



---

# Sustainability Report 2017

---

## Foreword

Dear Reader,

[G4-1] 2017 will be imprinted in our memory as the year in which we embarked on an exciting journey, beginning on April 3, when the merger between Gamesa and Siemens Wind Power became effective. A transaction carried out with over 99% of the shareholders voting in favor at the Extraordinary General Meeting held on October 25, 2016, a deal which places us at the forefront of our competitive environment.

The combination of Gamesa and Siemens Wind Power is much more than the sum of their parts. The marriage of our strengths makes us a benchmark player with global reach; underpinned by our successful track records, we are guaranteed a leading role in shaping the energy landscape of the future, a leading company in the renewable energy industry.

Sustainability is one of the pillars of our Group's success. We share the vision for the world to find a more sustainable development path and we are compelled to promote sustainability, including a focus on environmental, social, and governance (ESG) challenges that will affect both the business and investment results. Climate change, water scarcity, geopolitical conflicts, resource depletion, global supply chains, employee well-being, economic inequality, together with technological developments such as digitization, are present as risks and opportunities to be incorporated into our course of action.

Our company believes that commercial success and a commitment to sustainable development are interdependent, and views sustainability excellence as a mark of operational and management quality. This means responsiveness to evolving market trends, resilience to regulatory risk, more engaged and productive employees and alignment with social progress.

This is recognized already by the world's most reputed sustainability indices, Siemens Gamesa being listed in the DJSI World Index, ranked as one of the most sustainable companies in the machinery and electrical equipment industry group. FTSE4Good and Ethibel Sustainability Index (ESI) Excellence Europe are other international indices that also consider our company capable of demonstrating strong environmental, social and governance practices.

Siemens Gamesa is a significant driving force for progress in the communities in which it operates, boosting industrial activity through the investments it makes and purchases from suppliers, as well as by contributing economic resources to public administrations and fostering a stable local economy. A competitive supply chain, which must also be ethical, responsible and sustainable, remains as one of our key goals. We work on supplier control systems to assess our suppliers' contribution to the company's strategic objectives. Today Siemens Gamesa has nearly 18,000 suppliers around the world, with an annual procurement volume exceeding €7.8 billion.

The company remains firmly people-driven, convinced that they are the key to its success. We ended the year with a workforce of more than 25,000 full-time employees and recruited 1,841 new professionals, creating quality jobs and focusing our efforts on training – more than 285,000 hours were dedicated to training in the reporting period –, in addition to managing and retaining talent and protecting diversity and gender equality. Promotion of a safe workplace and a strong culture in the area of occupational health and safety is a constant management priority, and the frequency rate of accidents involving sick leave stand at 2.25 accidents per million hours worked at the period end.

Along with this, the company is actively involved in the communities in which it has a presence by going beyond business channels, with social initiatives and programs which can count on our employees' active participation. In 2017, these programs were centered on countries such as India, Mexico and Brazil with special emphasis on sports for development, inequality, healthcare, education and environmental care.

We support the world's climate protection goals and the global efforts to decarbonize economies. Our commitment to become a carbon-neutral company by 2025 is underpinned, for example, by the switch from emission-intensive conventional power generation sources to renewable energy-based sources for electricity supply in our operations. Furthermore, more than 82 GW of cumulative wind energy power installed by the Group allows our customers across the world to avoid emitting more than 210 million tons of CO<sub>2</sub> a year, thus contributing to a reduction in greenhouse gases and mitigating their effects.

The group's integrity model relies on values, ethical principles and guidelines and the regulatory compliance. Management transparency and integrity are non-negotiable at our company. We reaffirm our continuous commitment to the principles of the United Nations Global Compact by constantly working on issues connected with human rights and maintaining responsible labor, environmental and anti-corruption practices, which all enjoy universal consensus.

We are proud of these achievements, but we will not cease to continuously improve. Aligning our sustainability strategy with sustainable development goals is one of the new ambitious objectives that we face in the short term, supporting a global agenda in which our company is determined to play a leading role.

We would like to take this opportunity to thank all the stakeholders who support and trust our company, pushing us towards the path of innovation, success and business excellence.

**Markus Tacke (Chief Executive Officer)**

**Rosa García (President)**

## Content index

<b>1. About this report</b>	<b>4</b>
<b>2. Company Highlights</b>	<b>5</b>
2.1 Creation of a global leader	5
2.2 Company name	6
2.3 Company Mission, Vision and Values	6
2.4 Global footprint	6
2.5 Ownership structure	7
2.6 Share capital	7
2.7 Revenues	7
2.8 Employees worldwide	8
2.9 Products. Wind turbines	8
2.10 Operation & maintenance	9
2.11 A company focused on digitalization	10
<b>3. Sustainability at SGRE</b>	<b>12</b>
3.1 Stakeholder engagement	12
3.2 Material sustainability issues	13
3.3 Sustainability programs	14
3.4 Sustainability collaborations	15
3.5 Recognition on sustainability performance	15
<b>4. Integrity</b>	<b>16</b>
4.1 Corporate Governance	16
4.2 Compliance	18
4.3 Responsible supply chain	21
<b>5. People and Labor Rights</b>	<b>24</b>
5.1 Employment	24
5.2 Diversity	26
5.3 Occupational Health & Safety	27
<b>6. Community</b>	<b>30</b>
<b>7. Environmental protection</b>	<b>32</b>
7.1 Environmental principles and policies	32
7.2 Environmental performance and targets	33
7.3 Energy use	33
7.4 Greenhouse Gas Emissions	34
7.5 Waste	36
7.6 Water and waste water	36
7.7 Biodiversity	37
7.8 Environmental-related incidents and penalties	38
7.9 Product-related environmental information	38
<b>8. GRI Content Index</b>	<b>40</b>
<b>9. United Nations Global Compact</b>	<b>45</b>
<b>10. Independent auditor's limited assurance report</b>	<b>48</b>

## 1. About this report

### 1.1 Scope of the report

[G4-23];[G4-28] This Sustainability Report summarizes the most relevant financial and non-financial information in accordance with the corresponding Materiality Analysis.

On April 3, 2017, the merger of Siemens Wind Power Business with GAMESA was formalized, qualifying for accounting purposes as a reverse acquisition, in which the wind power business of Siemens was considered to be the acquirer and GAMESA as the acquired, respectively.

As a result, the following observations should be taken into account:

- In the Group's consolidated financial statements<sup>1</sup> for 2017, the consolidated income statement up to the effective date of the merger (April 3, 2017) reflects only the transactions relating to Siemens Wind Power Business. After the effective date of the merger, GAMESA's transactions are also included, with the first half of April to September 2017 being the Group's first semester of joint operation after the merger.
- Given that it has been in said period when both businesses have begun to operate jointly and in order to facilitate the comparison of their evolution in future years, the financial and sustainability data included in this Sustainability Report 2017 refer only to the period from April to September 2017, being consistent with the presentation of the consolidated statement of non-financial information included in the 2017 Management Report, which forms part of the aforementioned consolidated financial statements.
- No comparative information is provided with respect to the previous year, as the scope and period comparable to the subject matter of this Sustainability Report for 2017 are not the same.
- The scope of companies considered by the Group for the purpose of preparing this Sustainability Report coincides with the definition of the Group for the purposes of preparing the consolidated financial statements [G4-17].

Due to the recent creation of the new Group, its size and global reach, data collection is a major logistical challenge. The company had to create mechanisms to collect sustainability information in an exceptionally short time.

[G4-22] This situation also implies that, unlike previous reports, it has not been possible to make a comparative analysis of performance against sustainability indicators over the past five years. Had this information been incorporated into this Report, the objective of ensuring comparability over time would have been significantly reduced, in contrast to the requirements indicated in non-financial reporting recommendations, especially the information recommendations issued by the GRI. Consequently, this Report will be considered the base year from which the sustainability performance of the new Group will be reported.

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" or "the Group".
- The group of companies in 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".

### 1.2 Collection of information

Siemens Gamesa Renewable Energy Group has adequate information systems and the compilation of financial and non-financial information that guarantee the completeness and accuracy of the indicators detailed in this Report.

### 1.3 Report criteria

Siemens Gamesa Renewable Energy Group has followed the recommendations of GRI (version G4) in its "Essential" compliance option and the 10 Principles established by the United Nations Global Compact in preparing this report, both with regard to the scope of its contents and the definition and quality of the information.

[G4-48] This report is subject to external review by EY and approval by Siemens Gamesa Renewable Energy S. A.'s Board of Directors.

<sup>1</sup> Refer to Consolidated Financial Statements and Management Report for the nine month period ended September 20, 2017. [Link](#)

## 2. Company Highlights

### 2.1 Creation of a global leader

The new Siemens Gamesa Renewable Energy Group (SGRE) 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 U.S., 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.

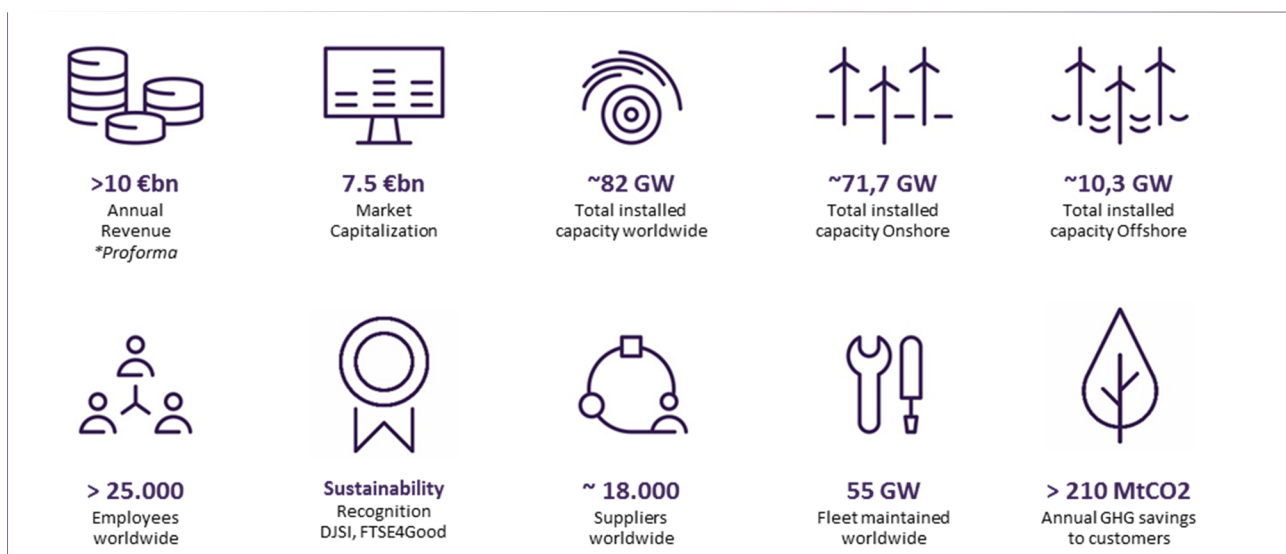
This history includes providing turbines for the world's first offshore wind farm in Vindeby off the coast of Denmark, in 1991. The company grew into the global market leader for offshore wind turbines, earning a reputation for technological leadership, strong customer service, and for offering fully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

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

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, so as 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 in order 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.

#### Key facts as of September 30, 2017



## 2.2 Company name

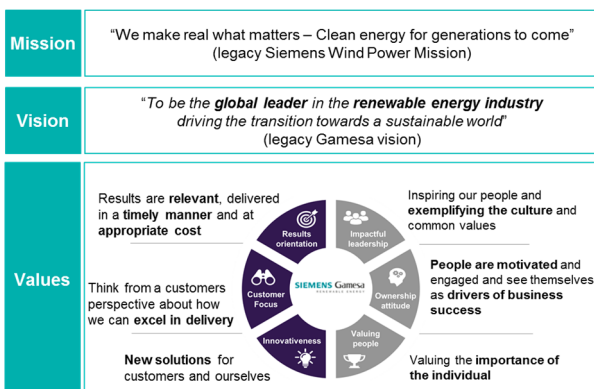
**SIEMENS GAMESA RENEWABLE ENERGY, S.A.**  
PARQUE TECNOLÓGICO DE BIZKAIA, EDIFICIO 222,  
48170 ZAMUDIO (VIZCAYA)  
SPAIN

[G4-3]; [G4-5] The new corporate name, effective since June 20 2017, was registered with the Mercantile Register on July 18, 2017, when it was communicated 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 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.

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 Mission, Vision and Values

In every merged company with a global footprint, values and cultural norms vary vastly from place to place. Balancing those cultures can be a delicate thing, with lessons for 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. These were defined after workshops, top executive interviews and company employee base survey. [G4-56]



As a first step, the Group has defined the following pillars to guide the process of building a Siemens Gamesa Culture:

- DNA as defined: "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."
- Mission: "We make real what matters - clean energy for generations to come."
- Vision: "We will be the global leader in the renewable energy industry, driving the transition towards a sustainable world."

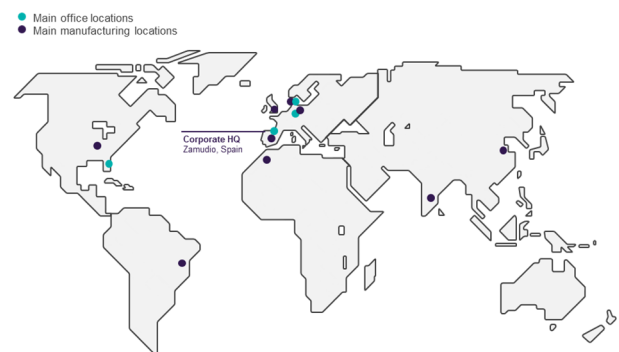
Based on this foundation, the Group defined the following values of Siemens Gamesa:

- 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 values, based on the company DNA, mission, and vision, guide the new Company through the integration process.

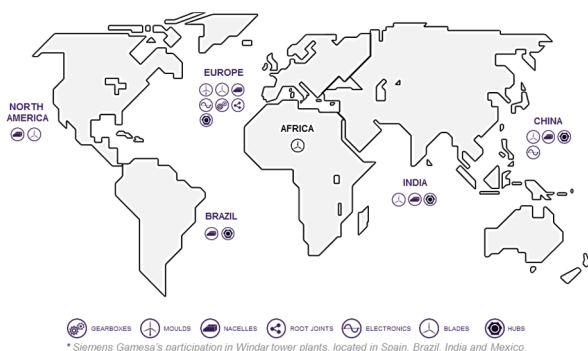
## 2.4 Global footprint

[G4-6]  
**Global presence**





## Global operations



## 2.5 Ownership structure

[G4-7] The shareholder structure of SIEMENS GAMESA at September 30, 2017 is as follows:

### Shareholder structure <sup>2</sup>

(percentage)	30.09.2017
<b>Siemens A.G (*)</b>	59.000%
<b>Iberdrola, S.A.</b>	8.071%
<b>Others (**)</b>	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.

Siemens Gamesa Group 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

[G4-13] 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.

## Evolution of share capital

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

## 2.7 Revenues

[G4-9] Siemens Gamesa 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 2017 were: a) Wind Turbines (\*) and b) Operation and maintenance.

The breakdown, by segment, of consolidated revenue for the year ended September 30, 2017 is as follows:

### Revenues by segment <sup>3</sup>

(in millions of euro)	2017(6m)
<b>Wind Turbines</b>	4,401
<b>Operation and Maintenance</b>	621
<b>SGRE net revenue from continued operations</b>	5,022

In addition, Siemens Gamesa Group currently operates in several geographical markets. The main areas are EMEA (including Spain), Americas, Asia and Australia. The main countries per each one is as follows:

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

<sup>2</sup> See Section 19 A of the Consolidated Financial Statements and Management Report for the nine month period ended September 30, 2017. [Link](#)

<sup>3</sup> See Section 8 A of the Consolidated Financial Statements and Management Report for the nine month period ended September 30, 2017. [Link](#)

The most significant disclosures in this regard, grouped by geographical area are as follows:

**Revenues by geographical area <sup>1</sup>**

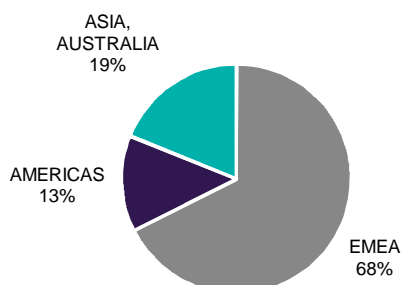
(in million euro)	2017(6m)
Europe, Middle east and Africa	3,222
Americas	1,339
Asia, Australia	461
<b>SGRE total</b>	<b>5,022</b>

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 nine month period ended September 30, 2017, its fiscal year end. [G4-EC1]

**2.8 Employees worldwide**

At the end of the reporting period (September 30,2017), the company had 25,338 full-time employees.

