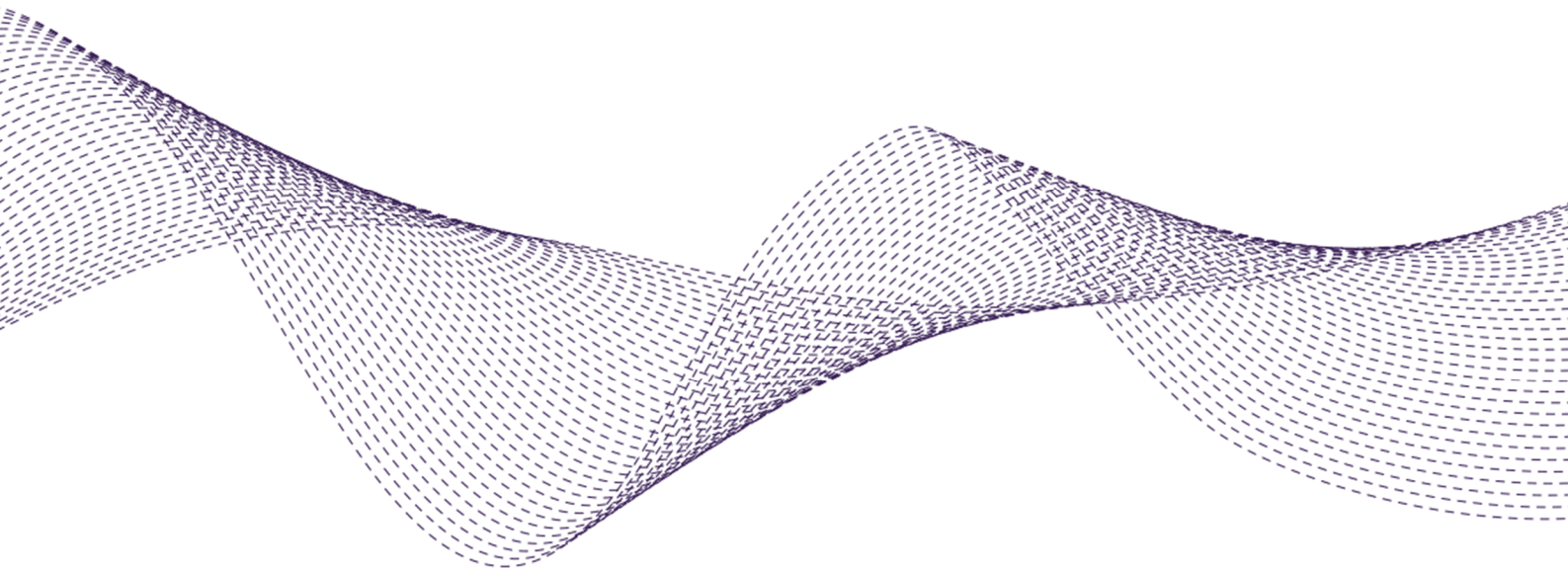


# Consolidated Non-Financial Statement 2019

*(former Sustainability Report)*



# Key figures



4.71

Total Recordable Injury Rate (rate per million hours worked)



1.67

Lost-Time Injury Frequency Rate (rate per million hours worked)



70,698

Tons CO<sub>2</sub>-eq Emissions



454,549

Total Primary Energy Consumption in GJ (gigajoules)



62%

Renewables Share of Total Electricity Use in GJ (gigajoules)



>24k

Total Headcount



10%

Female Managers



17,890

Tier-One Supplier



€8.2 bn

Procurement Volume

# Letter from

Markus Tacke, CEO

**Dear Stakeholder,**

The global renewable energy market is expanding at a rapid pace, as society seeks solutions to the growing threat of climate change. At Siemens Gamesa, we are anticipating that the market will continue to expand, with wind power playing a central role. With our scale, global reach, balanced business set-up (Onshore, Offshore, Service) and technological expertise, we are perfectly positioned to lead this growth.

Siemens Gamesa is aware of the responsibility that comes with being an industry leader and believes that sustainable development and business success go hand in hand. Hence, we do not just respond to and align with social progress but are dedicated to drive it. To be able to do that, we have committed ourselves to further drive the United Nations' 2030 agenda forward, by contributing to reach the UN Sustainable Development Goals (SDGs) and related targets.

Our greatest impact on achieving these goals helps drive our own business growth at the same time: ensuring access to affordable, reliable, sustainable and modern energy for all (SDG7). At the end of fiscal year 2019, Siemens Gamesa has installed 99 Gigawatts of wind turbines installed worldwide – in developed and developing countries. And we are exploring other opportunities to expand our activities into related business fields, including solar power, hybrid projects, and industrial-scale storage solutions. Our long-term goal is to provide integrated renewable energy solutions.

**“Siemens Gamesa is aware of the responsibility that comes with being an industry leader and believes that sustainable development and business success go hand in hand.”**

Climate change threatens the lives and livelihoods of billions of people. Siemens Gamesa is taking urgent action to combat climate change and its impacts (SDG13). To avoid its worst effects, energy will have to be carbon-free, which is why we are committed to become carbon-neutral by 2025, for example, by switching from emission-intensive conventional power generation sources to renewable energy-based sources for electricity supply in our operations. Also, our products help fighting climate change by reducing our customers' carbon footprint by more than 259 million tons of CO<sub>2</sub> each year. And Siemens Gamesa embraces climate science to navigate the low-carbon transition by being committed to the Science Based Targets Initiative.

Promoting sustained, inclusive and sustainable economic growth, full and productive employment and decent work (SDG8) is another Sustainable Development Goal we vastly contribute to as a company. Our over 24,400 employees are our single most important asset worldwide and we are lucky to have such a talented and passionate workforce. Since the merger, one of the key elements of our success has been the identification and embrace of our new set of common values.

Also, protecting labor rights and promoting a safe and secure working environment for all our employees is vital for us: workplace health and safety is our top priority, as is the reinforcement of ethical conduct throughout Siemens Gamesa and right along our supply chain.

“Our CSR pledge is not just an aspirational framework but a roadmap for responsible growth.”



Furthermore, we are a significant driving force for progress in the communities in which we operate, by boosting industrial activity through investments, purchasing from local suppliers, and by contributing economic resources to public administrations.

These elements are part of our corporate social responsibility pledge, which is not just an aspirational framework but a roadmap for responsible growth. It provides compelling reasons to pursue a lasting social and environmental impact and to engage with the global CSR community and the UN Sustainable Development Goals.

Therefore, we remain committed to the principles of the United Nations Global Compact, which means that we continuously work on issues connected to human rights and maintain responsible labor, environmental and anti-corruption practices.

Siemens Gamesa’s responsibility performance has been widely recognized by the financial community and is present in the world’s most prestigious indices such as the Dow Jones Sustainability Indices®, FTSE4Good® and the Ethibel Sustainability Index®, to name a few. We are proud of what we have achieved so far and will continue working on improving ourselves and better the lives of others.

Throughout this report, in alignment with the Spanish law 11/2018 for Non-Financial Information and Diversity that was implemented following the European Directive, we will provide insight into Siemens Gamesa vast variety of actions and our focus on the UN Sustainable Development Goals. The content of this report represents a fair balance of the Group’s activities. We would like to thank all our stakeholders for their continuous support and trust in Siemens Gamesa – accompanying us on our path of further innovation, success and business excellence. [102-14]

With best regards

A handwritten signature in blue ink that reads "Markus Tacke". The signature is written in a cursive, flowing style.

Markus Tacke  
CEO, Siemens Gamesa Renewable Energy

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# About this report

## 1.1. Statement

[102-49] [102-50] On April 3, 2017, the merger of Siemens Wind Power with GAMESA was formalized, qualifying for accounting purposes as a reverse acquisition, in which the wind power business of Siemens AG was the acquirer and GAMESA the acquired, respectively.

At the end of 2017, the newly merged company Siemens Gamesa prepared its first Sustainability Report, thus adopting the best practices in reporting and transparency, even in its first year after the integration.

Continuing this commitment, Siemens Gamesa releases the **Consolidated Non-Financial Statement 2019 - CNFS** (former Sustainability Report) again this year, which is approved by the Board of Directors, after report from the Audit, Compliance and Related Party Transactions Committee of said Board of Directors.

## 1.2. New reporting scene

In 2018, the Law 11/2018 of 28 December on non-financial information and diversity was adopted in Spain. The law implements Directive 2014/95/EU of the Parliament and of the Council amending Directive 2013/34/EU about the "disclosure of non-financial information and information on diversity by certain large undertakings".

The new law expands non-financial reporting requirements, to specifically include the provision of environmental and social aspects, regarding people management, diversity, respect for the environment, and of human rights and the fight against corruption and bribery, describing the risks, and outcomes linked to these issues. Disclosure of non-financial information or related to sustainability or corporate social responsibility becomes, therefore mandatory by law for Siemens Gamesa.

This Consolidated Non-Financial Statement (CNFS) report covers the requirements of the entry into force of this new regulation and is integral part of Management Report of the company. It contributes to measure, monitor and manage the performance of the company and its impact on society. In this context, the report contains information relative, at least, to environmental and social issues, as well as personnel, respect for human rights and the fight against corruption and bribery. It also summarizes the most relevant financial and non-financial information in accordance with the corresponding Materiality Analysis.

The report is a method of satisfying the growing demand from society in general, as well as from shareholders and investors, for companies to explain its performance in non-financial aspects, also called environmental, social and corporate governance (ESG: Environmental, Social, Governance), given that good performance in these areas is directly linked to business excellence.

## 1.3. Reporting period

Information contained in this Consolidated Non-Financial Statement (NFS) reflects the situation included in the period between October 1, 2018 and September 30, 2019 ("the reporting period"). This period is referred also as "fiscal year 2019" (FY19).

## 1.4. Reporting framework

[102-54] Siemens Gamesa Renewable Energy has followed the recommendations of the Global Reporting Initiative (GRI reporting standards) and the report was prepared in accordance with the GRI Standards: **Core option** and the 10 Principles established by the United Nations Global Compact in preparing this report, both regarding the scope of its contents and the definition and quality of the information.

Siemens Gamesa has adapted the GRI Reporting Principles for defining report content, by considering the organization's activities, impacts, and the substantive expectations and interests of its stakeholders. They have equally guided the quality of information, enabling stakeholders to make sound and reasonable assessments of our organization.

New in 2019, the report includes an additional reference table covering the reporting elements included in the Law 11/2018 of 28 December on non-financial information and diversity.

[102-32] This report is subject to external review by EY and approval by Siemens Gamesa Renewable Energy S. A.'s Board of Directors.

## 1.5. Collection of information

Siemens Gamesa Renewable Energy has adequate information systems. Therefore, the compilation of financial and non-financial information guarantees the comprehensiveness and accuracy of the indicators detailed in this report.

## 1.6. Observations

[102-46] The scope of companies considered by the Siemens Gamesa while preparing the Consolidated Non-Financial Statement coincides with the definition of the Group for the purpose of preparing the consolidated financial statements [102-45].

Year-on-year comparative information is provided along the report. Scope and period comparable to the subject matter of sustainability in 2017 are not the same as in 2018 and 2019. Siemens Gamesa excluded the data from year 2017 to conduct a reliable year-on-year analysis. To analyze trends and data to compare the organization's sustainability performance over time, considers FY18 period to be the baseline. [102-48]

## 1.7. Reference

For the purposes of this report, the Spanish company Siemens Gamesa Renewable Energy S. A. is the parent company of the Group, hereinafter referred to as "SGRE", "Siemens Gamesa" or the "company".

Siemens Gamesa Renewable Energy S. A. and all the subsidiaries over which it has the capacity to exercise control, or which it jointly controls, are referred to as the "Siemens Gamesa Renewable Energy Group", "Siemens Gamesa Group" or "the group".

The group of companies of which Siemens Gamesa holds a percentage of ownership, but does not have the capacity to exercise control, can be referred to as "investee companies" or "associated companies".

## 1.8. Calculations

This document refers to CO<sub>2</sub> emission savings that Siemens Gamesa products bring to customers.

It is correctly interpreted as total CO<sub>2</sub> emissions that would be generated annually with conventional fossil fuels to produce the equivalent amount of electricity (kWh) produced by Siemens Gamesa turbines on an annual basis.

Calculation of these annual CO<sub>2</sub> emission savings is based on the wind turbines total installed capacity - both on Onshore and at Offshore. The following conversion factors are applied:

- Emission factor world fossil (grCO<sub>2</sub>/KWh): 849
- Offshore wind turbines average capacity factor: 42%
- Onshore wind turbines average capacity factor: 35%
- Average hours equivalent a year (h)= [Average Wind Turbine Generator (WTG) Capacity factor] \* 365\*24

# Company highlights

## 2.1. Creation of a global leader

The Siemens Gamesa Renewable Energy Group was born in April 2017, with the merger of Gamesa Corporación Tecnológica and Siemens Wind Power.

Gamesa's history is marked by a spirit of innovation and successful expansion into new markets. What started as a small machining workshop in northern Spain quickly grew into a global company focused on industrial facility management, the automotive industry, and new technology development.

In 1995, Gamesa expanded into wind power, installing the first wind turbine in the hills of El Perdón, in Spain, and just four years later the Company had grown into the leading manufacturer of wind turbines in the country. International expansion quickly followed as the Company opened production centers in the United States., China, India and Brazil.

The history of Siemens Wind Power is equally impressive. The Company has been directly involved in the wind power industry since 2004, when it acquired the Danish wind turbine manufacturer Bonus Energy. With the acquisition of Bonus, Siemens gained a wealth of technology and proven experience stretching back to 1980.

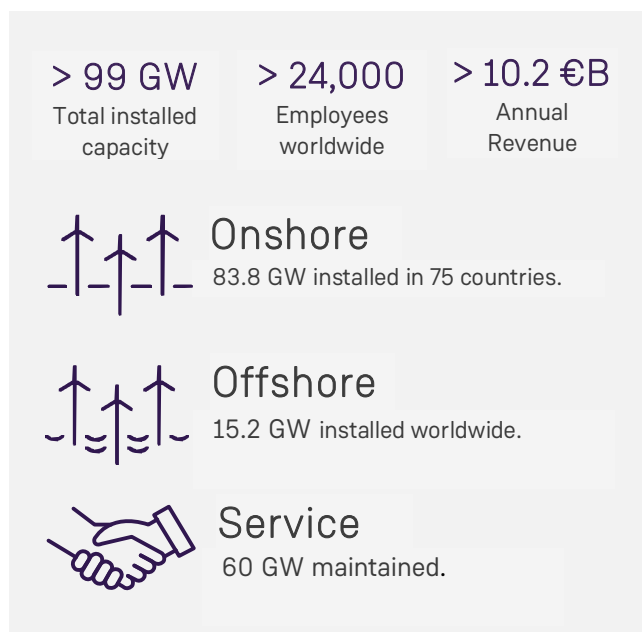
This history includes providing turbines for the world's first offshore wind farm located in Vindeby off the coast of Denmark, in 1991. The Company grew into the global market leader for offshore wind turbines, earning a reputation for technological leadership, strong customer service, and for offering fully integrated end-to-end energy solutions.

Siemens Gamesa Renewable Energy brings these many qualities together under one roof: an innovative spirit, dedication to technological excellence, and a determination to provide real and lasting value to all stakeholders and customers.

Siemens Gamesa Renewable Energy came into being ready to address the challenges and seize the opportunities that the wind business offers in the short, medium and long term, to create value for all stakeholders. In a changing environment with increasingly demanding wind markets, the merger's strategic rationale is even more compelling. Global scale and reach have become essential to compete profitably. Meanwhile, the combined Company's diversification and balance and its leading position in emerging and offshore markets provide resilience and above-average growth potential.

Today, the company is a respected industry leader committed to providing innovative and effective solutions to the energy challenges of tomorrow.

Figure 1 - Key facts fiscal year end 2019





## 2.2. Company name

### **Siemens Gamesa Renewable Energy, S.A.**

Parque Tecnológico de Bizkaia, Edificio 222,  
48170 Zamudio (Vizcaya)  
Spain

[102-1] The corporate name, effective since June 20, 2017, was registered with the Mercantile Register on July 18, 2017, when it was notified to Spanish Central Securities Depository (Iberclear) and the Stock Exchanges (Barcelona, Bilbao, Madrid and Valencia). The name was published in the Stock Exchange bulletin on July 21, 2017, and the shares have been listed under Siemens Gamesa Renewable Energy, S.A. since July 24, 2017. The stock ticker symbol (abbreviation used to identify shares on stock markets) is SGRE.

[102-3] For legal purposes Siemens Gamesa Renewable Energy, S.A. corporate details are as follows: "SIEMENS GAMESA RENEWABLE ENERGY, S.A., a Company duly incorporated under the laws of Spain, with its registered office at Parque Tecnológico de Bizkaia, Building 222, Zamudio, Biscay, Spain and registered with the Mercantile Register of Biscay in Volume 5139, Folio 60, Page BI-56858 with VAT number A-01011253".

## 2.3. Company culture - mission, vision and values

In a company with a global footprint, values and cultural norms vary vastly from place to place. Balancing those cultures can be a delicate matter, with lessons to be learned both sides. One crucial aspect for the success is the development of a shared corporate culture underpinned by a common set of values, beliefs and behaviors. Based on the feedback given by the global employee survey and more than 50 manager interviews conducted throughout the Company during summer and fall 2017, six Company values have been defined for Siemens Gamesa. [102-16]

The Group has defined the following pillars to guide the process of building a shared culture:

- Mission: "We make real what matters - clean energy for generations to come."
- Vision: "To be the global leader in the renewable energy industry, driving the transition towards a sustainable world."
- Purpose: "Empower people to lead the future"

Values:

- Result orientation: Results are relevant, delivered in a timely manner and at appropriate cost.
- Customer focus: Think from a customer's perspective about how we can excel in delivery.
- Innovativeness: New solutions for customers and ourselves.
- Impactful leadership: Inspiring our people and exemplifying the culture and common values.
- Ownership attitude: People are motivated and engaged and see themselves as drivers of business success.
- Valuing people: Valuing the importance of the individual.

These six values together with our company's mission, vision and purpose are the foundation on which our shared company culture will grow as we become more and more integrated.

## 2.4. Global footprint

[102-4] Siemens Gamesa has a vast global footprint with altogether 337 location, including factories, offices, warehouses and land. A list of the main locations can be found in Annex II.

## 2.5. Ownership structure

[102-5] Siemens Gamesa Renewable Energy, S.A.'s ownership structure on September 30, 2019, (fiscal year end) was as follows:

Table 1 - Shareholder structure

<i>(in percentage)</i>	30.09.2019	30.09.2018
Siemens AG (*)	59.000	59.000
Iberdrola S.A.	8.071	8.071
Others (**)	32.929	32.929

(\*) 28.877% by Siemens Beteiligungen Inland GmbH.

(\*\*) All with an ownership interest of less than 3% and there are no significant shareholders according to the article 32 of the Royal Decree 1362/2007 of October 19 on shareholders required to notify their stake due to the residence in a tax haven or in a country of 0 taxation or with no effective exchange of tax information.

The group's shares are listed in IBEX 35 through the Automated Quotation System (Mercado Continuo) at the Bilbao, Madrid, Barcelona and Valencia Stock Exchanges.

## 2.6. Share capital

The capital stock of Siemens Gamesa Renewable Energy, S.A. amounts to €115,794,374.94 represented by book entries, and consists of 681,143,382 fully subscribed and paid common stock shares of €0.17 per value each, with identical rights and a single class and series.

Table 2 - Evolution of share capital

	Date	Share capital (€)	Shares
Capital increase (merger exchange)	03/04/17	115,794,374.94	681,143,382
Book building process	08/09/14	47,475,693.79	279,268,787
Paid-up capital increase	25/07/12	43,159,721.89	253,880,717
Paid-up capital increase	15/07/11	42,039,297.28	247,289,984
Paid-up capital increase	19/07/10	41,770,668.89	245,709,817
3 x 1 par value split	28/05/04	41,360,983.68	243,299,904
Capital increase (raising the par value of shares)	28/05/04	41,360,983.68	81,099,968
Stock market flotation	31/10/00	40,549,984.00	81,099,968

## 2.7. Revenues

[102-7] The group adapted to the operating configuration of the business units and to the financial and management information used by the executive boards of the Group, which for 2019 were: a) Wind Turbines and b) Operation and maintenance.

The breakdown, by segment, of consolidated revenue for the year ended September 30, 2019, is as follows:

Table 3 - Revenues by segment

<i>(in thousand Euros)</i>	FY19	FY18
Wind Turbines	8,733,498	7,847,191
Operation & Maintenance	1,493,381	1,275,081
<b>SGRE total revenue</b>	<b>10,226,879</b>	<b>9,122,272</b>

In addition, the group currently operates in several geographical markets. The main areas are EMEA (including Spain), Americas and APAC. The main countries per each one is as follows:

- Europe, Middle East and Africa (EMEA): Denmark, Germany, Great Britain and Spain
- Americas: USA, Brazil and Mexico
- Asia, Australia (APAC): India, China and Australia

Table 4 - Revenues by geographical area

<i>(in thousand Euros)</i>	FY19	FY18
EMEA	6,653,385	5,175,032
Americas	2,030,644	2,235,461
Asia, Australia	1,542,850	1,711,779
<b>SGRE total</b>	<b>10,226,879</b>	<b>9,122,272</b>

Table 5 - Revenues by country

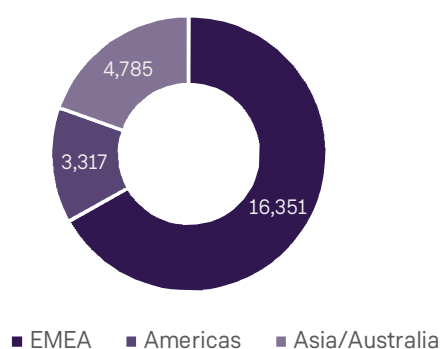
<i>(in thousand Euros)</i>	FY19	FY18
Spain	999,588	400,193
Germany	1,037,575	1,174,116
Denmark	1,115,637	638,729
United Kingdom	1,497,027	1,062,202
United States	1,514,168	997,999
China P.R.	202,759	328,707
India	774,309	888,249
Brazil	198,419	261,402
Mexico	167,335	474,470
<b>Rest of countries</b>	<b>2,720,062</b>	<b>2,896,205</b>
<b>SGRE total</b>	<b>10,226,879</b>	<b>9,122,272</b>

All the economic and financial information of Siemens Gamesa Renewable Energy S. A. and its subsidiaries is available in the Consolidated Financial Statements and Management Report for the period ended September 30, 2019, its fiscal year-end. [201-1]

## 2.8. Employees worldwide

[102-8] At the end of the reporting period (September 30, 2019), the company had 24,453 employees.

Figure 2 - Distribution of employees FY19



## 2.9. Wind turbine products

[102-2] Siemens Gamesa embraces technology as the essential core of its activity, making constant efforts in R&D to implement continuous improvements in its products and services.

Wind turbines developed and manufactured by Siemens Gamesa are in permanent evolution, incorporating the latest technological advances and growing, not just in terms of power but also in performance for the customer. With more than 99 GW installed in 75 countries and a full range of product platforms, the Company is established as one of the main worldwide technological leaders in the multi-megawatt segment.

With an optimized and streamlined catalogue, we offer the best product and service for each project and its varying site conditions. Our wind turbine and service portfolios create value that reduces the Levelized Cost of Energy (LCoE), ensuring long-term returns for customers.

Figure 3 - Distribution of wind turbine installations worldwide [102-6]

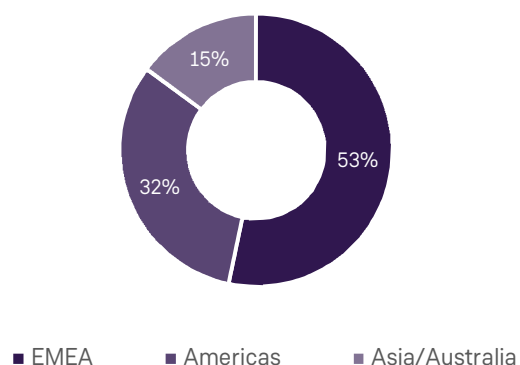


Table 6 - Wind turbine installation track record (cumulative MW)

	Onshore	Offshore	FY 19	FY18
Algeria	10	-	10	10
Argentina	113	-	113	82
Australia	932	-	932	699
Austria	43	-	43	43
Azerbaijan	8	-	8	8
Belgium	195	294	489	454
Bosnia-Herzeg.	87	-	87	41
Brazil	3,316	-	3,316	3,156
Bulgaria	90	-	90	90
Canada	3,021	-	3,021	3,021
Cape Verde	0.05	-	0.05	0.05
Chile	452	-	452	452
China	5,465	48	5,513	5,055
Costa Rica	143	-	143	143
Croatia	162	-	162	162
Cuba	5	-	5	5
Cyprus	20	-	20	20
Czech Republic	14	-	14	14
Denmark	1,064	1,135	2,199	2,199
Dom. Republic	191	-	191	52
Ecuador	2	-	2	2
Egypt	1,253	-	1,253	986
Finland	266	42	309	308
France	1,636	-	1,636	1,545
Germany	2,335	5,174	7,510	6,785
Greece	665	-	665	563
Guatemala	32	-	32	32
Honduras	176	-	176	176
Hungary	182	-	182	182
India	6,358	-	6,358	5,613
Indonesia	151	-	151	122
Ireland	870	-	870	796
Iran	61	-	61	61
Israel	21	-	21	21
Italy	2,375	-	2,375	2,199
Jamaica	24	-	24	24
Japan	495	-	495	361
Jordan	166	-	166	166
Kenya	14	-	14	14
Kuwait	10	-	10	10
Latvia	21	-	21	21
Lithuania	14	-	14	14
Luxemburg	24	-	24	24
Macedonia	37	-	37	37
Mauritania	35	-	35	30
Mauritius	9	-	9	9
Mexico	2,639	-	2,639	2,380
Morocco	856	-	856	856
Netherlands	114	744	858	858
New Zealand	281	-	281	281
Nicaragua	44	-	44	44
Norway	856	2	858	662
Pakistan	50	-	50	50
Peru	124	-	124	124
Poland	1,053	-	1,053	1,045
Portugal	569	-	569	569
Puerto Rico	103	-	103	103
Romania	590	-	590	590
Somalia	0.22	-	0.22	0.22
South Africa	660	-	660	604
South Korea	138	-	138	77
Spain	14,184	-	14,184	13,154

	Onshore	Offshore	FY 19	FY18
Sri Lanka	45	-	45	45
Sweden	1,432	110	1,542	1,458
Switzerland	0.15	-	0.15	0.15
Taiwan	12	120	132	20
Thailand	389	-	389	389
Philippines	259	-	259	243
Tunisia	242	-	242	242
Turkey	1,290	-	1,290	814
United Kingdom	4,135	7,565	11,700	9,822
Uruguay	390	-	390	390
United States	20,669	-	20,669	18,795
Venezuela	71	-	71	71
Vietnam	40	-	40	9
<b>SGRE total</b>	<b>83,799</b>	<b>15,235</b>	<b>99,034</b>	<b>89,504</b>

## 2.10. Service: Operation & Maintenance

Operation & Maintenance (O&M) is one of the key activities upon which Siemens Gamesa bases its development. With nearly 60% of its installed capacity under O&M contracts and a broad operational knowledge in complex locations, the Group maintains 60 GW in 58 countries. All of this is possible thanks to a team of highly qualified professionals, present worldwide and focused on health and safety as well as on service excellence and customer satisfaction.

To drive down operational costs of wind projects, Siemens Gamesa has announced the extension of its O&M scope to third-party technology. This approach includes not only maintenance of the wind turbines, but also life extension and retrofit solutions for enhanced AEP (annual energy production).

As an alternative to repowering, Siemens Gamesa's Service Business Unit offers an extension of turbine lifetime beyond 20 years to aging fleets in Northern Europe, Spain, China, India and other markets.

Figure 4 - FY19 distribution of fleet under O&M

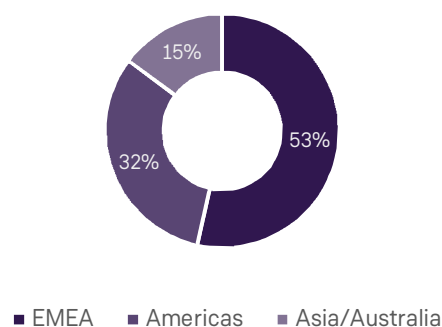


Table 7 - Operation & maintenance track record

<i>(in MW)</i>	Onshore	Offshore	FY 19	FY18
Algeria	-	-	-	11
Argentina	76	-	76	-
Australia	720	-	720	587
Austria	26	-	26	26
Belgium	215	294	509	389
Brazil	3,735	-	3,735	3,565
Bulgaria	90	-	90	90
Canada	1,830	-	1,830	1,808
Chile	452	-	452	452
China	512	-	512	726
Costa Rica	130	-	130	130
Croatia	162	-	162	172
Czech Rep.	14	-	14	14
Denmark	629	28	657	626
Dom. Republic	137	-	137	-
Egypt	834	-	834	564
Finland	228	40	268	280
France	1,280	-	1,280	1,185
Germany	724	4,389	5,113	4,750
Greece	56	-	56	278
Guatemala	32	-	32	-
Honduras	50	-	50	50
Hungary	24	-	24	24
India	6,240	-	6,240	5,563
Indonesia	151	-	151	-
Iran	61	-	61	-
Ireland	963	-	963	891
Israel	-	-	-	21
Italy	1,659	-	1,659	1,309
Jamaica	-	-	-	-
Japan	213	-	213	131
Jordan	82	-	82	166
Korea Rep.	103	-	103	49
Kuwait	10	-	10	10
Lithuania	14	-	14	14
Luxemburg	-	-	-	21
Macedonia	14	-	14	-
Mauritania	30	-	30	30
Mauritius	9	-	9	9
Mexico	2,224	-	2,224	2,040
Morocco	842	-	842	638
Netherlands	60	744	804	785
New Zealand	60	-	60	60
Nicaragua	44	-	44	44
Norway	207	2	209	265
Pakistan	124	-	124	124
Peru	14	-	14	14
Philippines	243	-	243	243
Poland	919	-	919	915
Portugal	402	-	402	402
Puerto Rico	101	-	101	101
Romania	242	-	242	352
South Africa	605	-	605	605
Spain	5,639	-	5,639	5,914
Sri Lanka	-	-	-	-
Sweden	663	-	663	625
Taiwan	-	8	8	8
Thailand	524	-	524	355
Turkey	873	-	873	849
United Kingdom	2,953	5,735	8,688	8,582
United States	9,722	-	9,722	9,450
Uruguay	410	-	410	410
Vietnam	39	-	39	8
<b>SGRE total</b>	<b>48,790</b>	<b>11,240</b>	<b>60,030</b>	<b>56,728</b>

# Our CSR approach

## 3.1. Global CSR collaborations

The Group voluntarily endorsed several codes of ethical principles and good practices. [102-12]

### 3.1.1. United Nations Global Compact

The Group endorsed the principles of the United Nations Global Compact (participant ID 4098) and reaffirms its commitment to and support for the promotion of the ten principles of labor rights, human rights, environmental protection and the fight against corruption on an annual basis. The company publishes a Communication on Progress Report (COP) each year, which reviews compliance with such principles. This document is made publicly available on the United Nations Global Compact website<sup>1</sup>.

### 3.1.2. Global Reporting Initiative (GRI)

Since 2004, the company has disclosed sustainability information with reference to the evolving guidelines of the Global Reporting Initiative (GRI), a non-governmental organization which aims at high transparency and comparability for corporate sustainability reporting.

Siemens Gamesa has been involved in the GRI community since 2016, first as an organizational stakeholder and currently as a community member and GRI core supporter.

Furthermore, the company actively participates in GRI's Corporate Leadership Group on Reporting on the Sustainable Development Goals, to put forward innovative

solutions to common challenges and ultimately shape the future of reporting.

### 3.1.3. Paris Pledge for Action

The Group endorsed the Paris Pledge for Action and welcomed the adoption of a new universal agreement at the COP 21 in Paris and pledged support to ensuring that the aspirations established by the agreement will be attained or surpassed.

### 3.1.4. Caring for Climate: The business leadership platform

"Caring for Climate: The business leadership platform", is a UN Global Compact Initiative. Its goal is to involve businesses and governments in acting on climate change, energy efficiency, reduction of emissions of greenhouse gases (GHGs) and positive collaboration with other public and private institutions. Siemens Gamesa joined voluntarily in June 2007.

### 3.1.5. Women Empowerment Principles

The "Principles of Empowerment of Women" are promoted by UN Women/UN Global Compact and aim to build stronger economies, establish a more stable and fairer society; achieve compliance development, sustainability and human rights and to improve the quality of life of women, men, families and communities. Siemens Gamesa endorsed the Principle of Empowerment of Women in December 2010.

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<sup>1</sup> See United Nations Global Compact website [[Link](#)]

### 3.1.6. Science Based Targets (SBTi)

Science Based Targets (SBTi), a joint international initiative of the Carbon Disclosure Project, the UN Global Compact, the World Resources Institute, the World Wide Fund for Nature and the We Mean Business coalition. It aims to reduce carbon emissions in a measurable manner and to an enough level to meet the objective of not exceeding 2 degrees Celsius of global warming established in the Paris Climate Agreement. Siemens Gamesa voluntarily joined this initiative on September 12, 2018.

Figure 5 - External commitments



## 3.2. Performance in sustainability indexes

Siemens Gamesa's sustainability performance is monitored continuously and has been externally confirmed by the most renowned and relevant sustainability indexes and ratings.

### 3.2.1. Dow Jones Sustainability Indices/SAM

Again in 2019, Siemens Gamesa became constituent member of the DJSI Index (DJSI Europe) for the 10<sup>th</sup> time since 2006.

Launched in 1999, the Dow Jones Sustainability Index represents the gold standard for corporate sustainability and is the first global index to track the leading sustainability-driven companies based on RobecoSAM's analysis of financially material Environmental, Social, and Governance (ESG) factors.

The Group is included in the "Machinery and Electrical Equipment" industry, together with 115 competitors, and scored particularly well in the areas of codes of business

conduct (percentile 99), product stewardship (percentile 98), innovation management (percentile 90), supply chain management (percentile 90) and strategy for emerging markets (percentile 89) in 2019.

These results place Siemens Gamesa as a reputed global sustainability leader in the eyes of stakeholders, financial analysts and the public at large.

### 3.2.2. Carbon Disclosure Project (CDP)

The Group actively engages with the Carbon Disclosure Project (CDP) and responded to the climate change and supply chain assessment to explain how we reduce our greenhouse gas emissions and mitigate climate change risks.

### 3.2.3. Financial Times Stock Exchange (FTSE)

The Financial Times Stock Exchange (FTSE) included Siemens Gamesa in its FTSE4Good series, which is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices.

The company's overall ESG rating in 2019, when compared with the same FTSE industry classification benchmark (Oil & Gas), keeps at 68 percentile and outperforms the renewable energy equipment subsector average.

