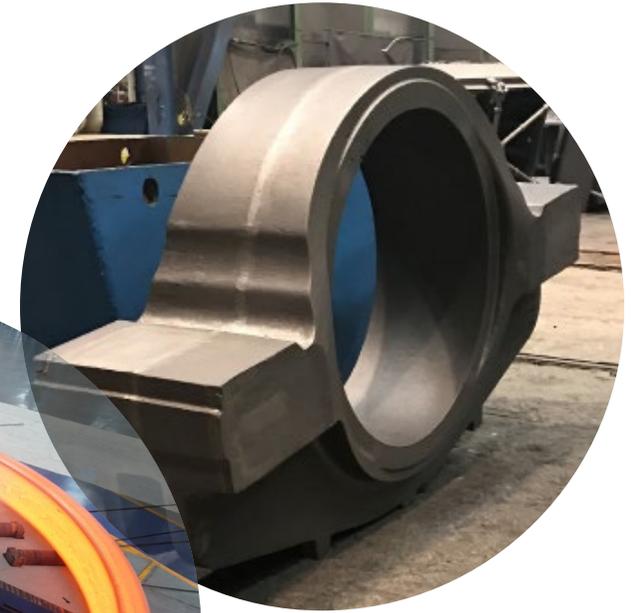
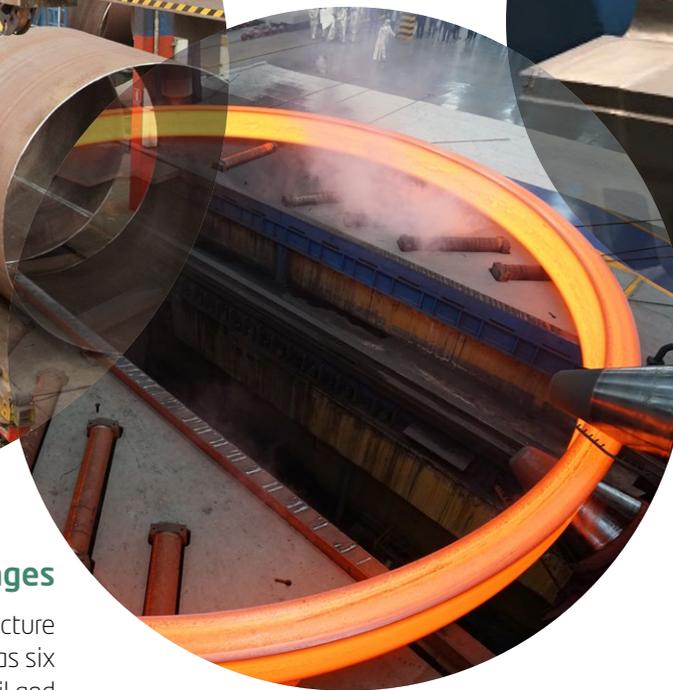
This division is responsible for the manufacturing of towers for the main wind energy OEMs in accordance with the specifications defined by these.

It has nine operating facilities for "onshore" towers in Galicia, Brazil, Turkey, India I & II, South Africa, Argentina and the USA, as well as a plant in Seville to manufacture "offshore" towers.



GRI Flanges

Its activity is the manufacturing of flanges (structure designed to join segments of wind towers). It has six operating plants distributed over Spain, Brazil and four in China.



GRI Castings

Its activity is the casting of steel to produce components for the wind power industry.

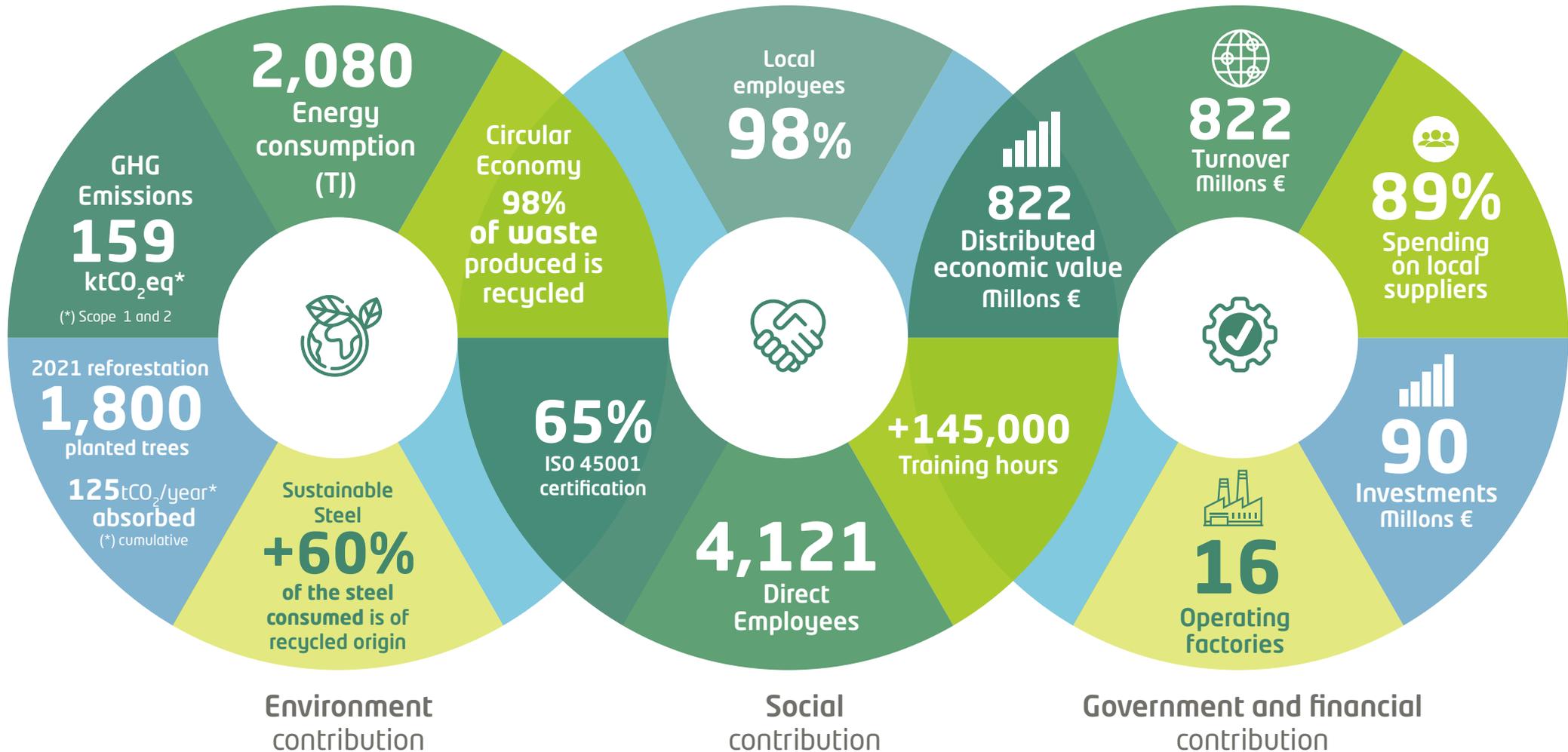
Currently it has one plant in Spain, "GRI Castings Zestoa", but expanding production of pieces and tooling has not been ruled out.



Main magnitudes

102-7

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.





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 work”**, which together with its principles and the guidelines of the Code of Ethics and Conduct, establish a frame of reference on which to advance and grow as a solid, profitable and sustainable company.

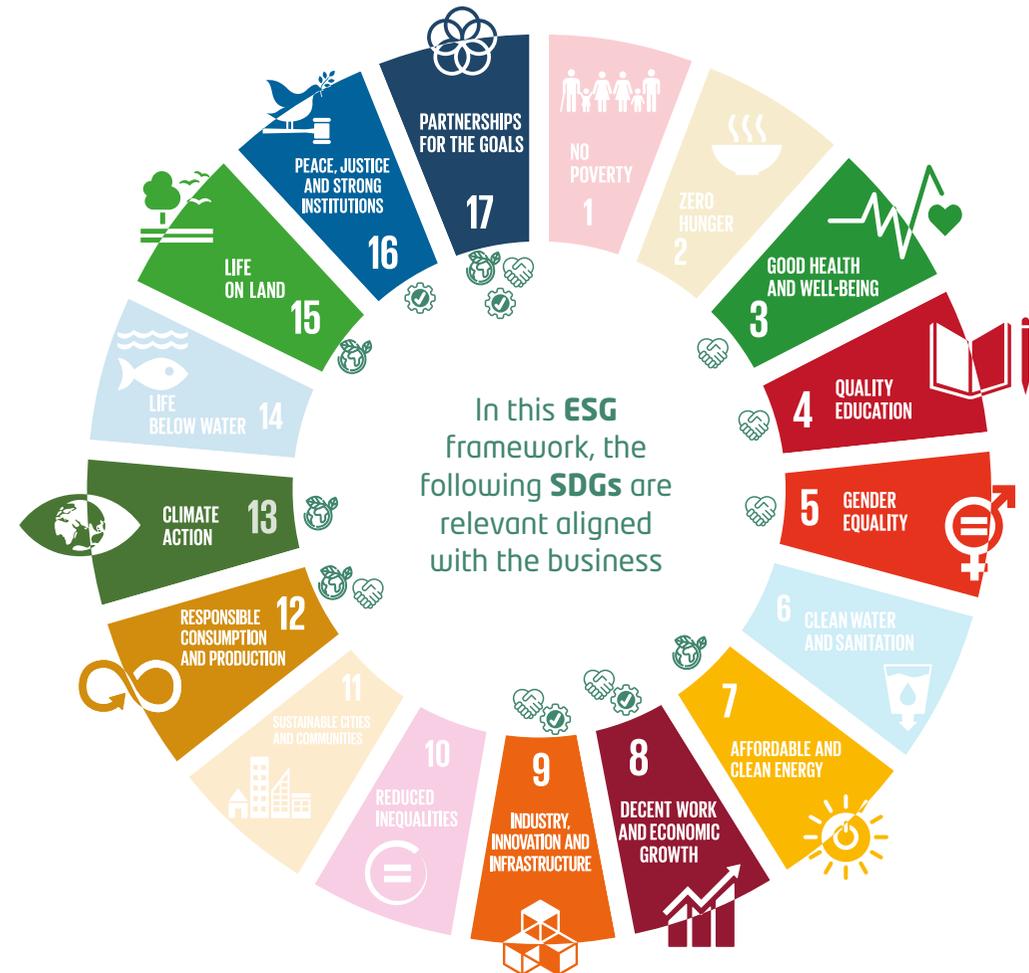
These ethical and business values inspired the company’s purpose **“Doing Well by Doing Green”**. Because only by doing the right thing; by believing in what you do, acting honestly and consistently you can do the right thing.

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.

Sustainability Policy: SDGs and UN Global Compact

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





Environmental

- 2030/50 Carbon Neutral 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).



- 100% of the factories certified under ISO 14001.
- Circular economy: Zero Waste Project. 98% of waste is recycled.
- Use of Sustainable Steel: > 60% 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 to benefit the local community.
- Collaboration and alignment to customer requirements.
- Joint initiatives with the supply chain to minimise impact throughout the life cycle.
- Growth with more flexible working models through digitalisation.
- Transformation of the production model and products through innovation and efficiency.



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.



Materiality

102-40, 102-42, 102-43, 103-1, 103-2 AND 103-3

Relationships with different stakeholders are key at GRI Renewable Industries. For this reason, we analyze and update their status since 2014 to improve coverage, to have a better understanding of their expectations and to guide the content of the Report to their main requirements in terms of **ESG** (Environmental, Social and Governance).

We have different specific communication channels for each identified stakeholder.

Such communication goes both ways and there is no set frequency, since each stakeholder's requirements are different:





In addition, the company has an increasing presence on social media, which gives us access to a wider target audience.

Twitter
 748 Followers
 2 Total content published 2021
 2,458 Profile visits

LinkedIn
 23,514 Followers
 31 Total content published
 42,971 Profile visits

YouTube
 333 Subscribers
 31 Total content published 2021

GRI Renewable Industries identifies its material issues through a **Materiality Study** carried out in collaboration with an independent external company and a technological tool for data and information analysis, where the importance and perception of the issues identified is assessed. This study is carried out every two years, with the last study being carried out in 2020 and updated in 2022.

Internal sources (policies, strategy, etc.) and external sources (news, competition, trends, etc.) are consulted, as well as various stakeholders such as management, employees, customers and suppliers. 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

102-46

External



Internal



A continuación, se resume la participación media de los grupos de interés consultados:

Stakeholder consultation: average participation

Surveys sent: 817



Following this analysis, weighting and review, an overall total of 8 material issues were defined for all stakeholders, as summarised in table (102-44).



Issues	Topics included <small>102-47</small>	ODS	Chapter
Ethics, compliance and whistleblowing channels	Ethics, anti-corruption and compliance framework. Whistleblowing channels.		Government
Approval of suppliers	Availability of approval policies and procedures with criteria on ethics, sustainability, conflict minerals and human rights, among others.		Social
Customer and product relationship	Customer relations and collaborative projects that contribute to the development of more sustainable products.		Social
Talent management	Robust training, career development and performance appraisal programmes that contribute to attracting and retaining talent.		Social
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.		Social
Environmental impact management	Formal policy and management system that contributes to continuous improvement and minimisation of environmental impact.		Environmental
Circular Economy	Control and measurement system for raw materials and waste management and minimisation that promotes the Circular Economy.		Environmental
Climate change	Strategic plan to move towards a Carbon Neutral future		Environmental

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

For **internal** stakeholders, there are additional material issues:

Strategy and sustainable governance Government and Environmental

Innovation and digitalisation Social

For **external** stakeholders, there is an additional material issue:

Biodiversity Environmental

All material topics reported are further identified in the GRI's 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.

Within this scope, stakeholders show a keen **perception** in matters related to strategy and sustainable governance, ethics and reporting channels, supplier certification, relationships with clients, risk management, health and safety, managing environmental impact, and biodiversity.

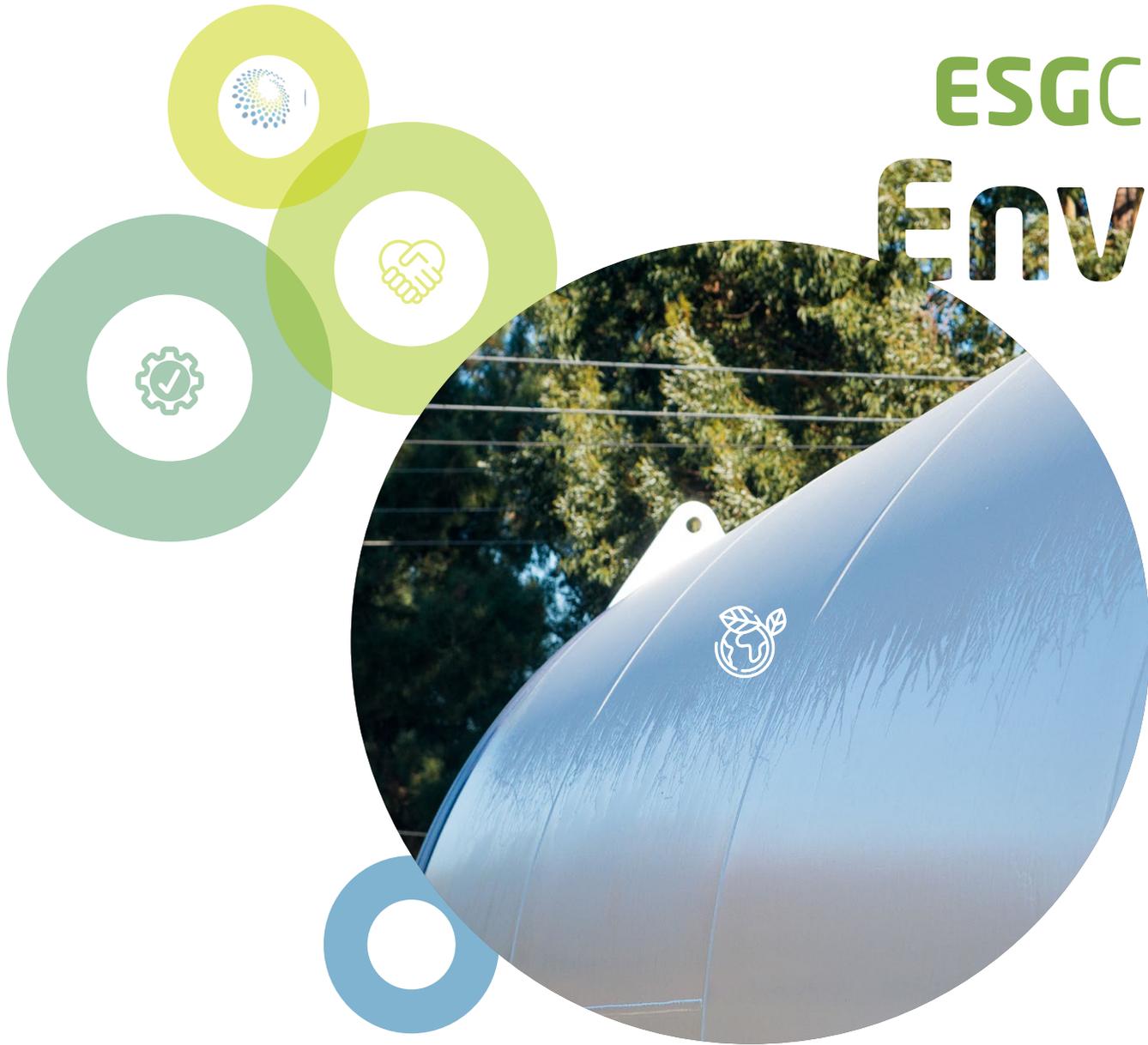


ESG Culture

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



ESGCulture Environmental



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

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

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

At present, 100% of the plants are certified under the **ISO 14001:2015** standard, as GRI Castings Zestoa will be certified in the first half of 2021. This means that 100% of the staff working in GRI's factories are working under this standard. GRI Renewable Industries monitors the environmental impacts of its activities, measuring its performance and identifying opportunities for improvement. Furthermore, as part of its commitment and sustainable culture, the company has invested significantly in more efficient technology and innovation to minimise its environmental impact, in line with the Sustainable Development Goals (SDGs), emphasizing 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 of all the plants, usually coinciding with emblematic dates, such as World Environment Day.

The factories also develop awareness-raising initiatives, such as the celebration of "SIPATMA 2021" (VII Internal Accident Prevention and Environment Week) during the month of December in the Brazil factories, where carried out various training activities, including the delivery of seedlings to promote biodiversity.

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

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

GRI Castings Zestoa successfully certified under the ISO 14001 standard

As a result of the cooperation and good teamwork of all the plant's employees, who have made great efforts in order to correctly implement all the processes and requirements, GRI Castings Zestoa has obtained the ISO 14001:2015 certification, thus completing the entire Group.

The implementation of this certification facilitates compliance with current legislation and the organisation's environmental policy, as well as the reduction of the environmental impact generated by the activity carried out at the Zestoa plant, in addition to promoting environmental protection and pollution prevention from a point of view of balance with socio-economic aspects. contaminación desde un punto de vista de equilibrio con los aspectos socioeconómicos.



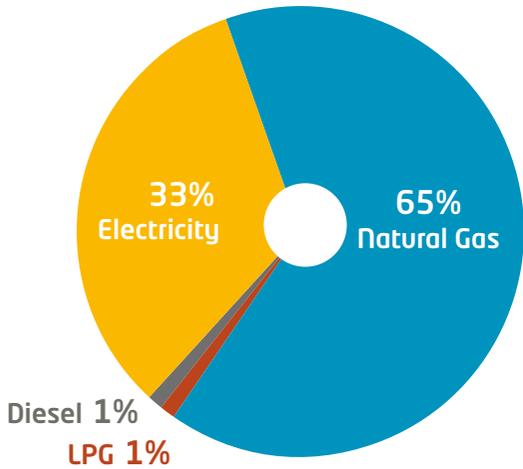
Climate Change and Carbon Neutral Plan

Internal energy consumption

302-1

Total energy consumption in 2021 was **2,080,017 GJ**. **Natural gas and electricity** consumption account for **98%** of GRI's energy consumption.

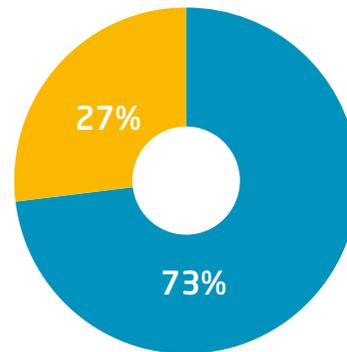
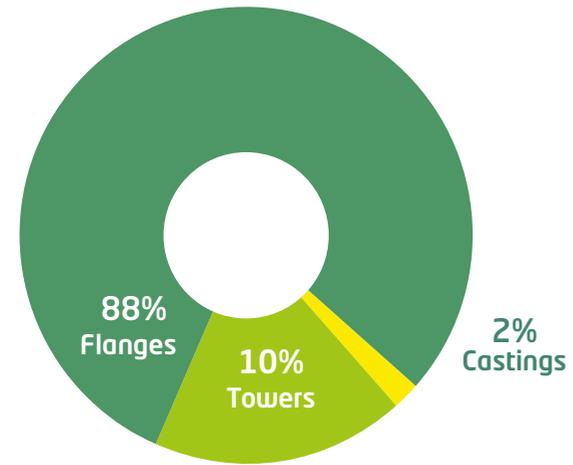
According to the **type of energy consumed**, energy consumption is distributed as follows.