**Distribution of employees (FTEs) <sup>4</sup>**



**2.9 Products. Wind turbines**

[G4-4] 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.

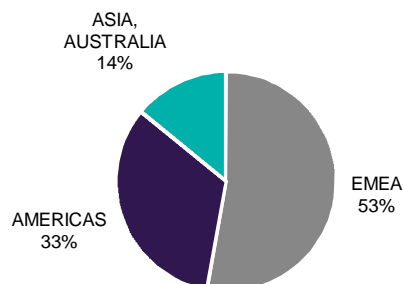
Wind turbines developed and manufactured by Siemens Gamesa are in permanent evolution, incorporating the latest technological advances and growing, not just in terms of power but also in performance for the customer. With more than 82 GW installed in 70 countries and a full range of product platforms, the company is established as one of the main worldwide technological leaders in the multi-megawatt segment.

The cornerstones of this broad product catalog are its robustness, high reliability, and adaptability to all types of locations and wind conditions; from the most demanding and difficult regions, to more accessible locations with medium and low wind conditions. All of this is based on extensive, experience gained from more than 20 years of activity, making Siemens Gamesa an excellent ally for its customers' wind power projects.

**Product range installed**

Platform/Type	Started	# Units	Cumulated capacity [MW]
<b>Bonus range 22kW-1MW</b>	1979	5,755	3,930
<b>MADE</b>	1994	2,393	1,664
<b>660 kW</b>	1994	3,117	2,031
<b>2.0 MW</b>	1999	14,347	28,837
<b>850 kW</b>	2001	10,399	8,836
<b>G2</b>	2002	9,218	21,197
<b>5.0 MW</b>	2004	248	1,223
<b>G4</b>	2004	1,842	6,728
<b>D3</b>	2009	1,931	5,801
<b>D7</b>	2011	300	1,800
<b>2.5 MW</b>	2017	6	15
<b>8.0 MW</b>	2017	1	8
<b>SGRE total</b>	-	<b>49,557</b>	<b>82,070</b>

**Distribution of wind turbine installations worldwide [G4-8]**



<sup>4</sup> Full-time employees (FTE's) are employees with employment contract (permanent & fixed term) calculated based on employment hours compared to standard full-time employment hours.



### Track record of wind turbine installations

(MW installed)	Onshore	Offshore	Total
1. Algeria	10		10
2. Argentina	14		14
3. Australia	605		605
4. Austria	43		43
5. Azerbaijan	8		8
6. Belgium	108		108
7. Brazil	2,900		2,900
8. Bulgaria	90		90
9. Canada	2,707		2,707
10. Cape Verde	0		0
11. Chile	336		336
12. China	4,634	48	4,682
13. Costa Rica	143		143
14. Croatia	162		162
15. Cuba	5		5
16. Cyprus	20		20
17. Czech Republic	14		14
18. Denmark	1,064	1,059	2,123
19. Dominican Republic	52		52
20. Ecuador	2		2
21. Egypt	890		890
22. Finland	426	42	469
23. France	1,429		1,429
24. Germany	2,172	3,838	6,011
25. Greece	479		479
26. Honduras	176		176
27. Hungary	182		182
28. India	5,015		5,015
29. Ireland	685		685
30. Israel	21		21
31. Italy	2,002		2,002
32. Jamaica	24		24
33. Japan	307		307
34. Jordan	80		80
35. Kenya	14		14
36. Kuwait	10		10
37. Latvia	21		21
38. Lithuania	14		14
39. Luxemburg	21		21
40. Macedonia	37		37
41. Mauritania	30		30
42. Mauritius	9		9
43. Mexico	2,187		2,187
44. Morocco	640		640
45. Netherlands	114	744	858
46. New Zealand	281		281
47. Nicaragua	44		44
48. Norway	470	2	472
49. Peru	124		124
50. Poland	1,045		1,045
51. Portugal	569		569
52. Puerto Rico	1		1
53. Romania	590		590
54. Somalia	0		0
55. South Africa	324		324
56. South Korea	33		33
57. Spain	12,995		12,995
58. Sri Lanka	45		45
59. Sweden	1,276	110	1,387
60. Switzerland	0		0
61. Taiwan	12	8	20
62. Thailand	310		310
63. the Philippines	243		243
64. Tunisia	242		242
65. Turkey	688		688
66. United Kingdom	4,133	4,454	8,587
67. Uruguay	390		390
68. United States	17,962		17,962
69. Venezuela	71		71
70. Vietnam	9		9
<b>SGRE total</b>	<b>71,763</b>	<b>10,306</b>	<b>82,070</b>

## 2.10 Operation & maintenance

Operation & Maintenance (O&M) is one of the key activities upon which Siemens Gamesa bases its development.

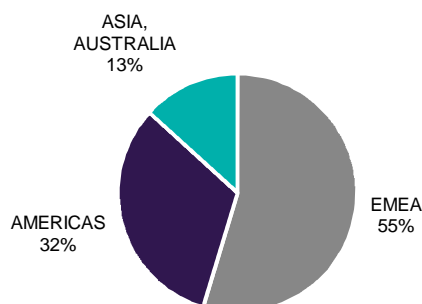
With nearly 70% of its installed capacity under O&M contracts and a broad operational knowledge in complex locations, the Group maintains 55.2 GW in 57 countries. All of this is possible thanks to a team of highly-qualified professionals, present worldwide and focused on health and safety as well as on service excellence and customer satisfaction.

Backed by more than 20 years of experience in wind turbine O&M and optimization, Siemens Gamesa continues to be committed to adding value, offering cutting edge solutions, such as useful life extension, integral solutions for the O&M of other manufacturers' wind turbines, and personalized financing options to meet the needs of each customer.

We focus on programs for maximizing energy production, improving availability and reducing O&M related costs, with the goal of reducing the cost of energy.

To drive down operational costs of wind projects, Siemens Gamesa Wind 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, SGRE'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.

### Distribution of fleet under O&M



### Track record of operation and maintenance (O&M)

(MW operated & maintained)	Onshore	Offshore	Total
1. Algeria	10	-	10
2. Australia	475	-	475
3. Austria	33	-	33
4. Belgium	108	-	108
5. Brazil	2,784	-	2,784
6. Bulgaria	90	-	90
7. Canada	1,777	-	1,777
8. Chile	336	-	336
9. China	1,138	-	1,138
10. Croatia	118	-	118
11. Costa Rica	130	-	130
12. Czech Republic	14	-	14
13. Denmark	659	410	1,069
14. Dominican Republic	52	-	52
15. Egypt	414	-	414
16. Finland	223	40	263
17. France	1,038	-	1,038
18. Germany	854	3,762	4,616
19. Greece	185	-	185
20. Honduras	50	-	50
21. Hungary	24	-	24
22. India	4,951	-	4,951
23. Ireland	698	-	698
24. Israel	21	-	21
25. Italy	1,233	-	1,233
26. Jamaica	24	-	24
27. Japan	131	-	131
28. Jordan	80	-	80
29. Korea, Republic of	30	-	30
30. Kuwait	10	-	10
31. Lithuania	14	-	14
32. Luxembourg	21	-	21
33. Macedonia	37	-	37
34. Mauritania	30	-	30
35. Mauritius	9	-	9
36. Mexico	2,011	-	2,011
37. Morocco	640	-	640
38. Netherlands	49	744	793
39. New Zealand	67	-	67
40. Nicaragua	44	-	44
41. Norway	290	-	290
42. Peru	124	-	124
43. Philippines	243	-	243
44. Poland	911	-	911
45. Portugal	494	-	494
46. Puerto Rico	101	-	101
47. Romania	352	-	352
48. South Africa	324	-	324
49. Spain	7,679	-	7,679
50. Sri Lanka	45	-	45
51. Sweden	855	-	855
52. Taiwan	-	8	8
53. Thailand	267	-	267
54. Turkey	754	-	754
55. United Kingdom	3,309	3,579	6,888
56. United States	9,858	-	9,858
57. Uruguay	410	-	410
<b>SGRE total</b>	<b>46,629</b>	<b>8,544</b>	<b>55,173</b>

### 2.11 A company focused on digitalization

Digitalization is to a larger and larger extent impacting the way we live and work, and no less so at Siemens Gamesa. Digitalization represents a paradigm change and offers endless new opportunities; innovating various areas of the value chain we provide to our customers.

From manufacturing over wind turbine operation, grid compliance and wind service to system integration and energy storage, innovation in Siemens Gamesa looks at the entire value chain.

At Siemens Gamesa's production factories digitization is used to ensure high output quality, process reliability and efficiency. Digitizing relevant data in the production process enables intelligent programs to utilize the data and detect correlations that the human eye has difficulties finding. Using these effective and intelligent technologies enables continuous improvement and optimization of the production processes, as well as minimizing general waste of both time and material.

Digitalization also plays an important role in the Service business. Here, Siemens Gamesa uses drones, robots and comprehensive analytics in connection with blade repair, inspecting wind turbine blades for potential faults, determining root causes and needed repair work – as well as performing the repair itself, without expensive involvement of human operations in challenging environments. Drones inspect the blades and document their state by sending back photos to intelligent software systems, which through picture recollection are able to determine if action is required and what needs to be done.

However, it is not only in turbine hardware that digitization plays a role. At Siemens Gamesa, soft-coded functionalities and intelligent turbine control systems enable maximum output for our customers. Digital technologies allow unique customization and flexibility in connection with any site. Flexible management of parameters such as grid requirements, noise regulations, turbulence etc., together with intelligent turbine control for real-time power optimization, offers a very precise power curve and the optimal usage of any wind farm site. Getting the most out of wind turbines is no longer merely a question of hardware.

And when talking about wind turbine operation, grid compliance and stability are an increasingly important factor. Siemens Gamesa experts have developed a new tool for grid stability analysis, which uses field data to analyze the grid stability, identify stability margins and sources of instability where applicable, and develop optimal solutions based on that. The real-time analysis of the grid condition could interact with the turbine's converter to make the wind farm an active element in grid support.

Wind power is part of a bigger picture that is to provide the next generations with a cleaner and safer world. At Siemens

---

Gamesa, innovation is seeing this big picture and the company's experts are always looking at how they can do more. One way is via hybrid projects, combining wind with solar power. Such combinations result in more stable energy production and improved grid stability, as well as improved plant capacity and energy predictability. The energy supply can work even off-grid by intelligently connecting various energy sources.

What comes after that, only time will tell. The future for renewable energy is great and the world needs it. With its vast experience and its dedication to innovation, the experts in Siemens Gamesa will keep looking for new ways forward.

---

### 3. Sustainability at SGRE

[G4-2] Our Corporate social responsibility (CSR) vision addresses business being accountable 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 wellbeing of employees, the community and civil society in general, both now and in the future.

The success of our business is underpinned by a sustainable operating environment, where access to a skilled workforce, a stable community and healthy environment are granted on day-to-day basis.

[G4-42] For that reason, the Board of Directors, which is acutely aware of the responsibilities of Siemens Gamesa toward society as a whole, 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, clients and society in general.

This target is underpinned by the principles contained in the Global Corporate Social Responsibility policy<sup>5</sup>, our key statements that describe how we implement sustainability at Siemens Gamesa Renewable Energy at the corporate level, in the businesses and at the regional level:

#### Integrity

- ⇒ Fulfill prevailing legislation in the countries where the Group operates.
- ⇒ Adopt Group values, principles and ethical and regulatory compliance guidelines set out in the Code of Conduct.
- ⇒ Adopt advanced corporate governance practices.
- ⇒ Reject any practices conducive to obtaining some sort of benefit through the use of unethical actions.
- ⇒ Promote socially responsible actions in any companies in which the Group exerts management capacities or holds power through shareholdings.
- ⇒ Disclose relevant and truthful information on the activities performed.
- ⇒ Promote channels of communication and dialog with the different groups connected with the Company's activities.
- ⇒ Encourage transparency and free market rules by respecting free competition, rejecting any illegal, fraudulent or unethical practice.
- ⇒ Develop responsible practices in the value chain.

#### People and labor Rights

- ⇒ Respect the human and labor rights recognized in the legislation of the territories where the Group operates.
- ⇒ Develop a framework which fosters labor relations based on equal opportunities, non-discrimination and respect for diversity.
- ⇒ Safeguard a safe and healthy working environment, along with areas of influence.

#### Community

- ⇒ Promoting the socioeconomic development of the communities in which the Group is present, promoting higher levels of well-being through actions of local development cooperation.

#### Environmental protection

- ⇒ Foster a sustainable use of resources and a culture of respect for the natural environment, as well as contribute to the fight against climate change.

*(Abstract of the Global Corporate Social Responsibility Policy of SGRE)*

These principles were approved by our Board of Directors on September 23, 2015.

Within this framework, our Group wishes to be recognized and admired for its own differential and distinctive business model, committed to the creation of value and sustainable development.

### 3.1 Stakeholder engagement

[G4-24] The company's relationship with any groups affected by its activities (stakeholders) is maintained in a twofold way. Such relationships involve: 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.

Since these stakeholders are very numerous in a business group like Siemens Gamesa, they are analyzed in accordance with their relevance for the company's activities and have been grouped together under the following categories for practical purposes:

<sup>5</sup> See Global Corporate Social Responsibility policy [\[Link\]](#)

**Stakeholders**



[G4-25] The identification and selection of the Group's stakeholders is carried out through internal processes of reflection involving the management team and based on establishing relationships with key groups to meet both their expectations and the company's needs.

[G4-26] The company consolidates preferential communication channels with these groups in order to identify the most relevant topics and provide a reasonable response to their expectations, as far as possible.

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

**3.2 Material sustainability issues**

[G4-18] The nature of the expectations that relevant interested parties have of our organization involves issues regarding good governance, respect to human rights, work practices, environmental impacts, our operation practices and those of our value chain, as well as the positive and negative impacts that can be generated on local communities.

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

- Criteria for environmental, social and governance (ESG) used by institutional investors and assets managers in the selection of their investment portfolios.
- ESG requirements used in the analysis of the company by the specialized indexes.
- Reference publications of 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 the 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, unions, civil society, financial markets, auditors and specialists in several disciplines in the business scope, regulators and governing bodies of several countries.

**Sustainability aspects of interest [G4-19]; [G4-27]**



**Organization profile**

- ⇒ Business model and strategy
- ⇒ Management of risks and opportunities (business, CSR risks, etc.)



**Ethics, Corporate Governance and Compliance**

- ⇒ Corporate Governance
- ⇒ External commitments with stakeholders
- ⇒ Investor relations
- ⇒ Ethics, Integrity and fight against corruption
- ⇒ Regulatory compliance



**Economic aspects**

- ⇒ Financial performance and management
- ⇒ Direct and indirect economic impacts
- ⇒ Renewable energy landscape (project portfolio, market trends)



**Labour aspects**

- ⇒ Training, professional development and employability
- ⇒ Equal opportunities, diversity and non-discrimination
- ⇒ Work-life balance and social benefits
- ⇒ Attraction and retention of talent
- ⇒ Occupational health & safety



**Products and services**

- ⇒ Lifecycle analysis and impact of products and services
- ⇒ Programs and investments in research & development



#### **Social contribution**

- ⇒ Relationship with communities and the social environment in which it operates
- ⇒ Community investment and programs
- ⇒ Human Rights



#### **Supply chain**

- ⇒ Procurement practices and supplier assessment based on sustainability criteria.
- ⇒ Supply security.