### 3.2.4. Global Challenges Index (GCX)

The Global Challenges Index (GCX) included Siemens Gamesa among the 50 securities which are promoting sustainable development through products and services. The research is made by Oekom research AG.

### 3.2.5. Ethibel Excellence Europe Index

The Group is part of the Ethibel Excellence Europe Index, which includes companies that in the Russell Global Index and demonstrate outstanding performances in terms of Corporate Social Responsibility (CSR).

Figure 6 - Sustainability indexes



### 3.3. Committed to UN Sustainable Development Goals (SDGs)

[102-15] Siemens Gamesa believes that sustainable development and commercial success go hand in hand. That means, we at Siemens Gamesa thrives to lead the social progress by being a global force for sustainable development.

However, there are many factors in the world today that represent enormous potential threats to sustainability, and dramatically affect businesses such as ours. Climate change, water scarcity, geopolitical conflicts, resource depletion, and economic inequality – these must all be acknowledged as the challenges they are, and then they must be met and overcome.

#### 3.3.1. Impact on Agenda 2030

[L11-S001] On January 1, 2016, the 17 Sustainable Development Goals (SDGs) of the 2030 Agenda for Sustainable Development - adopted by world leaders in September 2015 at United Nations Summit - officially came into force. Over the next fifteen years, with these new Goals that universally apply, countries will mobilize efforts to end all forms of poverty, fight inequalities and tackle climate change, while ensuring that no one is left behind.

The SDGs reflect a new understanding that development everywhere must integrate economic growth, social well-being and environmental protection.

[L11-G01] We as a business, have also a self-interest in driving forward this agenda forward and to contribute to reaching the SDGs related targets. We can find our

greatest impact and opportunity in areas that will help drive our own business growth. This creates scalable solutions when our business profits from solving social problems and when we generate profits while simultaneously benefitting society and business performance.

Siemens Gamesa has an impact on most of the SDGs in four important ways: i) through our products and services, ii) by responsibly operating our business, iii) through our expertise and thought leadership, and iv) through our corporate citizenship activities and community engagement programs. Nevertheless, the impact we have on the SDGs varies significantly.

Figure 7 - UN's Sustainable development goals (SDGs)



In fiscal year 2018 we proceeded to identify and prioritize which of the Global Goals are most relevant to our company, given the countries and sectors we operate in. This approach gives us the salient information needed to start the process of engaging with the SDGs in an effective way. It identifies how each country is currently performing against its SDG goals and targets and uses input-output modelling techniques to highlight relevance across both direct operations and the wider supply chain. It also draws on economic research to identify where value could be at risk from countries failing to achieve their SDG commitments and the potential opportunities (i.e. where business activities could help significantly more), on a country by country basis. It thereby helps our business map out and visualize strategic priorities in a more informed way.



According to this methodology, a projected company's gross value added (GVA) for 2030 by country is calculated based on the company's revenue, growth rate, employee costs and EBITDA. SDGs scorings are translated into risk in terms of potential lost gross value added (GVA), if a host country should not achieve its 2030 SDG target.

Therefore, Siemens Gamesa identified high as well as medium and low impact SDGs. For the most part, SDGs we consider having a high impact are strongly correlated to our products and services, often in combination with thought leadership initiatives in collaboration with partners around the world. High impact SDGs also represent the highest Projected Value-At-Risk and the countries in which these SDGs present a higher risk for Siemens Gamesa's operations.

Medium and low impact SDGs are mainly enablers that relate to responsible business practices, including the area of human rights, as well as compliance and supply chain management. Still others are impacted by our corporate citizenship and community engagement activities.

### High impact - UN Sustainable Development Goals



**Goal 7 - Ensure access to affordable, reliable, sustainable and modern energy for all.** Siemens Gamesa Renewable Energy is shaping the renewable energy industry,

leading the way forward in the renewable energy sector. The company provides cleaner, more reliable and affordable wind power and is a leading supplier of wind power solutions to customers all around the world. Our scale, global reach and proven track record ensure that we will play a central role in shaping the energy landscape of the future. Our activity embraces the world's need for access to affordable, reliable and sustainable energy, crucial to achieving many of the UN Sustainable Development Goals, ranging from the eradication of poverty through advances in health, education, water supply and industrialization to mitigating climate change.



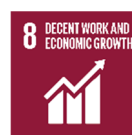
**Goal 13 - Take urgent action to combat climate change and its impacts.** Siemens Gamesa has set the target of becoming CO<sub>2</sub>-neutral in all its operations by 2025. The company is thus underlining the need for businesses to contribute to decarbonizing the economy. With our products and services, we help to improve energy

efficiency and reduce CO<sub>2</sub> emissions with a positive business case.



**Goal 5 - Achieve gender equality and empower all women and girls.** Our main impact on SDG 5 is by managing our own workforce. Siemens Gamesa recognizes that

its employees represent a large variety of cultures, ethnicities, beliefs and languages. This wealth of diversity is what makes the Group more innovative, creative and committed to society.



**Goal 8 - Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.** Siemens Gamesa directly impacts SDG 8

through its global operations contributing to GDP development in many countries, our commitment to providing decent jobs and enabling employment and by driving the decoupling of economic growth from energy usage as a thought leader.



**Goal 16 - Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive**

institutions at all levels. We contribute to SDG 16 by anchoring integrity and compliance throughout our company and by driving Siemens Gamesa's integrity initiatives with external stakeholders. Our company is committed to implementing the UN Global Compact's requirements and all other relevant regulations in our supply chain and disseminating them through collaborations with external organizations and institutions.

### Medium to low impact - UN Sustainable Development Goals



We impact SDG 4 by promoting inclusive and equitable quality education as well as lifelong learning opportunities for all, such as offering learning and education

opportunities to all Siemens Gamesa employees internally or in partnership with schools and universities. Training of customers and suppliers is also important to us. In addition, numerous corporate citizenship engagement programs around the world build on this objective.



Our activity may impact SDG 14 because we are aiming at using the oceans, seas and marine resources for sustainable development and protecting biodiverse marine sites to ensure the sustainability of marine biodiversity and ecosystems. Our locations worldwide are not operating in water-stressed areas. Thus, we consider water as essential to human well-being and social and economic development.



Our impact on SDG 15 is essential to protect, restore and promote the sustainable use of terrestrial ecosystems. Respect for key biodiversity areas is thoroughly considered in all project developments across the globe.

Our Corporate citizenship programs impact directly Sustainable Development Goals 1, 2, 3 and 6. For example, 'SGRE impact' is a company-wide social action initiative aimed at bringing positive change to the communities in which Siemens Gamesa operates and to heighten the engagement of our employees. Other local and regional-based programs also address different actions with direct impact on these SGD's.



On SDG 1, we believe all people, everywhere, should enjoy a basic standard of living. This includes social protection benefits for the poor and most vulnerable and ensuring that people affected by conflict and natural hazards receive adequate support, including access to basic services.



On SDG 2, we believe that everyone everywhere deserves to have enough good-quality food to lead a healthy life. As far as possible, we strive to foster better access to food and the widespread promotion of sustainable agriculture as part of our programs.



We impact SDG 3 by promoting healthy lifestyles and combating premature mortality by increasing knowledge about diseases and health risks among employees.



Siemens Gamesa's holistic management of the water cycle takes into account the ratio of total fresh water withdrawn to the total renewable freshwater resources in our locations. Water resource quality and sustainability are crucial from the Siemens Gamesa management's perspective.

# CSR strategy 2018-2020

[103-1] Siemens Gamesa has identified different strategic lines and actions to work on in the coming years regarding corporate social responsibility (CSR) to support the business, strengthen the overall business strategy and to obtain competitive advantages in specific aspects of management that the company works on over the coming years. These strategic lines and actions define the CSR Strategy 2018-20 and will allow the company to continue maintaining an excellent positioning in the market and for its stakeholders.

This strategy's design is reinforced by the regulations of the Audit, Compliance and Related-Party Transactions Committee of Siemens Gamesa's Board of Directors, which includes "monitoring the strategy and practices in relation to corporate social responsibility and assessing its degree of compliance" (Art. 11b of the Regulations of the Audit, Compliance and Related Party Transactions Committee) as one of its responsibilities.

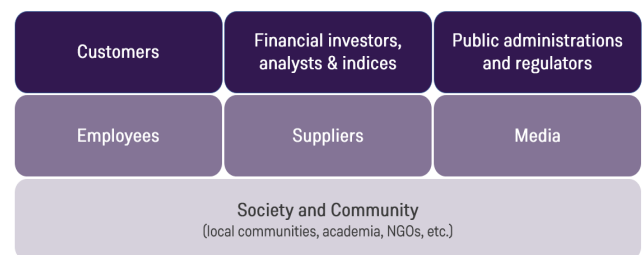
Hence, the strategy for 2018-20 and its commitments were agreed upon with Siemens Gamesa's top management and with the Audit, Compliance and Related-Party Transactions Committee. The plan sets targets under five pillars and focuses on the company's positioning in the long term by addressing CSR aspects that are relevant to stakeholders and include these expectations in the company's decision-making process and the business' day-to-day management.

## 4.1. Stakeholder analysis

[102-40] The company's relationship with any stakeholder is maintained in a twofold way: from the standpoint of social responsibility, responding to their expectations and needs and, from a reputational perspective, managing the perception these stakeholders have of the company.

Siemens Gamesa has a large variety of stakeholders, so they are analyzed according to their relevance for the company's activities and have been grouped together under the following categories for practical purposes:

Figure 8 - Siemens Gamesa's stakeholders



[102-42] The identification and selection of the group's stakeholders are carried out through internal processes of reflection involving the management team and based on established relationships with key groups to meet both their expectations and the company's needs.

[102-43] The company consolidates preferential communication channels with these groups to identify the most relevant topics and provide a reasonable response to their expectations, if possible.

These channels have their own specific features regarding format, responsibilities, intensity of the relationship and frequency of use, ranging from permanently available means of engagement, like mailboxes and portals, to annual or multi-annual means, such as surveys. They also include other non-periodic means which configure a relationship which the company views as proximity to its stakeholders.

## 4.2. Material aspects

[102-47] The nature of the expectations that relevant stakeholders have of our organization involve issues such as good governance, respect for human rights, work practices, environmental impacts, our operational practices and those of our value chain, as well as the positive and negative impacts that we may have on local communities.

[102-44] Siemens Gamesa conducted a specialized CSR diagnosis in FY18. The diagnosis was structured around nine general aspects and then further broken down to allow a more detailed analysis, resulting in a total of 35 materiality aspects. The importance of each specific aspect for Siemens Gamesa's top management and regional managers (internal diagnosis) was analyzed and opinion makers' demands in these areas were also identified, as were the best practices implemented by Siemens Gamesa's peers (external diagnosis).

The results of the internal and external diagnoses have been deployed in the aggregated materiality analysis as:

- internal relevance of each CSR aspect (importance for SGRE – materiality matrix's X axis).
- external relevance of each CSR aspect (importance for stakeholders – materiality matrix's Y axis), with a weighting of i) benchmark: 60%; ii) sector prescribers: 5%; iii) CSR prescribers: 30%; iv) media: 5%

A detailed overview of the materiality analysis can be found in the Annex.

### Material aspects to Siemens Gamesa<sup>2</sup>

- 02 Risks and Opportunities Management
- 03 Corporate Governance
- 06 Ethics, Integrity and Anti-Corruption
- 07 Regulatory Compliance
- 10 Renewable Energy Environment
- 11 Training, Professional Development and Employability
- 12 Equal Opportunity, Diversity and Non-Discrimination
- 15 Health and Safety
- 16 Employee Satisfaction
- 18 R+D+I Programs and Investment
- 19 Communities and Environment Relationship

- 21 Human Rights
- 22 CSR Procurement Practices and Suppliers' Assessment
- 25 GHG Emissions and Climate Change Strategy

Information sources that enable us to identify more and new relevant matters for the stakeholders of the company include:

- Criteria for Environment, Social and Governance (ESG) used by institutional investors and asset managers in the selection of their investment portfolios
- ESG requirements used in the analysis of the company by the specialized indexes
- Reference publications by international organizations that are influential in the ESG scope
- ESG requirements expressed by clients in the framework of the daily commercial relations of the company.

We also take into consideration, at a global level, the analysis of four international standards that currently shape the broader international agreement on responsible behavior of a multinational company:

- The Principles of the United Nations Global Compact.
- The United Nations Guiding Principles on Business and Human Rights.
- The OECD Guidelines for Multinational Enterprises.
- The Global Reporting Initiative Guidelines (GRI), with representation from the business environment, trade unions, civil society, financial markets, auditors and specialists in several disciplines in the business area, regulators and several countries' governing bodies.

## 4.3. CSR policies

Our corporate social responsibility (CSR) vision addresses the business' accountability to a wide range of stakeholders, besides shareholders and investors. There are many areas that may impact our business footprint such as the overall environmental protection and the well-being of employees, along with the community and civil society in general, both now and in the future.

<sup>2</sup> The material aspects were not ranked by importance in this list.

Hence, the success of our business is based on a sustainable operating environment, in which access to a skilled workforce, a stable community and healthy environment are ensured on a day-to-day basis.

[102-26] The Board of Directors is acutely aware of the responsibilities of Siemens Gamesa towards society. It is committed to ensuring that its activity is carried out in accordance with a set of values, principles, criteria and attitudes aimed at achieving the sustained creation of value for shareholders, employees, customers and society.

This target is reinforced by the principles contained in Siemens Gamesa's Global Corporate Social Responsibility Policy<sup>3</sup>:

- **Principle 1.** Comply with applicable law in the countries in which we do business and ensure ethical behavior, adopting international standards and guidelines and fostering and promoting the integration of the principles of the United Nations Global Compact.
- **Principle 2.** Ensure responsible governance and the transparency necessary to convey trust and credibility to stakeholders.
- **Principle 3.** Achieve a work culture based on safe and healthy work, equal opportunity and motivation.
- **Principle 4.** Contribute to sustainable development by reducing the environmental impact of the company's activities and generating new solutions through innovation.
- **Principle 5.** Develop a responsible supply chain, ensuring responsible management through transparent, objective and impartial procedures with suppliers and providing customers with all relevant information on the services and products sold.
- **Principle 6.** Promote socially responsible actions within the group to harmonize corporate values and social expectations.

## 4.4. The 5 pillars

Siemens Gamesa's CSR strategy 2018-2020 currently consists of five master lines (corresponding to the five pillars and, additionally, a communication and awareness action), outlining 41 specific actions to be implemented, which involve seven corporate areas of the company:

### Pillar 1: Integrity and transparency

Ensuring ethical and business integrity, generating trust by our stakeholders through transparency and honesty. Siemens Gamesa commitments include:

- By 2019, a framework of policies and procedures to guarantee business integrity to be established.
- By 2019, approval of the Siemens Gamesa Global Labor Agreement based on the International Labor Standards of the ILO.
- 2018-2020, compensation linked to continued presence on the FTSE4Good Index, the Dow Jones Sustainability Index and Ethibel Sustainability Index.
- Report annually important and verified CSR key performance indicators (KPIs) for stakeholders.

### Pillar 2: Commitment to people

Engaging people creating a common culture and values based on safety, diversity, trust and transparency, identifying and retaining talent. Key commitments include:

- By 2020, assessment of the values of the company based on the employee's perspective.
- By 2020, 70% of employees with individual performance development.
- By 2020, Diversity & Inclusion Program implemented across the company.
- By 2020, reach 3,36 Total Recordable Injury Rate target.

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<sup>3</sup> See Global Corporate Social Responsibility policy [[Link](#)]. Text approved by resolution of the Board of Directors dated September 12, 2018

### Pillar 3: Green development

Generating sustainable and green development based on innovative circular wind solutions and being an active player in promoting a low carbon economy.

- By 2020, more than 250Mt CO<sub>2</sub>eq (metric tons of carbon dioxide equivalent) annual savings for customers.
- By 2025, carbon neutrality.
- By 2020, renewable origin certification available for all new installed turbines.
- By 2020, position Siemens Gamesa in the low carbon economy advocacy and promotion.

### Pillar 4: Responsible supply chain

Sharing the responsibility of making things well and creating a commitment with society alongside the supply chain.

- By 2020, acceptance of the Supplier Code of Conduct by our main suppliers accounting for 80% of the annual purchasing volume.
- By 2020, 100% of critical suppliers to be assessed and/or audited against the compliance of Supplier Code of Conduct.
- By 2020, investment in a 'symbiotic' collaboration about improvements with suppliers.

### Pillar 5: Community engagement

Contributing to the community development through our expertise, generating engagement and positive impact into the society.

- By 2020, implementing relevant community engagement projects generating positive impacts.
- By 2020, investing in agreements about technology development with universities and other training centers, for attracting and selecting talent.

Table 8 - N° of actions per CSR pillar

CSR Pillar	Number of actions
Integrity and transparency	9
Commitment to people	7
Green development	10
Responsible supply chain	5
Community engagement	6
Communication and awareness	4

Figure 9 - Number of actions per UN Sustainable Development Goal



## 4.5. Progress report

The progress status of the CSR strategy is disclosed to the Audit, Compliance and Related Party Transactions Committee (ACRPTC) at each end of the fiscal year.

Great progress had also been made in all areas by the end of FY19. 21 of the 37 actions (57%) had been reported to the ACRPTC as closed.

These are some of the actions that were closed in FY19:

- Pillar 1 – Integrity and transparency: compensating of managers was linked to ESG indexes FTSE4Good, Dow Jones Sustainability Index as well as Ethibel Sustainability.
- Pillar 2 – Commitment to people: conducting a global employee satisfaction survey.
- Pillar 2 – Commitment to people: Homogenizing the existing training actions in a single Training Program

Several actions are designed as long-term achievement and they are planned to be closed after end of FY20.

# Pillar 1: Integrity and Transparency

## 5.1. Corporate governance

[102-18] The Group's governance structure is based on two main bodies, namely the General Meeting of Shareholders and the Board of Directors.

### 5.1.1. General meeting of shareholders

The General Meeting of Shareholders is the meeting of the Company's shareholders that, once duly convened, shall decide by majority voting on the issues within its powers. All shareholders, including those that do not take part in the General Meeting or who have expressed their disagreement, are subject to the resolutions taken at the General Meeting, without prejudice to their legal right to challenge such resolutions.

The General Meeting of Shareholders takes resolutions on all issues that lie within its powers in accordance with the Law, the By-Laws and the Regulations of the General Meeting of Shareholders.<sup>4</sup>

### 5.1.2. Board of directors

[102-22] The Board of Directors' mission is to promote the Company's interests, represent the Company and its shareholders in the management of its assets, manage the business and direct the business's administration.

Apart from the matters reserved for the powers of the General Meeting of Shareholders, the Board of Directors is the highest representative and decision-making body. It has no substantial constraints apart from those laid down

in legislation and the By-Laws, particularly regarding the Company's corporate purpose.

Full information on the Board of Directors' composition, as well as its members' personal and biographical profiles can be found in section C.1 of the Annual Corporate Governance Report and on the Company's website.<sup>5</sup>

The Board of Directors of Siemens Gamesa is the body responsible for reviewing and approving this Sustainability Report, which is approved prior to the announcement of the General Meeting of Shareholders.

### 5.1.3. Board committees

The Board of Directors has two specialized committees to deal with specific areas of activity which are entrusted with powers to report, advice, put forward proposals and exercise oversight and control. These are the a) Audit, Compliance and Related Party Transactions Committee, and b) the Appointments and Remunerations Committee. Detailed information on these Committees can be found in the Annual Corporate Governance Report and on the Company's website.

#### 5.1.3.1. Audit, Compliance and Related Party Transactions Committee

This is a permanent internal body of the Board of Directors for information and consultation, entrusted with informing, advising and making recommendations. Articles 5 through 14 in Chapter II of the Regulations of the Audit, Compliance and Related Party Transactions Committee<sup>6</sup> set forth the duties of this committee.

<sup>4</sup> See Regulations of the General Meeting of Shareholders of Siemens Gamesa Renewable Energy S.A. (Revised text approved by the General Meeting of Shareholders of June 20, 2017). [[Link](#)]

<sup>5</sup> See Section C.1 of Siemens Gamesa Renewable Energy, S.A. Annual Corporate Governance Report 2019 at [[Link](#)]

<sup>6</sup> See Chapter II of the Regulations of the Audit, Compliance and Related Party Transactions Committee (Consolidated text endorsed by the Board of Directors on July 26, 2018) [[Link](#)]

Regarding sustainability, the highest committee or position that formally reviews and approves the sustainability or Corporate Social Responsibility policies, strategy and practices is the Audit, Compliance and Related Party Transactions Committee. Article 11 b) of the Regulations of the Audit, Compliance and Related Party Transactions Committee clearly sets out these duties.

### 5.1.3.2. Appointments and Remunerations Committee

This Committee is an internal body of the Board of Directors for information and consultation, albeit with no executive functions, entrusted with informing, advising and making recommendations regarding matters within its capacities. Articles 5 through 9 in Chapter II of the Regulations of the Appointments and Remunerations Committee<sup>7</sup> establish the duties of this Committee. More specifically, its primary functions are to oversee the composition, functioning, and evaluation, as well as the remuneration, of the Company's Board of Directors and of the Top Management.

Table 9 - Composition of the Board of Directors (as of September 30, 2019)

Name of Director	Category	Position on the Board
López Borrego, Miguel Angel	EP	Chair
Tacke, Markus	E	Chief Executive Officer
Rodriguez-Quiroga Menéndez, Carlos	E	Director and Secretary
Davis, Lisa	EP	Director
Krämmmer, Rudolf	I	Director
Rosenfeld, Klaus	I	Director
Azagra Blázquez, Pedro	EP	Director
Thomas, Ralf	EP	Director
von Schumann, Mariel	EP	Director
Hernandez García, Gloria	I	Director
Cendoya Aranzamendi, Andoni	I	Director
Sen, Michael	EP	Director
Alonso Ureba, Alberto	I	Director

Note: [E]: Executive; [EP] External Proprietary; [I]: Independent

<sup>7</sup> See Chapter II of the Regulations of the Appointments and Remunerations Committee (Consolidated text endorsed by the Board of Directors on July 29, 2019) [Link]

Table 10 - Composition of the Audit, Compliance and Related Parties Transactions Committee (as of September 30, 2019)

Name of Director	Category	Position on the Board
Krämmmer, Rudolf	I	Chair
Hernández García, Gloria	I	Member
Alonso Ureba, Alberto	I	Member

Note: [E]: Executive; [EP] External Proprietary; [I]: Independent

Table 11 - Composition of the Appointments and Remunerations Committee (as of September 30, 2019)

Name of Director	Category	Position on the Board
Cendoya Aranzamendi, Andoni	I	Chair
Krämmmer, Rudolf	I	Member
von Schumann, Mariel	EP	Member
Rosenfeld, Klaus	I	Member
Azagra Blázquez, Pedro	EP	Member

Note: [E]: Executive; [EP] External Proprietary; [I]: Independent

Detailed information on the Group's corporate governance model is updated and available in the Corporate Governance section of the Siemens Gamesa website [here](#).

### 5.1.4. Executive level positions

[102-19] The Board of Directors of Siemens Gamesa, in its meeting held on June 20, 2017, unanimously agreed, following a favorable report from the Appointments and Remunerations Committee, to re-elect Mr. Markus Tacke as CEO of the Company delegating in his favor all powers which, according to the law and the by-laws correspond to the Board of Directors, except those which cannot be delegated pursuant the law and the by-laws, an appointment which was accepted by Mr. Tacke in the same act. For further information please refer to section C.1.9 of the Annual Corporate Governance Report 2019.<sup>8</sup>

[102-20] The Company's organization is equipped with departments holding responsibility for the economic, social and environmental areas attributed to general departments. Aside from the foregoing, the highest-

<sup>8</sup> See Annual Corporate Governance Report 2019 [Link]



ranking officers of these departments appear before the Board of Directors when they are required to do so.

Table 12 - Organizational structure (September 30, 2019)

Name	Position
Tacke, Markus	Chief Executive Officer (CEO)
Mesonero Molina, David	Chief Financial Officer
Albenze, Mark	Service CEO
Faubel Frauendorff, Alfonso	Onshore CEO
Nauen, Andreas	Offshore CEO
Bartl, Jürgen	General Secretary
Wollny, Christoph	Chief Operations Officer
Zarza Yabar, Félix	Director of Internal Audit

Additional information about top management and its global remuneration is referred to in section C.1.14 of the Annual Corporate Governance Report 2019.<sup>9</sup>

### 5.1.5. Remuneration of the Board of Directors [L11-S06] [102-38] [102-39]

Table 13 - Remuneration of the Board of Directors<sup>10</sup>

M: male   F:Female; (€thousands)	Gender	FY19	FY18
Alonso Ureba, Alberto	M	215	177
Azagra Blázquez, Pedro	M	130	-
Cendoya Aranzamendi, Andoni	M	219	204
Conrad, Swantje	F	106	231
Davis, Lisa	F	0	0
García García, Rosa María	F	49	287
Hernandez García, Gloria	F	255	243
Krämmmer, Rudolf	M	177	-
López Borrego, Miguel Angel	M	241	-
Rodríguez-Quiroga Menéndez, Carlos	M	422	424
Rosenfeld, Klaus	M	151	147
Rubio Reinoso, Sonsoles	F	42	172
Sen, Michael	M	0	0
Tacke, Markus	M	1,329	1,555
Thomas, Ralf	M	0	0
von Schumann, Mariel	F	162	123
<b>Total</b>		<b>3,498</b>	<b>3,563</b>

<sup>9</sup> See Annual Corporate Governance Report 2019 [Link]

## 5.2. Compliance

[102-17] Compliance provides the foundation for all our decisions and activities and is the key component of our business integrity. Compliance is not a program; it is the way we conduct business.

Hence, preventing corruption, violations of fair competition and other improper business activities take the highest priority at Siemens Gamesa. Our main principle is: Clean business at the core of clean energy.

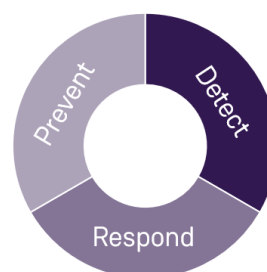
Our Business Conduct Guidelines lay the foundation for our internal regulations and give expression to the Siemens Gamesa values, compliance related responsibilities, and behavioral framework for all managers, employees, and Managing Board members worldwide.

### 5.2.1. Compliance system

The company has developed and implemented a robust compliance system to provide the foundation for all our decisions and activities by strictly complying with all laws and internal regulations as well as principles of ethical business conduct.

The compliance organization also operates systematic processes and tools to support the effective mitigation of compliance risks. The compliance system is systematically reviewed and evaluated for its effectiveness and adopted accordingly to changing requirements within regulatory environment as well business needs.

Figure 10 - Compliance system



<sup>10</sup> See Annual Corporate Governance Report 2019 for further details [Link]

The pillars on which our compliance system rests include the following:

Prevention: Effective preventive measures such as risk management, policies and procedures, training and communication enable systematic misconduct to be avoided.

Detection: Effective compliance work requires complete clarification: whistle-blowing channels as well as professional and fair investigations.

Response: Explicit consequences and clear reactions support the prevention of misconduct, for example to punish wrongdoing and to eliminate deficiencies.

In other words, our Group applies the well-known “three lines of defense” system. Those three lines are (from the top to the bottom):

- The Internal Audit department is responsible for adapting internal control systems and examines Siemens Gamesa’s compliance organization. When requested by the Chief Compliance Officer, the Internal Audit department also conduct reviews on certain compliance regulations and processes up to a complete check of the compliance system. The compliance organization provides support to the performance of such audit and review activities.
- The Compliance department oversees the prevention supervision of the ethics culture and the creation thereof.
- Each individual employee must be accountable to and responsible for the controls.

## 5.2.2. Compliance responsibilities

Compliance starts at the very top. The management of Siemens Gamesa units and its affiliated companies must emphasize the importance of ethical conduct and compliance, enforce it as a regular topic of everyday business and promote it through personal leadership and training.

Management: Overall responsibility for compliance lies with the Management of Siemens Gamesa and the Managing Directors/Heads of the individual Siemens Gamesa units. They remain responsible, even if they delegate tasks. They act as role models in matters of compliance and integrity and ensure that all employees act in accordance with the law and with Siemens Gamesa

regulations. All Compliance Officers are requested to provide appropriate guidance for managers to fulfil their duties in accordance with local law.

Board of Directors: The Board of Directors, as Siemens Gamesa’s highest ranking authority, is ultimately responsible for compliance in the company.

Audit, Compliance and Related Party Transactions Committee (ACRPTC): The Committee is an internal body of the Board of Directors, characterized by its permanent, informative and consultative nature. It holds informative, counselling and proposal powers. The ACRPTC supervises the reviewing of the compliance system’s efficiency. As such, it holds the following functions:

- Propose the compliance organization’s budget and the appointment, re-election or dismissal of the Chief Compliance Officer to the Board of Directors.
- The Chief Compliance Officer reports the most relevant matters of the compliance organization’s areas to the ACRPTC on at least a quarterly basis.
- Supervising the compliance system’s effectiveness and proper functioning.
- Executive Committee: The Executive Committee is the highest executive authority of Siemens Gamesa.

## 5.2.3. Compliance organization

The compliance organization has global governance and implementation responsibilities for the company’s compliance system in all areas within (a) compliance which covers anti-corruption, anti-trust, anti-money laundering, and human rights; (b) data protection; and (c) export control and customs.

Chief Compliance Officer: The compliance organization reports to the highest level through the Chief Compliance Officer. He or she is an internal independent and permanent figure who heads the Siemens Gamesa’s compliance organization and reports to the Audit, Compliance and Related-Party Transactions Committee as well as to the Executive Committee. The Chief Compliance Officer regularly and systematically reviews and evaluates the effectiveness of the compliance system and determines its resources and budget, which are subject to the Audit, Compliance and Related-Party Transactions Committee’s approval. Resources and budgets are allocated based on company-wide compliance risks as well as on the specific compliance risks of the company unit in question.

Compliance Core: The Compliance Core department, headed by the Head of Compliance Core who directly reports to the Chief Compliance Officer, is a department that defines the framework of compliance rules, policies, and procedures on a basis of laws and regulations which determine the overall direction and performance of the business. This includes compliance with the applicable anti-bribery laws and regulations such as, but not limited to, the U.S. Foreign Corrupt Practices Act (“FCPA”), the UK Bribery Act (“UKBA”), the Organization for Economic Cooperation and Development (“OECD”) Convention on Combating Bribery of Foreign Public Officials, the United Nations Convention Against Corruption (“UNCAC”), and other international and national implementing statutes, laws and regulations.

In addition, the Compliance Core department oversees compliance operations in the units of Siemens Gamesa and affiliated companies supervises the Compliance Officers and implementation of the compliance system.

Compliance Investigation & Regulatory: The Compliance Investigation & Regulatory department, headed by the Head of Compliance Investigation and Regulatory (who is also the Chief Counsel Compliance and the deputy of the Chief Compliance Officer), reports directly to the Chief Compliance Officer. The department handles compliance cases worldwide, including remediation activities and lessons learned in relation to uncovered compliance misconduct.

Compliance Officers: As part of Compliance Core, Compliance Officers are responsible for implementing the compliance system in the regions and countries in which Siemens Gamesa operates, and provide support to Managing Directors when exercising their supervisory duties to prevent compliance violations. Within their area of responsibility, they act as local first-line points of contact for their management teams and employees and provide advice on all compliance topics.

Compliance Ambassadors: These ambassadors are a voluntary support function as “local first-line contact” between Compliance Officers and local employees to facilitate a successful and sustainable business. Compliance Ambassadors should be role models for Siemens Gamesa’s values and integrity and make an important contribution to our compliance system.

## 5.2.4. Compliance: Business Conduct Guidelines

The Business Conduct Guidelines <sup>11</sup> (BCGs) define Siemens Gamesa's attitude to responsible business conduct and how we shape the joint action needed. They also describe what Siemens Gamesa stands for and how the company fulfills its responsibilities as an employer, in our markets, in society and towards the environment. Our new BCGs are a harmonization from both legacy entities, including the inputs from all different departments, managers and workers councils throughout the company, where compliance was then able to create one single document which is to be implemented globally.

## 5.2.5. Compliance: Compliance handbook

Siemens Gamesa’s Compliance department has worked on harmonizing all compliance processes, guidance and policies by drawing up a single document known as the Compliance Handbook. It was drafted for all Siemens Gamesa employees to read and get to know the existence of a robust, reliable and state-of-the-art compliance system.

This document applies to the entire Siemens Gamesa Group. Siemens Gamesa’s Compliance Handbook includes details on the topics addressed in the following sections.

## 5.2.6. Compliance: Prevention pillar

### 5.2.6.1. Anti-corruption [205-1] [L11-C01]

Gifts and hospitality: In many cultures, gifts and hospitality are important in developing and strengthening business relationships. All benefits given to third parties must therefore be in accordance with local law and Siemens Gamesa’s Business Conduct Guidelines.

Some gifts and hospitality may unduly influence the recipient’s decisions or at least give the impression of doing so. We therefore always question whether a contribution (i.e. a gift or an invitation) is excessively generous, which could give rise to the expectation of receiving something in return or the appearance of bad faith or impropriety. If the answer is yes, the contribution must not be offered or accepted.

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<sup>11</sup> See Business Conduct Guidelines [Link]

Entertainment event invitations made to third parties as well as the payment of non-local travel and accommodation costs must be approved as defined for the respective cases.

Sponsorships, donations, charitable contribution, and memberships: Each planned sponsorship, donation, charitable contribution as well as membership must undergo certain rules and strategic directions for making such contributions which are set out in the principles related to these activities governed by Siemens Gamesa's Corporate Affairs department.

Business partners: Siemens Gamesa enters business relationships with many business partners every day. This requires the compliance department to use risk-based criteria to identify those business partners and business relationships which need to undergo a Compliance Due Diligence (CDD).

Compliance requirements of third parties: Third parties - such as Siemens Gamesa's customers - often require us to accept and adhere to their Codes of Conduct (CoC) or other documents containing similar standards before entering into a business transaction. Before agreeing to comply with third parties' CoCs, first the gap analysis shall be conducted by the business representative who has received such a request, to define if the third parties' CoC is equivalent to Siemens Gamesa's Business Conduct Guideline. If any gaps are identified, the respective Siemens Gamesa department shall be consulted with. The same applies to the compliance section of the CoC, when it is deemed necessary, the Compliance Officer responsible for the respective unit must be consulted.

Facilitation payments and payments under duress: The prohibition of bribery, as stated in the Business Conduct Guidelines, includes the prohibition of so-called "facilitation payments". A facilitation payment is the payment of a minor sum of money or any other contribution to a (usually low-ranking) government official for their own personal benefit with the aim of speeding up the processing of a routine governmental action.

In general, facilitation payments are prohibited and can be prosecuted. However, a "situation under duress" is a situation in which employees have no alternative but to make an unjustified payment to protect themselves or others against the threat of death, injury or loss of personal liberty.

Unjustified payments under duress will not be punished with disciplinary action. However, it is very important that

these situations are reported to the Compliance department.

High risk payments: The high-risk payment process aims to prevent and mitigate compliance-related risks, particularly corruption risks, related to certain types of payments and payees.