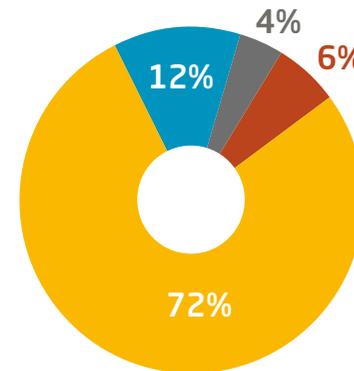
The breakdown of consumption by type of energy and product is as follows:

- Natural Gas
- Diesel
- LPG
- Electricity

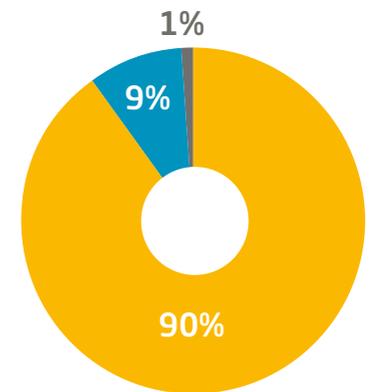
According to the **type of product manufactured**, energy consumption is distributed in the following way:



Flanges



Towers



Castings



Countries	Natural Gas (GJ)	Diesel (GJ)	GLP (GJ)	Electricity (GJ)
China	1,161,942	0	0	461,134
Spain (Towers and Flanges)	164,264	5,940	2,328	78,144
Spain (Castings)	3,141	221	0	33,478
Brazil	19,528	2,579	2,382	52,599
Turkey	7,525	1	3,048	21,899
USA	286	2,412	189	29,087
India	0	492	679	7,394
South Africa	0	96	73	5,555
Argentina	0	160	6,294	7,147
Total	1,356,686	11,900	14,993	696,437

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

Energy Intensity

302-3

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

GRI Towers. Energy intensity	
	GJ/towers eq.
Argentina	166
Brazil	98
Spain	173
India	92
South Africa	147
Turkey	134
USA	165

Energy efficiency

302-4

At GRI Renewable Industries, it is essential to know and control energy consumption in all factories in order to define measures that contribute to minimisation and thus reduce CO₂ emissions.

As summarised in the innovation section, it is involved in numerous projects focused on 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 that will allow us to have actual and reliable results in each Project.

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. Part 1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals" 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 reremovals, 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 and Seville.

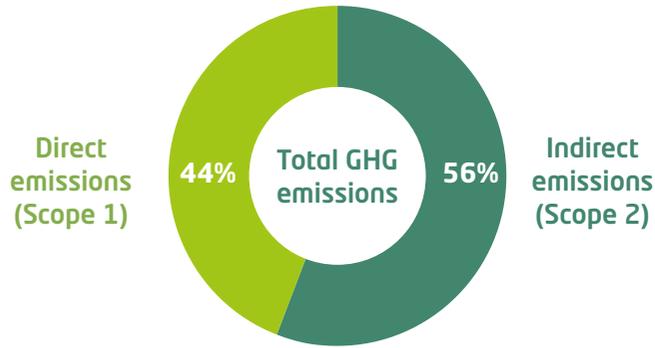
This certification contributes to meeting the requirements and needs of GRI Renewable Industries' main customers regarding the carbon footprint of their products. This information will be analysed and reported annually.



Emissions

In 2021, direct emissions and emissions due to electricity consumption were 159,176 tCO₂ eq. **159,176 tCO₂ eq.**

Carbon Footprint	
	2021 tCO ₂ eq
Direct emissions (Scope 1)	70,707
Indirect emissions (Scope 2)	88,469
Total	159,176



Direct emissions
305-1 AND 305-6

GHG. Direct emissions	
	2021 tCO ₂ eq
Natural Gas	68,815
Diesel	702
LPG	579
Diesel (company cars)	409
Gasoline (company cars)	176
HFC	25
Total	70,707

Indirect emissions from electricity consumption
305-2

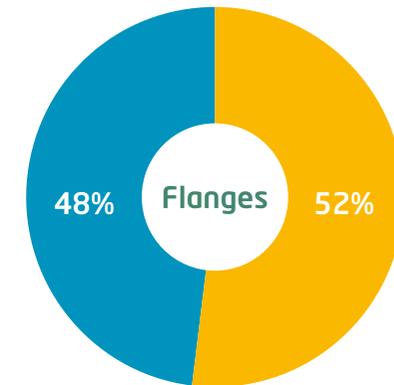
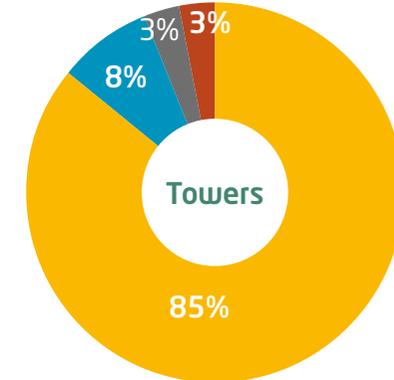
GHG. Indirect emissions (Electricity)	
	2021 tCO ₂ eq
China	71,091
Spain	6,201
Brazil	1,081
Turkey	2,926
India	1,454
USA	3,662
South Africa	1,432
Argentina	621
Total	88,469

Other indirect emissions
305-3

Scope 3	
	Ton/CO ₂
Air travel	769
Rental car travel	58
Train travel	2

These emissions correspond to corporate travel by air, train and rental cars with a total of 826 tCO₂/year.

Emissions per product





Emission Intensity

305-4

Direct emissions and emissions due to electricity consumption are considered for the calculation.

GRI Towers. Emissions intensity	
	tCO ₂ eq / towers eq.
Argentina	8.54
Brazil	2.61
Spain	9.13
India	16.42
South Africa	37.02
Turkey	14.31
USA	20.07

GRI Flanges. Emissions intensity	
	tCO ₂ eq / production tons
China	0.54
Brazil	0.19
Spain	0.39

Avoided emissions

305-5

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

Moreover, we are committed to the achievement of the Sustainable Development Goals (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 2021 financial year, through tower production and reforestation.

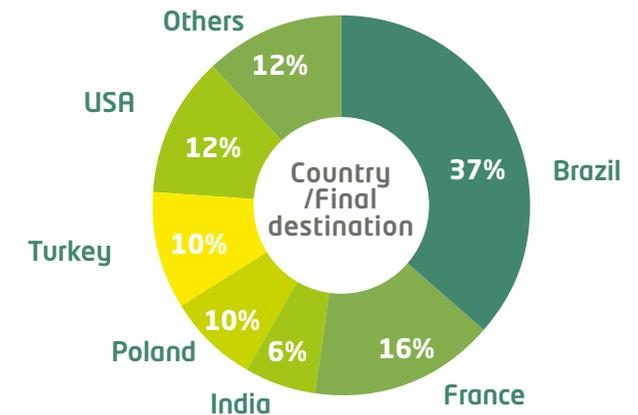
Reforestation

As summarised in the biodiversity and reforestation section, seven reforestations were carried out in 2021, with a total of 1,800 trees planted, which, depending on the different species and their CO₂ absorption and storage capacity, are estimated to absorb a total of 11.4 tonnes CO₂/year.

If the project is considered from its beginning, a total of 12,105 trees were planted, with a cumulative absorption capacity of 126 tonnes of CO₂/year.

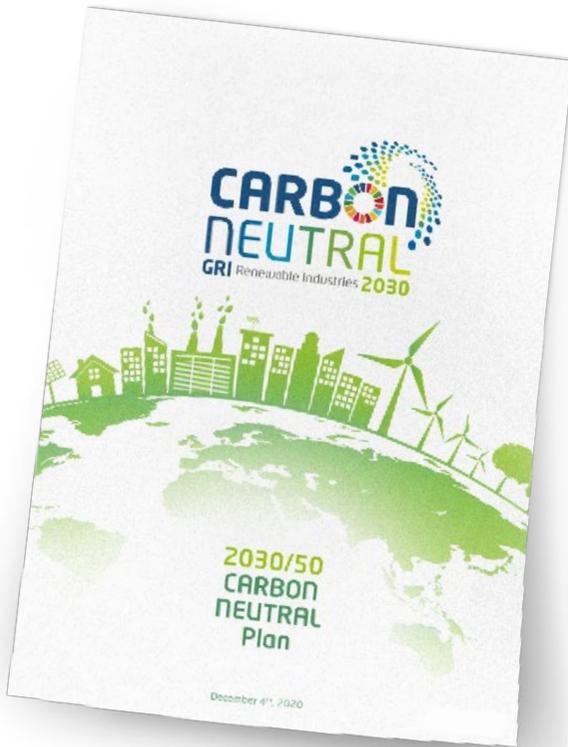
Tower Production

In 2021, the company manufactured a total of 1,595 wind towers, the final destination of which is shown below:



If one estimates the annual net operational hours of the turbines in the countries where they are present, the proportional weight represented by the cost of the wind tower manufactured by GRI Renewable Industries with respect to the total structure is deemed to be 16.4%. If one estimates the annual net operational hours of the turbines in the countries where they are present, the installed power, the conversion 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 686,841 tonnes of CO₂ avoided in the financial year 2021.

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. We are currently working on a plan that will allow us to have the real savings derived from the measures implemented, which will be available in 2030.



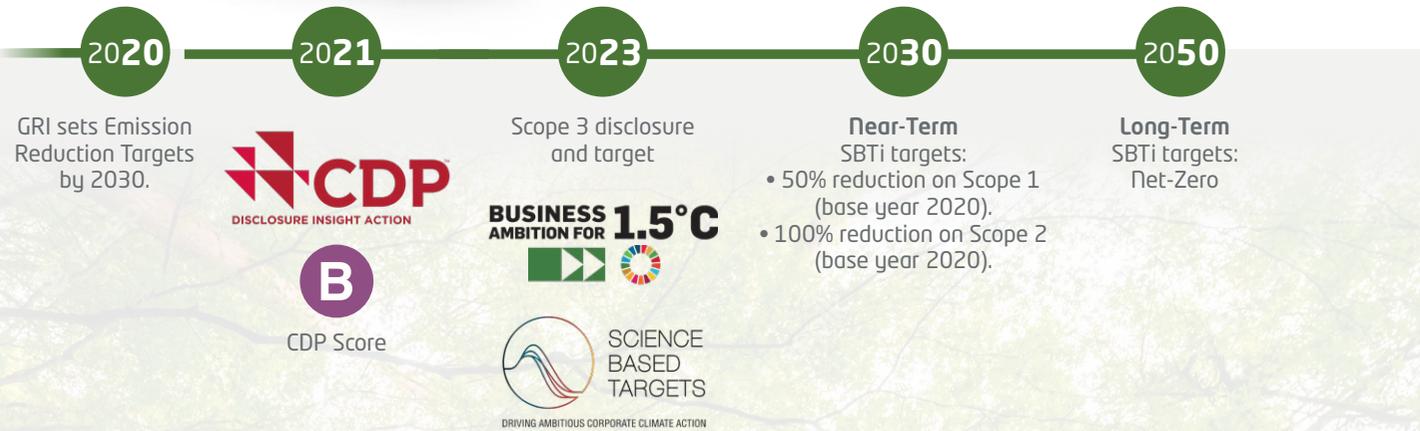
2030/50 Carbon Neutral Plan

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

Government

To monitor and measure it, a “Carbon Neutral Government” is created, made up of a Carbon Neutral Committee and an Operational Team.

Plan Milestones 2020-2050



Energy audits Galicia and Seville

At the end of 2021, GRI Towers Galicia and GRI Towers Sevilla have carried out, respectively, an **energy audit** carried out by an accredited external company, complying with the requirements of Royal Decree 56/2016 on energy efficiency.

These audits allow us to know the real situation of the factories with respect to energy use, as well as to detect the operations, within the processes, that can contribute to the saving and efficiency of the primary energy consumed and to optimise the energy demand of the installation. It also allows us to assess the possible diversification of energy sources, including optimisation by fuel switching.

Such audits are carried out at all plants in Spain at least every four years and are the basis for many energy efficiency projects.





Circular economy

Raw materials management

301-1, 301-2, 301-3 AND 302-5

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

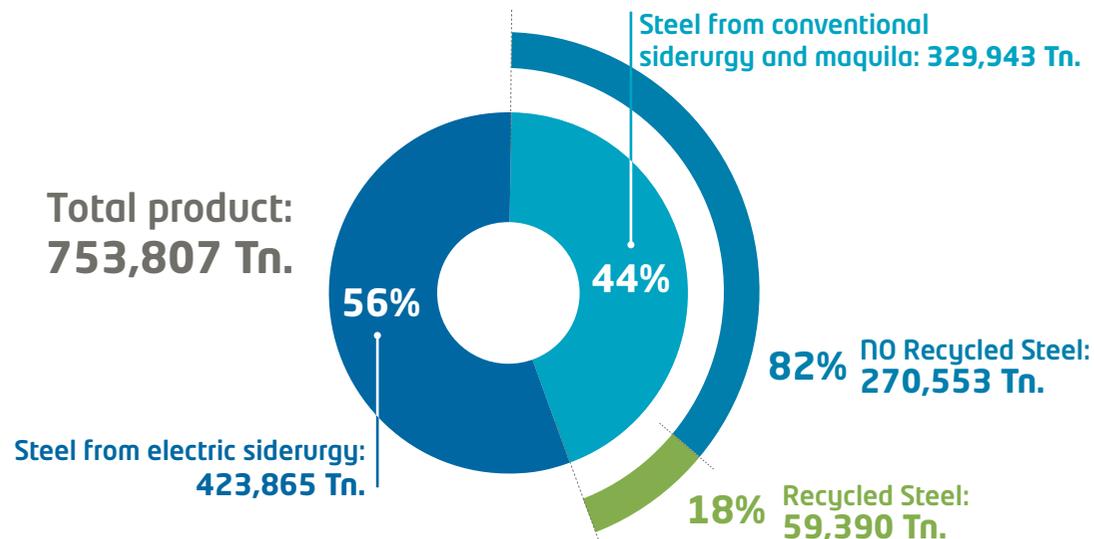
The average distribution of materials is around: Black Steel 96-98% and Internals 2-4%. With this distribution, steel is the main raw material.

The most relevant raw materials purchased in 2021 amounted to 760,192 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 753,807 tonnes of steel were consumed in 2021. It is estimated that 64% is of recycled origin.

	Raw Materials (Tons)						
	Steel	Welding Flux	Paint	Blasting	Welding wire	Solvent	Metallised Zinc Wire
GRI Argentina	11,480	82	97	25	80	15	6
GRI Brazil	74,364	571	622	149	649	79	77
GRI China	461,952						
GRI Spain	115,351	561	628	79	572	63	48
GRI India	20,400	60	131	9	57	9	3
GRI South Africa	8,951	41	7	6	3	0	6
GRI Turkey	34,150	343	383	61	329	39	19
GRI USA	27,160	95	224	34	95	19	9
Total	753,807	1,753	2,091	363	1,786	224	167





Waste management and minimization

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

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

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

A total of 275,746 tonnes of waste was produced in 2021, of which 99% is non-hazardous and less than 1% is hazardous waste.

Non-hazardous waste: a total of 274,746 tonnes were generated. Steel scrap accounted for 98%, with a total of 269,339 tonnes, mostly produced in factories in China.

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.

The 269,339 tonnes of discarded steel are sent for recycling and are subsequently reintroduced into the value chain, thus promoting the production of steel from recycled material, which leads to significant savings in raw materials and emissions.

Non-hazardous waste (tons)					
	Scrap steel	Wood	Welding Flux	Blasting	Others
GRI Argentina	608	35	81	34	30
GRI Brazil	9,154	865	621	168	727
GRI China	226,105	0	0	0	0
GRI Spain	28,191	227	660	251	162
GRI India	435	51	0	0	14
GRI South Africa	204	26	0	0	103
GRI Turkey	2,877	243	721	72	102
GRI USA	1,764	0	151	41	26
Total	269,339	1,446	2,233	565	1,163

Hazardous waste: a total of 1,094 tonnes were generated.

Hazardous waste (tons)				
	Packaging	Sludge	Contaminated rags and PPE	Others waste*
GRI Argentina	8	24	1	0
GRI Brazil	3	134	66	231
GRI China	0	0	0	0
GRI Spain	20	92	45	168
GRI India	5	1	0	1
GRI South Africa	0	18	0	4
GRI Turkey	120	24	1	0
GRI USA	59	35	31	4
Total	214	329	144	408

*Other waste: metallised dust, oils, oil water, physico-chemical treatments, lamps, accumulators, decontamination/disposal residues, etc.

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

Of the total waste produced, 98% is recycled and the remaining 2% is disposed of in landfills or incineration processes.

In 2021 there were no significant spillages, 13 incidents were recorded, mainly involving oil and to a lesser extent paint, with a total volume of 3.6m3. All of them were properly collected and managed and did not affect the environment (306-3).



GRI Towers Turkey obtains the “Sifir Atik” or “Zero Waste” certificate

GRI Towers Turkey defined a “Zero Waste” policy, within the framework of a waste management philosophy that includes the sustainable use of resources (no waste), the prevention and/or minimisation of their generation, defined after an analysis of the causes of their generation, the appropriate segregation at source, for correct collection and management through recycling.

The aim is to increase environmental awareness within the organisation, contributing to a sustainable future by reducing pressure on natural resources. Furthermore, costs will tend to decrease significantly with the prevention and minimisation of waste.

The project was launched in January, completed in March in the offices and in July in the plant. In September, the effectiveness of the actions carried out was checked, with positive results, and the project was therefore concluded.

What kind of actions were carried out within the scope of the project?

Firstly, the types of waste generated in the factory were examined. The work was divided into two areas, offices and production plant.

Waste segregation bins were installed and signposted at both sites, and online training was provided to all employees, after which all the small waste bins on each desk were removed.

In addition, a new temporary waste storage area was built to facilitate waste separation and management.



GRI Towers Seville. Training and best practices

In order to facilitate the labelling of the waste generated in the surface treatment area, the operators themselves designed a system that allows them, at a glance, to know the applicable legal requirements for each of the containers according to the type of waste.

For each type of waste, specific labels and codes were installed in a very visual way, in accordance with the legislation in force. Labels, images and codes are available at the same location for sticking on the different containers.

In a simple and economical way, they have achieved a significant improvement that, in addition to reducing environmental impact and facilitating work, allows them to comply with current legislation, where the involvement of employees is noteworthy.





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

The factories in Brazil, in line with the “ZERO Waste” project launched in 2019, developed new initiatives this year, such as: the implementation of environmental emergency kits in devices with wheels that facilitate their movement, replacing the previous watertight ones. They also improved information on the selective disposal of waste, to prevent workers from managing it inappropriately. With all this, in 2021 Brazil continues to move forward with the successful “Zero Waste to Landfill” programme. This programme aims to establish improvements in the management and final destination of all waste produced, through recycling and use as secondary raw materials or for use as fuel (RDF) mainly in cement plants, eliminating its final destination to landfill.

Through improved management, composting of organic waste and minimisation measures such as those aimed at reducing the use of plastic, 92% of the waste generated was recovered or recycled by 2021, reaching the target.

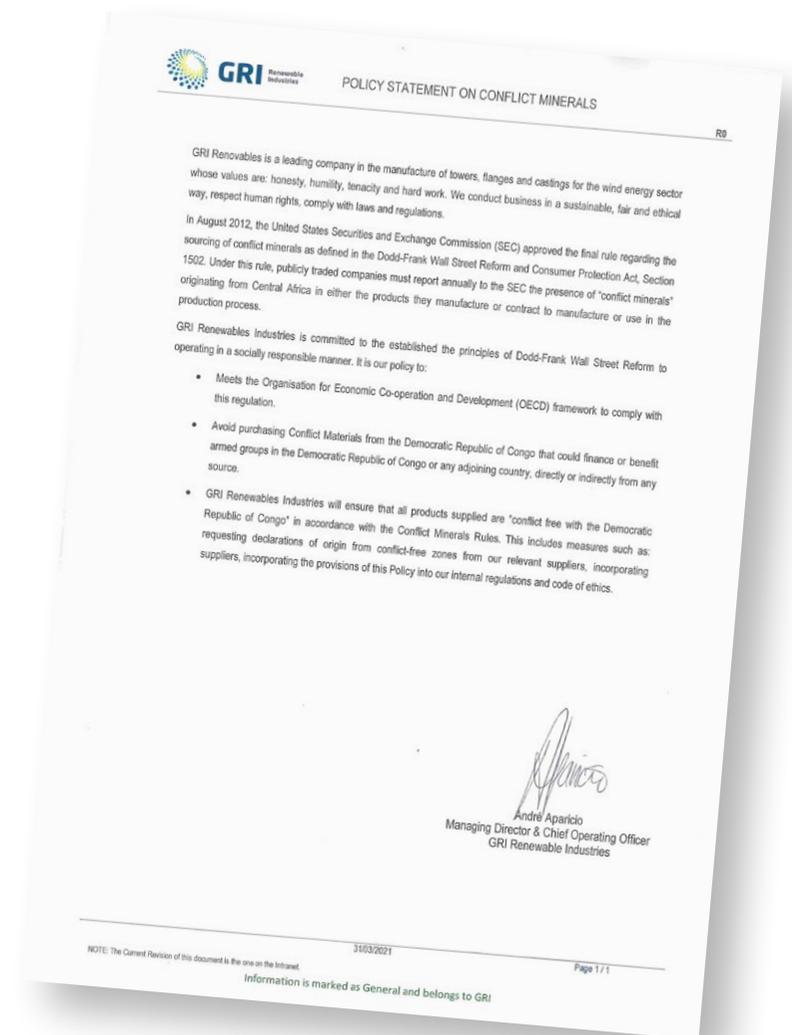
Conflict minerals

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

Taking a further step in its firm commitment to end violence and human rights violations related to the exploitation of certain minerals from a location known as the “Conflict Zone”, which is located in the eastern region of the Democratic Republic of Congo (DRC) and surrounding countries, in 2021, 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, with those that are previously contrasted in the market. In this process we have identified steel and the electric and electronic materials as materials that may contain these minerals

During the homologation process it is requested that the origin of the materials is accredited, thus assuring that these do not originate from foundries that use conflict materials which contribute to funding of conflicts in the Democratic Republic of the Congo or any neighbouring country.