#### **Environment**

- ⇒ Biodiversity management and impacts
- ⇒ GHG emissions and strategy to fight against climate change
- ⇒ Environmental management systems and certifications
- ⇒ Environmental risks and impacts management
- ⇒ Waste management
- ⇒ Environmental expenses and investments
- ⇒ Programs to reduce the environmental impact of the Company
- ⇒ Efficient resource consumption (materials, energy, water, etc)



#### **Customer**

- ⇒ Customer satisfaction.
- ⇒ Privacy and security of information.
- ⇒ Complaint mechanisms

CSR information, make a systematic track record of non-financial KPIs and facilitate a report in real time of these data (alignment with best practices IBEX-35 and wind energy sector peers).

- Program 3: The incorporation of human rights in management processes so that human rights are more integrated in our operations.
- Program 4: The development of fair practices in matters of employment, work conditions, social dialog, professional development and workplace health and safety.
- Program 5: The responsible development of the supply chain, incorporating due diligence procedures on matters of ethics and transparency and supervision of suppliers.
- Program 6: To drive efficient relationships with local communities, increasing support for education and culture, job creation and well-being and developing capacities for generating income.
- Program 7: The protection of environmental capital, incorporating practice for reducing pollution, the sustainable use of natural resources, production and/or restoration of habitats and the fight against climate change.

Article 11 b) of the Regulations<sup>6</sup> of the Audit, Compliance and Related Party Transactions Committee of the Board of Directors addresses within the scope and functions of this committee the monitoring of the strategy and practices in relation to corporate social responsibility and assessing its degree of compliance. At the end of the reporting period, the Group completed the yearly monitoring cycle.

The plan is now concluded at the end of the reporting period, with a high level of accomplishment (94%), with 47 out of 50 actions already completed.

The plan contributed to i) the completion of the Business Plan 2015-2017, as an additional lever, and to ii) transforming the Group into a reference company for clients and investors and into a reference model in management for the rest of the stakeholders. Sustainability policies and strategy remains also a key element for accessing to potential new investors and ensuring our presence in international sustainability indexes (e.g. Dow Jones Sustainability Indices, FTSE4Good).

The Group will shortly start the preparation of a new Sustainability master plan for the period 2018-2020.

### **3.3 Sustainability programs**

These main contributors helped us determine our materiality process and drive our Corporate Social Responsibility master plan 2015-2017. The plan sets sustainability targets and focuses on positioning in the long term, addressing CSR aspects with relevance for stakeholders and incorporating these expectations into the Company's decision-making and the day-to-day management of its business. This translates into: i) complying with Global CSR Policy and the policies associated with its development; ii) making the Group a benchmark partner for customers and investors and a management reference model for other stakeholders. The pillars of this plan include 7 programs/50 actions which are continuously monitored and annually reviewed:

- Program 1: The development of an integrity model to promote the distribution and knowledge of, and compliance with, the Code of Conduct as well as the regulations and procedures of compliance and prevention of crimes such as fraud: "zero tolerance"
- Program 2: To improve transparency through the implementation of tools to consolidate the corporate

<sup>6</sup> See Regulations of the Audit, Compliance and Related Party Transactions Committee at the company Webpage [\[Link\]](#)



### 3.4 Sustainability collaborations

[G4-15] 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 a yearly basis. The company publishes a Communication on Progress (COP) report annually, which reviews compliance with such principles. This document is made publicly available on the United Nations Global Compact website.

Since 2004, we have disclosed our sustainability information with reference to the evolving guidelines of the Global Reporting Initiative (GRI), non-governmental organization which aims at high transparency and comparability for corporate sustainability reporting. Since 2006, we have been involved into the GRI community as organizational stakeholder first, currently as GOLD Community members and GRI core supporters. Additionally we actively participate at GRI's Corporate Leadership Group on Reporting on the Sustainable Development Goals, to formulate innovative solutions to common challenges and ultimately shape the future of reporting.

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

"Caring for Climate: The business leadership platform", is an initiative of the UN Global Compact. Its goal is the involvement of businesses and governments in taking action on climate change, energy efficiency, reduction of emissions of greenhouse gases (GHGs) and positive collaboration with other public and private institutions. Siemens Gamesa acceded voluntarily in June, 2007.

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

#### External commitments



### 3.5 Recognition on sustainability performance

Our sustainability performance is being monitored continuously and has been externally confirmed by the most renowned and relevant sustainability indexes and ratings.

Siemens Gamesa Renewable Energy is member of the DJSI World Index -for the 8th time since 2006 - of RobecoSAM/Dow Jones Sustainability Indices.

Within our Industry Group (IEQ Machinery and Electrical Equipment) and in the DJSI World Index, SGRE ranks #12 in the Economic Dimension (73 points); rank#3 in the Environmental Dimension (91 points) and rank#10 in the Social Dimension (71 points). Our company leads our Industry in 3 out of 22 categories or criteria.

We also received high ratings on a number of other indexes and rankings, including CDP (*Carbon Disclosure Project*), and responded to the climate change and supply chain assessment to explain how we reduce our greenhouse gas emissions and mitigate climate change risks.

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

Also 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.

In addition, the Group is included in the Ethibel Excellence Europe, which includes companies that are included in the Russell Global Index and display the best performances in terms of corporate social responsibility (CSR).

#### Sustainability recognition



## 4. Integrity

### 4.1 Corporate Governance

[G4-34] The Group's governance structure is based on two main bodies, namely: the General Shareholders' Meeting and the Board of Directors.

#### 4.1.1 General Shareholders' Meeting

The General Shareholders' Meeting 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 takes resolutions on all issues that lie within its powers in accordance with the Law, the By-Laws and the General Meeting Regulations<sup>7</sup>.

#### 4.1.2 Board of Directors

[G4-38] 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 Shareholders' Meeting, 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 the personal and biographical profiles of its members can be found in section C.1 of the Annual Corporate Governance Report and on the company's website.<sup>8</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 Shareholders' Meeting.

#### 4.1.3 Board Committees

The Board of Directors has two specialized committees to deal with specific areas of activity, 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.

##### 4.1.3.1 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 12 in Chapter II of the Regulations of the Audit, Compliance and Related Party Transactions Committee<sup>9</sup> set forth the duties of this committee.

As regards sustainability, the highest committee or position that formally reviews and approves the sustainability or corporate responsibility policies, strategy and practices is the Audit, Compliance and Related Party Transactions Committee. In particular, Article 11 b) of the Regulations of the Audit, Compliance and Related Party Transactions Committee clearly sets these duties.

##### 4.1.3.2 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 8 in Chapter II of the Regulations of the Appointments and Remunerations Committee<sup>10</sup> establish the duties of this Committee. In particular, its primary functions are to oversee the composition and functioning, as well as the remuneration, of the Company's Board of Directors and of the Senior Management.

<sup>7</sup> See Shareholders' General Meeting Regulations of Siemens Gamesa Renewable Energy S.A. (Revised text approved by the Shareholders' General Meeting of June 20, 2017). [\[Link\]](#)

<sup>8</sup> See Section C.1 of Siemens Gamesa Renewable Energy, S.A. Annual Corporate Governance Report 2017 at [\[Link\]](#)

<sup>9</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 April 4, 2017) [\[Link\]](#)

<sup>10</sup> See Chapter II of the Regulations of the Appointments and Remunerations Committee (Consolidated text endorsed by the Board of Directors on April 4, 2017) [\[Link\]](#)

**Composition of the Board of Directors <sup>11</sup> (at September 30, 2017)**

Name of Director	Category	Position on the Board
García García, Rosa María	EP	Chair
Tacke, Markus	E	Chief Executive Officer
Rodríguez-Quiroga Menéndez, Carlos	E	Director and Secretary
Davis, Lisa	EP	Director
Conrad, Swanje	I	Director
Rosenfeld, Klaus	I	Director
Rubio Reinoso, Sonsoles	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

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

**Composition of the Audit, Compliance and Related Party Transactions Committee <sup>12</sup> (at September 30, 2017)**

Name of Director	Category	Position
Hernandez García, Gloria	I	Chair
Conrad, Swanje	I	Member

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

**Composition of the Appointments and Remunerations Committee (at September 30, 2017)**

Name of Director	Category	Position
Cendoya Aranzamendi, Andoni	I	Chair
Conrad, Swanje	I	Member
Davis, Lisa	EP	Member
Rosenfeld, Klaus	I	Member
Rubio Reinoso, Sonsoles	EP	Member

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

All the detailed information on the Group's corporate governance model is updated and available in the Corporate Governance section of the Siemens Gamesa website:

[Home](#) ⇒ [Investors and Shareholders](#) ⇒ [Corporate Governance](#)

<sup>11</sup> On 30 September, 2017 there was a vacancy on the Board of Directors.

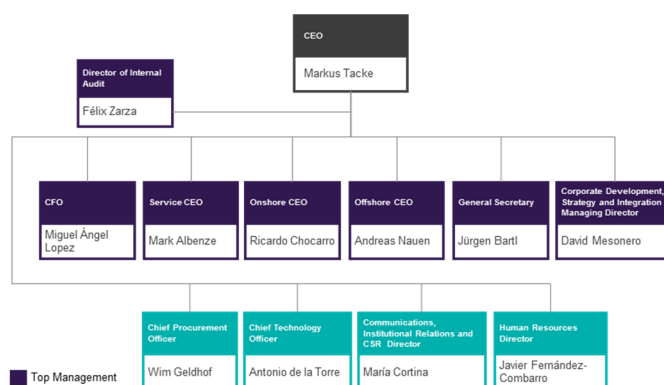
<sup>12</sup> On 30 September, 2017 there was a vacancy on the Audit, Compliance and Related Party Transactions Committee.

**4.1.4 Executive level positions**

[G4-35] 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.1.10 of the Annual Corporate Governance Report 2017. <sup>13</sup>

[G4-36] 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-ranking officers of these departments appear before the Board of Directors when they are required to do so.

**Organizational structure (at January 31, 2018)**



Additional information about top management is referred at section C.1.16 of the Annual Corporate Governance Report 2017. <sup>14</sup>

<sup>13</sup> See Annual Corporate Governance Report 2017 [\[Link\]](#)

<sup>14</sup> See Annual Corporate Governance Report 2017 [\[Link\]](#)

## 4.2. Compliance

---

The Company continuously develops its Compliance System in order to adapt it to changing requirements according with our global business. During 2017 Siemens Gamesa has gone through a merger process that affected all departments. In terms of Compliance it meant that during 2017 the Compliance department experienced two main changes. First, a change in scope. Second, a change in its organizational set-up in order to properly comply with its function.

[G4-57] 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):

1. Internal Audit department, responsible for the adaptation of internal control systems.
2. Compliance department, in charge of the Prevention and Supervision and, actually, of the creation of an Ethics Culture.
3. Each individual employee, who must be accountable and responsible for the controls.

As mentioned before, the scope of Compliance changed dramatically during FY2017. Now, the scope covers the following disciplines:

---

### 4.2.1 Anti-Corruption

---

Within the scope of anti-corruption there are two main topics to be considered:

#### 1. - Business Partners

One of the key elements that must help our Group, to fulfill its business targets is, without any doubt, collaboration with its Business Partners. That collaboration must rest, among other factors, on the accurate selection, engagement and control of our Business Partners. This is the only way to

reach a fruitful cooperation with our Business Partners, without any risk for any of the parties.

The main purpose of Compliance is to ensure that the engagement to our Business Partners is based on transparency, integrity and controlling. In this way, we secure the fulfillment of our goals within an environment of integrity and zero tolerance towards any irregularity, illegal or not, and especially towards any kind of corruption.

Our managers must assume the responsibility within the process of selection and controlling of our Business Partners. Compliance team must support them when going through those processes.

All business partners with an intermediary function between Siemens Gamesa and the customer should undergo a risk assessment determining the further procedure and requirements.

#### 2. - Gifts and Hospitality

Gifts and hospitality include all business-related benefits such as gifts, meals, entertainment and the payment of travel and lodging expenses.

---

### 4.2.2 Antitrust

---

Antitrust (or competition) law is designed to protect free and effective competition in order to deliver open, dynamic markets and enhanced productivity, innovation and value for customers. This is achieved through a prohibition of the following activities:

- Cartels
- Fixing prices
- Engaging in bid rigging
- Limiting production or
- Sharing customers or markets
- Other anti-competitive agreements that restrict competition without objective justification, and
- Abuse of a dominant market position.

---

### 4.2.3 Data Protection

---

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 Law. 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, 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 preparing to implement the necessary processes and tools to close the gap between the current situation and the requirements of the new EU Regulation on Data Protection ("GDPR")<sup>15</sup> effective at 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 subsidiaries 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 is ensured, 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.
- Consents: Identify treatments which require consents and develop templates.
- Breaches of the GDPR: Develop an action plan and procedures for reporting breaches within 72 hours.

- Data Protection Officers: Implement a system and procedures where data protection offices (where required under local law) and Siemens Gamesa ambassadors with knowledge of the new GDPR are appointed as main contacts for data protection matters; this includes researching local laws to determine what local requirements must be addressed and implemented.
- Intranet / Communications: Develop the content for a common intranet platform and continuously update the intranet and communication forums.

---

### 4.2.4 Human Rights

---

The Group has made an explicit undertaking to defend human rights, which is included and set out in detail in the following codes approved by the company's Board of Directors:

The Group Code of Conduct, which has an incidence on i) respect for human rights and public freedoms ratified by the company's application of the United Nations Global Compact's contents, which Gamesa formally endorsed on December 21, 2004; ii) the conservation of natural environment where it performs its activities; iii) collaboration in the sustainable development and well-being of the communities with which it has a relationship; and IV) the constant promotion of equal opportunities. It is therefore committed to observing minimum international standards on the protection of the fundamental rights and freedoms of the people affected by its operations and, more specifically, the United Nations Norms on the Responsibilities of Transnational Corporations and Other Business Enterprises with regard to human rights, the guidelines of the OECD, the Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy of the International Labor Organization (OIT/ILO) and the Women's Empowerment Principles of the United Nations Development Fund for Women (UNIFEM).

The Suppliers Code of Conduct sets out the rules to ensure working conditions in the company's supply chain are safe, that workers are treated decently and with respect and that business transaction are ethically, socially and environmentally responsible (which are also included in the General Procurement Terms and Conditions and procurement contracts and agreements).

The Corporate Social Responsibility Policy, approved by the Board of Directors, covers respect for human rights, particularly any right the violation of which would degrade employees, and rejects child labor and forced or compulsory labor. Siemens Gamesa also has other policies which complement the CSR policy in the defense of human rights,

---

<sup>15</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) [\[Link\]](#)



such as the Diversity and Inclusion Policy and the Supplier Contracting and Relationship Policy.

[G4-58] In compliance with the Group policies, the grievance procedures and tools for human rights issues that Siemens Gamesa places at the disposal of its stakeholders and their management processes are reflected in the group's Code of Conduct, the Crime Prevention and Anti-Fraud Manual, as well as on the corporate website and the intranet.

Siemens Gamesa has a Whistleblowing Channel through which the company's employees can contact the Compliance Department to report activities that are unethical, lack integrity or go against the principles contained in the Code of Conduct.

The company and, as appropriate, the parent companies of the group's (regional) business units have a Whistleblowing Channel that allows third parties and the group's professionals to report confidentially any conduct that could involve a breach of the Code of Conduct and crime prevention measures.

On an exceptional basis, where the grievances have to do with workplace harassment, they are to be sent to the Human Resources Department, which holds responsibility for investigating and concluding such cases according to the Harassment Prevention Protocol.

Compliance cases reported and confirmed during the reporting period amounted to 28. The number of disciplinary sanctions put in place during the period amounted to six.

#### 4.2.5 Anti-Money Laundering

Anti-money laundering legislation and enforcement is very far-reaching (it is not only about the financial sector or about cash transactions).

As a goods trader under European Union law, our company is obliged to implement safeguards to prevent (trade-based) money laundering. Obligations include contract counterparty due diligence (identifying and verifying the counterparty and its ultimate beneficial owners). The obligation to perform contract counterparty due diligence may also arise during an ongoing business relationship; if this produces suspicious findings, it may be necessary to terminate the business relationship.