Customer projects: During all stages of a project or bid preparation, compliance related risks may arise and need to be mitigated. Siemens Gamesa Sales/Project Managers are overall responsible for ensuring appropriate identification of compliance risks throughout the entire project lifecycle and their adequate mitigation.

A Compliance and Security (CoSECC) check include anti-corruption, anti-money laundering and human rights. It is part of the Sales Business Approval (SBA), an internal approval process for all projects including the development of wind farm opportunities established by Siemens Gamesa. It defines a framework for decision-making regarding project approvals (SAPP) in the project and service business, i.e. when, how, and at what level management decisions based on compliance risks are required. The CoSECC check must be performed according to defined criteria established in the SBA process for all Siemens Gamesa business units and followed by the internal approval process for customer projects.

Compliance in procurement: Identifying and mitigating compliance risks in procurement at an early stage is one of the goals of the Siemens Gamesa supplier selection, qualification and auditing processes. The company also expects its suppliers and business partners to share Siemens Gamesa's values and comply with all applicable laws as laid down in the "Code of Conduct for Siemens Suppliers and Third-Party Intermediaries".

#### 5.2.6.2 Antitrust.

[206-1] Violations of antitrust law are very serious: they are punished by significant prison sentences in many jurisdictions. They can result in enormous risks for the company and its employees, particularly in fines, damage awards, exclusion from public tenders and reputational harm. The growing enforcement activities of antitrust authorities around the world and the introduction of new antitrust rules in a steadily growing number of countries have increased existing risks significantly.

Siemens Gamesa has defined comprehensive an Antitrust Compliance Concept. It is based on the following principles:

- Identification of antitrust-related risks by conducting regular anti-trust risk assessments;
- Clear communication from management regarding the necessity of antitrust compliance;
- Professional and comprehensive antitrust advice and antitrust awareness programs; and
- Rigorous investigation of and the imposition of disciplinary sanctions for infringements of antitrust law.

The Compliance department has the governance responsibility for the Antitrust Compliance Concept.

### 5.2.6.3. Anti-money laundering and prohibition of terrorism financing [L11-C02]

Money laundering is a process of making funds originally obtained via crime, seem to be obtained from a legitimate source.

Siemens Gamesa does not tolerate money laundering and terrorist financing. All employees are obliged to abide by all laws and regulations aimed at preventing, detecting and reporting money laundering, terrorism financing and related criminal activities.

Money laundering and terrorism financing are crimes in most countries in which Siemens Gamesa conducts business. Our Business Conduct Guidelines prohibit supporting such activities. Supporting money laundering and terrorism financing, even if unintentional, may lead to sanctions against Siemens Gamesa and our employees and may cause significant financial losses (such as the confiscation of funds) and other negative consequences.

### 5.2.6.4. Human rights

[412-1] [L11-H01] Siemens Gamesa considers respect for human rights to be an integral part of our responsibility as a global business. For us, this responsibility is a core element of responsible business conduct and we are committed to ensuring respect for human rights within Siemens Gamesa's sphere of influence.

[L11-H03] In 2018, the Group approved and started implementing the Human Rights Policy<sup>12</sup>. In this way, commitments in this area are reflected in an individual and specific policy. This policy was approved by resolution of the Board of Directors dated September 12, 2018. Our commitment to this principle is firmly anchored in the

Siemens Gamesa Business Conduct Guidelines which set out the fundamental principles and rules governing the way we act within our company and in relation to our partners and the public.

Accordingly, the company's involvement in any human rights infringements or other adverse human rights impacts must be avoided. Compliance with applicable laws and regulations is essential but beyond that Siemens Gamesa employees are expected to be aware of these issues, and both to avoid infringing on the human rights of others and to address adverse human rights impacts on the activities and circumstances with which the company is involved.

Siemens Gamesa has a due diligence process to, both, proactively and systematically identify potential Human Rights violations as defined in the SBA process.

One of the steps within the SBA process includes a Compliance Risk Evaluation (CRE) to determinate if the project needs to be thoroughly evaluated regarding the Human Rights potential violations. Through the CRE and with the use of pre-defined questionnaires (Siemens Gamesa Human Rights Project Due Diligence), the Compliance department can assess and mitigate potential risks associated with human rights.

[L11-H04] At the end of the reporting period there is no record of sanction nor fines related to human rights infringement.

### 5.2.6.5. Criminal law

The legal system of some countries in which Siemens Gamesa operates consider the criminal liability of legal persons. Consequently, in some jurisdictions, in addition to this handbook, a Crime Prevention and Anti-Corruption Fraud Policy<sup>13</sup> is implemented.

### 5.2.6.6. Mergers and acquisitions, majorities, minorities and permanent establishment:

Prior to the acquisition or divestment of a company, a part of it or an interest in the company, it is necessary to evaluate the potential compliance risks for Siemens Gamesa and mitigate them by taking appropriate action. The Compliance Legal department is responsible for handling all compliance matters related to merger & acquisition (M&A) transactions, including proper due

<sup>12</sup> See Human Rights Policy [Link]

<sup>13</sup> See Crime Prevention and Anti-Fraud Policy [Link]

diligence as well defining applicable measures to minimize the compliance risk and/or input for negotiations during the M&A transaction.

#### 5.2.6.7. Communication

The management of Siemens Gamesa must ensure that all our employees are informed about relevant internal compliance rules, processes, and tools and that this information is kept up to date. It is also responsible for establishing proper channels for continuous and adequate communication with appropriate outreach at all organizational levels, including the essential aspect of communication: the tone from the top.

The compliance organization supports Siemens Gamesa's management in designing an annual compliance communication plan, which is presented, after alignment with the Communication department, to the Audit, Compliance and Related-Party Transactions Committee as well as executive management for their approval.

The plan's implementation is coordinated by Compliance together with the Communication department. Regular evaluation of the plan is conducted by Compliance and it is updated if necessary, according to the needs of the business or in the event of any unforeseen situations that may require such an adjustment to the plan.

#### 5.2.6.8. Training

[205-2] To make sure that all Siemens Gamesa employees are aware of the compliance rules and know how to put them into practice, training is one of the key elements of the Siemens Gamesa compliance system.

[412-2] Employees who, by their functions, are exposed to specific compliance risks (so-called "sensitive functions") must be provided with training to ensure that they maintain their compliance expertise up to date and continue to conduct themselves appropriately. The training can take place as a web-based training (online training) and/or face-to-face training (classroom setting training).

Compliance in-person training, which was rolled out in FY19, covers compliance topics such as anti-corruption, anti-trust, anti-money laundering, human rights, conflict of interest, and compliance as part of other business processes. The target group for this training, to name a few, consists of the Management Board, Executive Committee,

Managing Directors and employees within sensitive functions.

To increase the presence of compliance globally the following activities are additionally being implemented by the company:

- eLearning for Business Conduct Guidelines
- Pilot for the eLearning has been rolled out in September 2019 - company-wide roll-out is planned for Q1/FY20
- Compliance introduction is part of the global Human Resources on-boarding concept for new employees
- Training on request to mitigate local or business specific risks (e.g. compliance in procurement, business partner, compliance in customer projects)
- E-learning of the basic Compliance for all employees within Siemens Gamesa to be rolled out in Q4FY20.

#### 5.2.6.9. Compliance Risk Assessment

The goal of the Compliance Risk Assessment (CRA) is to evaluate these risks and to define mitigation measures accordingly. Moreover, the CRA creates an awareness of compliance risks, strengthens cooperation between the compliance organization and the operational units and emphasizes the responsibility of the Managing Directors and management in general for compliance-related topics.

### 5.2.7. Compliance: Detection pillar

#### 5.2.7.1. Cases

[205-3] [L11-H02] [L11-S009] A compliance case is any violation of criminal and/or administrative law or Siemens Gamesa's internal regulation such as the Business Conduct Guidelines, in the course of the business activity, at least by one employee of Siemens Gamesa and/or a third party working on behalf of Siemens Gamesa. Our Group expects from employees to report all information they may have regarding impending or existing compliance cases without delay.

Compliance cases can be reported by employees via the following channels:

- Their manager and/or
- Directly to the Chief Compliance Officer and/or
- The responsible Compliance Officer and/or

- Human Resources Personnel and/or
- The Whistleblowing Channel Integrity Hotline, which also gives employees with the chance to remain anonymous, if legally permissible under local law and/or
- Employee representatives

All compliance cases must be managed by the compliance organization in the internal compliance case management tool.

Retaliation of any kind against individuals who have reported compliance cases in good faith will not be tolerated. This prohibition applies to any action that may directly or indirectly harm the reporting person’s employment relationship, earning potential, bonus payments, career development or other work-related interests.

Disciplinary penalties imposed in a due process in response to a reporting person’s involvement in any reported wrongdoing are not regarded as retaliation under this policy. All compliance cases reported to the compliance organization will either be handled by the compliance organization or forwarded to the relevant specialist department within Siemens Gamesa. All compliance allegations reported by employees are first put through a plausibility check by the compliance officers. If the plausibility check indicates that the allegations are substantial, a mandate is issued by the Compliance to carry on with the case’s investigation. When conducting a compliance investigation, the main principles of a Compliance Investigation defined must be adhered to.

Table 14 - Compliance cases

	FY19	FY18
Allegations received at Compliance channel	46	64
Compliance cases that remain open at the end of period	37	53
Disciplinary sanctions	7	6
Open investigations at the end of period <sup>14</sup>	13	11
Closed investigations at the end of period	20	11

<sup>14</sup>Referred to as cases that had an ongoing investigation

### 5.2.7.2. Dealing with public authorities and other third parties:

Due to particularly high level of potential risk and their importance for Siemens Gamesa’s reputation, any impending or current criminal or administrative proceedings against the company or one of its employees along with any related requests for information must be reported immediately to Legal Compliance department.

The Legal department must (where legally permissible under local law) establish guidance for unannounced entry requests by public authorities (“dawn raids”) to:

- Ensure a structured approach to dealing with the law enforcement authorities,
- Prevent the obstruction of the investigation,
- Protect the employees’ rights, and
- Enable the company to initiate immediate and appropriate responsive compliance measures.

### 5.2.7.3. Clearing Committee

To assess the risks resulting from the disclosure of information and documents by Siemens Gamesa to law enforcement or other governmental agencies, the “Clearing Committee”, governed by the Compliance Legal department, has been set up. The Clearing Committee decides on the following matters:

- Requests for disclosures of information and documents from public enforcement and similar authorities/criminal courts;
- Voluntary self-disclosures by Siemens Gamesa.

The Clearing Committee must also be informed about mandatory self-disclosures by Siemens Gamesa.

### 5.2.7.4. Compliance Control Framework

The Compliance Control Framework (CCF) aims at ensuring the adherence and implementation of the globally applied Compliance Frameworks and Processes. It is one of the core elements of the compliance organization and is implemented on a global scale. It is an integral part of the Policy & Control Masterbook (PCMB), which covers all compliance-related areas, such as business partners, customer projects, gifts and hospitality, etc. These areas are assessed through the Risk and Internal Control System (R/IC), which supports the Managing Board in its

responsibility to manage risks effectively and provide reasonable assurance that the organization's assets are safeguarded, financial reporting is reliable, and laws and regulations are fulfilled.

#### 5.2.7.5. Audits

Internal and/or external audits may have findings in the compliance area that needs to be communicated to the compliance organization for further analysis and possible mitigation measures if applicable.

#### 5.2.7.6. Compliance Review Board

Management's responsibility also includes regularly and systematically reviewing and evaluating the effectiveness of the compliance system in conjunction with the responsible Compliance Officer in a Review Board.

The Compliance Review Board (CRB), which is reporting to the Executive Committee, is performed on quarterly basis by the Executive Committee members where the Chief Compliance Officer presents the status on Siemens Gamesa's compliance system. The participation of the Executive Committee members and the Chief Compliance Officer is mandatory. There might be special requests, as per the topics presented, to invite guests such as the Head of HR, the Head of Procurement, the Head of Communications, etc. to the CRB. This is defined and agreed with the Siemens Gamesa CEO and CFO beforehand.

#### 5.2.7.7. Audit, Compliance and Related Party Transactions Committee

As part of its functions, the Audit, Compliance and Related Party Transactions Committee supervises the effectiveness and correct functioning of the compliance system.

### 5.2.8. Compliance: Respond pillar

#### 5.2.8.1. Disciplinary consequences

Appropriate disciplinary consequences for compliance misconduct are determined after considering all the material circumstances of the misconduct. The compliance organization has introduced basic principles and evaluation criteria to ensure the consistency of central and local disciplinary processes.

#### 5.2.8.2. Remediation

Management must ensure that all identified compliance matters (such as findings from compliance investigations and audits) are followed up and implemented accordingly in due course. This process is called "remediation".

The purpose of the case-related remediation process is to ensure that weaknesses addressed, deficiencies and compliance violations found during compliance investigations, clarifications and other fact-finding activities are corrected. All Siemens Gamesa departments affected by a compliance case must therefore implement the recommendations included in the relevant investigation report. The compliance organization (on central or local level) is responsible for implementation, follow up and monitoring of remediation measures resulting from compliance investigations.

All compliance related deficiencies identified by the Risk and Internal Control process should be remediated prior to the fiscal year end, where possible. All units therefore have an obligation to organize, track and close measures, regardless of which Siemens Gamesa department defined them. If a deficiency is not addressed directly to the compliance organization but is related to a compliance topic, Compliance nevertheless has an obligation to support the remediation process and monitor its status.

### 5.3. Export Control and Customs

The Export Control and Customs (ECC) department headed by the Head of ECC who directly reports to the Chief Compliance Office has the responsibility for the global governance regarding all export control and customs activities, which includes applicable regulatory guidance, regional governance and coordination as well as external relations and reviews.

The aim is to ensure that trade compliance (ECC) becomes an integral part of the business and is a strategic partner to the business units and various subsidiaries within Siemens Gamesa and its group companies. This is being achieved by the establishment of a Global Corporate Headquartered ECC function, and by introducing lean, best-in-class policies, principles and IT solutions.

The overall mission of the Compliance ECC department (CO ECC) is to secure and facilitate legitimate trade, realize local revenues and protect the industry, and has been defined as Securing Export Control and Customs



Compliance. It also attempts to reduce the overall cost of renewable energy through the implementation of the “Project Partner Concept”, and various digitalization activities.

The Strategic Operating Plan for CO ECC will focus on implementing both central and regionalized landscape, using specialized full-time employee resources for Governance, Export Control and Customs partnering outsourced business partners for Trade Compliance support and Customs Broker Management.

The main integration activities have been initiated, with focus on securing Export Control Compliance, through the revised SBA<sup>15</sup> process for Siemens Gamesa’s business units.

The management model rest on the following principles:

- General processes to ensure compliance with rules and regulations and to put an effective trade compliance system and organization in place
- Export Control processes ensure compliance with rules and regulations and put an effective trade compliance system & organization in place
- Implement a central Export Control and Customs classification function globally
- Integrate the “Project Partner Concept” (ECC Single Point of Contact throughout the value chain) into all Business Units
- Implement a comprehensive Broker Management and Monitoring tool to effectively connect and manage customs brokers
- The Global ECC team, currently with strategic temporary usage of TSAs in non-stand-alone legacy Siemens Wind Power countries, is progressing well in the implementation of its TSA exits strategy.

## 5.4. Data protection

The Data Protection department is headed by the Head of Data Protection (DP) who reports directly to the Chief Compliance Officer and has a role and responsibility for the company’s Data Protection strategy, worldwide implementation of the Binding Corporate Rules (BCR), and

advice, clarification and further handling of DP-related complaints and incidents.

Data Protection is about the legal permissibility of the collection, processing, storage, transfer and usage of personal data in compliance with the applicable data protection laws. Personal data means any information that relates to an identified (e.g. name, address) or identifiable natural person (e.g. credit card number). A natural person can be an employee, customer, or supplier contact.

Data Protection laws may apply based on: (i) the headquarters of the controller, or (ii) the place where the data processing takes place. Data Protection Laws may govern among others: (i) collection, storage and transfer of personal data, and (ii) processing of personal data by third parties (including other group companies).

The Data Protection unit is implementing the necessary processes and tools to comply with the new EU General Data Protection Regulation (“GDPR”)<sup>16</sup> which has been in force since the end of May 2018.

The focus is on the following items on a global basis:

- Registries: Completing and updating the necessary description of all procedures/tools for Siemens Gamesa legal entities with more than 250 employees that process personal data.
- Privacy Impact Assessments (PIAs): Perform risk assessments and implement procedures to ensure that all tools/applications with a high potential for violating fundamental rights of individual are assessed prior to implementation.
- International data transfers outside the EU: Ensure that Binding Corporate Rules (or European Model Clauses) are in place to ensure safe transfer of private and sensitive data, with the required security measures.
- Intercompany and Third-Party Supplier Agreements: All agreements that envision the processing of personal data must be updated to address the required technical and organizational measures, individual rights and relevant clauses.
- Continue our awareness campaign with a focus first on Europe and then on the rest of the world.
- Breaches of the GDPR: Implement the action plan and procedures for reporting breaches within 72 hours.

<sup>15</sup> SBA: Sales Business Approval process

<sup>16</sup> See Regulation (EU) 2016/679 of the European parliament and the council of 27 April 2016 on the protection of natural persons with regard to the

processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation [\[Link\]](#))

- Data Protection Officers: Implement a data protection network in which data protection officers (where required under local law) and Data Protection Managers and/or Privacy Champions (members of IT, HR, Legal and SEC) with knowledge of the new GDPR are appointed as main contacts for data protection matters. The tasks include researching local laws to determine what local requirements must be addressed and implemented. The focus of the Privacy Champions is the enforcement of data subject rights and dealing with possible data breaches. The Data Protection Managers outside the EU are also responsible for enforcing the Binding Corporate Rules.
- Intranet / Communications: Further develop a common intranet platform and communication forums.

## 5.5. Responsible tax

[L11-S011] A responsible tax practice of all Siemens Gamesa Group companies is part of the global Corporate Social Responsibility Policy, which contains the basic principles of action that must be observed.

Taxes paid by the group in the countries and territories in which it operates constitute the main contribution of the Group companies to supporting public obligations and, therefore, one of the Group's contributions to society.

The objective of Siemens Gamesa's tax strategy is to ensure compliance with the applicable tax provisions in all territories in which it does business, in line with the activities carried out in each of them. This fundamental objective, to respect and comply with tax rules, is appropriately combined with the achievement of the corporate interest and the generation of value sustainably over time for the shareholder, avoiding tax risks and inefficiencies in the implementation of business decisions.

Siemens Gamesa aims to fulfill its tax obligation in all territories in which it does business, and to maintain an appropriate relationship with the relevant Tax Authorities.

In order to include that commitment to fulfill, develop and implement good tax practices within the Corporate Governance Rules of Siemens Gamesa, the company postulates the following practices:

a) Prevention of tax risk. In carrying out its business activities, Siemens Gamesa shall follow the principles of an orderly and diligent tax policy that materializes in the commitment to:

- Encourage practices that lead to the prevention and reduction of significant tax risks through internal information and control systems.
- Avoid the use of artificial and/or opaque structures for tax purposes, with the latter understood as those used to keep the competent Tax Authorities from knowing the final party responsible for the activities or the ultimate owner of the property or rights involved.
- Not organize or acquire companies residing in tax havens to evade tax obligations.
- Minimize conflicts arising from the interpretation of applicable legal provisions using instruments established for this purpose by tax regulations.
- Properly evaluate, in advance, investments and transactions that present a particular a priori tax risk.

b) Relations with the Tax Authorities. The relations of the Company with the competent Tax Authorities shall be governed by the principals of transparency, mutual trust, good faith and fidelity, with Siemens Gamesa adopting the following good tax practices:

- Cooperate with the competent Tax Authorities in detecting and seeking solutions regarding fraudulent tax practices that may occur in the markets in which the Siemens Gamesa group has a presence, to eradicate those already existing and prevent the expansion thereof.
- Provide tax-related information and documentation requested by the competent Tax Authorities as quickly and completely as possible.
- Use all powers given by the adversarial nature of the audit procedure, strengthening agreements with and approvals of the competent Tax Authorities, to the extent possible.

c) Reporting to the Board of Directors. The Audit, Compliance and Related Party Transactions Committee of the company shall have the following reporting duties regarding tax issues:

- Prior to the preparation of the annual accounts and the submission of the Corporate Income Tax Return, inform the Board of Directors of the tax standards applied by Siemens Gamesa during the

financial year, and particularly the level of compliance with this policy.

- Based on the information received from the tax director, inform the Board of Directors of the tax policies applied by the company and, in the case of transactions or issues that must be submitted for the approval of the Board of Directors, of the tax consequences thereof if they constitute a significant risk factor.

d) Reporting to the market on compliance with the good tax practices endorsed by this policy. The company's annual corporate governance report shall report on the actual performance of good tax practices by Siemens Gamesa.

e) Update of good tax practices. Good tax practices may be updated by the Board of Directors of Siemens Gamesa within the context of its commitment to continuous improvement of its Corporate Governance Rules.

Table 15 - Breakdown by country of profit (loss) and taxes paid (million euro)

<i>Country</i>	FY19 (*)	FY19 Income tax paid	FY18 (*)	FY18 Income tax paid
Denmark	388	-81	302	-17
Spain	-288	-6	-174	-2
China P.R.	13	-18	30	-13
United Kingdom	108	-8	74	-4
Brazil	-11	-6	-24	-8
Germany	51	-13	-3	-17
Mexico	-25	-5	-34	-7
India	-111	-3	-46	-14
United States	7	2	-75	21
Other EMEA	33	-29	67	-29
Other L. America	-7	-10	2	2
Other N. America	16	-4	27	-7
Other APAC	15	-9	23	-8
<b>SGRE Group</b>	<b>190</b>	<b>-191</b>	<b>168</b>	<b>-103</b>

(\*) Note: Profit /(loss) before tax

[L11-S012] In fiscal year 2019, 73% (60% in 2018) of the taxes paid by the Group materialize by entities located in the 9 most relevant countries: Denmark, Spain, China, Great Britain, Brazil, Germany, Mexico, India and the United States.

## 5.6. Public subsidies received

[201-4] [L11-S013] The monetary value of financial assistance received from government goes through consistent application of generally accepted accounting principles.

In fiscal year 2019, Siemens Gamesa was granted with public funding support for their R&D activity. The total amount granted was EUR 8.982 million (EUR 8.86 million in fiscal year 2018). The granted public funding includes nonrefundable grants and refundable loans.

Table 16 - Financial subsidies granted in the year (million euro)

<i>Origin</i>	FY19	FY18
European Comission	1.37	6.08
Grants	1.37	6.08
Loans	0	0
Spain	5.29	2.36
Grants	1.07	0.53
Loans	4.22	1.82
Germany	0	0.12
Grants	0	0.12
Loans	0	0
Denmark	0.99	0.29
Grants	0.99	0.29
Loans	0	0
Rest of countries	0	0
Grants	0.690	0
Loans	0	0
<b>SGRE Group</b>	<b>8.36</b>	<b>8.86</b>
<b>Grants</b>	<b>4.14</b>	<b>7.03</b>
<b>Loans</b>	<b>4.22</b>	<b>1.82</b>

## 5.7. Memberships and associations

[102-13] [L11-S004] [413-2] Siemens Gamesa takes part in the design of public policies on wind energy by belonging to industry associations in the countries in where it has a presence. The interests of wind energy are defended through such associations and work is being done to consolidate it as a response to the energy and climate crisis, in addition to being a key option to meet polluting gas reduction targets.

The company contributes to the formulation of wind industry policy positions on key issues. It helps create a regulatory framework in which Siemens Gamesa can successfully perform its activities and policies to reinforce the development of wind energy markets, infrastructures and technology through:

- The implementation of regulations favoring wind power by developing strategic initiatives to influence public policy so that stable markets are created and maintained and constraints against wind energy are overcome;
- The defense of efficient renewable energy incentive schemes, principally feed-in-tariffs, which have been demonstrated to be the most effective to provide security, continuity and trust to investors;
- Setting ambitious targets for the presence of renewable energies in the energy mix; - The elimination of technical, bureaucratic and market constraints that limit the growth of wind power;
- The promotion of R&D and innovation.
- Making politicians, opinion makers, companies, the media, public opinion, NGOs and other stakeholders aware of the benefits provided by wind energy.

Siemens Gamesa was an active member of 202 organizations and associations around the world in fiscal year 2019, which amounted to a total expenditure of €3.5 million in membership fees. The relationships of Siemens Gamesa and the companies which belong to the Group with public authorities are guided by institutional respect and fulfillment of the law.

# Pillar 2: Commitment to people

## 6.1. Establishing a common culture in Siemens Gamesa

“Empower people to lead the future”, this is Siemens Gamesa’s purpose. It goes beyond selling and delivering to our customers. It is what drives the business strategy, the way the company is organized, how decisions are made, who is hired, and how the company and employees grow.

### 6.1.1. Culture of trust

Without trust, we cannot expect people to feel they can design and lead the future. Therefore, Siemens Gamesa needed to create a culture of trust to turn its purpose into reality.

The Culture of Trust program was established at the beginning of the merger to ensure and support the development of a shared company culture across the group. Its goal - to establish a culture of trust across Siemens Gamesa - is based on the pillars trust, empowerment, diversity and continuous learning.

These three pillars support the activation of the purpose and the development of a shared culture of trust:

- **Empowerment:** Creating an environment in which people have a mandate to act within their area of responsibility. A non- blaming culture in which self-criticism and failure-culture are care elements and based on what the company can build on its strength and become more flexible and efficient.
- **Continuous learning:** We use knowledge sharing and personal development to drive cultural change to create opportunities for everyone and attract and retain talent. This leads to growth and a more sustainable world. Continuous learning is also

considering mistakes to learn and develop and investing the time to do so.

- **Diversity:** Connecting people of different ages, genders, races, religions, sexual orientations, education, and cultures to create an environment in which teams feel comfortable and can deliver the best version of themselves. It is not enough to be a global company with different kinds of employees. We need to truly embrace diversity and be inclusive and open-minded in order to unleash the potential of talent.

Figure 11 - Culture of trust at SGRE



The Culture of Trust program has become a mature movement across the organization supported by both global and local initiatives. Globally, 25 people related projects improving organization, leadership and culture are well on their way to be accomplished. 23 of these 25 projects are in a final or advanced phase and are expected to be completed well within time.

Also, many initiatives supporting the three pillars of Culture of Trust have been initiated on a local level. In FY19, over 50 projects were initiated by local Culture Change Makers in different countries.

### 6.1.2. FlexAgility: A New Way of Working

As identified in the L3AD2020 program's change management module, Siemens Gamesa has the goal to become a company where everyone feels a sense of empowerment and ownership. One contributing factor was identified to implement state-of-the-art IT and innovative office concepts that would open a space for creativity, collaboration and personal responsibility.

This new way of working at Siemens Gamesa – called FlexAgility – Gamesa will be open, flexible and digital. To achieve this agility, we have created uniform open, digital and flexible office standard guidelines.

The main changes include spaces to be shared by all employees/multiple teams or organizations without physical separation, specific spaces for high-concentration work and collaborative areas, along with a very limited number of single offices, all of which are supported by the necessary IT tools. In addition to these changes and based on our commitment to trust, this new way of working at Siemens Gamesa includes a work from home policy, which gives people the chance of working at home whenever it makes people more efficient.

Today, the open office concept has been implemented in Brande, Vejle, Zamudio, Beijing, Frimley and Izmir. In FY20 the office spaces in Hamburg, Orlando, Shanghai and Madrid will be adapted to the new open office concept.

To enhance a better work-life-balance and make optimal use of our office spaces work from home is launched globally. Together with Digital Office, our new global IT platform for communication and collaboration, Siemens Gamesa is well on its way to realize the new way of working.

[L11-S07] Related to this, Siemens Gamesa does not have yet a global policy in place that addresses the topic digital disconnection but adheres to all legal requirements and regulations in the countries in which it operates. For example, Siemens Gamesa is legally obliged in France to have such policy. Hence, the local organization launched a policy about digital disconnection in May 2019.

### 6.1.3. Employee survey

In FY19, Siemens Gamesa launched an Employee Engagement Survey to measure and monitor the progress of the change process. Nearly 22,000 employees answered 70 questions, covering 16 categories. With a response rate of 76%, and comparing results with actual industry norms, we learned how participants experience the changes Siemens Gamesa is going through.

Results from the survey that open opportunities for improvement or accelerate running initiatives suggest providing clarity on organizational structure and ask for more influence on new role descriptions.

To address these opportunities, the company launched an action planning process in which management and employees analyze their local results and define improvement measures together. This is planned to be implemented before the next Employee Engagement Survey takes place in 2020.

## 6.2. Employment

Siemens Gamesa pursues improvement in people's quality of life and believes in social and professional development as a core component of our future success. We aim to be an employer of choice by empowering and motivating all employees with a high-performance culture, life-long learning and development possibilities.

Siemens Gamesa's employment model is based on respect for and compliance with universal standards in both the human rights and labor legislation arenas. These commitments also find expression in work-life balance measures designed and implemented by Siemens Gamesa as a function of the diversity of its workforce and jobs. Notable among these measures are its flexi-time schemes, continuous/shorter working day arrangements, vacation packages and the provision of end-to-end assistance to personnel posted abroad.

We offer professional development opportunities in the form of training and job experience, in a multicultural and multinational environment, which are the cornerstones on which we base our talent management cycle. The Company also embeds cultural diversity, a commitment to combating discrimination and support for equal opportunities into management of its human capital.

Our labor policies and practices are underpinned by endorsement of the most stringent international labor standards (including the International Labor Organization – ILO – and United Nations conventions) and materialize in the promotion of employee rights, particularly the right to freedom of association and collective bargaining, going beyond local requirements in this respect.

[L11-S23] In production plants of Siemens Gamesa, by the nature of its business, the activity needs to be maintained continuously, so that certain groups, generally those classified as direct and Indirect manpower, must work in shifts. This work organization does not prevent the rotation of such shifts to facilitate the adjustment of working hours to specific needs of workers. In addition, and in general, in the Siemens Gamesa work centers, measures related to the reconciliation of professional and work life are contemplated, in those positions where it is possible, such as: flexible hours, intensive work days, reduced working hours or adaptation of the schedule in certain family circumstances.

### 6.2.1. Employees Worldwide

At the end of the reporting period, the total headcount reached 24,453 employees. From a regional perspective, Europe, the Middle East and Africa is the region with the largest proportion of the workforce (67%), followed by Asia and Australia (20%) and the Americas (14%).

Table 17 – Employees by country (as of September 30)

	FY19	FY18
Argentina	11	-
Australia	145	58
Austria	16	12
Belgium	30	33
Brazil	648	549
Bulgaria	1	1
Canada	113	121
Chile	55	41
China P.R.	1,320	1,309
Costa Rica	2	3
Croatia	28	30
Czech Republic	-	1
Denmark	5,316	5,283
Dominican Rep.	2	1
Egypt	46	18
Finland	13	26
France	118	100
Germany	2,334	2,345
Greece	21	16
Honduras	4	3
Hungary	117	119
India	3,235	2,789
Indonesia	9	4
Iran	8	9
Ireland	99	102
Israel	1	1
Italy	96	91
Japan	-	18
Jordan	5	1
Korea Republic	17	11
Mauretania	4	4
Mexico	340	291
Morocco	666	542
Netherlands	155	126
New Zealand	-	5
Nicaragua	1	-
Norway	37	22
Pakistan	2	-
Peru	9	9
Philippines	11	30
Poland	88	85
Portugal	19	8
Romania	11	14
Singapore	3	11
South Africa	48	40
Spain	4,881	4,534
Sri Lanka	13	9
Sweden	80	62
Taiwan	-	13
Thailand	31	26
Turkey	97	53
United Kingdom	2,012	1,952
Unites States	2,093	1,985
Uruguay	36	20
Vietnam	6	8
<b>SGRE total</b>	<b>24,453</b>	<b>23,034</b>

Table 18 - Employees breakdown in FY2019

	Male	Female	Total
<b>Breakdown by gender</b>			
SGRE Group	19,858	4,595	24,453
<b>Breakdown by region</b>			
EMEA	12,926	3,425	16,351
Americas	2,633	684	3,317
Asia, Australia	4,299	486	4,785
<b>SGRE Group</b>	<b>19,858</b>	<b>4,595</b>	<b>24,453</b>
<b>Breakdown by age structure <sup>17</sup></b>			
<35	7,639	1,458	9,097
35-44	7,088	1,900	8,988
45-54	3,631	909	4,540
55-60	1,025	237	1,262
>60	368	73	441
Non-classified	-	-	125
<b>SGRE Group</b>	<b>19,751</b>	<b>4,577</b>	<b>24,453</b>
<b>Breakdown by professional category</b>			
Executive level	298	34	332
Management level	2,616	625	3,241
Non management level	16,944	3,936	20,880
<b>SGRE Group</b>	<b>19,858</b>	<b>4,595</b>	<b>24,453</b>

Figure 12 - Employees by region in FY19

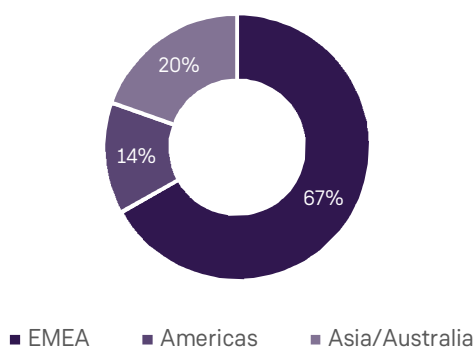


Figure 13 - Employees by business units in FY19

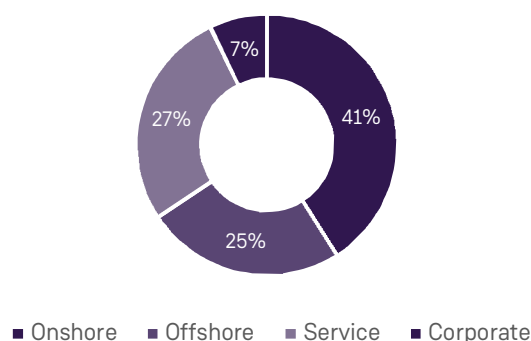


Table 19 - Contract type breakdown in FY19 [L11-S02]; [L11-S03]

	Permanent	Temporary	Part-time <sup>18</sup>
<b>Breakdown by gender <sup>19</sup></b>			
Male	18,383	1,125	199
Female	4,246	293	419
<b>SGRE Group</b>	<b>22,629</b>	<b>1,418</b>	<b>618</b>
<b>Breakdown by professional category <sup>20</sup></b>			
Executive level	316	10	2
Management level	3,059	95	63
Non management level	19,254	1,313	553
<b>SGRE Group</b>	<b>22,629</b>	<b>1,418</b>	<b>618</b>
<b>Breakdown by age structure <sup>21</sup></b>			
<35	8,067	836	79
35-44	8,419	438	350
45-54	4,359	120	121
55-60	1,232	18	22
>60	430	5	45
<b>SGRE Group</b>	<b>22,507</b>	<b>1,417</b>	<b>617</b>

<sup>17</sup> There are 125 employees (0.5% of the total) who do not have age recorded.  
<sup>18</sup> The number of part-time contracts is already included in one of the two previous categories (either permanent or temporary).  
<sup>19</sup> 406 employees (1.6% of the total) are not being counted when reporting the number of contracts, as this is not correctly recorded in the database and system.