Natural Capital and Biodiversity

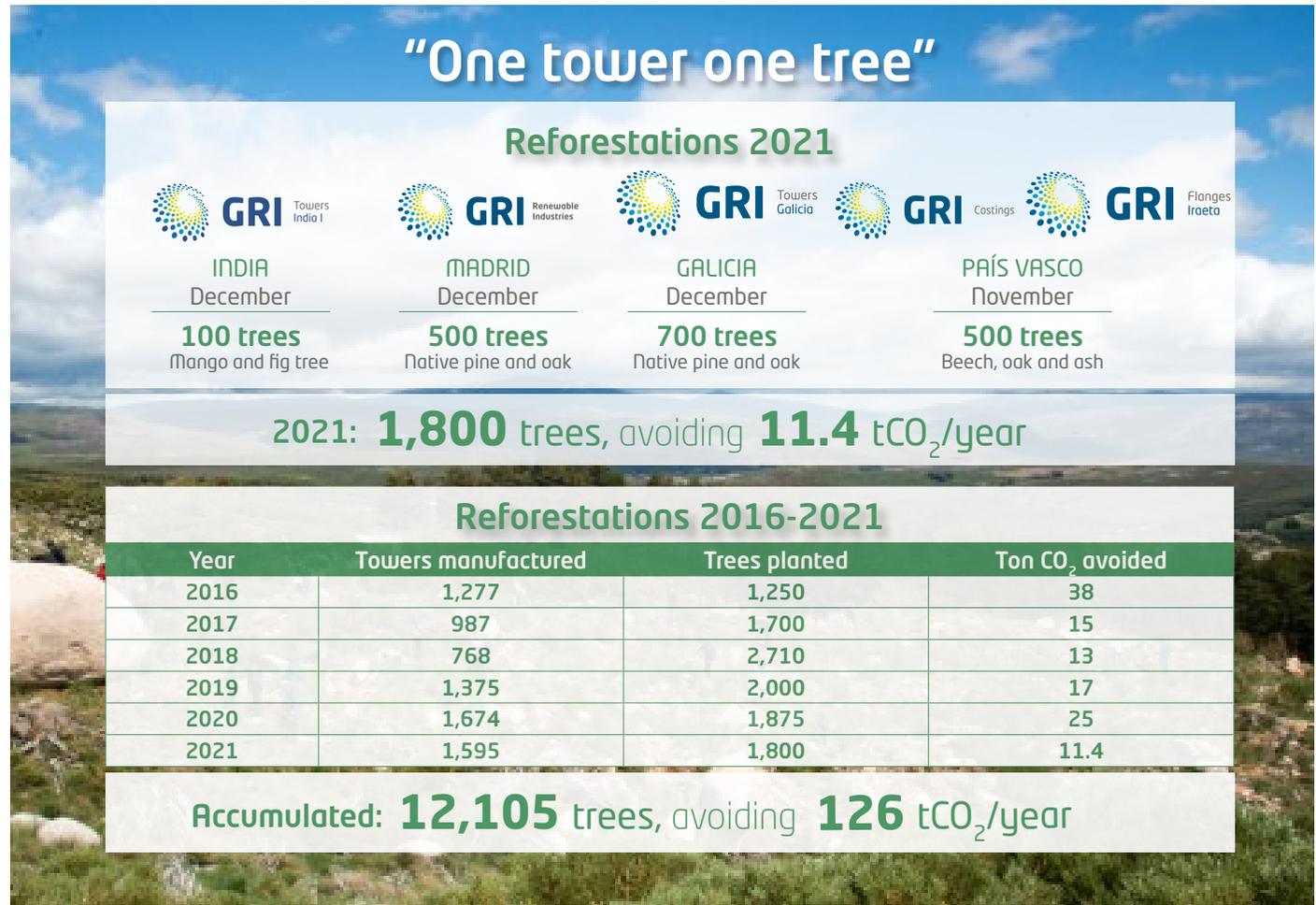
304-2

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

GRI Renewable Industries 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 a tree for each tower manufactured.

In 2021, five reforestations were carried out with more than 1800 trees planted. Reforestation is an activity that seeks to restore degraded habitats to their original conditions. Reforestations are always carried out using native species and favouring crop variety, the aim being to lay the foundations for the development of healthy forests in the vicinity of the group's factories. Considering the project since its inception, a total of 12,105 trees were planted, with a cumulative absorption capacity of 126 tonnes of CO₂/year.

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





Water and wastewater

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

GRI Towers Sevilla with biodiversity

Since 2018, GRI Towers Seville has had a plan to control urban birds, specifically pigeons (*Columba livia domestica*), which have come to pose a significant threat to the management, maintenance and conservation of the facilities.

In particular, problems were detected in areas determined by the high number of individuals colonising the higher elevations of the plant, as roosts or for nesting activity.

The presence of too many individuals can cause problems, including a problem for public health, due to the dirt and diseases they transmit.

For all these reasons, and as part of the plant's environmental culture, a control method was chosen that was as environmentally friendly as possible, avoiding, for example, the use of pesticides. With the collaboration of a specialised company, a control plan has been developed that focuses on the continuous training of birds by means of falconry techniques over the areas of action, with the aim of scaring the pigeons away.

This type of action is of particular relevance to the company due to the relationship between birdlife and wind turbines, and forms part of GRI's commitment to biodiversity, and in particular, to birds, with a view to sustainable development.

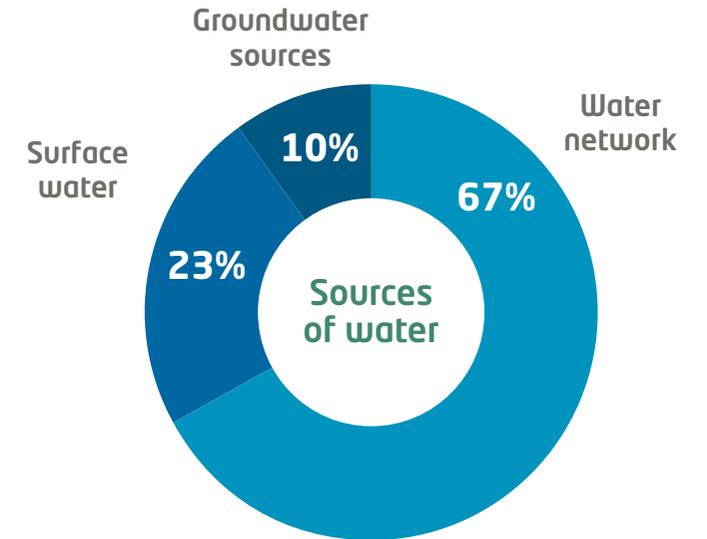
Water is a natural, limited, scarce and essential commodity for life on earth. It is a fundamental part of sustainable and socio-economic development. However, current forecasts (OECD) show that if we continue with business as usual, by 2050 almost half of the world's population will be living in areas 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 2021, total consumption amounted to 62,087 m³, 14% more than the previous year. The water consumed come 67% from the water network, 23% come from surface water and the remaining 10% come from groundwater sources. A total of 2,270 m³ is also reused in Brazil.

The company's production process does not require a large amount of water, and this is supported by the figures, which show that in 2021 the majority of consumption was for sanitary use (79%), followed by industrial use (21%) and a very residual part for irrigation of green areas.

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

Finally, a total of 20,604 m³ were discharged, of which 67% were disposed of in the sewage network, 17% in a septic tank and the remaining 16% in other discharge points (river, sea, etc.).





ESG Culture Social

The **“Social”** criteria include the relationship and response of GRI Renewable Industries with key **stakeholders**, such as: employees, customers, suppliers and society, mainly in those local communities where it operates.



People

Management focus

103-1, 103-2 AND 103-3

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 Human Resources area we are concerned with guaranteeing stable, quality employment with possibilities for growth and promotion among employees.

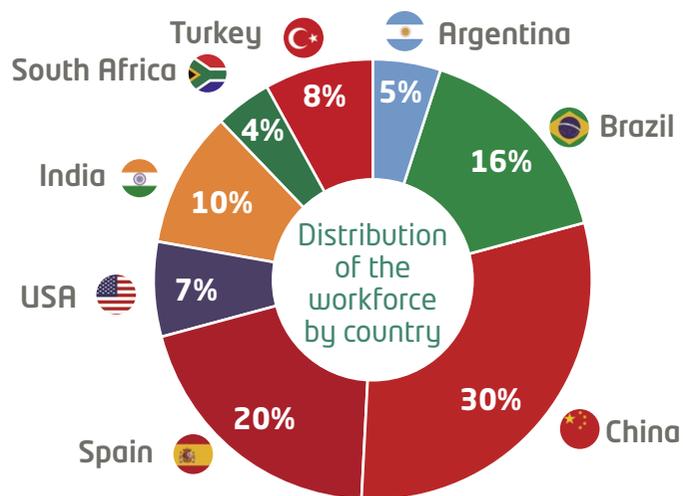
Own professionals by gender and country			
	Men	Women	Total
Argentina	207	7	214
Brazil	588	68	656
China	1,009	243	1,252
Spain	719	108	827
USA	246	24	270
India	410	0	410
South Africa	149	11	160
Turkey	326	6	332
Total	3,654	467	4,121

Details of staff by country, gender and age can be found in Annex 3: Table 1.

Workforce

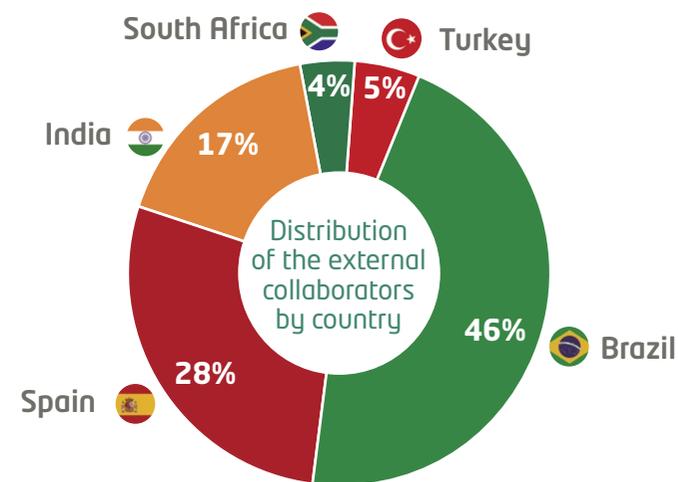
102-8 AND 405-1

In 2021, the workforce at GRI Renewable Industries comprised of **4,121** own employees (4,397 in 2020), 6% less than in the previous year, and **309** external collaborators, 46% less than in the previous year. The total number of employees in 2021 is **4,430**.



External professionals by gender			
	Subcontratas	ETTs	Total
Argentina	207	7	214
Brazil	588	68	656
Total	259	50	309

A breakdown of external staff by gender and country is included in annex 3, table 2.



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).



Job stability

102-8

Job stability is a priority for GRI Renewable Industries. Although the last two years the company has been affected by the pandemic and temporary closures, employment has remained virtually unchanged from the previous year.

99.7% of the employees have a full-time contract and 96.7% have a permanent contract.

	Permanent	Temporary	Scholarship
Men	3,531	103	20
Women	456	11	0
	3,987	114	20

	Full-Time	Part-Time
Men	3,652	2
Women	456	11
	4,108	13

In Annex 3: Table 4, this information is expanded by type of contract, gender and country.

Turnover

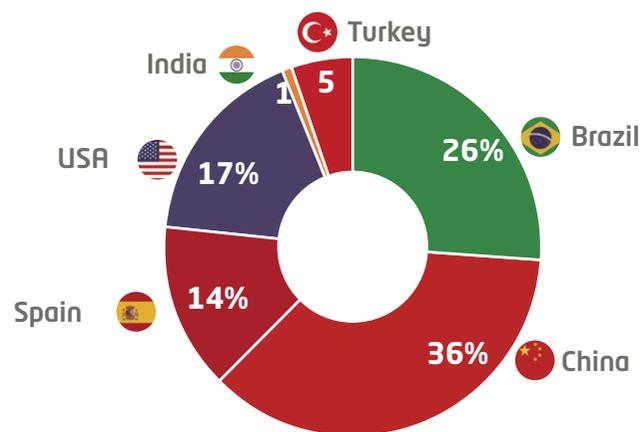
401-1

Hiring's

A total of 677 new hiring's (587 men and 90 women) were made in 2021, mostly in China (36%) Brazil (26%) and followed by USA (17%) and Spain (14%).

	Men	Women	Total
Total Hires	587	90	677

Annex 3: Table 4 shows the detailed distribution of recruitments by country, gender, age and category.

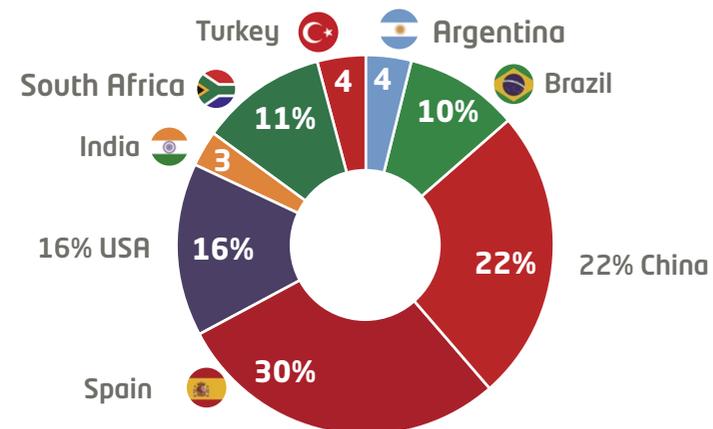


Leaves

A total of 862 leaves (780 men (90%) and 82 women (10%)) have taken place in 2021, mainly in Spain (30%), China (22%) and the USA (16%). These leaves are 15% due to dismissal and 85% voluntary.

	Men	Women	Total
Dismissal leaves	120	13	133
Voluntary leaves	660	69	729
Total Leaves	780	82	862

Annex 3: Table 5 shows the detailed distribution of departures by country, gender, age and category.



In terms of the total workforce, this year shows an average turnover of 21% (by gender: 21% men and 18% women).



Working conditions

Diversity and equality

405-1

At an international company such as GRI Renewable Industries, having a diversity of people with different perspectives, from different origins and different working models prevails, as they bring a great competitive advantage to the company. Diversity in the workforce is important in order to innovate, to achieve great changes and to continue offering new business opportunities.

In terms of gender distribution, 89% were men and 11% women.

Distribution of staff by professional category and gender		
	Men	Women
Manager	81	12
Middle Manager	346	70
Plant personnel	3,227	385

Annex 3: Table 1 shows the detailed of staff by country, gender and age.

At GRI Renewable Industries 98.5% of the workforce (98.8% men and 95.9% women) holds the **local nationality**, thus fostering social development in the communities we have a presence in.

Annex 3 table 6 shows their distribution (local nationality) by category, gender and country.

In terms of employees with **disabilities**, we have 45 employees (89% men and 11% women) distributed among Brazil (53%), Spain (20%), Turkey (20%) and South Africa (7%).

Annex 3 table 7 shows their distribution by category, gender and country.

GRI Renewable Industries celebrated the International Day of Persons with Disabilities, a group considered to be the "largest minority in the world", who often have fewer opportunities in the workplace, socially and economically. To commemorate this day, a video was broadcast and disseminated among employees to show a volunteer action carried out by the Juan XXIII Roncalli Foundation and the company. In the video, a road safety story was narrated, conveying concepts such as the importance of ensuring safety, the transmission of positive messages to motivate responsible and safe driving and the commitment of each and every one of us to tackle the Covid-19 pandemic.

We maintain a fluid collaboration and develop numerous initiatives with the Special Employment Centres, for example: the purchase of fresh fruit every Monday, 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.

GRI Renewable Industries continues with the project to "Supply Personal Protective Equipment (PPE)" through vending machines via a single supplier/distributor and delegate the packaging and logistics to personnel from special employment centres, thereby helping to benefit this group. The project has been completed in Seville, Galicia and the USA.

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.

In addition, as in previous years, it collaborated with the NGO CESAL through a donation that allowed people at risk of social exclusion to enjoy a Christmas dinner. This year, due to the restrictions of the pandemic, CESAL brought the menu to the guests' homes, giving them the opportunity and the illusion of celebrating Christmas thanks to culinary creations by more than a dozen outstanding chefs.



Freedom of association

102-41

At GRI Renewable Industries 89% of the employees are covered by sectoral **collective bargaining** agreements or similar agreements. Thirty-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 11% are covered by a **Handbook** or **other agreements**, stipulating employment conditions, rules of conduct, salaries, social benefits, etc.

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.

Maternity/paternity

401-3

As for paternity and maternity leave, 83 men took paternity leave and 82% of them returned to work. In the case of women, 100% of the 17 women who took maternity leave returned to their jobs in 2021.

In addition, 73% of men and 100% of women remain with the company after taking leave in 2020.

Reconciliation of work and professional life

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 based on the customer requirements, so we strive to offer individual flexibility to those workers whose circumstances require so.

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

- Flexibility in the start time has been extended to between 7 to 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 an allowance 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.





Attracting, developing and retaining talent

Internal Promotion and Professional Development

At GRI Renewable Industries we are committed to internal talent and we consider “**Internal Promotion**” a strategic tool to ensure the coverage of vacant positions, benefiting the development and well-being of professionals, through two fundamental advantages:

- The company has candidates with proven experience in its own business, processes and products, increasing the probability of success in the selection of the candidate and reducing the time of adaptation to the new responsibilities.
- Employees have at their disposal a tool that allows them to fulfil their expectations of professional development within the company itself, through access to new opportunities for professional movements, both vertically and horizontally.

A number of mechanisms were put in place in 2021 to help ensure the development of professionals working at GRI, as summarised below:

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 selection, information and 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.

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 have been shortlisted (20 in corporate and 41 in plant).

In 2022, the selection, information and preparation phase of the development plans will continue.

Performance Evaluation 404-3

In 2021, this process was implemented through a centralised “**Management by Targets**” system based on an IT tool. This system has provided professionals with information on their annual targets, 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) Targets
- Operational Targets
- Competence Targets
- 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 line reporting.

A total of 179 employees were evaluated on the basis of the centralised DPO system at the end of the year (138 men and 41 women), distributed as shown below:

-  **Corporate : 75** (Men 53 and Women 22)
-  **Galicia: 12** (Men 11 and Women 1)
-  **Brazil: 14** (Men 13 and Women 1)
-  **Turkey: 8** (Men 7 and Women 1)
-  **India: 11** (Men 11 and Women 0)
-  **South Africa: 12** (Men 9 and Women 3)
-  **USA: 11** (Men 7 and Women 4)
-  **Seville: 9** (Men 7 and Women 2)
-  **Argentina: 9** (Men 8 and Women 1)
-  **Basque Country (Flanges): 12** (Men 9 and Women 3)
-  **Basque Country (Castings): 6** (Men 3 and Women 3)

Job Posting

In general, when a vacancy arises in the company, an attempt is made to assess the availability of internal candidates to fill the position. For this purpose, there is a system of internal publication of open positions “**Job Posting**” that allows employees to apply for those internal opportunities that they consider a professional development opportunity within the company.

Positions offered can be both corporate and plant-based and are open for application by any employee of the company, in some cases allowing for international development.

In 2021, two critical corporate positions in the Quality and H&S departments were filled through Job Posting, with professionals from GRI Towers Brazil.

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.

Regarding Job Posting and Start-up and Support Teams, the delicate global situation resulting from COVID19 has hindered overall mobility, which has limited the possibility for some employees to access positions offered or temporary support projects outside their country of residence. However, in 2021, more than 23 employees were temporarily relocated to other plants or sites of the company.



Training and professional development

404-1 AND 404-2

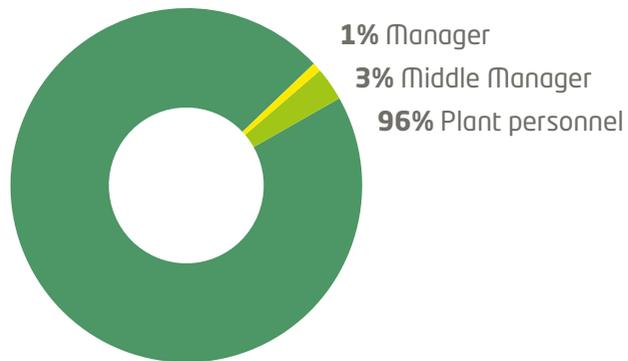
The development of the skills and abilities of the group’s professionals is a key aspect for GRI Renewable Industries.

Each year, each plant analyses the training needs of its workers, and a training plan is drawn up “ad hoc” to the requirements of each plant, in which new employees are integrated.

The plan includes language training, as well as specific training in health and safety, compliance, competencies, etc., and technical training focused on professionals from the different plants.

In 2021 a total of **145,787** hours was trained (60% more than in 2020), which is an average of 35 hours per employee (33 hours on average for men and 55 hours on average for women).

Training by category



Annex 3: Table 8 shows the distribution of training hours by category, gender and country.

Global programmes

As part of its training initiatives, the company has developed different programmes, including the following:

Welcome Training

When a new employee joins the company, a mandatory requirement is that he or she receives general training. This may vary between that for office workers and factory workers, both in duration and content, depending on the activity carried out in each plant.

Outplacement

Training service for employees who leave the company. It aims to support this group in their reintegration into the labour market and includes different services (404-2).

GRI Academy

In 2021, progress was made in consolidating the Academy as an online training tool for all professionals who form part of the company. To this end, new training programmes adapted to existing profiles were included, as well as new specific itineraries to meet the needs of certain groups.