#### 4.2.6 Export Control and Customs (ECC)

The aim is to ensure that trade compliance (ECC) becomes an integral part of the business and is seen as a strategic business 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 division (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. In parallel also attempting to reduce the overall cost of wind power, by the implementation of the "Project Partner Concept", and various automation activities, which will be defined in detail in the individual project work-streams. The Strategic Operating Plan for CO ECC will focus attention on implementing both central and regionalized landscape, using specialized full-time employee resources for Governance, Export Control and Classification and outsourced partners for Customs and Broker Management.

Within a short period of time, the management of CO ECC has successfully managed to establish TSA<sup>16</sup> in all countries. The main integration activities have been initiated, with particular focus on securing Export Control Compliance, through the revised SBA<sup>17</sup> process.

The management model rest on the following principles:

- General processes to ensure compliance with rules and regulations and to put an effective compliance system /organization in place.
- Export Control processes to ensure compliance with rules and regulations and to put an effective compliance system /organization in place and to integrate legacy Gamesa entities.
- Implement a central Customs and Export Control 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 and connect all customs brokers
- TSA management to proceed with legacy Siemens standalone planning for all countries still with service from Siemens AG and investigate the customs staff of legacy Gamesa entities to form a global team.

<sup>16</sup> TSA: Transactional Services Agreement  
<sup>17</sup> SBA: Sales Business Approval process



## 4.3 Responsible supply chain

[G4-12] 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.

### 4.3.1 Supply chain management (SCM) principles

The principles followed by our supply chain support several key activities that have consistently created positive value with our suppliers and stakeholders, 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 in order 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.

The Supplier Lifecycle Management (SLM) community within Siemens Gamesa is established and engaged, and its work encompasses sustainability topics.

During the process integration period that SGRE is undergoing, the Procurement Integration team is working to define and implement the new joint processes that will support the common vision from both legacy companies. The direction is to keep in place best practices and to use the opportunity to integrate innovations and optimized procedures in the new company, that impact how we select and qualify our suppliers, how we monitor their performance and develop them for top quality.

As a foundation on sustainability for suppliers, the **Code of Conduct for Suppliers** is being harmonized. Both legacies have strong documents that apply to the supplier database and were evaluated to be interchangeably used. During fiscal year 2018, a new Code of Conduct for SGRE is being developed, respecting and maintaining the same level of strictness as regards of the requirements for our suppliers.

Cross-functional involvement is established throughout the organization despite the different organizational setup. The cross-functional collaboration supports the development of topics related to sustainability and joint processes for SGRE, such as the new SGRE Code of Conduct for Suppliers, requirements for supplier onboarding, supplier audits and the interaction of requirements across areas.

In the last two quarters of FY17, our joint half-year, SGRE purchased almost €8 billion from approximately 18,000 suppliers. These suppliers have been impartially screened and evaluated to high standards compliant with our Excellence value.

#### Purchasing volume

(in euros)	2017(6m)
Europe, Middle east and Africa	4,198,566.810
Americas	1,970,222.138
Asia, Australia	1,666,894.092
<b>SGRE Group</b>	<b>7,835,683.040</b>

#### Number of tier-1 suppliers

(in euros)	2017(6m)
Europe, Middle east and Africa	10,285
Americas	4,022
Asia, Australia	3,650
<b>SGRE Group</b>	<b>17,957</b>

### 4.3.2 Integration of sustainability into SCM Strategy

The available processes and tools in SGRE provide strategic buyers with levers, risk indicators and transparency to support making the best sourcing decision.

The risk screening is based on financial analysis and commodity reports provided by external consulting companies, which feed indicators in our internal supplier comparison tool.

Sustainability self-assessments are applied to strategic suppliers or suppliers located in high risk countries (OECD indicator). The answers provided are screened and suppliers who fail to meet the requirements can be conditionally approved (if issues are not critical) upon implementation of development measures, or immediately blocked for further business with SGRE (if issues are critical, especially for Compliance).

Processes and tools put into place by the Supplier Lifecycle Management (SLM) team are also used to gather supplier information for other functions, and allow a direct communication. The information collected from the supplier can trigger additional activities for declaration of hazardous materials, contractor safety evaluation and other environmental, health and safety (EHS) related aspects.

#### 4.3.3 Sustainability requirements for suppliers

Until the full integration process for the two companies has been completed, Siemens Gamesa requires that all suppliers follow either the Code of Conduct for Siemens Suppliers and Third-Party Intermediaries or the Gamesa Code of Conduct for Suppliers (referred to together as the "Codes"). Both legacy Codes are still valid, considered equivalent, and are enforced for our suppliers (Code of Conduct for Siemens Suppliers and Third-Party Intermediaries or the Gamesa Code of Conduct for Suppliers).

The Codes are part of the supplier registration in S2C (Source-to-Contract) tools, part of General Purchasing Conditions and supply contracts.

The Codes follow high standard requirements: United Nations Global Compact, the principles of the International Labor Organization (ILO), the Universal Declaration of Human Rights, the EICC Code of Conduct and other benchmarks with strong positions on sustainability topics such as legal compliance, prohibition of corruption and bribery, fair operation practices, labor practices, environmental, health and safety protection.

The new Siemens Gamesa Code for suppliers will be released during 2018.

At all times, any breaches can be informed using the Group Compliance Whistle-blower Hotline. Should there be any breaches confirmed, systems are in place to communicate with the Procurement community as well as affected cross-functions and stakeholders. If necessary, the offending suppliers are blocked globally.

#### 4.3.4 Risk exposure: identifying potential sustainability risks in the supply chain

Tools and external databases are in place to guide Procurement resources in sustainability risk topics that can affect the sourcing decisions and commodity strategies. For example, reports from external providers bring us geopolitical risks, commodity risks and financial risks.

Corporate responsibility and compliance risks are assessed and available either in an external provider's database or legacy Siemens SLM tool, while environmental, health and safety (EHS) risks are monitored and compiled by the Supplier Quality Management (SQM) area and available in internal tools for control and monitoring.

Three main risk management tools in place across legacies include sustainability self-assessments, sustainability as part of the supplier qualification audit and external sustainability audits.

#### 4.3.5 Management of supplier's risks

In legacy Siemens, internal sustainability self-assessments are carried out on the S2C (Source-to-Contract) platform SCM STAR, and renewed every three years.

In legacy Gamesa, the sustainability self-assessments are carried out externally through the Achilles-Repro platform, an administrative supplier control tool.

Sustainability self-assessments are applied to strategic suppliers or suppliers located in high-risk countries (OECD indicator). The answers provided are screened and suppliers who fail to meet the requirements can be conditionally approved (if issues are not critical) upon implementation of development measures, or immediately blocked for further business with SGRE (if issues are critical, especially for Compliance).

Supplier quality audits carried out internally include questions about sustainability that cover all aspects and requirements of the Code of Conduct: legal compliance, prohibition of corruption and bribery, fair operation practices, labor practices, EHS and environmental protection.

External Sustainability Audit is executed by different external providers in both legacies, and is the strongest detection module. Monitoring may include re-audits or follow-up audits by our external audit partners.

### Suppliers monitoring

(number)	2017(6m)
Sustainability Self-Assessments	2,506
Quality audits with sustainability questions	156
External Sustainability Audits	68

#### 4.3.6 Building supplier's competence & capacity

Legacy Siemens has carried out a project for special supplier development on castings to include Global Castings in our supplier database for Offshore. This supplier is a foundry that has its own port located in Stade, Germany, very close to the Cuxhaven plant, which makes it of extremely high strategic importance for our supply chain. The qualification for the offshore hub started in 2014 and was concluded in early 2017, with the focus on development of metallurgy so that Global Castings is able to deliver the first hub in early 2018.

Other noteworthy projects for the development of supplier capacities are those related to the search for a second source of supply. From a reporting perspective, at the end of fiscal year 2017, we highlight the following actions of both legacies.

Legacy Siemens second source development activities on Offshore include

- Generators: qualification of AVIM for D7 Rotor House as a 2nd source via upgrade from initial D3 to D6 and up to D7 in fiscal year 2017. AVIM was very collaborative and proactive throughout the development, while always delivering to a high level of quality.
- Castings: two new second source glass kitters were qualified during fiscal year 2017: "Ingeniería de Compuestos, S.L." (Incom) was qualified to deliver glass kits to B55, B63 and B75; and Zhejiang Hengshi Fiberglass Fabrics Co. Ltd. (Hengshi) was qualified to deliver glass kits for B53, B55 and B63.
- Nacelles: supplier GPV qualified via the PAPP (Production Part Approval Process) in 12 weeks, thorough process verifications of supplier bending, cutting & welding and control plans of processes, review of material certificates, 100% dimensional inspection, systematic PPAP playbook review and verifications. Successful completion of PPAP for the supplier and used as inspiration for other suppliers and within the commodity, as the qualification happened without any production stops, dimensional or documentation issues.

At the same time, legacy Gamesa had 224 projects on different product platforms to generate alternative suppliers.

These activities included: i) location in Brazil of components of G114 wind turbines, such as cover parts made with composites and large processed steel components; ii) development of new suppliers of casting and bearings for G114 wind turbines in China; iii) development of suppliers of logistic tooling in China; iv) new suppliers for cover of G114 turbine in India and v) alternative suppliers for tower plates in Europe.

#### New/Alternative supplier development projects

(number)	2017(6m)
Europe, Middle east and Africa	46
Americas	37
Asia, Australia	141
<b>SGRE Group (1)</b>	<b>224</b>

(1) The scope includes legacy Gamesa only

Additionally, Siemens Gamesa carries out on a regular basis knowledge sharing events regarding new products, new market requirements, changes in capacity etc.. A sample that can illustrate this activity can be found, for example, in the Subcontracting Supplier events held in Bilbao with the participation of 9 strategic suppliers or the supplier event held in Tianjin (China) on July 2017, with the participation of 223 suppliers.

These efforts to generate greater competencies and capacities among suppliers are thus extended to the framework of standards applicable in the Group. We highlight the event carried out with over 30 participants from 18 different Asia-Pacific suppliers who underwent dedicated Siemens Gamesa Compliance training. A strong focus was placed on the common goal of behaving in an ethical, law-abiding manner. With an emphasis on Siemens Gamesa's commitment to Compliance, suppliers in the Asia-Pacific (APAC) region were trained in our working methods and the reasons for them. Separate sessions were held over several days in this pilot training project. We all feel that compliant business is critical with regards to sustainability. As we expand these training sessions, we will continue to underline that for both Siemens Gamesa and our suppliers, our common goal is to behave in an ethical, law-abiding manner.

## 5. People and Labor Rights

### 5.1 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.

SGRE'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.

Also, the company 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 Labour Organization – ILO- and United Nations conventions) and materialize in the promotion of employee rights, specifically the right to freedom of association and collective bargaining, going beyond local requirements in this respect.

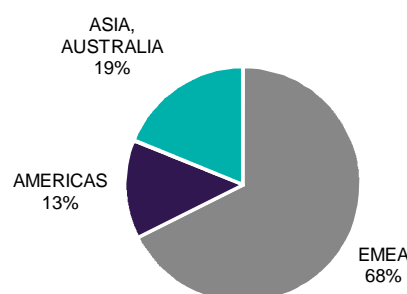
#### 5.1.1 Employees worldwide

[G4-10] At the end of the reporting period, the total headcount reached 25,337.51 full-time equivalent (FTE) employees. Full-time equivalent employees are employees with employment contracts (permanent & fixed term) calculated based on employment hours compared to standard full-time employment hours. From a geographical perspective, Europe, the Middle East and Africa is the region with the largest proportion of the workforce (67.56%), followed by Asia and Australia (18.88%) and the Americas (13.54%).

#### Employees at 30 September 2017

(Full time employees-FTEs)	2017
Europe, Middle east and Africa	17,120
Americas	3,432
Asia, Australia	4,785
<b>SGRE Group</b>	<b>25,337</b>

#### Distribution of employees (FTEs)<sup>18</sup>



During the reporting period, the number of hiring's reached 1,841, Europe, Middle East and Africa being the region with the largest proportion (64.36 %) of hirings. In the same period there were 2,598 employee exits, of which 1,149 were voluntary (44.22%). [G4-LA1]

#### Employee hires

(number)	2017(6m)
Europe, Middle east and Africa	1,185
Americas	214
Asia, Australia	442
<b>SGRE Group</b>	<b>1,841</b>

#### Women hired

(as percentage of the new hires)	2017(6m)
Europe, Middle east and Africa	20.92
Americas	15.42
Asia, Australia	12.89
<b>SGRE Group</b>	<b>18.35</b>

<sup>18</sup> Full-time employees (FTE's) are employees with employment contract (permanent & fixed term) calculated based on employment hours compared to standard full-time employment hours

### Workforce distribution at 30 September 2017

(Full time employees-FTE's)	Region	Total
1. Austria	EMEA	12
2. Belgium	EMEA	20
3. Bulgaria	EMEA	1
4. Croatia	EMEA	28
5. Czech Republic	EMEA	1
6. Denmark	EMEA	6,611
7. Egypt	EMEA	18
8. Finland	EMEA	29
9. France	EMEA	96
10. Germany	EMEA	2,344
11. Greece	EMEA	16
12. Hungary	EMEA	135
13. Iran	EMEA	5
14. Ireland	EMEA	104
15. Israel	EMEA	1
16. Italy	EMEA	90
17. Jordan	EMEA	1
18. Morocco	EMEA	619
19. Netherlands	EMEA	133
20. Norway	EMEA	24
21. Poland	EMEA	97
22. Portugal	EMEA	9
23. Romania	EMEA	18
24. South Africa	EMEA	34
25. Spain	EMEA	4,261
26. Sweden	EMEA	74
27. Turkey	EMEA	53
28. United Kingdom	EMEA	2,287
29. Argentina	AMERICAS	0
30. Brazil	AMERICAS	600
31. Canada	AMERICAS	232
32. Chile	AMERICAS	32
33. Costa Rica	AMERICAS	3
34. Dominican Republic	AMERICAS	1
35. Honduras	AMERICAS	2
36. Mexico	AMERICAS	223
37. Nicaragua	AMERICAS	1
38. Peru	AMERICAS	8
39. Uruguay	AMERICAS	15
40. USA	AMERICAS	2,316
41. Australia	ASIA, AUSTRALIA	54
42. China	ASIA, AUSTRALIA	1,378
43. India	ASIA, AUSTRALIA	3,226
44. Indonesia	ASIA, AUSTRALIA	4
45. Japan	ASIA, AUSTRALIA	21
46. New Zealand	ASIA, AUSTRALIA	7
47. Philippines	ASIA, AUSTRALIA	34
48. Singapore	ASIA, AUSTRALIA	10
49. South Korea	ASIA, AUSTRALIA	8
50. Sri Lanka	ASIA, AUSTRALIA	12
51. Taiwan	ASIA, AUSTRALIA	8
52. Thailand	ASIA, AUSTRALIA	23
<b>SGRE total</b>		<b>25,337</b>

Note: to simplify, these figures are rounded.

### Employee voluntary exits

(number)	2017(6m)
Europe, Middle east and Africa	724
Americas	180
Asia, Australia	245
<b>SGRE Group</b>	<b>1,149</b>

The overall employee turnover rate for the reporting period was 4.50%.

[G4-LA2] [G4-LA3] The identification and overall management of the social benefits provided in each country is done according to the legislation, uses and customs of the country the employee is at. Some of the more comprehensive benefits could include, for example, the right to parental leave beyond the minimum required by law or integration into health insurance schemes.

### 5.1.2 Age structure

The age structure in the fiscal year was dominated by the under-35 age group (41.90%), followed by employees aged 35-44 (33.94%); 45-54 (17.92%); 55-60 (4.39%) with those over 60 accounting for 1.85%.

Overall, the average age of employees is 38.12.