<sup>20</sup> 406 employees (1.6% of the total) are not being counted when reporting the number of contracts, as this is not correctly recorded in the database and system.  
<sup>21</sup> 406 employees (1.6% of the total) are not being counted when reporting the number of contracts, as this is not correctly recorded in the database and system. In addition, there are 125 other employees (0.5% of the total) who do not have age recorded. These figures are not necessarily additive.



<sup>22</sup> During the reporting period, the number of hiring's reached 4,498 (2,466 in FY18); Europe, Middle East and Africa being the region with the largest proportion (62 %) of hiring. In the same period there were 3,145 employee exits (4,853 in FY18), of which 1,800 were voluntary (57%). [401-1]

Table 20 - Employees hired

	FY19	FY18
EMEA	2,775	1,749
Americas	775	414
Asia, Australia	948	303
<b>SGRE Group</b>	<b>4,498</b>	<b>2,466</b>

Table 21 - Women hired

(% of new hires)	FY19	FY18
EMEA	17.19	20.18
Americas	22.45	18.11
Asia, Australia	12.13	21.78
<b>SGRE Group</b>	<b>17.03</b>	<b>20.03</b>

Table 22- Employee exits (total)

	FY19	FY18
EMEA	2,116	3,240
Americas	495	917
Asia, Australia	534	696
<b>SGRE Group</b>	<b>3,145</b>	<b>4,853</b>

Table 23 - Employee Voluntary exits

	FY19	FY18
EMEA	1,118	1,203
Americas	314	349
Asia, Australia	368	474
<b>SGRE Group</b>	<b>1,800</b>	<b>2,026</b>

Table 24 - Employee Non-voluntary exits

	FY19	FY18
EMEA	998	2,037
Americas	181	568
Asia, Australia	166	222
<b>SGRE Group</b>	<b>1,345</b>	<b>2,827</b>

Table 25 - Breakdown of employee Non-voluntary exits in FY19

	Male	Female	Total
<b>Executive level</b>	<b>9</b>	<b>2</b>	<b>11</b>
<35 y	0	0	0
35< y <44	2	1	3
45< y <54	2	1	3
55< y <60	5	0	5
> 60y	0	0	0
<b>Management level</b>	<b>128</b>	<b>23</b>	<b>151</b>
<35 y	12	1	13
35< y <44	54	14	68
45< y <54	41	5	46
55< y <60	14	2	16
> 60y	7	1	8
<b>Non management level</b>	<b>968</b>	<b>215</b>	<b>1,183</b>
<35 y	411	87	498
35< y <44	320	82	402
45< y <54	157	35	192
55< y <60	48	8	56
> 60y	32	3	35
<b>SGRE Group</b>	<b>1,105</b>	<b>240</b>	<b>1,345</b>

The overall employee turnover rate for the reporting period was 7.36% (8.8% in 2018).

The age structure in the fiscal year 2019 was dominated by the under-35 age group (37.39%), followed by employees aged 35-44 (36.95%); 45-54 (18.66%); 55-60 (5.19%) with those over 60 accounting for 1.81%.

The average age of employees within Europe, Middle East and Africa is 40 years, in America is 39 years and 34 years in Asia, Australia.

The overall age of the Group's employees is 37.67 at the end of fiscal year.

<sup>22</sup> Note: The difference between hiring and exits in fiscal year 2019 is 1,353. The headcount gap FY19 vs FY18 is 1,419. There is an additional increase of 66 in the total workforce due to the net increase in the number of interns and leave of absence employees that we had at the beginning of the fiscal year and the final number at the end of fiscal year 2019. These two categories (interns

and leave of absence) are not considered as employees during the time that they are not active and are only activated when they return to regular work. This movement of inflows and outflows is monitored monthly and generates a headcount population shift that can be incremental or decremental.

## 6.2.2. Learning and Training

[L11-S15] Our organization focuses on continuous learning and uses the sharing of knowledge and personal development to drive cultural change to create opportunities for everyone, attract and retain talent, leading to the Company's growth and a more sustainable world. Continuous learning also involves viewing mistakes to learn and develop, and we invest the time to do so.

One of the actions to support Siemens Gamesa's overall strategy is development of employee's competencies to help the organization and employees to fulfill their potential.

Learning is planned on a strategic level with the overall goal to build long-term capability and support short-term performance to add value for Siemens Gamesa, our customers and our most important resource – employees.

The learning provided is what the Company requires employee to know, but also to fulfill employees' personal needs for them to grow within their tasks and to maintain and boost motivation at Siemens Gamesa.

We enable learning and empower employees in their daily work to the best of their abilities, so they remain fully skilled to make the Company's future growth possible.

[404-1] [L11-S16] During the reporting period 16,885 employees received training (68% of the total) with a cumulative number of training hours of 904,529 (619,257 hours in 2018). The training rate per employee in fiscal year 2019 is 36.9%.

Table 26 - Training hours of employees

	FY19	FY18
EMEA	313,144	504,284
Americas	474,380	49,387
Asia, Australia	117,005	65,586
<b>SGRE Group</b>	<b>904,529</b>	<b>619,257</b>

The Group had 615 graduates - Including Interns, apprentices and students - at the end of the reporting period, of which 496 (81%) were internal so they were paid for work while pursuing a course of study.

<sup>23</sup> The 70-20-10 Model for Learning and Development is a commonly used formula within the training profession to describe the optimal sources of learning by successful managers. It holds that individuals obtain 70 percent of

Table 27 - Graduates

	FY19	FY18
Internal	496	421
External	119	86
<b>SGRE Group</b>	<b>615</b>	<b>507</b>

Moreover, Siemens Gamesa has talent management tools that incorporate individual development plans for several high-potential employees. Said plans are aimed at contributing to personal growth and developing desired competencies and skills. In addition to individual development plans, the Company has also other programs for developing talent. [404-2]

We have a network of internal trainers that allow us to develop our own training courses on SGRE's key knowledge and deliver them to our employees. These internal trainers receive support from our training experts to facilitate the process and ensure high-quality standards for the training they are delivering.

Aside from formal training, we encourage our employees and managers to develop on-the-job training as part of their Individual Development Plans within our Development Strategy based on 70-20-10<sup>23</sup> principles. This training allows our employees to develop their skills in their daily activities through initiatives, projects or special tasks agreed between the manager and employee.

In addition to global principles and programs, learning activities are also usually included as part of local collective bargaining agreements.

## 6.2.3. Labor Relations

[L11-S12] The Siemens Gamesa Group has an objective to propitiate relationships with labor representation based on trust, transparency in information, and negotiations in good faith when sharing the knowledge, experiences and needs that generate a social climate for fostering understanding.

[407-1] The Group promotes and implements workers' right to freedom of association, union membership and the effective right to collective bargaining. The importance of

their knowledge from job-related experiences, 20 percent from interactions with others, and 10 percent from formal educational events

this fundamental labor right is set out in the Business Conduct Guidelines (BCGs).

Labor relations between the Group and its employees are regulated by the legal regulations of each country and such pacts and agreements as may have been reached with the workers' representatives.

At international level and due to its European footprint, Siemens Gamesa is part of the Siemens AG European Works Council (SEC), where it is playing an active role in providing employees with information and consultation rights. Within that framework it has agreed with its employees' representatives to establish a specific working group aiming at establishing a closer and more flexible space for social dialog.

[L11-S13] In addition, it has replaced the Global Framework Agreement<sup>24</sup> (GFA) on social, labor and environmental matters that was reached prior to the merger by legacy Gamesa with IndustriALL Global Union (with the involvement of the main Spanish unions) with a completely renewed and upgraded GFA between SGRE and IndustriALL Global Union – still being the only global agreement to guarantee labor rights by a company in the renewable energy sector.

[L11-S14] This Global Framework Agreement strengthens social, labor and environmental rights already contained in the Business Conduct Guidelines; makes health and safety at work, working conditions and equal opportunities key issues for company action; guarantees implementation and promotes the conditions for a social dialogue at the international level.

As stated in the Business Conduct Guidelines, Siemens Gamesa is a member of the UN global Compact. Its ten Principles, and the Global Industrial Union Framework Agreement are binding for the company. That means that 100% of the Siemens Gamesa employees are actively covered by a legally binding, and freely negotiated collective agreement [102-41]

At a national level, the situation is not fully uniform due to the large number of countries and practical differences among them. The actual percentage of employees covered by collective bargaining agreements at a local level amounted to approximately 50%.

[402-1] Concerning the minimum prior notice period for operational changes, the Group fulfills, at minimum, the

notice periods set forth in each country's specific legislation, as well as in the European Union regulation. However, if there are no regulatory requirements, Siemens Gamesa ensures that its employees will be suitably informed of any significant operational changes affecting them in accordance with the Company's standards.

Proof of that can be seen in the global restructuring process in 2018, in which a global information campaign was put into effect. It first involved the SEC and its Siemens Gamesa working group and then reached every single country concerned. Specific lay-off plans have always been designed and implemented within the framework of the agreements reached with the relevant employees' representatives (where they exist).

### 6.3. Diversity and Equal Opportunity

[L11-S17] Everything we do at Siemens Gamesa is based on trust — trust in its amazing workforce drives Siemens Gamesa ever closer to its goals daily. They work hard to establish the Siemens Gamesa brand around the world as the leading renewable energy company that will ensure a supply of clean energy for generations to come. Trust means offering autonomy and believing that others will act in each other's best interest. Trust is a personal contract.

Valuing the importance of the individual is one of the cornerstones of this Culture of Trust and Siemens Gamesa as a Company recognizes that its enriching diversity is what makes our Company stand out. Siemens Gamesa's management is committed to fostering an environment in which the individual is treated with respect and where she/he can give the very best of him/herself.

Only by being inclusive and open will we become the leader in renewable energy by providing creative and innovative solutions thanks to the different mindsets of such a rich workforce as ours. Embracing diversity will lead us to become truly innovative and to find great solutions to the challenges we need to overcome.

[L11-S18] [L11-S21] The Group has a Diversity and Inclusion Policy<sup>25</sup> in place, the principles of which apply to all geographic regions where is present. It aims to ensure equality and inclusion and avoid any kind of discrimination based on race, gender, civil status, ideology, political opinions, nationality, religion or any other personal, physical or social characteristic. The Diversity Committee

<sup>24</sup> GFA Link: [http://www.industrial-union.org/sites/default/files/uploads/documents/GFAs/sgre\\_algdef\\_en.pdf](http://www.industrial-union.org/sites/default/files/uploads/documents/GFAs/sgre_algdef_en.pdf)

<sup>25</sup> See Group policy on Diversity and Inclusion [Link]

oversees its fulfillment in a working environment that fosters dignity and respect for all. Evidence of diversity within the Group’s workforce is that more than hundred (103) distinct nationalities are employed across the world.

[406-1] The Action Protocol in the event of Harassment and Discrimination establishes the scope, the reporting line and measures in case of harassment and/or discrimination. These should be governed in the Company and Siemens Gamesa Group with a view to consolidating corporate ethics. The Company is committed to its policy of zero tolerance towards any form of violence, harassment, verbal abuse, abuse of authority at work, unlawful discrimination or any other conduct that creates an intimidating environment or is offensive to the rights of employees and hopes that relations between people in the workplace will be business-like and free of bias, prejudice and harassment. A breach of this protocol is not necessarily a violation of the law, but it may, however, result in disciplinary action, including justified dismissal.

Endorsement of the Declaration of Women’s Empowerment Principles since 2010 has been maintained for the new Company. These principles were drawn up through a multilateral consultative process under the direction of the United Nations Development Fund for Women (UNIFEM) and the United Nations Global Compact and offer a gender-based perspective which allows ongoing initiatives to be measured and analyzed. This scenario covers all business or social activities aimed at eliminating discrimination, marginalization and exclusion despite equality between men and women being a universal principle recognized as a fundamental human right that cannot be violated.

Siemens Gamesa backed the International Women’s Day 2019 and joined all the world’s women in their fight for equal rights and in celebrating the achievements of woman who have overcome the barriers that still exist. Unfair situations because of gender, e.g. gender violence, sexual violence and exclusion as well as gender pay gaps persist across the globe and women are still not present in equal numbers in business or politics.

[L11-S19] In Siemens Gamesa, the Global Mobility & Diversity team within HR actively works to promote among other things gender diversity in recognition of this area being in the Company’s general interest. [L11-S09] The Diversity & Work Life Balance Strategy was approved by the Executive Committee in January 2019. We strongly believe that this plan can help us to cultivate diversity as an impactful and competitive advantage in Siemens

Gamesa. The Diversity & Work Life Balance Strategy is designed to cover two phases:

- Phase 1 is about creating awareness
- Phase 2 is focused on taking action

The objective of this plan is to design and share a new and common concept of diversity, to truly embrace it through different specific and global initiatives focused especially on gender, culture, inclusion, and work-life balance in the first two years.

Also, Siemens Gamesa is an official member of the European Diversity Charter, a United Nations initiative, and has an official Diversity and Inclusion Policy, which is supported by the Board of Directors, including a protocol of action in case of harassment. Our Company’s Equality Plan represents the global framework to confirm the Company’s commitment to equal opportunities and regular improvements of Siemens Gamesa’s flexible work arrangements are aimed at allowing employees to integrate their business and personal life.

[405-1] As far as gender diversity on the Board of Directors’ composition is concerned, Siemens Gamesa is close to the target of having a presence of women of at least 30% sitting on the Board by 2020, established in the “Policy on selecting Directors”, approved by the Board of Directors on 23 September 2015. To this respect, the Company has 3 women on its Board of Directors, representing 23% of its members at 30 September 2019.

The share of female employees represents an overall 19% (18.79%) of the total workforce. By regions, women represent 21% in Europe, Middle East and Africa, 21% in the Americas and 10% in Asia, Australia.

Table 28 - Proportion of women

(% of total employees)	FY19	FY18
EMEA	20.95	21.08
Americas	20.62	20.23
Asia, Australia	10.16	10.20
<b>SGRE Group</b>	<b>18.79</b>	<b>18.90</b>

Siemens Gamesa had 332 employees holding management positions at the end of the reporting period, 10.24% of whom were women (10.79% in FY18). This proportion is expected to grow in accordance with the application of best working practices.

Table 29 - Employees in management positions

	FY19	FY18
EMEA	267	227
Americas	37	33
Asia, Australia	28	18
<b>SGRE Group</b>	<b>332</b>	<b>278</b>

As reported in the Business Conduct Guidelines, the Company ensures equal opportunities and avoids any kind of discrimination. The Salary Increase Process at Siemens Gamesa makes sure increases are exclusively based on merit and the skills required in each case and ensures equal treatment for men and women. That is why this procedure adopts preventative measures to ensure compliance with the prevailing equality principles.

[405-2] All salaries, including those of women and minorities, should be commensurate with responsibilities, requirements, experiences and performance. The salaries of women and minorities should be reviewed to ensure that they are equitable to others in the organization with similar responsibilities, experience, expertise and level of performance. If salary inequities are identified, they should be brought to the attention of the Department Director so that they can be reviewed separately and, where appropriate, adjusted.

[L11-S08] The average number of people employed by the Siemens Gamesa Group during 2019 with a disability greater than or equal to 33% is 32 (33 in 2018). By categories, 13 people belong to the group of management personnel, and 19 to the group of employees. This average number of employees with a disability equal to or greater than 33% refers to the Spanish companies included in the consolidation perimeter.

In addition, the Group states that there are 32 persons with a disability in Germany, 17 individuals in Brazil and 3 individuals in India. In China and Denmark there are no disabled people on the workforce. These countries account for 72% of the total workforce in fiscal year 2019.

[L11-S20] With regards to accessibility of locations for people with disabilities, Siemens Gamesa does not have a global standard for ensuring accessibility for people with disabilities in its offices and other locations in place. However, the company complies with all relevant local regulations and building codes in countries in which Siemens Gamesa operates.

## 6.4. Compensation and Benefits Programs

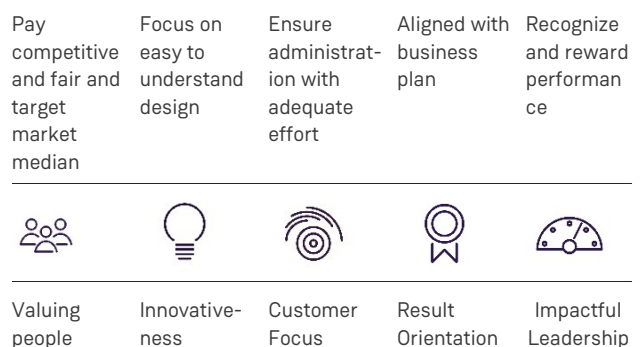
[401-2] [401-3] Compensation and benefits along with the business on its path to becoming a global leader in the wind energy industry retain and motivate the right caliber of talent. Employees are our most valuable asset. We operate under the principal of equal opportunities by avoiding any kind of discrimination and ensure fulfillment of the labor legislation which applies to all countries where the Company has a presence.

Table 30 - Employees on leave of absence

	FY19	FY18
EMEA	587	639
Americas	29	12
Asia, Australia	2	2
<b>SGRE Group</b>	<b>618</b>	<b>653</b>

We integrate all elements that create value for the employee including leadership, professional expectations, working conditions and work organization. Even the Company's values constitute a differentiating element that leads to a better and more desirable position, thereby boosting motivation and having a decisive influence on competitiveness.

Figure 14 - The company's values set the basis for our compensation & benefits programs



Siemens Gamesa’s compensation and benefits packages are aligned with the market median. Our salaries are benchmarked against relevant market data from leading market data providers. Salary bands are defined centrally for 16 levels below the senior management positions.

Apart from the fix remuneration, we define a globally applicable short-term incentive program for about 30% of the employee population. To support the integration process, the globally applicable target structure for the short-term incentive is composed of 70% overall Siemens Gamesa key performance Indicators and 30% individual targets.

Siemens Gamesa implemented the Talent and Development Review, a new process focused on the development of the employees. In this process, individual development plans are set that aim to contribute to professional growth and enable the development of the skills and abilities, to ensure compliance with the company's business plan.

This process is led by the Human Resources department and, once completed, serves as the basis for the design of annual training plans. The monitoring of the training is shared in a single tool by employee and manager and the Human Resources department.

There is a long-term incentive plan fully based on Siemens Gamesa’s shares for senior management. The Plan’s primary objective is to align its beneficiaries’ interests with the interests of the Company’s shareholders and to offer beneficiaries an incentive to help the Company attain its strategic objectives in the period 2018-2020.

The Plan is a long-term incentive under which the beneficiaries have the chance of receiving a certain number of the Company’s ordinary shares after a three-year (3) measurement period, provided certain performance criteria are met. The full text of the long-term incentive scheme is included in Resolution 7 of the resolutions approved at the 2018 Annual General Meeting of Shareholders of “Siemens Gamesa Renewable Energy, S.A.”<sup>26</sup>

According to Siemens Gamesa’s purpose of empowering people to lead the future, the Compensation & Benefits Corporate Area endorses the Global Benefits Policy’s principles and includes key terms and standard procedures. By applying the three pillars that activate the

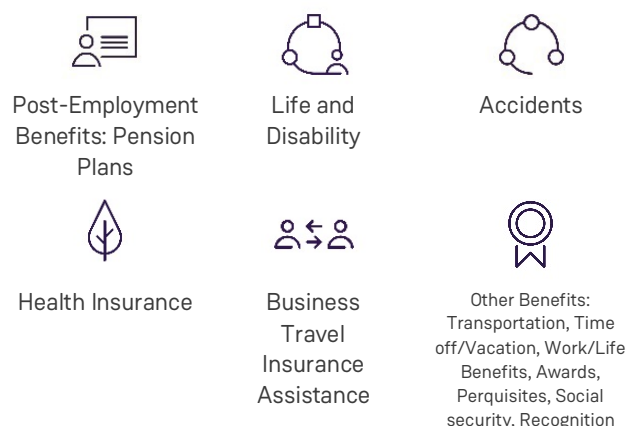
purpose of contributing to the creation of a culture of trust, the benefits policy ensures Siemens Gamesa employees are protected against the risks associated of a loss of health, death and old age.

**Diversity:** The benefits policy aims at embracing diversity. This is supported by recognizing, valuing and respecting differences and reflecting this in the way of working, as well as by creating a flexible working environment which effectively contributes to attaining a balance among work, family and other care responsibilities.

**Empowerment:** The benefits policy encourages employees to make decisions about their own best options.

**Continuous Learning:** The world of benefits is complex, we are actively communicating and educating our employees to understand the benefits and its value to the employee.

Figure 15 - Siemens Gamesa benefits



[201-3] Siemens Gamesa’s benefits complete individuals’ compensation to offer an attractive and market competitive compensation and benefits package.

- We offer global consistency with local relevance and local implementation responsibility: benefits are local and are dependent on the country’s regulations and general market practice to ensure the employer’s attractiveness.
- Benefits fulfil the duty of protection: Protecting employees against the consequences of an event

<sup>26</sup> See Report relating to item seven on the Agenda of the Shareholders’ General Meeting regarding the proposal for a Long-Term Incentive Plan for the period from fiscal year 2018 through 2020 [Link]

which may cause any economic harm to their dependents or themselves.

The benefits strategy is the basis for harmonizing our compensation and benefits rules among the legal entities of the legacy companies in a country. As much harmonization as possible should be finalized for the legal entities in the next fiscal year. The harmonization process follows the principles set out below:

Table 31 - Benefits strategy

Customer focus	Ensure attractiveness for the employee: We offer legally binding benefits and as well as stringent local market practices in a cost-conscious manner.
Result orientation	We deploy local tax benefits as much as possible.
Ownership attitude	If legally possible and economically favorable, all insurable benefits and pension include an employee contribution and an employer matching according to market practice.
Innovativeness	Our benefits regarding sustainability and environmental protection. All benefit car programs need to include the idea of sustainability and green energy. For all new benefit cars, hybrid, electric and eco cars should be the preferred choice and should be advantageously subsidized.

Defined Contribution (DC) schemes are becoming increasingly prevalent at Siemens Gamesa. The design of DC pension schemes should provide suitable tools for employees to manage risks appropriately and provide them with a capital sum that can be turned into an acceptable, affordable and relatively stable level of income during their retirement. The annual contribution of Siemens Gamesa is around 53 € million being 34€ million in Denmark, 7,6€ million in UK, 7,5 € million in the US, and 4€ million in Germany.

We are currently offering 22 defined benefit plans for approximately 6,000 participants having an overall obligation in the following countries: Austria, Belgium, Croatia, Czech Republic, Egypt, France, Germany, Greece, Hungary, India, Iran, Italy, Philippines, Poland, Thailand, Turkey, USA.

[L11-S04] [405-2] For the average remuneration, we have classified employees in four levels, following both Korn Ferry and IBEX35 trends: Executive, Management, Professional, Operational. These four (4) professional levels integrate several GRIP levels. The GRIP<sup>27</sup> leveling system analyzes every position evaluating main factors to identify the right level: impact on the organization, key responsibilities, experience and knowledge required, impact on other employees, responsibility over other employees, educational requirements, and problem solving and critical thinking required. We split the levels this way, because one single pay gap per country would not be showing the real situation. On the opposite, it is not possible to add more granularity than these four levels as we do not have female population in a significant combination of country + job level + job family.

Also, we include gender distribution per job level and country. This is also following the Korn Ferry approach. The analysis helps understanding the pay gap and enables us to address the career gap.

<sup>27</sup> GRIP: Global reward Infrastructure program

Table 32 - Pay gap by gender [L11-S05]

	Female universe	Male universe	Average TTC (euro) Female	Average TTC (euro) Male	Average TTC (euro)	Salary Gap
<b>&lt;35 y</b>	<b>1,249</b>	<b>6,502</b>	<b>42,069</b>	<b>28,256</b>	<b>30,482</b>	<b>149%</b>
Executive	2	2	115,355	92,323	103,839	125%
Management	114	279	80,877	80,763	80,796	100%
Professional	860	3,430	42,990	32,531	34,628	132%
Operational	273	2,791	22,424	17,707	18,128	127%
<b>35 &lt; y &lt; 44</b>	<b>1,696</b>	<b>5,985</b>	<b>55,415</b>	<b>49,738</b>	<b>50,991</b>	<b>111%</b>
Executive	18	90	150,837	184,947	179,262	82%
Management	348	1,251	86,380	86,122	86,178	100%
Professional	1,039	3,047	50,490	43,892	45,570	115%
Operational	291	1,597	30,067	24,770	25,586	121%
<b>45 &lt; y &lt; 54</b>	<b>812</b>	<b>2,922</b>	<b>63,207</b>	<b>69,438</b>	<b>68,083</b>	<b>91%</b>
Executive	12	115	210,585	237,150	234,640	89%
Management	191	915	97,483	96,376	96,567	101%
Professional	426	1,244	55,601	53,129	53,760	105%
Operational	183	648	35,473	32,945	33,502	108%
<b>55 &lt; y &lt; 60</b>	<b>203</b>	<b>743</b>	<b>60,323</b>	<b>81,855</b>	<b>77,235</b>	<b>74%</b>
Executive	3	39	233,737	279,231	275,982	84%
Management	35	248	100,811	110,770	109,538	91%
Professional	87	264	59,402	57,838	58,226	103%
Operational	78	192	36,512	37,439	37,171	98%
<b>&gt; 60 y</b>	<b>61</b>	<b>249</b>	<b>73,738</b>	<b>95,936</b>	<b>91,568</b>	<b>77%</b>
Executive	0	6	0	349,073	349,073	0%
Management	14	91	115,384	115,918	115,847	100%
Professional	30	82	64,999	84,701	79,424	77%
Operational	17	70	54,863	61,424	60,142	89%
<b>SGRE Group</b>	<b>4,021</b>	<b>16,401</b>	<b>53,369</b>	<b>46,888</b>	<b>48,164</b>	<b>114%</b>

Considerations for this salary GAP report:

- Headcount as of 2019-09-30
- From total headcount, population in the report has been reduced, eliminating information being either not accurate or missing. Population of 20.422 employees have been considered for calculations.
- Formula for salary GAP is: Average Female / Average Male, stated as percentage.
- TTC = Total Target Cash. This includes Base Salary + Variable Salary.
- All salaries contained are gross annual in EUR.



## 6.5. Occupational Health & Safety

[L11-S10] Occupational health & safety is a key pillar for the company. It is an essential part of risk management and internal controls at Siemens Gamesa as well as our Business Code of Conduct. Safeguarding the safety and wellbeing is linked to some of the UN's Sustainable Development Goals, namely SDG 03 (Good Health and Well-Being), SDG 08 (Decent Work and Economic Growth) as well as SDG 16 (Peace and Justice).

At our production facilities and across our project sites, we continuously drive improvements related to health and safety and these are continuously monitored through our internal systems. Furthermore, we work across our value chain on industry-driven initiatives and participate in networks that focus on health and safety in the wind industry to raise awareness and adopt best practices, which typically include customers and suppliers, industry associations, research institutes or similar.

### 6.5.1. Zero harm culture

Safety is not a business requirement but a way of conduct that is embedded in Siemens Gamesa's DNA. It goes further than legislation and market requirements - it is a precondition for all the work we do. We believe that we will only become the global industry leader if we are also the leader in safety.

The company works hard to instill a strong safety and zero-harm culture across the entire business: for employees, suppliers and customers alike as well as society at large. We impart a zero-tolerance policy towards negligent health and safety conduct, ensuring work is only carried out in risk-free situations. Siemens Gamesa has launched several initiatives to foster and promote a zero-harm culture, such as the following:

#### 6.5.5.1. Safety is my choice

"Safety is my choice" is Siemens Gamesa's umbrella initiative, which was initiated globally in 2018. It aims to bring focus onto individual behaviors by reminding employees of their own role and responsibility in safety as a key for success.

Figure 16 - Safety is my choice

*"Safety is my decision, I am empowered to say yes or no, I choose to keep myself and my colleagues safe by using all the items I am provided with."*

Safety is my choice 

Siemens Gamesa does all it can to create a zero-harm culture by establishing preventative measures, offering training courses and making available a wide range of resources and tools. But ultimately safety is a personal commitment and it is an individual choice to make use of these resources.

The initiative also seeks to ensure that safety is seen as a positive aspect of working for Siemens Gamesa rather than a disturbance. In this respect, managers have a special role in safety awareness and cultural change must be supported through their leadership. In FY19, we developed a standardized Communication Toolkit to ensure the correct implementation of this initiative and to further support our business objective related to workplace safety and zero-harm.

#### 6.5.1.2. 10 Life-Saving Rules

At Siemens Gamesa we have developed 10 Life Saving Rules, which are intended to support the global "Safety is my choice" initiative. The rules are intended to raise awareness of the safety hazards that have historically caused incidents at Siemens Gamesa and to avoid future incidents related to these.

The 10 Life Saving Rules have been introduced globally through a variety of different communication methods that provide great details to each of the topics, including video interviews with top managers, infographics as well as short and emotional videos.

Table 33 - The 10 Life-Saving Rules

	<b>Permit to work:</b> When required, always have a valid work permit.		<b>Suspended loads:</b> Maintain a safe distance from any suspended load and never stand or walk underneath a suspended load.
	<b>Energy isolation:</b> Verify Zero Energy state before work begins. Use lockout/tagout (LOTO) procedures.		<b>Alcohol and drugs:</b> Do not consume alcohol or drugs before and while working or driving.
	<b>Safety guards:</b> Do not override or interfere with any safety guards or equipment.		<b>Working at heights:</b> Protect yourself when working at height.
	<b>Driving safety:</b> Wear your seat belt or harness; do not talk on your cell phone or send text messages; do not exceed speed limits.		<b>Use PPE and tools:</b> Use the right personal protective equipment and tools that are required for the task you want to do.
	<b>Moving of equipment or vehicles:</b> Position yourself in a safe zone when equipment or vehicles are being moved or energized equipment is handled.		<b>Dropped objects:</b> Secure all tools and equipment, place barriers and wear head protection where mandated.

## 6.5.2. Occupational Health & Safety Management System

The Quality Management and Health, Safety and Environment (QM&HSE) function, led by the Global Head of QM&HSE, is responsible for the governance of Siemens Gamesa's Integrated Management System including all HSE related certifications, policies and procedures.

Siemens Gamesa has an Occupational Health and Safety Management System certified according to the international OHSAS 18001:2007 standard, which covered 113 locations in 2019. The scope of certification covers all functional areas and core processes related to the sale, design and development, procurement and manufacturing of wind turbines as well as other mechanical and electrical components for both wind and non-wind applications.

Project development such as execution, construction, installation and service of wind turbines is also covered by the scope of this certification. The certificate is valid from July 2018 to March 2021.

Siemens Gamesa's Integrated Management System provides a framework of global procedures and tools around various HSE topics to monitor, control and improve the company's HSE performance. For health and safety,

the company can demonstrate compliance to our stakeholders, identify potential hazards and implement controls to avoid or reduce occupational accidents and illnesses as well as engage employees and motivate contractors to practice safety leadership in their daily work. However, the management system which is composed of a series of documents and tools, is otherwise ineffective without competent employees and a supportive leadership team bringing it to life.

Examples of these global HSE procedures include:

- HSE Aspects Identification procedure requires all relevant organizational units to perform evaluations annually in order to identify any potential HSE risks or opportunities. Improvement targets and actions are to be set accordingly for any aspects deemed significant to prevent or reduce their potential impacts.
- Risk Assessment procedures ensure that all identified risks and hazards associated with work processes and product designs are as low as reasonably practicable.
- Emergency and Incident Management procedures explain roles and responsibilities for the effective management of HSE incidents, the processes for escalation and reporting according to severity.

[403-1] Every organizational unit in Siemens Gamesa shall be represented with a work environment committee that has a clear chairman and representatives from management level as well as from employee level. These committees help to monitor and advise on workforce specific occupational health and safety topics. They also ensure joint participation in the design of policies and in the implementation and control measures with the aim of promoting improved working conditions.

## 6.5.3. Health & Safety Policy

The Siemens Gamesa Policy<sup>28</sup> provides clear direction and specific objectives with regards to Quality, Health, Safety and Environment. It consists of six pillars which form the basis of how the global HSE strategy is defined across the company and it is periodically reviewed and updated accordingly. The policy applies to all Siemens Gamesa activities worldwide - regions and locations - and is

<sup>28</sup> Siemens Gamesa Policy [[Link](#)]

mandatory for all employees working for the company, on its behalf or under its authority.

Together with our Business Conduct Guidelines<sup>29</sup> the policy indicates a zero-tolerance toward negligent health and safety conduct as well as personal security and a commitment to continuous improvement. The Board of Directors has an active Health & Safety oversight role.

Regarding health, the policy states:

“Siemens Gamesa protects and promotes our health and well-being, guards against the risk of work-related accidents, and offers a wide range of supports to maintain and promote our physical and mental health”.

Regarding safety, the policy states:

“Siemens Gamesa provides a safe work environment to ensure employees return home safely at the end of the working day. We ourselves contribute to this”.

Regarding security, the policy states:

“Siemens Gamesa is active worldwide, including in areas and situations where the security situation is critical. To protect our employees, the Company, and our business in the best possible way, Siemens Gamesa identifies and analyzes global security risks and assesses their potential impact”.

### 6.5.4. Health & safety targets and performance

The corporate HSE strategy is laid out for Siemens Gamesa in a 3-year corporate HSE strategy that is then cascaded in the business. The strategic plans are supported by specific action plans that are reviewed annually and that strive to improve the HSE performance in all parts of the company including the corporate level, the business unit level and the local level. A minimum requirement is that each organizational unit sets improvement actions for at least 1 significant health & safety aspect and 1 significant environmental aspect.

Corporate strategic HSE targets support the strategy on the topics that are assessed as significant for Siemens Gamesa overall: total recordable injuries, lost time injuries, energy consumption, waste generation and sustainability score rate. These corporate targets are cascaded into the business and monitored locally along with any additional

targets that may be relevant for each location, site or segment.

To ensure alignment between the corporate, business unit and local HSE strategies and targets, an established meeting structure is in place that enables efficient coordination and collaboration between the units.

#### 6.5.4.1. Safety targets

In Siemens Gamesa, we have defined clear targets to reduce our Lost Time Frequency Rate (LTFR) from 1.68 in FY18 to 1.00 in FY22 and Total Recordable Injury Rate (TRIR) from 4.95 in FY18 to 3.00 in FY22.

This represents our ambition to reduce the frequency rate for both targets by more than 50% in 4 years.

Table 34 - Safety roadmap to FY 2022

	FY22	FY21	FY20	FY19	FY18
<b>LTFR</b>	1.00	1.20	1.50	1.46	1.68
<b>TRIR</b>	3.00	3.50	4.00	4.13	4.95

Our internal HSE software tool, Sphera, provides the backbone for handling all safety related data and supports us in:

- Reporting incidents and safety observations;
- Monitoring health and safety data and visualizing these for better analysis;
- Creating workflows where high-risk reports will initiate an investigation and prompt corrective actions and lessons learned;
- Creating transparency and opportunities for best practice sharing.