The figures achieved in 2021 show the consolidation of “Academy” as a training platform:

- Number of training hours: 845
- Number of registered persons: 1659

Local/specific programmes

In addition, at the local level and/or for specific departments, ad hoc programmes are developed at the corporate level and in the factories in various areas. Some examples of different initiatives are summarised below:

GRI Team Leaders Galicia Programme

In April, the GRI Team Leaders programme began in Galicia, aimed at Plant Supervisors. The main objective of this programme was to provide supervisors with tools for self-knowledge and team management (Predictive Index).

Participants worked on aspects such as organisation, communication and collaboration as fundamental elements in team management.

In addition, this training is reinforced through an itinerary in Academy with different training pills where participants can continue to deepen their knowledge on issues such as leadership, team management or productivity and efficiency, among others.

GRI Team Leaders Seville Programme

In September, the Plant Supervisors and managers of GRI Seville participated in a meeting whose objective was to know the individual and team needs, where Predictive Index was key to know these needs individually.

In addition, in order to further strengthen teamwork, a session was held to work on aspects such as communication and leadership, among others.

As in the case of Galicia, a specific itinerary was set up in the Academy so that they can continue working on perfecting the different skills they need to face their daily lives.



Programme for the Commercial Team

The first face-to-face session of the programme for the Corporate Commercial Team took place in October to improve internal cohesion and to learn about the strategic needs and opportunities for the department.

In the second session, participants worked on their negotiation skills, conflict resolution and results orientation. To provide continuity to these sessions, a year-long Academy itinerary was created, the content of which is adapted to the training profiles of the sales team.

Project Management Programme

During 2021, the "GRI Project Management Programme" began, organised together with ESCP Business School, with 40 participants from different factories in Spain in two training editions and one for the presentation of projects.

The objective of this programme is to create a homogeneous project management culture throughout the company. It is a hybrid programme, taking place both on-site and online. In the last session, the teams presented their projects to the Management Committee.

Human Resources Programme

HR managers from various plants participated in a programme based on the "HRCI Certification" to improve their knowledge of different subjects.

In addition, online sessions on Spanish labour law have also been held to update their knowledge in this area.

Code of Ethics and Conduct

During the month of March, the "Code of Ethics and Conduct" training was launched in Academy for all white collar staff in Spain.

Motivation day at GRI Towers India

GRI Towers India organised a motivational workshop with an external team on "Work place labelling" and "Building proactive attitude" with a differentiated approach for Blue Collars and White Collars, involving employees and emphasising the work culture.

GRI Towers Galicia is committed to Dual Vocational Education and Training (FP Dual)

GRI Towers Galicia and Grupo Dizmar, together with the Council of Carballiño and I.E.S. Chamoso Lamas, promoted Dual Vocational Training in Welding and Boilermaking with the aim of improving local employability, boosting the labour market in the area and attracting female talent through quality training.

Welding training programme at GRI Towers Turkey

This training, which started last year, involved 39 professionals from the Turkish plant, who received a master's certificate in the field of welding after successfully passing all the exams conducted by the National Education Directorate.

Following the success of this training initiative, both parties agreed to continue the training programme focused on the Master Certificate in Overhead Crane and Master Certificate in Welding within the period 2021-2022.

Specialised MIG-MAG welding course at GRI Towers Galicia

November saw the start of the specialised course in MIG-MAG welding to cover the training and professional recycling needs detected by the municipal Employment Guidance Service to improve employment in the area, and to meet the demand from qualified professional companies in the metal sector. The course lasted 200 hours, with 80 hours of practice linked to welding.

Team Building and Leadership Day at GRI Brazil

The managers and coordinators of GRI Brazil participated in a meeting under the title "Sharing experiences and multiplying results", with a double objective of team building and continuing to build on the success story of the Brazilian plant.

The team worked on self-knowledge, valuing the differences and similarities of their profiles and recognising the various personality types, through workshops with experiential dynamics, such as an escape room, in which they worked as a team to solve the challenges they were given and successfully reach the exit.



Health and Social Benefits

201-3 AND 401-2

Social benefits

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 given below:

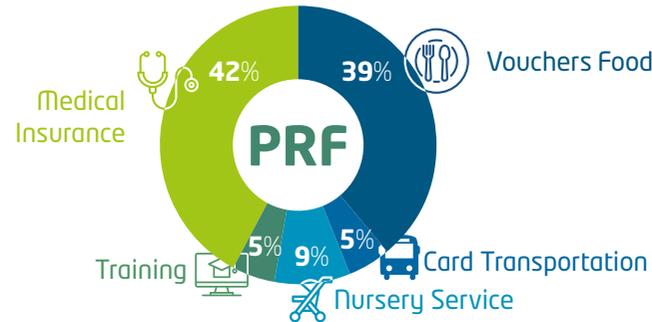
Argentina: includes partial health insurance (for employees not covered by the collective agreement), canteen service and transport assistance for first managers. To celebrate Christmas, a basket of Christmas products is distributed to all employees, so that they can enjoy it with their families.

Brazil: includes life and disability insurance, medical insurance, canteen or dining service, as well as transport service or assistance. It also has agreements with pharmacies and other services such as dental services.

China: includes different kinds of insurances (medical, unemployment, accident and maternity), as well as a pension plan and a housing provision fund in accordance with labour regulations.

Spain: includes life and disability insurance. Likewise, GRI Casting Zestoa and GRI Flanges Iraeta have pension funds, these plans are a mandatory requirement of the Metal Sector Collective Agreement Guipúzcoa which regulates both plants. In Christmas, distribute a box with Christmas products to all employees to enjoy with the family.

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, childcare vouchers, meal vouchers, etc., thus benefiting from the tax advantages established by law.



*Includes only GRI holders, not their families.

USA: includes life and disability insurance, medical insurance, as well as voluntary retirement plan support for full-time employees where the company contributes the majority and the employee only 3.7%.

India: includes life and disability insurance, medical insurance, canteen or dining service, as well as pension plan assistance and Employees’ Solidarity Fund-1952, for employees who have been working in the factory for more than 5 years of continuous service and 15 days’ salary per year is calculated in the year of service. In addition, India II a transport service is also available.

South Africa: includes transport service for blue collars and pension scheme support for permanent workers.

Turkey: includes health insurance for all employees, canteen or dining service, as well as subsidised transport service. In accordance with Turkish custom, it provides its employees with a food box at the beginning of the month of Ramadan and at the end of the year to celebrate the new year.

Health improvement programmes

403-6

Be Active

The aim of the programme is to implement good healthy habits among the company’s employees, mainly oriented towards the promotion of sports activities. Due to the pandemic during 2021 the activities were significantly reduced.

China holds its basketball, badminton and other sports matches and competitions for employees at its own facilities.

In addition, it is worth mentioning the participation in a new edition of the Carrera de las Empresas held in December, in which **GRI Seville**, **GRI Galicia** and **GRI Madrid** were represented.

GRI Towers India developed the “GRI Play for Unity” programme to enhance the well-being of employees at the Kolhapur and Nellore sites through cricket.

A total of twelve teams from Kolhapur and six teams from Nellore participated in this sports and wellness initiative and thereby strengthened the feeling of team spirit and belonging.

Be healthy

In line with the previous one, it aims to improve the health and lifestyle habits of the company’s professionals.

Among the initiatives carried out, it is worth highlighting the purchase of fresh fruit every week at the central offices in Madrid for consumption by all employees. The products are offered by a special employment centre, which allows us to contribute to integrating people with disabilities into the world of work.



Health and safety

Management focus

403-1 AND 403-8

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

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 employees and stakeholders.

Health and Safety is reinforced by the leadership of senior management and a robust management system that reflects the features 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 a 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.

69% of the factories are already certified and it is planned to extend this scope in 2022. The factories in India I and II, South Africa, USA and Castings Zestoa do not have health and safety management certification.

Considering the scope of the certifications, 76% 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.

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

Each plant has technical experts dedicated to Health and Safety with regulated training in this field. On-site control of risks in operations and at workplaces falls to supervisors and department heads, such 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. Monitoring

workers' health status 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 regard.

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 Index result is the pondered measure of up to 89 factors that are classified in three big blocks: 'Indexes', 'Work conditions' and 'PRL Management', allowing complete and objective information to be obtained on the safety status of each plant.

IPRL results are continuously monitored and assessed on a quarterly basis by the corporate Health and Safety team. In 2021, despite the complications arising from the pandemic, we were able to carry out the planned remote audits at all plants grouped

in the "improvable performance" and "good performance" zones, focusing on the most relevant improvements.

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

The table shows the percentage improvement in both working conditions and prevention management in each of the centres since 2016.

2021 % improvement	Working Conditions						Health & Safety Management					
	2016	2017	2018	2019	2020	2021	2016	2017	2018	2019	2020	2021
GRI Flanges Brazil	29	16	5	4	3	16	6	32	34	35	8	-78
GRI Towers Turkey	30	41	23	5	18	-13	27	33	19	20	17	20
GRI Towers Brazil	56	-19	17	-1	3	-29	16	23	34	30	6	-73
GRI Towers Sevilla	-	-	-	40	9	14	-	-	-	36	-5	18
GRI Towers India	10	15	20	-4	2	37	14	18	-6	-8	-2	41
GRI Towers USA	-	-	8	7	17	4	-	-	-12	6	27	-2
GRI Towers South Africa	-4	10	14	30	13	12	-14	13	1	23	22	15
GRI Calviño Towers Argentina	-	-	-	-	22	-7	-	-	-	-	51	3
GRI Towers Galicia	7	9	7	-3	3	35	0	1	-20	18	26	15
GRI Flanges Iraeta	0	12	11	15	5	12	19	3	12	5	11	20
GRI Castings Zestoa	-	-	11	2	3	1	-	-	4	-1	8	8
Total						7,5						-1,2

In 2021, there is an overall improvement of 7.5% in working conditions and, as a consequence of the pandemic, prevention management decreased by 1.2%.

There are currently six production centres with "excellent performance" classification in Health and Safety, after incorporating GRI Towers Galicia (five in 2020), having achieved great progress in both the working conditions block and the management block. The perimeter does not include the factories in China.



GRI Towers Galicia achieves the “Excellent Performance” category in IPRL

During the 2021 financial year, GRI Towers Galicia has reached the green zone “Excellent Performance” after an improvement of 19 points in working conditions and 6 points in the management area, compared to the previous year.

GRI Towers Galicia thus leaves the good performance zone and consolidates as “excellent” as a result of teamwork and safety culture of the plant. With this, there are now 6 plants catalogued as “excellent performance”.

GRI Forjas Iraeta certifies under the ISO 45001:2018 standard

During the first quarter of 2021, the GRI Forjas Iraeta factory certified its Health and Safety Management System under the ISO 45001:2018 standard. This certification allows:

- Increase awareness and culture of health and safety at work.
- Eliminate risks and minimise those that cannot be eliminated, always pursuing the objective of a zero-accident rate.
- 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.

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 indices relate to own workers as well as to external workers.

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 third-party employees in the 2021 financial year:

Accidents	Accidents with leave		Accidents without leave	
	Men	Women	Men	Women
Own personnel	104	4	143	5
External personnel	10	0	19	1
Total	114	4	162	6

This year there was a notable decrease of 29% in accidents with and without sick leave for own staff compared to the previous year. However, they have increased by 57% for external personnel, mainly in men.

Accidents with sick leave

In own personnel, accidents with sick leave remained the same or decreased in all countries except the USA and Brazil, which increased slightly. In outside personnel, accidents with sick leave increased in Spain and South Africa.

Accidents with leave	Own personnel		External personnel	
	Men	Women	Men	Women
GRI Spain	61	24	61	0
GRI Brazil	9	0	0	0
GRI Turkey	3	0	0	0
GRI India	3	0	0	0
GRI South Africa	63	0	59	0
GRI USA	13	0	0	0
GRI China	1	0	0	0
GRI Argentina	3	0	0	0
Total	14	4	15	0

Rate: Accidents with sick leave / hours worked per 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.

	Accidents without leave			
	Own personnel		External personnel	
	Men	Women	Men	Women
GRI Spain	86	24	144	32
GRI Brazil	12	0	0	0
GRI Turkey	0	0	0	0
GRI India	4	0	0	0
GRI South Africa	59	0	0	0
GRI USA	39	77	0	0
GRI China	0	0	0	0
GRI Argentina	0	0	0	0
Total	19	5	28	20

Rate: Accidents without sick leave / hours worked per 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 occupational diseases 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 2021, 13 cases of occupational disease were identified in our own personnel (12 men (2 in Spain and 10 in Brazil) and 1 woman (Brazil)), in addition to 34 high-risk positions divided between Spain (Castings Zestoa) and Brazil.

The overall rate by gender is 0.39 for men and 0.0 for women in Spain and 1.48 for men and 1.18 for women in Brazil (no. of illnesses/no. hours worked by own personnel *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

In terms of days lost due to accidents, there was a decrease compared to the previous year. On the other hand, the ratios of days lost due to other causes have increased.

	Days lost due to other causes		Days lost due to accidents	
	Men	Women	Men	Women
GRI Spain	1.25	0.32	8.97	12.70
GRI Brazil	1.76	0.95	5.38	3.29
GRI Turkey	0.12	0.00	3.44	0.00
GRI India	0.00	0.00	0.00	0.00
GRI South Africa	0.23	0.00	15.86	17.46
GRI USA	0.41	0.00	0.00	0.00
GRI China	0.01	0.00	0.00	0.00
GRI Argentina	0.00	0.00	0.00	0.00
Total	0.54	0.21	3.06	2.97

Rate: no. days lost due to accidents and other causes / No. of hours worked by 1000



The statistical studies of the accidents reported by the plants allow us to have a profile of the type of accident at GRI, with accidents involving discomfort due to particles in the eyes, contusions and cuts accounting for the majority of accident (403-9).

With regard to the indicators derived from serious injuries, some injuries with these characteristics have occurred in Spain (1 own employee), in Turkey (2 own employees) and in South Africa (1 external employee). As a result, the rate of occupational injuries with major consequences has increased compared to the previous year (this is similar to the rate of recordable occupational injuries, as it does not include any fatalities).

Injury rate per accident	Own		External	
	Men	Women	Men	Women
GRI Spain	0.98	0.00	0.00	0.00
GRI Turkey	2.99	0.00	0.00	0.00
GRI South Africa	0.00	0.00	29.59	0.00
Rate countries affected	1.54	0.00	5.01	0.00

Rate: No. of injuries due to occupational accidents with major consequences / No. of hours worked x 1,000,000

Communication

403-4

One of the central axes of the company's preventive activity at global level was to strengthen 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 issues communications on incidents and accidents in order to increase participation and inform all workers about specific Health and Safety matters.

This year we wanted to further strengthen this communication by making use of the following channels: through the Health and Safety area on the corporate website, the communication of contents on the corporate intranet, reinforcing telematic channels and Teams meetings.

In the factories, the figure of the **"Health and Safety Committee"** is fundamental, as an internal body that represents all workers, meets regularly and deals with relevant issues concerning safety and working conditions in the factories. Employee representation on the health and safety committees is 100% (**144** in total):

No. of representatives of H&S committees			
GRI Spain	18	GRI South Africa	11
GRI Brazil	42	GRI USA	0
GRI Turkey	19	GRI China	26
GRI India	24	GRI Argentina	4

GRI Brazil: SIPATMA 2021

As every year, SIPATMA 2021 (VII Internal Week of Accident Prevention and Environment) is celebrated in the Brazilian factories.

Throughout the week, different actions were carried out focused on awareness-raising and sensitisation, where all employees received training, among which the following stand out:

- Playful opening and interactive games with the team of art educators.
- Gymkhana with quizzes on safety (video production on the theme of safety culture) and environment (parody on the theme of global warming).
- Social actions (food collection, blood donation).
- Implementation of the pending actions of the 5S action plan.
- Delivery of seedlings to encourage tree planting.
- Total interaction of the collaborators, in training sessions, games, gymkhanas, etc.

All activities were carried out under strict covid 19 protection and prevention measures.



GRI Towers India I and II celebrate Safety at Work Week

The Kolhapur and Nellore factories in India celebrated the Safety at Work Week, which commemorates the National Safety Day in India and includes different activities aimed at raising awareness among employees on Safety and Health issues.

During the week, explanatory meetings on the commitment and rules of safety at work, various activities (banners and posters) illustrating safety situations and even medical check-ups were held.

Employees received training on first aid and proactivity at work, fire drills, watched a video on "Learning from Incidents" and attended an exhibition on safety PPE.

In addition, the Chalta Bolta Quiz competition on safety was held to motivate employees and quizzes were held in different disciplines: safety poster and slogan, safety poem, essays and studies on different safety cases in the plant.

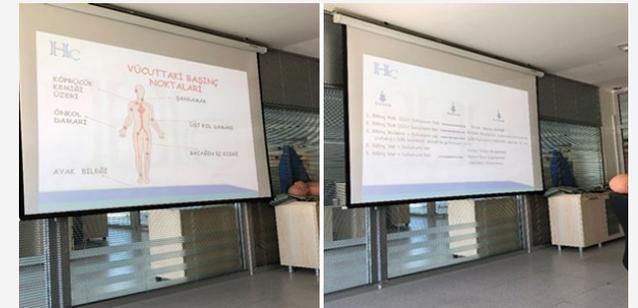


Emergency training at GRI Towers Turkey

GRI Towers Turkey held two training days for its employees to improve actions in emergency situations, with the company KBK Training. This training will enable participants to be the first response in emergencies that occur inside and outside the company and to raise awareness among their colleagues to develop correct behaviour and avoid health problems.

A team of 25 employees received the first aid certificate after successfully passing the certification process which will enable them to respond to all kinds of sudden illnesses, accidents, injuries, etc.

In addition, GRI Turkey is one of the company's cardioprotected plants along with GRI Towers Galicia, GRI Towers USA, GRI Calviño Towers Argentina, GRI Towers Sevilla and GRI Flanges Iraeta.





Training and awareness-raising

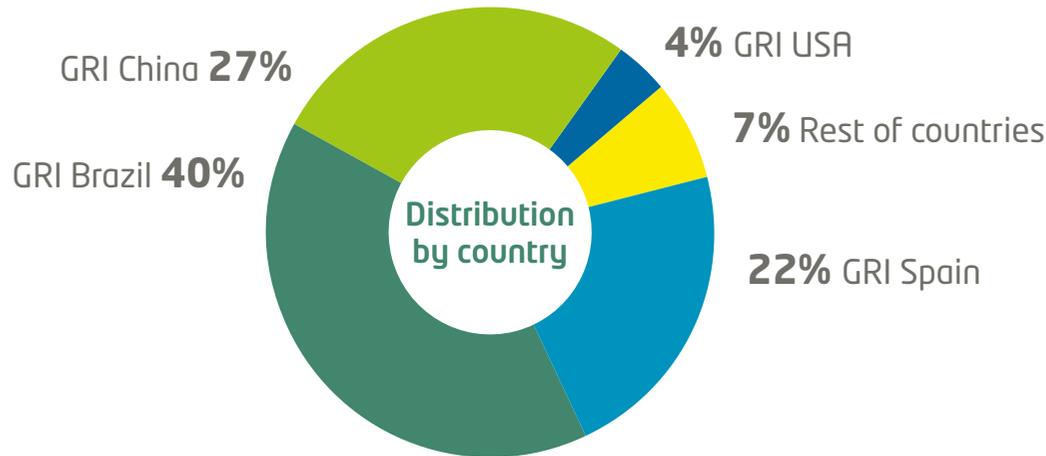
403-5

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

Safety plays an inclusive role in said training. All training is based on results obtained from the risk assessments at the workplace, as well as on procedures and work instructions. Training is integrated with the communication of the best prevention practices identified and implemented globally.

In 2021, training hours were significantly increased following the pandemic and the closures of the previous year. A major effort was made in this complicated environment and 39,571 training hours were achieved (36,629 hours for our own staff and 2,942 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.

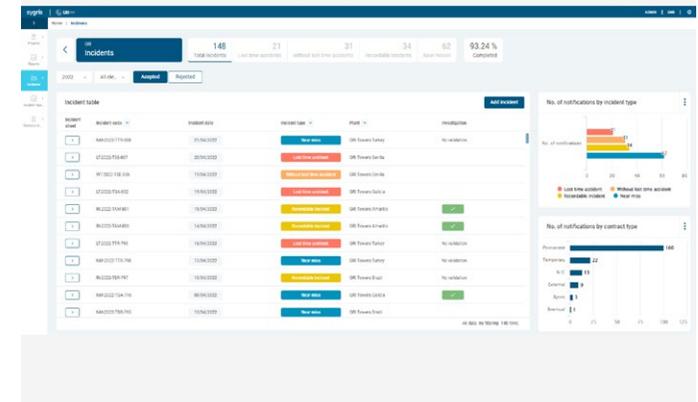


New software for health and safety management

This year, the corporate health and safety department developed and implemented a **digital platform** for the management of all health and safety information in all the group's plants.

This enables overall streamlining of incident management, Occupational Risk Prevention Index (IPRL) tracking and daily communications, as well as data analysis for continuous improvement.

The objective of integrating health and safety in a dynamic way through the use of the platform, in addition to establishing a complete vision of the performance KPIs, allows to help in strategic planning, increasing the safety culture of the company and reinforcing the management system with the particularities of each plant, improving prevention.





Value creation

Customers 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, enabling us to offer differentiated and more efficient products, mainly in Madrid, Turkey, Seville and India.

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 complete commissioning. It is currently in the final phase of construction (planned until July 2022) and in the process of tendering for the machinery (20% of which has already been allocated).

In 2021, 6 PhDs will be operational at the Seville R&D centre, as summarised below:

- Steels, new materials
- Surface treatment
- Industry 4.0: Sensorisation and monitoring
- New plant configuration (layouts)
- New organisation and redefinition of processes
- New welding concepts





Customers: product innovation

The success of GRI Renewable Industries is based on its capacity to identify and meet its customer needs. As the only supplier with the capacity to design and manufacture new prototypes of towers and flanges, innovation plays an essential part.