### Age structure at 30 September 2017

(percentage)	<35	35-44	45-54	55-60	>60
Europe, Middle east and Africa	33.66	37.39	21.76	5.17	2.00
Americas	43.45	29.51	17.54	5.96	3.52
Asia, Australia	70.25	24.73	4.40	0.48	0.12
<b>SGRE Group</b>	<b>41.90</b>	<b>33.94</b>	<b>17.92</b>	<b>4.39</b>	<b>1.85</b>



### 5.1.3 Learning and Training

Global personnel recruitment policies ensure that no candidate is discriminated against on the basis of sex, age, race, religion, beliefs or opinions. The criteria exclusively concern professional requirements, ensuring that knowledge, capacities and abilities are assessed. Compliance with legislation in force on the recruitment of the disabled and the implementation of actions to eliminate/ensure the non-existence of any kind of child and/or forced or compulsory labor are likewise ensured.

[G4-LA9] During the reporting period 20,927 employees received training (82% of the total) with a cumulative number of training hours of 286,812.

#### Training hours of employees

(number)	2017(6m)
Europe, Middle east and Africa	218,009
Americas	34,448
Asia, Australia	34,355
<b>SGRE Group</b>	<b>286,812</b>

The Group had 583 graduates - Including Interns, apprentices and students - at the end of the reporting period, of which 491 (84%) were internal, that is, were paid for work while pursuing a study.

Additionally, Siemens Gamesa has talent management tools that incorporate individual development plans for a number of high potential employees. Such 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. [G4-LA10]

### 5.1.4 Labour relations

Siemens Gamesa and its Group have 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.

[G4-HR4] Our Group promotes and implements workers' right to freedom of association, union membership and the effective right to collective bargaining. The importance of this fundamental labor right is set out in the company's Code of Conduct.

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. Additionally, existing agreements prior to the merger, such as the Global Framework Agreement signed by legacy Gamesa, the IndustriALL Global Union, CCOO de Industria, MCA-UGT and FITAG-UGT on social, labor and environmental matters, are currently in force and represent the first global agreement to guarantee labor rights by a company in the renewable energy sector.

[G4-LA4] 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. 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.

## 5.2 Diversity

The Group has a Diversity and Inclusion Policy <sup>19</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 oversees its fulfillment in a working environment that fosters dignity and respect for all. Evidence of diversity within the Group's workforce is that 97 distinct nationalities are employed worldwide.

The harassment protocol in place stipulates how to prevent harassment in the workplace with the aim of preventing the occurrence of sexual, gender-based and/or psychological harassment, which offends dignity, is harmful to the working environment and has undesirable effects on people's health, morale, confidence and self-esteem.

Endorsement of the Declaration of Women's Empowerment Principles keeps alive, since 2010, 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 the business or social activities aimed at eliminating discrimination, marginalization and exclusion in spite of equality between men and women being a universal principle recognized as a fundamental human right that cannot be violated.

[G4-LA12] With respect to gender diversity in the composition of the Board of Directors, Siemens Gamesa currently exceeds the aim of having the presence of at least

<sup>19</sup> See Group policy on Diversity and inclusion [Link](#)



30% women in 2020, established in the “Policy on selecting Directors”, approved by the Board of Directors on 23 September 2015. To this respect, the Company has 6 women on its Board of Directors, representing 50% of its members at 30 September 2017.

The share of female employees represents an overall 17.92% of the total workforce. By regions, women represent 20% in Europe, Middle East and Africa, 19.7% in the Americas and 9.37% in Asia, Australia.

#### Proportion of women

<i>(as a percentage of total employees)</i>	<b>2017</b>
<b>Europe, Middle east and Africa</b>	19.95
<b>Americas</b>	19.70
<b>Asia, Australia</b>	9.37
<b>SGRE Group</b>	<b>17.92</b>

At the end of the reporting period Siemens Gamesa had 288 employees in management positions, 10.06% of whom were women. In application of the best working practices this proportion is expected to continue to grow.

#### Employees in management positions

<i>(number)</i>	<b>2017</b>
<b>Europe, Middle east and Africa</b>	218
<b>Americas</b>	40
<b>Asia, Australia</b>	30
<b>SGRE Group</b>	<b>288</b>

The average number of people employed in Spain who reported to Siemens Gamesa Group a disability equal or greater than 33% was 18.

## 5.3 Occupational Health & Safety

Occupational health & safety is an essential part of our Business Code of Conduct, internal monitoring systems, risk management work and internal controls.

### 5.3.1 Health & Safety Culture

The Group actively promotes an accident prevention policy and culture to ensure workplace health and safety, to which end it complies with prevailing legislation in each market and establishes as many preventative measures as are needed. Guided at all times by the criteria of excellence and continuous improvement, the company applies an integrated health and safety, environment and quality management policy which meets stringent international standards.

### 5.3.2 Health & Safety Policy

Our policy goals include zero tolerance toward negligent occupational health and safety conduct, a commitment to continuous improvement and the implementation of an occupational risk prevention management system to consolidate the observance of international practices and standards guided by excellence criteria in the application of an occupational risk prevention management system. Siemens Gamesa and its Group shall involve themselves in promoting the health of their own Professionals through training and information regarding health lifestyles during and outside working hours, and foster well-being by promoting health environments, surroundings and lifestyles.

### 5.3.3 Health & safety standards

The company has a global occupational health and safety management system in place which applies to its global network of centers. Said health and safety management system was duly certified according to the OHSAS 18001 standard. The international OHSAS 18001 standards contribute to reducing occupational accident rates and increasing productivity by aiding compliance with prevention legislation and promoting a culture of prevention by making prevention an integral part of the company's general systems.

[G4-LA5] As a general rule, all the workforce at any location are represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs. The setting up of these committees ensures joint participation in the design of the occupational risk prevention policy and in control over the implementation of measures aimed at promoting health and safety improvements in working conditions.

The Group 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 (7,682), safety observations (18,667) and health & safety audits (61) at the end of the reporting period.

#### Health & safety prevention

(number)	2017(6m)
Safety inspections	7,682
Safety observations	18,667
Health & safety audits	61

The Group works to create a distinctive and singular prevention culture that applies uniformly to the whole group. To this end, we rely on the accumulated experience, knowledge and successful track record of each of the parties involved in the merger. Expertise in this field is extensive.

For example, within the onshore division, there is a longstanding program named Behavioral Safety, which is carried out in collaboration with DuPont, one of the world leaders in occupational health and safety practices. The aim of this project is to reduce work-related accidents, and includes:

1. Phase to identify opportunities and design excellence plans in preventive culture, in 3 steps:
  - a. Evaluate the preventive culture draft from the point of view of a third party that is recognized as a global leader in Safety management.
  - b. Define the Group's ambition in matters of Safety.
  - c. Propose improvement plans based on best practices, both for own personnel and contractors.

2. A second phase to reinforce the integration of safety in operations, which main working lines include:

- a. Determine if there are additional opportunities to integrate safety in our operations, considering that there are no "standard" solutions but adapted to the Culture and the reality of our sites and services.
- b. Initiate the capacitation process in Safety management for line managers.

#### 5.3.4 Health & safety rates

[G4-LA6] Accident indicator management is governed by internal rules which lay down standard criteria for classifying, recording, notifying, investigating and analyzing incidents in order to determine underlying deficiencies in the prevention system and any other factors which may cause or contribute to incidents occurring; identify the need to implement corrective actions; and identify opportunities for preventive action and continuous improvement.

At the end of the reporting period, the number of lost time injuries (LTI) within the Group amounted to a total of 47. As a result, the overall employee Lost time injury frequency rate reached 2.00 at the end of the period. This rate (LTIFR) 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. As for contractors, this rate was 2.60. The combined rate for employees and contractors was 2.25 at the end of the reporting period.

#### LTIFR employees and contractors

(rate per million hours worked)	2017(6m)
Employees	2.00
Contractors	2.60
<b>Total</b>	<b>2,25</b>

During the reporting period, the Group regrettably reported two fatalities. One of these involved contractors (all work-related) and the other involved a Siemens Gamesa Renewable Energy employee.

The company and especially the members of the senior management pay special attention to all aspects of safety and health at work. We work tirelessly on establishing root and contributory causes of these accidents, on processes of investigation of all of them and on the education and training processes that work toward their eradication.

---

### 5.3.5 Occupational illness

---

The occupational illness frequency rate (OIFR) for employees ended the fiscal year at 0.351, calculated solely on the basis of cases of occupational illness recognized by the Employers' Liability Insurance Association.

#### OIFR employees (\*)

(number)	2017(6m)
Employees	0.351

(\*) Relative to 1,000,000 hours worked

[G4-LA7] The Group conducts preventive screening of the employees' health and their own 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.

---

### 5.3.6 Product Health & Safety

---

[G4-PR1] 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.

Management procedures are in place to set the activities, responsibilities and work flows to ensure, for instance, that intrinsic design features that could unnecessarily generate future hazards or dangers arising from a poor conception of safety conditions, which could affect the health and safety of workers who will work on the element designed throughout its useful life.

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

## 6. Community

Siemens Gamesa is deeply anchored in the societies in which it operates in aiming to contribute to their sustainable development. Upon the implementation of the Advanced Management Model, we assume that our organization is part of a social framework that can strengthen our own capacities or, on the contrary, condition and limit our development and competitiveness. We fully support this statement. Commitment to a more prosperous society is not only compatible, but inter-dependent with enduring business success. At Siemens Gamesa, this commitment to society is, by nature, genuine and permanent.

Improvement of the quality of life and wealth creation is therefore provided by our standard commercial activities, as well as by driving forward socio-economic development through non-business channels.

[G4-SO1] As regards to the involvement of interested parties in the decision-making process, it should be pointed out that energy planning in Siemens Gamesa's sphere of action (energy sources, technologies and long-term needs) is carried out by the public authorities, this being the institutional sphere in which the various stakeholders can take part depending on the mechanisms established in each country.

Once the most appropriate infrastructure has been chosen, the views of the communities affected by it are taken into account through a consultation process, which varies depending on the country and type of facility in question. Many of these processes, including environmental impact studies for facilities, are governed and conditioned by the granting of building and operation permits. During the planning and performance of these actions, the company carries out preliminary consultations and keeps active channels of dialogue open with the communities and interested parties affected in order to identify and address their concerns or interests.

The Group principles of our relationship with the community are as follows:

- Awareness of social change in order to better understand how the needs of society in general are evolving to thus anticipate future demands in the environment.
- Systematic, fluid and truthful information to create a climate of trust and credibility.
- Respect for the environment by complying with prevailing legislation and collaborating in the environment's conservation and improvement.

- Job creation by leading new competitive business developments.
- Providing support to the development of disadvantaged groups and sectors.
- Supporting research to contribute to raising the scientific and technological level of our environment, as well as promoting the use of technologies and methods of action which are respectful to the environment.
- Collaborating with institutions like overarching groups for the community's improvement and development.
- Relationships with public authorities should be guided by institutional respect and compliance with the law.

---

### 6.1.1 Group strategy

---

Community action programs are aimed at a) creating well-being, b) creating local income and c) driving forward local technological development.

Initiatives to support this strategy include, but are not limited to, the following: i) local development cooperation programs; ii) educational access and skills development programs; iii) programs aimed at conserving local culture; iv) providing health services; v) programs aimed at strengthening the community's institutions, groups and local authorities; and vi) environmental, social and cultural programs involving local networks and other institutions.

These social initiatives to the benefit of local communities are carried out directly by Siemens Gamesa or by its subsidiary or associate companies in their respective areas of action.

---

### 6.1.2 Corporate action programs in place

---

Our corporate community programs 2016-2017, opened to the participation of all employees, resulted in 106 project proposals. After the selection process, the following programs were implemented in the course of 2017:

- Training indigenous women in the region of Gujarat, India and empowering them economically through agricultural microcredits. In conjunction with the Juan Bonal Foundation, 100 women from the area (in a precarious situation and/or suffering a severe risk of social exclusion) will be provided with the knowledge

and tools needed to work arable land. The target is to train them so that they can get the most out of their land at different times of year and supply them with the materials (tools, manure, fertilizers, etc.) that they need.

- Kindergarten in Motiya, Rajasthan, India. In conjunction with Bal Vikas India, this solidarity project aims to build a kindergarten to care for the village's children while their parents work. This would allow them to work with an easy mind while their children get their first taste of education as well as being cared for and safe.
- Gamesa Soccer League III (India). Youngsters from India's rural areas will take part in this new edition of the program implemented in conjunction with Krida Vikas Sanstha Nagpur to hone their sporting skills at a soccer training campus while, at the same time, being taught on how to care for the environment and good eating habits.
- Telecentros Project II (Brazil). The Telecentros Project in Brazil will be carried out in conjunction with Coordenação Regional das Obras de Promoção Humana (CROPH). It is aimed at fostering technology literacy through free centers where teenagers suffering a risk of exclusion can develop their computer skills.
- Fostering healthy lifestyles among girls, boys and young people from Unión Hidalgo in the Isthmus of Oaxaca Region (Mexico). In collaboration with CESAL, this project's implementation will strengthen the lines of action carried out at Escuela Socio Deportiva Aerogubiños in the community of Unión Hidalgo, Oaxaca. It aims to promote health lifestyles among girls, boys and young people to foster community health, which has a positive impact on their quality of life.
- Mulheres que criam - Camaçari (Brazil). Fostering the economic sustainability of the Nossa Senhora do Amparo mothers group by sustaining the activities of a printing school, thereby generating jobs and resources for economically vulnerable women.
- FIEB (Foundation for research into ethology and biodiversity) – the first gene bank for Iberian birds of prey. In its most recent report, the European Environment Agency warns of ongoing biodiversity loss in Europe. It is calculated that 25% of Europe's species are virtually extinct and this percentage is expected to rise. Some 80% of Europe's species are present in Spain, making it a crucial focal point. Siemens Gamesa is collaborating on a project backed by the FIEB for the creation of the first national gene bank for Iberian species, a tool

destined to help their conservation. Among other benefits, this initiative fosters genetic diversity, enhances efforts to breed in captivity and facilitates access to the genetic make-up of specimens from species with residual populations.

In fiscal 2017, group donations amounted €0.6 million globally.

Within the framework of the Euskalit awards, the Basque Award for Advanced Management in Society was awarded to Siemens Gamesa Renewable Energy for the practice presented "Business to Society". The evaluation team considered this work as Best Practice. This recognition is a step beyond to the award received last year, (Golden A) of Euskalit to Advanced Management Systems.

---

### 6.1.3 Local action programs

---

In India, for example, a corporate social responsibility program under the name "Gamesa Community Spirit" is being carried out for the last years. This program was implemented through a series of strategic programs, which included:

- Academic Excellence Program (GAEP): A program aimed at giving students in rural schools skills and educational grounding similar to that of their urban counterparts.
- Gram Arogya Kendra (GGAP): This program sought to initiate sustainable healthcare projects in rural villages near wind farms. The areas of special attention included eye care and care for pregnant women in these villages, for which Gamesa provided the necessary medical resources, periodic check-ups and prescriptions.
- Vocational Training Program (GVTP): The GVTP program was divided into two actions: i) The wood recycling program, whereby waste wood is turned into classroom furniture for use in the schools of the villages near the Group's manufacturing plants, and ii) My Career program aimed at empowering rural students with professional capabilities and a sustainable job by training them in operations and maintenance (O&M) tasks.
- Employee Volunteering (EV): program aimed at raising the awareness of Siemens Gamesa India employees and serving as a platform for employees to get themselves involved in social activities. Activities such as Wind Day, International Week of the Deaf, blood donation campaigns and other charitable activities are carried out under this program.



## 7. Environmental protection

Continuous improvement and collaboration in the attainment of sustainable development are among Siemens Gamesa's commitments.

Occupational health and safety and environmental protection have formed an essential pillar of the two companies that are now merging, not only from a corporate culture perspective, but at the level of integration within internal management systems.

Both companies have been role models within the sector in these areas, and have the knowledge, expertise and qualified teams to manage it with a level of excellence.

From a strategic perspective, the new company undoubtedly brings continuity to this model, and is considerably strengthened by combining the best of both companies.

As a result, and guided by the criteria of excellence and continuous improvement, the company applies an integrated health and safety, environment and quality management policy which meets stringent international standards.