Weekly management reports and meetings are established where selected managers and employees review the safety performance of Siemens Gamesa by discussing previous incidents, lessons learned and corrective actions. Further, remuneration is linked to the H&S performance of the company, specifically the TRIR metrics.

#### 6.5.4.2. Safety statistics

[403-2] [L11-S11] Incident management is governed by a global procedure and internal controls, which outline

<sup>29</sup> Siemens Gamesa Business Conduct Guidelines [Link]

standard criteria for classifying, recording, notifying, investigating and analyzing incidents in order to: 1) determine their underlying causes in the prevention system and other factors which may cause or contribute to their occurrence; 2) identify the need to implement corrective actions; and 3) identify opportunities for preventive action and continuous improvement.

At the end of the reporting period, the number of Lost Time incidents (LTI) in Siemens Gamesa amounted to a total of 91 (99 in 2018). As a result, the overall employee Lost Time Frequency Rate (LTFR) reached 1.91 (2.10 in 2018) at the end of the period. This rate (LTFR) is calculated for a 1,000,000-working hour's period and includes all accidents that result at least in one lost day of work, so called lost-time incidents.

As for contractors, LTFR rate was 1.33 (2.23 in 2018). The combined rate for employees and contractors in fiscal year 2019 was 1.67 (2.14 in 2018) at the end of the reporting period, what shows a positive trend in terms of sinistrality rates.

Table 35 - LTFR employees and contractors

	FY19 <sup>30</sup>	FY18
LTFR employees	1.91	2.10
LTFR contractors	1.33	2.23
Total	1.67	2.14

Note: rate per million hours worked

The number of Total Recordable Injuries (TRI) amounted to 380. As a result, the overall Total Recordable Injury Rate (TRIR) reached 4.71 (5.10 in 2018) by the end of the reporting period.

Table 36 - Total recordable injury rate (TRIR)<sup>31</sup>

	FY19 <sup>30</sup>	FY18
TRIR employees	4.71	5.10

Table 37 - Severity rate (SR)<sup>32</sup>

	FY19	FY18
Employees	0.057	0.065

<sup>30</sup> This information has been updated with respect to previously disclosed information due to the process of preparation of this Consolidated Non-Financial Statement 2019 and the certification thereof.

<sup>31</sup> The TRIR is calculated for a 1,000,000/working hour's period and includes all fatalities, lost time incidents, restricted work incidents and medical

[L11-S22] In relation to absenteeism days, these reflect only the number of days lost due to accidents, and the closing figure for fiscal year 2019 is 2,707.

It is Siemens Gamesa's ambition to bring the number of occupational injuries down to zero and we are committed to carry on working with all relevant stakeholders to create a safe and healthy working environment for both our employees and contractors.

#### 6.5.4.3. Safety prevention

Siemens Gamesa pays special attention to all aspects of occupational health and safety. We work tirelessly on establishing root and contributory causes of these incidents, on investigation processes for all of them and on the education and training processes that work toward their eradication.

The company acts proactively to analyze the root causes of accidents and is equipped with management indicators which show the attainment level of this working philosophy in day-to-day management. This includes, for example, the performance of safety inspections (15,770), safety observations (52,310) and health & safety audits (112) at the end of the reporting period.

Table 38 - Safety prevention

	FY19	FY18
Safety inspections	15,770	13,566
Safety observations	52,310	41,288
Health & Safety audits	112	257

Siemens Gamesa works to create a distinctive and singular prevention culture and expertise in this field is extensive within the company.

#### 6.5.4.4. Occupational illness

The occupational illness frequency rate (OIFR) for employees ended the fiscal year at 0.504 (0.594 in 2018), calculated solely based on cases of occupational illness recognized by the Employers' Liability Insurance Association.

treatment cases. For the purpose of this calculation were accounted 80,761,079 h, including contractors and own employees.

<sup>32</sup> Severity Rate (SR) = (Number of days lost due to accident / Total hours of exposure) x 1,000

Table 39 - OIFR employees

(number)	FY19	FY18
OIFR employees	0.504	0.594

Note: rate per million hours worked

[403-3] Siemens Gamesa Renewable Energy conducts preventive screenings of employees' health and the company's medical services are responsible for carrying out regular medical check-ups. In general terms, the company considers that workers are not exposed to occupational illnesses or work-related diseases that could be considered as having a high level of incidence or risk when performing activities.

#### 6.4.4 Healthy workplace

Employee health and well-being is a great priority at Siemens Gamesa, because it is considered a prerequisite for high productivity and innovation. Some examples of what the company offers to employees include:

- Health insurance and additional healthcare benefits
- Flexible work arrangements to ensure work-life balance for employees such as working from home or working flexible or shorter working hours
- Policies and guidelines regarding pregnancy, adoption and parental leave
- Policies regarding alcohol and other substance abuse, including smoking
- Rules and guidelines related to absence and reintegration to support employees who are affected by absence from work due to illness, accident or social causes
- Free vaccinations against influenza
- Opportunities to donate blood during work hours.

Further, local health initiatives are encouraged and promoted within some locations, such as:

- Structured 10-minute resistance band training with colleagues in offices and production facilities
- 'Exercise watch' encouraging employees to do a few exercises every hour
- Office bikes, ergonomic desks and chairs available to employees upon request
- Exercise and stretching programs available in copy rooms, tea-kitchens and common spaces.

Most notably in FY19, Siemens Gamesa teamed up with Virgin Pulse and ran the "Virgin Pulse Global Challenge". It involved 100 days of voluntary and team-based adventures to promote healthier minds and bodies. The app made daily step conversions of more than 50 physical activities such as yoga, cycling, or rowing and monitored health parameters such as nutrition, psychological wellbeing and sleep. The overall objectives were to:

- Create awareness amongst employees that improved health and wellbeing can lead to better work experiences
- Motivate and engage employees to consider health and wellbeing in and out of the office
- Create a shared health culture in a global company through interactive and gamified approaches.

More than 3,400 employees, representing 488 diverse teams, signed up and received an activity tracking watch to measure daily activity levels. Before the starting gun, participants completed a pre-assessment that measured perceived notions of their own personal health and wellness in terms of nutrition, sleep, physical activity and psychological wellbeing. This was repeated at the end of the challenge to show the personal and team evolution for 100 days. Along the way, tips and tricks to increase wellbeing were shared to stimulate performance.

Participants also shared pictures and status updates in both the health provider's app as well as Siemens Gamesa's internal social newsfeed. Results of the challenge included:

- 4,904,167,850 steps tracked that is equivalent to 3,138,667km or 78 trips around the earth
- Highly active (>10,000 steps per day) ratio rose from 17% to 85% during the challenge
- 1,673kg weight loss achieved
- 64% felt less stress after the challenge
- 51% felt more concentrated and productive after the challenge.

### 6.5.5. Product Health & Safety

[416-1] The company assesses the impacts of its products on the health and safety of its customers from the initial development stages with the aim of improving them. This is achieved by describing Product Safety as an umbrella term for the Quality Management and HSE procedures and processes we have in place to protect customers, employees and members of the public from any risk derived from Siemens Gamesa products or the activities related to manufacturing, installing, operating and decommissioning.

Management procedures are in place to establish responsibilities, workflows and activities to ensure component designs are optimal and prevent from generating unnecessary hazards or dangers that risk the health and safety of those working directly with that component arising from a poor conception of safety conditions. For example, Siemens Gamesa has an instruction that defines the processes for ensuring that our wind turbines and/or related products that are brought to the market within the EU or EEA comply with Directives applicable within the EU, and outside the EU where these requirements are established by contractual obligations towards customers.

The countries in which Siemens Gamesa operates have enacted a great deal of environmental and labor legislation to ensure any risks to people's health and safety are kept within regulated limits. Siemens Gamesa provides the training and information needed to check whether the operating conditions set forth in the regulations and technical specifications concerning equipment construction, operation and maintenance are met.

### 6.5.6. Health & Safety in the value chain

The Group is committed to promoting health and safety throughout the value chain and does so through its collaboration with suppliers, customers, contractors, national and international associations such as WindEurope, G+, Global Wind Organization (GWO), governmental bodies etc. as well as competitors to ensure continued improvements.

For example, Siemens Gamesa is an associate member of G+, which is the global health and safety organization for the offshore wind industry. G+ brings together senior executives and health and safety experts from organizations operating in the offshore wind industry to drive good practice and promote world-class safety

performance across the sector. Siemens Gamesa engages on important industry matters by meeting quarterly and supports in finding solutions to the safety challenges that offshore wind projects face.

Further, Siemens Gamesa's participation in GWO aims to support an injury-free work environment at Siemens Gamesa but also across the wind industry. Founded in 2012, GWO is a non-profit organization of wind turbine owners and wind turbine manufacturers committed to the creation and adoption of standardized safety training and best practice emergency procedures for the basic technical and safety skills required for wind turbine service and maintenance. Siemens Gamesa utilizes this third-party wind technician competency framework for training actions related to first aid, manual handling, fire awareness, working at heights and sea survival.

Collaboration with suppliers and contractors is done through our Supplier Management Process, which involves HSE requirements in both the basic qualification processes as well as in the supplier quality evaluation and development stages. The Supplier Quality Management team recently set up an HSE awareness-raising program which is focused on the health and safety of team members when they visit suppliers and contractors at their facilities or project sites. The program also allows team members to record and monitor HSE performance within the supply chain and identify specific suppliers or contractors that required additional improvement and/or development programs. The mission and goals of the program were specifically designed to:

- Protect the safety of all Siemens Gamesa employees during supplier visits
- Ensure that our supply chain complies with Siemens Gamesa HSE requirements
- Continuously improve our supplier's HSE performance.

# Pillar 3: Green Development

[L11-M01] Climate change and resource scarcity are some of the greatest global challenges facing society today. At Siemens Gamesa we believe that sustainable development and commercial success go hand in hand. As a provider of clean, reliable and affordable wind power, protecting and enhancing the environment is fundamental to our culture.

Environmental excellence is an essential pillar in contributing to achieving the UN's 17 Sustainable Development Goals (SDGs) and meeting the requirements set out in the Paris Agreement for climate change. We are committed to fostering the sustainable use of resources, a culture of respect for the natural environment and to leading the fight against climate change by reducing the environmental impact of our company's activities.

We continuously drive environmental improvements to our internal operations at our factories and across our project sites. This is only possible with the commitment and engagement of our knowledgeable and experienced employees, who regularly demonstrate high levels of interest and awareness of environmental protection. However, we recognize that our internal efforts to reduce our environmental impacts are only strengthened when combined with other collaborative initiatives with our business partners such as customers, suppliers, authorities and political figures, industry associations, research institutes or similar. We thereby seek, lead and support environmental improvements throughout our product value chain to ensure appropriate improvements are realized in all life cycle stages of our products and services.

## 7.1. Environmental Governance

### 7.1.1. Environmental Management System

[102-11] Siemens Gamesa has incorporated the precautionary principle regarding environmental protection in accordance with the provisions of Article 15 of the Rio Principles. This principle has been widely accepted in laws and regulations aimed at protecting the environment.

[L11-M02] The global Head of Quality Management and Health, Safety and Environment (QM&HSE) is responsible for the governance of Siemens Gamesa's Integrated Management System including all HSE related certifications, policies and procedures. Siemens Gamesa has an Environmental Management System certified according to the ISO 14001:2015 standard, which covered 113 locations in 2019. The scope of certification covers all functional areas and core processes related to the sale, design and development, procurement and manufacturing of wind turbines as well as other mechanical and electrical components for both wind and non-wind applications. Project development such as execution, construction, installation and service of wind turbines is also covered by the scope of this certification. The certificate is valid from July 2018 to July 2021.

[LM11-M03] Siemens Gamesa's Integrated Management System provides a framework of global procedures and tools around various HSE topics to monitor, control and improve the company's HSE performance. For environment, the company can demonstrate compliance to our stakeholders, identify potential aspects and implement controls to avoid or reduce potential environmental impacts as well as engage employees and motivate suppliers to improve the environmental performance when planning and carrying out activities related to our operations, products and services. However, the management system, which is composed of a series of

documents and tools, is otherwise ineffective without competent employees and a supportive leadership team bringing it to life.

[LM11-M04] After a two-year integration project with the focus on creating an agile HSE management system based on the former legacy systems, Siemens Gamesa now has all HSE processes in place that are consistent across the company along with supporting HSE IT applications used by all parts of the business. The global HSE processes are governed by the corporate HSE function. They are developed in cooperation between HSE specialists across Siemens Gamesa to ensure they reflect the different parts of the business. As such they also apply in all of Siemens Gamesa - in both corporate functions and in the business units.

## 7.1.2. Siemens Gamesa Policy

[L11-M05] The Siemens Gamesa Policy<sup>33</sup> provides clear direction and specific objectives with regards to Quality, Health, Safety and Environment. It is divided into six pillars (below) which form the basis of how our combined strategy and activities for HSE are categorized in Siemens Gamesa. Further, it applies globally to all Siemens Gamesa activities, regions and locations and is mandatory for all employees working for Siemens Gamesa, on its behalf or under its authority.

The policy forms the basic framework for how we aim to achieve our Company DNA. The following quote, taken from our policy, clearly articulates our core philosophy:

*“United we will shape the renewables sector and its entire value chain, leveraging our industrial, technological and innovative capabilities to contribute to a cleaner and more sustainable environment for generations to come”.*

## 7.2. Climate strategy

Siemens Gamesa recognizes that climate change is a global issue requiring urgent and collective action by governments, businesses and citizens alike. As a provider of clean affordable energy, our scale and global reach reinforces the central role we have in shaping the future’s energy landscape. We are committed to action and will continue making important contributions to the global economy’s decarbonization in terms of the products and

services we develop, the ways in which we operate and the partnerships we engage in with policymakers, industry associations and business partners to address climate change collectively.

### 7.2.1. Climate Change Policy

Aware that climate change is a fundamental threat to markets and sustainable development, the Group has adopted a Climate Change Policy<sup>34</sup>, which applies company wide.

The policy enforces Siemens Gamesa’s intent to continue developing renewable energy technologies and promoting their uptake to achieve a global low-carbon energy generation model that not only reduces environmental impacts but also ensures a sustainable future for generations to come.

This policy was drawn up to contribute to Principle 4 of the Corporate Social Responsibility Policy:

*“Contribute to sustainable development by reducing the environmental impact of Siemens Gamesa’s activities and generating new solutions through innovation.”*

As far as climate change is concerned, Siemens Gamesa is committed to nine principles:

1. Support the global greenhouse gas emission reduction goals established in the Paris Climate Agreement and any international agreements that replaces it.
2. Support the United Nations Sustainable Development Goals (SDGs) to take urgent action to combat climate change and its impacts.
3. Foster and implement management systems that make it possible to fight climate change.
4. Pursue innovative advances in product design that help provide sustainable solutions to current climate challenges and achieve the gradual greenhouse gas emission reduction goals.
5. Advocate a global emissions market that makes it possible to generate the resources needed to finance clean energy projects, both in industrialized countries and in other emerging and developing economies.

<sup>33</sup> See: Siemens Gamesa Policy [\[Link\]](#)

<sup>34</sup> See: Climate change policy [\[Link\]](#)



6. Support a culture for an efficient and responsible use of energy and resources, as well as behavior favoring such responsible use.
7. Develop training and awareness-raising activities for its staff and external stakeholders throughout the value chain and for society in general concerning the environment and the fight against climate change.
8. Transparently report significant results and activities with respect to the fight against climate change.
9. Promote industry alliances and partnerships with multiple interested parties to take advantage of the resources of the Siemens Gamesa Group, with a view to solving climate problems and generating social value.

This policy was revised and endorsed by the Board of Directors on September 25, 2019.

The company has made undertakings to several business initiatives aimed at reducing greenhouse gas emissions, such as the American Business Act on Climate Pledge<sup>35</sup> or the Paris Pledge for Action<sup>36</sup>.

## 7.2.2. Climate risks and opportunities

Siemens Gamesa Board of Directors has established, through the "General Risk Control and Management Policy", basic principles and risk control mechanisms for properly identifying, assessing and managing the relevant risks of all its activities and businesses, including those at both the company and asset levels. More specifically, climate change risks and opportunities are included in the corporate risk model, which applies the benchmark standards COSO and ISO 31000. A corporate risk map is performed annually and supervised by the Audit, Compliance and Related Party Transactions Committee adjacent to the Executive Committee. This assessment considers any disruptive changes to the business model. These can be changes in policies or legal frameworks, new market trends or technologies. Climate-related risks are an inherent part of these mechanisms on a velocity radar of 5 to 10 years.

Climate-related risks and opportunities are also identified, assessed and managed at the functional levels of the organization. A combined number of internal procedures

assess the potential size, scope and significance of the identified climate-related risks, as well as establish strategic measures to reduce or eliminate these risks all together. Annually assessing our environmental aspects (risks and opportunities), performing energy mappings at production facilities and project sites, setting absolute and relative reduction and efficiency targets related to emissions, making investments related to energy are some examples of these strategic measures.

### 7.2.2.1. Task force on climate-related financial disclosures

The Financial Stability Board (FSB) set up the Task Force on Climate-Related Financial Disclosures (TCFD) in 2015 to develop recommendations for more efficient and effective climate-related disclosures. A clear, efficient, and voluntary disclosure framework will improve the ease of both producing and using climate-related financial disclosures for lenders, insurers and investors.

Siemens Gamesa performed a TCFD Climate Maturity Assessment in 2018 to assess our readiness to address financial risks and opportunities in relation to climate change, as well as to assess the effectiveness of our climate-related strategies and processes. Focus was placed on four key areas: governance structures, environmental strategy, risk management processes as well as metrics and targets.

Siemens Gamesa is presently assessing whether it will adopt this voluntary disclosure framework to develop climate-related financial disclosures to foster more informed investment, credit and insurance decisions by our financial stakeholders

### 7.2.3. Carbon-neutral strategy

[L11-M09] [L11-M10] Siemens Gamesa has committed itself to becoming carbon neutral by 2025. Carbon neutrality is one of the most ambitious targets an organization can commit itself to. Several motivating factors encouraged this decision such as the need to adapt to changing market landscapes and to leverage new opportunities, the growing climate awareness by our management and employees as well as the anticipation of future climate regulations and carbon prices.

<sup>35</sup> See: American Business Act on Climate Pledge [\[Link\]](#)

<sup>36</sup> See: Paris Pledge for Action [\[Link\]](#)

Carbon neutrality in Siemens Gamesa includes measuring, reducing and/or offsetting the CO<sub>2</sub> generated directly or indirectly by the company. The global roadmap for meeting this commitment includes a combination of adaptation and mitigation actions, such as:

### 7.2.3.1. Energy reductions and efficiency measures

Siemens Gamesa will continue to make reductions and implement energy efficiency measures related to their operations across production facilities and project sites. For more detailed information around energy reduction and efficiency refer to 7.3.2. We are currently investigating total costing methods (CAPEX and OPEX) related to energy efficiency in new factories.

### 7.2.3.2. Electricity supply from renewable energy-based sources

Siemens Gamesa will continue to transition its electricity supply towards renewable sources. A significant share of our locations in Denmark, Spain and United Kingdom are already supplied with renewable energy.

This has been achieved through the purchase of green renewable certificates that guarantee that the electricity has been generated by a renewable energy source. We are currently investigating how this could be established in other countries where we operate. We are also assessing the cost and feasibility of implementing renewable energy generating technologies directly at our facilities in the future.

### 7.2.3.3. Offset of non-avoided emissions through compensation projects

Where we cannot reduce or transition our energy, Siemens Gamesa will compensate for the non-avoided emissions by investing in environmental projects which aim to reduce future emissions to balance our carbon footprint. We are currently investigating in Clean Development Mechanism (CDM) projects and sink projects involving reforestation actions that could contribute to offsetting our greenhouse gas emissions.

Siemens Gamesa has one wind power project registered in 2019 as Clean Development Mechanism (CDM) under the United Nations standards (UNFCCC). This project

generates Certified Emission Reductions (CER) that are used to offset GHG emissions. The project is in the state of Oaxaca in Mexico and is currently in operation.

A decision is yet to be taken on the different deadlines and scenarios to exchange the CERs available for use and subsequently deleted from the CDM register to offset Siemens Gamesa's GHG emissions in keeping with its climate neutral strategy.

Table 40 - CDM projects under Siemens Gamesa

Project	Bii Nee Stipa
Location	Juchitan de Zaragoza, Oaxaca (Mexico)
Crediting period	31.12.2008 - 30.12.2018
CER verified	636,197 metric tonnes CO <sub>2</sub> -eq
Project link	[Link]

### 7.2.3.4. Green mobility plan to reduce fleet emissions

Siemens Gamesa has defined a "Global Mobility & Transportation Policy Framework" which includes a decreasing set of CO<sub>2</sub> limits for management fleet over the next three years. The company is currently implementing this framework, which will support in reducing the Company's Scope 3 (Indirect) GHG emissions. Combined with this, Siemens Gamesa is looking into the cost and feasibility of replacing part of its existing operational fleet vehicles with for example, plug-in hybrids or electric vehicles, which will support in reducing the company's Scope 1 (Direct) GHG emissions.

### 7.2.3.5. Science Based Targets Initiative (SBTi)

The Science Based Targets Initiative (SBTi) is an initiative between the Carbon Disclosure Project, the United Nations Global Compact, World Resources Institute, the World Wild Life Fund for Nature and the We Mean Business Coalition. The SBTi encourages companies to commit to making measurable reductions in carbon emissions at a level necessary to meet the 2-degree Celsius warming target set in the Paris Climate Agreement.

Siemens Gamesa announced its formal commitment to the SBTi at the Global Climate Action Summit in September 2018<sup>37</sup>. The company is committed to developing a measurable, science-based emissions

<sup>37</sup> Press Release on Siemens Gamesa's commitment to the SBTi [Link]

reduction target within the next two years that will be independently validated by SBTi's team of technical experts.

### 7.2.3.6. Verified GHG emissions report

Since Siemens Gamesa is committed to science based and transparent communication, we will monitor and report our progress towards carbon neutrality annually through a GHG emissions report in accordance with "The GHG Protocol" and the requirements set by ISO 14064-1. Furthermore, our GHG emissions report was verified by an independent party, according to ISO 14064-3, with a limited assurance scope pursuant to ISAE 3410.

## 7.3. Environmental targets and performance

The company has established a broad range of targets oriented to achieve its commitment to fight against climate change and to protect the environment. These set of targets cover the most significant environmental aspects for the company and are defined to be accomplished by 2025. They include:

- 10 % increase in energy efficiency
- 10 % increase in waste efficiency
- 10 % reduction in waste to landfill
- 10 % reduction in hazardous waste

Monitoring and analyzing the environmental performance of our production facilities and project sites on a regular basis is essential to attain these goals. During FY19, Siemens Gamesa implemented Sphera, our internal HSE software tool that allows for data collection and the generation of real-time trends for subsequent analysis. Further, it provides the backbone for handling all environmental related data and supports us in:

- Reporting environmental incidents
- Monitoring environmental data and visualizing these for better analysis
- Creating transparency and opportunities for best practice sharing.

### 7.3.1. Material use

The company's procurement of raw materials in 2019 stood at 63,762 tons, of which close to 83% were lubrication materials. Other relevant materials include small steel parts (6,335 t) and fasteners (3,147 t). [301-1]

Table 41 - Key materials used by weight

(kg)	FY19
Lubrication	52,871,879,033
Small Steel Parts	6,335,366,442
Fasteners	3,147,144,429
Composites - Nacelle & Rotor Cover	325,201,299
Towers - Conversion	287,218,114
Hydraulics - Rotorlock System	145,136,294
Castings - Bearing Housing	88,541,028
Blades - Resin & Structural Adhesive	72,741,853
Cooling	47,899,585
Blades - Paint & Adhesive	46,936,171
Blades - Glass Fiber	39,411,542
Castings - Hub	36,878,935
LSF - Rotorhouse	33,732,667
Towers - Steel Plates	32,785,310
Segments	28,996,980
Castings - Main Frame	21,001,699
Hydraulics - System	20,667,221

### 7.3.2 Energy Use

[302-1] [302-2] Energy consumption within Siemens Gamesa is systematically monitored, for all significant Group locations (production facilities, buildings, project sites and offices belonging to Siemens Gamesa and accounting for 95% of the energy consumption, excluding energy consumption from contracted companies). The energy consumption is calculated by adding up the following items:

- Primary energy consumption of fuels
- Secondary energy consumption of electricity and district heating bought from third parties

The monitoring of energy consumption is described in our internal procedure for environmental monitoring and is applicable to all of Siemens Gamesa. The procedure defines the criteria that ensures the monitoring from all significant locations and units as the cut-off criteria is set

so detailed monitoring includes 95% of total energy consumption. There is a clear overview of the locations in scope for monitoring and each data type is defined in detail to ensure a consistent recording across all countries and locations. Data for energy consumption is recorded in Sphera on monthly basis and with the acceptance of several input units. All records are then converted to the company standard value in GJ.

[302-3] Total internal energy consumption amounted to 1,255,935 gigajoules (20% higher than in 2018) in the reporting period. Hence, the figure for energy consumption per employee and year could be estimated to 51.36 GJ/employee/year. Natural gas is the most relevant primary energy source, representing 51 % of the total primary energy demand.

Total electricity consumption for the reporting period amounted to 706,891 GJ, of which the share of renewable electricity amounted to 62%.

Table 42 - Primary energy

(gigajoules-GJ)	FY19	FY18
Natural gas	233,694	243,458
Fuel oil	5,046	85,029
Gasoline/Diesel	188,457	39,759
Liquefied petroleum gas	27,352	18,213
<b>Total Primary Energy</b>	<b>454,549</b>	<b>386,459</b>

Table 43 - Secondary energy

(gigajoules-GJ)	FY19	FY18
Electricity from standard fuel combustion sources	271,933	160,829
Electricity from renewable sources	434,958	402,986
District heating	94,495	99,323
<b>Total secondary Energy</b>	<b>801,386</b>	<b>663,138</b>

Table 44 - Total energy

(gigajoules-GJ)	FY19	FY18
<b>Total Energy consumption</b>	<b>1,255,935</b>	<b>1,049,597</b>

<sup>38</sup> This information has been updated with respect to previously disclosed information due to the process of preparation of this Consolidated Non-Financial Statement 2019 and the certification thereof.

### 7.3.3 Greenhouse gas emissions (GHG)

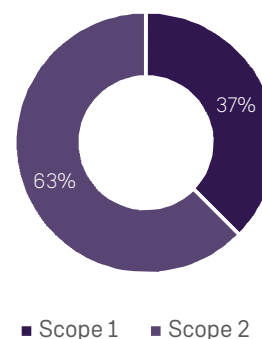
Siemens Gamesa measures its direct and indirect emissions on an annual basis according to the requirements set forth in ISO 14064-1. The GHG emissions inventory is then published in our GHG emissions report, which is verified by a third party and made externally available.

Table 45 - Total emissions

(t CO <sub>2-eq</sub> )	FY19 <sup>38</sup>	FY18
GHG emissions scope 1	26,437	22,865
GHG emissions scope 2	44,261	38,502
<b>GHG emissions total</b>	<b>70,698</b>	<b>61,367</b>

The Company's total emissions of CO<sub>2-eq</sub> under Scope 1 and Scope 2 amounted to 70,698 tons CO<sub>2-eq</sub> during the reporting period.

Figure 17 - GHG emissions share 2019



#### 7.3.3.1 Scope 1 (direct) emissions

[305-1] Direct greenhouse gas emissions (Scope 1) arise from sources in the company's ownership or under its control. It includes emissions generated by the combustion of materials to generate heat.

In addition, chlorofluorocarbon substances (CFCs) and halons, traditionally used as coolants and propellants, affect the ozone layer if they are released into the

atmosphere. The presence of these substances at Siemens Gamesa is marginal and found mainly in fire extinguishing equipment and cooling systems. Maintenance of this equipment, which works in closed circuits, is done in accordance with prevailing legislation.

During the reporting period, Scope 1 emissions amounted to 26,437 tCO<sub>2</sub>-eq.

### 7.3.3.2 Scope 2 (indirect) emissions

[305-2] Indirect greenhouse gas emissions (Scope 2) refer to the consumption of purchased electricity and district heating. In order to calculate the indirect emissions produced by consuming electricity, specific emission data from the supplier is used as preference. If these are not available, the country specific conversion factors are used. During the reporting period, Scope 2 emissions amounted to 44,261 tCO<sub>2</sub>-eq.

### 7.3.3.3 Scope 3 (other) emissions

[305-3] Scope 3 emissions are all indirect emissions (not included in scope 2) that occur in the value chain of the company, including both upstream and downstream emissions.

This calculation includes transportation and distribution (marine diesel oil for vessels), disposal of waste generated in operations, use of sold products, business travel (air travel, rail travel) and employee commuting.

During the reporting period, Scope 3 emission<sup>39</sup> amounted to 71,825 tCO<sub>2</sub>-eq

### 7.3.3.4 Greenhouse gas (GHG) emissions intensity

[305-4] GHG emissions intensity expresses the amount of GHG emissions per unit of activity, output, or any other internal-specific metric. In the case of Siemens Gamesa both revenues and number of full-time employees. For the reporting period, the combined intensity ratio for direct (Scope 1) and indirect (Scope 2) GHG emissions was 2.89 tCO<sub>2</sub>-eq /employee.

## 7.3.4 Atmospheric Pollutant Emissions

[305-6] [L11-M06] Other industrial emissions into the atmosphere are also relevant in terms of environmental protection.

Volatile organic compounds (VOC) contribute to the formation of ozone close to the earth's surface and are responsible for what is known as summer smog. These organic compounds are used by Siemens Gamesa as solvents in paints and adhesives, in impregnation processes, and for surface cleaning.

The monitoring of VOC emissions is defined by local authorities and can be done either via measures in the exhaust systems or via mass balances calculating the air emission based on the actual consumption and the amounts disposed of as waste. Both methods are accepted in our internal procedure for air emissions management as local legislation shall be complied with. Quantitative measurements are conducted at each air emission source by an authorized third party, when required by authorities.

We also monitor the use of ozone-depleting substances (ODS) and comply with the Montreal Protocol, the international convention on the protection of the ozone layer, as well as with country-specific legislation.

Table 46 - Atmospheric pollutant emissions

<i>(metric tons)</i>	FY19	FY18
Volatile organic compounds (VOC)	278	254
Ozone depleting substances (ODS)	0.24	0

### 7.3.5 Waste

[306-2] Environmental impacts from Siemens Gamesa's waste depend on the waste types generated and the waste treatment methods selected. Our waste performance indicators address absolute reductions in waste as well as improvements in waste treatment according to the waste hierarchy.

The waste generation and the management of waste is governed through our internal procedure for waste management that applies globally across Siemens Gamesa. The procedure defines the differentiation between hazardous and non-hazardous waste, being that this material arises directly from our production facilities

<sup>39</sup> Scope 3 emissions reported is limited to Offshore business unit

and project sites. Waste generation is recorded from all significant locations monthly.

Waste records are additionally divided into recyclable waste where we specify waste for reuse, waste for recycling and waste for recovery including energy recovery as well as waste for disposal or landfill.

In addition to defining the recording of all different waste types the procedure also sets requirements to local waste management plans and to segregation, labelling and storage of waste in a way that protects any contamination from potential spills and at the same time secures correct waste disposal.

The total volume of waste amounted to 58,506 tons in the reporting period. The ratio of hazardous waste generation to non-hazardous waste generation is set up at 1:6.2, and the waste overall recycling rate was 77%.

Table 47 - Waste production

<i>(metric tons)</i>	FY19	FY18
Hazardous waste   Recyclable	4,413	1,892
Hazardous waste   Non recyclable	3,686	2,112
Non-Hazardous waste   Recyclable	40,605	31,006
Non-Hazardous waste   Non-recyclable	9,802	12,795
<b>Total waste generation</b>	<b>58,506</b>	<b>47,805</b>

### 7.3.6 Water

[303-1] Water consumption at Siemens Gamesa is mainly produced at manufacturing centers, where the best practices available are used to reduce water withdrawal and consumption and to include reused water in production processes. Work is also being done on lowering environment impact by avoiding water withdrawal in water-stressed areas. Moreover, the company is focusing on making efficient and responsible use of sanitary water at offices and buildings.

Water usage is governed by an internal procedure for water & soil protection that sets the requirements to monthly recording of the usage of different water types as well as to recording of wastewater and the destination of the wastewater. The procedure also has detailed recommendation for using spill kits on each location

Total water consumption in the period amounts to 706,034 cubic meters. [303-3] During fiscal year 2019, a total of 444 m<sup>3</sup> of recycled water was used.

Table 48 - Water consumption

<i>(cubic meters)</i>	FY19	FY18
Fresh water	473,345	428,835
Underground water	89,693	6,673
Ground and surface water for cooling purposes (*)	142,996	10,130
<b>Total water</b>	<b>706,034</b>	<b>445,638</b>

*(\*) returned to receiving water body chemically unchanged, but warmed.*

[303-2] [306-5] There are no records of any water sources being significantly affected by water withdrawals made by Siemens Gamesa in the reporting period. In other words, no water sources were recorded to have been significantly affected by:

- withdrawals which amounted to more than 5% of the total annual average of any water mass
- withdrawals from water masses recognized by experts as being especially sensitive due to their relative size, function or unique nature, or otherwise, a threatened or endangered system that shelters protected plants or animals
- withdrawals from Ramsar wetlands or from any other local or international protected area. All withdrawals of water are strictly regulated by public administrations, which grant permits and set the maximum withdrawal volumes allowed to ensure no significant impacts occur.

[306-1] The volume discharged at the end of the reporting period amounted to 328,870 m<sup>3</sup>. Most of effluents discharged are linked to the use on manufacturing processes.

Table 49 - Wastewater produced

(m³)	FY19	FY18
Wastewater from employee facilities	121,423	139,011
Wastewater from manufacturing processes	164,610	220,819
Other wastewater (incl.losses)	0	81,216
Conditioned cooling water discharged as wastewater	35,245	0
Total waste water without chemically unchanged cooling water	321,278	441,046
Cooling water (returned to receiving water body chemically unchanged, but warmed)	7,592	10,130
<b>Total wastewater</b>	<b>328,870</b>	<b>451,176</b>

### 7.3.7 Substances

Siemens Gamesa has implemented a global substance management process to achieve a safe and environmentally sustainable use of chemical products involved in our activities. The process is described in our internal procedure substance management. The procedure is applicable both in wind turbine design and development as well as in the procurement, materials handling, transport and import/export of components, and when chemical product or component waste is handled during wind turbine manufacturing, assembly, installation and servicing. Furthermore, the procedure sets out requirements for chemical products used in the work performed by third parties under Siemens Gamesa's responsibility.

The procedure defines an evaluation process for all requests of usage of new chemical products in Siemens Gamesa. The evaluation process is performed by several internally trained employees that evaluate the request up against Siemens Gamesa defined List of Prohibited Products and List of Restricted Products. The prohibition or restriction criteria are defined based on the hazard classification of the chemical products. Existing products are evaluated on an annual basis and phase out plans are implemented for existing products meeting the prohibition criteria.