Through innovation we design lighter and more efficient products. This allows us to optimize the costs of wind energy, being more competitive by improving the standardized cost of electricity (LCOE) compared to other renewable energy sources, thus contributing to increase the profitability of our customers.

In line with its commitment to innovation, at the beginning of 2021 GRI Renewable Industries created a new company, **GRI I+D ENGINEERING S.L.**, which brings together various professionals and knowledge in the field of R&D&I. The company is certified under the ISO 9001 standard, as are all the factories.

In 2021, around 4.6 GW of towers designed by GRI R&D ENGINEERING were developed and installed for three of the group's main customers.

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, the company follows current market trends in its onshore designs:

- Optimised average thicknesses for new, lighter designs
- Diameters between 4 m and 6 m
- Lengths between 18 m and 39 m
- Section: weight between 50 tonnes and 110 tonnes

These include the following:

- Started in 2018, GRI Renewable Industries continues with the Forestalia project as the company awarded a large part of the future wind farms of the Government of Aragon. In total, more than 250 specific towers of three sections and 85m in height were delivered. The factories in Turkey, Galicia and Seville were involved in the project.
- Thanks to the success of the Nation Rise project in Canada (29 131m high towers manufactured in Brazil) and the project started in 2020 in Sweden (manufactured in Seville), this year the client reconfirmed its confidence in GRI Renewable Industries with the request for new designs incorporating significant improvements such as the reduction in the number of sections per tower, for the same heights.
- GRI Towers Sevilla was awarded three major orders by Siemens Gamesa for manufacturing and export in Europe, with significant and innovative process improvements.

The Hollandse Kust Zuid project in the Netherlands (10 offshore towers of 11 MW) and its expansion with an additional order (6 towers of 11 MW) stand out.

It was also awarded the Provence Grand Lagarde project in France (3 towers of 8 MW). This project is the first order for offshore towers on a floating structure for GRI Renewable Industries, a recent technology with significant growth forecasts from 2025 onwards.

- For the export project in St. Nazare (France), it completed the manufacture of 20 towers type "Haliade 1" of 6 MW.
- Finally, in Q1 2022, GRI Towers Seville is scheduled to complete the certification of GRI Towers Seville for Siemens Gamesa. This will complete the approval process for the main OEMs: Siemens Gamesa, Vestas and General Electric.

Regarding flange production, a major investment for the production of flanges up to 8m outer diameter started in 2021 and will be fully operational in the first half of 2022.

Also noteworthy for its importance is the completion of the offshore certification process with Siemens Gamesa and General Electric. This is the culmination of the strategic plan for welding flange certification in the three main OEMs in the offshore market.

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 initiatives carried out have a double focus: **improving production processes**, and **digitisation and Industry 4.0 projects**.

At GRI Renewable Industries, 2020 was a record year for production and 2021 stands out for maintaining this same line. For this reason, a large part of the investments were aimed at expanding the production capacity of the factories, among which the following stand out:

- The **expansion of the GRI Towers Brazil factory**, which increases production capacity by around 30-40%, which means increasing the weekly production of sections from 25 to 35.
- The **expansion of the GRI Towers Turkey factory** was completed, increasing production capacity by around 20-30%, which means increasing the weekly production of sections from 18 to 24. In addition, the development of a new factory to be executed in 2022 was approved.
- The **planned project at GRI Towers South Africa** was put on hold pending further auctions.

GRI Renewable Industries is immersed in the "Industry 4.0" project and in the "digitalisation" of the manufacturing process in all its phases. Below is a summary of some of the projects underway:

At GRI Towers Turkey, an automatic bevel machining machine was designed and is currently in the test phase. This new prototype will significantly increase process efficiency and welding quality.

Following the success of the "**MES**" (Manufacturing Execution System) project in Turkey, its implementation began at GRI Towers Galicia, which is scheduled for completion in 2022. This project integrates and digitises all the information on processes from multiple channels and variables, allowing it to be exploited, optimised and analysed through "Big Data" in real time.

Another important pilot in Turkey is the automation of the **painting** process of the exterior of the towers by means of a robot. The aim is to extend the project to other factories of the group in the coming years. The benefits are many: in addition to optimising surface applications, it allows better use of the paint, greater energy efficiency and minimises the risk of exposure of workers.

Significant progress has also been made in the "**Standardisation Project**" aimed at standardising the company's general documentation and processes in collaboration with the IT department. In 2021, it will be implemented in 7 factories and the cycle is expected to be completed in 2022.

Following the good results of the "**Counter Flow & Re-works - VT**" pilot project, which allows inspection of the material and welding using a laser and 2D and 3D cameras, detecting millimetric defects, its implementation is planned at the GRI Towers Seville factory with the company Toshiba during the 2022 financial year. A grant of €700m has been obtained for this purpose.

With regard to **forging** processes (flanges), with an investment of €5 million, the **diameter of the flanges** was increased to **8 m** for the offshore market. The first flanges with these characteristics were delivered in February.

Within the framework of **Industry 4.0** and **digitalisation**, the following subsidies are to be highlighted in 2021:

- The "**WINDIN4.0**" grant was approved for GRI Towers Galicia for an amount of €1M for industrial research, experimental development and innovation projects focused on innovative industrial technologies "Smart Factories" within the Industrias 4.0 initiative.

Its objective is to develop solutions and subsystems oriented towards the smart factory paradigm that form a new integral manufacturing route for discrete, high-volume, heavy and large-sized products.

- 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 the industrial research of a new generation of offshore wind energy metallic 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).



- Funding was approved for the “**VAICO**” project for GRI Towers Seville for an amount of €0.7M and a duration of 2 years. The project is based on “Disruptive Intelligent Machine Vision Solutions for Offshore Wind Power Components” and will enable the development of the first high-precision intelligent machine vision system for detecting 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 “**GENGRI**” Development of New Critical Structural Elements for Third Generation Wind Towers was approved for funding by CDTI. This project focuses on the investigation of advanced structural solutions for disruptive steel-concrete connections based on stressing bars, cables and bolts that lead to viable connection concepts that can make a difference for the new load spectra of third generation towers.

- The project “**ZDZW Non-Destructive Inspection Services for Digitally Enhanced Zero Waste Manufacturing**” was approved by the European Commission. ZDZW is a €10M+ project focused on the development of zero defect and zero waste technologies. The project involves more than 30 European companies, where GRI Renewable Industries will develop two use cases for these new technologies with a budget of €0.3M.

Finally, all projects contribute to improving product quality, delivery times and control of the supply chain, with the development of lighter weight products and total landed cost, which optimises customer coverage and minimises environmental impact.



New Offshore Towers factory in the UK

GRI Renewable Industries will build a new offshore tower factory at Able Marine Energy Park, Hull, UK. The new factory is designed to initially supply around 100 offshore towers per year and create around 300 direct jobs, with an investment of €100m. The site is expected to become the largest and most relevant distribution port for offshore wind in the UK. In addition, the project will contribute to meeting the government’s 2030 sustainable targets.



Cultural Change & Digital WorkPlace

In 2019, the “Digital WorkPlace” project began with the aim of adopting Microsoft technology and offering employees 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.

It is a process that demands an important management of the cultural change of the whole company, in a collaborative environment that allows to approach successfully this challenge of incorporating the 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 agile, fast, 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 boosted digitalisation and connectivity among employees and helped solve the difficulties of meeting and moving around 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 financial year, we would highlight the following:



1 Corporate mobile telephony

With the knowledge acquired during the adoption of O365 and the synergy with the communications area, procedural changes have been made, tariff adjustments have been made and recommendations for use have been made to users that have led to significant savings, which we must thank to the involvement and responsibility of employees, making a much more efficient use of corporate mobile telephony.

New disruptive technologies for international communications have also been analysed, where they will be consolidated in 2022 to continue the path of efficiency and savings.



2 Teams Meeting Rooms

In this 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.

3 Remote Support

Remote Support initiatives have also been carried out with HoloLens devices for industrial use in order to carry out activities that could only be carried out virtually with COVID situations, such as audits, inspections, etc., and the solution has been shown to work, so that by 2022 it will also continue to be used as a tool to be faster and more efficient.



4 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.



5 SharePoint Documentation Management

There has also been a significant increase in the movement of documents from local servers to SharePoint sites, to take 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 that will continue through 2022.



6 Governance of the Power Platform

To take digitalisation to another level, the foundations have been laid in 2021 to be able to initiate specific automation projects that have a direct impact on the business, for which the Power Platform Governance has been implemented to support the new projects that will see the light of day in 2022.

In conclusion, the 2021 financial year has been an exercise of consolidation of the tools, as a result of which it has been possible to define the **Digital Workplace Plan 2022-2024**, 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.



Developments in the financial year 2021

In the 2021 financial year, the evolution of the use of O365 tools has increased, highlighting the increase and consolidation in the use of Teams and Onedrive, as well as the capacity for improvement identified in SharePoint, the results of which will be verified through the different projects underway.

	2018	2019	2020	2021
OneDrive	0%	37.94%	51.81%	62.54%
SharePoint	0%	66.17%	65.46%	63.48%
Teams	0%	0%	68.94%	76.02%
Average	0%	34.70%	62.07%	67.35%



IT security, processes and data protection

Business process support

Systems are a fundamental element for the execution of business processes and implementation of business strategy, even more so in a collaborative and innovative environment relies on emerging technologies in an increasingly turbulent business context.

Systems and IT organization are essential to harness the most powerful wave of digital transformation.

The IT department at GRI Renewable Industries faces a challenging balance between the need for digital innovation on a company-wide scale and the need to maintain and operate with today's most advanced systems and processes in order to maintain operational excellence.

The year 2021 has been a very challenging year in this regard: The Group's centralised ERP SAP system, infrastructure services and communications were both maintained and improved, with a focus on business support, efficiency, and profitability.

The prolongation of the Covid-19 pandemic has put to the test the IT services previously provided to provide everyone in the organisation with capabilities for flexible and secure access to company resources, as well as interaction with customers and suppliers, not only increasing productivity and user experience, but also ensuring continuity in business processes in the various scenarios that have alternated over the course of the year depending on the different locations.

At the same time, transformation projects have been launched to align the business strategy with the systems strategy and to continue advancing together on the journey towards digital transformation, with involvement in corporate projects such as Windin 4.0.

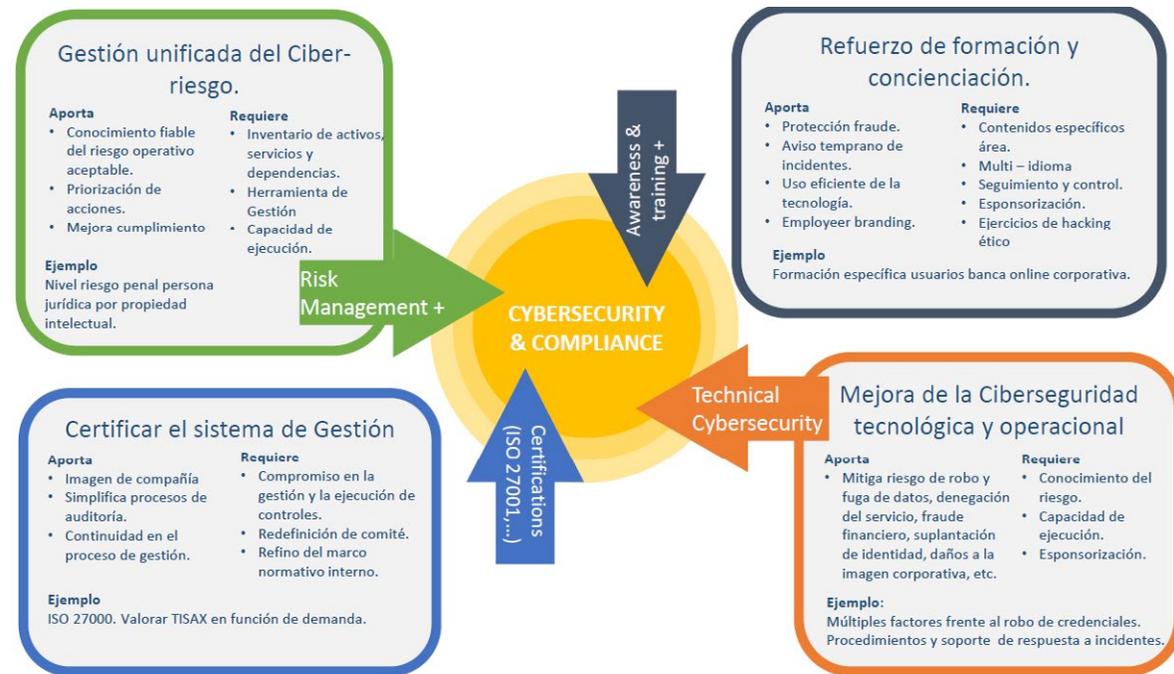
Work continued on technology initiatives to enable the addition of IT capabilities and new operating models, such as the Mill real-time production control system, based on so-called "hyper-convergence" technology.

Hyper-convergence bridges the gap between traditional infrastructure, public cloud services and production lines. It enables a 'hybrid cloud' approach in an industrial environment,

keeping critical infrastructure and data under GRI's control, with the ability to integrate with machines in the plants and with applications and data in the cloud.

In some cases, in order to manage the scalability of IT capacities, the collaboration of third parties may be necessary, for which an impartial process of publication of specifications, reception and evaluation of several offers and final selection is followed, taking into account the criteria of quality in business support and efficiency of the systems.

At GRI Renewable Industries, we are convinced that information has become a strategic asset for the company and ensuring its security is one of the Group's major challenges.





Information Security

Today, 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 worldwide.

In this respect, the scenario created by the Covid-19 pandemic, if on the one hand it has boosted the use of digital tools for work and collaboration, on the other it has expanded the surface of exposure to possible attacks, including techniques that have even used people’s sensitivity to everything inherent to the pandemic and their health in general as an entry point for possible attacks.

In addition, the rapid proliferation of smart devices and the connectivity brought about by the internet of things (IoT), coupled with the lack of global security standards makes many of these devices very vulnerable and exposes personal and business information.

This trend is illustrated by an increase in the hijacking of corporate computers by hackers, for example to “mine” cryptocurrencies, using modern malware designed to go after corporate networks for this purpose, which can crash them and even damage the hardware.

According with what we mentioned above, also has increased the phishing fraud, so every day it is necessary to adequate all the security policies and the devices with the aim to protect the actives and the people’s security.

Therefore, we establish the necessary mechanisms to safeguard the privacy of information and the protection of customer and supplier data, as well as to manage and treat documentation appropriately according to its level of relevance, and to reinforce security, information security procedures are reviewed periodically, and systems are tested on an ongoing basis to ensure that they are watertight.

In 2021, in order to improve security policies, the following actions, among others, have been carried out:

- Regular scanning of systems to identify external and internal vulnerabilities and remediation according to their level of criticality.
- 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.

We have also continued to support and enhance the relevant measures to implement the European Data Privacy Regulation (GDPR), which implies a more cross-cutting level of supervision on the protection of personal data information.

GRI Renewable Industries celebrated “Safer Internet Day 2021”

Under the slogan “A better Internet starts with you; more connected, safer” to promote responsible use of online technology and the mobile devices we regularly use.

On this day, the risks of different devices and tips for safer use were recalled. The IT and Digital WorkPlace blogs in the blogosphere are full of informative content, tips for optimising cybersecurity and the new DWP tools, among other things.





Supply chain

Management approach

102-9

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.

For this reason, the purchasing model aims to have the best suppliers, managed through procedures that ensure transparency, fair conditions and long-term relationships.

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

Procurement

This is the first link in the chain. It is their role to ensure that suppliers are compliant in time and form, meet deadlines, monitor costs (according to previously made planning) and promote the use of the latest technologies to optimise supply chain management.

In each project they establish continuous and fluid communication and manage the risks until the reception of the material in the plant.

To comply with these requirements, regular meetings are held and monitoring templates are shared, which facilitate the identification and minimisation of risks.

Purchases

We differentiate purchases into two types depending on their characteristics: direct and indirect. In both areas, it is essential to scrupulously follow our purchasing procedures, under the parameters of the group's general purchasing conditions. These conditions safeguard us in the service we provide and in the most significant measures linked to our responsibility towards sustainability.

Direct Purchases

All these purchases are strategic and are therefore managed from corporate headquarters in Madrid. In all business lines there is a wide range of product families.

Steel, in terms of volume and cost, is the main raw material. At GRI Renewable Industries, we only collaborate with suppliers that have a proven track record in the market and provide differential value.

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

Apart from steel, there are other products that are essential to our competitiveness, such as tower internals, door frames, flanges, paint, etc. for which we seek global and strategic partnerships.

Indirect Purchases

For purchases related to investments, supplies and services, the selection process is based on criteria of service quality, technical development, market position, competitive advantage and risk prevention.

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

We seek to develop relationships with suppliers where the company gains a service and cost advantage over its competitors, and at the same time to build a creditworthy and fruitful business for the supplier.

Supplier Quality

This is done at both the corporate level and at each of the plants. The 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 standards.



To reinforce these issues, reduce complaints and align our suppliers with group standards, we have an online **Supplier Portal**, developed in cooperation with the company FullStep pro.

This platform allows immediate registration and access to the portal of each supplier, where they update their information and certificates. The homologation requirements are established and adapted to the different categories of materials/services and supplies they provide, categorised as critical or non-critical. At all times, suppliers are informed on their current status, for instance: certification nearing expiration, documentation pending, additional data to be provided, valuation, etc; or even on the non-conformities they have.

The homologation requires 100% of suppliers to complete a set of information and evidence, which we believe guarantees the selection of the best suppliers in the market. This information includes, among others, aspects of sustainability, ethics and compliance, availability of environmental, quality and health and safety certificates, absence of conflict minerals, Reach compliance, etc. (308-1).

In addition, as established in the "Control of suppliers for 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.

For those with lower ratings, action and improvement plans are defined, monitoring tasks and plans are drawn up in order to make them reach the good or excellent category.

All suppliers, once approved, are periodically evaluated each semester as a control mechanism to maintain their classification.

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.

It should be noted that some customers establish among their contractual conditions the suppliers and materials to be used in their towers, which significantly limits the company's decision-making capacity in these cases. Likewise, in order to create local value, in some countries we work closely with suppliers in the area, increasing control measures to minimise any risk and defining joint action and improvement plans to obtain better results in their assessment.

Suppliers evaluated

414-1

In 2019, a new portal was implemented as a single tool for the control of approved suppliers (100%). To this end, all the Group's suppliers have been contacted, providing them with information and support so that they can register, as well as upload the documentation required for approval, depending on

the type of material they supply or the service they provide.

In 2021, the total number of qualified suppliers was increased to 431, of which: 293 suppliers are classified as fully reliable, 51 are considered as minimal risk and 49 as medium risk. The remaining suppliers are in the process of completing registration. Continuous improvement in the qualification of suppliers to achieve the maximum score is a milestone that the SQA area pursues day after day.

In addition, a total of 45 product, process and Quality Management System audits were carried out by the purchase teams from the Plants and Corporate.

No operations and suppliers have been identified as having a significant risk of child labour (408-1).

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. Additionally, this department centralizes all information related to tariffs and taxes associated with the movement of goods, which is of increasing relevance.



Expenditure on local suppliers

204-1

GRI Renewable Industries contribute to the development and generation of wealth in the communities in the countries where we are present through spending on local suppliers.

In 2021, the total expenditure of suppliers reached 1,010,099,593 euros, where 89% corresponds to local agents. The table shows their distribution:



	Total supplier's expenses	Local supplier's expenses	Local supplier's %
Brazil	248,162,197	0,335,462	85%
Spain	133,454,603	94,919,142	71%
India	7,197,243	4,823,224	67%
Turkey	44,454,316	22,016,810	50%
USA	44,689,892	36,017,905	81%
South Africa	4,727,780	3,864,663	82%
China	527,413,562	527,413,562	100%
Total	1,010,099,593	899,390,768	89%

No negative social impacts have been detected in the supply chain, therefore no measures to eliminate/mitigate these effects were necessary (308-2 and 414-2).

Key milestones in 2021

Of the many milestones achieved in 2021, the following are the most relevant.

In the Purchases and Procurement area:

- Closing the PPA to achieve the group's Carbon Neutral targets.
- Management of the investment associated with the extension of the flange area to accommodate OFF SHORE products.

In the Suppliers quality area:

- Increase in the number of suppliers registered in the database from 337 suppliers in 2020 to 431 in 2021.
- Improve the process of conducting audits by reinforcing in the checklist the fulfilment of criteria required in customer specifications.
- Revision and extension of the requirements requested for the approval of suppliers in terms of sustainability, mainly in the areas of Human Rights and Compliance, as well as Climate Change and Circular Economy.



Contribution to the community

Social action

Contribution from Corporate 102-12

One of GRI Renewable Industries' priorities is to support local development in the areas where it operates. To this end, it establishes collaboration agreements with non-profit organisations to develop corporate and local activities of various kinds. In the 2021 financial year, many of the planned activities could not be carried out due to the restrictions resulting from the COVID pandemic, with the safety of people being a priority.



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 2021 the company supported four national face-to-face congresses in: A Coruña, Granada, Madrid and Palma de Mallorca and another three online in: Oviedo/Bilbao, Valencia/Seville and Malaga. In addition, the international congress in Lisbon was sponsored for the second consecutive year and the congress held in Mexico was publicised among employees in Puebla.



AESLEME

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

In 2021, the company supported the dissemination of road safety in schools in the Community of Madrid. In those schools where it was not possible to do this in person due to the pandemic, it was done virtually.



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 2021, as in the previous year, efforts and donations went entirely to Spain, in particular to those affected by the volcano on La Palma (Canary Islands), which was active for nearly 3 months, causing severe damage on the island.