As regards prevention, we apply best practices geared at preventing incidents of any kind as well as promoting a culture that ensures workplace health and safety and environmental protection, and we communicate this culture to our internal and external stakeholders, which include our employees, customers and business partners, and encourage them to take part in training on these practices

### 7.1 Environmental principles and policies

#### 7.1.1 Environmental principles in the CSR Policy

Our global Corporate Social Responsibility policy sets the basic principles and the general frame of action for the management of practices of corporate social responsibility that the Group assumes. This policy applies to all Siemens Gamesa Group companies, and is in force to promote, among others, the following principles:

- i) Ensuring a safe and healthy work environment in the Group as well as in its areas of influence, and
- ii) Boosting the sustainable use of resources and a culture of respect for the natural world, as well as contributing to the fight against climate change, reducing the environmental impact of the activities of the company, defending biodiversity and promoting information and formation of this culture.

The most recent text review of this policy by the Board of Directors was September 23, 2015, and the policy is currently in force.

#### 7.1.2 Environmental principles in the Code of Conduct

Preserving the environment is one of the Group's guiding principles, as declared in the Code of Conduct of Siemens Gamesa Renewable Energy, S.A. and its Group of Companies.<sup>20</sup>

The Code of Conduct applies globally to all Siemens Gamesa employees, who should be familiar with it and adopt it in their functional areas. Further, all SGRE employees and business partners are expected to act in accordance with the criteria by adopting a pro-environmental mindset, applying environmental best practices and positively contributing to achieving the objectives which have been established and communicated. They should also endeavor to make efficient use of their facilities, equipment and resources while making continuous efforts to minimize the associated environmental impact of these.

#### 7.1.3 Siemens Gamesa Policy

The Siemens Gamesa Policy<sup>21</sup> is a new company policy released in 2017. It encompasses the previous Quality, Environment, Health and Safety Policies from both legacy companies. The policy is based on six pillars, being:

- Leadership commitment
- Compliance assurance
- Risk management
- Stakeholder engagement
- Product stewardship
- Operational excellence

It forms the basic framework for how we aim to achieve our Company DNA:

*"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"*

Built on long term strategic thinking and clear objectives, this policy will be the basis of our success and guide us towards continual improvement.

<sup>20</sup> See Code of Conduct of Siemens Gamesa Renewable Energy, S.A. and its Group of Companies [\[Link\]](#). Approved by the Board of Directors on April 5, 2016

<sup>21</sup> See: Siemens Gamesa Policy [\[Link\]](#)

### 7.1.4 Climate Change Policy

Siemens Gamesa is aware that climate change is a fundamental threat the markets and sustainable development face. It has therefore adopted a Climate Change Policy<sup>22</sup>, which applies companywide and seeks to foster the renewable energies which are deemed suitable and within its reach to attain a global low-carbon energy generation model that reduces environmental impact.

This statement was drawn up to fulfill the Overall Corporate Social Responsibility Policy, by means of which Siemens Gamesa fosters the sustainable use of resources, the culture of respect for the natural environment and the fight against climate change by reducing the environmental impact of the company's activities, defending biodiversity and encouraging information and training on said culture.

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>23</sup> or the Paris Pledge for Action<sup>24</sup>.

### 7.1.5 Environmental management system

The integrated management system (IMS) includes environmental management in accordance with ISO14001 standard, quality management in accordance with the ISO 9001 standard and health and safety management in accordance with the OHSAS 18001 standard.

Systems are therefore in place to identify occupational health and safety aspects and environmental and energy-related aspects of the activities, products and services the company monitors and can influence within the scope defined for its integrated management system, taking into account new or planned developments, as well as new or modified activities, products and services.

[G4-14] Thus, Siemens Gamesa has incorporated the precautionary principle with regard to 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.

<sup>22</sup> See Climate Change Policy [\[Link\]](#)

<sup>23</sup> See [\[Link\]](#)

<sup>24</sup> See [\[Link\]](#)

## 7.2 Environmental performance and targets

At the time of this report, we report on the separately managed environmental objectives of both organizations and their results at the end of the fiscal year. However, the environmental objectives of the new organization are in the process of being defined within the period corresponding to the business plan and will be included in future sustainability reports, in a unified approach.

Some of our most remarkable environmental protection efforts and programs are aimed at:

- Substantial improvement in the final destination of waste, the percentage of which destined to recycling, recovery and/or reuse rose by 3.7% on the previous year.
- 36,595 GJ energy savings based on specific energy projects
- Verification of greenhouse gas emissions according to the ISO 14064 standard for the sixth year in a row.
- Ecodesign certification for the G126-2.625 MW<sup>25</sup> and the G132-3.465 MW<sup>26</sup> wind turbines, whose environmental product declarations (EPD) were published by Environdec.

## 7.3 Energy use

[G4-EN3];[G4-EN4] Energy consumption within Siemens Gamesa is systematically monitored, for all significant Group locations (production facilities, buildings, project sites and offices belonging to SGRE 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.

[G4-EN5] Total internal energy consumption amounted to 477,570 gigajoules in the reporting period. Hence, the figure for energy consumption per employee and year could be estimated to 18.84 GJ/employee/year.

Natural gas is the most relevant primary energy source, representing 54% of the total primary energy demand.

Total electricity consumption for the reporting period amounted to 290,681 GJ, of which the share of renewable electricity amounted to 58.13%. Additionally 26% of the natural gas consumption was based on certified biogas.

<sup>25</sup> See: Environmental declaration Electricity from European G126-2.625 MW On-shore Wind Farm [\[Link\]](#)

<sup>26</sup> See Environmental declaration Electricity from European G132-3.465 MW On-shore Wind Farm [\[Link\]](#)

### Primary energy

(gigajoules-GJ)	2017(6m)
<b>Natural gas</b>	81,336
<b>Fuel oil</b>	47,780
<b>Gasoline/Diesel</b>	12,211
<b>Liquefied petroleum gas (LPG)</b>	7,992
<b>Total Primary energy consumption</b>	<b>149,319</b>

### Secondary energy

(gigajoules-GJ)	2017(6m)
<b>Electricity from standard fuel combustion sources</b>	121,685
<b>Electricity from renewable sources</b>	168,996
<b>District heating</b>	35,570
<b>Total Secondary Energy consumption</b>	<b>328,251</b>

### Total energy

(gigajoules-GJ)	2017(6m)
<b>Total Energy consumption</b>	<b>477,570</b>

[G4-EN6] Siemens Gamesa products are designed to consolidate environmental leadership and energy efficiency at a global scale. The certification in ecodesign (ISO14006:2011) of products ensures minimal environmental impact, greater energy efficiency and lower costs of energy throughout all the stages of the wind turbine life cycle, including: design, raw materials and components procurement, manufacturing, delivery, installation, operation, maintenance and dismantling.

[G4-EN7] As a result, our wind turbines record better efficiency figures compared to predecessor models for all indicators, including: size, weight, visual impact, reduction of materials and selection of those with low environmental impact, optimization of production, reusable packaging, less civil and installation works, noise minimization, optimization of waste generation during maintenance and a modular design to facilitate dismantling.

## 7.4 Greenhouse Gas Emissions

### 7.4.1. 2025 Carbon-neutral target.

[G4-DMA] Siemens Gamesa has taken up the challenge of reaching carbon neutrality by 2025. Becoming carbon neutral is one of the most ambitious climate targets any organization can set, since it involves a process of (i) calculation; (ii) reduction; and (iii) emission offsetting according to the main existing methodologies to determine neutrality.

Carbon neutrality thus construed includes Siemens Gamesa's individual undertakings on the measurement, reduction and/or offsetting of the CO<sub>2</sub> generated directly or indirectly by the company over the next ten years (2015-2025). The global roadmap for meeting this commitment includes a combination of adaptation and mitigation actions, such as:

- Energy efficiency measures to reduce logistics area emissions.
- Measures to purchase clean electric power for plants and offices.
- Adaptation measures, such as fostering the use of electric vehicles, mobility plans which are more respectful to the environment and projects to achieve the complete recycling of wind turbine materials at the end of their life cycle.
- CO<sub>2</sub> emission offsetting measures, which will take the form of an exchange of emission rights depending on different scenarios.

### 7.4.2 CO<sub>2</sub> emission offsetting measures to be implemented

Siemens Gamesa will offset its CO<sub>2</sub> emissions by reducing the emissions generated by the projects carried out by the company in countries which are a party of the Kyoto Protocol but which do not belong to Annex I and which need help to reduce greenhouse gas emissions in order to contribute to the objective set out in the last Framework Convention on Climate Change; namely stabilizing greenhouse gas emissions.

These projects have been registered under the Clean Development Mechanism (CDM) and therefore generate Certified Emission Certificates (CER).

A decision will be taken on the different deadlines and scenarios for the exchange of the emission reduction credits available for the CO<sub>2</sub> neutralization path, which will subsequently be deleted from the register.

Siemens Gamesa's undertaking to reach carbon neutrality (along with the rest of its actions in environmental and climate issues) is expected to position the company as a leading international point of reference.

### 7.4.3 Adaptation to climate change

Siemens Gamesa conducted in 2016 a preliminary strategic analysis on what climate change could mean for the company. The following tasks have been carried in order to do so:

- Key countries where the company has activities have been selected.
- Climate forecasts were made for selected countries and their main climate change adaptation plans were drafted.
- A preliminary analysis on the consequences climate financing could have on an organization like Siemens Gamesa.
- Initiatives other companies in the industry have taken on the issue have been identified from publicly available information.

### 7.4.4 Emission measurement

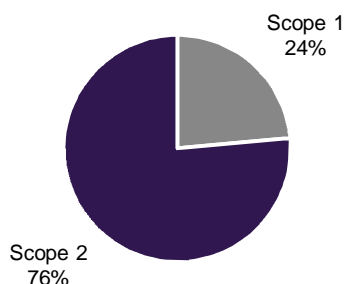
SGRE measures its direct and indirect emissions on an annual basis (measurement of the carbon footprint) with its operating constraints and according to the requirements set forth in the ISO 14064-1 standard. In order to draw up the emissions inventory, the following GHG are taken into consideration in accordance with ISO 14064-1: CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, SF<sub>6</sub>, PFCs and HFCs.

#### Total Emissions

(t CO <sub>2</sub> -eq)	2017(6m)
<b>GHG Emissions Scope 1</b>	10,808
<b>GHG Emissions Scope 2</b>	35,085
<b>GHG Emissions total</b>	<b>45,893</b>

The company's total emissions of CO<sub>2</sub>-eq under Scope 1 and Scope 2 amounted to 45,893 tons CO<sub>2</sub>-eq during the reporting period.

#### GHG emissions share 2017 (6m)



### 7.4.5 Scope 1 (direct) emissions

[G4-EN15] 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 10,808 tCO<sub>2</sub>-eq.

### 7.4.6 Scope 2 (indirect) emissions

[G4-EN16] 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 35,085 tCO<sub>2</sub>-eq.

### 7.4.7 Greenhouse gas (GHG) emissions intensity

[G4-EN18] GHG emissions intensity expresses the amount of GHG emissions per unit of activity, output, or any other internal-specific metric. In the case of SGRE it was selected 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 1.81 tCO<sub>2</sub>-eq /employee.

### 7.4.8 Emission reduction measures

A variety of actions aimed at reducing energy consumption and increasing energy efficiency were implemented and carried out throughout 2017 fiscal year end in several of the organization's areas.

Optimizing energy management is included among these actions, which led to savings of 36,595 GJ via concrete improvement projects. A significant project was the installation of diverters to recycle conditioned air in the blade manufacturing plant in Fort Madison.

Additional environmental improvement actions were implemented during the reporting period, including waste reduction improvements, improving waste disposal according to the waste hierarchy and substitution of chemical products to less hazardous alternatives.

#### 7.4.9 Helping our customers reduce their carbon dioxide footprint

[G4-EN19] Furthermore, our wind turbines installed by the end of the reporting period, helped our customers reduce their emissions by a further 16.7 million metric tons of carbon dioxide.

With the total of our wind turbines installed at customer locations since 1998, which remain in use today according to a minimum life expectancy of 20 years, we reduced accumulated annual customer carbon dioxide emissions by 210 million metric tons at the end of the reporting period.

Siemens Gamesa's activity directly contributes to a reduction in greenhouse gas (GHG) emissions and climate and environmental protection.

#### 7.4.10 Atmospheric pollutant Emissions

[G4-EN20] 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. We use these organic compounds as solvents in paints and adhesives, in impregnation processes, and for surface cleaning.

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.

#### Atmospheric pollutant emissions

(metric tons)	2017(6m)
<b>Volatile organic compounds (VOC)</b>	150.0
<b>Ozone depleting Substances (ODS)</b>	0

Quantitative measurements are conducted at each air emission source by an authorized control entity and emission factor is applied by considering each source's through output and hours of operation.

## 7.5 Waste

Environmental impacts from SGRE's generated waste depend on waste types and disposal methods. Our waste performance indicators address both waste treatment in accordance to the waste hierarchy and absolute waste reductions. [G4-EN23]

We differentiate between hazardous and non-hazardous waste, being that this material arises directly from production. The groups of hazardous and non-hazardous waste are each further divided into recyclable waste and waste for disposal.

The total volume of waste amounted to 24,387 tons in the reporting period. The ratio of hazardous waste generation to non-hazardous waste generation is set up at 1:10, and the waste overall recycling rate was 79%.

#### Waste production

(metric tons)	2017(6m)
<b>Hazardous waste   Recyclable</b>	1,301
<b>Hazardous waste   Non recyclable</b>	893
<b>Non-Hazardous waste   Recyclable</b>	18,092
<b>Non-Hazardous waste   Non-recyclable</b>	4,100
<b>Total waste generation</b>	<b>24,387</b>

*Note: to simplify, these figures are rounded.*

## 7.6 Water and waste water

[G4-EN8];[G4-EN10] 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.

Total water consumption in the period amounts to 196,575 cubic meters. Water consumption without chemically unchanged cooling water represents close to 3 % of the water consumption balance. Wastewater from manufacturing processes amounts to 137,393 cubic meters.

Our main water use is for employee facilities and manufacturing processes.



### Water consumption

(cubic meters)	2017(6m)
<b>Water consumption   Fresh water</b>	181,744
<b>Water consumption   Underground water</b>	9,471
<b>Ground and surface water for cooling purposes (returned to receiving water body chemically unchanged, but warmed)</b>	5,360
<b>Total water</b>	<b>196,575</b>

[G4-EN9] [G4-EN26] There is no record 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 in to have been significantly affected by withdrawals which amounted to more than 5% of the total annual average of any water mass or withdrawals from water masses recognized by experts as being especially sensitive due to their relative size, function or unique nature, or because they are a threatened or endangered system (or because they shelter protected plants or animals), or 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 take place.

[G4-EN22] The volume discharged at the end of the reporting period amounted to 137,393 m3. Most of effluents discharged are linked to the use and consumption of sanitary water.

### Wastewater produced

(cubic meters)	2017(6m)
<b>Wastewater from employee facilities</b>	45,345
<b>Wastewater form manufacturing processes</b>	73,276
<b>Other wastewater (incl.losses)</b>	13,412
Total waste water without chemically unchanged cooling water	<b>132,033</b>
Cooling water (returned to receiving water body chemically unchanged, but warmed)	<b>5,360</b>
<b>Total wastewater</b>	<b>137,393</b>

### 7.7 Biodiversity

[G4-EN11] Siemens Gamesa products and services use certain natural resources (water, fossil fuels and wind) to perform its activities, thereby interacting with, and potentially affecting, ecosystems, landscapes and species. This mainly happens across our operations and product life cycle, for example:

- When we establish new facilities
- When constructing our wind power plants.

[G4-EN12] Some impacts to biodiversity can include, for example:

- Potential land use changes by using vehicles and machinery to open up 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:

- Company policies and procedures under the integrated management system.
- Full compliance with permits granted by environmental and conservation authorities at each region, which set out requirements to ensure the local environment's protection.
- Setting environmental and control plans and implementing management systems, the majority of which have been certified according to the ISO 14001 standard to prevent and control environmental risks.
- Fulfilling legislation on conducting environmental impact studies, which include analysis and prevention mechanisms that take into account different alternatives and lay down corrective measures to avoid, mitigate or offset any possible damage.

As a general rule, protected areas and areas of high biodiversity value without protection are avoided during the design stage of new infrastructures.