### 7.3.8 Environmental incidents

#### 7.3.8.1 Spills

Operational controls are implemented at all Siemens Gamesa production facilities and project sites to protect water and soil from potential spills e.g. through the creation of prevention and response plans and the use of control measures such as spill trays, loading and unloading areas, proper storage of substances, routine inspections, etc. Should a spill occur, Siemens Gamesa is equipped with detection, reporting and correction methods to prevent the incident from reoccurring.

A total of 586 spills were recorded in 2019 during this reporting period of which 304 were contained and another 282 affected either water or soil to some degree. The total volume of reported spills amounted to 5,972 liters. None of these spills required any exceptional corrective measures. [306-3]

#### 7.3.8.2 Other environmental incidents

In addition to spills, there were 927 more environmental incidents in relation to:

- Stakeholder complaints (69)
- Fire, smoke or explosions (38)
- Natural disasters (39)
- Other (781)

#### 7.3.8.3 Fines and non-monetary sanctions

In 2019, there were no significant non-conformances or stakeholder complaints involving authorities reported related to the environment. Further, Siemens Gamesa did not pay any significant fines or penalties related to environmental or ecological issues. Significant fines or penalties are defined as those greater than \$10,000 USD (or equivalent when converted from local currency).

### 7.3.9 Environmental successes

At Siemens Gamesa, we pride ourselves on our consistent efforts to improve our environmental performance in relation to our internal operations. We have a centralized tool where we track our HSE improvements and categorize them in relation to the six pillars of our HSE Policy and our HSE processes. HSE improvements can be categorized as actual environmental savings e.g. absolute reduction,

substitution or efficiency measures or other initiatives such as campaigns, investigations or mappings, trainings, etc.

In 2019, several improvement actions were proposed and for those implemented the following environmental savings were achieved:

- 17,942 GJ in energy savings
- 1,851 T in waste savings
- 19,231 m<sup>3</sup> in water savings

In spring of 2019, Siemens Gamesa's cleaning service provider in Denmark changed all cleaning products used on site to biodegradable products. The manufacturer of the cleaning products is a pioneer in overall sustainable and high-performance cleaning and hygiene products for business sectors. The new cleaning products used in Siemens Gamesa qualify for both the EU Ecolabel as well as Cradle to Cradle certification marks without compromising their high cleaning performance. The range of products covers cleaning products for industrial or building applications as well as for personal hygiene products found in bathrooms and change rooms. The purpose for changing products was to minimize the use of environmental substances in our workplace while creating a better and safer work environment for our employees.

[L11-M08] Siemens Gamesa's provider for canteen services in Denmark also started a national campaign for food waste. A new uniform price model was introduced in canteens which enabled food waste to be significantly reduced. A new process for separating food waste was also implemented in order to measure the effectiveness. Average food waste from plates went down from 7 kg per day to 3.5 kg.

In the nacelle factory in Brande, Denmark, a polystyrene compactor was introduced to reduce packaging waste volumes in the factory. In the past, a compactor was used to handle polystyrene packaging, but the machine design was ineffective as it typically got clogged and there were ergonomic hazards when the plastic was fed into the machine. In FY19, the old machine was replaced with a new compactor that was able to reduce the polystyrene to a dimension 35 times smaller compared to the original volume. This had significant benefits in terms of manual handling as well as the frequency of collections by waste handlers, in fact the original 65 collections were reduced to 3. This reduction also meant savings of roughly 5,500 Euros and 4,100 kg CO<sub>2</sub>, which was calculated based on FY19 amounts of polystyrene. Furthermore, the

compressed polystyrene enabled the factory to sell some portions of the "waste", thereby providing an additional source of income equivalent to roughly 5,000 Euros.

In the same nacelle factory, solar film windows were installed on the southside of the main building in addition to a ventilation system being upgraded. The result of these upgrades is both an annual energy savings of 2,968,850 kWh from a mix of electricity and natural gas as well as 552,359 kg of CO<sub>2</sub> emissions annually.

Our rotor blades and tower sections are typically suited with protective covers made from tarpaulin to protect our components during transport and storage. During the installation of the wind farm Arkona Becken, a total of 180 blade covers, 180 blade bearing covers, 360 tower covers, 60 entrance covers were used which totaled 780 tarpaulins, with an average size of 40 m<sup>2</sup>. The projects logistical framework did not allow for an easy and cost-efficient return for re-use when considering transporting, cleaning, sorting and storing the used tarpaulins. As the next best alternative, the project team collaborated with COMEBAGS to produce bags from the used materials. The bags were made by people with disabilities, along with the help of the team leaders. They were then distributed to the project technicians for their outstanding work both during preassembly as well as installation. This is a great combination of both social and environmental aspects.

## 7.4. Product stewardship

[302-4] [302-5] Product stewardship at Siemens Gamesa is the process in which health, safety, social and environmental aspects are central characteristics of the product itself. Everyone involved in the product's lifespan takes responsibility for reducing any potential adverse impacts on the health and safety of technicians, other stakeholders or the environment. As an original equipment manufacturer, we recognize we have the greatest ability to minimize any potential, adverse impacts. However, we also require our suppliers, contractors and customers to support us in our efforts where possible.

Our product portfolio represents our biggest contribution to climate change mitigation and our decarbonization strategy. Despite the green profile of our products, we continue striving to reduce the environmental impacts associated to them such as improving resource efficiency in our design and manufacturing process, optimizing energy production during operation or reducing meantime between service visits.



### 7.4.1. Product portfolio and environmental benefits

[305-5] Siemens Gamesa’s product portfolio directly contributes to a reduction in GHG emissions and climate protection. Furthermore, it is part of our response to other global challenges such as the scarcity of natural resources and environmental pollution.

In 2019, 9.3 GW of wind energy was installed helping our customers further reduce their emissions by 25 million tons of CO<sub>2</sub>. Cumulatively since 1998, more than 99 GW of wind energy has been installed from Siemens Gamesa’s wind turbines. This allows our customers to mitigate their carbon footprint by more than 259 million tons of CO<sub>2</sub> per year.

### 7.4.2. Life Cycle Assessments

Siemens Gamesa quantifies and documents the significant life cycle impacts of our products and operations (manufacturing, installations, services) by performing Life Cycle Assessments (LCAs) in accordance to the ISO 14040 series of standards and applicable Product Category Rules (PCRs). This methodology analyzes the environmental impacts across the entire life cycle of the product and the processes associated to each life cycle stage. We use LCA findings as a basis to:

- Communicate our environmental performance to our internal and external stakeholders in the form of Type II and III Environmental Product Declarations (EPDs).
- Identify opportunities to improve our environmental performance in future designs.

By continuously increasing the number of LCAs and EPDs, we are developing a comprehensive knowledge base about the environmental footprint of our products and operations.

At the same time, we use the insight gained from the LCAs to improve not only product-related but also operation-related aspects. Take for example our offshore platform upgrade strategy where current turbine models are not only outperforming former models in terms of LCoE but also in environmental impacts such as energy payback time and CO<sub>2-eq</sub> emissions per kWh to grid.

Table 50 - Lifecycle assessments (LCA) and environmental product declarations (EPD)

	FY19	FY18
# LCAs	20	16
# EPDs	17	14

The current reporting period shows a 100% rate for products covered with LCAs (Screening and Full-Scale) and EPDs (Both Type II & Type III), as well as a 100% revenue-based coverage ratio within our business.

In this past fiscal year, Siemens Gamesa published the following Environmental Declarations:

- Type II Environmental Declaration for East Anglia One offshore windfarm using SG 7.0-154 DD;
- Type III Environmental Product Declaration for SG 4.5-145.

### 7.4.3. Environmental criteria in product design

Apart from the clear environmental benefits associated to renewable energy production, Siemens Gamesa designs, manufactures and services its products in ways that enhance their environmental performance. Our product development process incorporates many principles based on ISO 14006:2011.

Explicit processes and procedures have been established for assessing and improving environmental aspects associated with the in-house design of components. For example, setting improvement targets in relation to reducing material amounts or component weights, substituting material or substance types or increasing the capacity factors. We also define specifications for and maintain close dialogues with suppliers for the supply of environmentally improved materials, articles and components.

Operational procedures and controls are also set to assess and improve environmental aspects linked to manufacturing, assembly and construction, such as developing action plans and improvement measures for the materials and substances used, the waste generated, the energy consumed, or the VOCs emitted.

Packaging from material and component deliveries from suppliers as well as from Siemens Gamesa’s component

shipments is an aspect with potentially high environmental impacts for our products' distribution, storage and transport. Focus will be placed in the future to gain a better understanding of current and upcoming legislation on packaging and its potential impacts on Siemens Gamesa, as well as on raising awareness about the importance of packing or about introducing more recyclable packing materials.

Efforts are being made to improve our component upgrades and lifetime extension (LTE) service offerings, spare parts and parts refurbishment offerings for service and maintenance operations on our customers' turbines. Other aspects for improving the environment include SCADA control functions for optimal wildlife protection, increased mean times between service visits that result in lower fuel use, as well as reduced exposure and safety risks for technicians, and remote diagnostics to keep availability and capacity factors as high as possible.

Our products are designed to embody energy efficiency at a global scale. Our products thereby incorporate greater energy efficiency throughout most stages of a wind turbine's life cycle including: the acquisition of raw materials and components, the manufacturing and assembly of components, as well as their delivery, installation, operation and maintenance.

Our wind turbines also record better efficiency figures compared to preceding models for many environmental indicators, including size, weight, visual impact, reduction of materials and selection of those with low environmental impact, production optimization, reusable packaging, less civil and installation works, noise reduction, waste generation optimization during maintenance and a modular design to facilitate dismantling.

#### 7.4.4. Environmental requirements in our Supplier Code of Conduct

At all times, we require our suppliers and contractors share with us the common goal of behaving in an ethical, law-abiding manner. Our global Code of Conduct for Suppliers and Third-Party Intermediaries establishes standards to ensure that working conditions in our supply chain are safe, that workers are treated with respect and dignity, and that business operations with suppliers are ethical, social and environmentally responsible.

The Code of Conduct applies globally to all suppliers and third-party intermediaries of Siemens Gamesa.

#### 7.4.5. Extended producer responsibility

[L11-S008] Siemens Gamesa continuously works on improving the end-of-life phase. For example, we offer extended lifetimes regarding both design and the lifetime extension programs. Alternative materials such as recyclable resins are also being investigated to improve the recyclability of the composite rotor blades. Modular wind turbine design is also an environmental benefit, since it eases dismantling and optimizes waste treatment methods.

[L11-M07] The Group continues to take part in the Horizon 2020 "FiberEUse" project. Like the former GenVind Innovation Consortium, this project is looking into the potential for large-scale demos for a new circular economy value chain based on the reuse of fiber-reinforced composites. The FiberEUse project is aimed at applying a holistic approach to different innovation actions to enhance the profitability of composite recycling and reuse in value-added products. The project is based on the realization of three macro use-cases, further detailed in eight demos:

- Mechanical recycling and re-use in added-value customized applications as well as emerging manufacturing technologies like UV-assisted 3D-printing
- Thermal recycling and re-use in high-tech, high-resistance applications through controlled pyrolysis and custom remanufacturing
- Inspection, repair and remanufacturing for CFRP products in high-tech applications.

Siemens Gamesa is continuously evaluating its participation in similar projects, research consortiums and networks as it is in direct support of our HSE strategy, particularly in relation to waste and resource efficiency. Increasing the recyclability of turbine components is high on our agenda and we continuously take part in projects to support the development of a circular economy.

Some of our facilities are fully or partially dedicated to repairing components and returning them to operation (gearboxes, generators, electrical boards and even blades) in order to make progress toward a circular economy with the final aim of achieving cradle to-cradle solutions.

## 7.5. Biodiversity

[304-1] Siemens Gamesa products and services use certain natural resources (raw materials, water, fossil fuels and wind) to perform their function, thereby interacting with, and potentially affecting, ecosystems, landscapes and species. For example, this can occur when establishing new facilities or when constructing new wind power plants.

[304-2] Potential impacts to biodiversity can include, for example:

- Potential land use changes by using vehicles and machinery to open paths and remove vegetation
- Prolonged human presence which temporarily affects the behavior of species of fauna in a generally reversible way
- Potential species mortality due to collisions with our customers' wind turbines

Despite these potential impacts on biodiversity, Siemens Gamesa wind projects are constructed in a sustainable way that allows for a balanced coexistence, thus conserving and protecting natural assets, i.e. biodiversity and climate. This respect for biodiversity and ecosystems plays a leading role in the company's business strategy.

There are different regulatory and voluntary instruments to achieve a positive net balance in relation to biodiversity and the environment, including:

- Full compliance with permits granted by environmental and conservation authorities in each region, which establish requirements to ensure local environmental protection.
- Company policies and procedures under the integrated management system which establish environmental control plans
- Support for conducting environmental impact studies, which include analysis and prevention mechanisms that consider different alternatives and lay down corrective measures to avoid, mitigate or offset any possible damage
- Technology development related to our control functions (SCADA) and compatibility with other third-party applications for the detection of bird and bat species

Protected areas and areas of high biodiversity value without protection are generally avoided during the planning stage of new infrastructures.

[304-4] Potential environmental impacts are analyzed through a formal HSE aspects evaluation and by conducting environmental impact assessments beforehand, with measures to correct and minimize the impacts. In case that they cannot be completely mitigated, offsetting measures are taken.

Siemens Gamesa has activities in some areas where threatened species included in the IUCN Red List and in other national conservation lists live or could be present. This, however, does not mean that they are affected or threatened by such activities. The identification of species on the IUCN Red List and other species included in national conservation lists which could be affected by Siemens Gamesa's activities is monitored to take the necessary measures to avoid endangering them.

# Pillar 4: Responsible supply chain

[102-9] Siemens Gamesa has a strong history of supplier excellence, built up over the years through sustainable relationships with our supplier and contractor base. Our Company is being built on top of very strong legacies that have consistently created positive value contribution with our suppliers and contributors. That's why sustainability will remain a key catalyst for the supply chain in Siemens Gamesa.

The principles followed by our supply chain support several key activities that have consistently created positive value with our suppliers and stakeholders, such as, for example:

- Development of the local supply base adding highly technologically prepared and competitive competitors, while contributing to local wealth creation.
- Improvement through development plans with suppliers to achieve world-class component design to reduce costs.
- Creating opportunities for qualified suppliers to export to other regions based on their competitiveness.

All these activities are important contributors to internal activities such as definition of Commodity Strategies, New Product Introduction and Engineering Change Management.

## 8.1. Sustainability principles

[L11-S005] Our message to suppliers is that they must share with us the common goal of behaving in an ethical, law-abiding manner. The Group has therefore set a specific policy governing supplier relation and contracting

which provides a group-wide framework for the management and control of procurement activities, the **Siemens Gamesa Supplier Relationship Policy**<sup>40</sup>

As a foundation on sustainability for suppliers, and compliant to the Group policy, the **Code of Conduct for Suppliers and Third-Party Intermediaries**<sup>41</sup> (also commonly referred to as “the Code of Conduct”), was released in fiscal year 2018 setting out the Group's binding requirements.

The Code of Conduct is based on – among others – the UN Global Compact and the principles of the International Labor Organization, the principles of the Rio Declaration on Environment and Development, the Electronic Industry Citizenship Coalition® Code of Conduct, WindEurope® Industry Principles and ISO standards. It also reflects the Siemens Gamesa internal Code of Conduct and Guidelines, which reinforces the fundamental principles of sustainability and applies companywide.

The Code establishes standards to ensure that working conditions in the company supply chain are safe, that workers are treated with respect and dignity, and that business operations with suppliers are ethical, social and environmentally responsible. The Code remains independent and updated on a regular basis to reflect the standards of Siemens Gamesa in its operations with suppliers.

Siemens Gamesa promotes the Code to all suppliers and will request compliance and adherence to it from all our suppliers and third-party intermediaries. The Code of Conduct is incorporated into our General Purchasing Conditions, framework contracts and purchase agreements with each supplier, as well as into procurement tools.

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<sup>40</sup> See: Supplier Relationship Policy [\[Link\]](#)

<sup>41</sup> See: Supplier Code of Conduct [\[Link\]](#)

In 2019 Siemens Gamesa released the Booklet for the Code of Conduct for Suppliers and Third-Party Intermediaries (also commonly referred to as “the Code of Conduct Booklet”). This comprehensive material documents in detail our expectations towards our suppliers in each requirement presented in the Code of Conduct, being an important support for our sustainability detection modules.

The development of the Code of Conduct and the Code of Conduct Booklet is the result of the work performed by the Supplier Lifecycle Management and Sustainability community, which Siemens Gamesa has established as a work group since the merger in 2017. The group has representation in external communities, like the WindEurope® Sustainability Task Force, and is engaged in relevant sustainability topics.

Our sustainability performance is being monitored continuously and has been externally confirmed by the most renowned and relevant sustainability indexes and ratings. Our participation in various ratings and indices is always available in our website.

## 8.2. Sustainability in the supply chain

### 8.2.1. Mapping Siemens Gamesa supply chain

[102-10] [L11-SO06] [204-1] Siemens Gamesa purchased almost €8.2 billion from approximately 17,900 tier-1 suppliers in fiscal year 2019, our second full joint year. These suppliers have been impartially screened and assessed for high standards compliance with our excellence value.

Table 51 - Purchasing volume

(in Euros)	FY19 (*)	FY18
EMEA	5,692,065,363	4,184,511,490
Americas	1,401,167,513	978,237,630
Asia, Australia	1,144,372,394	867,251,580
<b>SGRE Group</b>	<b>8,237,605,270</b>	<b>6,030,000,700</b>

(\*) Purchase volume based on closed purchasing orders, not on accruals.

Table 52 - No. 1 tier suppliers

	FY19	FY18
EMEA	11,340	10,162
Americas	3,542	3,506
Asia, Australia	3,571	3,383
<b>SGRE Group</b>	<b>17,890</b>	<b>17,051</b>

Note to reader: The global tier-1 supplier number does not necessarily add up to the total number of suppliers by region. This is due to suppliers being accounted for by invoicing origin.

**Critical suppliers:** Siemens Gamesa also monitors **critical suppliers**, identified upon meeting the following conditions: i) the purchasing volume (PVO) exceeds €50,000; ii) if they operate or are based in a high-risk country (from corporate responsibility perspective); iii) if there is a high or medium-high financial risk with the supplier; and iv) no natural replacement is available for the supplier.

In fiscal year 2019, critical suppliers classified under these conditions accounted for 25% of the year’s total purchasing volume (approximately €2 billion).

Table 53 - No. of critical suppliers

	FY19	FY18
<b>SGRE Group</b>	<b>748</b>	<b>1,061</b>

**High sustainability risk suppliers:** Additionally, Siemens Gamesa keeps track of high sustainability risk suppliers, identified upon meeting the following criteria: i) if they operate or are based in a high risk country (from corporate responsibility perspective); ii) if they have incidents of compliance misconduct; or iii) not participating or scoring “low” in the Code of Conduct compliance detection modules (sustainability self-assessments, external sustainability audits and Supplier Quality audits with sustainability scope). Suppliers with demonstrated incidents of misconduct in any sustainability aspect are considered “high sustainability risk” suppliers regardless of their location.

The suppliers identified as having high sustainability risk to Siemens Gamesa in fiscal year 2019 accounted for 13% of the year's total purchasing volume (approximately €1.1 billion).

Table 54 - No. of sustainability high-risk suppliers

	FY19	FY18
SGRE Group	480	792

## 8.2.2. Integration of sustainability into SCM Strategy

The processes and tools available at SGRE provide strategic buyers with levers, risk indicators and transparency to support making the best sourcing decisions. Risk screening is based on financial analyses and commodity reports provided by external consulting companies, which feed indicators into our internal supplier comparison tool.

Processes and tools put into place by the Supplier Lifecycle Management team are also used to gather supplier information for other functions and allow for direct communication. The information collected from the supplier can trigger additional activities for hazardous materials declarations, contractor safety assessments and other health, safety and environment (HSE) related aspects.

Any suppliers that fail to meet our requirements may be conditionally approved (if issues are not critical) upon implementation of development measures, or immediately blocked from doing any further business with Siemens Gamesa (if issues are critical, especially for compliance issues).

## 8.2.3. Sustainability requirements and detection modules for suppliers

[308-1] [308-2] [414-1] [414-2] Since our suppliers play a critical role in our sustainability-oriented value chain, Siemens Gamesa expects them to also demonstrate their commitment towards the standards and principles which are summarized in the Code of Conduct.

### 8.2.3.1. Commitment to the Code of Conduct

[L11-S007] An integrated supplier management process is embedded company-wide in unified, mandatory procurement processes and a key part of this is ensuring that our suppliers agree contractually to abide by the Code of Conduct. We developed a system of contractual obligations to ensure that all our suppliers commit to its requirements:

- Qualifying suppliers: within our Supplier Qualification process, all suppliers must pass several preliminary requirements – one being the commitment to our Code of Conduct.
- Negotiating contracts: all new and extended procurement contracts must include the Corporate Responsibility contract clause which commits the supplier to our Code of Conduct and, additionally, defines self-assessment and audit rights.
- Purchase orders: to complete the system and to cover possible small procurement volumes which might not be covered by explicit procurement contracts, all purchase orders include the Code of Conduct commitment in the General Purchasing Conditions.

Moreover, in the transitional stage to achieving full integration, Siemens Gamesa requires the Code of Conduct for Siemens Suppliers and Third-Party Intermediaries or the Gamesa Code of Conduct for Suppliers to be respected by suppliers. Both legacy Codes are still valid, considered equivalent, and are enforced for our previous suppliers and contracts.

In fiscal year 2019, the total purchasing volume (PVO) of suppliers that have accepted the Code of Conduct was 84% in comparison to 65% last fiscal year demonstrating the improvement in the integration of our controls.

Siemens Gamesa implemented a risk-based due diligence process to identify any areas of non-compliance of our Code of Conduct and highlight opportunities to promote improved performance. This includes systematic screening of new and existing suppliers through background checks and risk assessments associated with the sector and countries of operation. For example, reports from external providers provide us with information on geopolitical, commodity and financial risks. If relevant, suppliers are selected to go through one or more detection modules, as is the case for high sustainability risk suppliers.

### 8.2.3.2. Detection Modules

**Sustainability Self-Assessments:** the supplier provides its own assessment of the requirements of the Code of Conduct based on a questionnaire. The questionnaire is available in Siemens Gamesa's own platform or applied by a third party on behalf of Siemens Gamesa.

**Supplier Evaluations:** to ensure that suppliers continuously comply with our performance requirements in the course of the supplier relationship, performance of existing Siemens Gamesa suppliers is evaluated regularly based on standardized criteria as stipulated by ISO standards. The supplier evaluation is performed at least once a year and has our most relevant and critical suppliers in scope. The evaluation is carried out by collaborative cross functional teams and results in a standardized classification which ranges from "Excellent" to "Insufficient".

**External Sustainability Audits:** Siemens Gamesa has appointed internationally recognized auditing companies to conduct on-site audits based on the universally valid principles of the Code of Conduct. The outcome is an in-depth assessment and report that enables Siemens Gamesa and its suppliers to identify and manage potential sustainability risks. External Sustainability Audits also play an important role in the supplier development scheme by improving the supplier's sustainability performance.

**Supplier Quality Audits with Sustainability scope:** as part of our internal Supplier Qualification and Audits processes, audit questionnaires have been devised to include the scope of the Code of Conduct and are applied to critical suppliers from quality perspective.

### 8.2.3.4. Consequences of deviations

If areas of non-conformance are identified, the supplier and Siemens Gamesa will collaborate and agree on an action plan consisting of appropriate improvement measures. These shall mitigate and eliminate the adverse impacts caused by the breaches and enable the supplier to identify and prevent similar occurrences in the future. We require our suppliers to engage actively and without reservation in these activities.

All measures put in place after inspections are incorporated into the company-wide supplier management process at Siemens Gamesa and are

systematically selected and pursued. Implementation of the measures has, therefore, an influence on the supplier's annual performance rating and on the assessment of the supplier's future potential, as well as on the approval of the supplier within the regular supplier qualification process.

Any breaches may be reported at any time by using the Group Compliance Whistleblowing Hotline. Should any breaches be confirmed, systems are in place to communicate with the procurement community as well as with any cross-functions and stakeholders thus affected. If necessary, the offending suppliers are blocked globally.

Table 55 - Supplier monitoring

<i>(number)</i>	FY19	FY18
Sustainability Self-Assessments	1,132	1,104
Quality audits with sustainability questions	323	146
External Sustainability Audits	130	22

During fiscal year 2019, Siemens Gamesa assured that 78% of the purchasing volume (PVO) of high sustainability risk suppliers was covered by at least one of the detection modules above.

### 8.2.4. Conflict minerals

We are committed to working toward avoiding the use, within our supply chain, of minerals from conflict affected and high-risk areas which are affected by the risks defined in Annex 2 of the OECD Due Diligence Guidance <sup>42</sup>.

Conflict Minerals are defined as cassiterite, columbite-tantalite, gold, wolframite, or their derivatives, or any other minerals or their derivatives (3TG alias tantalum, tin, tungsten, the ores from which they originate, and gold) that may be used for financing conflict in the DRC (Democratic Republic of Congo) Region.

Already in fiscal year 2018 Siemens Gamesa harmonized its due diligence process for Conflict Minerals by taking part in the already established process in Siemens AG according to the requirements of Regulation (EU) 2017/821. Siemens AG has established a centralized approach for the due diligence process and follow up for mitigation with

<sup>42</sup> See OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. [\[Link\]](#)

suppliers that are identified based on material groups that may potentially contain conflict minerals.

The advantageous position of Siemens AG as active member of the Responsible Mineral Initiative (RMI) gives Siemens Gamesa access to Reasonable Country of Origin Information (RCOI) on smelter level. We purchase 3TG from conformant smelters when these minerals are necessary for manufacturing of our products.

In order to mitigate the risk of working with suppliers whose smelters have not been audited by RMI so far, Siemens Gamesa (through Siemens AG) actively engages within RMI's Responsible Minerals Assurance Process (formerly Conflict Free Smelter Program).



# Pillar 5: Community engagement

[L11-S002] Siemens Gamesa is deeply rooted in the societies in which it operates by contributing to their sustainable development. After the Advanced Management Model's implementation, we assume that our organization forms part of a social fabric which can strengthen our own capacities or, on the contrary, condition and limit our development and competitiveness. We fully endorse this statement. Commitment to a more prosperous society is not only compatible with enduring business success but also interdependent with it.

Therefore, Siemens Gamesa is committed to achieve harmony between our corporate values and the expectations societies has of us, as well as to foster economic and social development of the communities in which we operate. Improvements in the quality of life and wealth creation are therefore provided by our standard commercial activities, as well as by driving forward socioeconomic development through non-business channels. For that purpose, Siemens Gamesa collaborates with a variety of stakeholders, such as institutions, administrations, and organizations in civil society and actively sponsors social action initiatives worldwide. The framework for these activities is defined in the CSR strategy 2018-20 as well the Corporate Social Responsibility Policy and Social Action Policy of Siemens Gamesa.

[413-1] As far as stakeholder engagement in the decision-making process is concerned, energy planning in Siemens Gamesa's sphere of action (energy sources, technologies and long-term needs) is done by public authorities, an institutional sphere in which different stakeholders can partake, depending on the mechanisms established in each country.

Once the appropriate infrastructure has been chosen, the views of the communities affected by it are considered through a consultation process, which varies depending on

the country and type of facility in question. Many of these processes, including environmental impact studies on facilities, are governed and conditioned by the granting of building and operating permits. During the planning and performance of these actions, the Siemens Gamesa carries out preliminary consultations and keeps active channels of dialog open with the affected communities and stakeholders to identify and address their concerns and interests.

## 9.1. Group strategy

[L11-S003] Community engagement is one of the five pillars of Siemens Gamesa's CSR strategy 2018-20, which emphasizes the importance of contributing to the communities in which the company operates by offering expertise to community members and engaging with them to positively impact society. The CSR strategy 2018-20 is supported by the Corporate Social Responsibility Policy<sup>43</sup>, which establishes the basic principles and the general framework for conduct in the management of corporate social responsibility practices endorsed by Siemens Gamesa. This policy is valid for all pillars

The Social Action Policy<sup>44</sup>, which was first approved by a resolution of the Board of Directors on September 12, 2018 and reviewed and updated on September 25, 2019, specifically caters to the Community pillar and provides the framework for any community engagement or social action initiatives. It defines the following primary objectives:

- Stimulate the business and sustainability thereof.
- Improve the company's recognition and reputation.
- Increase satisfaction among employees and partners.

<sup>43</sup> See: Global Corporate Social Responsibility Policy [[Link](#)]

<sup>44</sup> See: Social Action Policy [[Link](#)]

- Contribute to the improvement of the communities in which the Siemens Gamesa Group does business.

Consequently, Siemens Gamesa determined that the goal of social action initiatives in communities and all non-business activities must be:

- The generation of well-being for people, paying special attention to the most vulnerable groups (in line with UN Sustainable Development Goals 1 to 6).
- Access to energy from sources of renewable origin, driving technological development and the promotion of knowledge in this area (in line with UN Sustainable Development Goals 7 and 13).

Hence, the UN Sustainable Development Goals play a crucial role in Siemens Gamesa's community approach: any social action initiative or community engagement must pay into one, or more, of these eight UN SDGs that have been defined to be material to Siemens Gamesa's social engagement.

As described in the Social Action Policy, Siemens Gamesa pledges to pay special attention to the most vulnerable groups. Therefore, another focal point of all social action initiative or community engagement must be the group of beneficiaries. The value of an activity, however, is not solely based on the sheer number of beneficiaries, but also on the qualitative impact the project has on vulnerable individuals or groups.

Siemens Gamesa partnered with the University of Deusto of Bilbao, Spain, to evaluate the 'Social Return of Investment (SROI)' of the projects supported by the company's global social action initiative 'SGRE impact'. The SROI reflects the efficiency of use of funds invested in these projects and is created by obtaining the ratio from the Integrated Social Value, which is the consolidation (sum without repetition) of the distribution value to economic factors (workers, suppliers, etc.) and the distribution value to beneficiaries (usually through non-market mechanisms). For the projects implemented in 2018-19, the SROI was defined as 5.54€, which means that every Euro spend on the projects, the actual investment was worth 5.54 times of what was spend by Siemens Gamesa.

Social action initiatives for the benefit of local communities are implemented directly by Siemens Gamesa or its subsidiaries or affiliates in their respective fields of activity.

[L11-C03] The company has protocols in place for the control of donations and charitable contributions for actions of a social nature. By means of these protocols, all contributions of social content, donations and fund allocation are assessed to mitigate compliance risks. Siemens Gamesa's global donations in fiscal year 2019 amounted to 427,265 euros.

## 9.2. Global social action initiative 'SGRE impact'

In fiscal year 2018, the global social action initiative 'SGRE impact' was launched. This company-wide initiative seeks to bring positive change to the communities in which Siemens Gamesa operates, while also heightening the engagement of employees. For that purpose, employees worldwide were invited to submit local social action projects that would fall into one of the following categories (based on the UN Sustainable Development Goals):

- SDG 01 No Poverty
- SDG 02: Zero Hunger
- SDG 03: Good Health and Well-Being
- SDG 04: Quality Education
- SDG 05 Gender Equality
- SDG 06: Clean Water and Sanitation
- SDG 07: Affordable and Clean Energy
- SDG 13: Climate Action.

Following the application process, a selection committee, made up of members of Siemens Gamesa's Executive Committee and chaired by patron of SGRE Impact Markus Tacke, proceeds to determine which projects are to be funded and implemented.

### 9.2.1. SGRE impact 2018-19

In the first year of the initiative, 136 employees from 14 countries responded to the call proposing 192 projects in 39 countries. The selection committee chose eight projects in seven countries to be funded and implemented by end of fiscal year 2019.



#### **BRAZIL:** Sustainable Honey Production in North East Brazil

Since the launch of the Sustainable Honey Production project in December 2018, our local partner Giral Desenvolvimento de Projetos has provided systematic technical support to six communities of honey producers in the State of Rio Grande do Norte. The equipment that would enable them to increase their production was delivered to the communities in May 2019. The project was finalized in July with a marketing workshop also led by our local partner. About 90 producers benefitted from the project directly and more than 360 people indirectly.



#### **DENMARK:** Robot league for girls

Siemens Gamesa partnered with the FabLab Spinderihallerne in Vejle with the goal of getting children and teenagers involved in coding and robotics all based on the 'Shitty Robots' concept from YouTube star Simone Giertz. For that purpose, FabLab Spinderihallerne held different robotics workshops for local primary and high schools, and for teachers as well as interested teenagers from across Denmark in early 2019. The children were introduced to basic coding, 3D printing and robotics and had the task to build a robot that fulfills a day-to-day task. The project ended with a big public event at which the 186 children and teenagers presented over 60 robots to Siemens Gamesa volunteers, who had mentored them, teachers, families and friends. Of the entire group of participating kids, over two-thirds were girls.



#### **INDIA:** Positive Change: Building sanitary facilities

Siemens Gamesa partnered with the organization Bal Vikas India to offer adequate hygienic access to sanitary facilities to families in an underprivileged community in Ankleshwar with the goal to improve their health and well-being, especially during

monsoon season. The families were chosen by Bal Vikas based on criteria such as the need for improved sanitation due to the number of family members, their age and if members of the family are disabled. By the end of 2018, we had achieved our goal of 11 families with over 60 people benefiting directly and more than twice as many indirectly.



#### **INDIA:** Siemens Gamesa Soccer League

The Siemens Gamesa Soccer League aims at bringing social change to some of the most deserving communities in the vicinity of Siemens Gamesa wind farms across India. The program particularly focuses on marginalized and at-risk youth and uses football as a medium of change. Together with our local partner Team Everest, 1,800 children and teenagers benefitted from the football program directly and 6,500 indirectly in 2019. They received more than 3,000 hours of coaching in football and life skills. Another benefit of the program was the training and development of 170 community leaders to become community coaches.



#### **MOROCCO:** Providing the driving force of all nature - Water!

Together with the local partner Association des Parents d'Eleves de L'Ecole Secteure Scolaire Daya, Siemens Gamesa installed water pipe connections and lavatories in two local schools in the vicinity of the company's blade plant in Tangier. Following the construction activities, the focus shifted to educating parents and local villagers and raising their awareness on the importance of proper sanitation, water use and resource efficiency with trainings about day-to-day health habits. These trainings also demonstrated to the parents that their children can now learn in a safe school environment. The inauguration in early October 2019 celebrated the finalization of the project and the great involvement of the Siemens Gamesa volunteer team.



#### **SPAIN:** Business and Biodiversity

Thanks to Siemens Gamesa's contribution, the Basque organization Fundación Lurguia was able to acquire five hectares of land for forest restoration in the Urdaibai Biosphere Reserve aimed at creating the largest oak forest of the reserve by changing the land use from a wood plantation of rapid-growth

species, mainly pines and eucalyptus, to forest of autochthonous species. In addition to the land acquisition, 1,200 trees and shrubs were planted on two hectares of the land. Many of these trees were planted by 59 employees, 171 of their family members and friends during two volunteering days in early 2019.