Juan XXIII Roncalli Foundation

It has been collaborating with the Juan XXIII Roncalli Foundation since 2008, 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.

In 2021, the "International Day of Persons with Disabilities" was promoted. To this end, a video was broadcast and disseminated among employees, showing a volunteering action carried out by both entities. In the video, a road safety story was narrated, conveying concepts such as the importance of looking after our own safety and that of others, the transmission of positive messages to motivate responsible and safe driving and the commitment of each and every one of us to tackle the Covid-19 pandemic.



Real Madrid Foundation

In 2018, the collaboration with the Real Madrid Foundation began, with the aim of educating young people of school age with different abilities on 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 pre-benjamin category socio-sports schools.



Seres

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

For yet another year, GRI was also included in the "VII 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 ProjectaRSE conference.



UN Global Compact

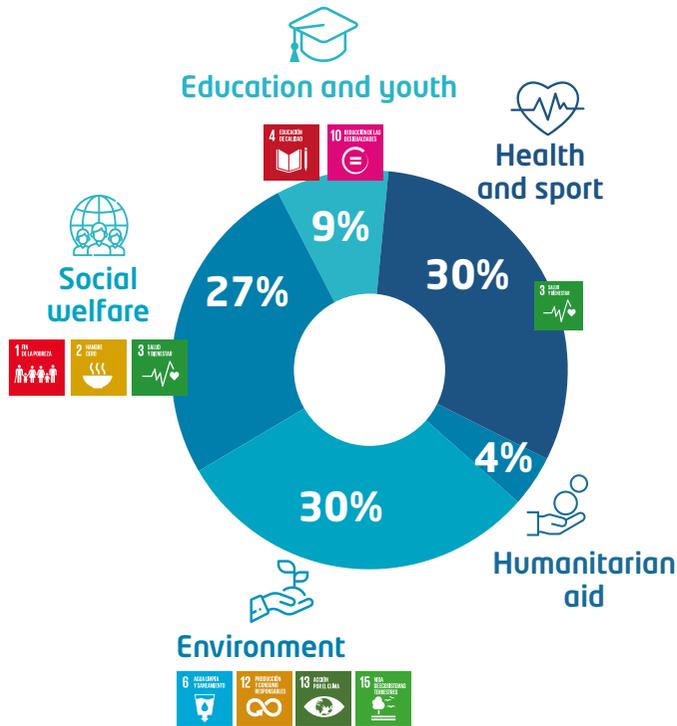
In 2013, we began working with the Global Compact to contribute to the dissemination of and compliance with the 10 Universal Principles and the Sustainable Development Goals.

In 2021 GRI joined several initiatives such as the #supportSODS campaign, the Contigo Somos+ initiative and the Streets for Life #Love30 initiative within the framework of the Sixth Global Road Safety Week.



Local contribution 413-1

In 2021, 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 Towers South Africa continues to progress various training projects within the Black Economic Empowerment (B-BBEE) programme. This racially selective programme was launched by the South African government to redress the inequalities of apartheid by assisting black South Africans (blacks, coloured and Indian).

This year, it collaborated with the local skills school, which focuses on the development of practical skills for pupils who do not perform well academically, through training in spray painting, carpentry, hairdressing and mechanics.

GRI Flanges Iraeta, collaborates with a financial donation to a training centre in the area, for investments in: industrial equipment and machinery, teacher training in innovative technologies, adaptation of classrooms to new learning methods and basic research in the development of projects..



Health & Sport

GRI Towers Galicia, believes that sport is a fundamental part of the education and development of society as a whole. For this reason, it sponsors the Arenteiro football school, the O Sapoconcho cycling club (to which several employees belong), the Sporting Carballiño football team, the Terras sports schools, the Marusia Club (rhythmic gymnastics), the Mosqueteiros cultural association and the changing room for the GRI Galicia paddle tennis team.

It also carried out a blood donation campaign with the collaboration of the Galician Agency for Blood, Organs and Tissues (ADOS), which is part of the Galician Ministry of Health of the Xunta de Galicia, where around 50 employees came to the mobile unit to donate blood.



Humanitarian emergency

GRI Towers India, supported those affected by the heavy floods with severe damage in the region of Kolhapur and the surrounding provinces, where several of the factory's employees live. The company contributed financially and helped those affected directly and with its employees.



Environment

At **GRI Renewable Industries** we are committed to climate change, which is why in 2015 we set ourselves the challenge of planting a tree for every tower produced. This year, in Spain, GRI Madrid, GRI Towers Galicia, GRI Flanges Iraeta and GRI Casting Zestoa have carried out reforestations.

GRI Towers India a, carried out a plantation around the factory in collaboration with its "white collared" employees, which contributes to improving the environment and the fight against climate change.

GRI Flanges China, during the "Sustainability" week in Iraeta in August, a number of activities related to energy saving, carbon emission reduction and green development took place. In doing so, the concepts of green office, green forging, clean production, energy saving, low carbon emissions and environmental protection were reinforced.



GRI Brazil, to congratulate the employees who completed 10 years in the company, a socio-environmental event was organised, where they planted trees, symbolising their roots in the company and contributing to the fight against climate change.

Social Welfare

GRI Towers South Africa supports various soup kitchens and feeding programmes in the local community through the sponsorship of non-perishable food and kitchen equipment.

In addition, it has been supporting the local Christian alcohol dependency support group for three years by donating equipment and plans to increase collaboration through training activities. It also supports the local kindergarten, which is located in a very poor area, by providing equipment to help it function properly (e.g. a cooker for preparing meals).



GRI Flanges China collaborated with disadvantaged groups through different actions such as:

- Celebrated the Mid-Autumn Holiday (September), where several representatives of Iraeta visited retired employees and gave away food (oil, flour, rice, etc.) to neighbours and elderly people in poor economic conditions.
- In October, the company celebrated the Senior Citizens' Holiday, where a group of volunteers from the company went to Duo Zhuang nursing homes, bringing gifts (winter coats and trousers) and cooking Chinese dumplings.

GRI Renewable Industries, collaborated with the NGO CESAL through a donation that allowed people at risk of social exclusion to enjoy a Christmas dinner. This year, due to pandemic restrictions, CESAL brought the menu to the guests' homes, giving them the opportunity and the excitement of celebrating Christmas thanks to culinary creations by more than a dozen leading chefs.



Commitment to the Sustainable Development Goals

Following the launch of the **United Nations Sustainable Development Goals (SDGs)** in 2015, GRI Renewable Industries started a new leaf, in line with the 2030 Agenda, the SDGs and its core business, the manufacture of components for the wind industry.

It therefore defined and integrated important **Environmental, Social and Governance (ESG)** challenges into its strategy for a more profitable and sustainable future, firmly committed to long-term value creation and care for the environment.





Climate change and the SDGs

Since the signing of the historic Paris Agreement (COP 21) in 2015, numerous initiatives have been developed, such as the recent European Green Pact and the current “Fit for 55” package with interlinked and complementary measures to achieve the EU’s 55% net emissions reduction target by 2030, which includes a climate roadmap for the coming years that favours a just transition to a carbon neutral economy.

Within this framework, GRI Renewable Industries approved in 2020 the “2030/50 Carbon Neutral Plan”, which sets out an ambitious roadmap with important reduction targets through energy efficiency projects, the promotion of solar photovoltaic energy and the purchase of energy from renewable sources, among others, as well as absorption mechanisms through reforestation.

All of this contributes to the fight against climate change and to the achievement of the Sustainable Development Goals, directly with SDG 13 “Climate action” and indirectly with SDG 7 “Ensure access to affordable, safe, sustainable and modern energy for all”, SDG 15 “Life of terrestrial ecosystems” and SDG 12 “Ensure sustainable consumption and production patterns”.

In this line, forests are enormously beneficial in this context (protection of biodiversity, water conservation, reduction of erosion, etc.) and they play a critical role in the storage of CO₂. However, deforestation and the constant loss of tree cover have increased steadily over the last 18 years, due to various causes such as fires and indiscriminate logging

Trees and forests have a direct relationship with climate change. On the one hand, changes in climate affect forests by raising average annual temperatures and changing rainfall, as well as increasing extreme weather events. On the other hand, they contribute to slowing down climate change by acting as sinks by trapping and storing CO₂.

In 2015, it therefore launched the long-term reforestation project “One tower, one tree”. The aim is to match, as far as possible, the number of trees planted with the number of towers manufactured.

Performance measurement

I. Offset part of the CO₂ emissions through reforestation projects, with the aim of matching or exceeding each year the number of towers manufactured with the number of trees planted.

As part of the “one tower one tree” project, we will plant a total of 1,800 trees in 2021, compared to 1,595 towers produced.

II. To increase annually the CO₂ avoided/compensated through reforestation plans, with the objective of avoiding 200 tonnes/year by 2025.

Last year we exceeded the 2020 target of 100 tonnes/year avoided, reaching 114 tonnes/year. Therefore, this year we set a new target for the next 5 years.

In 2021, a total of 1800 trees were planted, which avoids the production of 11.4 tCO₂/year. Considering the project from the beginning, a total of 126 tCO₂/year is avoided.

III. The consumption of electricity from renewable sources by 2025 will reach 30% of the group’s total electricity consumption.

To achieve this in 2021, various contracts have been signed for the purchase of energy from renewable sources (PPAs and certificates of origin) in the factories in Spain that come into operation on 1 January 2022.



Innovation and the SDGs

In recent years we see a business sector purchasing increasing volumes of renewable energy, driven by sustainability objectives and increased procurement supply.

In the wind energy sector, advances have mainly focused on wind turbines, which are increasingly more powerful, efficient, better conditioned and adapted to different weather conditions, which also requires adjustments to the rest of the components, such as towers and flanges.

At GRI Renewable Industries we have a team of innovation experts dedicated to the design and improvement in the manufacture of increasingly lighter, more efficient and competitive towers and flanges, as well as the development of new products adapted to market conditions, meeting the objectives set by each client.

Initiatives in this field are directly aligned with the following goals: SDG 7 "Ensure access to affordable, safe, sustainable and modern energy for all", SDG 9 "Industry, Innovation and Infrastructure" and SDG 12 "Responsible Production and Consumption".

Performance measurement

I. Increase the innovation workforce by 30% (period 2019 -2022) at the R&D Centre in Turkey.

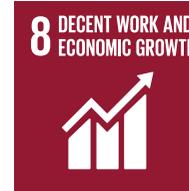
The project started with 10 employees in 2019 and in 2021 there are a total of 17 professionals, which means an increase of 59% of the staff, exceeding the planned target.

II. Increase by 20% the number of PhD graduates at the Seville R&D Centre (period 2020- 2023).

In 2021, 6 doctorates are operational (4 from 2020 and 2 from 2021), meeting the target.

III. Collaborate with key customers to improve tower design and efficiency.

In 2021, around 4.6 GW of towers designed by GRI R&D ENGINEERING were developed and installed for three of the group's main customers.



Education and the SDGs

The COVID-19 crisis has had a devastating impact on education around the world. It has disproportionately affected vulnerable and marginalised communities, exacerbating already existing inequalities in learning. Never before have so many children been out of school at the same time, disrupting their learning and drastically changing their lives. Sustainable solutions to the learning crisis must therefore be found.

At GRI Renewable Industries we believe that education is the main driver out of poverty, always considering human and labour rights, the reduction of the wage gap and inequality, paving the way towards a fairer and more equal society.

It therefore contributes to improving this environment through quality, stable and lasting employment, creating local wealth in the communities in which it operates, and contributing to the achievement of SDG 4 "Quality education" and SDG 8 "Decent work and economic growth".

I. Aimed at creating local wealth in the countries in which it operates, with a twofold objective: to maintain average local employment and permanent contracts >80%.

In 2021, local employment reached 98% and 97% of GRI professionals are employed on a permanent basis.

II. Improve the education and qualification of GRI professionals, increasing training hours per employee to an average of more than 15 hours/employee by 2025.

In 2021, a total of 145,787 hours of training were provided, an average of 35 hours per employee, increasing the average compared to the previous year.



ESG Culture 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.



ppk

Corporate governance

Corporate governance

102-1,102-3,102-5

GRI Renewable Industries S.L. was incorporated on 22 June 2008 under the name "Gonvarri Infraestructuras Eólica", later it was denominated "Gestamp Wind Steel", before taking on its current name, GRI Renewable Industries, and absorbing "Gonvarri Eólica".

The headquarters are located in: 3 Ombu St. 2th Floor. 28045 Madrid - Spain.

In 2015, the Japanese group Mitsui & CO Ltd joined the company's shareholding as a partner, with the acquisition of 25% of the Company. In December 2019, 100% of the Spanish company FIHI Forging Industry, S.L. (trading name: GRI Flanges Iraeta) was sold. (trade name: GRI Flanges Iraeta), constituted through the segregation of the activity branch of Forjas Iraeta Heavy Industry, S.L. on July 26, 2019 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.





Governance structure. Composition and its committees

102-18, 102-22 AND 102-23

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 Bylaws of Association set out the functioning of the Board of Directors, as well as the requirements and deadlines for convening the General Shareholders' 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 Company's Bylaws.

The performance of the Board of Director is not evaluated, since the members thought their shares are the owners of the company their shares and represent all the partners.

In 2021 two changes were made to the Board of Directors, at the end of March following the resignation of Mr. Osaki Mr. Hatayama was appointed and in August following the resignation of Mr. Hatayama Mr. Ohashi was appointed.

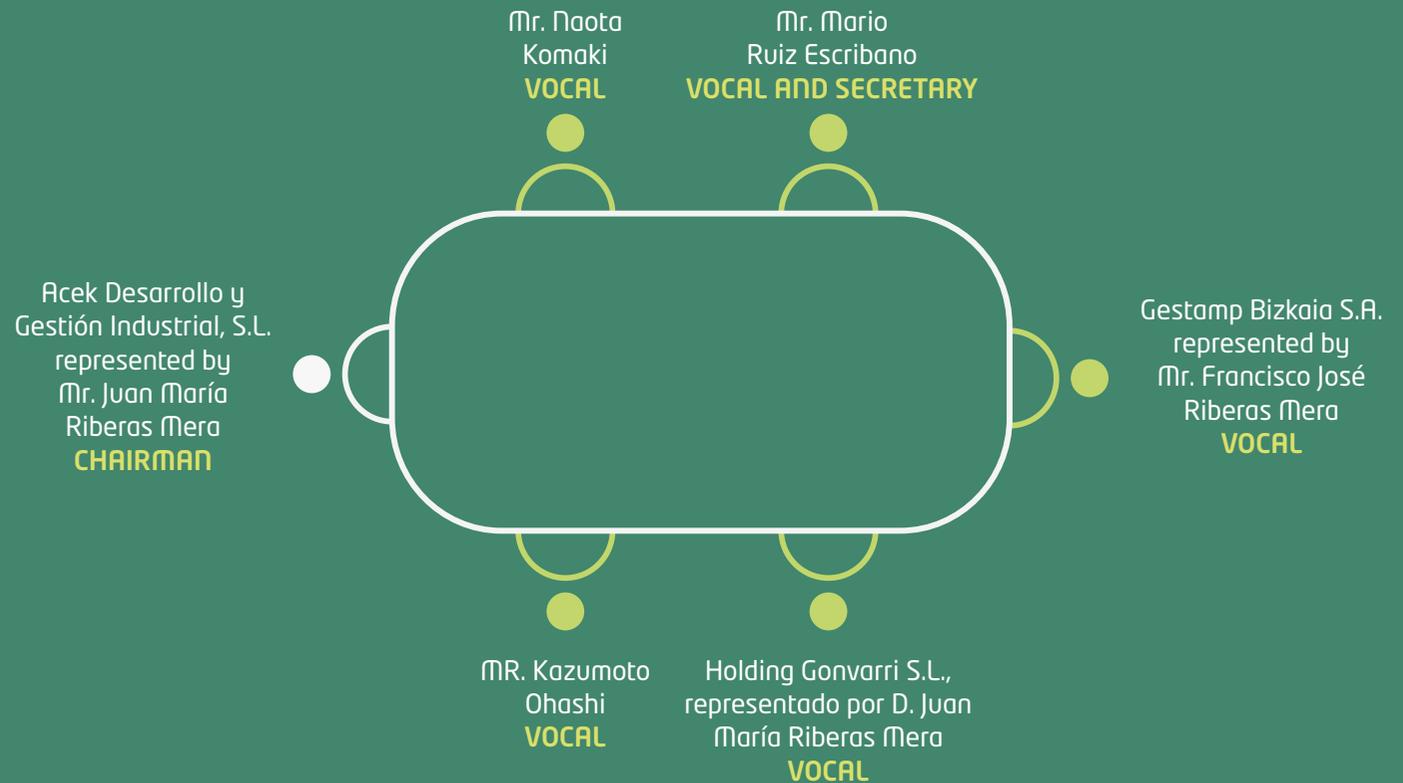
The Board of Directors shall represent the Company in all matters within the corporate purpose and relating to its business, without any limitation whatsoever, binding it by its acts and contracts, and may exercise such powers as are not expressly reserved by the Bylaws to the General Shareholders' Meeting.

The company is not listed on the Stock Market and its members of the Board of Directors represent the total number of partners and therefore, there is no legal obligation to count with representatives from other stakeholders.

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).

Therefore, as of 31 December 2021, the Board of Directors of the Company is composed of six members.

102-18



The company ACEK Desarrollo y Gestion Industrial, S.L., represented by D. Juan María Riberas Mera held the position of Managing Director of the Company at 31 December 2021, being delegated each one of the powers vested to the Board, except those that may not be delegated by Law or according to the Articles of Association.



Delegation, economic, social and environmental responsibilities

102-20

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 they have ceased to hold office. The Board's responsibilities include, among others, the approval of and commitment to comply with the Code of Ethics and Conduct and the Sustainability Policy.

The Board of Directors, in plenary session, takes the relevant decisions and delegates, 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. It is the highest body responsible for the company's economic, environmental and social affairs (102-19).

Likewise, the Company integrates its economic, social and environmental responsibilities in the different Directorates, whose most senior management figures refer any decision to be taken to the Board of Directors (102-31).

Appointment and selection processes. Conflicts of interest

102-24 AND 102-25

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 (see KPI 102-18).

The members of the Board of Directors are appointed by their own members, and therefore 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 Shareholders' Meeting to proceed at any time and moment to remove them and/or dismiss them, in accordance with the provisions of the Law and the Bylaws.

Shareholder status is not required to be appointed as a director, and the position may be held by both natural and legal persons.

Likewise, the Articles of Association establish the conditions that prohibit the performance of said functions.

Shareholders may not exercise the voting rights corresponding to their shares 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.

Functions and knowledge regarding sustainability

102-26, 102-27 AND 102-32

The functions of the Board of Directors include the approval and commitment to comply with the standards 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.

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

- **Coal Neutral Committee**, formed by 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 (102-18).
- **Operational team**, consisting of: the QEHS director, the sustainability manager, the KAM of the Customer area and the indirect purchasing manager and the project managers at the different factories.

The Sustainability Report is coordinated through the sustainability team, which is part of the Corporate Communication and Sustainability Department. After its preparation, there is a process of supervision and review by the different divisions, to be finally approved by the Chairman. Likewise, to ensure the reliability of the information, the Report is externally verified by an independent body.



Communication with the senior body of governance

102-33

The General Meeting is called by the Board of Directors when it is deemed necessary or desirable in the corporate interests, and, in all cases, on the dates or during the periods established in the Law on Corporations.

Additionally, the meeting must be called in case one or several shareholders representing at least five (5) percent of the share capital request so, stating the matters to be discussed in their request. In this case, the General Meeting must be invoked to be held within two (2) months of the date when the notarial demand was served on the Board of Directors to call the meeting. The order of business must necessarily include the matters which formed the object of the request.

Unless other requirements are imperatively established, General Meetings shall be convened by individual written notice sent by registered post with acknowledgement of receipt, telegram, bureaufax or any other written or telematic means that guarantee the receipt of such notice by all members, at the address they have designated for that purpose or at the address stated in the Company's documentation.

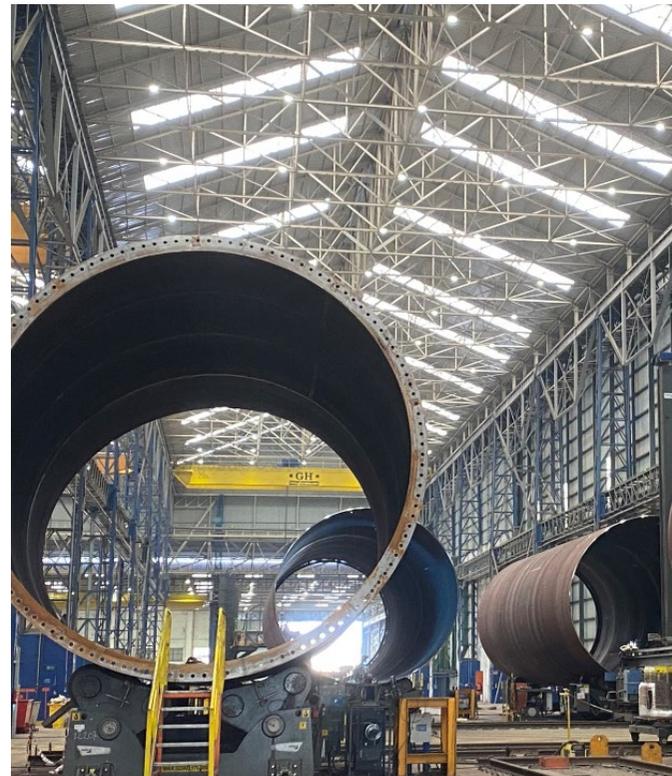
The heads of the various divisions are in constant and fluid communication with the Board of Directors and the Company's management.

Any major concerns are immediately reported by the heads of the different areas to the Management Committee, which, if necessary, is immediately referred to the Board of Directors.