[G4-EN14] 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.

The group 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.

Hence, 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 permanently monitored to take the necessary measures to avoid endangering them.

## 7.8 Environmental-related incidents and penalties

The environmental management system currently in place at Siemens Gamesa prevents accidental spills through technical control elements (spill trays, loading and unloading areas, storage of chemical products, protection of the rainwater network, etc.), along with management mechanisms.

Should spills happen, Siemens Gamesa is equipped with environmental anomaly detection, reporting and correction methods which are aimed at preventing this kind of events from being repeated.

There were no significant spills in the reporting period. Significant spills are construed as spills that cause damage to the facility's external surroundings-

However, a total of 165 small spills were recorded. Small spills are defined as spills with an actual consequence of moderate or lower corresponding to level 3 on a 1-5 scale. All of these were recorded, notified and corrected in accordance with internal management processes. It was not necessary to adopt any exceptional corrective measures. [G4-EN24]

Fines from penalties in the reporting period under review were not significant.

## 7.9 Product-related environmental information

### 7.9.1 Life Cycle Assessment

Siemens Gamesa performs Life Cycle Assessments (LCAs) in accordance to the ISO 14040 series of standards. This methodology analyzes the environmental impacts across the entire life cycle of the product and the processes associated to each life cycle stage.

SGRE uses the LCAs for various applications:

- Reporting to our interested stakeholders in the form of Type II and III Environmental Product Declarations (EPDs);
- Using the results from a reference model for drawing up future designs and redesigns.

By continuously increasing the number of LCAs and EPDs, we develop a comprehensive knowledge base about the environmental footprint from both 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.

### Lifecycle assessments and environmental product declarations as of 30 September 2017

	2017
# Full-scale LCAs	15
# Screening LCAs	1
# EPDs	13

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, SGRE was able to publish the following Environmental Declarations:

- Type II Environmental Declaration published for SG 8.0-167 DD
- Type III Environmental Declarations published for G126-2.625 MW and G132-3.465 MW

---

### 7.9.2 Recycling turbine materials

---

[G4-EN27]; [G4-EN28]; [G4-EN29] Siemens Gamesa started the fiscal year by closing the “GenVind” project, which legacy Siemens Wind Power had been actively participating in. GenVind was a Danish national consortium with the purpose to identify and develop new and existing strategies for sustainable recycling of plastics composites with environmental and economic benefits. The consortium involved a number of different industries and succeeded in demonstrating that composite waste can be used in secondary applications in the form of, among other things, raw materials and semi-finished products for the benefit of both the environment and industry. Examples range from furniture and skateboards to applications in building components and paint.

SGRE also began participating in the Horizon2020 project “FiberEUse”. Similar to GenVind, it aims to investigate the potential for large scale demonstrations for a new circular economy value-chains based on the reuse of fiber reinforced composites. The FiberEUse project aims at applying a holistic approach to different innovation actions aimed at enhancing 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 demonstrations:

- 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.

Participation in research consortiums such as these supports SGRE’s environmental, health and safety strategy particularly in relation to waste and resource efficiency. Increasing the recyclability of turbine components is high on our agenda and we continually participate in projects to support the development of a circular economy.

In order to advance in “circular economy” with the final target of achieving “Cradle to Cradle” solutions some of our facilities are fully or partially devoted to repair components and return them to operation (gearboxes, generators, electrical boards, and even blades).

---

## 8. GRI Content Index

### [G4-32] GENERAL STANDARD DISCLOSURES

	Page	Omissions	External Assurance	Description
<b>Strategy and Analysis</b>				
G4-1	2	-	✓	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.
G4-2	12	-	✓	Key impacts, risks and opportunities
<b>Organizational profile</b>				
G4-3	-	-	✓	Name of the organization
G4-4	8	-	✓	Primary brands, products and services
G4-5	6	-	✓	Headquarters
G4-6	6	-	✓	Countries where there are significant operations
G4-7	7	-	✓	Nature of ownership and legal form.
G4-8	8	-	✓	Markets served
G4-9	44	-	✓	Scale of the organization
G4-10	24	-	✓	Workforce
G4-11	44	Note 1	✓	Employees covered by collective bargaining agreements
G4-12	21	-	✓	Description of the supply chain
G4-13	7	-	✓	Significant changes during the year
G4-14	33	-	✓	Precautionary principle
G4-15	15	-	✓	Principles of initiatives subscribed or endorsed
G4-16	44	Note 2	✓	Membership in associations
<b>Material aspects and boundaries</b>				
G4-17	4	-	✓	Entities included in the consolidated financial statements and in the scope of the report
G4-18	13	-	✓	Determination of GRI content and application of its principles
G4-19	13	-	✓	Material aspects identified
G4-20	44	Note 2	✓	Boundary within the organization
G4-21	44	Note 2	✓	Boundary outside the organization
G4-22	4	-	✓	Restatements of information provided in previous reports
G4-23	4	-	✓	Significant changes in the report's scope and boundary
<b>Stakeholder engagement</b>				
G4-24	12	-	✓	Stakeholders engaged by the organization
G4-25	13	-	✓	Basis for the selection of stakeholders
G4-26	13	-	✓	Approach adopted to relations with stakeholder groups
G4-27	13	-	✓	Key topics and concerns raised through stakeholder engagement
<b>Report profile</b>				
G4-28	4	-	✓	Period covered by the report
G4-29	April 2017	-	✓	Date of last report
G4-30	Annual	-	✓	Reporting cycle of the report
G4-31	49	-	✓	Contact point for questions regarding the report
G4-32	40	-	✓	GRI Index regarding the "in accordance" option
G4-33	48	-	✓	External assurance of the report
<b>Governance</b>				
G4-34	16	-	✓	Governance structure
G4-35	17	-	✓	Delegation of authority by the highest governance body to senior management
G4-36	17	-	✓	Executive-level positions with responsibility for economic, environmental and social topics
G4-37	44	Note 3	✓	Processes for consultation between stakeholders and the Board of Directors
G4-38	16	-	✓	Composition of the highest governance body
G4-39	44	Note 4	✓	Report whether the chair of the highest governance body is also an executive officer and the reasons for this arrangement
G4-40	44	Note 5	✓	Nomination and selection processes for the highest governance body
G4-41	44	Note 6	✓	Processes for the highest governance body to ensure conflicts of interest are avoided
G4-42	12	-	✓	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
G4-43	44	Note 7	✓	Highest governance body's collective knowledge of economic, environmental and social
G4-44	44	Note 8	✓	Highest governance body's performance

	Page	Omissions	External Assurance	Description
<b>G4-45</b>	44	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
<b>G4-46</b>	44	Note 9	✓	Highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics
<b>G4-47</b>	44	Note 9	✓	Frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities
<b>G4-48</b>	4	-	✓	Highest committee or position that formally reviews and approves the sustainability report
<b>G4-49</b>	44	Note 3	✓	Process for communicating critical concerns to the highest governance body
<b>G4-50</b>	44	Note 10	✓	Critical concerns that were communicated to the highest governance body
<b>G4-51</b>	44	Note 11	✓	Remuneration policies for the highest governance body and senior executives, as well as how they relate to economic, environmental and social performance
<b>G4-52</b>	44	Note 11	✓	Process for determining the remuneration of the highest governance body and senior executives, reporting whether any independent consultants are involved
<b>G4-53</b>	44	Note 12	✓	Report how stakeholders' views and expectations are sought and taken into account regarding remuneration policies
<b>G4-54</b>	44	Note 13	✓	Relation among different levels of remuneration in the organization
<b>G4-55</b>	44	Note 13	✓	Increase in remuneration in the organization
<b>Ethics and integrity</b>				
<b>G4-56</b>	6	-	✓	Description of the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics
<b>G4-57</b>	18	-	✓	Internal and external mechanisms for seeking advice on ethical and lawful behavior
<b>G4-58</b>	20	-	✓	Internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity

#### SPECIFIC STANDARD DISCLOSURES

Material aspects	Indicators	Page	Omissions	External Assurance	Description
<b>Category: Economy</b>					
Economic performance	G4-EC1	8	-	✓	Direct economic value generated and distributed
	G4-EC2		Note 14	✓	Financial implications and other risks deriving from climate change
	G4-EC3	44	Note 2	✓	Coverage of the organization's defined benefit plan obligations
	G4-EC4	44	Note 15	✓	Financial assistance received from government agencies
Market Presence	G4-EC5	44	Note 13	✓	Ratio of standard entry level wage to local minimum wage
	G4-EC6	44	Note 2	✓	Percentage of locally-hired executives at significant locations of operation
Indirect economic impacts	G4-EC7	44	Note 2	✓	Development and impact of infrastructure investments and services provided
	G4-EC8	44	Note 2	✓	Significant indirect economic impacts, including the extent of impacts
Procurement practices	G4-EC9	44	Note 2	✓	Proportion of spending on local suppliers
<b>Category: Environment</b>					
Materials	G4-EN1	44	Note 2	✓	Materials used by weight and volume
	G4-EN2	44	Note 2	✓	Percentage of materials used that are recycled input materials.
Energy	G4-EN3	33	-	✓	Energy consumption within the organization
	G4-EN4	33	-	✓	Energy consumption outside the organization
	G4-EN5	33	-	✓	Energy intensity
	G4-EN6	34	-	✓	Reduction of energy consumption
	G4-EN7	34	-	✓	Reductions in energy requirements of products and services
Water	G4-EN8	36	-	✓	Total water withdrawal by source
	G4-EN9	37	-	✓	Water sources significantly affected by withdrawal of water
	G4-EN10	36	-	✓	Percentage and total volume of water recycled and reused
Biodiversity	G4-EN11	37	-	✓	Operational sites in protected areas and areas of high biodiversity value outside protected areas
	G4-EN12	37	-	✓	Impacts of activities, products, and services on biodiversity
	G4-EN13	44	Note 2	✓	Habitats protected or restored
	G4-EN14	38	-	✓	IUCN red list and national conservation list species with habitats in areas affected by operations



Material aspects	Indicators	Page	Omissions	External Assurance	Description
Emissions	G4-DMA	34	-	✓	Management approach
	G4-EN15	35	-	✓	Direct greenhouse gas (GHG) emissions (Scope 1)
	G4-EN16	35	-	✓	Energy indirect greenhouse gas (GHG) emissions (Scope 2)
	G4-EN17	44	Note 1	✓	Other indirect greenhouse gas (GHG) emissions (Scope 3)
	G4-EN18	35	-	✓	Greenhouse gas (GHG) emissions intensity
	G4-EN19	36	-	✓	Reduction of greenhouse gas (GHG) emissions
	G4-EN20	36	-	✓	Emissions of ozone-depleting substances (ODS)
	G4-EN21	44	Note 2	✓	NO <sub>x</sub> , SO <sub>x</sub> and other significant air emissions
Effluents and waste	G4-EN22	37	-	✓	Total water discharge by quality and destination
	G4-EN23	36	-	✓	Total weight of waste by type and disposal method
	G4-EN24	38	-	✓	Total number and volume of significant spills
	G4-EN25	44	Note 2	✓	Transported waste deemed hazardous
	G4-EN26	37	-	✓	Water bodies and related habitats significantly affected by the organization's discharges of water and runoff
Products and services	G4-EN27	39	-	✓	Extent of impact mitigation of environmental impacts of products services
	G4-EN28	39	-	✓	Products sold and their packaging materials that are reclaimed by category
Compliance	G4-EN29	44	Note 16	✓	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.
Transport	G4-EN30	44	Note 17	✓	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.
General	G4-EN31	44	Note 2	✓	Total environmental protection expenditures and investments
Supplier environmental assessment	G4-EN32		see G4-12	✓	Percentage of new suppliers that were screened using environmental criteria
	G4-EN33		see G4-12	✓	Significant actual and potential negative environmental impacts in the supply chain and actions taken
Environmental grievance mechanisms	G4-EN34	44	Note 18	✓	Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms

**Category: Social performance || Subcategory: Labor practices and decent work**

Employment	G4-LA1	24	-	✓	Total number and rates of new employee hires and employee turnover by age group, gender and region
	G4-LA2	25	-	✓	Benefits provided to full-time employees that are not provided to temporary or part-time employees
	G4-LA3	25	-	✓	Return to work and retention rates after parental leave, by gender
Labor/Management Relations	G4-LA4	26	-	✓	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements
Occupational health & safety	G4-LA5	28	-	✓	Percentage of total workforce represented in joint management-worker health and safety committees that help monitor and advice on occupational health and safety programs.
	G4-LA6	28	-	✓	Types and rates of injury, occupational diseases, lost days, and absenteeism, and work-related fatalities.
	G4-LA7	29	-	✓	Workers with high incidence or high risk of diseases related to their occupation
	G4-LA8	44	Note 2	✓	Health and safety topics covered in formal agreements with labor unions
Training and Education	G4-LA9	26	-	✓	Average hours of training per year per employee by gender, and by employee category
	G4-LA10	26	-	✓	Programs for skills management and lifelong learning that support the continued employability of employees and assist in managing career endings
	G4-LA11	44	Note 2	✓	Percentage of employees receiving regular performance and career development reviews
Diversity and equal opportunities	G4-LA12	26	-	✓	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity
Equal Remuneration for Women and Men	G4-LA13	44	Note 19	✓	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation
Supplier Assessment for Labor Practices	G4-LA14		see G4-12	✓	Percentage of new suppliers that were screened using labor practices criteria
	G4-LA15		see G4-12	✓	Significant actual and potential negative impacts for labor practices in the supply chain
Labor Practices Grievance Mechanisms	G4-LA16	44	Note 2	✓	Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms

Material aspects	Indicators	Page	Omissions	External Assurance	Description
<b>Category: Social performance    Subcategory: Human Rights</b>					
Investment	G4-HR1		Note 20	✓	Investment agreements and contracts that include human rights clauses
	G4-HR2	44	Note 2	✓	Employee training on human rights
Non-Discrimination	G4-HR3		Section 3.2	✓	Total number of incidents of discrimination and corrective actions taken
Freedom of Association and Collective Bargaining	G4-HR4	26	-	✓	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk
Child labor	G4-HR5	44	Note 2	✓	Operations/suppliers identified having significant risk for incidents of child labor
Forced/ Compulsory Labor	G4-HR6	44	Note 2	✓	Operations and suppliers identified as having significant risk for incidents of forced labor
Security Practices	G4-HR7	44	Note 2	✓	Percentage of security personnel trained in the organization's human rights policies
Indigenous Rights	G4-HR8	44	Note 2	✓	Total number of incidents of violations involving rights of indigenous people
Assessment	G4-HR9		-	✓	Total number and percentage of operations that have been subject to human rights reviews or impact assessments
Supplier Human Rights Assessment	G4-HR10	44	Note 1	✓	Operations that have been subject to human rights impact assessments
	G4-HR11		see G4-12	✓	Human rights impacts in the supply chain
Human Rights Grievance Mechanisms	G4-HR12		Section 3.2	✓	Operations that have been subject to human rights impact assessments

Material aspects	Indicators	Page	Omissions	External Assurance	Description
<b>Category: Social performance    Subcategory: Society</b>					
Local Communities	G4-SO1	30	-	✓	Local community engagement, impact assessments, development programs
	G4-SO2	44	Note 1	✓	Significant actual or potential negative impacts on local communities
Anti-corruption	G4-SO3		Section 3.2	✓	Operations assessed for risks related to corruption
	G4-SO4		-	✓	Communication and training on anti-corruption policies and procedures
	G4-SO5		-	✓	Confirmed incidents of corruption and actions taken
Public Policy	G4-SO6		-	✓	Total value of political contributions by country and recipient/beneficiary
Anti-Competitive Behavior	G4-SO7		-	✓	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices
Compliance	G4-SO8		-	✓	Significant fines and non-monetary sanctions
Supplier Assessment for Impacts on Society	G4-SO9		see G4-12	✓	Suppliers screened using criteria for impacts on society
	G4-SO10		-	✓	Impacts on society in the supply chain
Grievance Mechanisms for Impacts on Society	G4-SO11		-	✓	Grievances about impacts on society

<b>Category: Social performance    Subcategory: Product responsibility</b>					
Customer Health & Safety	G4-PR1	29	-	✓	Products/services categories for which health & safety impacts are assessed
	G4-PR2	44	Note 18	✓	Incidents of non-compliance with regulations or codes concerning health and safety impacts
Product and Service Labeling	G4-PR3	44	Note 21	✓	Product, service information required by organization's procedures and by law
	G4-PR4	44	Note 18	✓	Incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling
	G4-PR5	44	Note 2	✓	Results of surveys measuring customer satisfaction
Marketing Communications	G4-PR6	44	Note 22	✓	Sale of banned or disputed products
	G4-PR7	44	Note 18	✓	Incidents of non-compliance with regulations and voluntary codes concerning marketing communications
Customer Privacy	G4-PR8	44	Note 18	✓	Substantiated complaints regarding breaches of customer privacy and losses of customer data
Compliance	G4-PR9	44	Note 16	✓	Significant fines for non-compliance with laws and regulations

---

## Notes included into the GRI index

---

**[Note 1]:** Due to the merger of the Siemens wind power business with Gamesa Corporación Tecnológica, S.A. being completed on April 3, 2017; this information is not aggregated in a timely manner for the reporting period. [\[G4-9\]](#)

**[Note 2]:** It is not possible to report consolidated data for the new Group at the end of the reporting period. The company is working on both the management processes and systems level to provide this data in future reporting cycles.