#### **THAILAND:** Green Island

Our local partner PlayOnside built a community house and football field for refugee and migrant children in a community that lives on a garbage dump in the outskirts of the Thai border town of Mae Sot. For the community building, only recycled or reused materials were used, and the construction was built by locals who received a fair wage. The facilities were inaugurated with a football tournament in Siemens Gamesa's honor in March 2019. Since then, football training sessions and life skills workshops have been taking place on a regular basis. During the summer break, PlayOnside organized a summer school to improve the Thai, English and critical thinking skills of the children living in the community. The long-term goal of the project is to provide access to education to underprivileged children regardless of their ethnicity, gender, religion or socio-economic status and thereby increase their chances of a better future.



#### **UNITED KINGDOM:** How does wind energy work

Siemens Gamesa's local partner Lab Rascals organized ten wind energy workshops in low income primary schools in the vicinity of the company's blade factory in Hull with the goal to raise the aspirations of students towards STEM subjects. The workshops were designed to be hands-on and to help increase the children's problem solving and teamwork skills. The children aged 9-10 had to build a LEGO wind turbine and use it to charge a battery that would then power a LEGO car. In order to test whether wind speed, wind angles, number of blades etc. make a difference to the energy generated over time, the children also had to use basic mathematics. Siemens Gamesa employees volunteered to help during the workshops, together with 10 teachers, which benefitted over 300 children.

## 9.2.2. SGRE impact 2019-20

In the second edition of the initiative, 98 employees from 17 countries submitted 132 projects in 36 countries. The selection committee chose nine projects in nine countries to be funded and implemented by end of fiscal year 2020.



#### **CHINA:** Wind People Running for kids with leukemia

China Wind Energy Association has been working with the New Sunshine Charity Foundation to raise money for the treatment of kids with leukemia for many years. Each year in October, they organize a running activity and ask wind energy-related businesses to contribute by matching ng 200 RMB per person for each participating employee runner. Siemens Gamesa will participate in this community activity by encouraging local employees to join the run. Also, employees will visit a treatment center in Beijing, which is the temporary home for kids with leukemia coming from across the country in hope to get the best treatment in China.



#### **BANGLADESH:** Solar streetlights for refugee camps in Bangladesh

Siemens Gamesa partners with the Spanish committee of the UNHCR to install 30 solar streetlights in Rohingya refugee settlements in Bangladesh in 2019. The new solar streetlights will provide lighting in settlements identified through community consultations. Altogether, UNHCR will install 1,000 solar streetlights in these camps to improving security conditions for 9,000 refugees and especially women and girls, while promoting sustainable initiatives that care for the environment.



#### **THAILAND:** Girls Empowerment Program

Siemens Gamesa will continue its collaboration with PlayOnside in Mae Sot. The new project promotes gender equality and equal access to sports for Burmese migrant children displaced in Thailand. The organization has systematically worked to facilitate girls' participation and has seen a gradual increase in the girls' participation rate. Female participation in a male-dominated sport is now normalized in the migrant community in Mae Sot. Hence, the Girls Empowerment Program will further improve and expand gender equality in the community. It is a three-tier program, focusing on

facilitation, mentorship and leadership. With a systematic long-term female-led approach, adapted to the local context, PlayOnside aims to promote and raise awareness of girls and women rights both on and off the field. Apart from the Girls Mentorship Program, the organization plans to build additional sanitary facilities in the vicinity of football fields, because the lack of them is one of the main obstacles to girls' participation in football programs. They will also invest in transporting girls to and from football practice, because it is not safe for migrant girls to walk around Mae Sot alone after hours.



#### **TAIWAN:** Beach cleanup in central Taiwan

Beach pollution is a serious and widespread issue in Taiwan. Most beaches along the coastline are affected by the accumulation of marine waste. It has an impact on coastal and seabed ecosystems, endangering wilderness in littoral areas. Changhua county, where more than 70% of Taiwan's confirmed offshore wind pipeline will be built, has been identified as having the highest beach pollution rates of the Island, in a 2018 study by Greenpeace. Our partner organization RE-THINK will organize a beach clean-up event for Siemens Gamesa employees at one of the worst hit beaches in the county.



#### **USA:** Elliott Test Kitchen

Nearly 65% of Fort Madison school students qualify for free or reduced lunch programs due to their parents' low incomes. The ties between income and academic achievement are deep rooted. Siemens Gamesa supports The Test Kitchen Education Foundation in its goal to lift students from these circumstances through a two-pronged approach in their engaging after school program Elliott Test Kitchen: First, by teaching students to cook healthy meals while learning about food and earth science, healthy nutrition and cooking skills and introducing them to applied STEM education while providing decent meals at the same time. Secondly, by providing access to committed and caring adult mentors and educators to improve students' study skills and core education levels and engage students in giving back to their communities by demonstrating their cooking skills and providing meals to families in need.



#### **MEXICO:** Fab Lab Ed:

Siemens Gamesa partners with Fundación AXCEL A.C. to train 112 middle schoolers, who are at high risk of dropping out of school, and eight of their teachers in electronics, robotics, programming and digital fabrication, as well as vocational orientation and information on educational options in their city for a year at the Technology Hub and Fab Lab in Juárez. The participants will develop skills that go beyond technical learning; acquiring abilities, experiences, knowledge and, as a result, a boost in their self-confidence. They also develop decision making skills and a true sense of belonging, motivating the participants with enough self-esteem to face future challenges including continuing their education to high school and beyond. At the end of the project the students will demonstrate their new technical knowledge, soft skills, interest in continuing their studies to the next level and knowledge of their educational options.



#### **GERMANY:** A future through the sport that you love

I-Punkt Skateland is a non-profit organization only few minutes from Siemens Gamesa's offices in Hamburg that provides kids with a protected setting where they can come together and skate. Many are from disadvantaged families. We are partnering with them for a project that will involve 5-15 students or school dropouts from disadvantaged families in renovating the skating facilities with an experienced carpenter school and pedagogical guidance. They get a taste of what a carpenter apprenticeship would look like. The focus will also be on getting girls interested in carpentry and STEM subjects, thereby promoting gender equality. Furthermore, the kids will get career advice and help to develop their strengths.



#### **SPAIN:** Save the Ocean

Siemens Gamesa partners with Fundación Ecomar to clean the oceans and other waterways and bodies of water. Eight cleaning events of seashores or inland coasts in Spain and Portugal will be organized in which Siemens Gamesa employees as well as local children are asked to participate. These eight events could lead to the removal of 1.5 tons of trash and more than 10 kilometers of clean coast.



**TANZANIA:** Dolphin village – water and sanitation

Together with local partner Elimu e.V., a rainwater collection system will be built for their orphanage Dolphin Village in Miono, Tanzania, to make the best use of the rainy season and to secure clean and safe water for the orphanage and its surrounding village. Sanitary facilities for the surrounding village will also be constructed to prevent diseases related to unsanitary conditions. Furthermore, villagers and orphans will be trained in use of water and sanitation systems.



**CANADA:** Salvation Army Toy Drive Chatham

In Chatham, Ontario, employees at the Service Distribution Center collected toys for the local Salvation Army Toy Drive to be distributed to needy children in the local community. More than \$500 CAD in-kind toy donations were made by the Siemens Gamesa team in Canada.



**MEXICO:** Tejiendo el Viento (Weaving the Wind)

Initiated in 2016, Tejiendo el Viento is a pioneering business with a social approach: it empowers artisan women and helps them to preserve their ancestor’s traditions by selling goods and products consistent with the current dynamic and cosmopolitan market. It aims at driving the sustainable development of the community by improving the income of artisan women when selling their traditional artwork; it lays the groundwork for incorporating them into formal trade and thus favors the establishment of sustainable businesses that may grow country- or even worldwide; it strengthens the artisan’s technical, managerial and organizations skills; and provides a network of different stakeholders for the women that can help open up new markets. The importance of the project became even more imminent, when a massive earthquake devastated the region in September 2017. Siemens Gamesa supports Tejiendo el Viento by providing seed capital and acting as a customer by buying corporate gifts and employee giveaways from the initiative. Furthermore, the company lends a hand with the training of the artisans and promotes the businesses and products to Siemens Gamesa’s own customers, employees and other public stakeholders. The first group of seven indigenous artisans came together in early 2018. In 2019 Tejiendo el Viento was officially launched with 140 artisan women from 12 different communities in five municipalities in the region.

### 9.3. Local social action initiatives

Siemens Gamesa encourages local teams to organize social action initiatives in their own communities and employees worldwide have shown an increased interest in volunteering for a good cause. These local social action initiatives are chosen and implemented based on the company’s Social Action Policy. Social action initiatives have also gained increasing traction when developing and executing wind farm projects together with customers.

The following projects are a selection of many more projects that have been implemented worldwide.

#### 9.3.1. Americas



**BRAZIL:** Manioc Productive Chain and Community Center

Siemens Gamesa partnered with customer CPFL-Renováveis supporting a community in Patos, in the municipality of Itarema, expanding their production infrastructure of manioc products and at the same time strengthening their commercialization process. The project included renovating the ‘Flour House’, in which most of the production takes place, expanding a community center as well as the acquisition and installation of new equipment. A continuous evaluation of the adequacy of the processes is taking place and an evaluation system monitoring the evolution of the project was put in place. Overall the project benefits 120 people directly and more than 2,000 indirectly.



**MEXICO:** Reforestation initiative

In August 2019, 422 volunteers came together to support a reforestation initiative near the Xinantecatitl volcano in Mexico City, near our warehouse in Arlixco in Puebla and in Santo Domingo Ingenio in Oaxaca. The objective of the project was to drive the regeneration of the ecosystem in the region, promote an ecological awareness and bringing employees, families and community members together. The initiative also

welcomed a group of young people with Down Syndrome from the community to the planting activities to promote the integration of people with disabilities. The volunteers combined from all three locations planted more than 2,000 trees on six acres of land. 2019 was already the third year this project was implemented but involving three locations was a premiere.



**MEXICO:** Fondo Amdee

Siemens Gamesa joined Fondo Amdee in their reconstruction efforts after the devastating earthquake in 2017. 22,400 families in the Oaxaca region benefited from the initiative that started in 2017 and ended in September 2019. Its main objectives were to support protecting civilians, repair damaged infrastructure and damaged public schools, offer psychological support for earthquake victims. Siemens Gamesa specifically promoted the training in disaster response and equipped the local fire departments with new and specialized safety kits, such as a new tank truck or personal protection equipment. 14 municipalities benefited from Siemens Gamesa’s support.



**UNITED STATES:** Ronald McDonald House Charities of Central Florida, USA

A Ronald McDonald House provides a place for families to call home so they can stay close by their hospitalized child at little to no cost. The family can focus on the health of their child, rather than grocery shopping, cleaning or cooking meals. In Orlando alone, Ronald McDonald houses have served over 27,700 families and see about 2,500 families each year. About 90% of funding comes from the local community. More than 25 employees from Siemens Gamesa’s Orlando offices volunteered at the Ronald McDonald House of Central Florida. With more than \$1,000 USD spent on ingredients, employees shopped, prepared and cooked a hot meal for the families being served by the organization. Employees also assembled snack packs and cleaned the facility.



**UNITED STATES:** Community Outreach at Sunnybrook Assisted Living in Fort Madison

Employees from the Fort Madison, Iowa, blade manufacturing volunteered at Sunnybrook Assisted Living,

a facility serving senior citizens. They spent quality time with residents and challenged them to games of Wii bowling and explored the life of a Siemens Gamesa Service Technician via virtual reality goggles. The residents were amazed by the technology and our company’s story.



**UNITED STATES:** Community Workday in Hutchinson

In Hutchinson, Kansas, 17 employees joined hundreds of Hutchinson citizen in a community workday. Siemens Gamesa volunteers and family members spent four hours spreading mulch in a city park. In addition, more than 30 employees participated in the #trashtag challenge on Earth Day picking up litter from ditches and waterways in the city of Hutchinson.

9.3.2. Europe, Middle East and Africa



**DENMARK:** Donation to DanChurchSocial

Employees of the Danish Siemens Gamesa location Port of Esbjerg won a safety award of 5,000 EUR and decided to donate it to the local branch of the charity organization DanChurchSocial. It runs shelters and day and night centers for some of the most vulnerable citizens: the homeless, the poor and the ill, those who suffer from addiction, and extreme loneliness. The number of homeless people in Esbjerg is around 200-300.



**EGYPT:** Renovating the Ras Ghareb elementary school

Siemens Gamesa’s project team of the Ras Ghareb wind farm near village of Ras Ghareb partnered with customer Engie to give back to the local community. The project financed the renovation of two classrooms, sanitary facilities and playground of Ras Ghareb’s elementary school benefitting over 100 children.



**MOROCCO:** Access to clean drinking water in Boujdour

Siemens Gamesa partnered with the High Atlas Foundation and dug 520 meters canals and four wells and installed solar panels to illuminate the water access points in the vicinity of the Aftissat wind farm. Over 700

nomadic cattle breeder and their 188,000 herd animals benefited from the new water access.



**MOROCCO:** Clean Boujdour campaign

Siemens Gamesa partnered with the High Atlas Foundation to raise awareness about environmental protection in educational workshops about waste management and by organizing different activities such as planting trees, cleaning beaches and installing trash bins. 1,000 students from 17 schools participated in the program, 450 trees were planted and over 100 people volunteered on the beach cleaning day.



**MOROCCO:** Meal bags for Ramadan

During Ramadan, Siemens Gamesa partnered with Association les Sourdoués, which is dedicated to deaf children and adults, and donated 1,000 Euros to cover meal bags for a month benefiting 20 families living in Tangier, mainly single mothers in need being disabled themselves or with deaf children.



**MOROCCO:** School bags for the new school year in Hjar Nhal, Tangier, bags for Ramadan

Siemens Gamesa donated school bags and pencil cases to Hjar Nhal Primar School near the blade plant in Tangier. The donation benefited 200 students and shows the company's commitment to supporting education in rural areas.



**SOUTH AFRICA:** Sewing machine donation

Siemens Gamesa donated sewing machines and materials and made a monetary donation to the Witzenberg Association for People with Disabilities (WAPD) in Ceres, Western Cape, near the Perdekraal wind farm. The WAPD strives towards an inclusive society in which persons with disabilities are equal and active citizens.



**UNITED KINGDOM:** Hull Street Race

Siemens Gamesa was among the leading forces behind the Hull Street Race - the United Kingdom's first closed road electric car event. The

company sponsored two of the school teams and employees helped students design and build their cars. Overall 700 students, aged from nine up to 24, raced around Hull city center and were watched by thousands of spectators. The event was staged on a specially created city center circuit by Greenpower Education Trust, a charity that inspires young people to study STEM subjects to create the engineers of the future. The race featured 55 single-seat electric kit cars built by young people from schools, colleges and community groups across the Hull and the Humber region.



**SOUTH AFRICA:** Waste disposal truck donation

Our team in South Africa also remained true to one of its goals which is to help supplier development and at the same time waste disposal efficiency. The team donated a waste disposal truck to a budding start-up entrepreneur who is eager to be part of the challenge to fight for the environment and create a clean and better tomorrow for the next generation, while also collaborating with Siemens Gamesa South African wind farm sites.



**UNITED KINGDOM:** Celebratory tree planting in Hull

Reforestation helps tackling the climate crisis. For that reason, Siemens Gamesa's blade factory in Hull celebrated reaching the production milestone of finishing the 500th 75-meter long blade by partnering with Hull's City Council and planting 500 trees to help created the Northern Forest.



**UNITED KINGDOM:** Volunteer day with Sebastian's Action Trust

Sebastian's Action Trust supports families of seriously ill children from diagnosis, through treatment and beyond by listening and responding to their unmet needs. Siemens Gamesa volunteered with the Trust in Crowthorne and planted trees and tidied gardens. The volunteers also to put down paving slabs to allow wheelchairs access to a potting shed.





**UNITED KINGDOM:** School visits with Business in the Community

Siemens Gamesa has established a partnership with Business in the Community in the UK; which has seen over 20 employees go into local Schools and discuss their experiences with them. This is helping the kids to learn general information about our exciting industry and the range of opportunities in the wind sector. We are also helping with specific skills such as practice interview questions which are highly valued by the children.



**UNITED KINGDOM:** School visits with Business in the Community

Partnering with the Star of the Sea School in North Tyneside, we deliver three workshops per year with their children aged from 6-10 years old. This involves a range of activities demonstrating the importance of renewable energy to the children and how they can help tackle climate change. The program is well established and now in its third year. It is providing resources which are now being used by others to establish similar school programs throughout the UK and globally.

### 9.3.3. Asia and Australia



**INDIA:** Siemens Gamesa Gram Aarogya

Statistics show that more than 60% of the rural population in India does not have access to basic medical care, especially women and senior citizen. Siemens Gamesa's Gram Aarogya project has been a long-standing commitment since 2014 and has continuously providing the communities in the vicinity of our windfarms in rural areas of the states of Madhya Pradesh and Andhra Pradesh with basic medical assistance, proper prenatal care, eye care and educating people about seasonal diseases and how to avoid them ever since. In 2019, nearly 26,000 people in 28 villages benefitted from the project.



**INDIA:** Academic Excellence

India is still lacking adequate educational opportunities for students in rural areas. The projects aim was to shape the academic and life skills of

rural students, to provide them with the necessary educational aid and infrastructure as well as to empower them with information and knowledge. Deserving students also were given scholarships. Specifically, 600 students were selected to receive a 30-day training from the non-governmental organization Pratham based out of Pune, which included experiments using trash materials.



**INDIA:** From scrap wood to school furniture

Siemens Gamesa supported a project that trains indigenous people, living in the vicinity of the manufacturing plant in Mamandur outside of Chennai, in carpentry who then convert wood scraps into school furniture. This fosters the education or rural students that otherwise have little access to the proper educational infrastructure and comfort in classrooms. The project was launched in 2012 and since has trained and employed more than 130 people. 510,000 kilograms of scrap wood were turned into 2,550 sets of benches and desks in 2019 and were donated to 90 schools near Siemens Gamesa's wind farm sites across India.



**INDIA:** Women empowerment

The objectives of the project, which Siemens Gamesa supported in 2019, women from underprivileged communities were organized into self-help groups, whose members would engage in viable micro-enterprises and receive vocational training and livelihood support at the same time. The members of the groups would also receive micro credits from financial institutions and form a union to increase sustainable livelihood opportunities. 7,500 women from 60 villages in the states of Maharashtra, Karnataka and Madhya Pradesh organized 600 self-help groups. They received training in savings and credit activities and were encouraged to build a business to generate an additional income for the family. Most of the businesses focused on dairy farming and goat rearing.

# Annex I - Materiality analysis

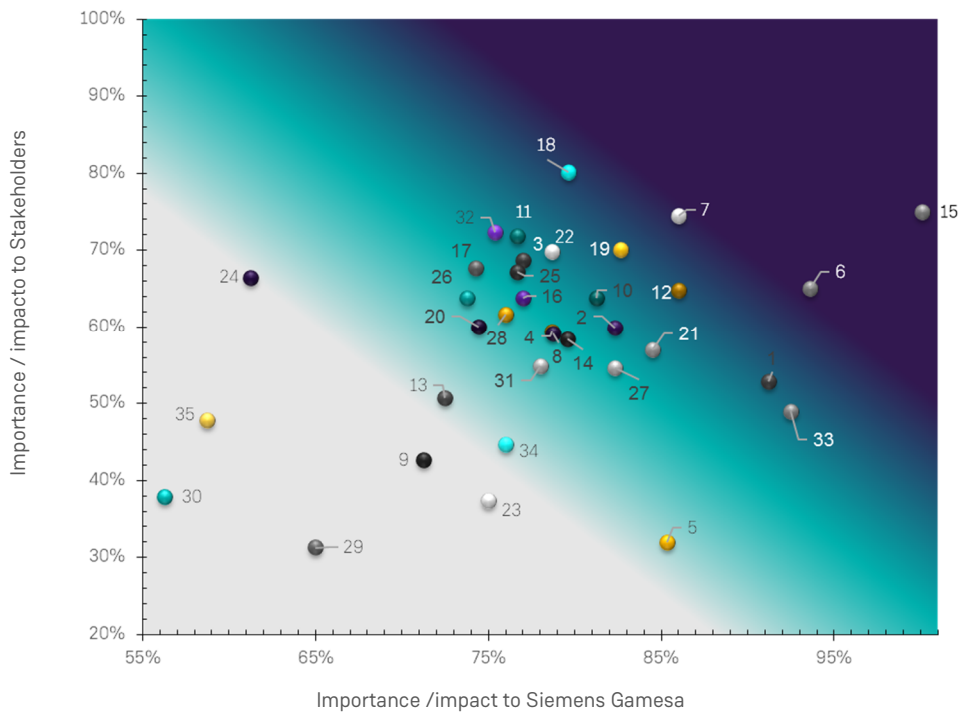


Table 56 - Material aspects

Material aspects [14]

15	Health and Safety
6	Ethics, integrity and anti-corruption
7	Regulatory compliance
12	Equal opportunity, diversity and non-discrimination
21	Human Rights
19	Communities and environment relationship
10	Renewable energy environment
2	Risks and opportunities management
18	R+D+i programs and investment
22	CSR procurement practices and suppliers' assessment
3	Corporate Governance
16	Employee satisfaction
25	GHG Emissions and climate change strategy
11	Training, professional development and employability

Table 57 - Future material aspects

Future material aspects [14]	
33	Customers' satisfaction
1	Business model and strategy
27	Environmental risks and impacts management
14	Talent attraction and retention
8	Economic management and performance
4	External engagement with stakeholders
31	Programs to reduce the environmental impact of the company's activities
34	Privacy and security of information
28	Waste management
32	Efficient use of resources (materials, energy, water, etc.)
20	Social action and investment
17	Impact of the life cycle of products and services
26	Environmental management systems and certifications
13	Conciliation and other social benefits

Table 58 - Non-material aspects

Non-material aspects [7]	
5	Investors relationships
23	Security of supply
9	Direct and indirect economic impacts
29	Environmental expenditures and investments
24	Biodiversity impact management
35	Grievance mechanisms
30	Land use

# Annex II - Main locations

Table 59 - Main locations

Country	Address	Town	Phone	Primary use
<b>Africa</b>				
Egypt	Road 218, Degla-Maadi	11431 Cairo	+202 25211048	Sales; Service
Morocco	Anfa Place, Centre d'Affaires "Est", RDC Boulevard de la Corniche	Casablanca	+212 5 22 67 68 01	Sales; Service
Morocco	Tanger Automotive City Lot B, La Ville Nouvelle Cherafate	Tangier		Factory
South Africa	Janadel Avenue 300, Halfway Gardens	Johannesburg	+27 (11) 652 2148	Sales; Service
<b>Asia-Pacific</b>				
Australia	Herring Road 160, Macquarie Park	2113 Sydney		Sales; Service
China	Guanghua Road, Chaoyang District	100020 Beijing	+86 (10) 5789 0899	Sales; Service
China	1333 Miaoxiang Rd, Lingang New Town	201306 Shanghai		Factory
China	Dalian Road 500, Yangpu District	Shanghai		Sales; Service
China	8 Chuangxin 4th Rd, Xiqing Qu	300384 Tianjin		Factory
India	Keonics 84, Hosur Road, Electronic City	560100 Bangalore		Sales; Service; R&D
India	#334, Sholinganallur	600119 Chennai	+91 44 39242424	Sales; Service
India	Redhills, Vadagarai	600066 Chennai		Factory
India	# 3a, Phase III, Halol G I D C	389350 Halol		Factory
India	Theni Highway, Kanchipuram, Bukkathurai	603308 Mamandur		Factory
Japan	1 Chome 11-1, Shinagawa-ku, Osaki	141 0032 Tokyo	+81 (3) 3493-6378	Sales; Service
Korea	Hangang daero 416, Namdaemoon-ro, Jung-gu	Seoul	+82 (2) 6270 4800	Sales; Service
Philippines	Dela Rosa Street 676, Legazpi Village, Makati	1229 Makai City	+63 2 729 7221	Sales; Service
Singapore	MacPherson Road 60	348615 Singapore	+65 6490 6004	Sales; Service
Sri Lanka	51 Negombo-Colombo Main Road, Negombo	Kurana	+94 312235890	Sales; Service
Taiwan	Songjiang Road 126, Zhongshan District	10491 Taipei		Sales; Service
Thailand	North Sathorn Road 98, Khwaeng Silom	10500 Bangkok	+66 2 105 6300	Sales; Service
Vietnam	29 Le Duan Street, Ben Nghe, Quận 1	Ho Chi Minh City	+84 28 35207713	Sales; Service
<b>Europe</b>				
Austria	Siemensstraße 90	1210 Vienna	+43 51707 0	Sales; Service
Belgium	Guido Gezellestraat 123, Beersel	1654 Huizingen	+32 2 536 2111	Sales; Service
Croatia	Heinzlova 70 A	10000 Zagreb	+385 (1) 6105 494	Sales; Service
Denmark	Assensvej 11	9220 Aalborg		Factory
Denmark	Borupvej 16	7330 Brande	+45 9942 2222	Sales; Service; R&D; Factory
Denmark	Fiskergade 1	7100 Vejle		Sales; Service
France	Avenue des Fruitiers 40, Saint-Denis	93200 Paris		Sales; Service
Germany	An der Baumroenne 4	27472 Cuxhaven		Factory
Germany	Beim Strohhaue 17-31	20097 Hamburg		Sales; Service
Greece	Adrianeiou Street 9	11525 Athens	+30 2106753300	Sales; Service
Ungarn	Gizella út 51-57	1143 Budapest	+36 (1) 471 1410	Sales; Service
Iran	Taleqani street 349, District 6	1593643311 Tehran	+98 (21) 8518 1	Sales; Service
Ireland	Old Finglas Road 11, Glasnevin	Dublin		Sales; Service
Italy	Via Vipiteno 4	20128 Milan	+39 022 431	Sales; Service
Netherlands	Prinses Beatrixlaan 800	2595 BN Den Haag	+31 (70) 333 2712	Sales; Service
Norway	Østre Aker vei 88	0596 Oslo		Sales; Service

Country	Address	Town	Phone	Primary use
Poland	Zupnicza Street 11	03-821 Warsaw	+48 (22) 870 9000	Sales; Service
Spain	Calle Diego de Ágreda	42100 Agreda		Factory
Spain	Poligono Industrial Aoiz, Carretera AR-3	31430 Aoiz		Factory
Spain	Parque Industrial de As Somozas	15568 As Somozas		Factory
Spain	Calle Ramirez de Arellano 37	28034 Madrid		Sales; Service, R&D
Spain	2-168 Calle Soto Aizoáin 56	31013 Pamplona		Service, R&D
Spain	Parque Tecnológico de Bizkaia, Edificio 222	48170 Zamudio		Sales; Service, R&D
Sweden	Johanneslundsvägen 12, Habo	194 61 Upplands Vaesby	+46 (8) 728 1000	Service, R&D
Turkey	Yakacik caddesi 111	34870 Istanbul	+90 (216) 459 2000	Service, R&D
United Kingdom	Sir William Siemens Way, Alexandra Dock (West)	Hull HU9 1TA		Factory
United Kingdom	Sir William Siemens Square, Frimley, Camberley	Frimley GU16 8QD		Factory
United Kingdom	Quicksilver Way 9b	Newcastle NE27 0QQ		Service

### North America

Canada	North Service Road East 1577	L6H 1A7 Oakville	+1 905-465-8000	Service, R&D
United States	Walnut Street 315	80302 Boulder		Sales; Service, R&D
United States	Highway 61 2591	52627 Fort Madison		Factory
United States	Commerce Street 1000	67501 Hutchinson		Factory
United States	Quadrangle Boulevard 3501	32817 Orlando		Service, R&D

### South America

Brazil	Rua dos Polimeros, Camaçari	42810-400 Camaçari		Factory
Brazil	Av. Nações Unidas, 8501, Pinheiros	05425-070 Sao Paulo	+55 (11) 3096-4444	Service, R&D
Chile	Avenida Presidente Riesco 5335, Las Condes	7550000 Santiago de Chile		Service, R&D
Mexico	Paseo de la Reforma 505, Cuahutemoc	06500 Mexico City	+52 55 50179700	Service, R&D

# Annex III - The state of non-financial information

Index of contents required by Law 11/2018, of December 28, which modifies the Commercial Code, the revised text of the Capital Companies Act approved by Royal Legislative Decree 1/2010, of July 2, and Law 22/2015, of July 20, on Audit of Accounts, regarding non-financial information and diversity.

Table 60 - General information

Category	Sub-category	Reporting framework	Reference	Comments / Reason for omission
<b>Business model</b>	Description of the Group's business model, which will include: - Business environment - Organization and structure - Markets in which it operates - Objectives and strategies	- GRI 102-1 Name of the organization	9	
		- GRI 102-2 Activities, brands, products, and services	11	
		- GRI 102-3 Location of headquarters	9	
		- GRI 102-4 Location of operations	9	
		- GRI 102-6 Markets served	11	
		- GRI 102-7 Size of the organization	10	
<b>Policies and Results of these Policies</b>	A description of the policies applied by the group as well as the results of those policies, including key indicators of relevant non-financial results	- GRI 103 Management approach of each scope	19	
<b>Short, medium and long term risks</b>	The main risks related to these issues related to the activities of the group, including, when relevant and proportionate, their business relationships, products or services that may have negative effects in these areas.	- GRI 103 Management approach of each scope	16	
		- GRI 102-15 Key impacts, risks, and opportunities	16	

Table 61 - Environment

Category	Sub-category	Reporting framework	Reference	Comments / Reason for omission
Environmental management	Information on the current and foreseeable impact of the company's activities on the environment	- GRI 103 Management approach of environment - GRI 102-11 Precautionary Principle or approach	55	
	Environmental assessment and certification procedures		55	
	Resources devoted to environmental risk prevention		55	
	Implementation of the precautionary principle		55	
	Amount of provisions and warranties for environmental risks		56	
Pollution	Measures to prevent, reduce or repair carbon emissions that seriously affect the environment; taking into account any form of air pollution specific to an activity, including noise and light pollution	- Internal operating framework	56; 61	Light pollution is not considered a material aspect for Siemens Gamesa
Circular economy and waste prevention and management	Waste: Measures related to prevention, recycling, reuse and other form of waste recovery and disposal	- GRI 103: Management approach of waste / circular economy - GRI 306-2 Waste by type and disposal method	61; 66	
	Actions to avoid food waste	- Internal operating framework	64	Food waste is not a material issue at Siemens Gamesa
Sustainable use of resources	Water consumption and water supply in accordance with local limitations	- GRI 303-1 Water withdrawal by source	62	
	Consumption of raw materials and measures to improve the efficiency of their use	- GRI 103: Management approach of materials - GRI 301-1 Materials used by weight or volume	59	
	Consumption, direct and indirect, of energy measures taken to improve energy efficiency and the use of renewable energies	- GRI 103: Management approach of energy - GRI 302-1 Energy consumption within the organization	59	
Climate change	Important elements of greenhouse gas emissions generated as a result of the activities of the company, including the use of the goods and services it produces	- GRI 103: Management approach of emissions - GRI 305-1 Direct (Scope 1) GHG emissions - GRI 305-2 Energy indirect (Scope 2) GHG emissions	60; 61	
	Measures to adapt to climate change	- GRI 103: Management approach of emissions	57	
	Targets of reduction established voluntarily	- GRI 103: Management approach of emissions	57	
Biodiversity	Measures to preserve or restore biodiversity	- GRI 103: Management approach of biodiversity - GRI 304-2 Significant impacts of activities, products, and services on biodiversity	67	
	Business impact on protected areas			

Table 62 - Social and employee-related matters

Category	Sub-category	Reporting framework	Reference	Comments / Reason for omission
Employment	Total number of employees and distribution by country, gender, age and occupational classification	- GRI 103: Management approach of employment - GRI 102-8 Information on employees and other workers - GRI 405-1 Diversity of governance bodies and employees	11; 44	
	Total number and distribution of the conditions of the work contract	- Internal data linked to SAP system procedure	40	
	Annual average of permanent, temporary and part-time contracts by sex, age and professional category	- GRI 102-8 Information on employees and other workers - GRI 405-1 Diversity of governance bodies and employees	40; 44	Contract data is total number at the end of fiscal year, not average.
	Number of dismissals by sex, age and professional category	- GRI 401-1: New employee hires and employee turnover	41	
	Average remuneration by sex, age and professional category	- GRI 405-2: Ratio of basic salary and remuneration of women to men	41	
	Gender pay gap, the remuneration of equal or average jobs in society	- GRI 103: Management approach of employment - GRI 405-2: Ratio of basic salary and remuneration of women to men	48	
	Average remuneration of counselors and managers by sex	- Internal operating framework	25	
	Implementation of policies to allow employees to disconnect from work	- Internal operating framework	38	
	Number of employees with disabilities	- Internal operating framework	45	
Work organization	Working hours organization	- Internal operating framework	39	
	Number of hours of absenteeism	- Internal operating framework	52	Absenteeism hours reflect days lost due to accidents with sick leave. Data is given in days as system does not allow such calculation.
	Measures to promote work-life balance and co-parenting responsibilities	- GRI 103: Management approach of employment	44	
Health and safety	Occupational health and safety conditions	- GRI 103: Management approach of employment	49	
	Number of work accidents and occupational diseases by sex, frequency and severity rate by sex	- Internal operating framework	51	Breakdown of work-related accidents and diseases by gender cannot be provided because systems are not prepared to provide this information.
Labor relations	Social dialogue organization	- GRI 103: Management approach of relations worker/organization	42	
	Percentage of employees covered by collective agreements, by country	- GRI 102-41 Collective bargaining agreements	43	
	Results of collective agreements, especially in the field of health and safety	- Internal operating framework	43	
Training	Training policies implemented	- GRI 103: Management approach of training and education	42	
	Number of hours of training by professional category	- GRI 404-1 Average hours of training per year per employee	42	The training hours is not disclosed by training categories. Systems are not prepared to provide this information
<b>Universal accessibility of people with disabilities</b>		- GRI 103: Management approach of diversity, equality and no discrimination	43	
Equality	Measures taken to promote equal treatment and equal opportunities for women and men	- GRI 103: Management approach of diversity, equality and no discrimination	43	
	Equality plans measures adopted to promote employment, protocols against sexual and gender-based harassment		44	
	Integration and universal accessibility for people with disabilities		45	
	Policy against all types of discrimination and, where appropriate, management of diversity		43	



Table 63 - Human Rights

Category	Sub-category	Reporting framework	Reference	Comments / Reason for omission
Human Rights	Application of due diligence procedures in the field of human rights Prevention of the risks of violation of human rights and, where appropriate, measures to mitigate, manage and repair possible abuses committed	- GRI 103: Management approach assessment of human rights + freedom of association and collective bargaining + child labor + forced or compulsory labor - GRI 102-16 Values, principles, standards, and norms of behavior - GRI 102-17 Mechanisms for advice and concerns about ethics	9; 25; 30; 29	
	Complaints about cases of violation of human rights	- Internal operating framework	30; 29	
	Promotion and compliance with ILO's provisions related to freedom of association and collective bargaining; the elimination of work discrimination, forced or compulsory labor and the effective abolition of child labor	- GRI 103: Management approach assessment of no discrimination - GRI 407-1 Operations and suppliers in which the right to freedom of association and collective bargaining maybe at risk	29	