Meanwhile, periodic meetings are organised on a regular basis with the participation of all corporate professionals.

These meetings are bidirectional, with the highest managers communicating all the relevant aspects regarding the management and situation of the company, and in turn, receiving feedback from the experts to these issues and to other aspects of interest.

Finally, consultation processes between stakeholders and the highest governance body (102-21) are carried out through information exchange mechanisms between the Board of Directors and stakeholders.



Nature, performance and number of issues raised at the Board of Directors

102-28

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 to rule on any matter regarding the results. It shall be validly constituted to deal with any matter, without the need for prior notification, provided that all the share capital is present or represented and those present unanimously agree to hold the meeting and its Order of Business.

Unless other majorities are imperatively established, and except as provided for the adoption of Key Decisions that fall within the competence of the General Shareholders' Meeting, corporate agreements 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.

Regarding the Board of Directors, it will convene whenever so decided by its, either on his own initiative or at the request of two of its members and will meet at least once a quarter and in any case within ninety (90) days after the end of the financial year. In 2021, the Board of Directors met six times.

The notice of meeting shall be sent by letter, telegram, fax or any other written or electronic means. The notice of meeting shall be addressed personally to each of the members of the Board of Directors and shall include 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 the attendees.

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 Board Member, which may be five (5) working days prior to the date of the meeting. No call shall be required when all Board Members are present, and they decide to hold a meeting.

The Board of Directors shall be validly constituted when at least four (4) of its members attend the meeting and provided that at least one director of each shareholder is present or represented, and each Board Member may be represented by another Board Member by means of a written document signed by the represented director and specifically for each meeting. Nevertheless, if a board meeting cannot be convened due to a 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 the majority of its members are present or represented at the meeting.

Resolutions may be passed in writing, without a meeting being held (including through written electronic means), provided that no Board Member opposes this procedure.

Remuneration of the Board of Directors

102-35, 102-36 AND 102-37

The position of director is unremunerated in said capacity, notwithstanding payment of any fees or salaries that might be payable by the Company for the provision of professional service or an employment relationship, as applicable, resulting from a contractual relationship other than those derived from the directorial position. Said fees will be subject to the legal regime that would be applicable.

In addition, and irrespective of the above, 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 Chief Executive Officer or is attributed executive functions by virtue of another title, a contract must be made between the Company and said individual in accordance with the Law.

The contract shall detail all the items for which he may obtain remuneration for the performance of executive duties, including, where appropriate, the possible compensation for premature dismissal from said functions and the amounts payable by the Company for insurance payments or contributions to saving plans.

The contract shall be in accordance with the remuneration policy approved, where applicable, by the General Meeting.

Indicators 102-38 and 102-39 are not reported in this exercise. There is no homogeneous methodology available to obtain a result that meets the requirements of the indicator, and the information is, in some cases, considered confidential.





Balance

103-1, 103-2, 103-3

Balance sheet

201-1

In recent years, GRI Renewable Industries has made an extraordinary investment effort to reach an amount close to 800 million euros since its creation. Despite the global pandemic that has had an impact on all the countries where the company operates, 2021 was a year of strong growth in both the tower and flange divisions.

The company's key economic figures are outlined below:

The **Economic Value Generated (EVG)** with a total of **834,042** thousand euros, distributed as follows:

Economic Value Generated

(thousands of euros)	2020	2021
Turnover	759,440	822,200
Financial revenue	5,007	4,111
Other revenue	4,979	7,731
> Total EVG	769,426	834,042

The **Economic Value Distributed (EVD)** with a total of **822,045** thousand euros, distributed as follows:

Economic Value Distributed

(thousands of euros)	2020	2021
Operational costs	487,334	606,662
CAPEX	28,234	89,789
Payment to capital suppliers	10,698	12,297
Taxes	39,134	32,457
Personnel	79,137	80,817
Investments in the Community	10	23
> Total EVD	644,547	822,045

The **Economic Value Retained (EVR)** with a total of **11,997** thousand euros (124,879 thousand euros in 2020).

The **Net worth** of the company is **443,961** thousand euros (392,122 thousand euros in 2020).

Fees, taxes and other rates

207-4

The localities where GRI Renewable Industries is present received a total of 32,457 thousand euros in fees, taxes and other rates, 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	6,539
China	11,253
Spain	11,377
India	-313
Turkey	2,920
USA	983
South Africa	-301
TOTAL	32,457

GRI Renewable Industries is immersed in a new process of reporting certain financial and tax magnitudes. Country-by-Country (CbC) reports for each of the Group's foreign companies is carried out during the month of October for December reporting to the tax authorities.



For future years, the CbC report will be requested from the plants in advance (during the month of February), in order to have the information ready for the annual report and the Sustainability Report.

Considering that, as a non-listed company and until these changes are effective, the tax information for 2021 will be reported under the same criteria as in previous years and in 2022 it will be reported under the new CbC criteria.

In addition, GRI Renewable Industries received 7,933 thousand euros (201-4) in tax incentives by public administrations as shown below:

Fiscal incentives		
thousands of euros	2020	2021
Tax reliefs and tax credits	1,536	3,635
Subvention	243	263
R&D&I	147	335
Financial benefits	2,250	3,700
Total	4,176	7,933

As for 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 workforce. Those reports do not include any exception.

In addition, the Group companies are up to date with their payments to the Social Security Treasury and/or 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 exponentially.

In line with this trend, in 2020 we signed the first sustainable financing line with the Official Credit Institute (ICO), for the period 2020-2024, for the Gonvarri Holding companies, GRI Renewable Industries and Gonvarri Industries, under the reference framework of the "Sustainability Linked Loan Principles" (SLLP) of the Loan Market Association.

The following is a summary of the proposed objectives and their result (the result of Gonvarri Industries is included in its own Sustainability Report):

Renewable energy

Goal	20% of electricity consumption from renewable energy sources
Period	2020-2024 (FY 2019)
SDGs	 SDG 13 Good health and well-being.  SDG 7 Affordable and clean energy.  SDG 17 Partnerships for the goals.

Renewable Energy Targets					
	2020	2021	2022	2023	2024
Proposed	0%	2%	12%	19%	20%
Achieved	0%	0%			

It does not include factories in China.

In 2021, for reasons of grants optimisation, the Board of Directors has decided to delay the investment plans in renewable energy sources to 2022 and subsequent years, waiting for a more favourable energy regulatory and subsidies framework in many of the countries where GRI is present. As a result, projects have been delayed and the target set for this KPI could not be achieved.

However, it should be noted that in 2021 GRI Renewable Industries has formalised contracts for the purchase of electricity from renewable sources in all factories in Spain, through PPAs and Certificates of Origin, which came into force on 1 January 2022, so the target will be met next year. Likewise, the company is continuing to make progress in new renewable energy projects in the rest of the countries.



Global ESG assessment (digitalisation)

Goal	70% (weighted average) of licensed users use DWP tools
Period	2020-2024 (FY 2018)
SDGs	SDG 9 Industry, innovation and infrastructure.
	SDG 8 Decent work and economic growth.
	SDG 13 Climate action
	SDG 17 Partnerships

To reach the target of 70% weighted average of licensed users using the DwP tool by 2024.

Digitalisation Targets					
	2020	2021	2022	2023	2024
Proposed	50%	55%	60%	65%	70%
Achieved	62%	67.3%			

After analysing the information and data corresponding to the financial year 2021 in the defined scope, it is evident that the established goal has been met. A weighted average of 67.3% has been achieved, much higher than the planned objective due to the duration of the Covid 19 pandemic and the notable reduction in travel and face-to-face meetings.

Holding Gonvarri

After analysing the information and data corresponding to the companies GRI Renewable Industries and Gonvarri Industries, which are consolidated in Holding Gonvarri, it is clear that the targets established have been met. The result for the parent company Holding Gonvarri is summarised below:

A weighted average of 70.9% has been achieved in terms of digitalisation and 4% for energy from renewable sources, both higher than the planned target for the financial year 2021.

	Renewable Energy Targets				
	2020	2021	2022	2023	2024
Proposed	1.0%	2.0%	8.5%	12%	15%
Achieved	2.3%	4%			

	Digitalisation Targets				
	2020	2021	2022	2023	2024
Proposed	50%	55%	60%	65%	70%
Achieved	68.7%	70.94%			





Taxation

Tax approach and management

207-1 AND 207-3

Rising concern over the management of tax matters by corporate groups and the implementation of legislation by governments intended to ensure that their tax systems generate the expected revenue, has contributed to the development of a growing call for more transparent tax information. Against this background it is essential that corporate groups manage both mandatory and voluntary tax information, and that such information matches the parameters demanded by the different stakeholders.

The **Board of Directors**, through its Chairman, Chief Executive Officer, its executives and, in particular, through the corporate tax area and the internal control area, promotes compliance with tax obligations and good tax practices and is responsible for approving and updating the group's tax policies and all relevant transactions that so require, and is ultimately responsible to shareholders for the existence, operation and supervision of adequate tax risk management.

Principles and guidelines related to taxation are aligned with the Group's long-term development strategy, 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 advancing in the continuous improvement of all its areas by carrying out sustainable development.

Likewise, 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 matters of tax governance.

Fiscal governance, control and risk management

207-2

The aforementioned Tax Strategy is applicable to all the companies comprising the Group, directly or indirectly holds a majority stake. With regard to those Group companies in which the parent company does not hold a majority stake but does exert a significant influence, the Group shall promote principles and guidelines coherent with those established in the Tax Strategy and shall retain proper information channels to ensure proper awareness of those principles and guidelines.

Likewise, this Strategy applies to all Group personnel in the exercise of their duties and responsibilities, and in all professional areas in which they represent the Group, meaning the Group's directors, executives, employees and collaborators, regardless of their functions, responsibilities or location.

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

GRI Renewable Industries is aligned with the Gonvarri Industries Group's Tax Policy, which aims to ensure compliance with 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 following principles shall govern the fulfilment of its tax obligations and its relations with the Tax Administrations:

- a Compliance with tax regulations in the various countries and territories in which the Group operates, paying the taxes payable in accordance with the respective legislation. In this regard, the Group makes tax decisions based on a reasonable interpretation of the applicable legislation.
- b Ensure that there is a proper relationship between taxable income and the structure and location of activities, human and material resources.
- c Compliance with the principle of transparency, fostering a loyal relationship with the tax authorities based on respect for the law, trust, professionalism, collaboration, reciprocity and good faith.
- d Establishment of tax risk control and management procedures. The Group, through its Corporate Tax Risk Management Policy approved by the Board of Directors, establishes the principles and best practices, the different levels of approval and the roles and responsibilities in relation to the control and management of the Group's tax risks.
- e Avoid the use of opaque structures for tax purposes, understood as those in which, by means of the interposition of special purpose vehicles, through tax havens, territories that do not cooperate with the Tax Authorities, or territories with low or no taxation, designed for the purpose of preventing the Tax Agency from finding out who is ultimately responsible for the activities or the ultimate owner of the assets or rights involved.

Therefore, when a Group company has its headquarters in a territory classified as a tax haven, this will only be due to industrial or commercial strategies.

- f Conduct their transactions between related entities according to their market value, following the principle of full concurrence, and complying with their obligation to document transfer pricing as required by applicable regulations and in line with OECD guidelines. The Group will periodically review its transfer pricing policy, with the advice of leading experts, in order to update and adapt it to current regulations and the reality of its business.
- g To make use of technology in terms of taxation in order to provide stakeholders, and in particular the Tax Administration, with a guarantee that their tax returns contain quality, complete and truthful information.
- h Before preparing the annual financial statements and filing the Corporate Tax return, the Group's Corporate Tax Department shall report to the Board of Directors on the policies followed during the year, as well as on the development of significant tax risks.
- i Avoiding the use and generation of intangible assets for purely tax purposes.

Risk control and management

With regard to risk control and management, GRI Renewable Industries has an Internal Control Framework that sets out the key control requirements for tax matters, as well as responsibilities and roles, recording and updating the various stages of the process through a "Key Controls Matrix".

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.

Review and update

The Tax Strategy will be reviewed annually. In addition, in the event of changes in the applicable regulations or circumstances that warrant a review, this document will be updated accordingly to ensure that the Strategy fulfils its purpose.

Approval and Monitoring of the Fiscal Strategy

The Board of Directors will be the body responsible for approving and updating the Fiscal Strategy.

The whistle-blowing channels are used to manage 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.

The Tax Strategy will be made available to all GRI Group employees through the Group's corporate intranet. In addition, the Strategy will be published on the GRI Group's corporate website.



Compliance model

102-17, 205-1 AND 205-2

GRI Renewable Industries Policies

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, to current market conditions and to the requests of stakeholders.

In 2017, the Compliance Department was created to coordinate all compliance initiatives, as well as to follow up and monitor training on the Code of Ethics for all professionals. This department was formally approved by the Board of Directors.

GRI Renewable Industries has formally established common policies and guidelines, including: the Code of Ethics and Conduct and the Anti-Fraud and Anti-Corruption Policy, both renewed in 2020, as well as the Harassment Prevention Guide and Action Protocol and the Guidelines for behaviour when offering incentives, gifts or invitations.

Four new policies were approved in 2021, the objective of which is summarised below:

Sustainability Policy

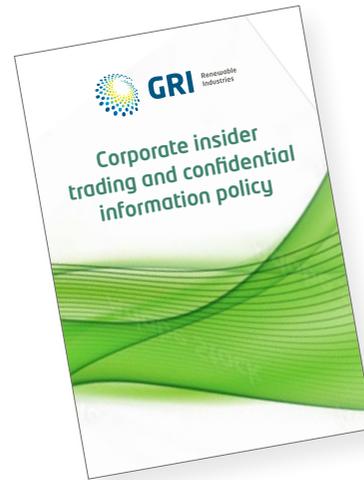
The Sustainability Policy aims to reinforce the main commitments in terms of ethics, sustainability and human rights in all the countries in which we operate. The first version was approved by the Board of Directors at the end of 2015 and in 2020 it has been revised, aligned with the Sustainable Development Goals and approved at the beginning of 2021.





Corporate conflict of interest management policy

La Política corporativa de gestión de conflictos de interés tiene como objetivo establecer las bases de los procedimientos de actuación que deberán seguirse en el Grupo GRI en materia de prevención o, en su caso, tratamiento de los conflictos de intereses en los que pudieran encontrarse los administradores, directivos, empleados y colaboradores del Grupo en sus relaciones con éste, así como respecto de los conflictos que puedan plantearse con clientes, proveedores y la sociedad en general, todo ello de conformidad con lo dispuesto en la normativa societaria y regulatoria y en el sistema de gobierno corporativo de GRI.



Corporate insider trading and confidential information policy

The Corporate Insider Trading and Confidential Information Policy aims to define the guidelines in relation to the management of information considered confidential and privileged.

In addition, all employees, officers, managers and collaborators, as well as any other person who has access to confidential information of the Group, must handle such information with the utmost discretion, taking all due precautions in its management, understanding the obligations they must comply with in this respect.



Corporate intellectual property management policy

The Corporate Industrial and Intellectual Property Management Policy aims to promote respect for intellectual and industrial property by adapting rules of conduct to preserve it, expressly prohibiting the use of resources to plagiarise, copy, reproduce or destroy any asset protected by law, as well as to protect the Group's developments.

The policy observes related laws and regulations, protects the results of intellectual activities, extends the use of these rights and respects the legitimate intellectual and industrial property rights of third parties.

Since 2014 we have adhered to the **United Nations Global Compact**. We have renewed our commitment once again with the interest of promoting and implementing the 10 universally accepted principles.



Code of Ethics and Conduct

102-16, 102-17 AND 102-34

The code is a referent 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 21st January 2020.

The Code includes the operation and responsibilities of the "Ethical Channel", which is open to all employees, managers, directors and collaborators of GRI Renewable Industries, as well as other external stakeholders: customers, suppliers and 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.

The aim is to unify and collect all complaints, incidents and queries in a centralized manner through the group's official ethics channel, without it having any repercussions or being contrary to 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 Ethical 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 in.



Phone y WhatsApp
+34 606 558 932



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



Email
ethicalcode@gri.com.es



Postal
Att./ Comité de Cumplimiento
C/. Ombú, 3. Planta 2.
28045 Madrid. Spain

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 2021 financial year, the Ethics Committee received 5 complaints, all of which were resolved. The table below shows the complaints per type:

	Complaints received 2021	Complaints received 2020	Pending resolution
Harassment (406-1)	2	0	0
Discrimination	2	2	0
Health and safety	0	1	0
Other	1	27	0
Total	5	30	0

During the period under analysis, there was a notable reduction in both the number of new users and sessions, in line with the reduction in complaints. The closure of factories in different periods, in accordance with local requirements, due to the COVID19 pandemic, must be taken into account.



Regarding the origin of the accesses, the registered visits come mainly from Spain (47%), India (12%), Brazil (11%), USA (10%), South Africa (6%), China (5%), UK (2%), Turkey (2%), Argentina (2%) and South Korea (1%).

The web channel was the preferred channel for complainants with 43% using the link on the company's website and 30% of the total directly.

The channel has been available and online (SLA - Service Level Agreement) throughout 2021.

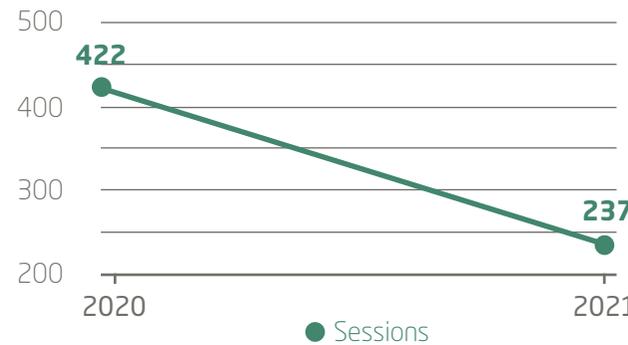
With regards to other proceedings against the company, ongoing litigation and sanctions, in 2021 there was an occupational accident resulting in an administrative sanction that has not yet become final.

With regards to other proceedings against the company, ongoing litigation and sanctions, there are none that have a significant economic impact on the Group, in terms of unfair competition and antitrust practices (206-1), impacts on the health and safety of product and service categories (416-2), substantiated claims relating to violations of customer privacy and loss of customer data (418-1), non-compliance with laws and regulations in the social, environmental and economic fields (307-1 and 419-1).

At the end of the year, no claims nor significant fines, that exceed €100,000 or that have a special impact on the Company by nature, related to social, environmental, economic aspects nor to labor practices and/or human rights were received.

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).

Evolution compared to the previous year



Training

205-2 AND 412-2

In order to provide all employees with information on the policies and guidelines, 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 for all Iberia factories and offices and in 2022 it will be extended to the rest of the countries in English, among others. The course includes information on "**Prevention of Harassment**" and "**Fraud and Corruption**".

In 2021, a total of 210 Iberia employees (66 women and 144 men) were trained for a total of 115 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 it considers with 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 that the risk of errors is prevented, detected, mitigated and corrected.

The disclosure 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, the 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 2021 financial year, two main methodologies have been used to evaluate the effectiveness of the controls. On the one hand, and globally for all GRI plants, it has been measured through a self-assessment process. On the other hand, independent testing of controls has been carried out for local processes in a total of 5 production centres, as well as for 8 centralised processes. Both procedures have given full coverage of the processes and production sites in scope of FY21. The action plans are to a large extent implemented or in progress at year-end. This helps to ensure the reasonableness and reliability of financial reporting, compliance with applicable standards and legislation.

It should be noted that due to the exceptional circumstances arising from the Covid-19 pandemic, all the initiatives (with the exception of one in Spain) have been carried out and supervised telematically, with the exception of the Galicia plant, ES71, which could be visited.

Additionally, during 2021, 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, with a time horizon of 2020-2022, envisaged a complete review of key processes, risks and related controls.

During the year, a total of 20 processes have been reviewed and/or defined, of which 15 have been reviewed and approved, and 5 will be approved by early 2022. It is estimated that during 2022-2023 this initiative will be finalised to shape a renewed framework of key processes and controls. In addition to this, in 2022, a reassessment of the overall internal control system will be conducted, and all objectives and components will be reinforced based on the COSO framework to make the system more robust.





Risks and opportunities

102-15, 102-29, 102-30, 103-1 AND 103-2

At GRI Renewable Industries we work to mitigate and reduce potential risks through mechanisms embedded in the organisation, as summarised below:



Financial reporting risk

GRI Renewable Industries has defined a “General Internal Control Framework” where controls are documented and established in those processes that are considered to have a risk of material impact on the preparation of financial information.

Through the annual assessment of the effectiveness of controls, self-assessments and tests, we contribute to ensuring the reasonableness and reliability of financial reporting, compliance with applicable standards and legislation, and mitigating risks.

Furthermore, the results are used to define opportunities for improvement through the so-called “Action Plans”.



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 potential 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.



Operational risks

These are the risks arising from technological or quality failures, management problems, 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.

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 market needs.



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 local economy, tax payments, etc.).

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

With respect to project financing, in 2021, compliance clauses or commitments on labour, environmental and human rights issues directly related to compliance with international treaties and/or the Equator Principles were required in 5 contracts, in addition to the ICO's sustainable financing (412-3).



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 which are stricter than those stipulated by the applicable legislation.

This allows us to identify and develop improvement actions that contribute to improving our employees' work environment.



IT security, process and data protection risks

Today, systems are a critical element in the execution of business processes and implementation of business strategy, even more so in an environment of collaboration and innovation based on emerging technologies and in an increasingly turbulent business context, accelerated by the COVID 19 pandemic. 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 companies around the world.

To mitigate these risks, GRI's IT department lives a challenging balance between the need for digital innovation on a company-wide scale and the need to maintain and operate on current systems and processes, acting with a focus on continuous improvement, operational excellence. In addition, it establishes the necessary mechanisms to safeguard the privacy of information and the protection of customer and supplier data, and to properly manage and treat documentation.