**[Note 3]:** The Shareholders' General Meeting Regulations, establish the rules: (a) of constitution and operation of the Shareholders' General Meeting 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 on a daily basis and responds to any queries they may raise. The aforementioned office is coordinated by the Investor Relations Department. Shareholders can ask questions by telephone, mail or e-mail. The various addresses and numbers are posted on the company's website.

**[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 2017 [\[Link\]](#).

**[Note 6]:** Section D.6 of the Annual Corporate Governance 2017 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. [\[Link\]](#).

**[Note 7]:** Indicated in the Regulations of the Board of Directors [\[Link\]](#)

**[Note 8]:** Indicated in Section C.1.20 and C.1.20 bis of the Annual Corporate Governance Report 2017 [\[Link\]](#)

**[Note 9]:** Indicated in Section E of the Annual Corporate Governance Report 2017 [\[Link\]](#), especially Section E.2, which describes the group's levels of protection and defense to face and manage risks.

**[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 Financial Statements for the nine month period ended September 30, 2017*, items 31 and 32 [\[Link\]](#). Also refer to the *Annual Report on remuneration of the members of the Board of Directors 2017* for quantitative and qualitative details [\[Link\]](#).

**[Note 12]:** The Annual Director Remuneration Report is submitted to consultative vote on an annual basis within the company's General Shareholders' Meeting. 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. Said report was approved with 95.62% of the votes in favor, 3.74% votes against and 0.64% abstentions at the company's General Shareholders' Meeting held on June 20, 2017. Additionally, The Board of Directors in accordance with Articles 529 sexdecies to 529 novodecies of the Spanish Capital Companies Act, 45 of the Bylaws and 29 of the Regulations of the Board of Directors, drafted a directors' remuneration policy for approval by the General Shareholders' Meeting of the Company. Said report was approved with 95.83% of the votes in favor, 2.90% votes against and 1.27% abstentions at the company's General Shareholders' Meeting held on June 20, 2017. [\[Link\]](#)

**[Note 13]:** At the time of reporting, it was not possible to aggregate the information relating to compensation or annual increases due to the recent merger of the new Group. Although specific compensation related data is confidential we'll make an overarching approach in the following reporting periods. As a general rule 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 Code of Conduct.

**[Note 14]:** Although a strategic analysis of climate change risks has been carried out, a complete analysis of financial risks at Group level could not be carried out during the reporting period.

**[Note 15]:** Additional information can be accessed at Siemens Gamesa Renewable Energy S.A. and Subsidiaries *Consolidated Financial Statements for the nine month period ended September 30, 2017*. [\[Link\]](#)

**[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.

**[Note 19]:** Siemens Gamesa pursues the principle of performance-related compensation – regardless of gender. Remuneration data is regarded as confidential and is therefore not reported during this reporting period.

**[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.

**[Note 22]:** The products and services sold by Siemens Gamesa are not banned in any of the markets in which it operates.

## 9. United Nations Global Compact

Siemens Gamesa has endorsed, ratified and committed to upholding the United Nations Global Compact's ten principles. 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 fiscal year against these principles readers can refer to our Sustainability report 2017, our online Communication on Progress at the UN Global Compact webpage <sup>27</sup> and to the following report index.

<b>Human Rights</b>	<p><b>Principle 1:</b> Business should support and respect the protection of internationally proclaimed human rights within their area of influence</p> <p><b>Principle 2:</b> Business should make sure that they are not complicit in human rights abuses.</p>	<b>Labor</b>	<p><b>Principle 3:</b> Business should uphold the freedom of association and the effective recognition of the right to collective bargaining.</p> <p><b>Principle 4:</b> Business should uphold the elimination of all forms of forced and compulsory labor.</p> <p><b>Principle 5:</b> Business should uphold the effective abolition of child labor.</p> <p><b>Principle 6:</b> Business should uphold the elimination of discrimination in respect of employment and occupation.</p>	<b>Environment</b>	<p><b>Principle 7:</b> Business should support a precautionary approach to environmental challenges.</p> <p><b>Principle 8:</b> Business should undertake initiatives to promote greater environmental responsibility.</p> <p><b>Principle 9:</b> Business should encourage the development and diffusion of environmentally friendly technologies.</p>	<b>Anti-corruption</b>	<p><b>Principle 10:</b> Business should work against corruption in all its forms, including extortion and bribery.</p>
---------------------	--	--------------	---	--------------------	---	------------------------	--



<sup>27</sup> See UN Global Compact webpage: <https://www.unglobalcompact.org/what-is-gc/participants/4098>

**Index according to the ten principles of the United Nations Global Compact**

Principle	Policies and systems implemented	Significant progress made
Principle 1	<ul style="list-style-type: none"> <li>Support and respect for human rights. Adoption of a Corporate Social Responsibility Policy. ⇒Section Compliance (p.18)</li> </ul>	<ul style="list-style-type: none"> <li>The company has a formal Corporate Social Responsibility Policy since 2008, 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 2015-2017 Corporate Social Responsibility Master Plan was being drawn up and completed during the period. ⇒(p. 14)</li> </ul>
Principle 2	<ul style="list-style-type: none"> <li>Support and respect for human rights. Adoption of Code of Conduct's values. ⇒ Section Compliance (p.18)</li> </ul>	<ul style="list-style-type: none"> <li>The number of training hours raised to 286,812 in the 6 months period of the merged company</li> </ul>
Principle 3	<ul style="list-style-type: none"> <li>Commitment to human rights, the fight against child labor and forced labor. ⇒"Section Human Rights (p. 19)</li> </ul>	<ul style="list-style-type: none"> <li>Implementation of the Occupational Health and Safety Plan through 61 full audits ⇒Section"Occupational Health and Safety" (p.27)</li> </ul>
Principle 4	<ul style="list-style-type: none"> <li>Economic, social and environmental performance supervision mechanisms established. ⇒Note 7 - Indicator G4-43 (p. 44).</li> </ul>	<ul style="list-style-type: none"> <li>Supply base of more over 18,000 suppliers and procurement volume exceeding €7.8 billion create jobs and local wealth.</li> </ul>
Principle 5	<ul style="list-style-type: none"> <li>Priority given to occupational health and safety of employees. ⇒"Occupational health and safety" (p.27)</li> <li>Justice and equity. Employees treated with respect and remunerated in a fair and equitable way. ⇒"Diversity and equal opportunities" section (p.26 and the following)</li> <li>Labor conditions are given priority in talent management and appropriate training given to people. ⇒"Training and education" section (p.26)</li> <li>Responsible management of the global supply chain. ⇒Section G4-12 (p.21 and the following)</li> <li>Protection and defense of human rights in the communities where Siemens Gamesa has a presence. ⇒Section "Community" (p.30)</li> <li>Defense of the freedom of association and collective bargaining. ⇒"Labor Relations" (p.26)</li> </ul>	<ul style="list-style-type: none"> <li>Human rights compliance processes in the supply chain. ⇒Section G4-12 (p.21 and the following)</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 Community G4-SO2 (p.30)</li> <li>Commitment made to workers to defend human and labor rights by means of a Global Collective Agreement. See "Labor Relations" section (p.26)</li> <li>Undertakings in equality and diversity matters. ⇒"Equality and Diversity" section (p.26)</li> </ul>
Principle 6	<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>In 2010, we 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 Section 3.3 of the Code of Conduct . ⇒Diversity section (p. 26 and the following)</li> </ul>	<ul style="list-style-type: none"> <li>In the year under review, women accounted for 17.92 % of our total workforce. (4,540.91 female full time employees).</li> <li>In fiscal 2017 women hired amounted 18.35 % of all new hires.</li> <li>The proportion of female employees in management positions at Siemens Gamesa is placed now at 10 %.</li> <li>The average number of people employed in Spain who reported to Siemens Gamesa Group a disability equal or greater than 33% was 18</li> <li>The age structure in fiscal year is mostly represented by employees less than 35 years (41.90%), followed by employees 35-44y (33.94%); employees 45-54y (17.92%); employees 55-60y (4.39%) and finally employees &gt;60y (1.85%)</li> <li>See⇒"Diversity" section (p. 26and the following)</li> <li>See section 5.1.2 "Age structure"</li> </ul>




**Index according to the ten principles of the United Nations Global Compact**

Principle	Policies and systems implemented	Significant progress made
<b>Principle 7</b>	<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 Environmental protection (p. 32 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). Greenhouse gas emissions verified according to ISO 14064 –legacy Gamesa sites.</li> <li>ISO 14.001 certified product. Ecodesign ISO 14006 certification for G128-4.5 MW turbine. Ecodesign ISO 14006 certification for G114-2.0 MW turbine</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) obtained for G126-2.625 MW and G132-3.465 MW turbines ⇒Section "Life Cycle Assessments" (p. 39)</li> </ul>
<b>Principle 8</b>	<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 ecodesign project.</li> </ul>	<ul style="list-style-type: none"> <li>Research and development expenses not capitalized during the reporting period amounted to EUR 89.78 million.</li> <li>Patents granted at the end of the reporting period: 3,138. New patents first filing: 63.</li> <li>⇒ "Life Cycle Assessments" section (p.39)</li> </ul>
<b>Principle 9</b>	<ul style="list-style-type: none"> <li>Siemens Gamesa employs and distributes clean energy. It is committed to environmentally exceptional technologies which allow the use of finite resources to be reduced and existing resources to be used more efficiently. ⇒Section G4-2 (p.12) and G4-4 (p. 8)</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>An environmental portfolio amounting to 82 GW installed for our customers which avoid the emission into the atmosphere of 210 million tons of CO<sub>2</sub> a year. ⇒Section G4-2 (p.12)</li> <li>Section 7.4.9 of this report (p.36)</li> </ul>
<b>Principle 10</b>	<ul style="list-style-type: none"> <li>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.</li> <li>Siemens Gamesa Code of Conduct provides 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.</li> </ul>	<ul style="list-style-type: none"> <li>The Company continuously develops its Compliance System further in order to adapt it to changing requirements according to our global business. During 2017 Siemens Gamesa has gone through a merge process that has affected all departments. ⇒Section "Compliance" (p.18)</li> <li>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 G4-58 (p. 20)</li> </ul>



## 10. Independent auditor's limited assurance report

[G4-33]



**EY**  
Building a better  
working world

Ernst & Young, S.L.  
C/ Raimundo Fernández Villaverde, 65  
28003 Madrid

Tel: 915 727 200  
Fax: 915 727 238  
ey.com

**INDEPENDENT REVIEW REPORT OF SIEMENS GAMESA RENEWABLE ENERGY, S.A.'S 2017 CORPORATE RESPONSIBILITY REPORT**

To the Board of Directors of Siemens SGRE Renewable Energy, S.A.

**Scope of the work**

As commissioned by the Board of Directors of Siemens SGRE Renewable Energy, S.A. (hereinafter, SGRE), we have carried out the review of the sustainability information included in the SGRE's 2017 Corporate Responsibility Report attached (hereinafter, the Report) and in the GRI G4 content index included as an Annex I. This Report was prepared in accordance with the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines, version 4 (G4).

The boundary determined by SGRE for the preparation of the Report is included in section 1.1 "About this report" of the attached Report.

The preparation of the sustainability information, as well as its content, is the responsibility of the management bodies of SGRE. They are also responsible for defining, adapting, and maintaining the management and internal control systems from which the information is obtained. Our responsibility is to issue an independent report based on the procedures applied in our review.

**Criteria**

Our review was carried out based on:

- The Guidelines for reviewing Corporate Responsibility Reports, issued by the Instituto de Censores Jurados de Cuentas de España (ICJCE), and
- Standard ISAE 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standard Board (IAASB) of the International Federation of Accountants (IFAC), with a limited scope of assurance.

**Applied procedures**

Our review consisted in performing inquiries to the management bodies as well as the various business units that have participated in the preparation of the Report, and in applying analytical procedures and sampling review tests as described below:

- Interviews with those in charge of the preparation of the sustainability information in order to understand how sustainability goals and policies are considered, implemented and integrated into SGRE's overall strategy.
- Analysis of the processes for collecting and validating the sustainability information contained in the attached Report.
- Verification of the processes that SGRE has in place to define the material aspects, as well as the participation of stakeholders on those.

- Analysis of the adaptation of the structure and content of the sustainability information as indicated in the GRI G4 Guidelines.
- Test, on a sample basis, of the quantitative and qualitative information of the indicators included in the GRI G4 content index, incorporated as an Annex I in the Report, as well as its adequate compilation from data supplied by information sources. The review tests have been defined in order to provide assurance levels as described before.
- Checking that the financial information included in the Report has been audited by independent third parties.

These procedures have been applied on the sustainability information included in the Report and in the GRI G4 content index included in chapter 8, with the scope defined before.

The scope of this review is considerably lower than a reasonable assurance report. Therefore, the degree of assurance is also less extensive.

This report in no case should be considered an audit report.

**Independence and quality control**

We have met the independence requirements and other ethical requirements of the Code of Ethics for Accounting Practitioners issued by the International Ethics Standards Board for Accountants (IESBA).

Our firm applies the International Quality Control Standard 1 (NICC 1) and maintains, therefore, a global quality control system that includes documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory provisions.

**Conclusions**

As a result of our review, we conclude that no matter came to our attention that would indicate that the sustainability information included in the Report has not been prepared, in all material respects, in accordance with the Global Reporting Initiative Sustainability Reporting Guidelines GRI G4, which includes the reliability of the data, the adequacy of the information presented and the absence of significant deviations and omissions, having reviewed the GRI G4 Content Index included in chapter 8.

This report has been prepared solely according to SGRE's interest, in accordance with the terms set out in our engagement letter.

ERNST & YOUNG, S.L.

(Free translation from the Original Report on Independent Review in Spanish dated April 12<sup>th</sup>, 2017. In case of any discrepancy, the Spanish version always prevails.)

---

## Contact

---

[G4-31] For any general question concerning the report, please contact:

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

Sustainability Department  
Parque Tecnológico de Bizkaia, Edificio 222  
48170 Zamudio, Vizcaya, Spain  
Tel No.: 902.73.49.49  
e-mail: sostenibilidad@gamesacorp.com

Este documento completo se encuentra disponible en formato electrónico exclusivamente, en inglés y español, en el sitio web corporativo de Siemens Gamesa ([www.siemensgamesa.com](http://www.siemensgamesa.com)).

©2018

Siemens Gamesa Renewable Energy, S.A.  
Parque Tecnológico de Bizkaia. Edificio 222  
48170 Zamudio, Vizcaya  
Spain



[www.siemensgamesa.com](http://www.siemensgamesa.com)

Notice to readers: This a free translation of the original document published in Spanish language "*Informe de Sostenibilidad 2017*" publicly released throughout Siemens Gamesa website. In case of discrepancy on any of the contents, the Spanish version shall always prevail.