Table 64 - Corruption and bribery

Category	Sub-category	Reporting framework	Reference	Comments / Reason for omission
Corruption and bribery	Measures taken to prevent corruption and bribery	- GRI 103: Management approach assessment of no discrimination - GRI 102-16 Values, principles, standards, and norms of behavior - GRI 102-17 Mechanisms for advice and concerns about ethics	27	
	Measures to combat money laundering	- Internal operating framework	29	
	Contributions to non-for-profit organizations	- Internal operating framework	74	

Table 65 - Society

Category	Sub-category	Reporting framework	Reference	Comments / Reason for omission
<b>Commitment with sustainable development</b>	Impact of the company's activity on employment and local development	- GRI 103 Management approach local communities + indirect economic impacts - GRI 102-43 Approach to stakeholder engagement	16	
	Impact of the company's activity on local populations and territories		73	
	Company's relations with local communities' agents and dialogue channels		73	
	Partnerships and sponsorship actions		36	
<b>Sustainable supply chain</b>	Inclusion of social, gender equality and environmental matters in the company's purchasing policy	- GRI 103 Management approach of procurement practices - GRI 102-9 Supply chain - GRI 308-2 Negative environmental impacts in the supply chain and actions taken - GRI 414-2 Negative social impacts in the supply chain and actions taken	68	
	Attention given to the social and environmental responsibility of subcontractors and suppliers		69	
	Monitoring and supervision systems and related results		70	
<b>Consumer relationship management</b>	Measures to protect consumers' health and safety	- GRI 103 Management approach of Health and Safety Management in clients + Marketing and labeling + Customer privacy	66	
	Claims systems		30	
	Complaints received and resolution of them		97	
<b>Tax information</b>	Profits obtained per country	- Internal data linked to SAP system procedure	34	
	Taxes paid on profits	- Internal data linked to SAP system procedure	35	
	Public subsidies received	- Internal data linked to SAP system procedure	35	

# Annex IV - GRI Content Index

## General Standard Disclosures [102-55]

GRI 101 Foundation 2016 (Note: does not require disclosure of information)

## GRI 102 General Disclosures

GRI Standard	GRI 4 Equivalent	Page / Reference	Comment	External Assurance	Description
<b>Organizational Profile</b>					
102-1	G4-3	9	-	✓	Name of the organization
102-2	G4-4	11	-	✓	Activities, brands, products, and services
102-3	G4-5	9	-	✓	Location of headquarters
102-4	G4-6	9	-	✓	Countries where there are significant operations
102-5	G4-7	10	-	✓	Nature of ownership and legal form.
102-6	G4-8	11	-	✓	Markets served
102-7	G4-9	10	-	✓	Scale of the organization
102-8	G4-10	11	-	✓	Information on employees and other workers
102-9	G4-12	68	-	✓	Supply chain
102-10	G4-12	69	-	✓	Significant changes to the organization and its supply chain
102-11	G4-14	55	-	✓	Precautionary principle approach
102-12	G4-15	14	-	✓	Principles of initiatives subscribed or endorsed
102-13	G4-16	36	-	✓	Membership in associations
<b>Strategy</b>					
102-14	G4-1	4	-	✓	Statement from the primarily responsible of the organization about the relevance of sustainability for the organization and its strategy with a view to addressing said topic.
102-15	G4-2	16	-		Key impacts, risks and opportunities
<b>Ethics and Integrity</b>					
102-16	G4-56	9	-	✓	Values, principles, standards and norms of behavior such as codes of conduct
102-17		25	-	✓	Internal and external mechanisms for seeking advice on ethical and lawful behavior

## Corporate Governance

102-18	G4-34	23	-	✓	Governance structure
102-19	G4-35	24	-	✓	Delegation of authority by the highest governance body to senior management
102-20	G4-36	24	-	✓	Executive-level positions with responsibility for economic, environmental and social topics
102-21	G4-37	97	Note 3	✓	Processes for consultation between stakeholders and the Board of Directors
102-22	G4-38	23	-	✓	Composition of the highest governance body
102-23	G4-39	97	Note 4	✓	Report whether the chair of the highest governance body is also an executive officer and the reasons for this arrangement
102-24	G4-40	97	Note 5	✓	Nomination and selection processes for the highest governance body
102-25	G4-41	97	Note 6	✓	Processes for the highest governance body to ensure conflicts of interest are avoided
102-26	G4-42	21	-	✓	Highest governance body's and senior executives' roles in the development, approval, and updating of the organization's value or mission statements, strategies, policies and goals
102-27	G4-43	97	Note 7	✓	Highest governance body's collective knowledge of economic, environmental and social
102-28	G4-44	97	Note 8	✓	Evaluating the highest governance body's performance
102-29	G4-45	97	Note 9	✓	Highest governance body's role in the identification and management of economic, environmental and social impacts, risks and opportunities, including its role in the implementation of due diligence processes and stakeholder consultation
102-30	G4-46	97	Note 9	✓	Highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics
102-31	G4-47	97	Note 9	✓	Frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities
102-32	G4-48	7	-	✓	Highest governance body's role in sustainability reporting
102-33	G4-49	97	Note 3	✓	Process for communicating critical concerns to the highest governance body
102-34	G4-50	97	Note 10	✓	Critical concerns that were communicated to the highest governance body
102-35	G4-51	97	Note 11	✓	Remuneration policies
102-36	G4-52	97	Note 11	✓	Process for determining the remuneration
102-37	G4-53	97	Note 12	✓	How stakeholders' expectations taken into account regarding remuneration policies
102-38	G4-54	25	-		Annual total compensation ratio
102-39	G4-55	25	-		Percentage increase in annual total compensation ratio

## Organizational Profile

102-18	G4-34	23	-	✓	Governance structure
102-19	G4-35	24	-	✓	Delegation of authority by the highest governance body to senior management
102-20	G4-36	24	-	✓	Executive-level positions with responsibility for economic, environmental and social topics
102-21	G4-37	97	Note 3	✓	Processes for consultation between stakeholders and the Board of Directors
102-22	G4-38	23	-	✓	Composition of the highest governance body

## Stakeholder Engagement

102-40	G4-24	19	-	✓	Stakeholders engaged by the organization
102-41	G4-11	43	-	✓	Collective bargaining agreements
102-42	G4-25	19	-	✓	Identifying and selecting stakeholders
102-43	G4-26	19	-	✓	Approach adopted to relations with stakeholder groups
102-44	G4-27	20	-	✓	Key topics and concerns raised through stakeholder engagement

## Reporting Practice

102-45	G4-17	7	-	✓	Entities included in the consolidated financial statements and in the scope of the report
102-46	G4-20	7	-	✓	Defining report content and topic Boundaries
102-47	G4-18	20	-	✓	List of material topics
102-48	G4-22	7	-	✓	Restatements of information provided in previous reports
102-49	G4-23	6	-	✓	Changes in reporting
102-50	G4-28	6	-	✓	Reporting period
102-51	G4-29	Nov-18	-	✓	Date of most recent report disclosure
102-52	G4-30	Annual	-	✓	Reporting cycle of the report
102-53	G4-31	102	-	✓	Contact point for questions regarding the report
102-54		6	-	✓	Claims of reporting in accordance with the GRI Standards
102-55	G4-32	91	-	✓	GRI content index
102-56	G4-33	97	Note 1	✓	External assurance

## GRI 103 Management Approach

GRI Standard	GRI 4 Equivalent	Page / Reference	Comment	External Assurance	Description
103-1	-	-	-	✓	Explanation of the material topic and its Boundary
103-2	-	-	-	✓	The management approach and its components
103-3	-	-	-	✓	Evaluation of the management approach

## GRI 200 Economic Topics

GRI Standard	GRI 4 Equivalent	Page / Reference	Comment	External Assurance	Description
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### GRI 201 Economic Performance

201-1	G4-EC1	11	-		Direct economic value generated and distributed
201-2	G4-EC2	97	Note 14	-	Financial implications and other risks deriving from climate change
201-3	G4-EC3	46		-	Defined benefit plan obligations and other retirement plans
201-4	G4-EC4	35	-	✓	Financial assistance received from government

### GRI 202 Market Presence

202-1	G4-EC5	97	Note 13	-	Ratio of standard entry level wage to local minimum wage
202-2	G4-EC6	97	Note 2	-	Proportion of senior management hired from the local community

### GRI 203 Indirect Economic Impacts

203-1	G4-EC7	97	Note 2	-	Infrastructure investments and services supported
203-2	G4-EC8	97	Note 2	-	Significant indirect economic impacts

### GRI 204 Procurement Practices

204-1		69	-	✓	Proportion of spending on local suppliers
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### GRI 205 Anti-Corruption

205-1	G4-S03	27	-	✓	Operations assessed for risks related to corruption
205-2	G4-S04	30	-	-	Communication and training on anti-corruption policies and procedures
205-3	G4-S05	30	-	✓	Confirmed incidents of corruption and actions taken

### GRI 206 Anti-Competitive Behavior

206-1	G4-S07	28	-	✓	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices
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## GRI 300 Environmental Topics

GRI Standard	GRI 4 Equivalent	Page / Reference	Comment	External Assurance	Description
<b>GRI 301 Materials</b>					
301-1	G4-EN1	59		✓	Materials used by weight and volume
301-2	G4-EN2	97	Note 2	-	Percentage of materials used that are recycled input materials.
301-3		97	Note 2	-	Reclaimed products and their packaging materials
<b>GRI 302 Energy</b>					
302-1	G4-EN3	59	-	✓	Energy consumption within the organization
302-2	G4-EN4	-	-	-	Energy consumption outside the organization
302-3	G4-EN5	60	-	✓	Energy intensity
302-4	G4-EN6	64	-	✓	Reduction of energy consumption
302-5	G4-EN7	64	-	✓	Reductions in energy requirements of products and services
<b>GRI 303 Water</b>					
303-1	G4-EN8	62	-	✓	Total water withdrawal by source
303-2	G4-EN9	62	-	✓	Water sources significantly affected by withdrawal of water
303-3	G4-EN10	62	-	✓	Water recycled and reused
<b>GRI 304 Biodiversity</b>					
304-1	G4-EN11	67	-	-	Operational sites in protected areas or high biodiversity value outside protected areas
304-2	G4-EN12	67	-	✓	Impacts of activities, products, and services on biodiversity
304-3	G4-EN13	97	Note 2	-	Habitats protected or restored
304-4	G4-EN14	67	-	✓	IUCN red list and national conservation list species with habitats in areas affected by operations
<b>GRI 305 Emissions</b>					
305-1	G4-EN15	60	-	✓	Direct greenhouse gas (GHG) emissions (Scope 1)
305-2	G4-EN16	61	-	✓	Energy indirect greenhouse gas (GHG) emissions (Scope 2)
305-3	G4-EN17	61	-	✓	Other indirect greenhouse gas (GHG) emissions (Scope 3)
305-4	G4-EN18	61	-	✓	Greenhouse gas (GHG) emissions intensity
305-5	G4-EN19	65	-	✓	Reduction of greenhouse gas (GHG) emissions
305-6	G4-EN20	61	-	✓	Emissions of ozone-depleting substances (ODS)
305-7	G4-EN21	97	Note 2	-	NOx, SOx and other significant air emissions
<b>GRI 306 Efluents and Waste</b>					
306-1	G4-EN22	62	-	✓	Total water discharge by quality and destination
306-2	G4-EN23	61	-	✓	Total weight of waste by type and disposal method
306-3	G4-EN24	63	-	-	Total number and volume of significant spills
306-4	G4-EN25	97	Note 17	-	Transport of hazardous waste
306-5	G4-EN26	62	-	✓	Water bodies and related habitats significantly affected by the organization's discharges of water and runoff
<b>GRI 307 Environmental Compliance</b>					
307-1	G4-EN29	97	Note 16	✓	Non-compliance with environmental laws and regulations.
<b>GRI 308 Supplier Environmental Assessment</b>					
308-1	G4-EN32	70	-	-	New suppliers that were screened using environmental criteria
308-2	G4-EN33	70	-	✓	Negative environmental impacts in the supply chain and actions taken

## GRI 400 Social Topics

GRI Standard	GRI 4 Equivalent	Page / Reference	Comment	External Assurance	Description
<b>GRI 401 Employment</b>					
401-1	G4-LA1	41	-	✓	New employee hires and employee turnover
401-2	G4-LA2	45	-	-	Benefits provided to full-time employees not provided to temporary or part-time employees
401-3	G4-LA3	45	-	-	Parental leave
<b>GRI 402 Labor/Management Relations</b>					
402-1	G4-LA4	43	-	✓	Minimum notice periods regarding operational changes
<b>GRI 403 Occupational Health and Safety</b>					
403-1	G4-LA5	50	-	-	Workers representation in formal joint management-worker health and safety committees
403-2	G4-LA6	51	-	-	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities.
403-3	G4-LA7	53	-	-	Workers with high incidence or high risk of diseases related to their occupation
403-4	G4-LA8	97	Note 2	-	Health and safety topics covered in formal agreements with labor unions
<b>GRI 404 Training and Education</b>					
404-1	G4-LA9	42	-	✓	Average hours of training per year per employee
404-2	G4-LA10	42	-	✓	Programs for upgrading employee skills and transition assistance programs
404-3	G4-LA11	97	Note 2	-	Percentage of employees receiving regular performance and career development reviews
<b>GRI 405 Diversity and Equal Opportunity</b>					
405-1	G4-LA12	44	-	✓	Diversity of governance bodies and employees
405-2	G4-LA13	47	-	✓	Ratio of basic salary and remuneration of women to men
<b>GRI 406 Non-Discrimination</b>					
406-1	G4-HR3	44	-	-	Incidents of discrimination and corrective actions taken
<b>GRI 407 Freedom of Association and Collective Bargaining</b>					
407-1	G4-HR4	42	-	✓	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be at risk
<b>GRI 408 Child Labor</b>					
408-1	G4-HR5	97	Note 2	-	Operations/suppliers identified having significant risk for incidents of child labor
<b>GRI 409 Forced Labor</b>					
409-1	G4-HR6	97	Note 2	-	Operations and suppliers at significant risk for incidents of forced -compulsory labor
<b>GRI 410 Security Practices</b>					
410-1	G4-HR7	97	Note 2	-	Security personnel trained in human rights policies or procedures
<b>GRI 411 Rights of Indigenous People</b>					
411-1	G4-HR8	97	Note 2	-	Incidents of violations involving rights of indigenous peoples

#### GRI 412 Human Rights Assessment

412-1	G4-HR9	29	-	-	Operations subject to human rights reviews or impact assessments
412-2		30		-	Employee training on human rights policies or procedures
412-3		97	Note 20	-	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening

#### GRI 413 Local Communities

413-1	G4-S01	73	-	✓	Local community engagement, impact assessments, development programs
413-2	G4-S02	36	-	✓	Significant actual or potential negative impacts on local communities

#### GRI 414 Supplier Social Assessment

414-1	G4-S09	70	-	-	New suppliers that were screened using social criteria
414-2	G4-S010	70	-	✓	Negative social impacts in the supply chain and actions taken

#### GRI 415 Public Policy

415-1	G4-S06	-	Not recorded	-	Political contributions
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#### GRI 416 Customer Health and Safety

416-1	G4-PR1	54	-	-	Assessment of the health and safety impacts of product and service categories
416-2	G4-PR2	97	Note 18	✓	Incidents of non-compliance concerning the health and safety impacts of products and services

#### GRI 417 Marketing and Labeling

417-1	G4-PR3	97	Note 21	✓	Requirements for product and service information and labeling
417-2	G4-PR4	97	Note 18	✓	Incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling
417-3	G4-PR7	97	Note 18	✓	Incidents of non-compliance concerning marketing communications

#### GRI 418 Customer Privacy

418-1	G4-PR8	97	Note 18	✓	Substantiated complaints regarding breaches of customer privacy and losses of customer data
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#### GRI 419 Socioeconomic Compliance

419-1	G4-PR9	97	Note 16	✓	Non-compliance with laws and regulations in the social and economic area
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## Notes included into the GRI index

*[Note 1]:* The EY verification report, unlike previous years, cannot be an integral part of the Consolidated Non-Financial Statement (CNFS) and cannot be attached to the CNFS itself. This verification document is independent and is generated after audit closing. The reasoning is the same as in financial audit, the audit report is not part of the financial statements.

*[Note 2]:* It has not been possible to report consolidated data for the Group at the end of the reporting period. The Company is working on both management processes and at a systems level to provide this data in future reporting cycles.

*[Note 3]:* The Regulations of the General Meeting of Shareholders, establish the rules: (a) of constitution and operation of the General Meeting of Shareholders of Siemens Gamesa Renewable Energy, S.A.; and (b) for the exercise by the shareholders of the rights of information, attendance, speech, vote and any others that legally correspond to them. Those Regulations form part of the Company's Corporate Governance Standards. [\[Link\]](#). Additionally, the Company has a Shareholder Information Office which deals with shareholders daily and responds to any queries they may raise.

*[Note 4]:* The Chair of the highest governance body is not also the executive officer. The Chair holds the highest responsibility for the effective operation of the Board of Directors.

*[Note 5]:* The procedures for the selection, appointment, re-election, evaluation and resignation of board members, together with details of the competent bodies, processes to be followed and the criteria to be used in each procedure are disclosed in section C.1.19 of the Annual Corporate Governance Report 2019.

*[Note 6]:* Section D.6 of the Annual Corporate Governance 2019 describes the mechanisms implemented to detect, determine and resolve any conflicts of interest between the Company and/or its Group, and its directors, executives or significant shareholders.

*[Note 7]:* Indicated in the Regulations of the Board of Directors [\[Link\]](#)

*[Note 8]:* Indicated in Section C.1.20 of the Annual Corporate Governance Report 2019.

*[Note 9]:* Indicated in Section E of the Annual Corporate Governance Report 2019.

*[Note 10]:* The Board of Directors of Siemens Gamesa addresses the concerns which lie within its powers, as set forth in detail in Article 7 of the Regulations of the Board of Directors [\[Link\]](#)

*[Note 11]:* The Company rules which govern the remuneration of members of the Board of Directors are set forth in Article 45 of the By-Laws of Siemens Gamesa Renewable Energy, S.A. [\[Link\]](#), and in Article 29 of the Regulations of the Board of Directors [\[Link\]](#). Additional information can be accessed through Siemens Gamesa Renewable Energy S.A. and Subsidiaries Consolidated Annual Accounts for the period ended September 30, 2019. Also refer to the Annual Report on remuneration of the members of the Board of Directors 2019 for quantitative and qualitative details.

*[Note 12]:* The Annual Report on remuneration of the members of the Board of Directors is submitted to consultative vote on an annual basis within the Company's General Meeting of Shareholders. In accordance with prevailing legislation the remuneration policy of the year in course and the preceding year is set out in detail, including each director's individual remuneration.

At the Company's General Meeting of Shareholders held on March 27, 2019, the report was approved with 99.38% of the votes in favor, 0.49% votes against and 0.12% abstentions.

*[Note 13]:* At the time of reporting, it was not possible to aggregate the information relating to compensation or annual increases. Although specific compensation related data is confidential, we'll make an overarching approach in the following reporting periods. Generally, we comply with local regulations, law and general business ethics. That includes local regulations on minimum wage and equal opportunity in employment defined in our Business Conduct Guidelines.

*[Note 14]:* There is a strategic analysis of the risks of climate change dated 2016. It was not possible to conduct a complete new analysis of financial risks at Group level during the reporting period.

*[Note 15]:* Additional information can be accessed at Siemens Gamesa Renewable Energy S.A. and Subsidiaries *Consolidated Annual Accounts for the period ended September 30, 2019*.

*[Note 16]:* Total fines from penalties at the end of the reporting period were non-existent or not material.

*[Note 17]:* The Group is equipped with procedures which set out systematic processes to exercise appropriate control over loading, unloading and transport operations of hazardous goods by land, sea and air carried out at the group's centers with the organization's own resources or those of subcontracted companies in order to ensure suitable protection for people, goods and the environment, as well as to comply with the legislation in force.

*[Note 18]:* There is no record of any grievances or complaints having been received during the reporting period. [\[L11-SO10\]](#)

*[Note 20]:* There were no significant investment agreements in the reporting period that could endanger the protection of human rights, affect the Company's reputation or the stability of such investments. Significant investments are construed to be any that must be disclosed as Relevant Disclosures to the National Securities Market Commission (CNMV), and any information the knowledge of which could reasonably affect an investor to buy or transfer securities or financial instruments and which could therefore noticeably affect their listing in the secondary market will be deemed as such.

*[Note 21]:* Siemens Gamesa places special importance on providing an appropriate degree of information and labeling on the sustainability of its products and services. Given the nature of the equipment sold, warranties are set forth in agreements between the customer and the supplier.

# Annex V - UN Global Compact

Siemens Gamesa has endorsed, ratified and committed to upholding the ten principles of the United Nations' Global Compact. This commitment was ratified for the first time at legacy Gamesa on February 2, 2005 (participant ID 4098) and remains applicable to the new group. To describe the progress made during the fiscal year against these principles' readers can refer to our Consolidated Non-Financial Statement 2019, our online communication on progress at the UN Global Compact webpage <sup>45</sup> and to the following report index.

## Human Rights

**Principle 1:**  
Business should support and respect the protection of internationally proclaimed human rights within their area of influence

**Principle 2:**  
Business should make sure that they are not complicit in human rights abuses.

## Labor

**Principle 3:**  
Business should uphold the freedom of association and the effective recognition of the right to collective bargaining.

**Principle 4:**  
Business should uphold the elimination of all forms of forced and compulsory labor.

**Principle 5:** Business should uphold the effective abolition of child labor.

**Principle 6:**  
Business should uphold the elimination of discrimination in respect of employment and occupation.

## Environment

**Principle 7:**  
Business should support a precautionary approach to environmental challenges.

**Principle 8:**  
Business should undertake initiatives to promote greater environmental responsibility.

**Principle 9:**  
Business should encourage the development and diffusion of environmentally friendly technologies.

## Anti-corruption

**Principle 10:**  
Business should work against corruption in all its forms, including extortion and bribery.



This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

<sup>45</sup> See UN Global Compact webpage: <https://www.unglobalcompact.org/what-is-gc/participants/4098>

# Annex VI - Index according to the ten principles of the United Nations Global Compact

Principle	Policies and systems implemented	Significant progress made
Principle 1-5	<ul style="list-style-type: none"> <li>▪ Support and respect for human rights. Adoption of a Corporate Social Responsibility Policy. Section 5.2. "Compliance" (p.25) and CSR policy (p.20)</li> <li>▪ Support and respect for human rights. Adoption of Business Conduct Guidelines. ⇒ Section 5.2. "Compliance" (p.25) and section 5.2.4. "Business Conduct Guidelines" (27)</li> <li>▪ Commitment to human rights, the fight against child labor and forced labor. ⇒" Section 5.2.6.4. "Human Rights" (p.29)</li> <li>▪ Economic, social and environmental performance supervision mechanisms established. ⇒Note 7 - (p. 97).</li> <li>▪ Priority given to occupational health and safety of employees. ⇒Section 6.5. "Occupational health and safety" (p.49)</li> <li>▪ Justice and equity. Employees treated with respect and remunerated in a fair and equitable way. Section 6.3. "Diversity and equal opportunity" section (p.43)</li> <li>▪ Labor conditions are given priority in talent management and appropriate training given to people. ⇒ Section 6.2.2. "Learning and training" (p.42)</li> <li>▪ Responsible management of the global supply chain. ⇒Section 8.2. "Sustainability in the Supply Chain" (p.69)</li> <li>▪ Protection and defense of human rights in the communities where Siemens Gamesa has a presence. ⇒Section 9. "Community engagement" (p.73)</li> <li>▪ Defense of the freedom of association and collective bargaining. ⇒ Section 6.2.3. "Labor Relations" (p.42)</li> </ul>	<ul style="list-style-type: none"> <li>▪ The Company has an updated Corporate Social Responsibility Policy (p.20), which complies with the provisions set forth in Article 19.1 of the Articles of Association and with Articles 5 and 39 of the Board of Directors Regulations. As a result, the 2018-2020 Corporate Social Responsibility Master Plan was being drawn up and completed during the period. ⇒(p.21)</li> <li>▪ The number of training hours raised to 904,529 (619,217 in 2018) in the fiscal period 2019 (p.42)</li> <li>▪ Implementation of the Occupational Health and Safety Plan through 112 full audits, safety inspections (15,770) and safety observations (52,310) ⇒Section 6.5. "Occupational Health and Safety" (p.49)</li> <li>▪ Supply base of 17,890 suppliers and procurement volume exceeding €8.2 billion create jobs and local wealth.</li> <li>▪ Human rights compliance processes in the supply chain. ⇒ (p.70)</li> <li>▪ Community actions and programs in Mexico, Brazil, Uruguay and India aimed at covering basic educational needs and access to other decent conditions. ⇒Section 9. "Community engagement" (p.73)</li> <li>▪ Commitment made to workers to defend human and labor rights by means of a Global Collective Agreement. See section 6.2.3. "Labor Relations" section (p.42)</li> <li>▪ Undertakings in equality and diversity matters. ⇒ Section 6.3. "Diversity and equal opportunity" section (p.43)</li> </ul>

<p>Principle 6</p>	<ul style="list-style-type: none"> <li>▪ Siemens Gamesa does not tolerate discrimination and seeks to develop a favorable framework for labor relations based on the equal opportunities.</li> <li>▪ Committed to the UNGC Women's Empowerment Principles and have already signed the Diversity Charter, an initiative by the Spanish government.</li> <li>▪ This stance is set out in the Diversity and Inclusion Policy, the Global Corporate Social Responsibility Policy and in Business Conduct Guidelines. ⇒ Section 6.3. "Diversity and equal opportunity" section (p. 43)</li> </ul>	<ul style="list-style-type: none"> <li>▪ In the year under review, the share of female employees represents an overall 18.8% of the total workforce.</li> <li>▪ In fiscal 2019 women hired amounted 17.03 % of all new hires.</li> <li>▪ At the end of the reporting period Siemens Gamesa had 332 employees in management positions, 10.24% of whom were women.</li> <li>▪ The age structure in the fiscal year 2018 was dominated by the under-35 age group (37.39%), followed by employees aged 35-44 (36.95%); 45-54 (18.66%); 55-60 (5.19%) with those over 60 accounting for 1.81%. Section 6.3. "Diversity and equal opportunity" section (p. 43)</li> </ul>
<p>Principle 7</p>	<ul style="list-style-type: none"> <li>▪ Responsibility for protecting the environment in wind turbine design and manufacturing processes by applying management requirements in accordance with the ISO 14.001 standard and other environmental standards which apply.</li> <li>▪ Siemens Gamesa has taken up the challenge of reaching carbon neutrality by 2025.</li> <li>▪ ⇒ Section "Climate Change" (p. 57 and the following)</li> </ul>	<ul style="list-style-type: none"> <li>▪ We report direct greenhouse gas emissions (Scope 1), indirect greenhouse gas emissions (Scope2). The Company's total emissions of CO<sub>2</sub>-eq under Scope 1 and Scope 2 amounted to 70,698 tons CO<sub>2</sub>-eq during the reporting period. (p.60)</li> <li>▪ The current reporting period shows a 100% rate for products covered with Life cycle assessments (LCAs) (Screening and Full-Scale) and EPDs (Both Type II &amp; Type III), as well as a 100% revenue-based coverage ratio within our business.</li> <li>▪ New Environmental Product Declaration (EPD). In fiscal year 19 Siemens Gamesa published the following Environmental Declarations: i) Type II Environmental Declaration for SG 8.0-167 DD and ii) Type III Environmental Product Declarations for SG 2.6-126 (former G126-2.625 MW) and SG 3.4-132 (former G132-3.465 MW) (p.65)</li> </ul>
<p>Principle 8</p>	<ul style="list-style-type: none"> <li>▪ Commitment to researching and developing environmentally friendly products that produce long-term environmental benefits.</li> <li>▪ Siemens Gamesa is founder of the Basque Ecodesign Center, an organization based in the Basque Country and structured pursuant to a partnership framework between firms in the private sector and the Basque Government. It aims to foster the design and execution of innovative eco design project.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Patents granted at the end of the reporting period: 4,198 (3,363 in FY18). New patents first filing: 264.</li> <li>▪ Section ⇒ "Life Cycle Assessments" section (p. 65).</li> </ul>
<p>Principle 9</p>	<ul style="list-style-type: none"> <li>▪ Siemens Gamesa quantifies and documents the significant life cycle impacts of our products and operations (manufacturing, installations, services) by performing Life Cycle Assessments (LCAs) in accordance to the ISO 14040 series of standards and applicable Product Category Rules (PCRs).</li> <li>▪ We develop and market products, solutions and services that enable our customers to reduce their CO<sub>2</sub> emissions, lower lifecycle costs and protect the environment.</li> </ul>	<ul style="list-style-type: none"> <li>▪ In 2019, 9.3 GW of wind energy was installed helping our customers further reduce their emissions by 25 million tons of CO<sub>2</sub>. Cumulatively since 1998, more than 99 GW of wind energy has been installed from Siemens Gamesa's wind turbines. This allows our customers to mitigate their carbon footprint by more than 259 million tons of CO<sub>2</sub> a year.</li> </ul>

Principle 10

- The Group makes sure its activity is based on respect for the Law and on the fight against corruption in all its forms. This stance is set out in the Global Corporate Social Responsibility Policy.
- Siemens Gamesa Business Conduct Guidelines provide the ethical and legal framework within which we conduct our business activities. Our compliance system aims to ensure that all our worldwide business practices remain within this framework as well as in compliance with applicable laws.
- The Company implemented a Compliance Handbook addressing specific approach to Anticorruption (p.27)
- Business Conduct Guidelines (p.27)
- The Company continuously develops its Compliance System further in order to adapt it to changing requirements according to our global business. Siemens Gamesa has gone through a merge process that has affected all departments. ⇒ Section 5.2. "Compliance" (p.25)
- Whistleblowing Channel available on the intranet, the website and by post, as well as a system of rights, duties, guarantees, conditions of access and use thereof by users. ⇒ Section 5.2. "Compliance" (p.25).

# Imprint

[102-53]

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The report is available in English and Spanish. Both versions can be downloaded from Siemens Gamesa's corporate website:

[www.siemensgamesa.com](http://www.siemensgamesa.com)

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**Independent Assurance Report on the Consolidated Non-Financial  
Statement for the year ended September 30, 2019**

**SIEMENS GAMESA RENEWABLE ENERGY, S.A. AND SUBSIDIARIES**

## **INDEPENDENT ASSURANCE REPORT ON THE CONSOLIDATED NON-FINANCIAL STATEMENT**

To the Shareholders of Siemens Gamesa Renewable Energy, S.A.:

In accordance with article 49 of the Commercial Code, we have verified, with a limited scope, the Consolidated Non-Financial Statement (hereinafter NFS) for the year ended September 30, 2019 of Siemens Gamesa Renewable Energy, S.A. and subsidiaries (hereinafter the Group), which is part of the Group's accompanying Consolidated Management Report.

The content of the Consolidated Management Report contains information in addition to that required by prevailing company law in respect of non-financial information that was not included in the scope of our assurance work. Consequently, our work was limited exclusively to verifying the information identified in the Annex III "The state of non-financial information" and in conformity with the Annex IV "GRI Content Index" included in the accompanying Consolidated Management Report.

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### **Responsibility of the directors**

The preparation of the NFS included in the Group's Consolidated Management Report and its content is the responsibility of the directors of Siemens Gamesa Renewable Energy, S.A. The NFS was prepared in accordance with the content required by prevailing company law and in conformity with the criteria outlined in the GRI Sustainability Reporting Standards (GRI standards), core option, as well as other criteria, described as explained for each subject matter in the Annex III "The state of non-financial information", in conformity with the Annex IV "GRI Content Index" of said report.

This responsibility likewise includes the design, implementation, and maintenance of the internal control considered necessary to ensure that the NFS is free of material misstatement, due to fraud or error.

The directors of Siemens Gamesa Renewable Energy, S.A. are also responsible for defining, implementing, adapting, and maintaining the management systems from which the necessary information for preparing the NFS is obtained.

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### **Our independence and quality control**

We have complied with the independence and other Code of Ethics requirements for accounting professionals issued by the International Ethics Standards Board for Accountants (IESBA), which are based on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior.

Our firm applies International Standard on Quality Control 1 (ISQC 1), and consequently maintains a global quality control system which includes documented policies and procedures relating to compliance with ethical requirements, professional standards, and the legal and applicable regulatory provisions.

The EY team is made up of experts in non-financial information engagements and specifically, information on economic, social, and environmental performance.



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## Our responsibility

Our responsibility is to express our conclusions on the Independent Assurance Report with limited assurance, based on the work performed, which refers exclusively to the 2018 financial year. Prior year data were not reviewed in compliance with prevailing company law.

We have carried out our work in accordance with the requirements established in the International Standard on Assurance Engagements (ISAE) 3000 (revised), "Assurance Engagements Other than Audits and Review of Historical Financial Information" issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC) and the Guide for Non-Financial Statement verification engagements, issued by the Spanish Institute of Chartered accountants.

In a limited assurance engagement, the procedures carried out vary in their nature and timing, and are less in extent than those carried out for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is also substantially lower.

Our work consisted in making inquiries of management and of the Group's various business units participating in the preparation of the NFS, reviewing the processes for compiling and validating the information presented therein, and applying certain analytical procedures and sample review tests as described in general terms below. These procedures included:

- ▶ Holding meetings with Group personnel to gain an understanding of the business model, the policies and management approaches applied, and the main risks related to these matters, as well as to gather the information needed to perform the independent assurance work.
- ▶ Analyzing the scope, relevance, and integrity of the contents of the 2019 NFS, based on the materiality assessment performed by the Group and described in the Annex I "Materiality analysis," in light of the content required under prevailing company law.
- ▶ Analyzing the processes used to compile and validate the data presented in the 2019 NFS.
- ▶ Reviewing the disclosures relating to the risks, policies, and management approaches applied with respect to the material matters presented in the 2019 NFS.
- ▶ Checking, via tests of a selected sample, the information underlying the contents of the 2019 NFS and the satisfactory compilation of the NFS based on data taken from information sources.
- ▶ Obtaining a representation letter from the directors and management.

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## Conclusions

Based on the procedures performed and the evidence obtained, no additional matter came to our attention that would lead us to believe that the NFS of the Group for the year ended September 30, 2019 has not been prepared, in all material respects, in accordance with the content established in prevailing mercantile regulations and following the criteria GRI standards, in accordance with the core option, in line with the details provided for each matter in the Annex III "The state of non-financial information" in conformity with the Annex IV "GRI Content Index" of the Consolidated Management Report.

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### **Use and distribution**

This report was prepared in response to the requirement established by prevailing company law in Spain and may not be appropriate for other uses and jurisdictions.

ERNST & YOUNG, S.L.

(Signature on the original in Spanish)

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Alberto Castilla Vida

November 28, 2019