This leads to new opportunities and challenges by creating new IT capabilities and new operating models, such as the MII real-time production control system, based on so-called "hyper-convergence" technology.



Climate change risks

201-2

Today's atmosphere shows us that risks related to 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, corporate analyzed potential cross-cutting risks that could affect the business with the aim of transferring and specifying such risks, in the next two years, to the different countries and facilities. 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.

It also incorporates the principle of precaution and continuous improvement through the Code of Ethics and Conduct, the Integrated Policy and the Sustainability Policy (1.02-1.1).

Main risks 2021

In 2021, GRI Renewable Industries faces, in addition to the various risks arising from the market situation in the countries in which it operates, all those arising from the situation generated as a result of the global pandemic of COVID 19.

Although the effects of the pandemic are expected to be on the way to being resolved in the coming months and the economic recovery is starting to be felt, as seen in macroeconomic data for 2021 and forecasts for 2022, its effects have been multiple, affecting all geographical areas to a greater or lesser extent.

They are therefore a key part of the risks for the 2021 financial year, as summarised below:

- The worsening of the general economic and social situation as a consequence of the COVID19 pandemic.
- The change in the wind market pricing model in countries where GRI Renewable Industries is present (Turkey, South Africa, USA, India).
- Tension in supply chains as a result of logistical and production misalignments due to COVID19 and the conflict initiated by Russia against Ukraine.
- Global inflationary scenario, especially in Europe and the United States.
- Concerns related to data fraud, cyber attacks and other technological vulnerabilities.
- Tendency towards concentration of large customers, which reduces their number.

- The risks arising from protectionist policies and the establishment of tariffs among the main players in international trade.
- Currency devaluation in some of the countries we are present.
- Volatility in the price of raw materials and, therefore, in the valuation of available stock in factories. This, coupled with increased price pressure from customers, results in a narrowing on margins at every step of the supply chain.
- Growing environmental, social and governance (ESG) awareness, as well as risks from climate change, natural disasters and disease.

The pandemic has generated varying levels of uncertainty and prolonged economic effects, which will affect future financial years in an unquantifiable way. The enormous extension of the pandemic, the appearance of new strains, including Delta and Omicron, and the lack of information on the duration of the pandemic, together with an inflationary scenario that will entail the corresponding adjustments by the FED and the ECB in quantitative easing programmes and minimum interest rate policies, make us foresee a complicated macroeconomic scenario in 2022, despite the known data and forecasts of recovery.

In addition, the armed conflict initiated by Russia to invade Ukraine is already causing a significant rise in the price of energy and the main raw materials, in addition to other consequences that are difficult to assess at present.



Associations and organisations

102-13

GRI Renewable Industries establishes relationships with local public bodies in a disinterested manner 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, nor through sponsorships or donations, which are against the law.

Their relationship with administrations is transparent and accountable, and is mainly related to issues affecting their sector, which are usually channelled by the associations (4.15-1).



GRI Renewable Industries

GRI CORPORATIVE

- Seres



GRI Castings

GRI CASTINGS

- Asociación de Fundidores del País Vasco



GRI Flanges Iraeta

GRI FLANGES IRAETA

- Asociación empresarios de Gipuzkoa (ADEGI)



GRI Calviño Towers Argentina

GRI ARGENTINA

- Cámara Eólica Argentina



GRI Towers Galicia

GRI TOWERS GALICIA

- AICA
- Asociación de Industriales Metalúrgicos de Galicia (ASIME)
- Centro Tecnológico AIMEN



GRI Towers Sevilla

GRI TOWERS SEVILLA

- Asociación Empresarial para la Promoción del Puerto de Sevilla



GRI Towers South Africa

GRI TOWERS South Africa

- Steel and Engineering Industries Federation of South Africa
- South African Wind Industry Association



GRI Towers Texas

GRI TOWERS TEXAS

- Amarillo Chamber of Commerce
- Panhandle Human Resources



GRI Towers Turkey

GRI TURKEY

- Bandirma Organize Industrial Zone (BOSB)
- Gönen Chamber of Commerce (GTO)
- Balıkesir Chamber of Industry (BSO)
- Istanbul Metal and Mining Exporter Commerce del Noroeste (IMMIB)



Annexes

The content of the Sustainability Report follows the guidelines of the “**GRI Standards**” reference guide, the result of the Materiality Study and the Sustainable Development Goals. Its content has been verified by the independent company EY.



Annex I Independent Review Report



Ernst & Young, S.L.
Calle de Raimundo Fernández
Villaverde, 65 28003 Madrid

Tel: 902 365 456
Fax: 915 727 238
ey.com

INDEPENDENT LIMITED ASSURANCE REPORT OF THE SUSTAINABILITY REPORT 2021 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 2021". This information has been prepared in accordance with GRI Sustainability Reporting Standards (GRI Standards) core option, as detailed in "Report Profile".

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 2021", 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 2021", 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' 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, in accordance with the comprehensive option.

- ▶ 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 29th, 2022. In the event of any discrepancy, the Spanish version always prevails.)



Annex II

Report Profile

The Sustainability Report has been prepared in accordance with the information and indicators set out in the **GRI Standards**, core option (102-54) and the relevant issues derived from our Materiality Study, as an integral part of our commitment to the Sustainable Development Goals. The GRI Content Index is annexed to this report, together with the independent external assurance report with EY (102-56).

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

Contact of the report

102-53

For general questions regarding this report, information is available at:

rsc@gri.com.es

+34 91 379 19 00

C/ Ombú 3, planta 2.
28045 Madrid. Spain

Presentation cycle

As in previous years, the report is published annually (102-52), including information from 1 January 2021 to 31 December 2021 (102-50), the last report being for the financial year 2020 (102-51).

Significant Changes

There have been no changes in perimeter and scope compared to the previous year. Minor changes are indicated in the corresponding sections (102-49).

There has not been any restatement of information regarding the previous financial year (102-48), nor were there any changes in the supply chain (102-10).



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	3	0	3	12	0	32	40	93	21
Brazil	0	0	1	1	0	1	7	0	23	231	244	80
China	0	5	5	11	4	25	24	12	98	284	229	312
Spain	0	1	7	15	0	25	57	41	20	134	209	210
USA	0	1	2	3	0	10	12	2	41	80	64	31
India	0	4	5	4	5	45	27	12	34	51	165	58
S. Africa	0	2	2	5	0	6	8	2	0	51	40	33
Turkey	0	0	0	1	0	0	4	2	45	139	107	28
	0	13	25	43	9	115	151	71	293	1,010	1,151	773
WOMEN												
Argentina	0	0	1	0	0	0	0	0	0	4	2	0
Brazil	0	0	0	0	0	0	1	0	5	16	40	6
China	0	0	0	1	2	9	14	5	17	77	65	53
Spain	0	0	1	4	0	8	21	5	3	22	24	20
USA	0	0	3	1	0	0	1	0	3	8	4	4
India	0	0	0	0	0	0	0	0	0	0	0	0
S. Africa	0	0	1	0	0	1	0	2	1	2	3	1
Turkey	0	0	0	0	0	0	1	0	0	3	2	0
	0	0	6	6	2	18	38	12	29	132	140	84

EXTERNAL STAFF BY COUNTRY AND GENDER				
	SUBCONTRACT		TTE'S	
	MEN	WOMEN	MEN	WOMEN
Argentina	0	0	0	0
Brazil	142	0	0	0
China	0	0	0	0
Spain	31	5	38	11
USA	0	0	1	0
India	41	12	0	0
S. Africa	10	2	0	0
Turkey	16	0	0	0
	240	19	39	11

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	207	7	0	0	0	0	207	7	0	0
Brazil	588	68	0	0	0	0	588	68	0	0
China	1,009	243	0	0	0	0	1,009	243	0	0
Spain	616	97	103	11	0	0	717	97	2	11
USA	246	24	0	0	0	0	246	24	0	0
India	394	0	0	0	16	0	410	0	0	0
S. Africa	145	11	0	0	4	0	149	11	0	0
Turkey	326	6	0	0	0	0	326	6	0	0
	3,531	456	103	11	20	0	3,652	456	2	11

EMPLOYEES LOCAL NATIONALITY BY GENDER, CATEGORY AND COUNTRY						
LOCAL NATIONALITY	MEN			WOMEN		
	MANAGERS	MIDDLE MAN.	PLANT & OFFICE	MANAGERS	MIDDLE MAN.	PLANT & OFFICE
Argentina	5	15	187	1	0	5
Brazil	1	7	577	0	1	67
China	16	101	892	2	76	165
Spain	20	108	568	4	33	64
USA	0	20	209	1	0	18
India	13	112	296	0	0	0
S. Africa	6	15	121	1	3	1
Turkey	1	6	319	0	1	5
	62	384	3,169	9	114	325

PERSONNEL CAPACITIES DIFERENT						
	DISTRIBUTION OF DISABLED EMPLOYEES BY GENDER AND COUNTRY					
	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN
Brazil	1	0	0	0	18	5
Spain	0	0	0	0	9	0
S. Africa	0	0	0	0	3	0
Turkey	0	0	0	0	9	0
	1	0	0	0	39	5



TRAINING BY CATEGORY AND COUNTRY

	TRAINING BY CATEGORY AND COUNTRY					
	MEN			WOMEN		
	MANAGERS	MIDDLE MANAGER	PLANT & OFFICE	MANAGERS	MIDDLE MANAGER	PLANT & OFFICE
Argentina	120	189	0	0	35	0
Brazil	11	530	19,391	0	60	1,313
China	308	560	77,850	14	224	18,225
Spain	321	2,112	6,019	45	605	751
USA	16	111	1,148	15	7	84
India	73	332	408	0	0	0
S. Africa	8	40	4,384	0	49	4,233
Turkey	0	18	6,387	0	3	15
	857	3,892	115,586	74	982	24,621



ANNEX IV

GRI Content Index

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.

Content	PAGE/ Omission	Review and materiality
GRI 101: Foundation		
GRI 102: General Content		
ORGANIZATIONAL PROFILE		
102-1 Name of the organization.	7 y 66	√
102-2 Activities, brands, products, and services.	9	√
102-3 Location of headquarters.	66	√
102-4 Location of operations.	8	√
102-5 Ownership and legal form.	66	√
102-6 Markets served.	8	√
102-7 Scale of the organization.	10	√
102-8 Information on employees and other workers.	31, 32, An3	√
102-9 Supply chain.	55	√
102-10 Significant changes to the organization and its supply chain.	87	√
102-11 Precautionary Principle or approach.	83	√ M
102-12 External initiatives.	58	√
102-13 Membership of associations.	84	√
STRATEGY		
102-14 Values, principles, standards, and norms of behavior.	3	√
102-15 Mechanisms for advice and concerns about ethics.	81	√ M
ETHICS AND INTEGRITY		
102-16 Values, principles, standards, and norms of behavior.	7 y 78	√ M
102-17 Mechanisms for advice and concerns about ethics.	76 y 78	√ M

Content	PAGE/ Omission	Review and materiality
GOVERNANCE		
102-18 Governance structure	67 y 68	√
102-19 Delegating authority	68	√
102-20 Executive-level responsibility for economic, environmental, and social topics	68	√
102-21 Consulting stakeholders on economic, environmental, and social topics	69	√
102-22 Composition of the highest governance body and its committees	67	√
102-23 Chair of the highest governance body	67	√
102-24 Nominating and selecting the highest governance body	68	√
102-25 Conflicts of interest	68	√
102-26 Role of highest governance body in setting purpose, values, and strategy	68	√
102-27 Collective knowledge of highest governance body	68	√
102-28 Evaluating the highest governance body's performance	69	√
102-29 Identifying and managing economic, environmental, and social impacts	18 y 81	√ M
102-30 Effectiveness of risk management processes	81	√
102-31 Review of economic, environmental, and social topics	68	√
102-32 Highest governance body's role in sustainability reporting	68	√
102-33 Communicating critical concerns	69	√
102-34 Nature and total number of critical concerns	78	√
102-35 Remuneration policies	70	√
102-36 Process for determining remuneration	70	√
102-37 Stakeholders' involvement in remuneration	70, NA	√
102-38 Annual total compensation ratio	70, ND	√
102-39 Percentage increase in annual total compensation ratio	70, ND	√



Content	PAGE/ Omission	Review and materiality
STAKEHOLDER ENGAGEMENT		
102-40 List of stakeholder groups	13	✓
102-41 Collective bargaining agreements	34	✓
102-42 Identifying and selecting stakeholders	13	✓
102-43 Approach to stakeholder engagement	13	✓
102-44 Key topics and concerns raised	14-15	✓
REPORTING PRACTICE		
102-45 Entities included in the consolidated financial statements	98	✓
102-46 Defining report content and topic Boundaries	14	✓
102-47 List of material topics	15	✓
102-48 Restatements of information	87	✓
102-49 Changes in reporting	87	✓
102-50 Reporting period	87	✓
102-51 Date of most recent report	87	✓
102-52 Reporting cycle	87	✓
102-53 Contact point for questions regarding the report	87	✓
102-54 Claims of reporting in accordance with the GRI Standards	87	✓
102-55 GRI content index	91	✓
102-56 External assurance	86	✓

Economic Performance

MATERIALITY TOPICS

Content	PAGE/ Omission	Review and materiality
MANAGEMENT APPROACH		
GRI 103. Management Approach. It is applicable to all indicators reported in this section Economic Dimension.		
103-1 Explanation of the material topic and its Boundary	15, 71, 81	✓
103-2 The management approach and its components	71, 81	✓
103-3 Evaluation of the management approach	71, 81	✓
ECONOMIC PERFORMANCE		
GRI 201. Economic Performance		
201-1 Direct economic value generated and distributed	71	✓
201-2 Financial implications and other risk and opportunities due to climate change	83	✓ m
201-3 Defined benefit plan obligations and other retirement plans	39	✓
201-4 Financial assistance received from government	72	✓
PROCUREMENT PRACTICES		
GRI 204. Procurement Practices		
204-1 Proportion of spending on local suppliers	57	✓
ANTI CORRUPTION		
GRI 205. Anti corruption		
205-1 Operations assessed for risks related to corruption	76, 79	✓
205-2 Communication and training about anti-corruption policies and procedures	76, 79	✓
205-3 Confirmed incidents of corruption and actions taken	79	✓



Economic Performance

MATERIALITY TOPICS

Content	PAGE/ Omission	Review and materiality
ANTI-COMPETITIVE BEHAVIOR		
GRI 206. Anti-competitive Behavior		
206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	79	√
TAXATION		
GRI 207. Taxation		
207-1 Approach to tax	74	√
207-2 Tax governance, control, and risk management	74	√
207-3 Stakeholder engagement and management of concerns related to tax	74	√
207-4 Country-by-country reporting	71	√

Environmental Performance

MATERIALITY TOPICS

Content	PAGE/ Omission	Review and materiality
MANAGEMENT APPROACH		
GRI 103. Management Approach. It is applicable to all indicators reported in this section Environmental Dimension.		
103-1 Explanation of the material topic and its Boundary	15, 18	√ m
103-2 The management approach and its components	18	√ m
103-3 Evaluation of the management approach	18	√ m
MATERIALS		
GRI 301. Materials		
301-1 Materials used by weight or volume	24	√ m
301-2 Recycled input materials used	24	√ m
301-3 Reclaimed products and their packaging materials	24	√
ENERGY		
GRI 302. Energy		
302-1 Energy consumption within the organization	19	√ m
302-2 Energy consumption outside of the organization	20	√ m
302-3 Energy intensity	20	√ m
302-4 Reduction of energy consumption	20	√ m
302-5 Reduction in energy requirements of products and services	22, 24	√ m



Environmental Performance

MATERIALITY TOPICS

Content	PAGE/Omission	Review and materiality
WATER AND EFFLUENTS		
GRI 303. Water and effluents		
303-1 Interactions with water as a shared resource	29	√
303-2 Management of water discharge-related impacts	29	√
303-3 Water withdrawal	29	√
303-4 Water discharge	29	√
303-5 Water consumption	29	√
BIODIVERSITY		
GRI 304. Biodiversity		
304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	28	√
304-2 Significant impacts of activities, products, and services on biodiversity	28	√
304-3 Habitats protected or restored	28	√
304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	28	√
EMISSIONS		
GRI 305. Emissions		
305-1 Direct (Scope 1) GHG emissions	21	√ m
305-2 Energy indirect (Scope 2) GHG emissions	21	√ m

Content	PAGE/Omission	Review and materiality
305-3 Other indirect (Scope 3) GHG emissions	21	√ m
305-4 GHG emissions intensity	21	√ m
305-5 Reduction of GHG emissions	21	√ m
305-6 Emissions of ozone-depleting substances	21	√
WASTE		
GRI 306. Waste		
306-1 Water discharge by quality and destination	25-27	√ m
306-2 Waste by type and disposal method	25-27	√ m
306-3 Significant spills	25	√ m
306-4 Transport of hazardous waste	25	√ m
306-5 Water bodies affected by water discharges and/or runoff	25-27	√ m
ENVIRONMENTAL COMPLIANCE		
GRI 307. Environmental Compliance		
307-1 Non-compliance with environmental laws and regulations	79	√
SUPPLIERS		
GRI 308. Suppliers environmental assesment		
308-1 New suppliers that were screened using environmental criteria	56	√ m
308-2 Negative environmental impacts in the supply chain and actions taken	57	√ m



Social Performance

MATERIALITY TOPICS

Content	PAGE/ Omission	Review and materiality
MANAGEMENT APPROACH		
GRI 103. Management Approach. It is applicable to all indicators reported in this section Social Dimension.		
103-1 Explanation of the material topic and its Boundary	15,31	✓
103-2 The management approach and its components	31	✓
103-3 Evaluation of the management approach	31	✓
EMPLOYMENT		
GRI 401. Employment		
401-1 New employee hires and employee turnover	32	✓
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	39	✓
401-3 Parental leave	34	✓
OCCUPATIONAL HEALTH AND SAFETY		
GRI 403. Occupational Health and Safety		
403-1 Occupational health and safety management system	40	✓ M
403-2 Hazard identification, risk assessment, and incident investigation	41 y 43	✓ M
403-3 Occupational health services	40	✓ M
403-4 Worker participation, consultation, and communication on occupational health and safety	43, 43	✓ M
403-5 Worker training on occupational health and safety	47	✓ M
403-6 Promotion of worker health	39	✓ M
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	43	✓ M
403-8 Workers covered by an occupational health and safety management system	40	✓ M
403-9 Work-related injuries	41 o 44	✓ M
403-10 Work-related ill health	43	✓ M

Content	PAGE/ Omission	Review and materiality
TRAINING AND EDUCATION		
GRI 404. Training and Education		
404-1 Average hours of training per year per employee	37	✓ M
404-2 Programs for upgrading employee skills and transition assistance programs	37	✓ M
404-3 Percentage of employees receiving regular performance and career development reviews	35-36	✓
DIVERSITY AND EQUAL OPPORTUNITY (NOT MATERIAL)		
GR 405. Diversity and Equal Opportunity		
405-1 Diversity of governance bodies and employees	67	✓
NON-DISCRIMINATION		
GRI 406. Non-discrimination		
406-1 Incidents of discrimination and corrective actions taken	78	✓ M
CHILD LABOR		
GRI 408. Child Labor		
408-1 Operations and suppliers at significant risk for incidents of child labor	56	✓
HUMAN RIGHTS ASSESSMENT (NOT MATERIAL)		
GRI 412. Human rights assessment		
412-2 Operations that have been subject to human rights reviews or impact assessments	79	✓
412-3 Significant agreements and investment contracts with clauses on human rights or submitted to evaluation of human rights	72, 82	✓



Social Performance

MATERIALITY TOPICS

Content	PAGE/ Omission	Review and materiality
LOCAL COMMUNITIES		
GRI 413. Local Communities		
413-1 Operations with local community engagement, impact assessments, and development programs	60	✓
SUPPLIERS SOCIAL ASSESSMENT		
GRI 414. Suppliers social assessment		
414-1 New suppliers that have passed selection filters according to social criteria	56	✓
414-2 Negative social impacts in the supply chain and actions taken	57	✓
PUBLIC POLICY		
GRI 415. Public Policy		
415-1 Political contributions	84	✓
CUSTOMER HEALTH AND SAFETY		
GRI 416. Customer Health and Safety		
416-1 Assessment of the health and safety impacts of product and service categories	48	✓
416-2: Incidents of non-compliance concerning the health and safety impacts of products and services	79	✓

Content	PAGE/ Omission	Review and materiality
CUSTOMER PRIVACY		
GRI 418. Customer Privacy		
418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	79	✓ m
SOCIOECONOMIC COMPLIANCE		
GRI 419. Socioeconomic Compliance		
419-1 Non-compliance with laws and regulations in the social and economic area	79	✓



ANNEX V

Contents in relation to the Global Compact Principles



The following table shows the chapters of this report that provide the most relevant information regarding the 10 principles of the a GRI Renewable Industries' progress concerning these principles by the following this table:

Aspect	UN Global Compact Principles	Progress included in chapter
Human Rights	Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights.	Environmental Governance
	Principle 2: Make sure that they are not complicit in human rights abuses.	Environmental Governance
Labor Standards	Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	Social
	Principle 4: The elimination of all forms of forced and compulsory labor.	Social Governance
	Principle 5: The effective abolition of child labor.	Social
Environment	Principle 6: The elimination of discrimination in respect of employment and occupation.	Social Governance
	Principle 7: Businesses should support a precautionary approach to environmental challenges.	Environmental
	Principle 8: Undertake initiatives to promote greater environmental responsibility.	Environmental Social
Anticorruption	Principle 9: Encourage the development and diffusion of environmentally friendly technologies.	Environmental
	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery	Governance



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 2021 (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.	Spain
GRI Castings S.L.	Spain
Forjas Iraeta Heavy Industries, S.L.	Spain
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



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